

Building a Happiness Network

2007 Sustainability Report

Building a Happiness Network

It started out with a single invisible line.

That line extended and spread.

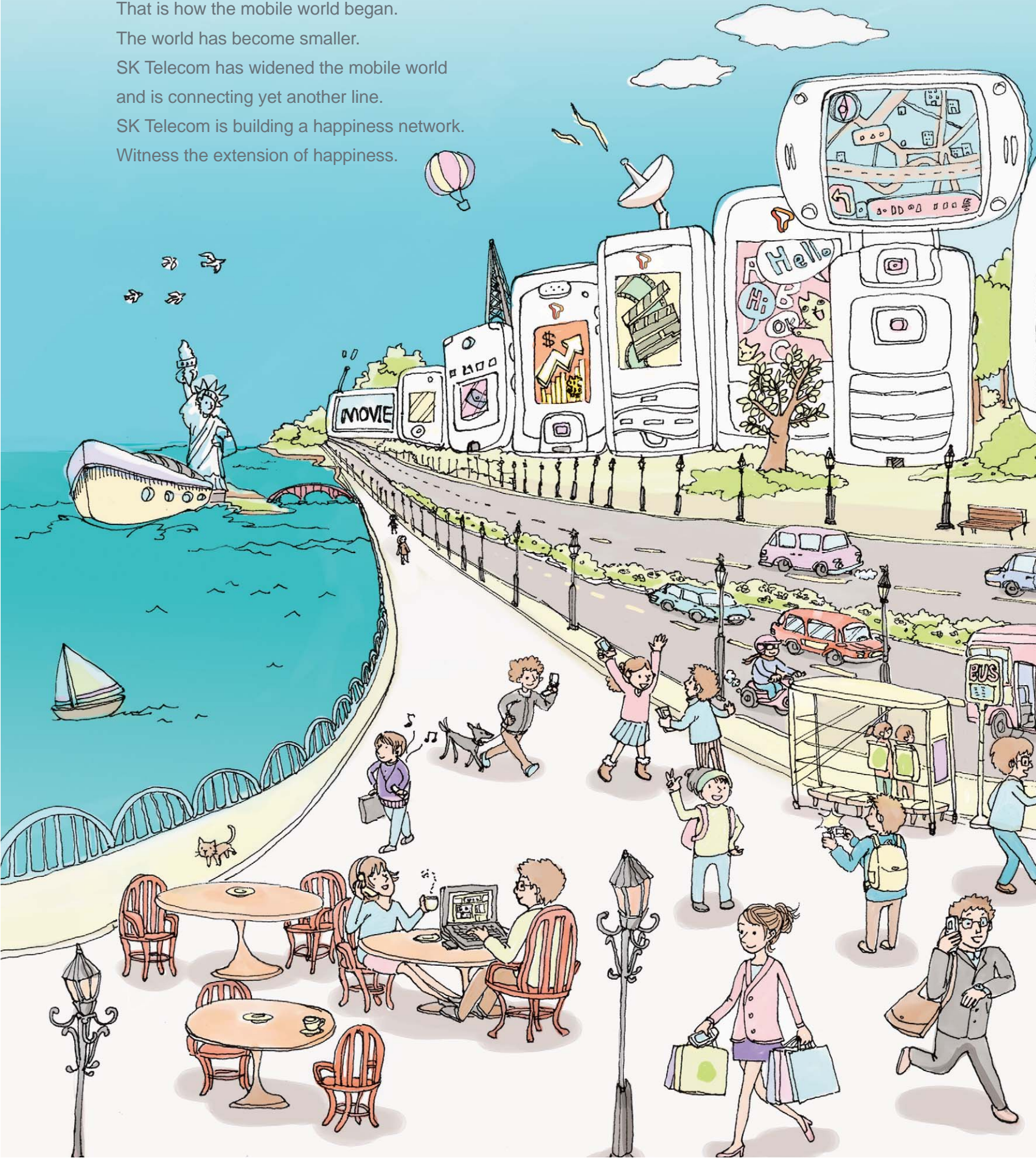
That is how the mobile world began.

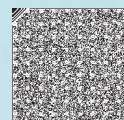
The world has become smaller.

SK Telecom has widened the mobile world
and is connecting yet another line.

SK Telecom is building a happiness network.

Witness the extension of happiness.





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■ Index Numbers: We mentioned the indicator names with corresponding the GRI index number. For all others, we used unique numbers starting with "SK."

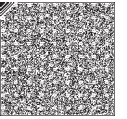
■ Additional Information: We included the website addresses related to the contents of this report.



Voiceeye: For the benefit of the visually impaired, we converted text data to voice data and inserted voice icons on the top right hand corner of each page.



SK's "wings of happiness" symbolize its commitment to create a happy world through the pursuit of happiness for stakeholders. Flying to new heights is possible when both wings achieve balance and harmony. In much the same way, sustainable development will become reality when there is mutual happiness between a company and its customers, a company and its shareholders, management and employees, and a company and its business partners.



About this report

This is SK Telecom's second sustainability report and the first COP (Communication on Progress) published since we joined the UN Global Compact. Our first sustainability report was issued in October 2006.

The 2007 Sustainability Report includes performance data from the period beginning January 1, 2007, and ending December 31, 2007 (fiscal year 2007). However, it also covers the second half of 2006 which was not covered in the previous report. With major performance indicators, we included data from the past three to four years. The scope of the report is the domestic operations of SK Telecom which account for a high proportion of our total revenues and personnel.

This report draws on the G3 Reporting Guidelines set out by the GRI (Global Reporting Initiative). By faithfully reporting on the Performance Indicators and Profile Disclosures, in addition to Materiality Assessment, we aimed to provide more useful information to stakeholders. Our reporting also received external assurance for greater credibility. The result of the third-party assurance can be found in the assurance report attached to this report.

Contact Information

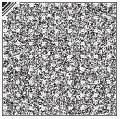
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“

With cutting edge services, SK Telecom is working to enhance quality of life for people everywhere and create a happy and abundant world.

”



Dear Stakeholders,

SK Telecom is contributing to enhancing quality of life and creating a richer and happier world by facilitating communication between people.

We strive to increase happiness for all our stakeholders by practicing sustainability management.

Just as we understand that SK's wings of happiness will take us to new heights when they achieve balance and harmony, we believe that mutual cooperation with our customers, employees, shareholders and business partners is essential for balanced growth. We are convinced that growth is only possible when corporations and communities work together hand in hand. As part of our drive to deliver happiness to our customers, we have a firm commitment to enhancing corporate governance, upholding high ethical standards, promoting win-win partnerships, protecting the environment, and fulfilling our social responsibilities.

Being a good corporate citizen means interacting with the environment and society in a responsible manner in all facets of our operation. With that in mind, we published our first sustainability report in October 2006 and joined the UN Global Compact in May 2007. Now we are issuing our second sustainability report. For this report, we adopted the materiality assessment to identify issues of major significance to SK Telecom and our stakeholders. These include the inclusive information society, customer care, innovative workplace, green ICT, business integrity, and corporate philanthropy. SK Telecom will continue to engage with stakeholders to satisfy their needs and address the various challenges facing society.

We are fully prepared to embrace the challenges 2008 brings upon us.

We are extending our reach beyond Korea and taking our services to the global markets to better the lives of people in all corners of the world. The support and trust of our stakeholders will be invaluable as we continue with our efforts to become a company respected and admired by all people across the globe.

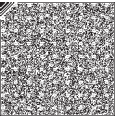
Shin Bae Kim
President and CEO



We found
happiness

We aim at being a global leader





Sustainability at SK Telecom

Rapid advances in technology are accelerating convergence, and competition is intensifying in the global marketplace. Moreover, businesses have to meet evolving customer needs and society's expectations on corporate roles and responsibilities. SK Telecom practices sustainability management based on SK's philosophy of maximizing value for stakeholders.

Root of Sustainability Management - SKMS (SK Management System)

As we celebrated our 20th anniversary in 2004, we unveiled our "new value management" strategy to prepare for next 20 years. In drawing up this strategy, we made a thorough review of corporate role and responsibilities, value creation, and all other aspects of management approach towards customers, employees, shareholders and society. Along with the "new value management" strategy, SKMS serves as the foundation of our sustainability management. SKMS is SK Group's underlying management philosophy introduced in 1979. We reaffirmed our commitment to sustainability management in March 2008 as we reflected SKMS in our articles of incorporation.

 SK Telecom website, "Management Philosophy" <http://www.sktelecom.com/eng/>

Customer Happiness and Sustainability Management

SK Telecom encourages customer participation at every step, from planning to distribution, to deliver services that customers truly need. As a company that serves more than half the Korean population, SK Telecom is striving to ensure happiness for current and potential customers. The pursuit of customer happiness holds the key to sustainability management at SK Telecom.



Global Convergence Innovator, SK Telecom

The mobile telecom market in Korea is saturated with the number of subscribers standing at 43.5 million (penetration rate of 89.8% relative to the total population) as of the end of 2007. SK Telecom is the nation's leading mobile communications company. Through continuous innovation, we have spearheaded advances in CDMA service not only in Korea but throughout the world and in the process played a key role in shaping Korea into a global IT powerhouse. We continue to lead the mobile evolution with cutting edge convergence services that break down the walls between different sectors such as mobile commerce, telematics, satellite DMB and digital home service.

Brand T

Launched in July 2006, brand T aspires to go beyond technological leadership and appeal to customers' senses and forge a new culture. Brand T represents our resolve to add new value to our customers' lives by offering new and unique products.



The year 2008 saw the birth of the new logo for T, Dream Ribbon. The two ribbons that conjure up an image of the Möbius strip symbolize two-way communication and infinite potential. The logo is a representation of SK Telecom's aspiration of being one with customers, realizing a reliable brand, and delivering consistent service quality. It is a portrait of a company coexisting and communicating seamlessly with its customers.

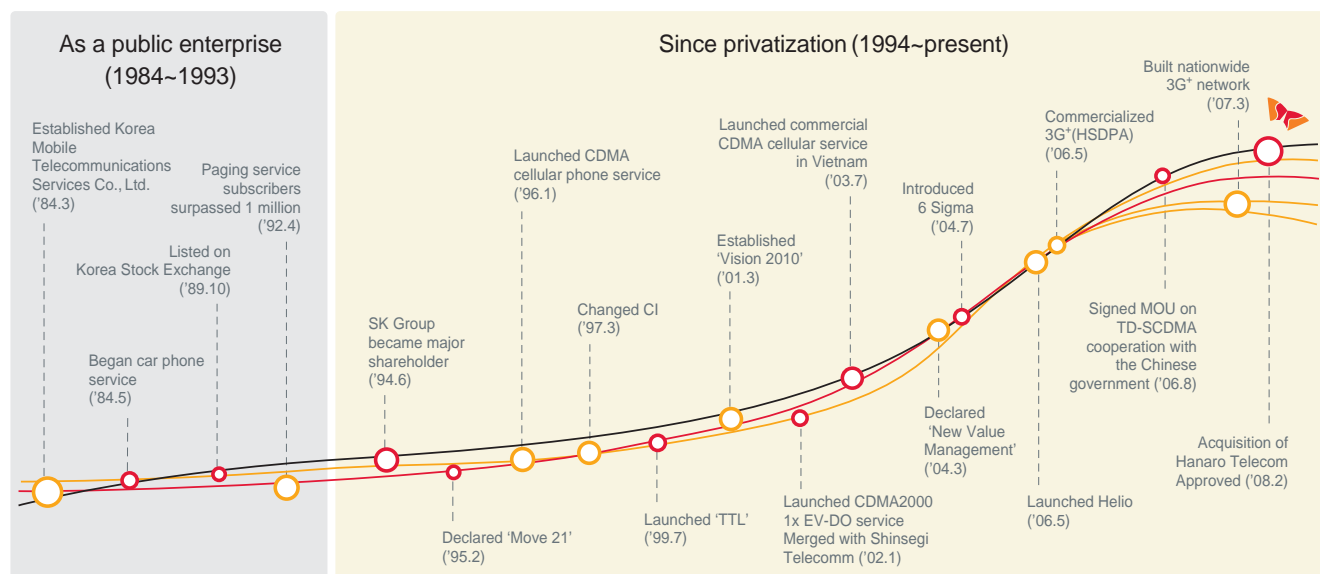
Overseas Business

We launched our CDMA service in Vietnam in 2003 in conjunction with Saigon Postel, the nation's second largest mobile telecom operator, after receiving approval from the local authorities in 2001. In China, we began with technical consulting under a CDMA cooperation agreement with China Unicom in 2001. At present, SK Telecom is participating in the Board of Directors of China Unicom as its second largest shareholder. Over in the US, we set up Helio, a joint venture with the US Internet service provider EarthLink. Services were launched under the Helio brand in May 2006.

Major Overseas Investments (as of the end 2007)

Country	Company Name	Ownership (%)	Major Brand	Remark
Vietnam	SKT Vietnam	73.3	S-Fone	Established in April 2000 Subscribers reached 3.5 million in 2007
USA	Helio	64.9	Helio	Launched MVNO (Mobile Virtual Network Operator) service in May 2006 Launched Ocean Phone in 2007
China	China Unicom	6.6	-	Acquired equity stake in 2007 Planning to launch various convergence businesses

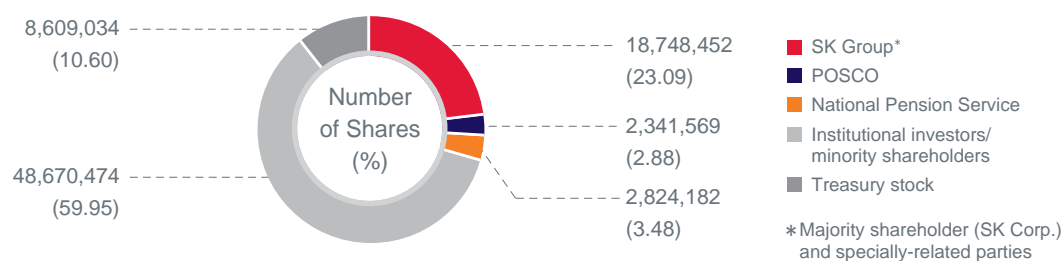
Company Profile



Key Operating Performance

Category	Unit	1984	1994	2004	2005	2006	2007
Number of Subscribers	Thousand	3	960	18,783	19,530	20,271	21,968
Operating Revenue	KRW billion	0.4	783	9,703	10,161	10,651	11,286
Market Share	%	100	100	51.3	50.9	50.4	50.5

Share Ownership



Major Affiliates in Korea (as of the end 2007)

Company Name	Stake (%)	Major Business Area	Book Value (KRW thousand)
SK Telink	90.8	International/Long-distance calls	97,136,429
SK Communications	64.8	On-line portal	160,025,349
TU Media	32.7	Satellite DMB service	5,527,008
SK C&C	30.0	IT consulting service	1,037,604,000

Creation and Distribution of Economic Value

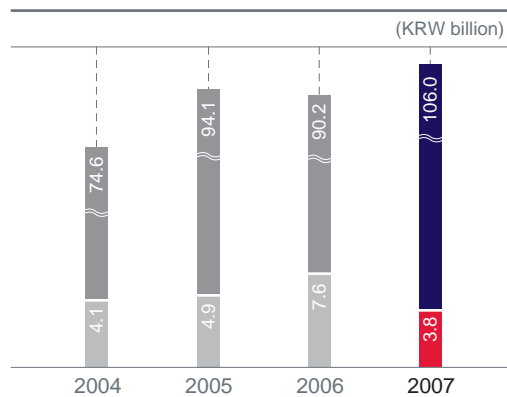
Economic Performance

(KRW thousand)

	2005	2006	2007
Operating revenue	10,161,128,637	10,650,952,431	11,285,900,130
Operating expenses	7,507,559,130	8,066,582,847	9,114,357,241
Salaries and wages	342,761,120	358,225,595	379,537,717
Provision for retirement and severance benefits	37,622,226	37,921,155	30,346,097
Welfare	56,514,211	55,734,927	86,343,003
Education and training	29,430,652	36,273,953	39,994,401
Taxes and dues	55,687,220	91,902,424	32,557,444
Research and development	204,698,223	211,751,884	214,795,262
Frequency usage	156,097,850	158,958,132	164,071,959
Operating income	2,653,569,507	2,584,369,584	2,171,542,889
Other income	409,793,044	311,100,477	851,414,147
Other expenses	508,749,205	873,827,071	715,171,565
Interest and discounts	252,463,623	237,534,542	215,856,126
External research and development costs	68,525,662	66,055,467	73,724,601
Donations	75,982,647	103,002,014	72,470,536
Contribution to employee welfare fund within donations	23,800,000	42,000,000	20,000,000
Income before income taxes	2,554,613,346	2,021,642,990	2,307,785,471
Provision for income taxes	683,233,256	575,045,052	665,334,153
Net income	1,871,380,090	1,446,597,938	1,642,451,318
Dividends ¹⁾	662,528,664	582,358,870	682,378,746

1) Stock buyback and retirement amounting to KRW 209.1 billion in 2006

Financial Assistance from Government



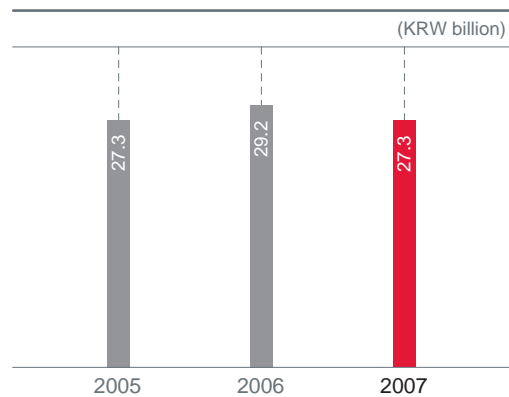
■ Investment / Research & development grants¹⁾

■ Tax relief/Credits²⁾

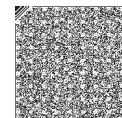
1) Research fees, project fees, subsidies, etc. related to national R&D projects

2) Temporary investment tax credit, tax deduction for investment in R&D and human resource development (HRD), tax deduction for investment to enhance productivity

Contribution to Universal Services



※ Government regulations stipulate that telecommunications service providers contribute to providing universal telecommunications services, such as services for remote islands and wireless services for ships. The 2007 figure is an estimate. For other payments made to the government, refer to provisions for income taxes, taxes and dues, external research and development costs, and frequency usage in the table titled Economic Performance.



Constant support from customers, the dedication and hard work of employees, and encouragement from shareholders and business partners played a vital role in powering SK Telecom's growth over the years. Our vision is to create SK Telecom into the world's most admired company through the pursuit of sustainable business practices.

Sustainability Management(SM) Framework

SK Telecom has taken various measures aimed at enhancing value for customers, employees and shareholders and building trust with business partners, governments and regional communities. The Ethics Management Group, which is responsible for incorporating sustainability into business practices, appoints ethics management agents in 55 departments throughout the company. It operates task forces and working groups to boost synergies between related departments. Sustainability issues that have significant implications to our business, such as joining the UN Global Compact, are subject to review and resolution by the SK Telecom Board of Directors. We plan to set up senior-level channels for closer inter-departmental cooperation to effectively respond to demands for greater accountability and changes in the operating environment.

Stakeholder Engagement

We conduct regular surveys to measure the satisfaction levels of participants and beneficiaries of social contribution programs, in addition to our customers and employees. The surveys are used to make continuous improvements. We plan to add a regular survey targeting business partners in 2008. In preparation, we developed the survey index and carried out a preliminary assessment in 2007. In addition, the Social Contribution Advisory Group identifies local and international trends in corporate social responsibility and the needs of our communities. Comprised of related outside experts, the group was set up to ensure effective implementation of our social contribution activities.

We devoted substantial time and effort to step up our external communication activities in 2007. We took part in presentations and debates to gather stakeholders' feedback on our sustainability management and identify areas for improvement. A survey was also conducted targeting 210 opinion leaders and 500 persons of the general public to determine the prerequisites to becoming the world's most admired company. In 2008, we plan to renew the company website and set up a new global-level consultative body to gather stakeholders' opinions on sustainability management on a regular basis and to more effectively incorporate their views in how we conduct our business.

Communication Activities by Stakeholder Group

Stakeholder Group	Communication Channel (year round/periodic intervals)
Customers & Potential Customers	Customer Counseling Center, T Roaming Blog*, T World 2.0*, etc.
Employees	Ethics Helpline, T-Café*, My Counselor*, HR Forum, etc.
Shareholders (Investors) & Analysts	Quarterly earnings conference (IR meeting), invitational seminars, etc.
Business Partners	Partner satisfaction survey, one-on-one meeting, BR camp, with SK*, PartnerOn*, etc.
- Dealers	Outstanding dealer policy presentation, monthly publication, etc.
- Handset Manufacturers	Quality assurance meeting, etc.
- Operation & Maintenance Companies	Meeting with business partners, presentation of outstanding quality improvement cases, technical support workshop, PNET*, etc.
- Network Construction Companies	Investment conference, CEO meeting, progress review meetings, etc.
Local Governments & Government Agencies	Happy Meal-local govt. conference, Win-win partnership executive council, regional telecommunications council, base station-sharing workshop, etc.

* Online channel which is open year-round (T-Café is available on the intranet), Available only in Korea

• T Roaming Blog <http://troaming.tistory.com/> • T World 2.0 <http://www.tworld.co.kr/>
 • My Counselor <http://www.maumsarang.or.kr/sk/> • withSK <http://www.withsk.com/>
 • PartnerOn <http://partneron.sktelecom.com/>

Business Case in Sustainability

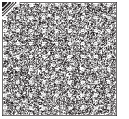
SK Telecom regards sustainability management as a way of fulfilling its roles and responsibilities as a leader in the Korean mobile communications market. Sustainability management will contribute to enhancing long-term performance by promoting sound business practices, strengthening the ability to cope with rapid changes in the environment, and gaining trust from stakeholders. In addition, it will surely help lower funding costs, attract investment and raise shareholder value, given the expansion of socially responsible investing. With the goal of becoming the world's most admired company, we plan to extend our innovative services, social contribution and ethical management activities across the entire globe.

Highlights of Sustainability Management at SK Telecom in 2007 (Page of the Report)

Launched a "Mobile Phone Usage Education" program for the elderly	14
Continued to provide solutions and services for enhancing social benefits	13
Introduced payment plans specially designed for users with hearing or speech disability	14
Launched Open Collaboration System	15
Opened IT Training Centers in Ho Chi Minh (Vietnam) and Yanbian (China)/ Continued free surgeries for Vietnamese children with facial deformities	16
Gained CCMS certification (first in telecom industry in Korea)	17
Introduced a discount program between our subscribers and lowered the rates on text messaging	18
Strengthened infrastructure for customer privacy protection (set up Security Operation Center/improved processes of subscription application)	19
Implemented various programs to promote the proper use of mobile phones	20
Introduced the Bilingual Program and Global Internship Program	22
Installed natural air-conditioning systems/ Strived to reduce CO ₂ emissions through efficient management of energy at offices	24
Launched campaign for collecting discarded handsets at 4,000 schools	26
Stressed the need for standardized mobile phone peripherals (Established a standard 20 pin size for earphones)	27
Reduced paper usage through expanding e-mail billing and upgrading M billing function	27
Distributed ethical management handbooks to local staff in China, expanding the scope of education on ethical management	29
Conducted beneficiaries and participants satisfaction surveys on major CSR programs such as 1318 Happy Zone and SK Happy Meal Box	31
Increased the participation in volunteer activities (87% of all the employee enrolled in the volunteer group and participated in 18.6 hours on average)	31

In the wake of heightened interest in sustainability, investors, rating agencies and others are demanding greater disclosure of information regarding sustainability management. In 2007, SK Telecom responded to seven requests for such information, including Dow Jones Sustainability Index (DJSI) Questionnaire and the Carbon Disclosure Project survey.

- The corporate sustainability research firm SolAbility released the results of an in-depth study on 130 listed companies in 2007. The 130 were selected after a preliminary review of roughly 350 companies listed on the Korea Stock Exchange. SK Telecom received the 5th highest score in the study.
- In December 2007, SK Telecom was honored in the first-time reporter category at the 2nd Grand Awards for Excellence in Sustainability Management. The awards are sponsored by the Ministry of Commerce, Industry and Energy and jointly organized by the Korea Chamber of Commerce & Industry and the Institute for Industrial Policy Studies.
- SK Telecom was named one of the best sustainable companies by the local daily, MoneyToday, in 2007. SK Telecom received 25 votes in a financial analyst survey on the best sustainable companies conducted by the paper.
- In the Sustainability Yearbook 2008 released by Sustainable Asset Management (SAM), an asset management company based in Switzerland, SK Telecom was among the top 15% in the mobile telecommunications sector along with Telenor, Bell Canada, Vodafone Group, and TeliaSonera.

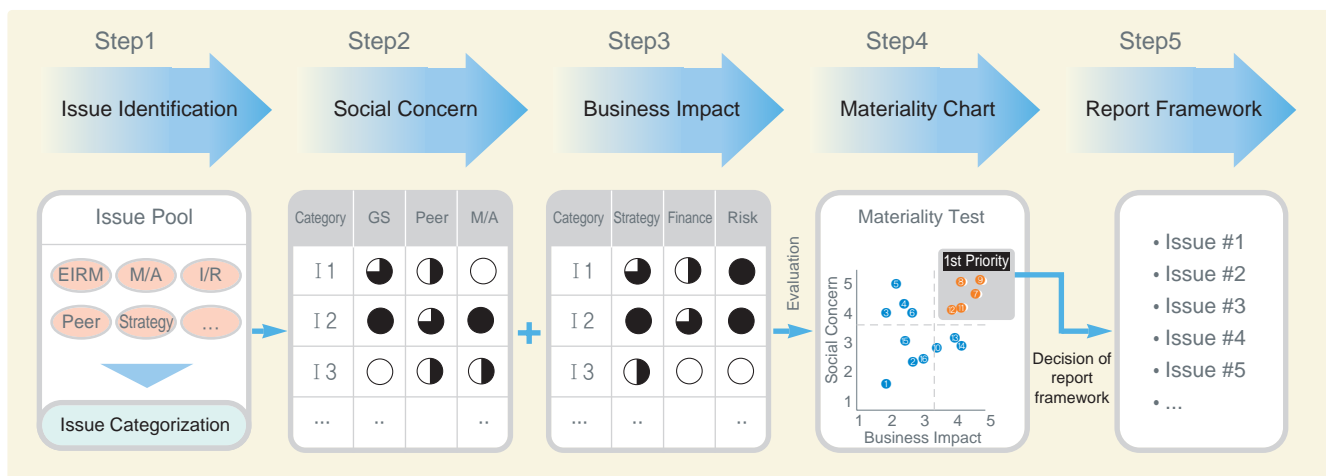


SK Telecom carried out the materiality assessment to determine issues that are of common interest to stakeholders and have a potentially significant impact on its business, and published the report centered on the findings.

Materiality Assessment Process

We identified a total of 232 issues upon reviewing various sources of information including internal documents on company strategy, a study benchmarking global telecom operators, and media analysis. After categorizing the issues to determine their level of significance, we arrived at 35 issues for which we analyzed the social concerns and business impact. For social concerns, we used the results of media analysis, global standards, reports from peer companies, and the results of a corporate reputation survey. For business impact, we performed an in-house evaluation for each issue based on strategic correlation, financial impact, and impact on risk and reputation.

Assessment Process



Major Issues Derived from Materiality Assessment

The major issues are covered in the “Materiality Issues to Our Business and Society” section (pages 13~31) of the report. Issues deemed to have a relatively lower significance are detailed in the “Other Issues and Performance Data” section (pages 34~39) along with the GRI performance indicators. We plan to report on the issues that have lower significance through the company website as we make further progress with materiality assessment.

UN Global Compact Network Korea



SK Telecom has supported efforts to launch UN Global Compact Network Korea and led its activities since joining the UN Global Compact in April 2007.

Korea Ethics & Compliance Officer Council



Serving as the chair of the Federation of Korean Industries (FKI) Korea Ethics & Compliance Officer Council from 2007, SK Telecom has been leading the drive to promote corporate social responsibility (CSR) in Korea.

BSR Conference



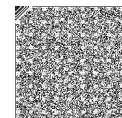
SK Telecom attended the Business for Social Responsibility (BSR) Conference held in the US city of San Francisco in October 2007 and gave a presentation on its CSR activities and the state of CSR in Korea.



We delivered
happiness

We shape a better world
with steadfast steps






As Korea's leading mobile telecom operator, we always look beyond the present. We constantly delve into our role as a mobile telecom service provider and seek new growth drivers in order to realize an 'inclusive information society' in which the benefits of advanced technology can be equally shared by all 6.4 billion people in the world.

Economic Impact

The local mobile telecom industry has grown at a higher rate than the country's GDP growth rate. Between 1998 and 2000, the industry expanded at an average annual rate of 50.1%, helping to pull the local economy out of the throes of the foreign exchange crisis.

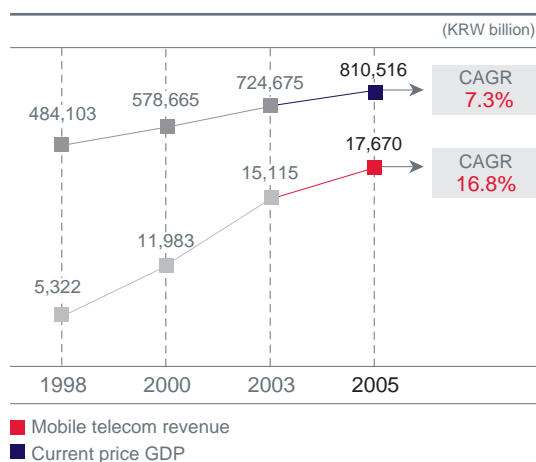
I Socio-Economic Impact of the Mobile Telecom Sector I

Economic Impact Advances in mobile telecommunications paved the way toward convergence services like mobile games and m-commerce, which in turn created new business opportunities and spurred growth of the culture contents industry. They have also raised the efficiency of post-production processes, such as logistics, sales, distribution and after-service, where mobility and swift response to consumer demands are essential. Furthermore, mobile telecom services have fueled the development of related systems and equipment, thereby contributing to advancing the IT equipment sector and enhancing Korea's competitiveness on the global stage.

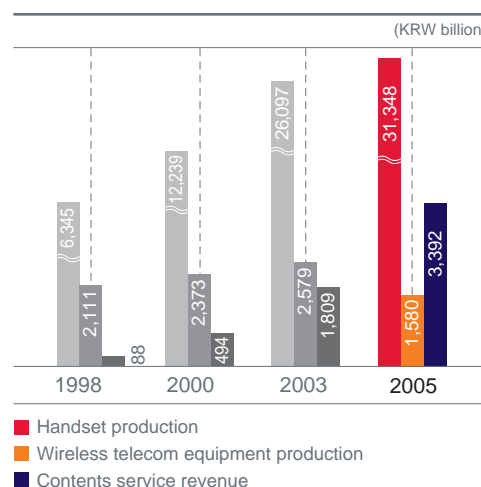
Consumers' Utility According to a survey of 500 adults carried out by the Korea Institute for Industrial Economics and Trade (KIET), mobile telecom service provides value to customers in the aspects of emotional connection, convenience, use of leisure time, the potential for acquiring information, and safety. When converted to monetary terms, its value is equal to at least KRW 44,006 per month per person.  **Analysis of the Social and Economic Impact of Mobile Telecom, KIET (2007)**

SK Telecom offers a wide range of wireless services from mobile multimedia to global roaming and is advancing into new business areas that combine wired and wireless technology. From location-based service to Mobile Cyworld, tossi, i's box and 11th Street, our integrated wired and wireless services are helping to create a ubiquitous environment in which people can conveniently enjoy social networking, UCC shopping and more without constraints in time or place. Solution service for corporate and public sector clients enhances their work efficiency while conserving energy and providing other social benefits.

◎ SK1. Growth Rate Comparison



◎ SK2. Economic Impact of the Mobile Telecom Sector in Korea



SK Telecom's growth and development has a direct impact not only on the company's employees, but also on the people working at our business partners ranging from those which serve customers at branch offices, customer centers and payment collection center, to those which handle maintenance and repair of base stations and our offices. Expansion of the social safety net and job creation are some of the ways in which we are sharing the fruits of success with the less fortunate in society. Our endeavors include the 1318 Happy Zone for youths, Happy Meal Box for those in need, deploying education assistants to schools to help disabled students, and establishing the Public Funeral Service Center.

 Refer to "Corporate Philanthropy" at page 30

Digital Inclusion

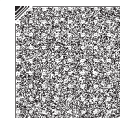
In the case of CDMA/WCDMA, our network already covers 99% of the Korean population and 89% of nationwide territory. We continue with efforts to extend network coverage to islands, mountainous regions and other areas with poor access. Moreover, we are carrying out projects that utilize our technology and nationwide network to enhance the quality of life for residents of remote regions through such services as "mobile hospitals" (vehicles or ships carrying medical equipment). SK Telecom participated in the mobile hospital project in Chungcheongnam-do province in 2007 in addition to Busan.

Our services are being continuously upgraded to meet the specific needs of different population groups. In 2007, we introduced a payment plan specially designed for senior citizens who mainly use their cell phones to receive incoming calls. We also offer a program called "Mobile Phone Usage Education" for the elderly in conjunction with the Korea Association of Senior Welfare Centers. The program was launched in September 2007 with classes at five senior welfare centers in the Seoul metropolitan area and was expanded nationwide in November. University students who are members of SK Telecom's Sunny assisted the program.

Our customers include about 40,000 people with hearing or speech disability. In March 2007, we opened a video telephony center manned by agents who provide free consultation through sign language when a registered hearing impaired user makes a video call. We also lowered flat rates by 35% for text messaging, multimedia messaging and video call, services which are widely used by people with hearing or speech disability. A special payment plan for users with such disabilities was introduced in August to alleviate their cost burden. SK Telecom introduced "SK Telecom IT Competition" for physically and mentally challenged youth in 1999 to enhance computer skills among the youth with various disabilities. A total of 1,235 youngsters from across the nation took part in the 2007 competition, and 350 who passed the regional qualifiers competed in the final held in June.

© Social Benefits of Major Solutions & Services

Service	Description	Social Impact
Taxicall	GPS-based automated call service	Contribute to easing traffic congestion and curbing fuel consumption Create rational transportation service environment
Safe phone	Terminal with location control function to ensure safety of senior citizens living alone (in use in Gyeonggi-do and Seoul)	Enhance social welfare and protect senior citizens
Public facility management solution	Remote control solution for street lamps, reservoirs, etc.	Increase worker productivity and efficiency in management of public facilities
National Police Agency wireless check service	Service using the wireless network to conduct real time checks on fugitives, vehicles, driver's license info, photos, etc.	Enhance public security, raise arrest rate
Bus information system	Arrival and departure info for bus stops and destinations, work order and notification service	Shorten waiting time and boost convenience for bus passengers Efficient driving for bus drivers



Product and Service Development

Despite the aggravated business environment caused by severe competition in the industry, SK Telecom is investing steadily to develop products and services for future growth. We are engaged in efforts to commercialize Time Division-Synchronous Code Division Multiple Access (TD-SCDMA), 3G mobile technology which is being developed in China. Related to this endeavor, we jointly set up an R&D center in Beijing with Datang Telecom of China in February 2007. In April of the same year, we successfully completed a test of the world's first international video conference based on TD-SCDMA. In particular, we set up the Human-Centered Innovation Team whose role is to analyze people's behavioral patterns by drawing on the discipline of anthropology in order to develop products and services that satisfy consumer needs.

Open Collaboration System

SK Telecom will combine Web 2.0 spirit of openness, participation and sharing with win-win partnership to strengthen the capabilities of our business partners and promote strategic cooperation. In 2007, we drew up a strategy for open collaboration whereby venture businesses propose new ideas and SK Telecom studies the commercial viability of those ideas. The strategy covers ways to select, foster and evaluate business partners. We plan to launch an information system to efficiently oversee the related processes in the first half of 2008.

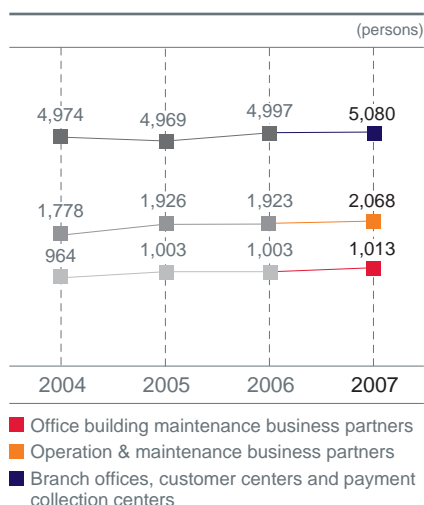
Open Idea* Festival

We launched the Open Idea* Festival in 2007 to promote win-win cooperation through joint commercialization of ideas from small- and mid-sized venture businesses. The festival was held in April to uncover new ideas and business models from existing and potential business partners. The event attracted 77 participants and a total of 42 ideas and business models were acknowledged. We are currently making a progress on joint commercialization for the Grand Prize winner and will continue with such endeavors in the future.

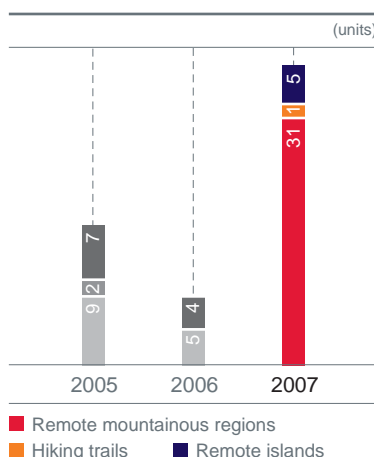
Collaborative R&D Program

SK Telecom provides funding for joint research with outside research organizations and SME partners to support R&D and commercialization of viable new businesses. Since 2004, we provided a total of KRW 17.5 billion in a wide range of areas including satellite broadcasting and protecting intellectual property rights for contents. In particular, KRW 1.6 billion was channeled toward the development of mobile conditional access solution between 2005 and 2006. Work is currently underway to commercialize the solution in China and Thailand. Meanwhile, some 50 business partners are involved in our overseas operations in the US, Vietnam and China. In addition, we help business partners reinforce their R&D through a variety of programs.  Refer to "Supporting Our Business Partners" at page 36

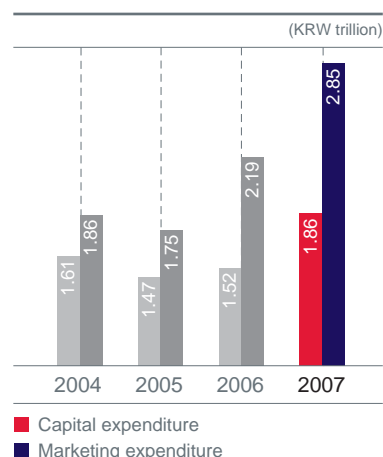
◎ SK3. Indirect Job Creation



◎ SK4. Expanded Coverage in Remote Regions



◎ SK5. Capital Expenditure vs. Marketing Expenditure



Building Trust in Global Markets

SK Telecom has built up a strong presence in overseas markets such as Vietnam, the US and China based on strategies tailored to the needs of the respective regions. Community involvement programs form an integral part of our global operations. We carry out various social contribution activities prior to launching our local business. That has contributed to gaining trust from the local communities, which is vital for success.

Vietnam

In conjunction with the Smile for Children, SK Telecom has been supporting free surgeries for Vietnamese children with facial deformities since 1996. A total of 2,495 children have been benefitted by the surgeries by the end of December 2007. In 2006, we introduced the Thu-Vien SK Telecom project jointly with Global Civic Sharing to help develop the country's educational infrastructure. Another milestone was the opening of the SKT-SSU IT Training Center in Ho Chi Minh in December 2007 to foster IT professionals. Outstanding trainees from the center will be given the opportunity to study and work in Korea.

China

SK Telecom is also helping to improve the educational environment in China. In August 2007, we opened the Yanbian IT Center which provides IT training to teens and university students in Yanbian, an area where computer and Internet education is underdeveloped. In Urumqi, we set up the Hope Elementary School which allows 240 children to continue their education. In January 2008, the SK Fund was created under an agreement between China and SK. The fund supports a program that provides training and business start-up assistance for university students as well as a program designed to promote science and creativity among middle/high school students.

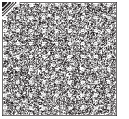


Expert Commentary



Aron Cramer • CEO, Business for Social Responsibility

Wireless communications are enabling us to be connected everywhere, all of the time, while the growth of Internet access over mobile phones opens up the opportunity to increase access to information and exchange ideas and opinions. With this increasing importance comes an opportunity for mobile companies to design new products, services and technologies that provide social, economic and environmental value. As SK Telecom grows internationally in markets such as the US, Vietnam and China it will find itself in locations with their own unique social, economic and environmental priorities. We would like to see SK Telecom explore where and how its operations and services can be used to advance education, healthcare and environmental goals in these locations. Specifically, we hope that SK Telecom can explore how these sustainability priorities can best be integrated into its core product, service and technology offerings and development processes. With growing attention to global resource scarcity, SK Telecom can be a leader in leveraging technology for a more sustainable world. Achieving this would place SK Telecom among the leaders in CSR.



SK Telecom is aiming to emerge as a leading telecommunication service provider in Korea and beyond. To this end, we are committed to improving service quality and safety. In July 2006, we voluntarily stopped offering of adult contents. In 2007, we pioneered diverse privacy and security initiatives in Korea designed to protect customer information and youth customers and prevent spam messages. Our aim in 2008 is to identify risks such as customer information leaks, wireless Internet billing errors, and spam messages that can potentially hurt our strong legacy of customer trust.

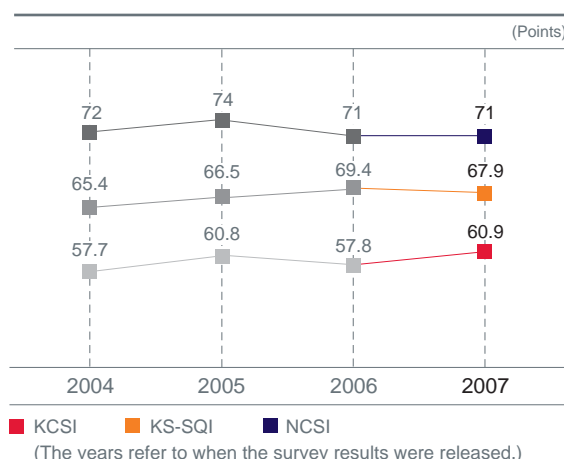
Voice of Customers

SK Telecom operates the VOC (Voice of Customers) management system to continuously monitor customers' concerns and grievances and to make improvements as necessary. As part of our efforts for complaint prevention, we incorporate customers' opinions in drawing up our marketing policy, billing and pricing system, and other facets of operations. We also set up the necessary infrastructure to acquire CCMS (Customer Complaints Management System) certification which specifies the systems needed for the prevention of and follow-up to customer complaints. We became the first telecommunications company to gain CCMS certification from the Fair Trade Commission (FTC) in January 2008.

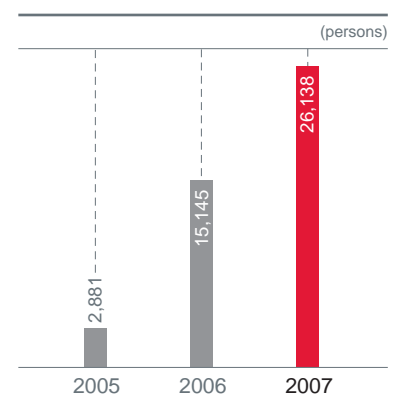
We enhanced the VOC process in 2007 by introducing a new system whereby a customer who makes a repeat call within four days is connected to the same service agent. We also launched the Call Back service. In August, we opened the Customer Complaint Department in the Customer Counseling Center which serves as a channel for receiving customer opinions and addressing complaints. Customer service agents receive training at Rainbow Academy to obtain the skills required to satisfy diverse customer needs.

The number of complaints filed against SK Telecom with external organizations such as the Korea Communications Commission, Korea Consumer Agency and Consumer Union of Korea dropped 32% year-on-year to 7,223 in 2007. In addition, the company continued to rank first in the mobile telecom category in the three major customer satisfaction surveys conducted in Korea.

PR5. Major Customer Satisfaction Survey Results



SK6. Rainbow Academy Participants



- National Customer Satisfaction Index (NCSI): announced by Korea Productivity Center every April
- Korean Customer Satisfaction Index (KCSI): announced by KMAC every September
- Korean Standards on Service Quality Index (KS-SQI): announced by Korean Standards Association every August

Clear Pricing

SK Telecom makes every effort so that our customers may use our services with peace of mind. We clearly inform customers of our pricing system, use of personal information, and other important facts that customers need to know. To enhance billing accuracy, we review the billing details of all customers. When we detect an excessive jump in a customer's monthly charge, we make a separate check to verify the figures. Since early 2007 we have utilized Product Life-cycle Management (PLM) to check the quality and possibility of billing errors before the launch of any new and promotional products.

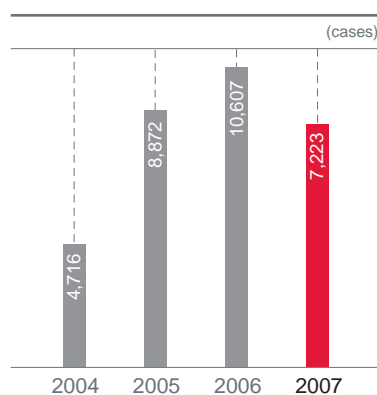
We have taken various steps to respond to demands to ease the cost burden of telecom services. We have been offering the caller identification (CID) service for free from January 2006 and **we lowered rates on text messaging in January 2008**. In 2007, we introduced a plan under which discounted rates are applied to calls made between SK Telecom service subscribers. This plan has been hugely popular, attracting more than 2 million customers in just five months. **We will expand this discount program between our subscribers and offer a family discount scheme in 2008** to help lower household telecom expenditures.

In addition, we offer the Silver Plan for senior citizens, the i-Kids Plan for children aged 12 years or under, and a pricing plan to meet the needs of the disabled to alleviate the burden of customers who cannot easily use the mobile telecom services for economic reason.

Responsible Marketing

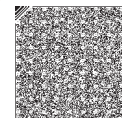
During the sales process, we pursue effective communication with customers to convey accurate product information. Through periodic analysis of marketing data and monthly onsite monitoring, we inspect whether our marketing policies are being properly implemented and take measures to address any oversights. Through rigorous monitoring and supervision, we are working to prevent inappropriate and illegal marketing activities at our branches, dealers and other customer outlets.

◎ SK7. Customer Complaints



◎ SK8. Provision of Customer Information to Legal Authorities





Service Quality and Reliability

Customers are giving high marks to the quality of our basic services including call quality, as demonstrated by our top ranking in major customer satisfaction surveys such as National Customer Satisfaction Index, Korean Customer Satisfaction Index and Korea Standards on Service Quality Index. On the back of our world-class CDMA service featuring over a decade of operational know-how, we are now striving to secure the same level of quality service for WCDMA. In 2007, we launched a year-long campaign to improve quality of our core services including wireless Internet by surveying and improving quality within 220,000 major buildings and 200,000 underground repeaters.

We are also working to offer greater service reliability to our mobile phone users by curbing any health risks that may be associated with the use of mobile phones, both physical and mental. In regards to electromagnetic radiation, we only support devices that have met the Radio Research Laboratory's ICNIRP (International Commission on Non-Ionizing Radiation Protection) standard.

Customer Privacy Protection

Fully complying with the Act on Promotion of Utilization of Information and Communication Network and Data Protection, we notify our customers of what and how we collect personal information and request their approval on our privacy policies released via subscription applications or on our website. In April 2007, we set up Korea's first Security Operation Center to better safeguard customer information. Since the end of 2007, all subscription applications are scanned and transmitted to the customer database managed by the head office. The original paper forms are returned to the applicants. This system prevents customer data leaks at dealers due to accidental misplacement. In cases of promotional events or service and system updates in which large amounts of customer information are handled, we conduct a Privacy Impact Assessment to counter leaks of valuable information due to internal errors or hacking attempts.

Regarding criminal investigations and issues related to national security, SK Telecom provides customer data to national security agencies only after a strict procedure adhering to related regulations such as the Protection of Communications Secrets Act. Furthermore, customers can access identity theft cases via an online system run in cooperation with the Association of Communications and Information Industries.

 For checks related to subscription records, <http://www.msafcr.or.kr> (available only in Korean)



Expert Commentary



Duk-Seung Lee • President, Green Consumer Network in Korea

Mobile telecom has become an essential part of life in Korea. However, its rapid growth has given rise to various consumer complaints. First, telecom expenditures are higher in Korea than in any other country because the local market is not fully competitive. Another cause for criticism against mobile telecom operators is the failure to prevent problems related to youth telecom spending by not taking into account that their services are used by a wide range of people. Recently, the premature launch of WCDMA without sufficient technological backing has raised questions about possible loss for consumers. It is encouraging that SK Telecom is showing high levels of customer satisfaction after improvements to how it responds to consumer complaints. But considering that SK Telecom is a company that serves half the population, it will face even greater demands from consumers. The ability to respond appropriately to such demands will enhance SK Telecom's competitiveness.

Sound Telecommunications Culture

SK Telecom is constantly adding measures to protect minors who are at risk of running up excessive fees or becoming dependent on mobile services. In 2006, we introduced services to block their access to wireless Internet, to notify guardians of minors' monthly fees, and to block collect calls. In 2007, we added a solution to block spam SMS, which enables access to harmful contents, and a ceiling system on data usage fees that occur with each content download. We also introduced an exclusive contract for teenagers and promoted a campaign for youths using mobile phones registered under their parents' names to switch to their own names. Even after we voluntarily discontinued our service of adult contents in July 2006, we installed a system for adult certification when accessing adults contents provided through open network.

Additionally, working with the Korea Association of School Social Workers, the Beautiful School Movement Headquarters, and Korea Agency Digital Opportunity & Promotion, SK Telecom implements various programs to promote the proper use of mobile phones among the young. After conducting a study on mobile phone use among teens from August 2007, we have been carrying out a pilot educational program at 13 schools from November. Campaigns such as "competition for making a fun mobile phone culture", "delivering posters on mobile phone use etiquette" and "delivering mobile phone lockers in classrooms" was expanded to 11,000 schools nationwide by December.

 Campaign Homepage, <http://www.happymobile.or.kr/> (available only in Korean)

Furthermore, SK Telecom has been taking the lead in reducing SMS spam. Since 2006, we erected a management system for companies that send out spam, and developed a system and service for blocking unwanted SMS spam. More recently, we developed a service to block a new form of voice spam through call pattern analysis and introduced an SMS spam filtering service in December 2007. It was the case that a filtering service had been applied to SMS. Previously, filtering services had been limited to emails. We applied for a patent for this service.

◎ Pilot Educational Program on Mobile Communications Culture



To promote the mobile phone as a messenger of happiness, SK Telecom supported a pilot program for education on mobile phone culture conducted at 13 schools in Korea in 2007.

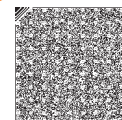
◎ Mobile Phone Locker at a School



Lockers were installed in selected schools to encourage students to refrain from phone use during class.

◎ Poster for the 10 Commandments of Mobile Communications Etiquette





With the ever-increasing speed of telecommunication technology developments and changing customer needs, innovation is emerging as a key competitive factor for telecom companies. SK Telecom is building a system to allow our employees to express their full abilities in addition to fostering an innovative working environment. Our efforts have been recognized by Hewitt Associates, which named SK Telecom a Best Employer in Asia in 2007.

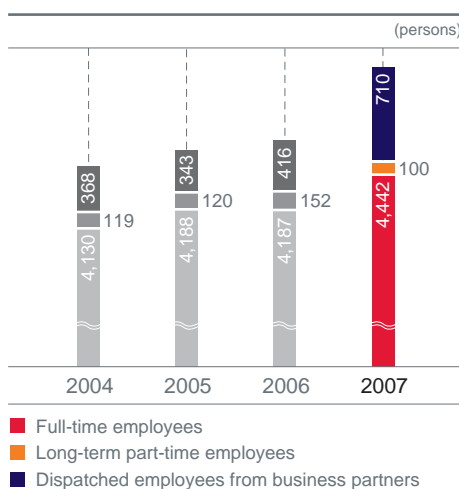
Talent Attraction and Retention

Securing good people makes good business sense, promoting positive business performances, customer value and loyalty. In addition to supporting legally mandated schemes including national pension, employment insurance, medical insurance and industrial accident compensation insurance, SK Telecom is trying to help employees to achieve work-life balance and long-term growth through diverse welfare benefits including medical services for the employees and their family, maternal/parental leave, and Refresh Holiday (for long-term employees) system.

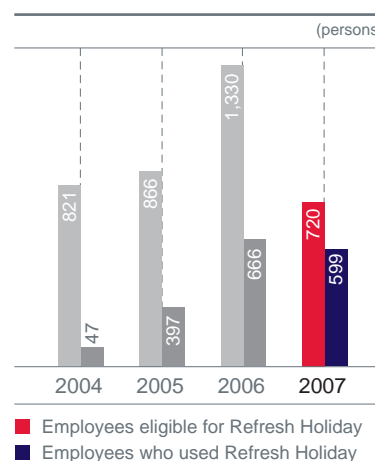
Full-time employees who have been with the company for a long time can enjoy additional programs such as scholarships for their children and mortgage loans. In 2007, we were proud to share the company's achievements with all employees by awarding them stock options through the Employee Stock Ownership Plan. In addition, an array of opportunities for self-development and further learning is offered to SK Telecom employees so that they may grow into MVPs (Most Valuable Biz Professionals).

Refer to "Human Resources Development" at page 34

⊙ LA1. Number of Employees



⊙ LA11. Refresh Holiday



Innovative Corporate Culture

SK Telecom has been synonymous with success thanks to the devotion of its employees who embrace challenges, creativity and teamwork. SK Telecom defines and actively promotes those three qualities that its employees must possess as T-DNA. In 2007, the TAP (T-DNA Acceleration Program) was carried out for the 220 teams at SK Telecom from February to April. The program was designed to identify and seek change necessary to enforce the concept of T-DNA.

Diverse measures are also being taken to build a creative and truly international organization befitting a global telecommunications company. First, to create a horizontal and creative organization, we united various titles under the single “manager” moniker at the end of 2006. We also introduced the Bilingual Program and Global Internship Program to create a working environment where people of diverse nationalities can work together seamlessly. In 2007, we implemented a trial run of concurrent Korean and English usage in 30 teams through our bilingual program. The number is being raised to 77 teams in 2008 which represents roughly 30% of our organization.

To support an innovative corporate culture, we incorporated management methodologies such as 6 Sigma, HCI (Human-Centered Innovation) and Knowledge Management to optimize company-wide processes, standardize and turn them into assets. Particularly in 2007, we carried out process optimization and standardization for 10 key processes, such as developing new businesses and boosting customer value. To accumulate and better utilize these results of process innovation, we opened the “Work Portal” in October which strengthened our company knowledge-sharing system. Following an organizational reshuffle at the end of 2007 to ground a responsible management system for each business, we adopted a “Company In Company” system. This will enable us to more efficiently conduct our process optimization work in 2008, in addition to internalizing innovative activities and strengthening organic ties between systems.

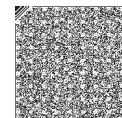


Expert Commentary



Eric Fiedler • Asia Pacific Regional Director, Hewitt Associates

The major growth in Asia's economy has created a seller's labor market. The ability to find the right people, develop them, and then hold on to them, can potentially make the difference between an outstanding financial performance for an organization and a merely passable one. The Hewitt's Best Employers in Asia 2007 study showed The Best have outperformed The Rest in terms of revenue growth, improvement in productivity, better HR efficiency and achieved consistently higher growth in profit. SK Telecom, one of the Best Employers in Asia 2007 has activated open communication with employees and created flatter organizational structure. The company is growing and diversifying, as it becomes a global company. SK Telecom's next challenge is to manage diversity and provide global employees with career opportunities to help achieve the goal of becoming a global business.



Until now, customer and major stakeholder interest in the environmental aspect of our business has been relatively low compared to the manufacturing industry, as the mobile telecommunications industry is known to have a lesser impact on the environment. However, interest is growing in our environmental management, led by global investment institutions and local NGOs. In response, we are expanding our management of environmental data and conducting environment management activities centering on issues of interest to stakeholders, such as electromagnetic wave radiation from base stations, climate change and recycling used handsets.

Environmental Management Activities at SK Telecom



Climate Change

As Korea is not on the list of countries bound to reduce GHG emissions under the Kyoto Protocol, climate change-related regulations have received less attention. Nevertheless, SK Telecom has been working with various industry and academic institutions, including the Korea Business Council for Sustainable Development (KBCSD) and Business Institute for Sustainable Development (BISD), to monitor trends on related regulations and to participate in industry actions to counter climate change. Climate change is expected to lead to greater costs for many companies, due to extreme weather conditions and higher oil prices. SK Telecom's energy consumption structure leaves it more vulnerable to price hikes of indirect energy sources such as electricity, rather than primary energy sources.

Expert Commentary



Luis Neves • Board Chair, GeSI (Global e-Sustainability Initiative)

Every industry sector, as well as every citizen of the world, has the opportunity and the responsibility to contribute to making the future more sustainable. Used in the right way ICT can function as an important enabler of sustainable development, by improving citizens' quality of life, supporting economic growth and innovation as well as enabling competitiveness. If we are to be credible in delivering this message then we must prove our point. ICT companies should be the first to apply the services they market to achieve sustainability improvements. This requires a change of attitude that can only be driven by proper awareness-raising efforts. To fully exploit ICT benefits, cooperation and partnerships are needed with governments and Non Governmental Organizations in particular, to create the conditions for deployment of technologically advanced products and services. I would therefore expect and recommend that SK Telecom take this direction and join and benefit from global ICT cooperation initiatives.

On the other hand, the availability of renewable energies in Korea remains extremely low, making it difficult to operate base stations using environmentally friendly energy sources that do not produce CO₂ emissions. As of the end of 2007, we have installed 66 small repeaters powered by solar cells for mainly mountainous regions where electricity supply is irregular. However, operations are hindered by a lack of sunlight and damages incurred by hikers.

Accordingly, SK Telecom is striving to reduce energy consumption levels, focusing on minimizing use at offices, as well as by pursuing efficient network operations, and replacing air-conditioners. At the beginning of every year, all offices set a goal for reducing energy use and awards are given to the best performers. We are introducing the use of natural air-conditioning systems to reduce electricity use, as air-conditioning is a necessity in operating network equipment. **We plan to only install natural air-conditioning systems when replacing old air-conditioners.** SK Telecom is also encouraging the use of teleconferencing for business meetings to curtail energy use arising from business trips.

I Preventing Global Warming with Natural Air-Conditioners I

Natural air-conditioners use water as their main coolant. When temperatures dip under a certain level, direct heat exchanges between water and the atmospheric energy cools the water, reducing the use of the large compressor, and thereby producing less energy consumption by more than 50% compared to the conventional air-conditioning system. Additionally, our natural air-conditioners use water in the coolant pipes between the indoor and outdoor units of air-conditioners, thereby decreasing the use of coolants compared to conventional cooling systems which entirely use chlorofluorocarbons (CFCs). By reducing the risk and number of coolant leaks during the installation of the systems, we are contributing to not only preventing global warming but also working to reduce ozone-depleting substances.

SK Telecom began testing systems related to natural air-conditioners in 2001 and supported efforts by manufacturers to improve their systems for use in base stations. Based on test results at our base stations collected from 2003 to 2005, we had invested a total of KRW 8.0 billion to install 570 units by the end of 2007. The investment cost us KRW 4.3 billion more than it would have to install conventional cooling systems. However, we estimate that environmental benefits for 2007 alone have amounted to reducing approximately 6,000 tons of CO₂ and 6 tons of CFCs. Once we replace all of our conventional systems with the natural air-conditioners, we believe this will translate to annual reductions of 145 GWh in electricity consumption, 61,000 tons in CO₂ and 100,000 tons of coolant.

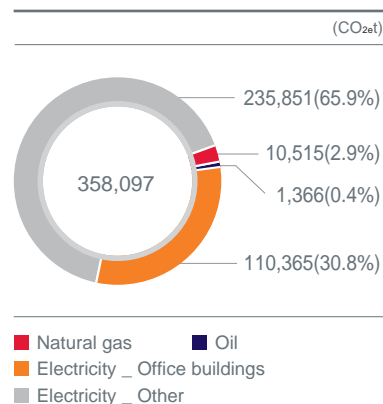
SK Telecom conducts various R&D activities in response to society's demands for efficient and environmentally friendly services and products. We provide such services as "T-MAP navigation" which calculates the best driving route by considering real-time traffic situations. These services allow our customers to save on travel distance and energy costs. Approximately 400,000 customers subscribe the service at the moment.

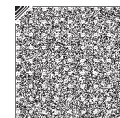
Energy Use and GHG Emissions

Index	Unit	2004	2005	2006	2007
EN16. Total greenhouse gas emissions	CO ₂ eq	252,200	283,554	323,278	358,097
EN3. Natural gas consumption	thousand Nm ³	4,357	5,178	4,670	4,241
EN3. Oil consumption	thousand liters	548	598	545	487
EN14. Electricity consumption _ Office buildings	GWh	205,564	238,600	246,069	260,294
EN14. Electricity consumption _ Other	GWh	360,144	395,917	485,460	556,253

※ Basis for calculation: Enforcement Regulations of the Framework Act on Energy, Revised IPCC Guidelines 1996, Study for mid- to long-term policy and strategy for responding to UNFCCC by Korea Energy Economics Institute (2005) (Year 3 of research)

EN16. GHG Emissions Breakdown





SK Telecom also developed “D Home service” which allows remote control of home lights and gas valves to reduce energy use and minimize the risk of gas leaks, and “TPEG Service” which uses a DMB receiver for real-time information on traffic circumstances and accidents to provide the best route guidance. SK Telecom is currently developing an intelligence building service using ZigBee technology which can integrate functions such as securing entrances, asset management, energy management and monitoring internal environments.

Electromagnetic Radiation around Base Stations

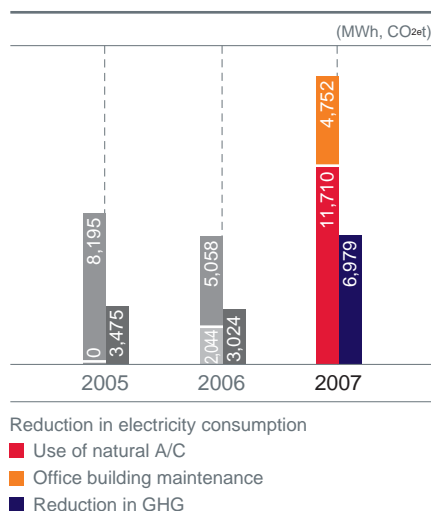
The enforcement decree and enforcement procedure of the newly revised Radio Waves Act of Korea took place in 2007. Accordingly, base stations that have transmitter devices with antenna radiating total power of over 30W on antenna towers measuring no more than 10m, and are installed near residential, commercial, industrial and management areas must regularly measure electromagnetic fields in surrounding areas. SK Telecom conducted 209 measurements in 2007, up from 47 in 2006, and all measurements were lower than levels mandated by the Ministry of Information and Communication. We plan on 828 electromagnetic field measurements in 2008.

The effect of electromagnetic waves on the human body and our environment has not been sufficiently studied. According to an April 2006 survey of 400 SK Telecom customers living in Korea’s five largest cities, many respondents said that in addition to minimizing electromagnetic waves, they expect the government and telecom operators to provide more objective and accurate information. From 2000 to 2004, SK Telecom contributed KRW 750 million for phase one of the “Study on the Effect of Electromagnetic Radiation on the Human Body”, an initiative led by the Ministry of Information and Communication with the participation of the Electronics and Telecommunications Research Institute (ETRI) and Radio Research Laboratory (RRL). The joint study produced the expected results of setting standards for protecting the human body from electromagnetic waves and of developing devices to prevent exposure to the radiation. However, it did not uncover the impact that mobile phone electromagnetic waves have on the body. We are committed to supporting related research and will contribute a total of KRW 750 million toward the second phase of the five-year study which began in 2007. Phase two will continue the epidemiologic study of electromagnetic radiation and influence on the body, along with measuring the emission levels at base stations.

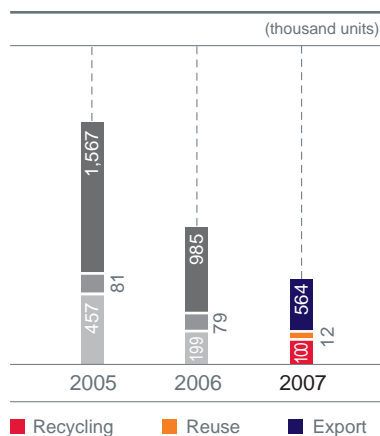
Handset Recycling

Mobile phones that are discarded without undergoing appropriate procedures pose a threat to the environment. SK Telecom is working toward the responsible collection and disposal of mobile phones. However, as we cannot demand that customers return handsets when replacing them, the amount of collected handsets has been steadily decreasing.

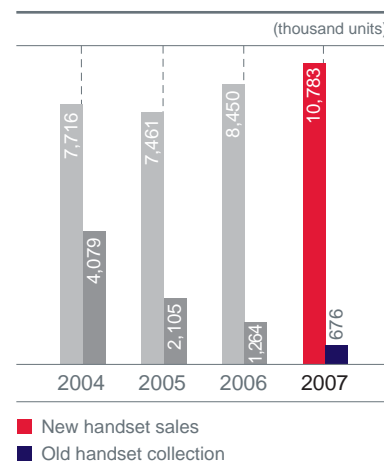
◎ EN5, EN18. Reduction in Electricity Consumption and GHG



◎ EN24. Disposal of Collected Handsets



◎ SK9. Sales vs. Collection of Handsets



Meanwhile 83.4% of collected handsets in 2007 were exported mainly to China and CIS regions through SK Networks Co., Ltd. while 14.8% were sold to a qualified recycling center. As for domestic recycling firms, SK Telecom and SK Networks personally visit the businesses to oversee the entire recycling procedure for the handset body, battery and charger. In 2007, we made three visits to the recycling center to regulate the disposal process. In August 2007, we launched an event awarding customers who returned their handsets with free concert tickets. We then expanded our efforts by **launching a collection campaign with 4,000 schools and retrieved approximately 132,500 handset bodies**. Since October 2007, SK Telecom engaged with other telecom operators in Korea and managed to collect 130,000 used handsets in just two months. Their sale raised about KRW 100 million which was then delivered to the Community Chest of Korea. In 2008, we plan to execute more efficient collection programs.

Environmental Impact of Our Services

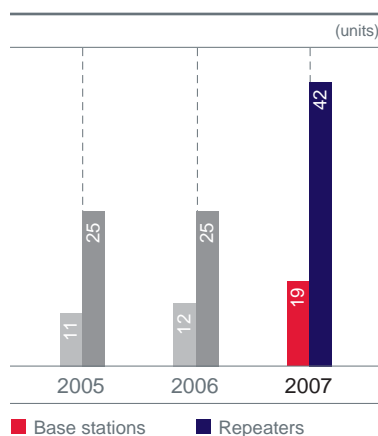
Base Stations and Environment

As of the end of 2007, we had 19 base stations and 42 repeaters installed in environmentally protected areas. In the process of erecting the nationwide WCDMA network, a number of new base stations and repeaters were sometimes located in protected areas. Generally however, the total area used for a base station is less than 165m² and is very unlikely to damage the habitat of wild animals or endangered species. In the selection of candidate locations for base stations and discussions with land owners, SK Telecom comprehensively considered the opinions of nearby residents as well as the impact on the ecology and scenery. In 2005, we formed the "Working Group for Building Environmentally-friendly Base Stations" and established our own standards regarding "green" wireless sites. At a time when network coverage has reached saturation levels and new repeater installations are increasing, the number of base stations shared among operators rose dramatically in 2007.

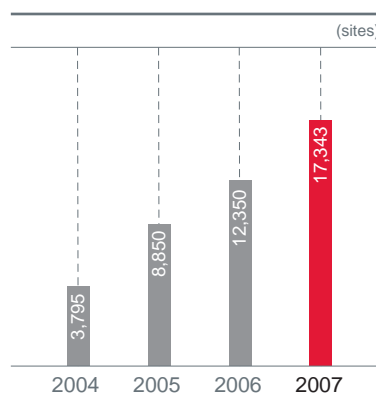
I Establishing a Standard Model for Eco-Friendly Wireless Sites Reflecting Customer Opinions I

As the number of antennas increased due to the expansion of new services such as WCDMA, SK Telecom applied 6 Sigma methodology to the development of an eco-friendly wireless site model which would satisfy customers. In 2006, we conducted a survey of 500 outside customers, 200 employees and business partners about the qualities that an eco-friendly antenna must have, which was followed by evaluations by the general public and experts to produce ten standard models. A trial run was then conducted on satisfaction levels regarding the antennas' appearance and performance. In 2007, we also established six standard models for in-building antennas. The models will gradually be adopted beginning with major city centers.

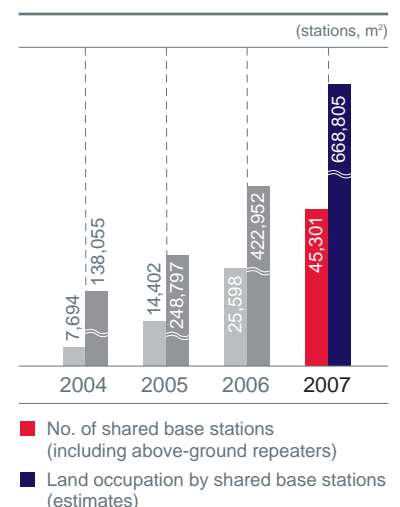
◎ EN11. No. of Base Stations and Repeaters in Eco-protected Areas

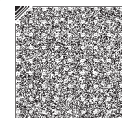


◎ EN14. No. of Eco-Friendly Wireless Sites



◎ SK10. No. of Shared Base Stations and Land Occupation





Vehicles Operated by Operation & Maintenance Business Partners

To reduce harmful gas emissions from vehicles used by business partners in charge of operation and maintenance of our base stations, SK Telecom plans to stipulate in contracts that our partners use gasoline-run vehicles that comply with Euro 4 standards. In 2007, only eight out of 786 vehicles operated by our partners satisfied Euro 4 standards. Considering that Korea started introducing cars that meet these standards only after October 2007, the ratio is expected to gradually increase.

Reducing Hazardous Substances

Since 2006, SK Telecom has been using lithium polymer batteries for standby power in optical repeaters, with such batteries installed in 1,506 repeaters as of the end of 2007. Lithium polymer batteries are easy to recycle and are more friendly to the environment than lead storage batteries. In addition, we intend to replace halogen-based fire extinguishers with more eco-friendly fire extinguishers in new base stations from the second half of 2008.

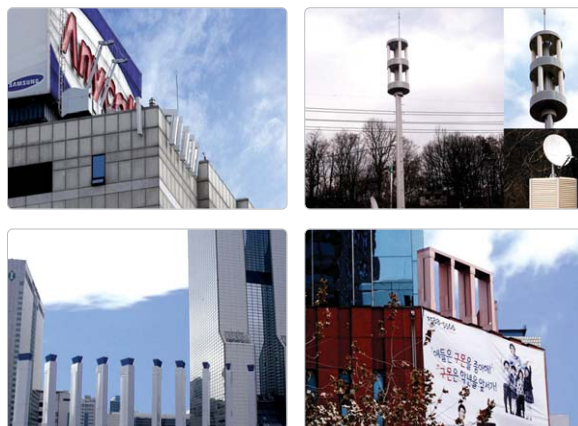
Saving Energy and Resources In Using Mobile Telecom Services

Standardization of mobile phone peripherals not only contributes to customer convenience but also saves resources. Since SK Telecom began supplying standardized chargers in 2003, we have repeatedly stressed the need for standardized peripherals. As a result, we established a standard 20 pin size for earphones at the end of 2007 and new mobile phones featuring these standardized earphones are set to be released in 2008.

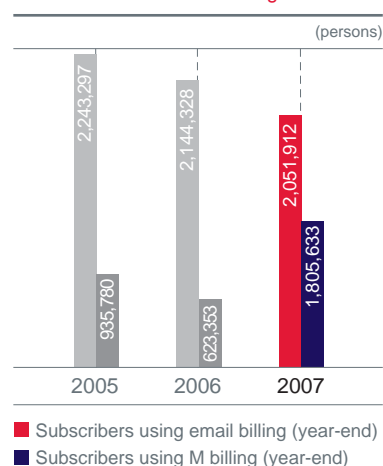
SK Telecom is also adopting DM (Device Management) technology that can remote control all data and software contained in a handset from a server. Once a comprehensive remote management infrastructure is set up for mobile phones using the technology, we expect to improve our ability to provide consultations and services to customers, better protect personal data, in addition to reducing resources and energy used in maintaining mobile phones.

We started the nation's first M billing service in April 2005 which allows subscribers to download their bills onto their handsets through wireless Internet. In August 2005, we introduced M Customer Center Service to provide subscribers free mobile services such as checking their fees or applying for additional services. In August 2007, SK Telecom further improved M billing functions, which resulted in 3.85 million subscribers or about 20% of all our customers using e-mail and M billing, lowering annual paper usage by 600 tons. In 2008, we will continue to make upgrades to M billing for greater convenience and carry on with PR activities to reach our target of having 25% or 5 million subscribers receive billing statements through their cell phones.

Examples of Eco-Friendly Wireless Site Model



EN26. No. of Subscribers using email and M Billing



In July 2007, SK Group has implemented the holding company structure in answer to calls by investors, civic groups and other stakeholders for improved corporate governance. With the re-organization, SK Telecom expanded its autonomous and responsible management whose focal point is the BOD and has been working to enhance corporate transparency. In recognition of such effort, SK Telecom was named Award of Excellence Winner in an assessment of corporate governance by the Korea Corporate Governance Service in 2007, following Award of Distinction in 2005 and 2006.

Corporate Governance

SK Telecom has been working to raise the expertise and independence of the BOD through measures such as appointing outside directors after input from the Independent Director Recommendation Committee, in addition to regularly holding Independent Directors Briefings and Independent Directors Preliminary Approval Meetings to boost the role of outside directors. Meetings attended by only independent directors were held 33 times in 2006 and 31 times in 2007. Compensation of directors is approved at the general shareholders' meeting in accordance to the articles of incorporation and company performance.

In 2007, five committees were operated under the BOD - the Audit Committee, the Independent Director Recommendation Committee, the Compensation Committee, the CapEx Review Committee and the Globalization Committee. With the exception of the Independent Director Recommendation Committee, the other four committees were all chaired by independent directors. In 2007, the BOD comprised of 12 members, eight of whom are independent. However, in March 2008, SK Telecom reduced the number of directors to eight (three standing directors and five independent directors).

SK Telecom is promoting internal audit functions through an internal control system based on the Sarbanes Oxley Act. We are ensuring that the procedure of appointing members to the Audit Committee is done in a transparent manner while audit operations are independent. We are also striving to reflect employee and shareholder opinions on our management activities through the general shareholders' meeting and CEO IR activities. In 2007, we held about 430 meetings with external stakeholders to share information on our business activities.

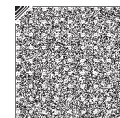


Expert Commentary



Chul-Ki Ju • Vice President and Secretary General, Global Compact Network Korea

Numerous issues facing the global economy are highlighting the importance of corporate social responsibility and thereby spurring expansion of the UN Global Compact. The UN Global Compact represents a firm commitment to realize sustainability management by promoting ten principles in the areas of human rights, labor, the environment and anti-corruption. Incorporating the ten principles in their core values will enable companies to enhance their corporate image and brand value while earning full support of the stakeholders. SK Telecom has been an active member of the Global Compact since 2007. I look forward to seeing SK Telecom grow into a creative company that leads change and innovation in the era of globalization by embracing the Global Compact's ten principles and pursuing ethical and transparent management.



Business Ethics

To create a transparent and fair working environment, SK Telecom is establishing its ethical management infrastructure such as its Code of Ethics and Ethical Counseling Helpline. In 2007, we continued with our ethical management education and conducted EIRM (Ethical Issue Raising & Mapping) activities in 39 teams (979 participants). EIRM activities allow employees to select and manage ethical risks which may arise in general business activities. In the future, SK Telecom plans to expand the scope of such activities for preventing ethical risks to include overseas subsidiaries. As part of such plans, we translated our ethical management handbooks into Chinese and distributed them to our local staff in China in 2007.

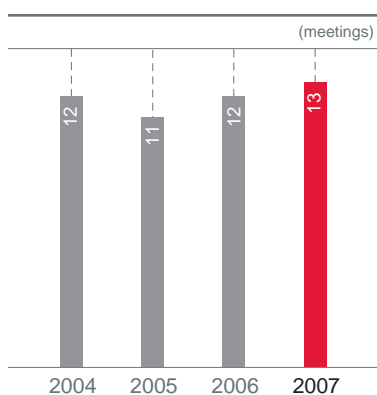
When employees engage in unethical activities and instances of irrational work procedures occur despite such preventive measures, reports are filed through a direct reporting system to the Audit Committee chair and the Ethical Counseling Center. Employees found to have clearly violated SK Telecom's ethics regulations are subject to disciplinary action. The internal process is also being improved for a fundamental solution to the possible occurrence of similar cases. In 2007, the number of disciplinary actions taken against employees due to violating ethics regulations and other issues was 12.

Compliance

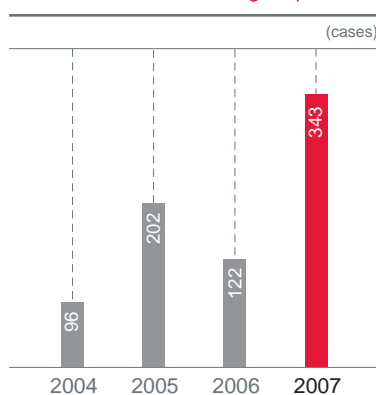
In April 2002, a ceremony took place in which all SK Telecom employees pledged to comply with the CP (Compliance Program). In August 2005, a compliance team was created to systematically manage any risks that may occur in various processes of establishing a business model, contracts, sales and PR activities, such as inflicting damages on customers and limiting competition.

Thanks to these efforts and changes in the regulatory environment which lifted a ban on mobile phone subsidies, SK Telecom paid a much smaller amount in penalties in 2007. Major causes for the penalties were the payment of subsidies, limiting mobile number portability and wrongful subscription to youth fee programs.

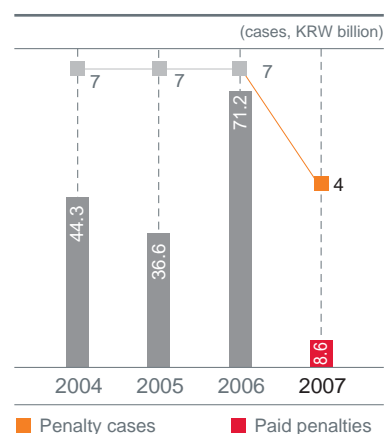
◎ SK11. No. of BOD Meetings



◎ SO4. Cases Submitted to Ethical Counseling Helpline



◎ SO7. Penalties Imposed by Regulators



At SK Telecom, we believe Corporate Social Responsibility (CSR) grounded on the principles of integrity is crucial to earning public support and trust, a vital element for a company's sustainability and growth. For us, CSR means proactive social investments needed to address the difficult challenges facing our communities. That is why SK Telecom is working with SK affiliates to achieve our corporate mission of "sharing happiness." We strive to make a real difference in our communities and with the underprivileged by delivering the benefits of our technology, knowledge and passion. Our performances and future plans are reported in the SK Community Involvement White Paper at the beginning of each year.

 SK Community Involvement White Paper, <http://www.sktelecom.com> (available only in Korean)

Investment in Local Communities

For our society's less fortunate, SK Telecom is helping to expand welfare infrastructure, create jobs and support efforts for self-support and self-reliance through endeavors such as SK Happy Meal Box, 1318 Happy Zone and Happy Music School.

SK Happy Meal Box

We deliver nutritious lunchboxes to children and seniors who are at risk of going hungry. As of the end of 2007, we operate 29 provision centers across the country and provide more than 10,000 lunches a day. The program has also helped create 500 jobs. Our two centers in Seoul Gwanak and Incheon Nam-gu were designated 'social enterprises' under the Social Enterprise Supporting Act which took effect in July 2007. More than a program that provides free meals and creates jobs, we plan to develop SK Happy Meal Box to enrich communities and improve quality of life.

1318 Happy Zone

Happy Zone is the name of our support facilities for underprivileged teens between the ages of 13 and 18 who slip through the social welfare safety net. Since the opening of the first center in November 2006, 29 Happy Zones have been set up nationwide as of the end of 2007. The facilities offer academic, cultural, college/crisis counseling programs as well as meal services to more than 1,000 teenagers.

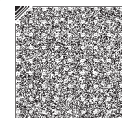


Expert Commentary



Bradley Googins • Executive Director, Boston College Center for Corporate Citizenship

As globalization ushers in a new set of expectations about the role and responsibilities of business in society, it has become very important for SK Telecom and other global companies to integrate philanthropy into a more inclusive citizenship strategy. Leading companies are using philanthropy as a crucial asset in bridging business and social needs and issues. Companies such as SK Telecom will be challenged in corporate philanthropy on a number of fronts over the next decade. Transitioning from a more traditional giving platform to a more strategic and integrated philanthropy will require those in philanthropy to be more focused on linking philanthropy to the business, and to becoming more attuned to stakeholder needs and issues. Likewise expanding philanthropy into a global initiative will be imperative for both the needs of business and society. And finally, companies will be challenged to use philanthropy to create seeds of innovation, bringing their resources, to assist in addressing and resolving critical and persistent social issues, and linking it to other unique corporate assets of people, technology and business acumen.



Happy Music School

SK Telecom provides quality music education for free to musically gifted youths from under-represented and disadvantaged backgrounds. A total of 60 students in three musical fields of piano, violin and cello receive one-on-one instructions from Korea's top professors. The program is aimed at supporting the students to realize their dreams.

SK Telecom is striving to improve the quality and social impact of our philanthropic endeavors by regularly conducting satisfaction surveys of our major CSR program beneficiaries and participants. We have been surveying the health, nutritional state, eating habits and satisfaction rate of children who receive various free meals by service type, including SK Telecom's Happy Meal Box. This comparative survey provides us with a basis for improving the health and nutrition of children who are receiving our meal service. An assessment index was also developed to measure the performance of 1318 Happy Zone. It researches the development index for all teen participants and the results are used to devise measures to improve service.

SK Telecom also invests in a wide range of programs aimed at enriching our communities including IT challenge for teens with disabilities and Habitat-SK Happy Village. We also dispatch teaching assistants to support the integration of disabled children into mainstream education.

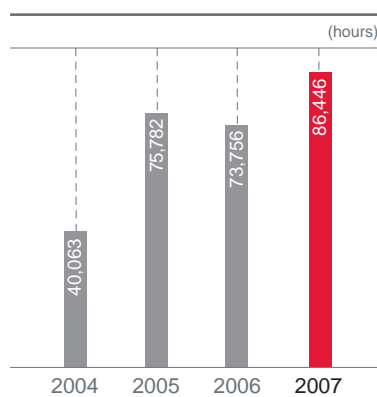
Volunteer Activities

Volunteering is a vibrant part of the SK Telecom culture that brings together employees and customers. The CEO and senior management take initiative and motivate others to take part in community service. We support employee involvement through several innovative programs including volunteering during work hours, family volunteering and year-end volunteering campaign. As of the end of 2007, members of SK Telecom's volunteer group averaged 18.6 volunteer hours for the year.

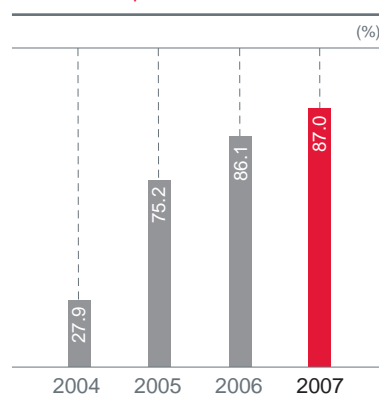
SK Telecom's collegiate volunteer group, Sunny, is the country's largest group of its kind with 50,000 members as of March 2008. Originally launched as a customer volunteer group in 2003, it has grown to include 13 chapters nationwide. With "Fun and Creative Community Service" as their motto, student volunteers use their unique skills in such programs as Hi Teacher (1:1 tutoring program at regional children's center) and Fly Super Sunny (library remodeling, performances, summer camp at schools in remote regions). They have also been taking part in overseas volunteer and cultural exchange programs in China, Vietnam and other countries since 2005.

 Sunny Homepage, <http://www.besunny.com> (available both in Korean and in English)

◎ SK12. Annual Volunteer Hours



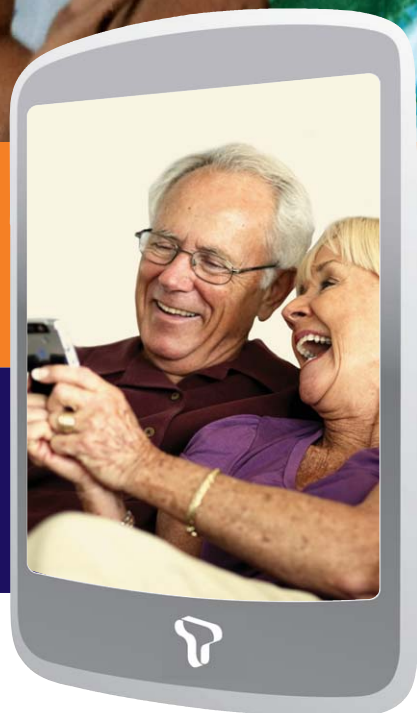
◎ SK13. Enrollment Rate in Volunteer Group

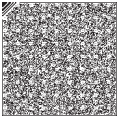


※ Enrollment rate = No. of members of volunteer group / No. of employees as of the end of each year

We live a life full of
happiness

We share issues
to enhance values for all





For the 2007 Sustainability Report, SK Telecom used the Global Reporting Initiative (GRI) G3 Guidelines as a basis for reporting. To fully comply with global standards, we referenced the newly presented G3 guidelines of Indicator Protocol and Telecommunications Sector Supplement.

Use of Reporting Principles

GRI G3 Guidelines define reporting principles that a company must comply with to validate the report scope's selection process and quality of performance data. Based on these reporting principles, SK Telecom is streamlining the reporting process to obtain stakeholder confidence. In particular, we used the following GRI reporting principles to ensure the quality of this report: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. The procedure for Materiality Assessment is detailed in "Materiality Assessment" at page 11.

In 2008, we plan to refine our reporting process by setting up an internal protocol to calculate accurate data per performance index in accordance with data quality assurance principles. After considering future business competency and outside stakeholders' demands, we will expand our Report Boundary by including domestic and overseas invested firms over which SK Telecom exerts significant influence. As part of efforts to facilitate communication with stakeholders in overseas markets where we operate, we will publish a summarized version of our 2007 sustainability report in Chinese and Vietnamese. We will continue to strengthen Materiality Assessment competency through active stakeholder engagement and strive to raise the usability and value of the report.

G3 Application Level

SK Telecom conducted an internal application level assessment for the 2007 Sustainability Report and received independent, third-party assurance. We assess our application of the GRI reporting framework to be at level B+.



© GRI Application Level Criteria

Report Application		C	C ⁺	B	B ⁺	A	A ⁺
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.1, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
*Sector supplement in final version							

Diversity

We have declared our firm commitment to respect human rights in our Code of Ethics which stipulates that “SK Telecom does not discriminate on the basis of race, religion, gender or disability.” For the past four years, the proportion of our female workforce remained at around 13%. As of April 2008, we, however, do not have any female representation on the board, and there are only three women in the top posts.

With the expansion of our overseas operations, we are pursuing a strategy to reduce the number of employees dispatched from Seoul headquarters and increase local hires. As of the end of 2007, overseas offices recruited some 900 local talents. We are also gradually increasing employment opportunities for disabled persons and foreigners.

Human Resources Development

SK Telecom has developed training programs that reflect the changing business environment and the multi-faceted needs of diverse stakeholders. All employee draw up an “Individual Development Plan” based on the company’s annual training plan after an assessment of individual skills. We offer in-house and outside education courses and monetary incentives to promote personal and professional growth. In 2007, the average training hours completed per person reached 118 for team leaders and 105 for managers.

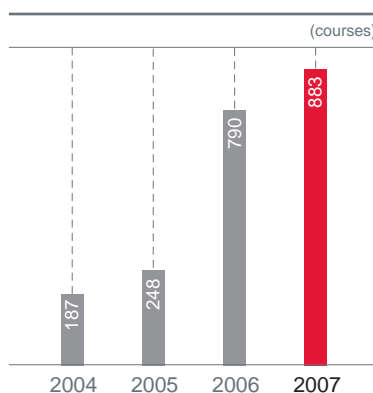
For efficient development and management of individual careers within the organization, we operate the innovative “Job-Person Fit System.” It allows employees to track their past duties and career history, set up a mid-to-long term career path and identify their transfer aspiration according to that goal. The results are reflected in regular personnel changes aimed at promoting professional growth. All employees are required to formulate individual KPI (Key Performance Indicator) before each periodic evaluation through the “People Review and Coaching System.” The outcome is included in the personnel performance report.

To ensure economic security after retirement, SK Telecom offers various support programs including a class that helps employees adapt to changes after leaving the company. In December 2005, the Korean government introduced the retirement pension system to stabilize the retirement pension. SK Telecom has yet to implement this system, but we have accumulated a sufficient amount of reserves (outside reserve ratio of 63.5% in 2007). We plan to introduce the retirement pension system in 2009 in line with the government policy and broaden the investment scope of our retirement fund. Employees will be given the option of choosing between defined benefits plan and defined contribution plan.

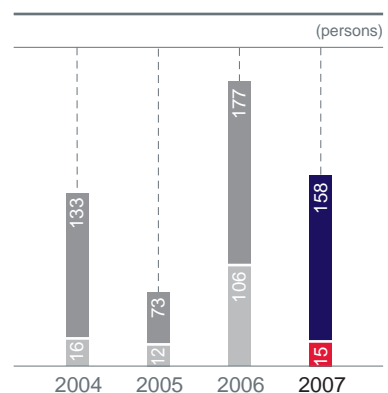
◎ LA13. Diversity

	2004	2005	2006	2007
Employees with disabilities	18	24	31	38
Foreign employees	11	14	18	41
Female employees	586	553	586	565

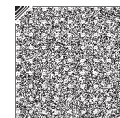
◎ LA10. No. of In-house Training Courses for Employees



◎ LA2. No. of Retirees



■ Female ■ Male
 ※ Female retirees increased in 2006 due to one-time early retirement program.



Employee Protection

SK Telecom set up an outside consultation program called “My Counselor” in 2003 which offers professional support both online and offline to employees and their family members. It covers a wide range of topics from workplace conflict including sexual harassment to personal matters such as physical and mental health, and financial planning.

 My Counselor Homepage, <http://www.maumsarang.or.kr/sk/> (available only in Korean)

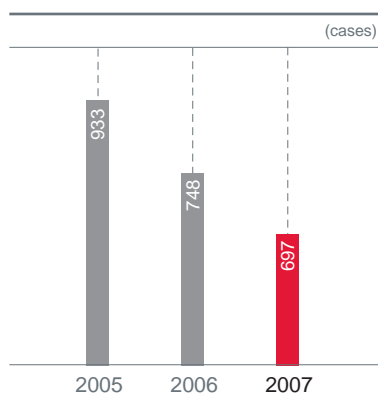
Held four times a year, an equal number of labor and management representatives at the Industrial Safety and Health Committee discuss issues at hand and their decisions are applied to all employees. The committee sets up industrial disaster prevention plan, surveys industrial accidents and devises preventive measures and discusses employee medical checkups. In 2007, expanding test items and hospitals for medical checkups was included in their discussion agenda. In 2007, 1,728 work days were lost to workplace injuries, illnesses and accidents.

Respecting Human Rights

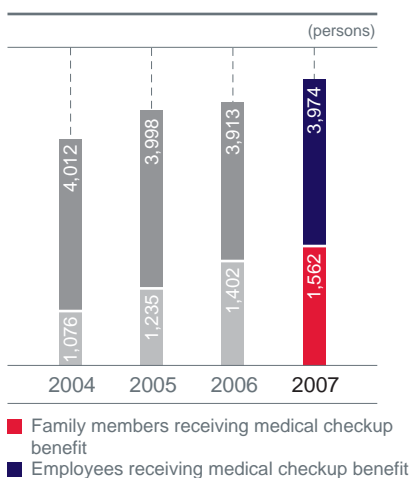
SK Telecom is strictly adhering to domestic and international laws that ban child and forced labor such as the Labor Standards Act. SK Telecom is demonstrating an unwavering commitment to building a corporate culture of mutual respect through ethical management and sexual harassment prevention education (annual online training for all employees). The number of human rights related counseling cases reported through My Counselor and Ethical Counseling Helpline is very low at about one case every year. To create a safe environment for everyone who visits our worksites in addition to our employees, we conduct safety accident prevention and customer response procedure training for our security personnel on a regular basis. In 2007, we added CS training for security personnel to enhance customer satisfaction. We also commission special agencies such as Korea Security Association to train our new security personnel.

Heightened awareness on human rights in Korea is expected to lead to an increased interest in the subject in our daily lives and developing countries. To further our goals of strengthening and promoting human rights principles in business management, we joined the UN Global Compact in 2007. We constantly monitor potential human rights violations upon entering new markets and overall global trends. In addition, we are expanding exchanges and partnership with related groups. In 2007, we supported the Korea Center for UN Human Rights Policy program that offers information to Vietnamese women marrying Korean males and Amnesty's Toy Gun Redemption Campaign, which offered books to children in exchange for toy weapons. For the month of May, we initiated the “Thank You” campaign to fight the social stigma attached to AIDS and to offer practical help to AIDS patients. The money raised from the campaign was donated to Korea Federation for HIV/AIDS Prevention.

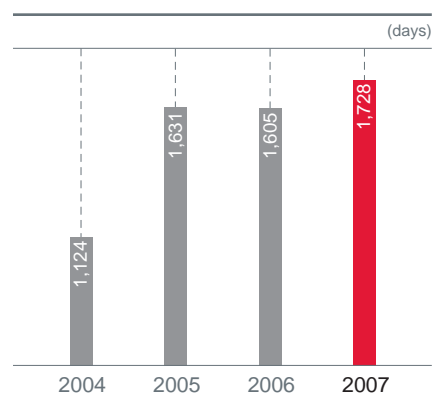
◎ LA8. No. of Annual Counseling at My Counselor



◎ LA8. Medical Checkup



◎ LA7. Annual Days Lost due to Illnesses, Injuries & Industrial Accidents



Labor-Management Cooperation

Annual union membership rate (the actual participation rate among employees eligible for membership) at SK Telecom remains unchanged at 80%. Based on the labor union agreement, eligibility requirements for union membership undergo a slight adjustment every year according to changes in the organization.

SK Telecom holds prior discussions with the labor union regarding changes in operations that may negatively affect employees. In 2007, we addressed issues such as changes in employee benefits and welfare policies, improvements in working conditions and employee stock ownership payment. Any changes in the company's articles of incorporation, company name, organizational structure and labor conditions are immediately notified to the labor union. In 2007, we gave post-notification on topics including investment in foreign firms, BOD meeting agenda and changes in organizational structure.

Supporting Our Business Partners

Our business partners include global electrical and electronics companies supplying main network equipment, SMEs supplying supplementary equipment such as antennas and repeaters, engineering and construction companies in charge of facility installation, R&D firms, small-scale contents providers and dealers. We offer a wide array of programs to help our business partners build up their financial, R&D and management capabilities which can in turn enhance their competitiveness.

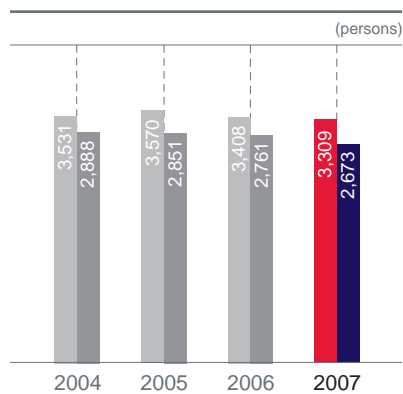
Financial Assistance

SK Telecom provides diverse financial assistance for business partners such as fund contributions, loans secured by future payment streams (Future Flow Collateralized Loan), and loans for dealers. In 2007 alone, we extended financial support worth KRW 110 billion to some 360 business partners.

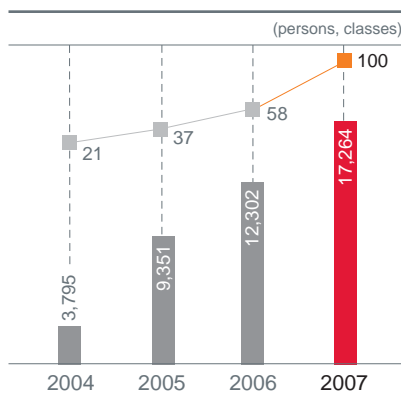
Reinforcing R&D

We provide idle IT equipment to our SME partners without any charge (worth a total of KRW 2.8 billion during 2004~2007) to help them reinforce their R&D infrastructure. We operate the Nate Business Center to help reduce our partners' cost burden associated with the development of new technology and contents. We are also strengthening our support for SME partners wishing to enter overseas markets. In April 2006, we deployed personnel who provide assistance with international business matters. Other forms of assistance include free test rooms and infrastructure. In 2007, we provided contents-related services on 17,000 occasions through the Nate Business Center as well as test beds and technology consulting.

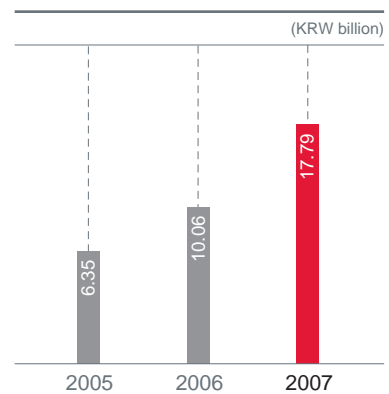
◎ LA4. Labor Union Membership (year-end)

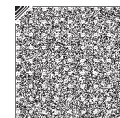


◎ SK14. Supporting Business Partners through PartnerOn Academy



◎ SK15. Annual Result of Future Flow Collateralized Loans





Enhancing Management Capabilities

SK Telecom offers some 100 online courses on diverse subjects including management, finance, marketing and technology via the SK Win-Win Partnership Academy, as well as offline lectures on topics such as business insight and management training. In 2007, more than 17,000 partner firm members participated in our training programs. We also introduced 6 Sigma methodology to our business partners. In 2007 alone, six business partners carried out eight 6 Sigma tasks. Currently, we operate a mini-MBA course specialized for the information and communication field with Yonsei University and plan to expand the 6 Sigma Management course.

 SK Telecom business partner portal, <http://partneron.sktelecom.com> (available only in Korean)

Rewarding Outstanding Business Partners

Every year, SK Telecom holds Partners' Day to show appreciation to our suppliers. We evaluate major business partners' contribution to our overall operations and their potential competencies and reward outstanding suppliers. In February 2008, 26 business partners were recognized, up from 24 firms the previous year. The contributions by outstanding firms are disclosed to all employees through internal broadcasts and newsletters to instill a sense of pride in our win-win partnerships.

Working with Business Partners for Sustainability

As many of SK Telecom's business partners are small-scale enterprises, it has been difficult to request their uniform participation in social responsibility activities that incur additional costs. To help these firms pursue sustainability management, we are expanding our social responsibility training program to business partners. Since 2006, SK Telecom has been providing free sexual harassment prevention education to our business partners via PartnerOn Academy. The program has been well received by our suppliers with the number of participants growing dramatically. In 2007, 2,181 people from 53 firms signed up for the class, up from 550 participants from 12 firms in 2006.

We plan to strengthen our support for building business partners' sustainability management capacities by providing free ethics management education in 2008. Moreover, we will take further steps to encourage suppliers to fulfill their responsibilities to society. For instance, we plan to include a social accountability clause in the Fair and Transparent Transaction Agreement, which suppliers will be required to sign, and the annual partner evaluations.

Partners' Day



We have been awarding outstanding business partners since 2006. We make diverse efforts to build horizontal relationships and trust with our business partners.

Mobile Search for Missing Persons



The service has helped to locate 16 missing children since its launch in May 2004 through the end of 2007.

Agreement for Mobile Blood Donation Service



We signed an agreement with the Korean Red Cross in January 2007 to help secure urgently needed blood supplies.

Telecom Technology and Sustainable Development

We are working to apply our innovation technologies to address social concerns. They include development of remote villages by delivering reliable wireless network, support for efficient use of energy through a wide range of solution services, and reduction of social costs from heavy traffic congestion and pollution.

 Refer to “Digital Inclusion” at page 14, “Economic Impact” at page 13

Harnessing cutting-edge communication infrastructure, SK Telecom provides free services that safeguard the nation from various dangers and contribute to improving quality of life. In 2007, we expanded our list of services with the additions of “Mobile Emergency Network for Blood Donation”, and “Mobile Youth Counseling.” Our existing programs also include “Mobile Search for Missing Persons”, “Mobile Disaster Alert”, “Mobile Overseas Safety Support” and “Emergency GPS Service.”

Mobile Search for Missing Persons

We provide information on lost children, disabled and elderly with Alzheimer's Diseases to SK Telecom customers near the scene. Joining forces with the National Police Agency and Korea Welfare Foundation, we send physical descriptions and photos of the missing persons to help locate them quickly and effectively.

Mobile Youth Counseling

SK Telecom is working with the government to reach out to troubled youths. Teens can text message to #1388 and receive 24/7 counseling service. SK Telecom is responsible for setting up the network and supporting messaging fees while the Ministry of Health and Welfare pays for professional counselors. If a teen is in need of intensive counseling, he or she is referred to the Ministry's 142 support centers around the country.

Mobile Emergency Network for Blood Donation

This service is designed to facilitate blood supply to patients in urgent need of blood. When an urgent need arises, SK Telecom sends out text messages to 150,000 customers who have registered with the Korea Red Cross for blood donation and notifies them of the nearest location where they can give blood.

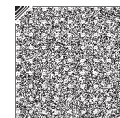
I Membership Status, as of the end of 2007 I

[In Korea]

- WIPI Association
- Business Institute for Sustainable Development
- Korea Business Council for Sustainable Development
- Next Generation Mobile Communication Forum
- Korea Telematics Business Association
- Telecommunications Information Sharing and Analysis Association
- Unification IT Forum
- Korea Association of Game Industry
- Korea Economic Research Institute
- Korea Fair Competition Federation
- Korea Network Research Association
- Korea Wireless Internet Solution Association
- Korea Counseling Psychological Association
- Korea Association of RFID/USN
- Korea Radio Promotion Association
- Telecommunications Technology Association
- Korea Association of Information & Communication
- Korea Contents Industry & Business Association
- Korea Telecommunications Operators Association
- Korea Home Network Industry Association

[International]

- Bridge Mobile Alliance
- Business for Social Responsibility
- CDMA Development Group
- Center for Telecom Management
- GSM Association
- International Telecommunication Union
- Keio Research Institute
- Khronos Group
- Mobile VCE
- Next Generation Mobile Network
- Open Mobile Alliance
- Open Mobile Terminal Platform
- Telemanagement Forum
- WiMAX Forum
- World Economic Forum



Public Policy Cooperation

Year 2007 was a landmark that laid out the government's new framework of regulations with the announcement of a "mid-to-long term telecommunication policy roadmap." Its aim is to vitalize the mobile communication market to promote consumer welfare. SK Telecom has played an active role in forming government policy by introducing a variety of affordable products to broaden user options, submitting recommendations on bundling and resale policy, subsidy regulations, connection fee calculation and frequency policy, and taking part in public hearings and workshops on related issues.

Starting in 2008, we expect a shift to ex-post regulation, expansion of free competition and pursuance of telecommunication policy to create a fair competition environment. In addition, we project the creation of a convergence competition environment such as bundled sales through introduction of policies promoting competition among wire, wireless and fusion markets. SK Telecom will continue to work closely with government regulatory agencies to invigorate the entire market and maximize consumer welfare.

Support for Sustainable Development

Following our declaration in support of the UN Global Compact in May 2007, SK Telecom became an active participant in creating the Local Network in Korea. We are also joining efforts to expand sustainability management throughout the industry by seeking membership in various sustainability-related agencies in Korea and overseas such as Business for Social Responsibility, Business Institute for Sustainable Development and Korea Business Council for Sustainable Development. In June 2008, SK Telecom plans to sponsor the UNGC Seoul Conference.

Managing Environmental Impact of Our Operation

SK Telecom is managing environmental impact data through the Facility Management System (FMS) centering on our buildings located across the country.

• Use of Water Resources

SK Telecom has no water supply source that impacts the environment as we use water supply for running sanitation facilities and cooling equipment.

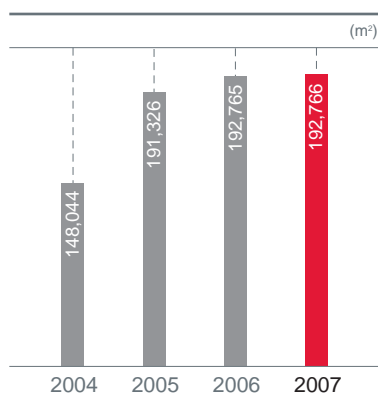
• Waste Generation

We generate some 6 million liters of waste annually from our offices across the nation. Waste materials that can be recycled are handled separately.

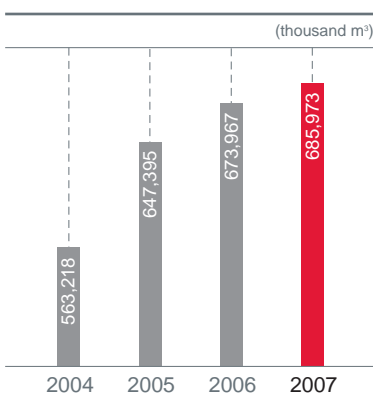
• Green Purchasing

SK Telecom has been a participant of the Green Purchasing Voluntary Agreement between industry and the Ministry of Environment since 2005. Accordingly, we have been tracking eco-friendly product purchases since 2006. In 2007 alone, we purchased KRW 3.6 billion worth of green products including office furniture, OA equipment and office supplies.

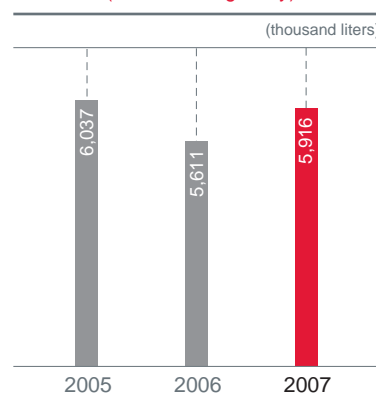
◎ SK16. Office Floor Space



◎ EN8. Water Consumption



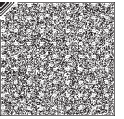
◎ EN22. Waste Generation
(office buildings only)



GRI Content Index

※ Each GRI disclosure items are mapped with UNGC Principles  UNGC(2007) Making the Connection

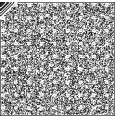
G3		Disclosure Items	SK Telecom's Responses	Page	GC
Profile					
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	CEO Message	3	-
	1.2	Description of key impacts, risks, and opportunities	Business Case in Sustainability	10	-
Organizational Profile	2.1	Name of the organization	(SK Telecom)	-	-
	2.2	Primary brands, products, and/or services	Global Convergence Innovator	6	-
	2.3	Operational structure of the organization	Company Profile	7	-
	2.4	Location of organization's headquarters	(Headquarters: 11, Euljiro 2-ga, Jung-gu, Seoul 100-999, Korea)	-	-
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability reporting	Overseas Business	6	-
	2.6	Nature of ownership and legal form	Company Profile	7	-
	2.7	Markets served	Global Convergence Innovator	6	-
	2.8	Scale of the reporting organization	Creation and Distribution of Economic Value	8	-
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	Company Profile	7	-
	2.10	Awards received in the reporting period	Major Awards	47	-
Report Parameters	3.1	Reporting period	(Fiscal year)	1	-
	3.2	Date of previous report	About this report	1	-
	3.3	Reporting cycle	(Annual)	-	-
	3.4	Contact point for questions regarding the report or its contents	About this report	1	-
	3.5	Process for defining report content	Materiality Assessment	11	-
	3.6	Boundary of the report.	About this report	1	-
	3.7	State any specific limitations on the scope or boundary of the report	About this report	1	-
	3.8	Basis for reporting that can significantly affect comparability from period to period and/or between organizations	About this report	1	-
	3.9	Data measurement techniques and the bases of calculations	(Explanation for each indicator)	33	-
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	(No major change, explanation per indicator if there is a change)	-	-
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	(No major change)	-	-
	3.12	Table identifying the location of the Standard Disclosures in the report	GRI Content Index	40	-
	3.13	Policy and current practice with regard to seeking external assurance for the report	About this report, Assurance Report	1, 44	-
Governance, Commitments, and Engagement	4.1	Governance structure of the organization	Corporate Governance	28	1~10
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	(Concurrent position)	28	1~10
	4.3	The number of members of the highest governance body that are independent and/or non-executive members	Corporate Governance	28	1~10
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Corporate Governance	28	1~10
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	Corporate Governance	28	1~10
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate Governance	28	1~10
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Corporate Governance	28	1~10
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	Sustainability at SK Telecom	5	1~10
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	SM Framework	9	1~10
	4.10	Processes for evaluating the highest governance body's own performance	SM Framework	9	1~10
	4.11	Explanation of whether and how the precautionary approach or principle is addressed	SM Framework	5, 9	7
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	SM Framework	9	1~10



G3		Disclosure Items	SK Telecom's Responses		Page	GC
Governance, Commitments, and Engagement	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Membership Status		38	1~10
	4.14	List of stakeholder groups engaged by the organization	Communication Activities by Stakeholder Group		9	-
	4.15	Basis for identification and selection of stakeholders with whom to engage	SM Framework		9	-
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Communication Activities by Stakeholder Group		9	-
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	Communication Activities by Stakeholder Group		9	-
G3		Indicators	Application Level	SK Telecom's Responses	Page	GC
Economic		Disclosure on Management Approach			5, 13	
Economic Performance	EC1	Direct economic value generated and distributed	△	Operating revenue, operating expenses, wages/benefits, cost of capital, taxes, donations	8	-
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	△	Outlook on climate change regulations in Korea. Promotion of services that curb energy use and benefits for customers using such services.	23	7
	EC3	Coverage of the organization's defined benefit plan obligations	○	Provision for severance benefits, plans to adopt retirement pension system	34	-
	EC4	Significant financial assistance received from government	○	Tax exemptions/deductions, grants for investment and R&D	8	-
Market Presence	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	NA	Reporting limited to Korea, which is the major business site. Wage differences by nation are not within the reporting scope	-	1
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	NA	Reporting limited to Korea, which is the major business site. Local purchasing policies are not within the reporting scope	-	-
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	NA	The number of employees dispatched from Korea is being reduced and local hires are being increased.	34	6
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	△	Donations, investment in local communities	8, 30	-
	EC9	Understanding and describing significant indirect economic impacts	○	Economic impact	13	-
Environmental		Disclosure on Management Approach			23, 39	
Materials	EN1	Materials used by weight or volume	NA	Irrelevant since SK Telecom is not a manufacturing company	-	8
	EN2	Percentage of materials used that are recycled input materials	NA	Irrelevant since SK Telecom is not a manufacturing company	-	8, 9
Energy	EN3	Direct energy consumption by primary energy source	○	Natural gas and oil consumption	24	8
	EN4	Indirect energy consumption by primary source	○	Electricity consumption	24	8
	EN5	Energy saved due to conservation and efficiency improvements	○	Energy savings related to office buildings	25	8, 9
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	△	Lack of relevant activities	27	8, 9
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	△	Green purchasing	39	8, 9
Water	EN8	Total water withdrawal by source	○	Annual use of water supply	39	8
	EN9	Water sources significantly affected by withdrawal of water	NA	Direct impact on water sources estimated to be limited	39	8
	EN10	Percentage and total volume of water recycled and reused	X	No wastewater reclamation and reuse system	-	8, 9
Bio diversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	○	No. of base stations and repeaters in environmental conservation zones	26	8
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	○	Impact on natural habitat due to installation of base stations in environmental conservation zones	26	8
	EN13	Habitats protected or restored	X	No relevant cases	-	8
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	△	Eco-friendly wireless site model and internal standards developed to reduce the visual impact from installation of base station/repeater in urban areas	26	8
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	X	Insufficient data	-	8

GRI Content Index

G3		Indicators	Application Level	SK Telecom's Responses	Page	GC
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight	○	Greenhouse gas emissions from natural gas, oil and electricity consumption	24	8
	EN17	Other relevant indirect greenhouse gas emissions by weight	×	Insufficient data	-	8
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	○	Greenhouse gas reduction from adoption of natural air-conditioners	25	7~9
	EN19	Emissions of ozone-depleting substances by weight	△	Reducing discharge of ozone-depleting substances through adoption of natural air-conditioners	24	8
	EN20	NO, SO, and other significant air emissions by type and weight	NA	No stationary source	-	8
	EN21	Total water discharge by quality and destination	NA	No stationary source	-	8
	EN22	Total weight of waste by type and disposal method	○	Annual amount of waste generated from nationwide SK Telecom offices	39	8
	EN23	Total number and volume of significant spills	NA	Insufficient data	-	8
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	○	Treatment of discarded mobile phones	25	8
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	NA	No stationary sources	-	8
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	○	Saving Energy and Resources In Using Mobile Telecom Services	27	7~9
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	NA	Irrelevant since SK Telecom is not a manufacturing company	-	8, 9
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	×	Insufficient data	-	8
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	△	Vehicles Operated by Operation & Maintenance Business Partners	26	8
Overall	EN30	Total environmental protection expenditures and investments by type	△	Additional investment for adoption of natural air-conditioners	24	7~9
Labor Practices and Decent Work Disclosure on Management Approach					21, 34	
Employment	LA1	Total workforce by employment type, employment contract, and region	○	No. of full-time, dispatched, and long-term contract workers	21	-
	LA2	Total number and rate of employee turnover by age group, gender, and region	○	No. of retirees	34	6
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	○	Welfare benefits for full-time workers	21	-
Labor/Management Relations	LA4	Percentage of employees covered by collective bargaining agreements	○	Applies to all employees (100%)	36	1, 3
	LA5	Minimum notice period(s) regarding operational changes	○	Issue for prior and follow-up discussions with the labor union	36	3
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	○	No. of employees subject to negotiations of Industrial Safety and Health Committee	35	1
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region	○	Days lost due to illnesses, injuries & industrial accidents	35	1
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	○	My Counselor counseling cases, employees and family members receiving medical checkup	35	1
	LA9	Health and safety topics covered in formal agreements with trade unions	○	Issues for discussion by Industrial Safety and Health Committee	35	1
Training and Education	LA10	Average hours of training per year per employee by employee category	○	Internal training programs set up for employees, training hours/person for team leaders and managers	34	-
	LA11	Programs for skills management and lifelong learning and assist them in managing career endings	○	Programs for retired workers	34	-
	LA12	Percentage of employees receiving regular performance and career development reviews	○	No. of employees subject to regular performance evaluation and career development system	34	-
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	○	No. of disabled, female and foreign employees	34	1, 6
	LA14	Ratio of basic salary of men to women by employee category	○	No difference in base salary between male and female employees	34	1, 6



G3		Indicators	Application Level	SK Telecom's Responses	Page	GC
Human Rights		Disclosure on Management Approach			28, 35, 37	
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	X	No case of human rights review when signing major investment agreements	37	1~6
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	△	Conducted eligibility review which checks a company's soundness	37	1~6
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights	○	Education to prevent discrimination and sexual harassment	29	1~6
Non-Discrimination	HR4	Total number of incidents of discrimination and actions taken	○	No. of employee counseling sessions related to human rights such as discrimination and sexual harassment	35	1, 2, 6
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	○	No pertinent business, efforts to comply with the Labor Standards Act	35	1~3
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	○	No pertinent business, efforts to comply with the Labor Standards Act	35	1, 2, 5
Forced and Compulsory Labor	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	○	No pertinent business, efforts to comply with the Labor Standards Act	35	1, 2, 4
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights	○	Conducted customer satisfaction training for all security personnel	35	1, 2
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	NA	No business activities in areas with the possibility of violating the rights of natives	-	1, 2
Society		Disclosure on Management Approach			28, 30, 39	
Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	△	Gathering local residents' opinions when installing base stations	26	-
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption	○	No. of EIRM implementation teams	29	10
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	○	Ethics management training	29	10
	SO4	Actions taken in response to incidents of corruption	○	No. of cases lodged with Ethics Counseling Center, No. of disciplinary actions taken	29	10
Public Policy	SO5	Public policy positions and participation in public policy development and lobbying	○	Public policy cooperation	39	1~10
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	NA	Companies are banned from providing political funds under the Political Fund Act	-	10
Anti-Competitive Behavior	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	○	No. of times fines were levied by Fair Trade Commission and Korea Communications Commission	29	-
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	○	Fines paid	29	-
Product Responsibility		Disclosure on Management Approach			17	
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	△	Efforts to comply with standards on electromagnetic waves from mobile phones and base stations. Compliance with the government's review standards on wireless Internet contents	25	1
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle	X	Insufficient data	-	1
Product and Service Labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	NA	Irrelevant since SK Telecom is not a manufacturing company	-	8
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	NA	Irrelevant since SK Telecom is not a manufacturing company	-	8
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	○	External customer satisfaction survey results	17	-
Marketing Communication	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	○	Adoption of CCMS, internal process for compliance with government regulations on ads and promotional materials	17	-
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	○	No. of times fines were levied by Fair Trade Commission and Korea Communications Commission (SO7)	29	-
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	X	Insufficient data	-	1
Compliance	PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	○	Fines paid (SO8)	29	-

Assurance Report

To the readers of the SK Telecom 2007 Sustainability Report

Introduction

We have been engaged by SK Telecom Co.,Ltd. to review specified information in SK Telecom 2007 Sustainability Report (further referred to as *The Report*). *The Report* is the responsibility of the company's management. Our responsibility is to issue an assurance report in relation to the scope described below.

Context and Scope

In *The Report* SK Telecom describes its efforts and progress in relation to sustainability and reporting. Our engagement was designed to provide the readers of *The Report* with:

- reasonable assurance on whether the data on financial performance, as specified in the section 'Work Undertaken and Conclusions' are properly derived from the 2007 Non-consolidated financial statements of SK Telecom Co.,Ltd.
- limited assurance on whether:
 - the data on the total greenhouse gas emissions, annual volunteer hours per person and disposing collected handsets for the year 2007 are reliable;
 - the information in the following sections of The Report is fairly stated:
 - Our Journey towards Sustainability (pages 9 to 10);
 - Customer Care (pages 17 to 20);
 - Innovative Workplace (pages 21 to 22);
 - Green ICT (pages 23 to 27);

'Fairly stated' means that *The Report* properly reflects the information contained in the underlying sources such that it is consistent with the source information.

Reasonable assurance is a higher level of assurance than limited assurance, which is reflected in the nature and depth of the work performed. To obtain a thorough understanding of the financial results and financial position of SK Telecom Co.,Ltd., the reader should consult the SK Telecom audited Non-consolidated financial statements for the year ended 31 December 2007.

Reporting Criteria

There are no generally accepted standards for reporting sustainability performance. SK Telecom Co.,Ltd. applies its own internal sustainability performance reporting criteria, in addition to using the 2006 Sustainability Reporting Guidelines of the Global Reporting Initiative.

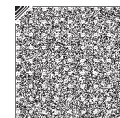
Standards

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000): 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. Amongst others this standard requires that:

- the assurance team members possess the specific knowledge, skills and professional competencies needed to understand and review the information in *The Report*, and that they comply with the requirements of the IFAC Code of Ethics for Professional Accountants to ensure their independence;
- when providing limited assurance, which is a lower level than reasonable assurance, a negative form of conclusion is used.

Considerations and Limitations

Environmental, health, safety and social performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.



Work Undertaken and Conclusions

■ Financial data

We have reconciled the data on financial performance in the section of *The Report* listed below, with the audited 2007 Non-consolidated financial statements of SK Telecom Co.,Ltd.

- The section 'Creation and Distribution of Economic Value' on page 8

Based on the above, the data on financial performance, as specified above are properly derived from the 2007 Non-consolidated financial statements of SK Telecom Co.,Ltd. for which the independent auditors issued an unqualified audit opinion dated January 31, 2008.

■ Specific sections

For the reliability of the data on the total greenhouse gas emissions, annual volunteer hours per person and disposing collected handsets for the years 2004 to 2007 we conducted:

- a review of the data reported by reporting organizations;
- a review of the systems used to generate, aggregate and report these data;
- a review of the data validation process at product division level;
- a review of the calculation made at corporate level;

Based on the above, the data on the total greenhouse gas emissions, annual volunteer hours per person and disposing collected handsets for the year 2007 do not appear to be unreliable.

For the information in the sections of *The Report*, as specified above under 'Context and Scope' we conducted:

- a media and internet search to obtain insight into the relevant sustainability aspects in the reporting period;
- a review of the systems and processes used to generate this information;
- a review of internal documentation and intranet sources;
- interviews with staff in order to assess the information included in the specific sections;

Following our review we discussed changes to the draft Report with SK Telecom and reviewed the final version of *The Report* to ensure that it reflected our findings.

Based on the above, the information in the sections, Our Journey towards Sustainability, Customer Care, Innovative Workplace and Green ICT does not appear to be unfairly stated.

Commentary

Without affecting the conclusions presented above, we believe that following information could be useful to the readers' decision-making process.

SK Telecom is providing sustainability information reliable to its stakeholders by implementing the materiality test in *The Report*. We recommend that SK Telecom pay attention to enhancing the evaluation process of grasping and managing sustainability issues. In addition, SK Telecom needs to report on the sustainability performance of its subsidiaries and to attune reporting criteria to support the reporting process.

We have discussed our observations regarding the reporting process and report outside the scope of our assignment with SK Telecom management. We found them receptive to our comments.

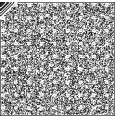
Yun, Young Gak

Managing Partner & President
Samjong KPMG Advisory Inc.
April 2008



SAMJONG

- **Carbon Disclosure Project:** A global initiative that compiles and analyzes information on carbon emissions, a major cause of climate change, from listed companies around the world and is supported by global institutional investors.
- **CDMA (Code Division Multiple Access):** A technology for digital transmission of radio signals based on spread spectrum techniques developed by Qualcomm of the US. SK Telecom launched the world's first commercial CDMA cellular service in January 1996.
- **DJSI (Dow Jones Sustainability Indexes):** Revealed by Dow Jones of the US and Sustainable Asset Management (SAM) based in Switzerland, the DJSI is composed of companies in the top 10% based on assessment of their economic, social, ethical and environmental performance.
- **Eco-friendly wireless site:** Wireless sites designed to reduce the visual impact in surrounding areas (includes all facilities that are installed outdoors that have a visual impact including base stations and optical repeaters). Related provisions are included in the standards and procedures for the directives on shared use of wireless communications facilities.
- **Ecosystem conservation zone:** These zones are designated by the Ministry of Environment, the Ministry of Maritime Affairs & Fisheries, city mayors and provincial governors pursuant to the Natural Environment Preservation Act. As of the end of 2007, there were 32 ecosystem conservation zones covering a total area of 352,932 km².
- **Education assistants for disabled students:** Assistants are dispatched to help disabled children who have difficulties adjusting in elementary/middle schools or childcare/educational facilities to protect the rights of these children to receive education. This program, carried out jointly with the Korea Association of Self-Sufficiency Promotion Agency since 2003, also helps to create jobs for unemployed women in the low income brackets.
- **Euro 4 Standard:** The standard for acceptable exhaust emissions applied to gasoline-powered vehicles by the European Union (EU). It was applied from 2005 for new cars and from 2006 for existing cars.
- **EV-DO (Evolution Data Only):** A high-speed network protocol used for wireless data communications.
- **HSDPA (High Speed Downlink Packet Access):** A 3.5G mobile communications technology for improving the downlink performance of WCDMA networks. It supports mobile telephony and high-speed data transmission.
- **i's box:** A UCC service that allows users to upload photos and videos stored in cell phones and PCs over wired and wireless networks and even post them to blogs. (<http://www.isbox.com>)
- **June:** SK Telecom's premium service brand that allows users to enjoy video contents such as movies, music videos, real time news and TV programs via the 3G network.
- **TD-SCDMA (Time Division-Synchronous Code Division Multiple Access):** 3G mobile technology developed by China. It is the next generation mobile communications standard being pursued by the country.
- **tossi:** An integrated wired and wireless social networking service developed for easy use over mobile phones and wired Internet. (<http://www.tossi.com>)
- **UN Global Compact:** A UN initiative aimed at realizing a sustainable and inclusive global economy through responsible business practices based on ten principles in the areas of human rights, labor, the environment and anti-corruption.
- **WCDMA (Wideband-Code Division Multiple Access):** Next generation CDMA technology enabling the sending and receiving of data, static images and moving images.
- **ZigBee:** Wireless technology developed to address the needs of low-power, low-cost wireless sensor networks. It is an IEEE 802.15.4 standard based technology being driven by the ZigBee Alliance.
- **11th Street:** An open market brand offering customers a wide range of interactive services (<http://www.11st.co.kr>)



The Global Compact's Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Major Awards

08.03	National Customer Satisfaction Index (No. 1 for 11 consecutive years)	Korea Productivity Center
07.11	Corporate Ethics Award (Grand Prize)	KABE
07.06	Award of Excellence Winner	Korea Corporate Governance Service
07.12	Small, Medium and Large-sized Enterprises Cooperation Awards (Minister's Award)	Ministry of Information and Communication
07.12	Small, Medium and Large-sized Enterprises Cooperation Awards (Grand Prize, Industrial Merit)	Ministry of Commerce, Industry and Energy
07.10	Korea Customer Satisfaction Index (No. 1 for 10 consecutive years)	Korea Management Association Consulting
07.10	BCCK Award Social Contribution Category	British Chamber of Commerce in Korea
07.09	KS-SQI (No. 1 for eight consecutive years)	Korean Standards Association
07.08	ARC Award	MerComm
07.04	Best Employers in Asia	Hewitt Associates, Wall Street Journal
07.04	Best Asian Telecom Carrier (Two consecutive years)	Telecom Asia, IDC
06.04	World's Top 100 Innovative Companies	BusinessWeek

