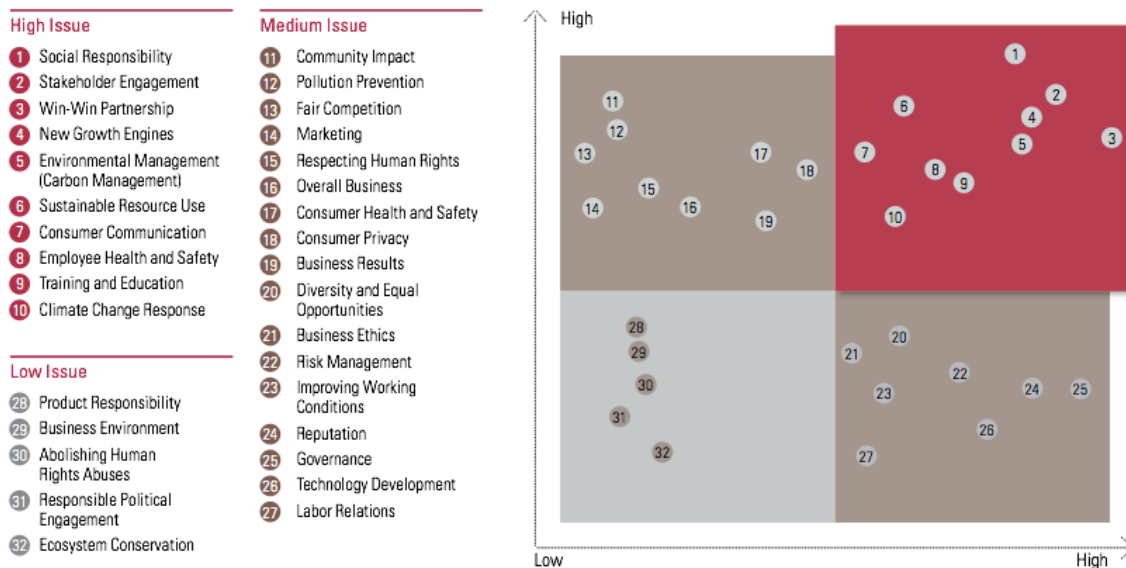


Company:	KT Corp
Sector:	Telecommunication Services
Report Year:	2012
Headquarters:	South Korea
Standard Application:	GRI 3.1
Format:	Matrix

**Materiality Assessment Results** | The key issues identified include 'Win-Win Partnerships', 'Social Responsibility', and 'Stakeholder Engagement', and the level of materiality in the area of growth engines increased relative to the previous year's, following the announcement of olleh Management 2.0.



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## Materiality Assessment

Through 'Materiality Assessment', kt identifies and constantly monitors key issues, taking into consideration the interests of stakeholders and their business impact. The materiality assessment includes media analysis, national/international industry benchmarking, international regulations and standards, and employee and external expert surveys to reflect stakeholders' interests, and their business impact was taken into account by examining data on olleh 2.0 and KPIs. This Report was prepared based on the assessment results.

- 1** **Media analysis\_** kt analyzed news articles published by the press in 2011 to identify stakeholders' interests and social expectations. A comparison weight was assigned to negative issues.
- 2** **Industry benchmarking\_** The company analyzed the CSR activities of global wired (cable) and mobile telecommunication carriers, who are competing with kt, as well as pressing issues in the industry.
- 3** **International standards\_** kt incorporated ISO 26000, GRI G3.1, UNGC principles, and DJSI survey into its vision toward global leadership.
- 4** **External expert survey\_** kt asked about 100 CSR experts in Korea about kt's level of sustainability and the issues that the company should be interested in, and reflected the results in the materiality assessment. The issues raised were governance, human-centric management, and win-win partnerships, in order of priority.
- 5** **Employee awareness survey\_** 62% of employees responded that they were aware of CSR, while 54% said they were aware of the specific details of CSR activities.

**Materiality Assessment Results |** The key issues identified include 'Win-Win Partnerships', 'Social Responsibility', and 'Stakeholder Engagement', and the level of materiality in the area of growth engines increased relative to the previous year's, following the announcement of olleh Management 2.0.

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## Stakeholder Engagement

kt classifies key stakeholder groups into customers and shareholders, who are in business relationships with the company, employees and suppliers, who are co-leaders in innovation and growth, and communities in which the company conducts business. The company gathers and takes into consideration the stakeholders' opinions through regular committee meetings or surveys.

Specifically, the company holds regular meetings to talk with the stakeholders, including the CEO-Supplier, Labor-Management Council and Community meetings, and each responsible team collects and reflects the opinions discussed in business activities. The company also conducts a survey in the material assessment process, and launched a Sustainability Committee consisting of related officers to incorporate the survey results into business activities. The Committee is responsible for overseeing sustainability activities, operating a Steering Committee, and supporting sub-committee activities.

Stakeholder Communication Channels

