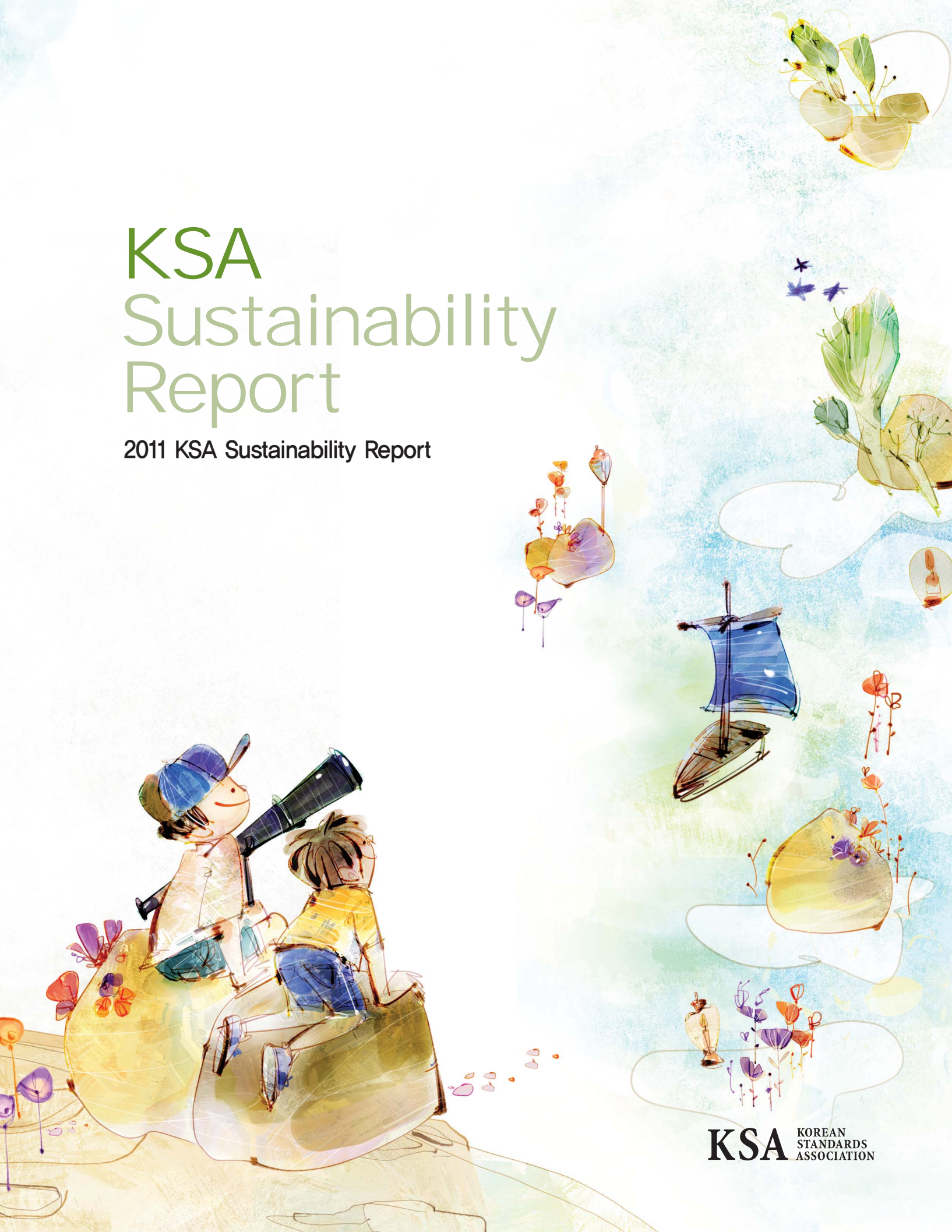


# KSA Sustainability Report

2011 KSA Sustainability Report







# KSA Sustainability Report 2011

## About This Report

As a public sector leader of sustainability management standards in Korea, Korean Standards Association (KSA hereafter) aims to illustrate its sustainability management accomplishments from the economic, social and environmental perspectives for the sustainable development of Korea and to communicate with stakeholders through this sustainability report.

**Characteristics of This Report** \_ This report used stakeholder engagement and their feedback as major criteria in selecting issues to be reported in accordance with procedures laid down in ISO 26000, international corporate social responsibility standard that took effect from November 1, 2010 and discloses KSA's performance on these material issues.

**Publication and Reporting Period** \_ KSA publishes its sustainability reports every two years. This report outlines KSA's sustainability management performance for two years between January 1, 2009 and December 31, 2010 and also contains 2011 data for some issues where stakeholders have a high level of interest. The latest report was issued in 2009.

**Reporting Scope and Boundary** \_ This report describes KSA's sustainability achievements across the board including its head office, the HRD Center, and regional offices. Its environmental performance, however, does not cover regional divisions and China Office that are leased facilities.

**Reporting Standards** \_ This report was prepared in accordance with the Global Reporting Initiative (GRI)'s GRI 3.1 Guidelines, the latest international standard on sustainability reporting issued in the first half of 2011. The report presents three years of progress at KSA and reuses those statistics in previous reports that were published before the reporting period. Its financial data were generated according to Korean accounting standards and environmental and social performance data were produced based on KSA's in-house performance management systems.

**Assurance** \_ Given KSA's role as an assurance provider of sustainability reports, this report was not assured by any external organizations considering their expert qualifications and we made sure that this report is strictly dedicated to meeting relevant international standards to enhance its reliability.

**For More Information** \_ This report was issued in Korean as well and for more information, please visit KSA's website ([www.ksa.or.kr](http://www.ksa.or.kr)).

We always welcome candid feedback of our stakeholders. If you have any suggestions or questions regarding KSA's management practices or this report, please contact



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# Contents

About This Report	
CEO's Message.....	2
Sustainability at KSA .....	4

## Introduction

Introduction to KSA.....	6
Celebrating KSA' s 50th Anniversary .....	9
Reporting Process.....	10
Stakeholder Interview .....	12

## I. Proud Company: Sustainability Management

Management Strategy .....	16
Ethics Management .....	18
Win-Win Management .....	19
Social Contribution.....	20
Environmental Management.....	22

## II. Proud Character: Talent-oriented Management

Recruiting Top Talent .....	26
Promotion of Experts .....	27
Building a Great Work Place .....	30

## III. Proud Contents & Competence: Performance-driven Management

### Part. 1 Conventional Business (Contents)

Standard-setting Leadership .....	34
Educational Practicality .....	36
Effective Certification .....	39
Credible Reward Programs.....	42

### Part. 2 New Growth Business (Competence)

Sustainability Management Business .....	46
Green Growth Business .....	48
E-learning Mobile-learning Business.....	50
Job Capacity Development Business .....	51

## IV. Proud Customer: Customer-centered Management

Customer Satisfaction Management .....	54
Expansion of Customer Communication Channels .....	56
Customer Information Security .....	57

## V. Performance Creation: Our Performance

Economic Achievements.....	60
Social Achievements .....	62
Environmental Achievements .....	64

## Appendix

KSA's ISO 26000 Compliance Self-check Report .....	68
GRI G3.1 Contents Index & ISO 26000 .....	70
UN Global Compact Principle Compliance Report .....	75



# CEO's Message

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“KSA has been a faithful partner for the industrial development of Korea over the last five decades. We will remain silent but dedicated in our journey to create future values for customers and stakeholders in industrial settings and to fulfill our social responsibility for a happier society in the upcoming five decades.”

It is my great pleasure and honor to meet our dear stakeholders who never fail to show their deep interest in and strong support for us through the 'KSA Sustainability Report 2010'. Our first sustainability report was issued in 2009 in order to ensure stronger communication with stakeholders and help meet our sustainability management goals as an organization.

KSA joined the UN Global Compact (UNGC), the UN-level international initiative on social responsibility, in November 11, 2010 and has been supporting the ten UNGC principles in the areas of human rights, labor, environment and anti-corruption. Our sustainability reports intend to disclose our progress relevant to the UNGC and to solicit invaluable feedback from our stakeholders to make more effective contributions in the economic, social and environmental aspects, using it as the bedrock of KSA's sustainability management.

While having face-to-face meetings with and listening to wide-ranging stakeholders in preparing this report, their warm-hearted support and rather sometimes criticisms enabled us to look for KSA's future ways to go and also reaffirmed their high expectations on us.

In order to ensure KSA's sustainable development in the longer term, this KSA Sustainability Report 2011 illustrates the following commitments that reflect our 2<sup>nd</sup>-phase mid-term management strategic tasks and issues where stakeholders show a high level of interest.

First, we are to stay committed to our role as a private sector leader in standards. To ensure this end, we will fully incorporate opinions of relevant businesses in setting standard policies and build readiness for emerging trends of international standards such as social responsibility and green industry. We will also take the lead in R&D of standards in such new growth areas as convergence technology and software.

Second, we will update the Korean Industrial Standards (KS) Certification system, the nation's representative voluntary certification, to promptly accommodate changing technology and environments, making further contributions to industrial development. We will also make sure that the KS system is internationally recognized through the establishment of the KS Certification web system and continual development of new service areas.

Third, we will work hard to deliver customized education and knowledge services that meet diversified customer needs as a professional industrial training service provider and to develop training programs that take into account such social issues as climate change, eco-friendliness and social-friendliness.

Fourth, we are committed to more sophisticated operation of the Service Quality Index, Well-Being Consumer Index, LOHAS Certification, and In-door Air Quality Certification that were developed by KSA to enhance the quality of life for the general public and to establishment of new indices and certifications whose needs are increasing in Korea.



Fifth, we are dedicated to sharing and increasing mutual benefits based on the knowledge asset that we have at KSA, taking one step closer to addressing the knowledge gap in our society.

Additionally, this report illustrates KSA's actions and commitments in the upcoming years in each of those issues that our stakeholders view as material. While we are fully committed to organizing our structure to ensure prompt response to external changes to meet stakeholders' requirements and expectations, we are also working hard to create a system to nurture professional talents and enable them to make the best of themselves.

Our goal is to grow together with our dear stakeholders while reaching targets one by one that were outlined in our sustainability reports.

Celebrating the 50<sup>th</sup> anniversary of establishment in 2012, KSA has been an active provider of knowledge services in wide-ranging fields of standards, product quality, training and certification for the nation's industrial development over the last five decades. We will remain silent but dedicated in our journey to create future values for customers and stakeholders in industrial settings and to fulfill our social responsibility for a happier society in the upcoming five decades. As we are fully dedicated to building a sustainability human society, we will greatly appreciate your continued interest and support in the future.

Thank you.

Chang-Ryong Kim  
KSA Chairman

*Chang Ryong Kim*

December 2012



# Sustainability at KSA



KSA has been growing together with Korea's industrial development and is making wide-ranging accomplishments in meeting its responsibility in the economic, social and environmental areas.

● Completed    ○ On-going    ○ Not yet

## Our Responsibility

### What we promised in 2009

### What we did during 2009-2010

### Progress

### What we will do in 2011-2012

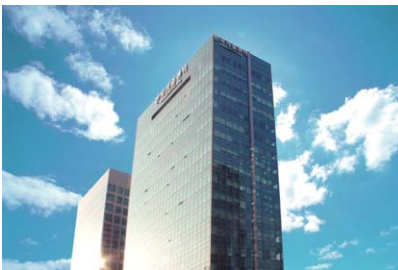
Newly identified in 2011	Newly identified in 2011		<ul style="list-style-type: none"> <li>To set the 2<sup>nd</sup>-phase mid-term management strategy based on the strategic goal of sustainability management</li> <li>To work on 36 implementation tasks under the mid-term management strategy</li> </ul>
<ul style="list-style-type: none"> <li>To position creative ethics management as a core objective of management strategy</li> <li>To strengthen ethics and integrity training (2hr/employee → 4hr/employee)</li> </ul>	<ul style="list-style-type: none"> <li>Set mid-term management strategy tasks for ethics management</li> <li>Increased ethics and integrity training per employee to 4 hours</li> </ul>	●	<ul style="list-style-type: none"> <li>To integrate anti-corruption and ethical standards into operations</li> <li>To create regulations to prevent unfair practices</li> </ul>
Newly identified in 2011	<ul style="list-style-type: none"> <li>Offered free training to SMEs</li> <li>Improved transaction practices with business partners</li> </ul>	●	
<ul style="list-style-type: none"> <li>To expand community support programs</li> <li>To set organization-wide philanthropic strategies</li> </ul>	<ul style="list-style-type: none"> <li>Promoted talent donation</li> </ul>	○	<ul style="list-style-type: none"> <li>To include stronger social responsibility criteria in purchasing conditions</li> <li>To perform knowledge-sharing activities to contribute to communities</li> </ul>
<ul style="list-style-type: none"> <li>To reduce energy consumption and GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>Estimated energy consumption and GHG emissions</li> <li>Increased the percentage of green purchasing</li> </ul>	○	<ul style="list-style-type: none"> <li>To continue to reduce pollutants</li> <li>To maintain the set criteria of indoor air quality</li> </ul>
<ul style="list-style-type: none"> <li>To increase training hours per employee (78 hours in 2008 to 85 hours in 2009)</li> <li>To start the master system in expert positions</li> <li>To strengthen reward systems through the active use of instructor evaluation systems</li> </ul>	<ul style="list-style-type: none"> <li>Increased training hours per employee to 85 hours</li> <li>Implemented the master system in professional positions</li> <li>On-going efforts to implement improvement tasks</li> </ul>	●	<ul style="list-style-type: none"> <li>To promote on-site learning activities through the facilitation of learning units</li> <li>To expand the core job expert system</li> <li>To hire talented people</li> </ul>
<ul style="list-style-type: none"> <li>To re-define the KSA vision framework and improve HR evaluation systems in a bid to increase employee satisfaction (KS-ES)</li> </ul>	<ul style="list-style-type: none"> <li>Not completed</li> </ul>	○	<ul style="list-style-type: none"> <li>To stipulate the respect for human rights in the KSA policy</li> <li>To conduct inspections on human rights situations of KSA employees and business partners</li> <li>To motivate employees with fair performance evaluation and reward systems</li> <li>To introduce flexible working hours</li> <li>To run life planning programs</li> </ul>
<ul style="list-style-type: none"> <li>To assess the level of job satisfaction and identify what to improve in order to use the input to facilitate the development of individual employees and KSA</li> </ul>	<ul style="list-style-type: none"> <li>Not completed</li> </ul>	○	
<ul style="list-style-type: none"> <li>To cope with new international standards</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened standard development activities</li> </ul>	○	<ul style="list-style-type: none"> <li>To serve as a supporter for private sector institution's R&amp;D on standardization</li> <li>To develop standardization training programs customized for respective industry sectors</li> <li>To conclude more agreements to ensure the rapid distribution of international standards</li> </ul>
<ul style="list-style-type: none"> <li>To distribute international standards into Korea rapidly</li> </ul>	<ul style="list-style-type: none"> <li>Supported the promotion of professional standard experts</li> </ul>	○	
<ul style="list-style-type: none"> <li>To find new certification areas of social interest (safety, eco-friendliness, social responsibility and others)</li> <li>To advance the operation process of the KS Certification system</li> <li>To expand the scope of KS service certification into golf courses, resort condominiums and other varied areas</li> <li>To strengthen activities to improve service competitiveness</li> <li>To continue to implement management policy of KS-certified companies in China</li> </ul>	<ul style="list-style-type: none"> <li>Developed the indoor air quality certification system and the Korea LOHAS certification system</li> <li>On-going efforts to implement improvement tasks</li> <li>Widened the scope of KS service certification</li> <li>On-going efforts to implement improvement tasks</li> <li>Managed local KS-certified companies in China through China Office</li> </ul>	●	<ul style="list-style-type: none"> <li>To initiate KS Certification web services</li> <li>To extend the scope of KS Certification in the services sector</li> <li>To expand wide-ranging management system certification</li> </ul>
Newly identified in 2011	Newly identified in 2011		<ul style="list-style-type: none"> <li>To enhance the standing of KSA awards including the Korean National Quality Award</li> </ul>
<ul style="list-style-type: none"> <li>To reorganize the training system including increasing the percentage of practice in formulating curriculums and training aids and expanding training equipment</li> <li>To open the KSA Gasan Digital Center equipped with cutting-edge training facilities and equipment to offer the most optimized training environment</li> <li>To organize and operate the pool of instructors who are capable and fit for the new digital training environment</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced practicality of the training system through overhaul of the system structure</li> <li>Opened the KSA Gasan Digital Center and improved the overall training environment</li> <li>Gained access to professional instructors and expanded open training programs</li> </ul>	●	<ul style="list-style-type: none"> <li>To develop further segmented and specialized quality training programs by industry sector</li> <li>To be designated as a life-long education institute</li> <li>To secure outstanding and professional instructors</li> </ul>
<ul style="list-style-type: none"> <li>To open training courses to nurture social responsibility experts</li> <li>To promote and distribute sustainability management in Korea with experts trained by KSA programs</li> <li>To enhance the reliability of the Korean Reader's Choice Awards through the expansion of survey population</li> <li>To set up more open training courses (2 in 2008 → 7 in 2009)</li> <li>To develop Korea's own sustainability index based on GRI guidelines</li> <li>To finalize sustainability management KPIs and set goals</li> <li>To research/study latest technology and trends to ensure sustained energy saving and distribute them across the industry</li> <li>To formulate new business models through the enhanced awareness of KSA executives on eco-friendly production and environmental management</li> <li>To expand CDM and inventory verification</li> <li>To make policy proposals on green standards to the Korean government</li> <li>To facilitate e-learning through establishment of integrated LMS and expand the base for e-learning</li> <li>To provide KSA's unique training contents through its training website differentiated and specialized in contents</li> <li>To ensure that support for job seekers, e-learning and green business drive KSA's new growth engine in 2010</li> <li>To deliver wide-ranging education and training programs to nurture talented people</li> </ul>	<ul style="list-style-type: none"> <li>Developed regular CSR expert training courses</li> <li>Drove the growth of the sustainability reporting business</li> <li>Increased the size of KRCA survey population</li> <li>Reached the goal of opening 7 open courses in 2009</li> <li>Developed the Korea Sustainability Index based on GRI guidelines</li> <li>Expanded Green CEO training programs</li> <li>Set strategies to standardize green technology</li> <li>Operated WorkLearn, KSA's own brand for training services</li> <li>Provided training to graduate job seekers and carried out projects to support job seekers in developing their capacity</li> </ul>	●	<ul style="list-style-type: none"> <li>To facilitate the sustainability management business</li> <li>To promote green growth business</li> <li>To support Korean companies in reducing GHG emissions</li> <li>To contribute to society through low carbon green growth initiatives</li> <li>To facilitate the e-learning and mobile learning business</li> <li>To promote job capacity development projects</li> </ul>
<ul style="list-style-type: none"> <li>To raise the score of employee telephone monitoring to 90</li> <li>To enhance customer satisfaction to 80.6 points</li> </ul>	<ul style="list-style-type: none"> <li>Gained 87.4 points through employee telephone monitoring</li> <li>Gained 84.6 points through customer satisfaction survey</li> </ul>	○	<ul style="list-style-type: none"> <li>To consider providing customer services that utilize KSA's training assets</li> <li>To gather voice of customers by business unit</li> <li>To provide helpful guidance to customers regarding changes in previous KSA services</li> <li>To enhance customer communication using wide-ranging channels</li> <li>To deliver one-stop customer response services</li> </ul>
<ul style="list-style-type: none"> <li>To fully integrated customer opinions through varied channels</li> <li>To create organization-wide and systemized PR strategies</li> <li>To set long-term goals and improvement strategies through the evaluation of KSA brand value</li> <li>To establish KSA brand valueevaluation system</li> </ul>	<ul style="list-style-type: none"> <li>Offered communication channels through Twitter and blog</li> <li>On-going</li> <li>Not completed</li> <li>Not completed</li> <li>Assigned employees dedicated to information security and prevented hacking attacks</li> <li>Declared KSA's compliance with the 7 information protection principles set by the Ministry of Knowledge and Economy</li> </ul>	○	<ul style="list-style-type: none"> <li>To improve the status of KSA brand</li> <li>To protect customer information through the Personal Information Protection Law</li> </ul>
Newly identified in 2011		○	

## Introduction to KSA

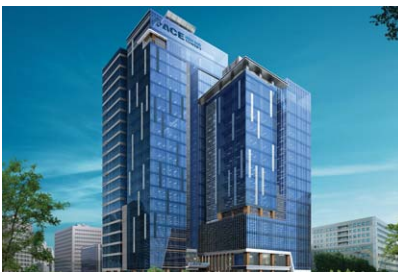
Established in 1962 pursuant to Article 32 of the Industrial Standardization Act, KSA is to celebrate its 50<sup>th</sup> anniversary in 2012. KSA is fully committed to building a sustainable human society together with stakeholders as a comprehensive knowledge service provider in the fields of standards, quality, certification and training.

### KSA Overview

Organizational Name	Korean Standards Association
Chairman	Chang-Ryong, Kim
Date of Establishment	March 13, 1962
Capital	KRW 416.8 Billion (as of 2010)
Revenue	KRW 86.5 Billion (as of 2010)
No. of Employees	347 (as of 2011)
Business Domains	Standards, Quality, Certification, Training
Location of Head Office	Korea Technology Center, 305 Teheran Road (701-7 Yeoksam-dong), Gangnam-gu, Seoul
Representative Brands	Korean National Quality Award, National Competition for Quality Control Circles, KS Certification, Korean Standard-Service Quality Index, Worklearn and others



KSA head office (Yeoksam-dong, Gangnam-gu, Seoul)



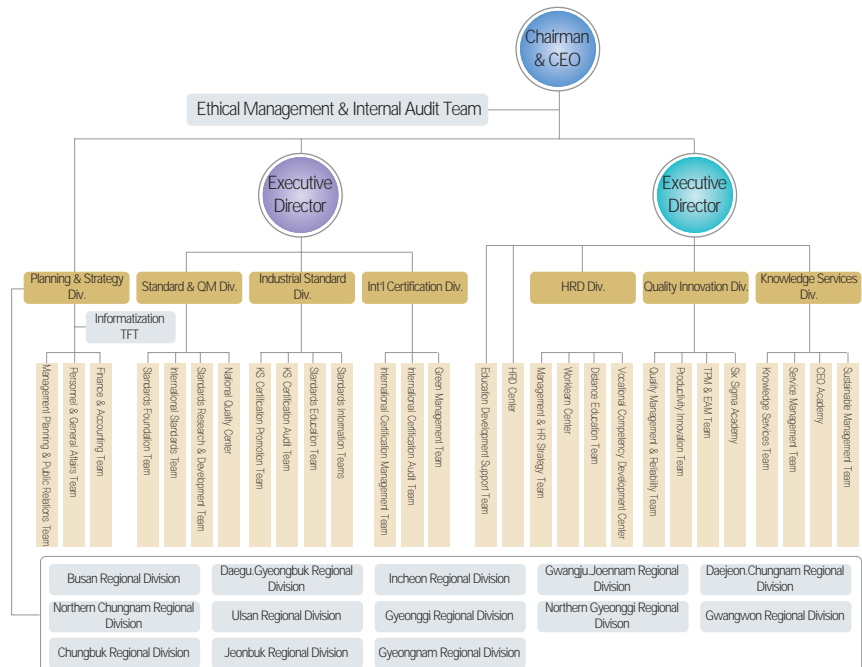
KSA Gasan Digital Center (Gasan-dong, Geumcheon-gu, Seoul)



KSA HRD Center (Anseong, Gyeonggi Province)  
(gross area : 15,679,715m<sup>2</sup>)

### KSA Organizational Chart

3 executives, 7 divisions, 29 teams and 13 regional divisions

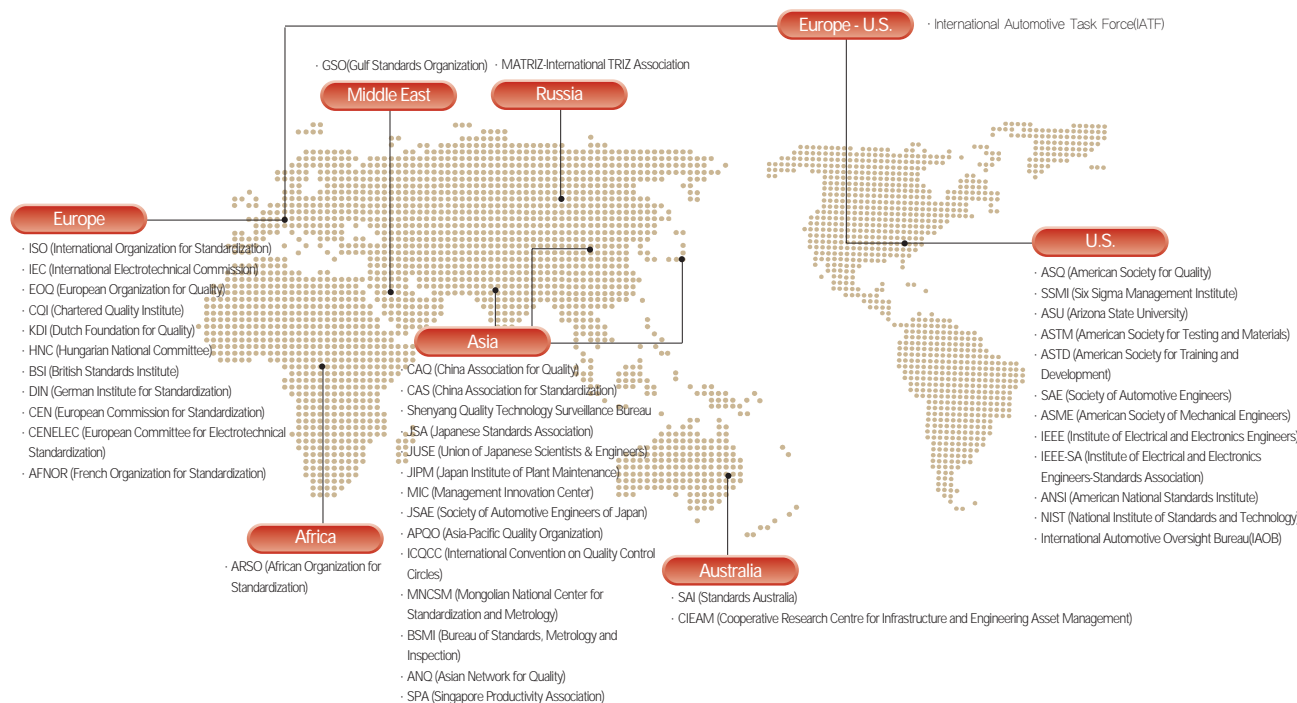


\* as of Jan. 2012



KSA Global Network

We are taking the lead in globalization and international standardization initiatives of quality management and sustainability management through cooperation and exchanges with international organizations and relevant overseas counterparts.



KSA History

1960' s ~1980' s	Grew into a representative organization in standards and quality management	1990' s	Developed into a national KS certification body and ISO training center
1962	Korean Standards & Norms Association established	1991	Quality Management Research Center opened
1971	Designated as quality control engineer training agency (by the Ministry of Commerce, Industry and Energy)	1993	Renamed as Korean Standards Association
1975	Designated as Quality Control Implementation Division Bureau (by the Industry Promotion Administration)	1994	Designated as Quality Management System Training Center (No. 1 in Korea)
	Korean National Quality Awards established	1996	Designated as Environmental Management System Training Center (No. 1 in Korea)
1983	KSA HRD Center opened (designated by the Ministry of Labor)	1998	Designated as KS certification body
		1999	Integrated into the Korean Industrial Standard Institute
Since 2000	Evolved into a national comprehensive knowledge service provider (green growth, standards, quality, certification and training)		
2000	Appointed as ISO 9001 and ISO 14001 certification body	2008	Designated as CDM (Clean Development Mechanism) operation body
2001	Designated as JIS certification body for the first time as a foreign institute		GHG inventory verification services started
	China Office opened in Beijing	2009	Designated as ISO 26000 national secretary
2004	KSAM (Korean Standards Association Media) established as a KSA subsidiary		Designated as VCS (Verified Carbon Standard) verifier for the first time in Korea (Verified Carbon Standard)
2005	Designated as the Social Responsibility (SR) Standardization Forum Bureau		KSA Gasan Digital Center opened
2006	Designated as the Korea LOHAS certification body	2010	Appointed as green training institute (by the Presidential Committee on Green Growth)
2007	Designated as a public organization (by the Ministry of Planning and Strategy)		Obtained the Best HRD (Best Human Resources Developer) certificate
	Sustainability management partnership concluded with GRI		Joined the UN Global Compact (UNGC)
	Designated as verifier for GHG reduction projects	2011	Designated as verifier for the Korean government' s GHG Target Management System
2008	Designated as e-learning institute		



BOD meeting in 2011

## BOD Members

NO	Position at BOD	Company Name	Position	Name
1	Chairman	KSA	Chairman	Kim, Chang-Ryong
2	Outside Vice-chairman	Keyang Electric Machinery Co., Ltd.	CEO	Chang, Byung-Ho
3	Outside Vice-chairman	Kwang Dong Pharmaceutical Co., Ltd.	Chairman	Choi, Soo-Boo
4	Outside Vice-chairman	Kumho Electric, Inc.	Chairman	Park, Young-Koo
5	Outside Vice-chairman	Dongsuh Food	CEO	Lee, Chang-Hwan
6	Outside Vice-chairman	Doosan Heavy Industries & Construction Co., Ltd.	Vice-chairman	Chung, Ji-Taik
7	Outside Vice-chairman	PyungHwa Industrial Co., Ltd.	Chairman	Kim, Jong-Suk
8	Outside Vice-chairman	Kumho Tires Co., Ltd.	CEO	Kim, Jong-Ho
9	Outside Vice-chairman	Korea Hydro & Nuclear Power Co., Ltd.	CEO	Kim, Jong-Shin
10	Outside Vice-chairman	Doosan Engine Co., Ltd.	Vice-chairman	Lee, Sung-Hee
11	Outside Vice-chairman	Toray Advanced Materials Korea Inc.	CEO	Lee, Young-Kwan
12	Outside Director	Noroo Paint & Coatings Co., Ltd.	CEO	Kim, Soo-Kyoung
13	Outside Director	LS Industrial Systems Co., Ltd.	Vice-chairman	Koo, Ja-Kyun
14	Outside Director	Yura Harness	CEO	Yoo, Sang-Keun
15	Outside Director	Poongsan Co.	CEO	Choi, Han-Myung
16	Outside Director	Hankook Chinaware	CEO	Kim, Young-Shin
17	Outside Director	Hankook Tire	Vice-chairman	Suh, Seung-Hwa
18	Outside Director	HanyoungNux	Chairman	Han, Young-Soo
19	Outside Director	Daehan Steel Co., Ltd.	CEO	Oh, Hyung-Khun
20	Outside Director	Kiturami	CEO	Park, Myung-Hyun
21	Outside Director	Ace Bed	CEO	Ahn, Sung-Ho
22	Outside Director	SungwoolHtech	CEO	Kim, Tae-II
23	Outside Director	Daehan Solution Co., Ltd.	Chairman	Kwon, Hoe-Hyeon
24	Executive Director	KSA	Executive Director	Kim, Moo-Hong
25	Executive Director	KSA	Executive Director	Lee, Jong-Eop
26	Outside Auditor	Dongnam Petroleum Ind. Co., Ltd.	President	Ro, Chung-Souk
27	Outside Auditor	Kyungshin Co.	Chairman	Kim, Hyun-Sook

\* As of March 2011

## Governance

## General Meeting of Members-Structure and Decision-Making Process

KSA's General Meeting of Members consists of KSA member companies and the regular general meeting convenes in March every year. Meeting agendas, date and venue are notified to member companies 7 days prior to the meeting and a meeting starts with more than one fifth of the registered members in attendance.

The General Meeting of Members is KSA's top decision-making body with the authority to change KSA articles of association, appoint or dismiss Chairman and part-time executives, and approve budget and settlement. Major issues decided at general meetings are reported to and approved by the Ministry of Knowledge and Economy to enhance KSA's operational transparency. Attending member companies form the bedrock of KSA's operation and KSA is fully dedicated to providing various information and services to these members.

## BOD-Structure and Decision-Making Process

At KSA, full-time executives of 1 Chairman and 2 executive directors and part-time executives of 10 vice chairmen, 12 directors and 2 auditors comprise the board of directors (BOD). The Chairman convenes BOD meetings and presides at meetings as the BOD Chair. Part-time executives, selected through General Assembly meetings, are representatives of KSA member companies to ensure BOD's independence and expertise. Directors may serve 3 years from the date they were appointed and reappointment is allowed. Full-time executives are compensated in a way consistent with the General Assembly's compensation regulations and part-time executives are deemed honorary members.

BOD decisions on major issues at KSA are reported to the Ministry of Knowledge and Economy and disclosed to diverse stakeholders through the nation's public organization management information disclosure system ([www.alio.go.kr](http://www.alio.go.kr)) and KSA website. Business plans and budgets at the beginning of the year, settlements at the end of the year and other important management issues require approval of the BOD and the Ministry of Knowledge and Economy and this process results in appropriate evaluations of KSA's business performance and enhanced operational transparency.

## Agenda Proposal Process at the General Assembly and BOD

Issues to be proposed for consideration at General Assembly and BOD meetings are defined in the KSA articles of association. Once the date of General Assembly or BOD meeting is finalized, this is made public through group ware to solicit feedback on meeting agendas. This ensures that all KSA employees can make their voices heard and identifies critical issues that deserve considerations at the General Assembly or BOD.

## Outside Advisory Group

KSA plans to assemble an advisory group made up of outside experts for more proactive response to fast-changing business environments and prompt accommodation of such changes. We believe that cool-headed and objective perspectives offered by such an outside advisory group will enable us to clearly understand where we are today and how the environment will change and help us become more flexible as an organization.

## Celebrating KSA's 50<sup>th</sup> Anniversary

KSA has been relentlessly committed to the nation's industrial development over the last five decades. Today, we reaffirm our commitment to reciprocate the affection our customers showed us with outstanding accomplishments.



KSA emblem to celebrate its 50th anniversary



Exhibition of top-performing KS-certified products



KSA executives

Established in 1962, KSA has been a strong partner for companies, providing diverse knowledge services in the fields of standards, quality, certification and training for the nation's industrial development. As we celebrate our 50th anniversary in 2012, we are ready to take off for another 50 years to come.

### Past 50 Years at KSA

Born as a representative private sector institute in standards and quality management pursuant to the Industrial Standardization Act in 1962, KSA has been changing its roles according to changing needs of the nation and laying the basis for the Korea's industrial development. KSA's initial endeavors include promotion of quality control engineers, management of the Korean National Quality Awards and other training and reward programs to disseminate standards and quality management. After the 90's, KSA widened the scope of its business into KS and ISO certification.

KSA restructured its business portfolio once again since 2000 to embrace changes in society and its wide-ranging deliverables in HR training, social responsibility, increased service competitiveness, green growth business and e-learning have positioned KSA as a comprehensive knowledge service provider in Korea.

### Upcoming 50 Years at KSA

KSA has a clear mission of supporting success of Korean companies and in so doing, enhancing Korea's industrial competitiveness. While KSA's top priority has been establishing itself as a specialized standards and quality institute and comprehensive knowledge service provider over the last 50 years, KSA is determined to become a rich repository of diverse knowledge that will enable KSA to accommodate constantly-changing latest trends in the upcoming 50 years.

Our goal is to make KSA the very first name that comes into the mind of any businessmen who seeks future values and all KSA employees are determined to reach this goal with best-in-class expertise in their respective fields.

### Celebration of KSA's 50th Anniversary

KSA plans to celebrate its 50th anniversary in 2012 with compilation of its 50-year history, creation of the KSA Cyber PR Center and a commemorative ceremony. These events will allow us to appreciate once again the deep affection our customers have showed us, look back the achievements and milestones we made over the last five decades and reaffirm our commitment to shared vision of KSA.



## Reporting Process

KSA identified material issues to be included in this report through stakeholder engagement in accordance with ISO 26000.

### STEP 01 Recognition of Social Responsibility

In order to identify core issues of sustainability management that we should take seriously in the conduct of business, we surveyed our employees and analyzed external environments.

#### ● Media Analysis

We analyzed 6,350 articles over the last 3 years between January 1, 2008 and July 30, 2011 and identified relevant issues to be reported in order to understand how media addressed major issues of KSA's sustainability management.

#### ● Peer Analysis

We studied standards organizations in Korea and abroad and 4 global knowledge service providers by ISO 26000 issue to determine relevant issues.

#### ● ISO 26000 (CSR) Compliance Assessment

We used the CSR compliance assessment indicators jointly developed by the Ministry of Knowledge and Economy and KSA to evaluate our compliance level and identify relevant issues.

#### ● Trend-Impact Survey

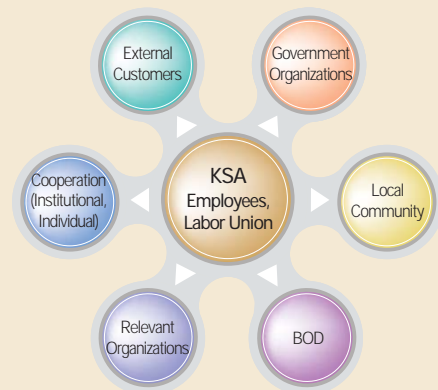
We surveyed KSA employees of critical issues of sustainability management in Trend, Impact and R&C dimensions to identify issues that impact KSA or are impacted by KSA and internal capacity issues by value chain segment.

### STEP 02 Stakeholder Identification and Engagement

We applied stakeholder identification and engagement principles proposed by ISO 26000 in determining issues to be reported in order to identify stakeholders and conducted interviews and surveys to understand material issues.

#### ● Stakeholder Identification

We followed ISO 26000 criteria in identifying stakeholders and further classified them into 3 different groups: first, they impact our performance, second, they are impacted by our performance and third, they have legal/financial/operational responsibilities. Economic, social and environmental impacts were considered in this process and our material stakeholder groups include employees, customers, government, partners and the BOD.



#### ● Stakeholder Engagement

To ensure stakeholder views are reflected, we carried out the 1<sup>st</sup>-phase survey of employees regarding the selection of material issues and in-depth interviews of stakeholders who represent respective stakeholder groups to hear what they expect of KSA. This was followed by the 2<sup>nd</sup>-phase survey of internal/external stakeholders to finalize issues to be reported.

## STEP 03

### Materiality Test

We complied with ISO 26000 in conducting materiality test to select core issues out of the issue pool created in the previous step.

#### ● Materiality Test Procedures

Materiality test consisted of two different steps of relevance test and significance test.



#### Materiality Test

##### Step 1 ► Relevance Test (ISO 26000 7.3.2.1)

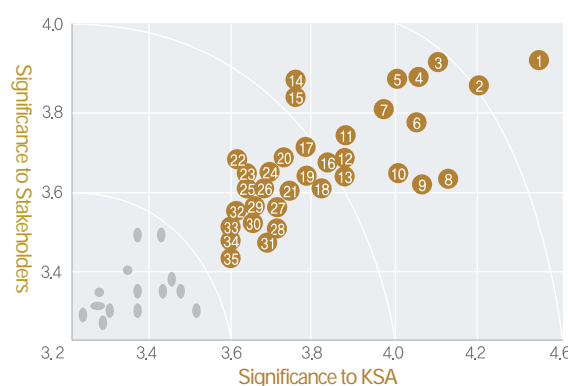
To evaluate how wide-ranging sustainability issues are related with KSA

##### Step 2 ► Significance Test (ISO 26000 7.3.2.2)

To prioritize issues screened in Step 1 according to their significance to KSA and stakeholders

## Conclusion

### Results of Materiality Test



on a scale of 1 to 5

1	Intensifying efforts to hire talented people	4.30
2	Growing demand for regulatory reform	4.07
3	Internal human resource development and training at KSA	4.06
4	Increase in the number and diversity of international standards	4.02
5	Diversifying customer needs (life-long learning, service industry, e-learning)	4.00
6	Climate change (CDM, Target Management System and others)	3.95
7	Acceleration of technology development and improved utility of KS certification	3.93
8	Employee demand of benefits and rights	3.91
9	Growing competition (certification, awards and training sectors become oversaturated)	3.88
10	Anti-corruption	3.86
11	Growing needs of society of standards	3.86
12	Participation in public policy-making	3.85
13	Customer satisfaction activities and provision of production information	3.84
14	Increasing needs of product and service safety	3.84
15	Growing consumer expectations of health, eco-friendliness and social-friendliness	3.84
16	Increasing needs of customer information security	3.83
17	Stronger demand for fair competition and shared growth	3.80
18	Increasing needs for high-quality working conditions	3.77
19	Health and safety at KSA	3.76
20	Growing needs of customized and in-depth knowledge as a solution to problem	3.75
21	KSA's social protection responsibility	3.73
22	Environmental degradation (air, water and soil pollution)	3.72
23	Growing importance of shared growth (win-win management)	3.72
24	Protection of customer's personal information	3.72
25	Increasing interdependency due to globalization	3.70
26	Guarantee of fair employment and employment relationships	3.69
27	Need for stronger social giving initiatives for the less privileged	3.68
28	Fair competition	3.68
29	Easy access to corporate information (Internet, SNS and others)	3.68
30	Increasing youth unemployment and part-time workers (preference for experienced workers)	3.65
31	Prohibition of discrimination among employees (wage conflict and others)	3.63
32	Consumer education	3.62
33	Increasing threats of substitutes due to technology convergence	3.60
34	Creation and distribution of profit	3.60
35	Decision-making process and structure	3.60

## Seeking Shared Growth with Stakeholders through Truthful Communication!

KSA conducted face-to-face in-depth interviews with major stakeholder groups to solicit their input. We chose material stakeholders in the areas of training, certification, promotion and standards and carried out 12 interviews in total for 10 days from the end of August to hear their thoughts on KSA's current status.



**Jung, Man-Seok**, CEO of Hyundai Fan

"Korean Industrial Standards (KS) need to embrace fast-changing technology and environments in a more proactive manner. I do appreciate that KS maintain their reputation as strict standards and if they become more open to these changes and increase their utility by doing so, this will further complete KS."

**Relevant Issue** → Acceleration of technology development and improved utility of KS certification

**Hong, Keun-Hwan**, Team Leader at Hankook Tire

"KSA is always a favorite option to me as a training officer because it delivers the right balance between theoretical education and hands-on experiences. I hope that KSA would be able to provide more in-depth knowledge services that companies need"

**Relevant Issue** → Growing needs of customized and in-depth knowledge



**Ro, Chung-Souk**, President of Dongnam Petroleum

"There always are new issues coming such as climate change. KSA would be better positioned to serve as a knowledge provider by responding to these emerging trends. Especially, I want KSA to work harder to distribute information to SMEs that have relatively poor access to such information"

**Relevant Issue** →

- Growing consumer expectations of health, eco-friendliness and social-friendliness
- Increasing interdependency due to globalization

**Yang, Dong-Kuk**, Partner of KSA

"KSA's traditional strengths have been quality and industrial standards. Its business scope, however, needs to extend to include such future-oriented sectors as health & safety, social responsibility and climate change. To this end, KSA should foster professionals through various training programs."

**Relevant Issue** →

- Climate change adaptation
- In-house human resources development and training at KSA







**Yoon, Hyun-Woong**, Department Head at KEPCO KPS

"KSA is not widely recognized yet despite the significance of its business areas and roles. Organization-wide efforts should be aligned to enhance the value of KSA as a brand. This, in turn, will give a further boost to its business, certification and awards."

Relevant Issue → Growing competition in certification and awards

**Jung, Seo-Yong**, General Manager at Hyundai Fan

"KSA's quality training is really helping us a lot at our work sites. If time allows, I would love to take diverse KSA courses and meet prominent experts in many different fields."

Relevant Issue → Diversifying customer needs



**Kim, Hong**, Section Head at the Korean Agency for Technology & Standards (KATS)

"KSA is a specialized knowledge service provider. Its top priority should be on obtaining expertise and qualifications befitting its status. It is highly encouraging that KSA is working hard to hire talented people recently. It needs to utilize these competent human resources to establish more proactive business operation systems."

Relevant Issue → Intensifying efforts to hire talented people

**Kim, Yong-Wan**, Officer at the Ministry of Knowledge and Economy

"For KSA to enhance its standing as a professional private sector standards institute, it should become more strategic in planning and implementing standards above all. KSA needs to search for new promising areas and develop standards before needs do arise and also create a virtuous cycle of standards."

Relevant Issue →  
• Participation in public policy-making  
• Growing needs of society of standards



**Lee, Kye-Hyung**, Vice President of Dankook University

"We should always be ready to embrace change even though this turns out to be bad for us in the end. This practice of accommodating change will enable all KSA people to take the initiatives in change and innovation."

Relevant Issue →  
• Growing competition including oversaturated training segment  
• Diversifying customer needs

**Choi, Kap-Hong**, Vice-chairman at the Korea Battery Industry Association

"KS certification needs to extend its scope according to changing environment and also should be upgraded to a level where it serves as the center of the integration of voluntary certifications."

Relevant Issue →  
• Increasing threats of substitutes due to technology convergence  
• Acceleration of technology development and improved utility of KS certification



KSA  
Sustainability  
Report  
2011







# I

## Proud Company: Sustainability Management

KSA's sustainability management initiatives position itself as an organization that duly meets its economic, social and environmental responsibility.





## Management Strategy

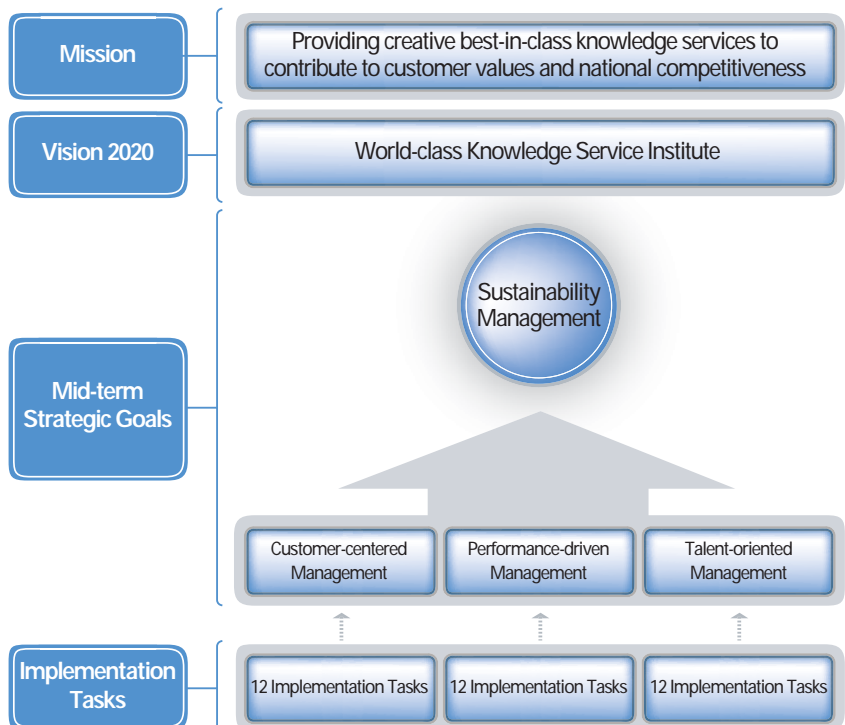
KSA takes long-term perspectives in setting management strategy and is fully committed to reaching management goals through management innovation and R&D.

### Formulation of Mid-term Management Strategy

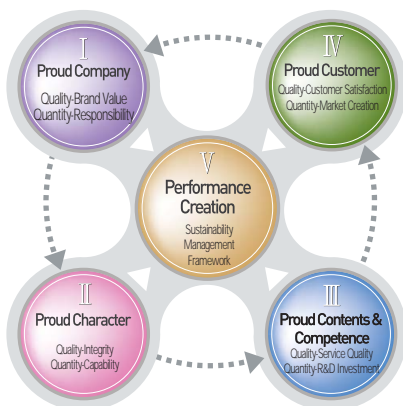
At KSA, our mid-term management strategy spans 3 years to achieve sustainability management in long-term perspectives rather than focusing on short-term business performance. As the 1st-phase mid-term management strategy set up in 2008 was completed in 2010, the 2nd-phase strategy (2011~2013) was formulated to reflect changing environment and reset the basic course of organizational operation.

While the vision of "World-class Knowledge Service Institute" remains unchanged, mid-term management strategy was re-defined with focus on mid-term management goals. Under the finalized framework for sustainability management, the 3 strategic goals of customer-centered management, performance-driven management and talent-oriented management were set and 12 implementation tasks in respective strategic goals were identified to fulfill the vision. These implementation tasks are illustrated in this report as our commitments and we are determined to put our best efforts to work on them in order to attain the aforementioned management goals for the next 3 years.

<Systemic View of KSA's 2nd-phase Mid-term Management Strategy>



Sustainability Management Framework



KSA' Credit Rating over the Last 5 Years

Category	2006	2007	2008	2009	2010
Credit Rating	A0	A+	AA-	AA0	AA0

## Financial Achievements

KSA has been growing by 7.2% on average for the last 10 years between 2001 and 2010 and its total revenue skyrocketed by 86.3% from 2001 to KRW 86.5 Billion in 2010. Sustained business innovation and human resources development brought about solid and balanced growth not just on the outside but also on the inside. This led to the astonishing achievement of continued surpluses for 9 consecutive years since 2002.

KSA's credit rating has remained stable at AA0 since it was upgraded from AA- in 2008 to this level in 2009, which demonstrates stability of our portfolio structure and efficiency of business operations. Each and every KSA employee is to work even harder to ensure stability and performance in the conduct of business.

## Business Innovation R&D

KSA has applied innovation in delivering business results including more efficient internal processes, cost-saving activities and R&D on new business areas.

### Building an Optimized Business Environment

Our ERP system, introduced in 2002, was optimized in accordance with revenue growth and business portfolio adjustment each year in order to build a business environment where overall management information is monitored in real time. Improved speed in business process and decision-making as well as consistent and transparent accounting data help us promote efficiency of business operations. We are to further optimize our ERP system through continuous upgrades.

### Organization-wide Cost Reduction Initiatives

Our TOP\* activities in 2009 aimed to reduce cost on an organization-wide level. A total of 79 TOP tasks that year generated KRW 1.3 Billion in cost savings and those tasks with proven benefitshelped us maximize cost reduction through more extensive roll out across the organization. We plan to achieve sustained cost savings through continued implementation of TOP tasks.

### R&D

Our R&D investments more than doubled from KRW 450 Million in 2009 to KRW 1.145 Billion in 2010 to fully commit ourselves to securing new engines of growth for the future. This helped us create new business areas that include EAM business that was developed with 2 years of effort, the Indoor Air Quality Certification and a new drive behind the undergraduate training market.

We plan to increase our R&D investments and expand the development of new contents and also to introduce a new innovation program that encourages every employee to take 1 R&D task per person in order to lay the basis for sustainable development of KSA.

Major R&amp;D Achievements by Year

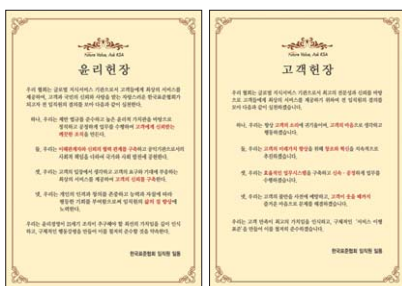
Category	2009	2010
Business Development	7 tasks implemented	13 tasks implemented
Course Development	54 courses newly developed 40 courses newly developed	80 courses restructured 132 courses restructured

\*TOP (Total Optimization in Process) : KSA's own cost reduction project that aims for stable profit and fundamental improvement of competitiveness through sustained cost savings

## Ethics Management

KSA complies with its social responsibility and builds a culture of integrity to fulfill its duty as a public entity and to evolve into a sustainable organization.

### Building the Basis for Ethics Management



Ethics Charter

Customer Charter

#### Establishing and Abiding by Ethical Standards

KSA declared its commitment to ethics management in 2005 to respond to rising needs of society for tightened discipline and a culture of integrity among public officials. Since then, KSA has created its own Ethics Charter, Code of Ethics and Integrity Behavior Rules and strove for full compliance. In particular, our CEO's firm commitment to ethics management led to the inclusion of creative ethics management as strategic goal in the 1st-phase mid-term management strategy (2008~2010) and this formed the basis for ethics management at KSA.

#### Pledge of Business Integrity

To ensure compliance with ethical standards, fairness of business conduct, and sound and transparent management, KSA CEO and all the other employees signed and abide by the pledge of business integrity.

### Intensifying Efforts for Ethics Management

#### Integration of Anti-corruption and Ethical Standards into Business Operation

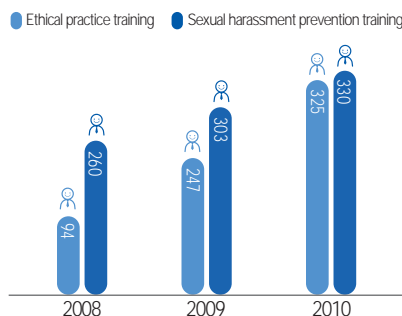
Our efforts to integrate ethical standards throughout KSA include 'Ethics Management in Your Daily Life: 70 Questions and 70 Answers' published and distributed, the Clean Reporting Center to address voluntary reports of bribes and gifts, the organization-wide clean card system fully established, bilateral pledge of integrity signed when concluding a contract of service regarding purchasing, construction or promotional events worth over KRW 20 Million. As a result, there have been no corruption cases occurring over the last 7 years.

KSA is determined to integrate ethics management into its business operation by building a sound organizational culture and working continuously to enhance employee's awareness of ethics.

#### Complaint Reporting Center and Ethics Training

Our customers may use the Complaint Reporting Center at KSA website to report any misconduct and unfair practices of KSA employees. To prevent these behaviors before they do occur, we regularly send KSA CEO's e-letter to our member companies and partner companies calling for their cooperation on and practice of ethics management for increased transparency and integrity in the conduct of business. Our mandatory training session on ethical practices was extended from 2 hours to 4 hours to establish a culture of practicing ethics management and those employees in charge of KS examinations are obligated to take additional training.

No. of Employees Attending Ethical Practice Training  
(unit: No. of persons)



Percentage of Employees Attending Ethical Practice Training  
(unit: %)





## Win-Win Management

KSA supports SMEs in various ways to address the emerging issue of mutually-beneficial growth between large companies and their small-sized business partners.

Free Training for SMEs

Category	2009		2010
	Short-term Job Capacity	Core Job Capacity	Short-term Job Capacity
Training Course	51 modules in 4 areas including quality	19 courses including creative ways of problem-solving for SMEs	55 modules in 6 areas including quality
No. of Training Sessions	255	419	231
No. of Trainees	7,281	7,909	3,646



Core job capacity training session

### Free Training for SMEs

We support SMEs through training to help SME employees develop their capacity. Our free-of-charge training for SMEs covers core job capacity sessions and short-term job capacity sessions and offers useful programs on quality, HR and accounting. Additionally, our free on-site training, aligned with techno parks in respective regions, intends to support small-size business establishments to meet quality expectations of large companies.

### Purchasing Initiatives for Win-Win Management

#### Improvement of Transaction Practices

Our regulation governing transactions with SMEs was revised in a way that improves transaction practices and offers substantial benefits to them. For example, products directly manufactured by SMEs can be purchased through optional contract, not competitive bidding, and transactions with SMEs over KRW 50 Million can be settled in cash.

#### Promotion of Fair Competition

To promote fair competition in the upcoming years, we plan to include clauses to prevent unfair practices in our purchasing regulations. We will encourage our partner companies to comply with their social responsibility by applying stronger social responsibility requirements and stipulating the respect for human rights in our purchasing conditions.

#### Purchase of Green Products and Products Made by the Physically-challenged

At KSA, purchase of green products accounted for 73% of total in 2010. Green purchasing refers to buying products with less environmental load and no hazardous substances in a bid to facilitate eco-friendly manufacturing and consumption and we have been a leader in promoting green purchasing since 2005. We are also gradually increasing the purchase of products made by the physically-challenged and injured war veterans to help support the economic independence of the less privileged in our society.

## Social Contribution

KSA's organization-wide philanthropic activities aim to meet its social responsibility as a public institute and to support vulnerable members of society. We plan to create dedicated ethics management department responsible for assembling organization-wide integration strategy to make our social-giving initiatives more effective.

### Social Contribution Initiatives

#### Love Sharing Event for Local Community

KSA is a faithful sponsor of Hyesungwon, a social welfare facility in Anseong, Gyeonggi Province where our HRD Center is located. Our sponsorship primarily includes donation of money and supplies and talent shows where facility residents are invited to participate. In addition, about 90 residents and guidance teachers are invited to our HRD center once or twice a year to enjoy recreational programs that we offer. These activities bring happiness to the local community where we operate and allow us to build a relationship of love and trust with local community.



Love sharing event for local community



Soup kitchen volunteers



Habitat's building decent housing of love

#### Social Giving Initiatives on a Regional Division Level

Our organizational-wide social giving is completed by each regional division's own initiatives in order to cover a wider spectrum of the social contribution needs.

- ▶ Soup kitchen volunteering (Missionary society for the homeless in Youngdeungpo, Injung Welfare Foundation)
- ▶ Donate Your Blood, Share Your Love campaign (House of Blood Donation in Gangnam)
- ▶ Providing snacks and mentoring to child center (Stepping-Stone Child Center in Busan)
- ▶ Oil spill clean-up volunteering in Taeon (Cheonriipo)
- ▶ Changing fluorescent tubes for nursing homes (Seondeok-Hyosimwon in Jeonju)
- ▶ Support for charity bazaar (Kangnam Children's Home)
- ▶ Mountain trail clean-up volunteering (Mt. Seori, Mt. Dobong, Mt. Gwanak, Mt. Gwanggyo, Mt. Bulmo and others)
- ▶ Bagging individual apples and making arrangements for apple trees (Pafarm in North Chungcheong Province)
- ▶ Clean-up volunteering near streams and surrounding areas (Dongcheon River in Ulsan, Ansan Stream, Dongrak Park in Gumi)
- ▶ Offering helping hands to farmers (Farming households in Daegot-myeon, Gimpo)
- ▶ Serving free lunch of love for the homeless (together with rainbow volunteers in Busan)
- ▶ Visiting a social welfare facility for children and taking care of children there (Christian Nursery School in Jinju)
- ▶ Visiting a social welfare facility for the physically-challenged and training residents on computer use (Association on Intellectual & Developmental Disabilities in Chuncheon)
- ▶ Helping with factory facility and machinery maintenance and arrangements (WonilIndustrial)

Our social responsibility strategy covering the integration of ethics management into business operation, shared growth and social giving activities will be expanded into our subsidiary, Korean Standards Association Media (KSAM), to further facilitate our sharing initiatives.

### One Company One Village Sisterhood Volunteering

Since we formed a sisterhood relationship with Yupo 1-ri, Bongpyeong-myeon, Pyeongchang-gun, Gangwon Province in 2008, we have been offering helping hands to the village suffering shortage of workforce every year and support to keep its clean and beautiful landscape.

While we ensure our support leads to practical benefits to the village by purchasing farm products produced locally, creating rest areas for local residents, planting trees, cleaning up nearby streams and helping with sowing, we also take part in such village events as athletic meetings to maintain even stronger relationships.

### Rookie Board Initiatives

KSA's Rookie Board is comprised of new recruits and works in diverse subject areas. It was initiated in 2010 with an aim to give new employees an opportunity to contribute to KSA to help them adapt to a new environment and to breathe new life into the organization with fresh ideas. Rookie Board led by new recruits in 2011 was committed to making varied talent donations with the theme of 'KSA's Social Responsibility', which is consistent with the way we are to move forward for corporate philanthropy.

As a knowledge service provider, KSA is determined to expand social giving activities that capitalize on its knowledge assets. Knowledge-sharing initiatives such as talent donation are a way of contributing to society that KSA is uniquely positioned to take the lead and we will build on these activities to narrow the knowledge gap for the less privileged and people in low-income brackets of society.

#### Live Talk for Job Seekers

Our Rookie Board hosted Live Talk for Job Seekers in a training room at KSA Gasan Digital Center to provide hands-on information and job counseling to college students looking for job information. KSA employees presented themselves to the event to offer guidance on job search and career development and this was met with positive response from participants.



Live Talk for Job Seekers

#### Economic Training for Elementary School Students

Rookie Board members carried out economic training programs for elementary school students at Seojin Local Child Center located in Sangam-dong, Mapo-gu, Seoul. These programs intended to help children easily understand how companies are created and operated in Korea, not just the value of money or how to spend pocket money wisely. They also enabled participating students to have bigger dreams of their future with wider variety of career options to choose from.



Economic training for elementary school students

#### Happiness Sharing Bazaar

KSA Rookie Board held Happiness Sharing Bazaar where all KSA employees attended to make donations. Donated items were sold to KSA employees and the proceeds and remaining items were donated to Korea Food for the Hungry International, an NGO in Korea.



## Environmental Management

Environment and people are always our top priority at KSA. To address issues of energy and environment including Korean government's green growth policy and global climate change, we make sure we conduct business in an eco-friendly way by saving resources and energy.

### Improvement of Business Operation System

#### Establishing Video Conferencing System

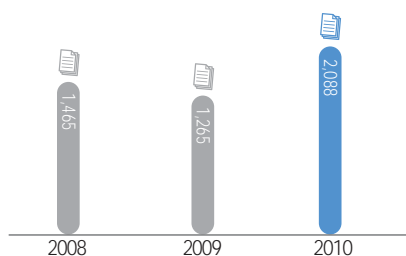
Weekly executive meetings attended by all regional divisions are now held online through video conferencing system without physical presence. The system installed at KSA head office in Yeoksam-dong, KSA Gasan Digital Center's conference room and regional divisions allows employees working at regional divisions to minimize trips to the head office and enhance work efficiency. In addition, we encourage employees to use public transportation for commuting and business travel purposes, contributing to reducing GHG emissions directly.



#### Green Purchasing

As part of our environmental management policy, we promote the purchase of eco-friendly products. Purchasing preference is given to eco-friendly computers and office and training equipment and the majority of supplies we use are green products.

Paper Consumption (unit: 1,000 pieces)



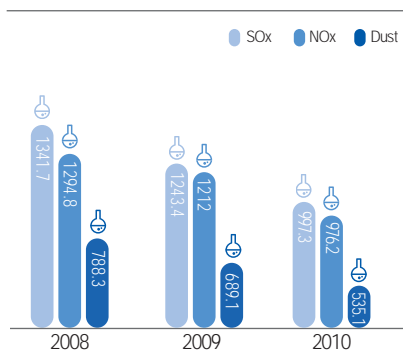
### Energy Saving Initiatives

#### Saving Energy in Office

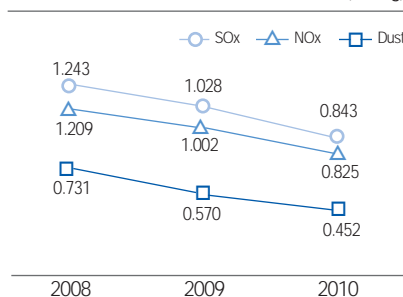
In order to help cut GHG emissions, temperature of our office except for training rooms is set above 28°C in the summer. Considering our working environment conditions, we start with small and easy steps such as putting office and electronic devices into low power mode, turning off computers and printers when not in use, and turning off the light during lunch time.

Withunprecedented high oil prices today, our HRD Center is taking the lead in saving energy: its office temperature is maintained at appropriate levels (average heating temperature is set at 18°C and under), air conditioning facilities are managed in an efficient manner and cooling/heating facilities in the summer and winter season are operated and maintained efficiently. These efforts enable KSA HRD Center to reduce its oil consumption and contribute to cutting GHG emissions.

Total Emissions of Air Pollutants at KSA HRD Center  
(unit: kg)



Per Capita Emissions of Air Pollutants at KSA HRD Center  
(unit: kg)



### Reducing Air Pollution at KSA HRD Center

KSA HRD Center makes sure that its heating facilities are efficiently managed and related environmental prevention facilities are operated under optimal conditions. As a result, its NOx emissions dropped by 25% from 1,295kg in 2008 to 976kg in 2010 and SOx emissions declined by 26% from 1,342kg in 2008 to 997kg in 2010. Emissions of dust also recorded a 32% drop from 788kg in 2008 to 535kg in 2010. These air pollutants declined greatly in per capita emission as well as in total emission, improving surrounding environments of HRD Center.

### Creating Eco-friendly Office

#### Eco-friendly Interior at Gasan Digital Center

KSA Gasan Digital Center, opened in September 2009, used eco-friendly interior materials for environmental considerations. Its ceilings and walls were finished with green materials certified by the Korea Institute of Construction Materials in consideration of the health of trainees and employees to prevent any health concerns due to hazardous environmental factors such as sick house syndrome.

The building also used water paints instead of oil paints on the wall and vinyl tiles instead of carpet tiles on the floor to reduce dust generation.

#### Eco-friendly Office Space

Both KSA head office in Yeoksam-dong and Gasan Digital Center maintain eco-friendly office environments through use of green materials and regular environmental management.

According to measurement of indoor air quality in offices at Yeoksam head office and offices and trainee lounge at Gasan Digital Center, both facilities satisfied [certification criteria of indoor air quality regarding multi-purpose facilities] set by the Ministry of Environment. We are determined to maintain this level of indoor air quality for the health of KSA employees working in office and customers attending training sessions at KSA facilities.



Eco-friendly materials used for KSA Gasan Digital Center

KSA  
Sustainability  
Report  
2011





# II

## Proud Company: Sustainability Management

KSA hires employees with expertise to deliver best-in-class knowledge services and provides opportunities for them to develop competency continuously to evolve into top performers with creativity and professionalism. KSA is also dedicated to making employees happier through wide-ranging programs to improve their quality of life.



## Recruiting Top Talent

KSA ensures fairness and equality of opportunity and a systemized approach in its recruitment process to hire best-in-class talent.

### Employee Data

At KSA, a total of 347 employees are working as of October 2011. Their roles are categorized into executives, division managers, team leaders, team members, assistants and technicians as described in the following table. Over the last 4 years between 2008 and 2011, 28 new employees joined KSA.

Type of Employment	Category	Male	Female	Total
Regular Employee	Executive	3	-	3
	Division Manager	8	-	8
	Team Leader	38	2	40
	Team Member	167	59	226
	Assistant	-	21	21
	Technician	6	1	7
Non-regular Employee	Contract Employee (Team Leader)	1	-	1
	Contract Employee(Team Member)	25	10	35
	Contract Employee(Assistant)	-	6	6
Total		248	99	347

### Recruiting Top Talent

#### Ideal KSA Employee

Central to the KSA vision of 'World-class Knowledge Service Institute', the ideal KSA employee is defined as 'creative and passionate talent', 'professional talent', and 'globally-minded and ethical talent'.

#### Recruitment Process

At KSA, discrimination on the grounds of education, gender and age is strictly prohibited to offer equal employment opportunities and our systemized approach that values employee competency ensures that we hire only the best-in-class talent.

In particular, our 'Assessment Center' evaluates employees with an emphasis on leadership, analytical ability, planning skills and communication skills to identify top performers with the potential to share in the growth of KSA in the future, regardless of their past or current competency.

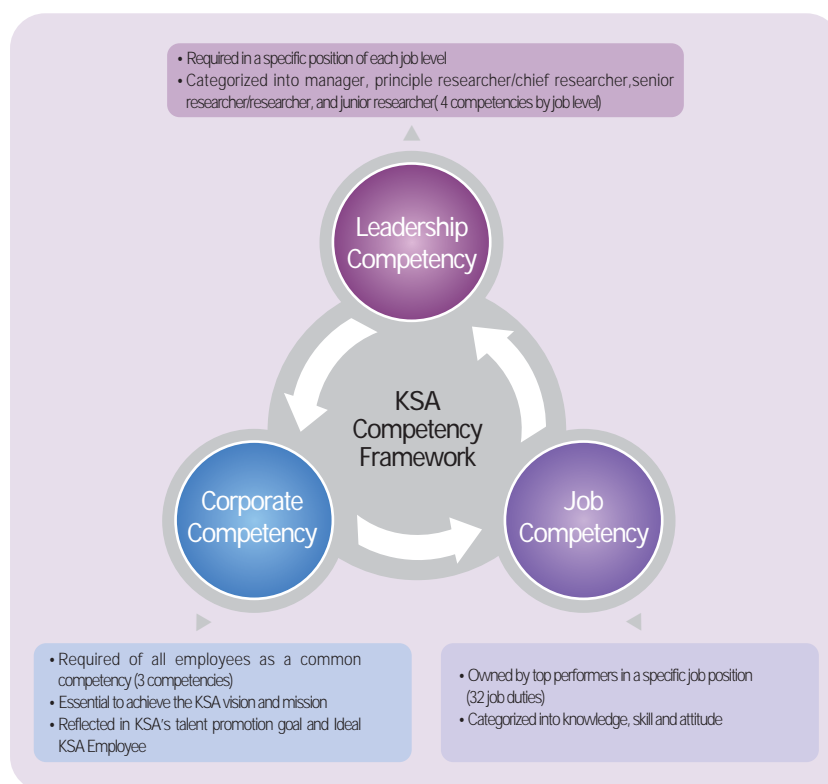


## Promotion of Experts

KSA provides diverse opportunities for employees to develop competency and career to grow into globally-competitive, creative and professional talent.

### Employee Competency Framework

KSA's competency framework is composed of Corporate Competency, Leadership Competency and Job Competency. Corporate Competency includes creativity, professionalism and global mind and is aligned with Ideal KSA Employee. Leadership Competency is classified into 4 different job levels and Job Competency into 32 distinctive job duties.



KSA's e-HRD system

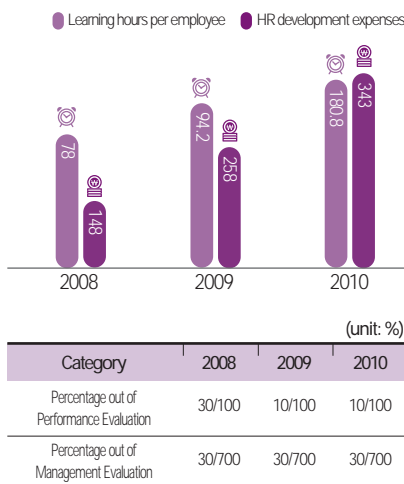
### Employee Competency Development

At KSA, employees are encouraged to take the initiative to learn and develop career through well-organized support systems. Our employees create their own self-growth plans at the beginning of the year and take more than 60 hours of mandatory learning sessions annually, which is reflected in their performance evaluation. Our e-HRD system allows employees to enjoy free access to more than 500 kinds of e-learning and remote training contents and more than 300 in-house and external offline courses.



## Proud Character

Annual Learning Hours and HR Development Expenses  
(unit: No. of hours, KRW 1 Million)



## Employee Competency Development Program

KSA runs wide-ranging competency development programs to facilitate employee's professional competency, global competency and leadership competency.



KSA learning unit competition

## Expanding Learning Units

Learning units are up and running throughout KSA to create a culture that encourages employees to solve job-related problems and learn. As of 2010, we had 41 learning units covering varied topics from language skills, enhancement of job competency to acquisition of new knowledge. These units are run on a team level and they decide what and how to learn on their own according to their job characteristics and required knowledge.

Each learning unit meets weekly or bi-weekly for learning according to their own plan and KSA offers financial support for their operation and learning. In addition, learning unit activities are reflected in management performance evaluation in order to encourage all teams to facilitate collective intelligence through learning unit and to translate it into increased competency of individual employees. The KSA learning unit competition is held at the end of the year to give learning units an opportunity to present their learning case and to select top-performing units with outstanding achievements. We are to help employees develop their competency by promoting learning units further and focusing more on on-site learning activities.

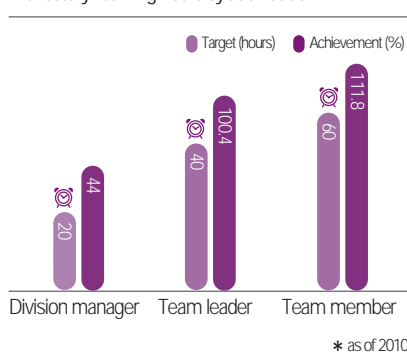
Core Job Experts- Classification and Activity Domain

Category	Detail
Classification	Quality management, International certification, Standards, Human resources development, Green management
Level	Knowledge Creator, Expert, Master
Activity Domain	Lecture, Examination, Teaching plan development, C/T Participation, Business planning and course development, CoP operation and others



Best Human Resources Developer certificate mark

Mandatory Learning Hours by Job Position



### Core Job Expert Program

KSA's core job expert program aims to balance individual employee's need to develop and KSA's vision for an organizational growth and to seek shared growth both on an individual and organizational level. The program defines 5 different activity domains of core job experts according to KSA business areas and these experts are classified into 3 levels based on their experiences and qualifications.

Core job experts develop their own expertise through such expert activities as lecture, examination, teaching plan development, business planning and course development in their respective business areas and in so doing, they contribute to performance of KSA. KSA provides career development and training support to these experts on an organizational level to encourage them to build on their expertise continuously. KSA intends to fully establish this program by nurturing top-performing employees into core job experts and utilize them as the key driver of promotion of respective business areas and performance creation.

### Best Human Resources Developer Certificate

With the management philosophy of 'talent-oriented management', KSA has been working in various ways to help employees build their competency. The e-HRD system, introduced in 2007, ensures that KSA runs competency-driven Human Resources Development (HRD) programs and identifies major HRD tasks every year, which will form the foundation of KSA's 'human resources development strategy', contributing to organizational performance and individual employee's competency development.

KSA's endeavors and accomplishments regarding human resources development were recognized by the Korean government with the 'Best Human Resources Developer' certificate in 2010. As an organization overseeing the Korean Industrial Standards certification, KSA is committed to continuous improvements to establish another successful model in industrial standard in human resources development.

### Mandatory Learning Hours Program

KSA's mandatory learning hours program aims to encourage employees to learn on their own and to boost job competency. The achievements are reflected in individual performance evaluation and team-level management evaluation.

### Fair Assessment and Compensation

To ensure fair assessment and compensation, KSA conducts both management evaluation and performance evaluation together every year. Management evaluation is to review the unit-level attainment of management goals and efficiency in so doing and the result is utilized as criteria for bonus pay and performance assessment. Besides, the evaluation outcome is considered in determining division manager's annual salary level to ensure management accountability in respective divisions. On top of this, performance evaluation is to assess achievement and competency on an individual level and its results serve as key data to decide individual employee's salary scale increases, promotions and competency development.

KSA will fine-tune its assessment and compensation system and operate it more rigorously to make sure all KSA employees are evaluated and compensated fairly for what they achieved, and thus motivated to do better.

## Building a Great Work Place

KSA is committed to the protection of human rights, health and safety and quality of life for its employees and offering varied benefits programs to this end.



Marathon for labor-management unity

### KSA In-house Club

Club Name	No. of Members	Major Activities
Football Club	79	<ul style="list-style-type: none"> <li>• Taking part in the football league held by the Ministry of Knowledge and Economy</li> </ul>
Mountaineering Club	103	<ul style="list-style-type: none"> <li>• Group climbing of nearby mountains quarterly</li> <li>• Climbing the largest and longest mountain ridge in Korea</li> </ul>
Cheonghwa Club	57	<ul style="list-style-type: none"> <li>• Social gathering offemale employees</li> </ul>
Baseball Club	51	<ul style="list-style-type: none"> <li>• Participating in the baseball league held by the Ministry of Knowledge and Economy</li> </ul>
Bowling Club	51	<ul style="list-style-type: none"> <li>• Holding bowling competitions quarterly</li> </ul>
Baduk Club	24	<ul style="list-style-type: none"> <li>• Holding in-house Baduk competitions</li> </ul>
Fishing Club	38	<ul style="list-style-type: none"> <li>• Freshwater and sea fishing</li> </ul>
Marathon Club	21	<ul style="list-style-type: none"> <li>• Taking part in marathon events quarterly</li> </ul>
Orchid Club	21	<ul style="list-style-type: none"> <li>• Sharing love of wild flowers and orchid</li> </ul>
SG Club	43	<ul style="list-style-type: none"> <li>• Playing screen golf</li> </ul>

\* as of June 2011

\* Multiple membership is allowed

## Labor-Management Relationship of Mutual Benefits and Harmony

KSA considers its labor union as a partner for sustainable development and works for mutually-beneficial and cooperative labor relations. Our Labor-Management Council is responsible for proactive communication between labor union and management on critical issues associated with working conditions covering recruitment, safety, wage and benefits. We are building mature and trustworthy labor relations through such events as 'One Heart Sports Day', 'Beverage Day' that unite labor and management as one.

## Employee's Human Rights

KSA joined the UN Global Compact (UNGC) on November 11, 2010 and has been supporting the internationally-declared principle of human rights of employees and abiding by the Labor Standards Act of Korea and ILO's labor standards and principles. At KSA, unfair practices and discriminations regarding recruitment, promotion, compensation or training are strictly prohibited and qualified employees are given a full and fair opportunity. Our employee grievance handling center is up and running to establish a culture of gender equality and prevent sexual harassment at work and all employees take mandatory sexual harassment prevention training every year.

KSA plans to examine its current status on employee's human rights including privacy protection and mental health and utilize the outcome as basic data to ensure the protection of human rights for employees.

## Pursuit of Work/Life Balance

### Club Activity

KSA supports 'in-house club' activities to promote friendship among employees and instill excitement in its organizational culture. Today, we have 10 active in-house clubs covering mountaineering club, football club, baseball club and bowling club. To facilitate their operation, KSA supports operation expenses and facilities to use.

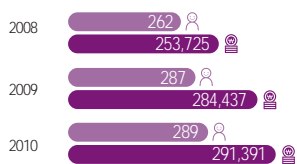
### Health and Safety

All KSA employees including part-time workers receive comprehensive medical check-ups for their health and KSA also offers health care training, doctor counseling services and in-house vaccination programs to promote employee health.

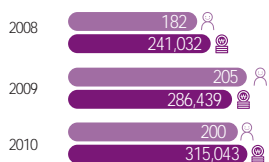


• Data on Employee Benefits      Beneficiary      Value

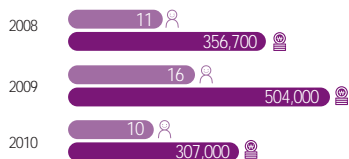
Optional Benefits Points (unit: No. of persons/KRW 1,000)



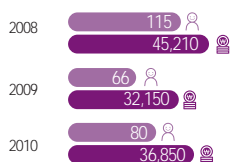
Children's Tuition (unit: No. of persons/KRW 1,000)



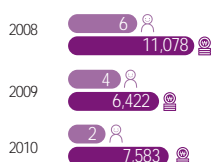
Housing Support Programs (unit: No. of persons/KRW 1,000)



Expenses for Congratulations and Condolences (unit: No. of persons/KRW 1,000)



Medical Expense (unit: No. of persons/KRW 1,000)



### Flexible Working Hours

KSA offers flexible working hours to employees who need more flexibility in their working schedule due to child care, house chores, long-distance commuting and self-improvement plans. KSA plans to gradually expand this program.



### Life Planning Program

KSA provides life planning programs to future retirees interested in life planning after retirement. Our plan is to expand the scope of eligible employees and support for training expenses to ensure that such programs lead to substantial benefits to future retirees.

### Benefits Package

KSA employees enjoy a comprehensive benefits package that will enhance their quality of life and workplace satisfaction.

#### Optional Benefits Points

- Individual employees are given benefits points worth a specific amount of monetary value and they may use the points as they wish according to their preference.

#### Tuition Support for Employee's Children

- Offering KRW 50,000 per month per child from preschool to high school
- Full tuition support for high school students
- Interest-free loan of up to KRW 2 Million per semester for college students

#### Support for Employee Self-Improvement

- Offering KRW 150,000 per month for language learning
- Offering KRW 300,000 per semester for graduate school courses
- Full financial support for obtaining a certificate
- Supporting 20% of the language training expenses for self-improvement purposes

#### Housing Support Programs

- Supporting the purchase of a home and rental deposits
- Providing houseless employees with no-interest housing loan (KRW 30 Million)

#### Expenses and Leave of Absence Regarding Congratulations and Condolences

- Offering money as a gift and special time-off for employees getting married or whose parents celebrate their 60th or 70th birthday
- Offering condolence money and compassionate leave for employees whose parents or siblings passed away and providing funeral supplies free of charge

#### Accident Insurance Benefits

- Offering KRW 100 Million for work-related death or injuries
- Offering KRW 15 Million for employees diagnosed with cancer and KRW 10 Million for cerebral hemorrhage and myocardial infarction
- Offering up to KRW 10 Million of actual medical expenses covering child birth

#### Resort Discounts

- Providing discounts available for corporate members at Daemyung and Hanwha resorts nationwide

#### Comprehensive Medical Check-ups

- Providing comprehensive medical check-ups for all employees annually

KSA  
Sustainability  
Report  
2011





# III

## Proud Contents & Competence : Performance-driven Management

### Part 1 \_ Conventional Business(Contents)

KSA has been contributing to the competitiveness of government-led business projects through industrial standards and quality management over the last five decades.

KSA is committed to enhancing public benefits of standards, reliability of training, effectiveness of certification and credibility of reward programs in order to produce outcomes in its major business areas of standards, quality, certification and training.





## Standard-setter Leadership

To raise the public's awareness of standardization and encourage industry's participation in standardization process, KSA conducts varied R&D and training activities on standardization and publishes and disseminates standards to facilitate their use.

### R&D of Standards

KSA develops the Korean government's standards policy, disseminates the Korean Industrial Standards and overseas standards, participates in international standardization process and supports de facto international standards. KSA is to take on the role of a private sector supporter for standardization R&D to enhance standards leadership.

#### Establishment of the 3rd National Basic Standards Plan (2011~2015)

KSA took part in the standards policy-making process led by the Korean Agency for Technology and Standards (KATS) to meet emerging needs for a next-phase national basic standards plan. Under the vision to 'Build a Greater Korea' through the establishment of fully-developed national standards system, subcommittees were set up in respective areas to complete the 3rd national basic standards plan. Our future goal is to continue our policy cooperation with relevant organizations to facilitate the implementation of this plan.

#### National Standards Coordinator

To ensure that outcomes of government's R&D efforts are successfully translated into industrial applications and to support domestic technology to advance into the global market, the national standards coordinator program was planned and relevant policies were created. KSA is determined to fully establish this program, ensure stronger alignments between standards and government R&D and promote the industrialization of technology developed through these R&D efforts.

### Support for Standardization in Korea and Abroad

#### De Facto International Standards

De facto standards today have market dominance with global reach due to globalization and development of information and communication technology, take the same level of effect as established international standards of ISO, IEC and ITU, and influence Korean businesses tremendously. This prompted KSA to take action to cope with these de facto standards.

#### Life Standard Initiative

KSA's life standard initiative is to gather ideas from the general public on those issues where lack of standards leads to inconveniences in daily life or standardization could reduce waste of valuable social resources and to develop standards to address these challenges.

#### International Cooperation on Standards

KSA cooperates with its overseas counterparts both bilaterally and multilaterally regarding standards and is an active member of international standard-setting organizations. In so doing, KSA is contributing to the enhancement of economic and social universality.



Life Standard Initiative (www.lifestandard.or.kr)

## Promotion of Standards Experts in the Private Sector

With the increasingly unified and globalized world economy and the emerging knowledge-based society where knowledge and information is the key to value creation, standards are playing such a significant role today more than any other time. With this change comes growing demand of nations and businesses for standards experts. KSA is fully aware of the importance of standardization and promotion of standards experts and working on various relevant projects.

### Standards Training for College Students

KSA opened standards courses at 48 universities in 2009 and at 43 universities in 2010 for students who will serve as standards experts in the upcoming years. In addition, we are working on a step-by-step standardization training curriculum covering from basic standardization courses to advanced courses on international standardization competency development to encourage industry workforce to become more active in standardization initiatives. We are to develop standardization training programs customized for the needs of respective industries to nurture professional standards experts.

### Growing Public's Awareness of Standardization

KSA trains elementary school students, teenagers and general consumers on the importance of standards in their daily life to build consensus on the convenience and necessity of standards. Standardization training was offered to 10 elementary schools in 2010 and 300 junior high and high school students competed in the Youth Standards Olympiad held by KSA which provided them with an opportunity to experience themselves the importance of standards. KSA also hosts seminars to encourage consumers to become interested in standardization to ensure its Life Standard Initiative is aligned with daily consumer activities.



## Dissemination of Standards

The Korean Industrial Standards (KS), since its inception in 1962, have defined the way products are manufactured and tested in all industrial sectors in Korea and also have been used as guidelines to help businesses grow their competitiveness. The KS covered 23,622 items as of December 2010 and have 317 standards in the services sector to match the KS Certification for Services introduced in 2008. To make the KS more useful and help support exporting businesses in Korea, KSA made sure that 14,157 standards under the KS are compatible with international standards of ISO and IEC and thus can be utilized more effectively.

### Publication and Dissemination of the KS

KSA publishes standards developed or revised by KATS under the Ministry of Knowledge and Economy and disseminates them through wide-ranging channels covering handbooks, web services and DVDs to help customers utilize them in a prompt and convenient manner. We built a database of reference standards associated with KS certification items in 2010 to enable online search and use and offer more convenient services to certified companies. English translation services are also available since October 2010 to respond to expanding overseas trade and growing needs of KS documents in English.

### Collection and Dissemination of Overseas Standards

KSA collects and disseminates international, national and organizational standards through memorandum of understanding signed with major overseas standards organizations. For example, SAE (Society of Automotive Engineers) standards of the U.S. are available in print-on-demand format since January 2009 and DIN (German Institute for Standardization) standards are also available in PDF format since April 2010 due to KSA's endeavors. We plan to conclude more MOUs in the upcoming years to promptly disseminate varied overseas standards into Korea.

## Educational Practicality

KSA believes that its top priority as an industrial and standards training organization should be to enhance educational practicality with sector-specific customized training and is working hard to provide programs that deliver both increased competency and satisfaction to customers.

### Quality Innovation

In 2010, the Korean government worked to build capacity of life-long learning organizations and to nurture human resources that meet changing industry needs. With increasing demand of the general public for life-long education and specialty training, both governments and businesses spend more on vocational training every year and the focus of education is shifting from mass education to personalized education that values diverse and customized in-depth knowledge.

According to customer feedback we gathered through various channels, there are increasing customer needs for customized quality training specialized by industry sector and job position. To respond to such changing environments, quality management training courses customized for such specific sectors as mixer trucks, automobiles and services were developed by KSA in 2010 and are up and running today. KSA's continued R&D efforts on training programs would help develop quality training courses segmented and specialized by industry sector to meet the needs of industry.

### Management Innovation

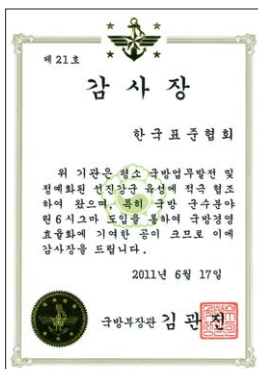
KSA conducts comprehensive diagnosis of general management status of private companies and public institutes, identifies major issues and offers solutions in the areas of manufacturing, facility, quality, cost, system, HR and organizational structure to support decision-making and phased-in implementation measures for organizational growth.

As Korea's top 6 Sigma training body, KSA introduces and disseminates management innovation strategy and techniques, shares experiences and success stories of innovation experts and businesses in order to encourage Korean companies to adopt and spread 6 Sigma initiatives effectively and contribute to the enhanced industrial competitiveness.

### Production Innovation

To support manufacturing companies to maximize profits through increased global competitiveness, KSA offers open and company-specific customized training programs covering on-site improvement, production management, cost, purchasing and materials and logistics.

In 2010, 110 open training sessions were completed by 1,503 participants, which is up 48% from 2009. Company-specific customized training also grew by 26% during the same period. KSA's future goal is to introduce TRIZ-related international certification training and expand XPS(Excellent Production System) training programs to serve as a leader in creative innovation of the nation's manufacturing industry.



Plaque of appreciation from the Minister of Defense in recognition of KSA's contributions to enhanced efficiency of defense management



Global Innovation Conference





Benchmarking top performing business with outstanding TPM track records

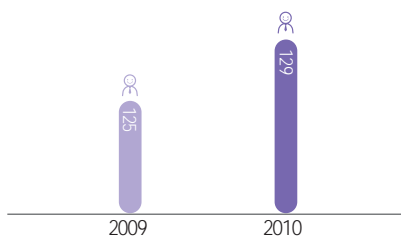
#### KSA's Management HR Training Programs

- Job-specific and position-specific open competency training
- Customized commissioned training
- Competency modeling and HR system establishment
- Global benchmarking training
- Management innovation, strategy and HR project



CEO AMQP on management quality

Data on CEO Breakfast Meeting (unit: No. of persons)



## TPM EAM

To cope with increasing needs for training and diagnostic services associated with aging industrial and infrastructure facilities in Korea, KSA provides these services with an emphasis on TPM (Total Productive Maintenance) which refers to maintenance and innovation activities across an organization from on-site workers to managers. In particular, KSA offers standardized international certification training on ISO 18436 machinery diagnostics techniques and national equipment maintenance engineer and technician certification training.

## Management HR Training

Human capital is a core factor that determines a company's competitive edge in the age of knowledge-based creative management. In responding to changing HR trends, KSA built an integrated performance improvement program to present a high-performance HRD (Human Resources Development) model that is aligned with organizational vision and strategy and to foster globally-minded forward-looking talents, contributing to the sustainable development of nation, society and business (Triple-Win).

## CEO Training

Executive-level training needs are growing according to fast-changing business environments. In addition to traditional management theory, CEOs today are highly interested in sustainability management, environmental management and other types of subject-specific management that reflect trends of the time and also in inter-disciplinary convergence of different subjects such as humanities management. KSA's varied CEO training programs that cater to diversifying needs from CEOs are illustrated as below.

- Partnership program with Korea University 「CEO Course on Management Quality」
- Green CEO program for sustainability
- 「Professor Young-Soo Kim's Sa-gi \* Management」 newly established
- Mid-summer night's feast of wisdom 「KSA Summer CEO Forum」
- Happy morning gathering 「KSA CEO Breakfast Meeting」

\* Sa-gi refers to a Chinese history book on ancient Han Dynasty

## Long-distance Postal Training

KSA's long-distance postal training is centered around reading and encourages trainees to take the initiative in learning. It supports employees in building job competency and making self-improvement and contributes to creating a corporate culture of reading management.

Not only books available in the retail market but also books written by KSA's in-house experts using their professional capacity are utilized as valuable learning sources for 300 long-distance postal training courses and this clearly demonstrates KSA's commitment to providing customized knowledge that caters to the needs of customer companies. These endeavors help KSA establish a training model that best fits the age of life-long learning.

## Life-long Learning

To fulfill its social responsibility as a public knowledge service provider, KSA is committed to becoming a designated life-long education facility by expanding the scope of its training services from industry training to life-long training for local community people and other stakeholders. We are determined to build on this foundation to identify and provide diverse training programs and knowledge information to help meet stakeholder needs.

## Securing Expert Instructors

KSA is committed to securing top-notch instructors with expertise in respective training areas to provide best-in-class knowledge services.

### Finding New Instructors

KSA recruits new instructors year-round through recommendation, application and open recruitment and applies rigorous recruitment criteria to build a pool of instructors with theoretical background and hands-on experiences on industrial training. KSA also utilizes various forums, seminars, CEO training and media monitoring to add professional expertise to its instructor pool.

### Expert Instructor Competency Enhancement

To help expert instructors enhance their competency, KSA provides them with feedback from trainees after training sessions and holds partner best practice events as a venue for instructors to share each other's know-how and build a network of connections, offering them an opportunity to enhance competency as an instructor and promote self-improvement. Besides, we encourage them to create groups among themselves and work on a group level in company coaching programs to help them benchmark each other and also to learn about latest trends through varied conferences, forums and training.

## Training Venue and Trainee Safety Measures

To ensure a comfortable and safe learning environment for customers attending KSA courses, KSA created and distributed manuals illustrating detailed action procedures, general steps to be taken and preventive activities for all KSA employees to make prompt response to unexpected emergency. Compliance with these manuals will enable us to prevent disasters and emergencies and protect the safety of our customers.

### KSA Gasan Digital Center

Actions to be taken to respond to emergency that could take place at KSA Gasan Digital Center are systematically illustrated and they include fire response procedures, response procedures for emergency patients, response procedures to address thefts and breakdown of center facilities, evacuation measures in case of earthquake and emergency contact numbers. In addition, we created a standard format for accident reporting for appropriate post management to prevent similar events in the future and ensure optimized response when they do occur.



### KSA HRD Center

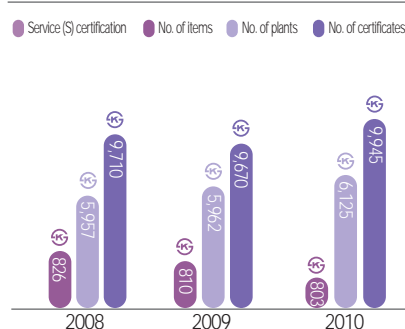
KSA HRD Center is a big facility capable of accommodating more than 400 people and this means that a lack of appropriate response may lead to a large-scale disaster in case of emergency. This is why KSA set up emergency management manuals and the center's own fire-fighting unit to maintain its efficient and safe operation on a daily basis. These manuals outline emergency response procedures, first aid care for emergency patients and emergency contact numbers to build comprehensive readiness for emergency. Each room of the HRD Center dormitory building has an emergency exit route plan to enable rapid evacuation of trainees in case of emergency. Most of all, the center is fully committed to preventive measures including fire-fighting plans and in-house fire checklists to prevent emergency in the first place.



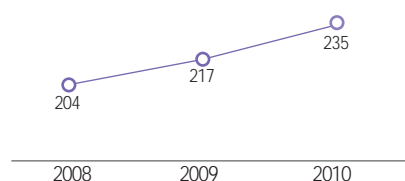
## Effective Certification

KSA's engagement with the KS certification and wide-ranging international certifications has contributed to the industrial development of Korea for the last five decades. KSA is working hard to support sustainable development of companies in response to the changing industrial structure of the 21<sup>st</sup> century.

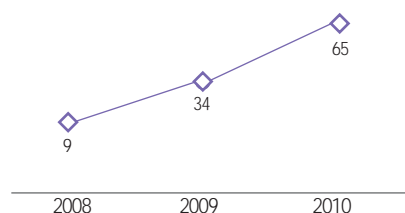
KS Certification over the Last 3 Years (unit: No. of cases)



Overseas KS Certification over the Last 3 Years (unit: No. of cases)



KS Service (S) Certification (unit: No. of cases)



### KS Certification

On top of the KS Certification for Services introduced in May 2007, KSA established new certification schemes regarding such green business areas as LED lighting and eco-friendly furniture. We have 65 establishments certified under the new service sector scheme in the 7 segments covering call centers, automobile repair services and golf club services that are closely related with industry and public benefits, which tremendously boosts competitiveness of the nation's service industry. Additionally, KSA's certification business is being expanded to overseas companies and the number of KS-certified factories abroad is growing steadily from 217 in 2009 to 235 in 2010.

KSA aims to reflect evolving technology and emerging trends in the KS certification and to widen the scope of the service sector KS certification. To advance the KS certification operation process, work is underway to start KS certification web services from 2012 including one-stop customer support services to enable online work flow throughout the examination process from application, completion of examination to self-diagnosis and assessment systems and information-sharing systems.

### International Certification

KSA offers international certification services to create customer values through reliability, fairness and expertise and has worked on 2,655 cases in total by the end of 2010. In addition, KSA runs examiner training courses by certification standard as a designated training body and produces about 1,000 examiners and associate examiners every year.

International Certifications at KSA

Certification	Accreditation Body	Date of Designation as Certification Body	Certification Area (Certification Area/Total Area)	No. of Certificates
ISO 9001 (Quality management system)	KAB	Mar. 2000	35/39	1,730
ISO 14001 (Environmental management system)	KAB	Sep. 2000	36/39	576
TL 9000 (Information and communication management system)	KAB	May. 2001	35/39	14
K-OHSMS 18001 (Health and safety management system)	KAB	May. 2002	20/39	44
ISO 22000 (Food safety management system)	KAB	Jun. 2006	8/72	18
ISO/TS 16949 (Automotive quality system)	IATF	Dec. 2005	35/39	149
JIS (Japanese Industrial Standards)	METI	Dec. 2006	457(item)	124

KSA's international certification business will adopt differentiated and customer-centered strategy to take varied initiatives to enhance its credibility and competitiveness and expand into a wider spectrum of management system certification schemes.

- Complying with strict international standards (ISO/IEC 17021, ISO Guide 65, IATF Rules 3rd and others)
- Delivering integrated certification services through strategic partnership with other certification bodies in Korea and abroad (KOSHA, BSI, DNV and others)
- Introducing and disseminating international certification schemes such as GMS (green management system) and ISO/IEC 27001 (information security management system)



#### Korean LOHAS

Name of Certification	Korean LOHAS Certification
Certification Targets	Products, services and buildings that promote health, environment and society
Certification Status	2009-145 products and services from 78 companies and organizations were certified 2010-172 products and services from 80 companies and organizations were certified

#### No. of LOHAS-certified Entities

● No. of newly certified products ● No. of total certified products



#### No. of Certified Entities under the Indoor Air Quality Certification

Year	No. of Companies and Organizations	No. of Facilities
2011	9	58

#### Indoor Air Quality Certification

Name of Certification	Indoor Air Quality Certification
Certification Targets	Any facilities who want to be certified for outstanding indoor air quality
Certification Status	2010- 2 companies and 2 facilities certified



Korean LOHAS certification mark

#### Korean LOHAS Certification

Today, we interact with consumers who have a higher level of awareness and are more LOHAS-conscious than before, caring about their health, environment and society. This means that companies who put LOHAS as their top priority and are committed to creative product development, good services, environmental management and social giving are more likely to survive and sustain.

KSA's Korean LOHAS certification promotes the use of eco-friendly and social-friendly products in order to help increase the quality of life for consumers and support sustainable growth and development of business. This, in turn, takes Korea's environmental technology and industry standard a notch higher and makes Korea more competitive in the global market.

As Korea's first and only LOHAS certification body, KSA has identified and promoted LOHAS products and services from the entire industry and public organizations since 2006. There are 145 LOHAS-certified products from 78 companies and organizations including LG Electronics, LG Telecom, CJ CheilJedang, Il Dong Pharmaceutical, Il Dong Foodis, Seoul Milk, Daesang, Daesang FNF, Pulmuone Health & Living, Aekyung Industrial, Samsung C & T Corporation's construction business, Kolon Engineering & Construction, North Gyeongsang Province, Icheon City, Gangneung City, Samcheok City, Uljin-gun and Cheongwon-gun.

We are fully dedicated to making our society more sustainable by aligning LOHAS-conscious consumers who pursue health and environmental values with products and services that meet such needs.



Indoor air quality certification mark

#### Indoor Air Quality Certification

KSA's indoor air quality certification aims to assess indoor air quality and management status of such places as shops and facilities of companies and organizations and certify qualified places with good air quality through the use of the 'Indoor Air Quality Certification' jointly developed by KSA and Yonsei University of Korea with a vision of greener, healthier and happier society.

This new certification scheme helps KSA to take the lead in promoting healthy and eco-friendly facilities and places and in so doing, contribute to the quality of life for consumers and support sustainable growth and development of corporate citizens. This is also translated into advanced environmental technology and industrial standards in Korea and enhanced national competitiveness as well.

KSA launched the indoor air quality certification scheme in October 2010, which makes KSA both the first and only indoor air quality certification body in Korea. Major services sector businesses including CJ CGV and Lotte World have been certified so far.

KSA is putting all-out efforts into making Korean society more sustainable by aligning LOHAS-conscious consumers who pursue health and environmental values with facilities that meet such needs.



KS-PBI's certificate awarding ceremony

## Index Survey



- The Korean Standard Service Quality Index (KS-SQI) is the only service quality assessment model in Korea that takes into account sector-specific characteristics of the Korean service industry and helps improve the nation's global competitiveness and supports companies in enhancing their service quality and building business strategy.

KS-WCI  
한국소비자만족지수

- The Korean Standard Wellbeing Consumer Index (KS-WCI) intends to provide consumers with more accurate information on wellbeing products in order to establish a reasonable and healthy culture of consumption, encourage the development of wellbeing products and contribute to corporate competitiveness and industrial development of the nation.



- The Korean Standard Quality Excellence Index (KS-QEI) aims to present alternatives for quality improvement through comparisons of use quality (quality assessed by direct users) between KS-certified and non-KS-certified products, motivating companies to compete and expand investments.



- The Korean Standard Premium Brand Index (KS-PBI) is to come up with detailed and strategic alternatives for enhanced brand competitiveness, contributing to brand competitiveness of companies and products.

## Accreditation and Certification Schemes



- The Excellence Product Accreditation Scheme assesses the excellence of products, technology and quality and allows the top-rated products to use the 'Excellence' mark to facilitate their promotional and sales activities and enhance their reputation as a reliable brand.



- The Prestigious Brand Accreditation Scheme aims to identify and nurture prestigious brands and help build brand management systems to support top-performing SME brands in establishing global presence.



- The Excellence of Service Quality Certification Scheme is to encourage outstanding service businesses to raise their market share, create profits, benchmark peer companies by service sector and implement competition strategy in order to contribute to efficient management.

## Awardees of the Korea Service Grand Prix (2010)

Hall of Fame	Samsung Life Insurance
Grand Prix	Lotte Engineering & Construction, Kumho Resort, KT Kumho Rent-A-Car, Lotte Tours, Samsung Fire and Marine Insurance, Shinhan Card, Shinhan Bank, KEPCO KPS, Samsung Card, Samsung Securities, Shinseggye Department Store, Master Motors, Samsung Medison, Hyundai Home Shopping, Dongbu Fire Insurance, Daehan Life Insurance
Customer Satisfaction Award	Lotte World, Lotte Mart, Aju Capital, SK Broadband
Management Innovation Award	Ulsan Metropolitan City Installations Management Corporation
Excellence Award	Will & Vision

## Awards



- The Korea Service Grand Prix aims to help companies build customer-centered service quality management systems and take service quality innovation initiatives in the conduct of business for a better quality of life and a happier life of the general public.



- The Korea Best New Technology Awards is to encourage companies to develop new technology by identifying and fostering new products developed through creative and cutting-edge technology and to promote outstanding performance of these products for consumers.



Korea Service Grand Prix's awarding ceremony

KSA is determined to help elevate the competitiveness of the Korean service industry to a whole new level through standardization of sector-specific services that meet diversified and differentiated needs of customers, promotion of experts and innovation of service quality.

## Credible Reward Programs

KSA overseas awards and reward programs to recognize the hard work of companies contributing to the industrial development of Korea. KSA strives to maintain public credibility and reasonable management of these awards and reward programs that have sustained with long history and traditions over the last 50 years.

### National Quality Management Convention

KSA hosts the National Quality Management Convention which serves as the awarding ceremony of the Korea National Quality Awards under the auspice of the Ministry of Knowledge and Economy. The convention recognizes quality circles, quality leaders, quality contributors and top-performing businesses who are dedicated to quality innovation initiatives in order to encourage the spirit of diligence, challenge and creativity of factory workers and to identify best practices. Between 1975 and 2010, 1,611 quality management contributors, 443 top quality management companies, 3,923 quality circles, and 1,276 quality masters were honored at the convention and the National Quality Management Convention is establishing itself as the most prestigious government awards that appreciate the efforts of factory workers, employees and companies in the Korean industry.



### Enhancement of Credible Reward Programs

As one of the longest-lasting government awards programs for the industry, the Korea National Quality Awards needs to enhance its prestige through fair and trustworthy judgments and transparent operations for its sustainable development. To ensure this end, KSA works hard to improve the operation of the program by incorporating needs of participating companies, apply stricter standards in selecting judges and continue to upgrade judgment criteria. A survey was conducted of 25 listed companies among the awardees between 2005 and 2009 to see how much their stock prices rose for a one-year period before and after the prize-winning, which showed an astonishing result of 7% higher than the KOSPI increase rate. This clearly demonstrates the importance of quality management initiatives that are multi-faceted and systemized to value customers, shareholders and employees, differentiated from short-sighted management practices that are too much immersed in short-term financial performance.

Awardees at the National Quality Management Convention 2010

No.	Category	Name of Awardees
1	Quality Management Award	Large Company Hyundai Steel Pohang No. 2 Plant
2		SME Woory Industrial Company, KOMOS
3		Public Organization KEPCO KPS
4		Education Sogang University
5	Production Innovation Award	Aju Corporation, Hyundai Hysco's Ulsan plant
6	Facility Management Award	Korea South-East Power
7	Green Management Award	BASF Korea's Yeosu plant
8	6 Sigma Innovation Award	LS Cable, Dongbu Steel
9	Customer Satisfaction Award	Lotte World
10	HR Development Award	Korea Water Resources Corporation, Gyeonggi Province
11	Service Innovation Award	Bluebird Soft

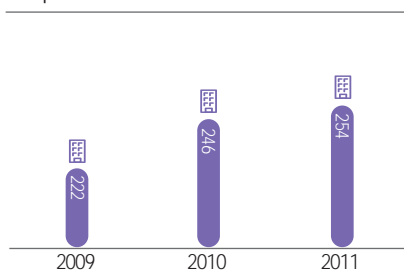






National Quality Circle Competition

No. of Companies Attending the National Quality Circle Competition



KS-SQI's certificate awarding ceremony

## National Quality Circle Competition

The National Quality Circle Competition aims to reward outstanding quality circles whose knowledge-based activities contribute to enhanced quality of the nation's industry through self-initiated activities that resolve issues in industrial setting regarding cost saving, improvement of quality and productivity, customer satisfaction and safety management that are directly related with business outcomes of a company.

The competition offers an opportunity for companies to share and benchmark best practices to lay the stronger foundation for quality innovation. To respond to changing customer needs associated with corporate management strategy and social trends, KSA newly created and expanded the CoP and safety quality segments of the competition and also introduced web-based judgment systems to ensure objectivity and transparency of the evaluation process.

The National Quality Circle Competition is attended by qualified quality circles that are screened through in-house competitions and regional preliminary competitions and serves as a venue for festival where 53,000 quality circles and 580,000 quality experts are united as one every year.

## World Standards Day

Celebration of the World Standards Day constitutes one of the most widely-known standards promotional events. The world's top 3 standards organizations of \*ISO, IEC and ITU designated every October 14 as the World Standards Day and publish commemorative messages, distribute promotional posters to member countries and host national-level commemorative events on this day every year.

Korea joined this move in 2000 and has been celebrating the day every year since then with wide-ranging programs.

## Korean Standard Service Quality Index (KS-SQI)

The Korean Standard Service Quality Index (KS-SQI) was a product of the joint efforts between KSA and Seoul National University Institute of Management, developed to promote corporate growth and public's happiness through increased level of service quality. Touted as Korea's representative service quality measurement model, the KS-SQI's excellence was demonstrated by numerous relevant academic organizations in Korea such as the Korea Marketing Association and the Korea Service Management Society.

To ensure reliability of the index, officials from surveyed companies are invited to a meeting every year to solicit and reflect their feedback on general survey characteristics covering survey design and survey questionnaire.

KSA started to study major 4 countries in Asia and 7 industry segments to help support Korean companies who are to go global in 2010 and plans to expand the scope of such research efforts. In addition, KSA is working with its overseas counterparts to export the KS-SQI as an internationally-accepted model. In 2010, 71 industry segments, 287 companies and 80,900 people were surveyed and the outcome was published.

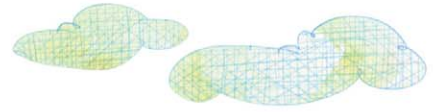
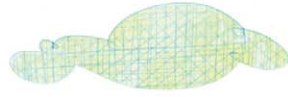
\* · ISO: International Organization for Standardization

· IEC: International Electrotechnical Commission

· ITU: International Telecommunication Union

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Sustainability  
Report  
2011





# III

## Proud Contents & Competence : Performance-driven Management

### Part 2 \_ New Growth Business(Competence)



KSA firmly believes that its next 50 years will be led by new growth business in sustainability management, green management, e-learning & mobile learning and job capacity development and is focused on these 4 areas as main drivers behind enhanced organizational performance. Facilitation of these new growth business areas will help KSA lay the basis for sustainable growth.





## Sustainability Management Business

KSA is fully dedicated to promoting sustainability management (social responsibility management) of Korean companies to help the nation seek sustainable development and companies improve their corporate value.

Even before the financial crisis that started in the U.S. in 2008 is fully overcome, accumulating U.S. government budget deficits are coming to the surface and worries of another financial crisis coming with Greece of Europe as a trigger are alerting the whole world to another possible economic disaster once again. According to many economic and business experts, it was company's reckless pursuit of short-term business results that brought about the financial crisis originated in the U.S..

Additionally, the U.S. and European countries suffering from budget deficits today indicate that the government can no longer serve as a guardian of social safety. With more and more companies seeking long-term values in business management and government's commitment to reduced budget deficits, sustainability management and social responsibility management are emerging as top priority. KSA is proactively working in various ways to support companies to boost their competitiveness to cope with these changing environments.

### ISO 26000 National Secretary

ISO issued ISO 26000, the international standard on social responsibility, in November 1, 2011 after years of development that started in 2002. With support from the Korean Agency for Technology and Standards (KATS) under the Ministry of Knowledge and Economy, KSA played a leading role in creating ISO 26000. KSA's 'ISO 26000 social expert training' courses are up and running since 2010 and KSA developed and disseminated the 'ISO 26000 compliance self-assessment indicators'. In 2011, KSA worked to develop the KS version of ISO 26000 and a web-based social responsibility reporting system to support companies in building readiness for ISO 26000.

### Stronger Cooperation with Overseas Counterparts

Since the conclusion of the first memorandum of understanding for mutual cooperation with GRI in July 2007, KSA became a GRI-certified training partner in October 2008 for the first time in Asia (4th in the world). Working together with GRI, KSA has been hosting the Korean Readers' Choice Awards (KRCA) as part of the Korea Sustainability Conference every year since November 2008. The KRCA recognizes outstanding sustainability reports based on assessments made by wide-ranging stakeholders in Korea in the manufacturing, services, public and first publication sectors. Establishing its status as Korea's most prestigious sustainability report awards, the KRCA is encouraging sustainability reporting in the nation to put more focus on stakeholder engagement. Besides, KSA signed an agreement with AccountAbility which sets de facto standards on sustainability report assurance in July 2010 and officially became an AA1000-licensed assurance provider, which enhanced KSA's public credibility in the sustainability assurance area. KSA plans to strengthen cooperation with overseas peers working in the field of sustainability management to deliver world-class services to Korean companies.



KRCA logo



**AA1000**  
Licensed Assurance Provider  
000-70





KSI logo

## Korean Sustainability Index

KSA developed a model that enables stakeholders to evaluate themselves the sustainability of companies as a catalyst to disseminate and expand appropriate concepts of sustainability and social responsibility and has been publishing the Korean Sustainability Index since 2009 and awarding No. 1 companies by industry sector.

In particular, KSI's assessment indicators were further improved and completed in accordance with ISO 26000 issues with the contributions made by professor Kwon Jung at the KDI School of Public Policy and Management in 2010. The revised KSI ensures that companies are able to proactively deal with ISO 26000 that emphasizes that companies should be aware of corporate social responsibility in meeting their respective social responsibility and that they should engage stakeholders in identifying and addressing material issues.

When a company is highly rated by the KSI, this means that it earned good reputation from stakeholders regarding its social responsibility as presented by ISO 26000 and that it secured sustainable competitive edge in the longer term. (Korean Sustainability Index website: [www.ksi.or.kr](http://www.ksi.or.kr))

## Sustainability Management Forum and Sustainability Management Conference

KSA has been operating the Sustainability Management Forum since 2009, attended by diverse experts working in the field of sustainability management in Korea. The forum serves as a venue to discuss wide-ranging issues in Korea and abroad regarding sustainability management and its outcomes are aligned with policies adopted by the Ministry of Knowledge and Economy.

In addition, KSA hosts the Sustainability Management Conference twice a year where experts at home and abroad are invited to participate. Details associated with the conference are all uploaded on the website ([www.smforum.or.kr](http://www.smforum.or.kr)) to ensure relevant information is widely shared.

As a co-host of the Sustainability Management Awards held by the Ministry of Knowledge and Economy since 2009, KSA is fully committed to recognizing companies with best practices on sustainability management and promoting top-performers.



Korean Sustainability Conference

## Expansion of Sustainability Reporting Services

KSA offers services and research deliverables associated with sustainability management to meet company needs on report publication, assurance and strategy-setting. KSA's role is to provide a practice model that enables sustainability management that fully complies with the intrinsic principles of sustainability and encourage them to make sustained improvements. Besides, KSA works hard to deliver more customer values through high-quality and efficient services.

KSA successfully completed the contract to publish the sustainability management report of the Ministry of Knowledge and Economy between the end of 2010 and the first half of 2011.



## Green Growth Business

With the growing importance of climate change and reduction of GHG emissions, KSA is working in diverse ways to help companies take the initiative in cutting GHG emissions.

### Enhanced Eco-friendly Training Programs

Korea declared its firm commitment to addressing climate change with a new national vision of "low carbon green growth" in 2008 and carbon emissions trading markets are growing exponentially worldwide. This gave rise to growing needs for training courses on reduction of greenhouse gas (GHG) emissions and new eco-friendly technology among Korean companies.

#### Energy Saving Training Programs

To meet the needs of Korean companies that are highly interested in securing cutting-edge technology associated with energy saving, KSA has been offering the training program titled 'finding and addressing energy saving tasks' since 2009. This program produced 30 energy-saving experts who are working hard to enhance energy efficiency in their respective workplace. To disseminate latest technology and trends of renewable energy which is often synonymous with energy saving, KSA has been sending more than 30 trainees to Japan to learn the nation's renewable energy industry to nurture them as leaders of the eco-friendly industry.



Training on the renewable energy industry in Japan

#### CEO Environmental Management Program

KSA's 'Green CEO for Sustainability' course has been up and running since 2007 for CEO trainees to help companies improve their sustainable and eco-friendly production capacity and enhance the competitiveness of green management.

This training program has been attended by 113 CEOs by 2011 and encouraged them to work on major environmental management issues and create new business models.



Green CEO for sustainability

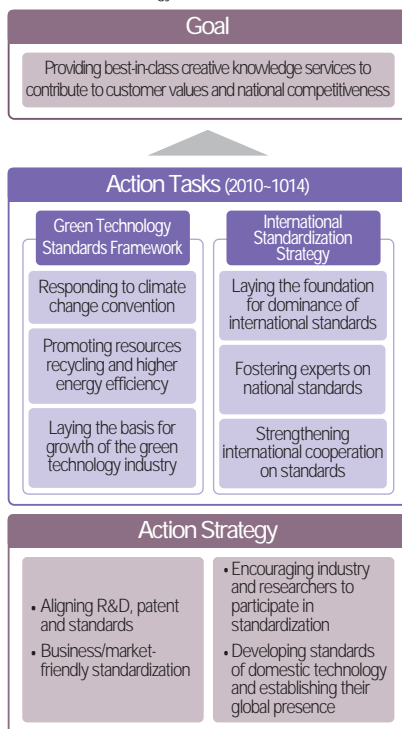
### Green Technology Standardization Strategy

After the Korean government declared its new national vision of green growth in August 2008, KSA started working with the Korean Agency for Technology and Standards (KATS) under the Ministry of Knowledge and Economy to set up the 'green technology standardization strategy' to respond to this new paradigm.

Four implementation strategies and 7 tasks were chosen to reach the goal of 'laying the basis for green growth through the establishment of green technology standards framework' and these detailed plans and relevant policy proposals were reported to the Presidential Committee on Green Growth (chairman: Prime Minister) on May 13, 2009 as the comprehensive inter-ministerial initiative jointly taken by the Ministry of Land, Transport and Maritime Affairs, the Ministry of Environment and the Korea Communications Commission to ensure they are made public widely and put to action on a national level.



Goal and Action Strategy



#### Four Implementation Strategies

The 4 implementation strategies include 'alignment of R&D, patent and standards', 'facilitation of industry and researchers to participate in standardization', 'company-friendly and market-friendly standardization' and 'development of standards of domestic technology and establishment of their global presence' and it was made clear officially that Korea's standardization initiatives will take a more pragmatic approach for economic growth to build preparedness against potential threats of heightened trade barriers in the global market.

#### Detailed Tasks

Detailed tasks to reach the goal of the above standardization strategy were presented from the two perspectives of establishing the green technology standards framework and formulating the international standardization strategy. First, to establish the green technology standards framework, the following tasks were chosen: responding to climate change convention, promoting resources recycling and enhancing energy efficiency, and building infrastructure for the growth of green technology business including new growth engine, green energy and green IT. Second, to formulate the international standardization strategy, the following tasks were selected: laying the foundation to dominate international standardization, nurturing more experts on international standards and strengthening international cooperation.

Such standardization strategy was set up as a 5-year plan spanning from 2009 to 2014 and inter-ministerial standardization projects for green growth are underway. On top of the achievements made over the years of policy projects, KSA is to contribute to society through sustained efforts for low carbon green growth as a professional standards organization.

#### Designation as a DOE under the UN CDM Scheme

KSA was designated as a DOE (Designated Operational Entity) under the UN CDM (Clean Development Mechanism) scheme on September 22, 2008 to evaluate the feasibility of projects performed by companies to reduce GHG emissions and to help companies obtain carbon allowances through verification of reductions made. KSA's verification business in this field is growing steadily, making feasibility assessments and verification engagements on 7 GHG emissions removal projects in 2009 and 15 such projects in 2010.

#### Designation as a Verifier for GHG Emissions Reduction Projects

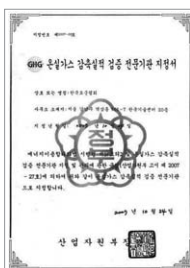
KSA was designated by the Ministry of Knowledge and Economy as a 'verifier for GHG emissions reduction projects' on October 24, 2007. During 2010, KSA made feasibility assessments and verification engagements of 81 GHG emissions removal projects conducted by Korean companies in a move to support their climate change mitigation efforts.

Regarding the government-led 'GHG/Energy Target Management Verification System' that took effect recently, KSA was chosen as a verification body capable of providing fair and objective verification services as a third-party entity and initiated this new type of business support services associated with GHG emissions removal of Korean companies.

On top of these services mentioned above, KSA is determined to expand its green growth business and deliver customer-oriented services to become a strong supporter for Korean companies who work in numerous ways to mitigate climate change and cut GHG emissions.



Letter of designation as a DOE under the UN CDM Scheme



Letter of designation as a verifier for GHG emissions reduction projects

## E-learning Mobile-learning Business

Evolving technology and changing working environments bring about overarching changes to industrial training regarding trainees' requirements, job performance capacity and training methodology. This is why KSA launched its own training program brand 'Worklearn' to facilitate its e-learning and mobile learning business.



Worklearn website([www.worklearn.co.kr](http://www.worklearn.co.kr))



Worklearn studio

### Launching Worklearn

To respond to the convergence of high technology and education caused by rapid technology development, diversifying needs from learners who are smarter than ever and shifting paradigm of job performance, KSA came up with a solution to deliver knowledge and information required by worksites in a timely manner. We named this solution 'Worklearn' as our own brand with an aim to strike the right balance between work and learn to maximize 'organizational performance through learning'. Worklearn offers e-learning and mobile learning programs which serve as a major pillar of industrial training and focuses on latest solutions and differentiated and specialized contents.

In 2010, KSA further expanded the learning environment through mobile learning solutions to support informal learning that enables learners to learn whenever and wherever with the help of smart devices.

### Developing and Providing Diverse Contents

#### Optimized Training through Customized Diagnostic Services

Worklearn considers individual needs and interaction with learners as top priority to satisfy varied needs of customer companies and learners. This means that Worklearn provides optimized training by evaluating individual learner's level and offering customized services.

Most of all, Worklearn solutions are built in a way to diagnose characteristics (Brain Color Diagnosis) and current status (High-performing Team Diagnosis) on an individual and team level and to identify training challenges to tackle. In addition, its quality expert job solution contents are developed and delivered after specific needs of customer companies are thoroughly assessed to produce customized contents. KSA built its own content production environment to create more than 30 types of content by 2010 in the fields of KS, quality and eco-friendliness and set the goal of increasing this number to 100 by 2013 through continued R&D.

#### Providing Tool-based Small-unit Contents

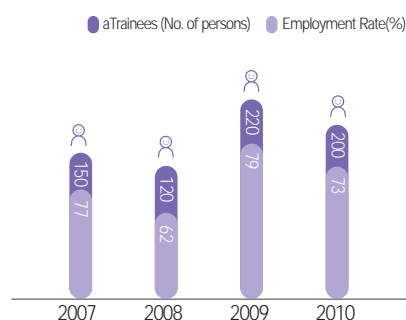
With shifting learning paradigm for better job performance, KSA is committed to creating ready-to-practice learning content that is immediately applicable on the spot and enables workplace learning. To cope with this new paradigm, KSA moved away from conventional e-learning methodology toward web and mobile services with an emphasis on tool-based contents that are readily applicable and smaller in volume but richer in quality. This allows us to form a service delivery system that meets the needs from workplaces in a highly prompt manner. KSA is determined to work even harder to establish the emerging industrial training paradigm of fully integrating work and learning in the upcoming years.

## Job Capacity Development Business

KSA expands the scope of capacity training to include job capacity development for job seekers to address youth unemployment with an aim to foster core talents with proven work capacity who are to lead the nation's industry in the future.

### Employment Guidance and Competency Building Program for Young Job Seekers

Yearly Data on Expert Skill Training for Natural Science and Engineering Majors



#### Expert Skill Training for Natural Science and Engineering Majors and Youth Job Academy Business

To meet the needs of companies for new recruits with proven job capacity, KSA has been offering 'expert skill training for natural science and engineering majors' which intends to provide job search support for university graduates with natural science and engineering background for 8 years since 2003 with the support from the Ministry of Education, Science and Technology.

This training program has helped us nurture 1,380 natural science and engineering major graduates into quality experts. These top-notch young workers are recognized for their outstanding performance in their respective workplace, demonstrating the excellence of the training program and KSA was chosen as a top-performing training body by the Korea Institute for Advancement of Technology which oversees the training project. KSA plans to widen the scope of its initiatives to help address youth unemployment by offering future graduates and graduate job seekers an opportunity to develop hands-on career experiences and learn skills for strategic job search through the 'Youth Job Academy' project that was initiated in 2011 with the support from the Ministry of Employment and Labor.

#### Support for Job Seekers

KSA provides wide-ranging training programs to help university students develop their employment capacity covering from employment, career and leadership camp to job/common competency programs and overseas training. These programs are attended by a large number of students for their proven benefits from 29 universities including Kyungpook National University, Dongguk University, Kangwon National University and Kyungbuk College.

#### Expert Skill Training for Natural Science and Engineering Majors

- Supervising Organization: Korea Institute for Advancement of Technology (Ministry of Education, Science and Technology)
- Training job-seeking graduates with natural science and engineering backgrounds on quality management skills and distinctive techniques to nurture them into quality experts

#### Youth Job Academy

- Supervising Organization: Human Resources Development Service of Korea (Ministry of Employment and Labor)
- Training future and current graduates to foster them into customized expert workers who meet actual industry needs and provide practical employment opportunities

### Expansion of OJT Business Regarding University Rating System

KSA is planning to start its own OJT business associated with the 'university rating certification system' that took effect in 2011 in order to improve the quality of university administrative systems and education curriculum. KSA's OJT initiative will help universities build comprehensive administration management framework and create profits out of their education services in order to guarantee quality education for students and contribute to capacity building of students and a strong basis of higher education of Korea.



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Sustainability  
Report  
2011



# IV

## **Proud Customer : Customer Satisfaction Management**

KSA's top priority is to help customers increase their future value by delivering knowledge services.  
KSA is committed to providing optimized services through diverse and effective customer satisfaction initiatives.





## Customer Satisfaction Management

KSA's top priority is to help customers increase their future value by delivering knowledge services. KSA is committed to providing optimized services through diverse and effective customer satisfaction initiatives.

### Customer Satisfaction Enhancement

Given the inherent characteristics of its business areas of training, certification, promotion (awards) and standards, KSA interacts with numerous customers and sometimes competes in the private sector market. This gave rise to growing awareness that KSA needs to enhance the quality of service to the level of leading private sector companies and respective business divisions take varied steps to improve customer satisfaction.

#### Gathering the Voice of Customers

KSA expands channels to listen to what customers need in various ways to ensure sustained improvement of customer satisfaction. When KSA training sessions are over, trainees are surveyed briefly on the spot and administrative officers of customer companies are asked to participate in web-based surveys. These data are used as basic materials for integrative training team workshops at KSA, which are held to analyze issues with the training business and come up with solutions.

When KS certification examinations are completed, web-based surveys are conducted as well and the outcomes are utilized for KS certification teams to carry out customer satisfaction activities.

#### Analysis of Employee Courteousness to the Customer

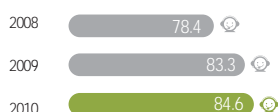
As most of its work is done through phone calls, KSA monitors employee's courteousness to customers during phone calls regularly every year. According to monitoring conducted by an external research agency, the score has remained in the range of 85~90 points since 2009.

Relatively low-performing teams are individually notified of the result to encourage them to improve on a team level and high-performing teams are motivated to do even better by sharing their excellent performance throughout KSA. Monitoring of customer phone call courteousness of KSA employees will continue every year to ensure kind and friendly services at customer contact points.

#### One-Stop Customer Response Services

KSA set up the 'One-Stop Customer Response Service' system in December 2010. This makes sure that detailed job descriptions of respective employees are shared across the board so that customers making a phone call to KSA can immediately talk to the appropriate person in charge regardless of who gets the incoming call in order to reduce to the minimum waste of time both for customers and employees.

Result of Customer Satisfaction Surveys (unit: scores)



\*On a scale of 1 to 100

Result of Customer Phone Call Monitoring (unit: scores)



\*On a scale of 1 to 100



Book Sharing Project

As it serves as a training body, KSA initiated a program titled ‘Give Wings to Your Book’ as part of its book sharing project. KSA employees donated their own valuable books maintained in good condition to be stocked at KSA Gasan Digital Center and HRD Center, which were then made available for trainees to read during their break time or bring home for reading. The book sharing project was welcomed with positive response within KSA and the donation and distribution of books will continue on a regular basis.

Service Improvement Feedback

To help customers recognize and use improved KSA services, we sent letters that outline our service improvement activities to customer companies in October 2010. These letters illustrated various free training programs offered by KSA, briefing of improved systems and channels for reporting complaints.

These customer letters will be sent regularly to ensure that customers can make use of our services more conveniently.

Department-specific Customer Satisfaction Initiatives

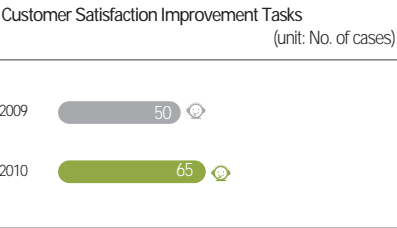
At KSA, team-level quality circle activities have begun since 2010 as part of the customer satisfaction initiatives. Each team works intensively to enhance customer satisfaction for 6 months and submit the outcome, which will then be evaluated for performance and reflected in team-level management evaluation.

We witnessed a lack of internal efforts to disseminate good practices across KSA until 2010, which led to discrepancies among regional divisions in terms of service content or quality. We are to address this problem by sharing best practices across the board and facilitate department-level customer satisfaction activities further.

Increasing Awareness of KSA Brand

Our quarterly book seminar aims to enhance awareness of KSA as a brand. Twenty seminars were held by December 2010 and these seminars were expanded outside Seoul to local cities in 2011 and met with favorable feedback. These book seminars will take place in local cities in Korea to reach more people in the upcoming years.

One of the commitments we made in our 2009 sustainability report was to measure the value of KSA brand and set up long-term and organization-wide brand promotion strategy. We are working on this commitment and strategy will be created to enhance awareness of and preference for KSA through proactive and organization-wide sharing of opinions. We are committed to enhancing the status of KSA brand for internal and external stakeholders who are directly or indirectly influenced by KSA brand.



Book seminar

## Expansion of Customer Communication Channels

The first step KSA takes to maximize customer convenience is to expand channels to gather the voice of customers continuously.

### Use of Wide-ranging Communication Vehicles

KSA opened its own twitter account (@KSAs) and blog (ksaqs.blog.me) in 2010 to expand communication channels with stakeholders.

#### KSA Twitter and Blog

At KSA twitter account, customer inquiries are answered in real time and information is posted as well on free training programs and events covering 'job capacity improvement for SMEs' training sessions and book seminars. It is also used to hold regular events for free book-giving in our capacity of a reading training body.

KSA blog website has various news and events information available in detail. Not only the head office but also each regional division has their own blog activated and detailed information on training programs and events in respective regional divisions can be found. All blog information is linked to the head office blog.

#### Customer Section of the KSA Website

KSA set a rule of responding to questions posted on the Q&A bulletin board (customer bulletin board) of its web site within up to 48 hours in January 2009. Since then, respective team's response performance has been internally and regularly monitored and they are notified of the outcome. These efforts led to a dramatic cut in the time taken to answer the majority of customer inquiries to 24~36 hours on average.

#### E-mailing of Knowledge Letters

We saw an increase in knowledge letters e-mailed to provide knowledge by business content category and these knowledge letters on specific issues covering e-learning (Worklearn), management HR and sustainability management are sent regularly.

KSA will ensure that customer feedback is reflected in the conduct of business and contributes to improvement through expanded communication channels. We are also considering plans to improve the way major changes in KSA services are announced through varied channels to enable customers to get easy access to such information.



KSA twitter



KSA blog

## Customer Information Security

KSA is fully aware of growing concerns of society over the leakage of private customer information and working to beef up its internet service security to protect customer values via computer security checks and establishment of security systems.

### Increasing Awareness of Information Security

- Integrative provision of daily security information
- Video training to raise awareness of information security
- Monthly Security Check Day

### KSA In-house Security System

- Network security
- IPS
- Network firewall
- Internet service security (web firewall)
- SSL security
- E-mail security
- Personal device security

### 7 Principles on Information Security, SEVEN UP

- Security patch: Running Window security patches
- E-mail: Prohibition of reading suspicious e-mails
- Vaccine: Installing and running vaccine programs
- Explorer Active X: Installing only trustworthy Active X programs
- Network shared folder: Restraining from the use of network shared folders
- USB: Managing USBs and other secondary memory devices thoroughly
- Password: Using safe passwords

## Awareness of the Importance of Information Security

Recent customer information spills at major online portal sites and financial institutions that are increasing in frequency alert us to the serious consequences of these security incidents. As KSA deals with wide-ranging customer information covering numerous trainees and customer companies, we are fully aware of the importance of information security.

In particular, all KSA employees share the awareness that the precautionary principle is critical in preventing these events and are committed to building a water-tight security check system.

## KSA In-house Security System

We set up an in-house security system to prevent hacker attacks that aim to steal customer information and take thorough technical and administrative measures for information security. In particular, we have dedicated information security personnel to be in charge of prompt response to unexpected hacking incidents such as DDos attacks to prevent damages before they do occur.



KSA IT Center

## Security System Aligned with Related Organizations

At KSA, employees are encouraged to enhance their awareness of information security through close cooperation with related organizations and its actual security system is aligned with these organizations as well. KSA is in full compliance with the 7 principles on information protection issued by the Ministry of Knowledge and Economy and a member of the Knowledge & Economy Cyber Security Center operated by the Ministry of Knowledge and Economy to protect the information and telecommunications network of its affiliated organizations. We also proactively adopt the recommendations covering security vulnerabilities and security issues made by the National Cyber Security Center.

The Personal Information Protection Act of Korea that took effect on September 30, 2011 extensively broadened the scope of personal information applications and with this came far more sophisticated management measures and actions to take. KSA is to ensure prompt compliance with the act to protect customer information.



KSA  
Sustainability  
Report  
2011





# V

## Performance Creation : Our Performance

KSA's commitment to sustainability management is based on the 3 strategic goals of talent-oriented management, performance-driven management and customer-centered management.

What KSA accomplished was categorized into economic achievements, social achievements and environmental achievements to identify key performance indicators in each of these categories.

KSA is determined to work harder to make tangible achievements in the upcoming years.



## Economic Achievements

KSA strikes the right balanced between qualitative growth on the outside and substantial stability on the inside based on sustained development and healthy financial structure.

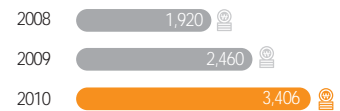
### Business Outcomes and Revenues by Business Area

(unit: KRW 1 Million)

#### Revenues



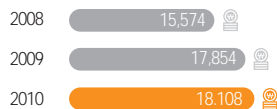
#### Profits and Losses



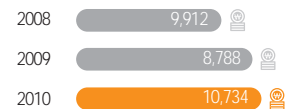
#### Member Business



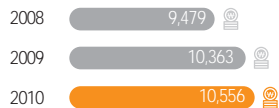
#### Standards Business



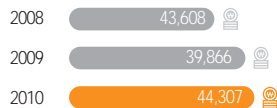
#### Quality Management Business



#### Certification Business



#### Training Business



#### Other Business

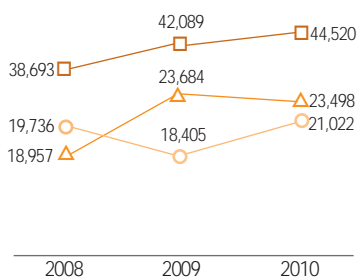


### Summary Balance Sheet

(unit: KRW 1 Million)

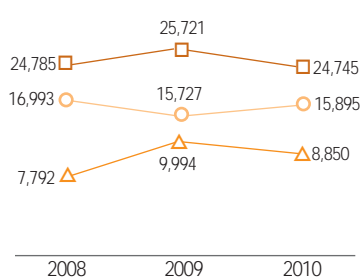
#### Assets

○ Current Assets    △ Fixed Assets    □ Total Assets



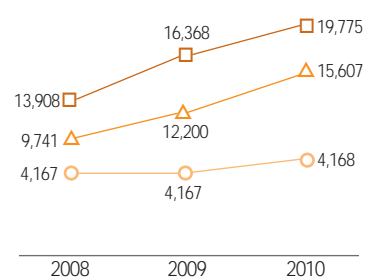
#### Liabilities

○ Current Liabilities    △ Fixed Liabilities    □ Total Liabilities



#### Capital

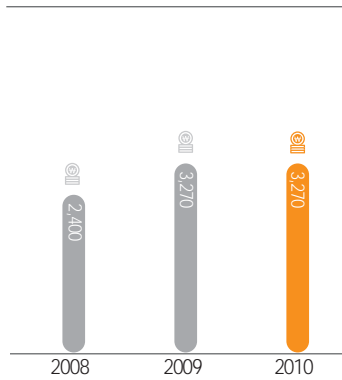
○ Capital    △ Others    □ Total Capital





### Government Subsidies

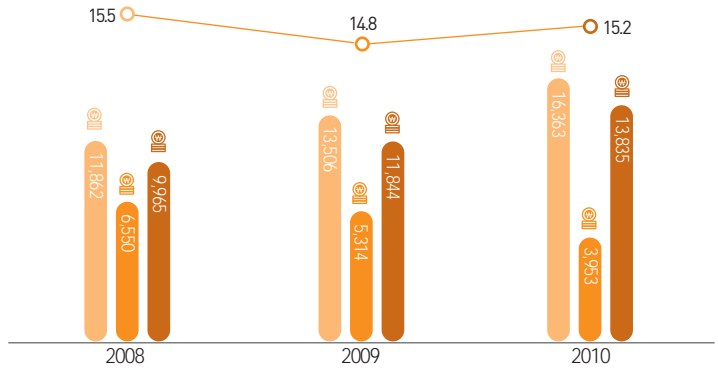
Subsidies Received (unit: KRW 1 Million)



### Labor Expenses Paid

(unit: KRW 1 Million)

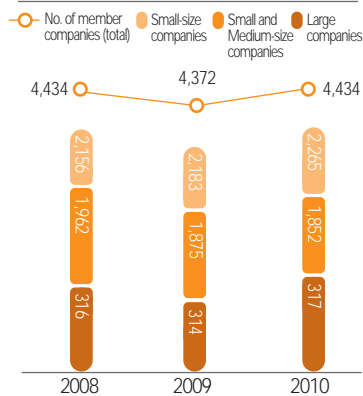
Fixed Expenses Variable Expenses Reserves for Retirement Allowance Average Years of Service (unit: No. of years)



\* Referring to regular employees including executives

### Member Companies and No. of Member Companies

No. of Member Companies

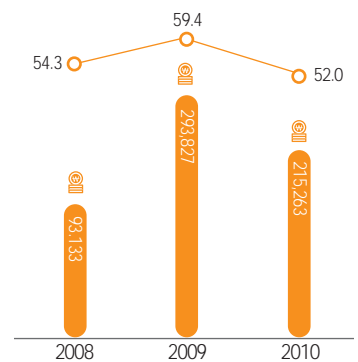


Membership Fees (unit: KRW 10,000)

Member Category	Registration Fee	Annual Membership Fee	Membership Criteria
Large Company	30	120	Over KRW 30 Billion in annual revenues
SME Company	20	80	Under KRW 5 Billion in annual revenues
Small-size Company	20	50	Under KRW 5 Billion in annual revenues
Group Member	-	150	Government, government-owned companies, investment institutions, local governments and others

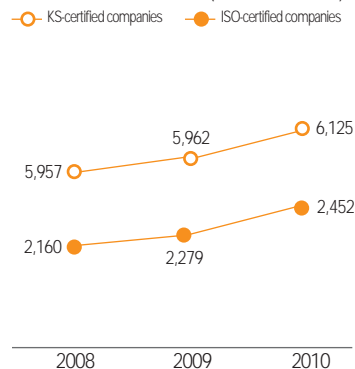
### Purchasing of SME Products and Their Percentage

SME products (unit: %) SME products (unit: KRW 1,000)



### No. of KS and ISO-certified Companies

(unit: KRW 1 Million)

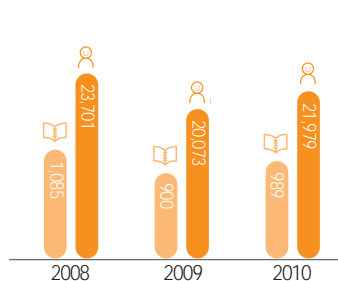


### Performance of Training Business

(unit: KRW 1 Million)

No. of Training Sessions and Trainees

No. of training sessions held No. of trainees

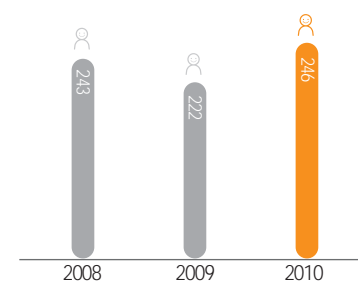


\* Referring to regular training sessions except for in-house training

### Quality Management Business

(unit: team)

No. of participating quality circle teams



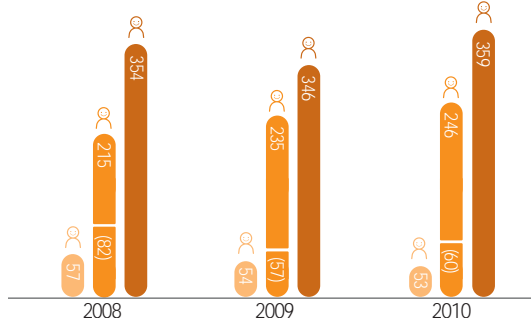
## Social Achievements

KSA strikes the right balanced between qualitative growth on the outside and substantial stability on the inside based on sustained development and healthy financial structure.

### Employee Data

(unit: No. of persons)

● No. of executives ● No. of employees (non-regular workers) ● No. of employees in total



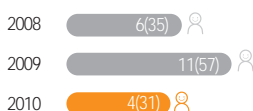
(as of October 2011)

Type of Employment	Category	Male	Female	Total
Regular Employee	Executive	3	-	3
	Division Manager	8	-	8
	Team Leader	38	2	40
	Team Member	167	59	226
	Assistant	-	21	21
Non-regular Employee	Technician	6	1	7
	Contract Employee (Team Leader)	1	-	1
	Contract Employee (Team Member)	25	10	35
	Contract Employee (Assistant)	-	6	6
Total		248	99	347

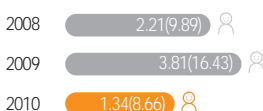
### Retirees and Turnover Rates

(unit: No. of persons, %)

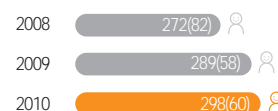
Retirees (unit: No. of persons)



Turnover Rates (unit: %)



No. of Employees (unit: No. of persons)

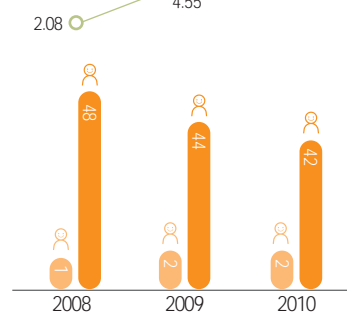


\* ( ) includes non-regular employees

### No. of Female Managers

(unit: No. of persons)

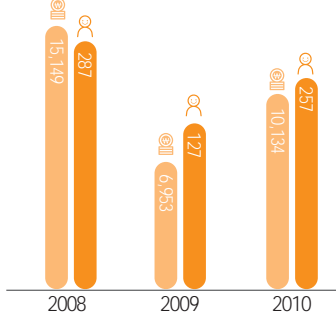
○ Percentage (unit: %) ● No. of female managers ● No. of total managers



### Social Contribution Performance

(unit: KRW 1,000, No. of persons)

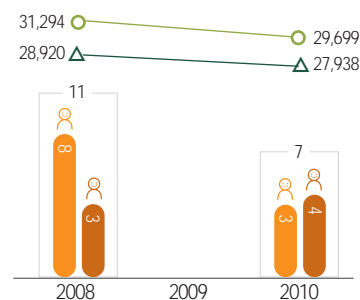
● Social contributions made in monetary value ● No. of employees participated in social giving activities



### Entry Level Wage Comparison by Gender

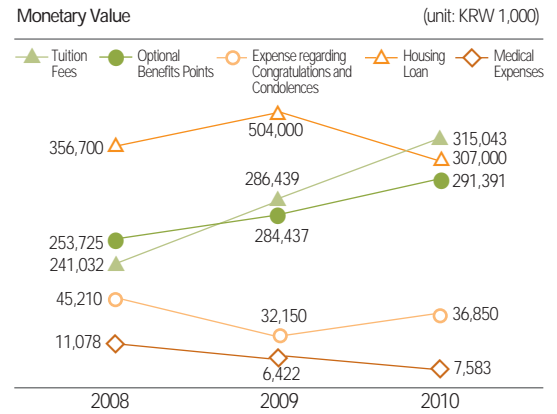
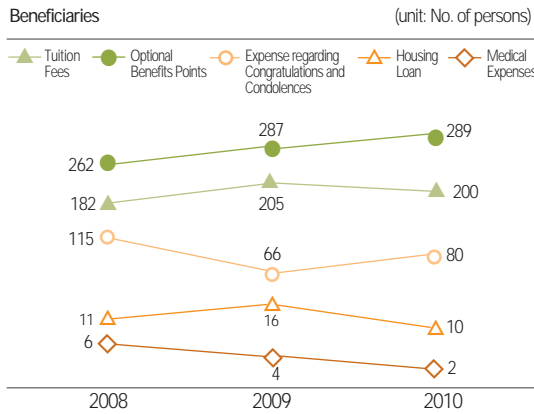
(unit: KRW 1,000, No. of persons)

○ Entry level wage (male) ● Male  
△ Entry level wage (female) ● Female

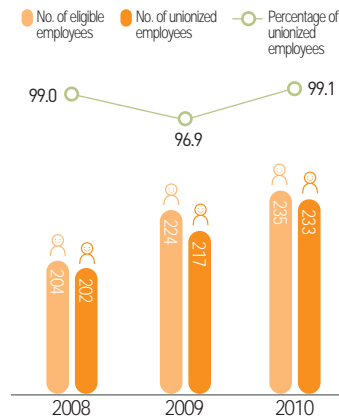


\* Operated as a pay step system and the time spent in the military counts as work experience for new male recruits  
\* Including bonus pay

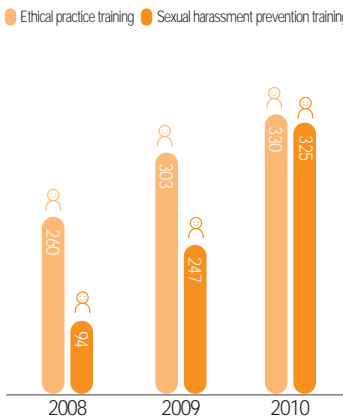
### Data on Employee Benefits



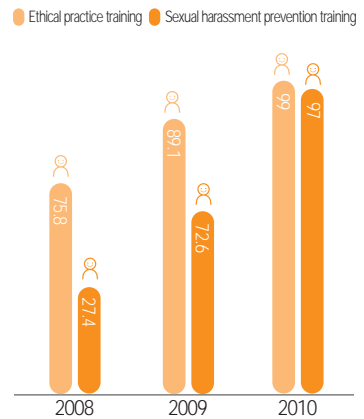
### Percentage of Employees Eligible for Collective Bargaining (August 2011)



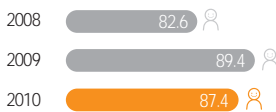
### No. of Employees Attending Ethical Practice Training (unit: No. of persons)



### Percentages of Employees Attending Ethical Practice Training (unit: %)



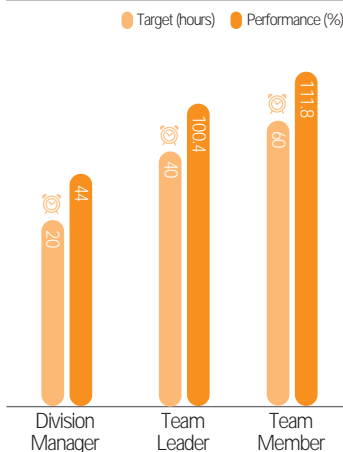
### Employee Phone Call Monitoring Scores in 2008 (unit: scores)



### Customer Satisfaction Improvement Tasks (unit: No. of cases)



### Customer Satisfaction Improvement Tasks (unit: No. of cases)



### Percentage of Employees Who Returned to Work and Remain Employed after Childcare Leave (unit: No. of persons)



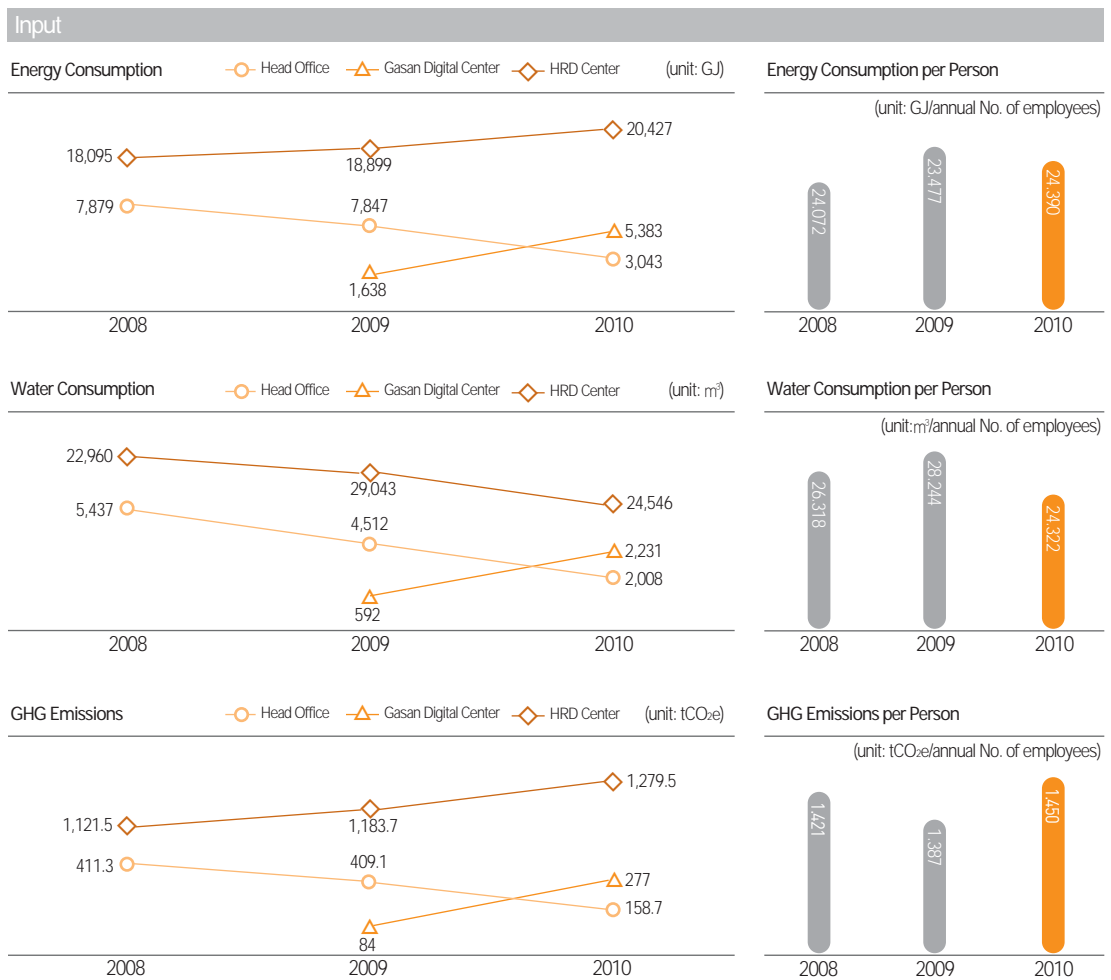
### Annual Learning Hours and HR Development Expenses (unit: KRW 1 Million)

Category	2008	2009	2010
Learning Hours per Employee	78	94.2	108.8
HR Development Expenses	148	258	343



## Environmental Achievements

KSA strikes the right balanced between qualitative growth on the outside and substantial stability on the inside based on sustained development and healthy financial structure.



### Examination and Calculation of GHG Emissions

#### 1. Criteria for examining GHG emissions

KSA used the IPCC (Intergovernmental Panel on Climate Change)'s 2006 version of the Guidelines for National Greenhouse Gas Inventories and the 2004 version of the Corporate Accounting and Reporting Standard issued by the WRI (World Resources Institute) and the WBCSD (World Business Council for Sustainable Development).

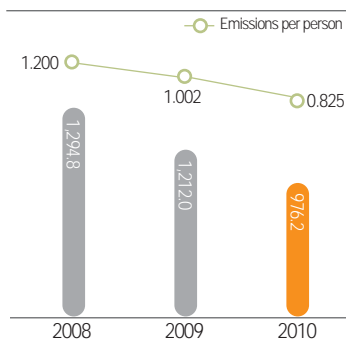
#### 2. Coefficient by energy source

KSA selected the net calorific value out of the criteria for calorific conversion of energy under the enforcement regulations of the Basic Energy Act (2006) in calculating calorific values of GHG emissions by energy source.

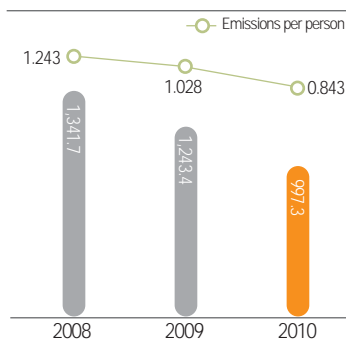
## Output

(unit: kg/annual No. of employees)

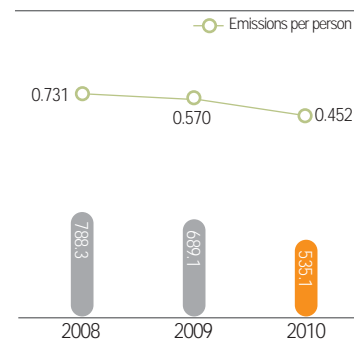
NOx Emissions (HRD Center)



SOx Emissions (HRD Center)

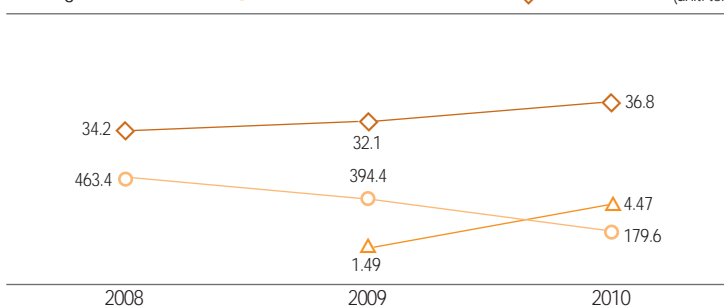


Dust Emissions (HRD Center)



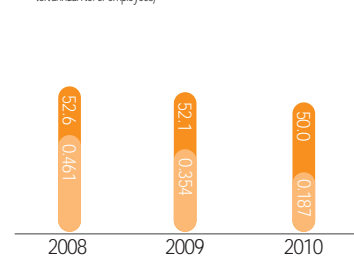
Discharge of Waste

○ Head Office    △ Gasan Digital Center    ◇ HRD Center (unit: ton)



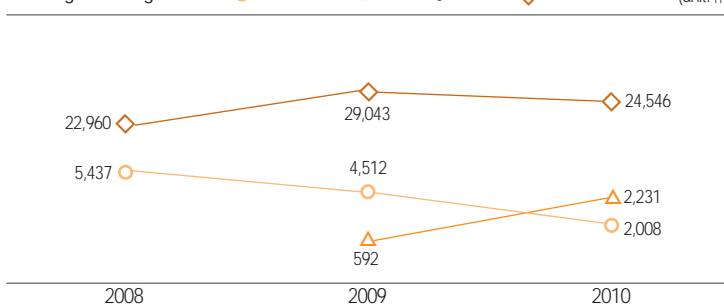
Discharge of Waste per Person

○ Amount discharged per person (unit: ton/annual No. of employees)    △ Percentage of recycling (unit: %)



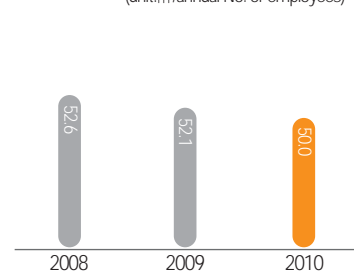
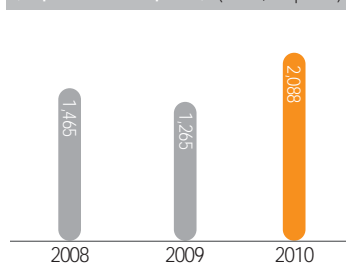
Discharge of Sewage

○ Head Office    △ Gasan Digital Center    ◇ HRD Center (unit: m³)



Amount Discharged per Person

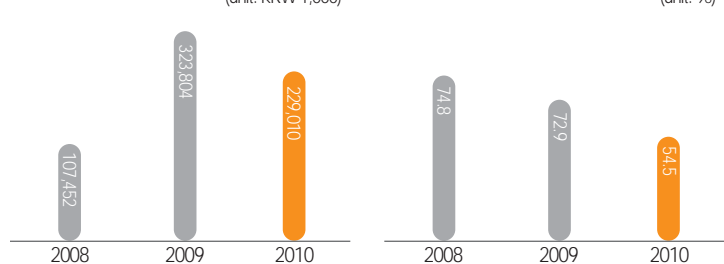
(unit: m³/annual No. of employees)

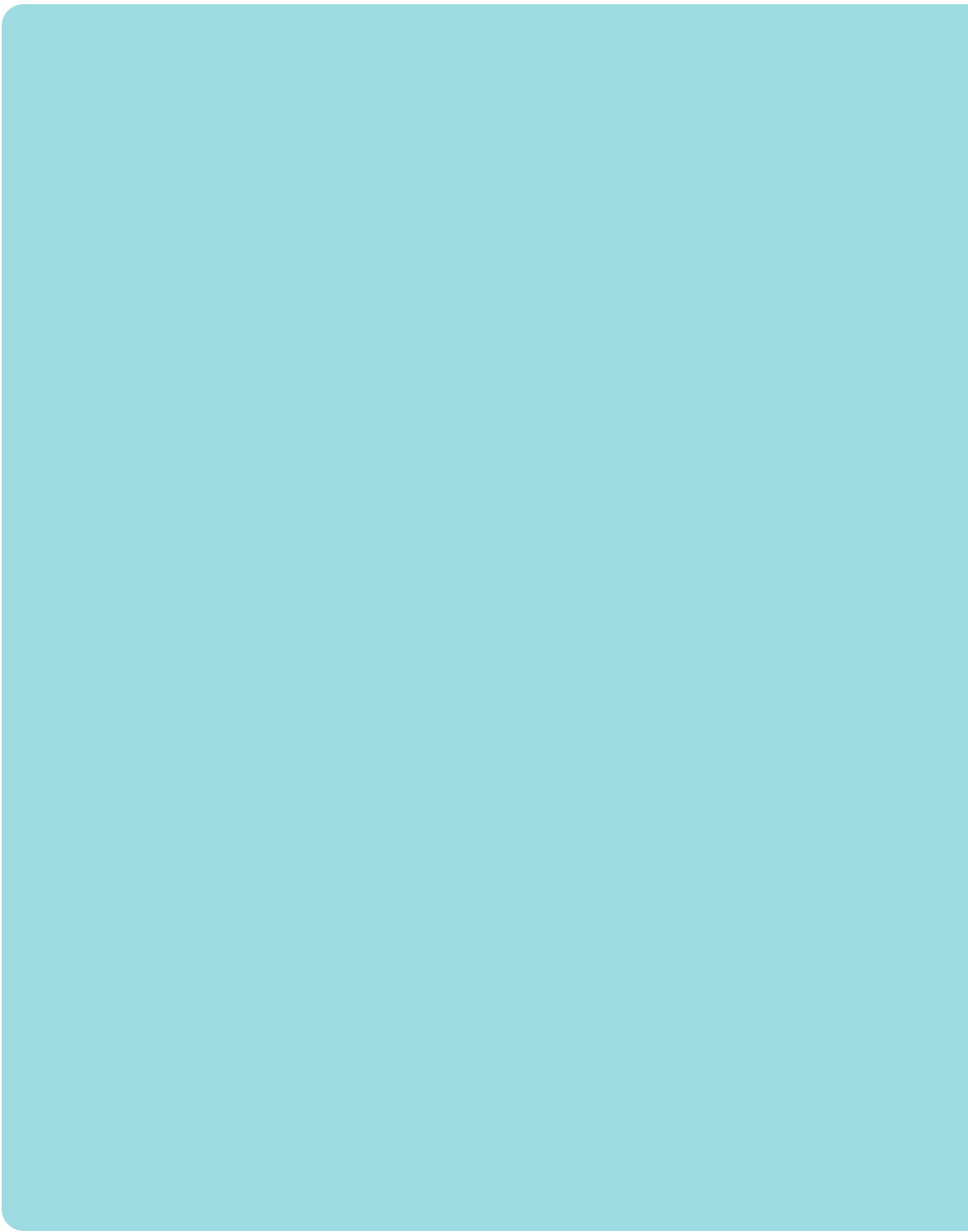
Energy Saving Campaign  
(Paper Consumption) (unit: 1,000 pieces)

Purchasing of Eco-friendly Products and Their Percentage

(unit: KRW 1,000)

(unit: %)





# Appendix

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- KSA's ISO 26000 Compliance Self-check Report
- GRI G3.1 Contents Index & ISO 26000
- UN Global Compact Principle Compliance Report



# KSA's ISO 26000 Compliance Self-check Report



## Assessment Criteria

KSA developed a check list to assess social responsibility compliance in accordance with ISO 26000, the international standard on social responsibility, as part of the service project it undertook for the Korean Agency for Technology & Standards (KATS) under the Ministry of Knowledge and Economy. This report outlines KSA's own assessment of its social responsibility process and achievements by 7 core subjects of ISO 26000 in accordance with the above check list.

## Scope of Assessment

KSA reviewed its own regulations, strategy, achievements and procedures regarding social responsibility to assess overall external and internal activities & mid/long-term strategy, social responsibility initiatives and sustainability strategy implementation process.

The assessment was made as of August 2011 and this report does not reflect improvements made after the assessment.

## Assessment Methodology

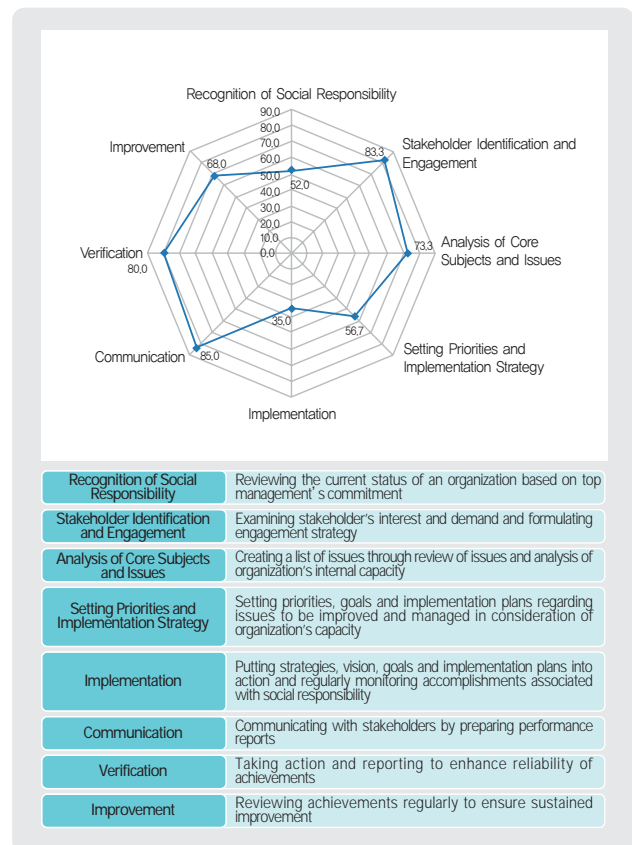
With the task force team in charge of creating sustainability reports taking a leading role, KSA gathered evidence materials in accordance with objective assessment criteria and performed the following activities.

- Review of sustainability reports and internal documents on sustainability management activities and achievements
- Interview with employees in charge of respective issues

## Results of Assessment by ISO 26000 Social Responsibility Process

KSA has yet to integrate recognition of social responsibility into the entire conduct of business including employees and partner companies. With the first publication of sustainability report in 2009, KSA performed stakeholder engagement and identified material issues to determine its strategic directions but the implementation of concrete tasks was rather insufficient.

In particular, KSA lacks a system to ensure on-going stakeholder engagement in its daily conduct of business and to incorporate material issues in top management's decision-making process. KSA is recommended to communicate its activities regarding social responsibility management through wide-ranging channels in addition to the publication of sustainability reports, to monitor sustainability-related information regularly, and to reflect key sustainability indicators in management evaluation in order to ensure sustained improvement.



## Assessment Results by 7 Core Subject of ISO 26000

### Organizational Governance

KSA does not have a decision-making body which is responsible for integrating social responsibility principles into decision-making and implementation process. KSA would be better positioned to establish its own decision-making body in charge of regularly reporting social responsibility goals and accomplishments associated with stakeholder expectations and interests and continue to improve its operation.

### Human Rights

KSA is relatively weak in human rights among the 7 core subjects and in particular, it needs to look for ways to improve this area through due diligence of human rights situations of partner companies that it does business with. To put it more concretely, KSA is recommended to carry

out policies to respect human rights, establish and implement policies to respect human rights of partner companies and create principles to make sure it is not complicit in human rights abuses.

### Labour Practices

KSA is well positioned overall regarding labour practices but needs to do better to ensure health and safety at workplace. In particular, non-regular workers are 64 in number, making up a considerable portion of its workforce and this requires KSA's long-term commitment to improvement. In addition, KSA is recommended to provide an equal level of protection for health and safety of partner company employees as well as its part-time and non-regular employees and to come up with better ways to help its employees deal with work-related stress.

### The Environment

KSA is actively working on varied GHG-related projects and energy-saving initiatives but is not sufficiently managing its GHG Ranging. Besides, KSA needs to inspect the eco-system surrounding its HRD Center to prepare appropriate protection measures in case they are required and also to enhance awareness and management associated with recycling of resources.

### Fair Operating Practices

KSA takes wide-ranging initiatives on ethics management covering integrity training and the Honesty, Right-Way and Cleanness Campaign. It does not have, however, standards on the prohibition of anti-competitive action and such issues of health, safety, ethics, society, environment and gender equality that require attention in purchasing, distributing and contracting. KSA's efforts to encourage partner companies to be socially responsible are also not adequate enough. KSA is recommended to set up appropriate systems regarding the Korean government's shared growth principle as well.

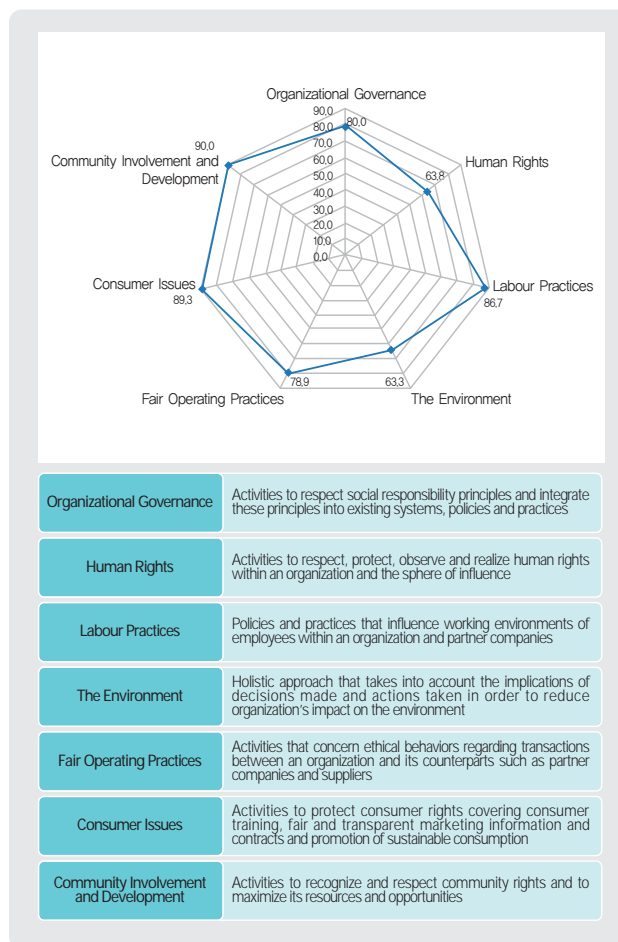
### Consumer Issues

KSA's relevance on consumer issues is relatively low but it needs to consider elevating its response level on products and training equipment related with certification services and to make proactive investments in enhancing the protection of private consumer information. KSA would be better positioned to find ways to boost the level of health and safety of products certified under the KSA certification schemes and to use more eco-friendly products and services in its training sessions and various events.

### Community Involvement and Development

KSA is involved in wide-ranging social giving initiatives covering the One Company One Village campaign, free book seminars and volunteering programs attended by all of its employees. KSA needs to make closer arrangements between these philanthropic activities and its core capacity and to develop programs to make the best use of what it has in the fields of training promotion, function development and industry-academia cooperation. The process of soliciting opinions of local community is also required in developing programs.

## Outcomes of Social Responsibility Performance Assessment



## Conclusions

According to the ISO 26000 compliance self-assessment, KSA gained 66.6 scores in process and 70.4 scores in performance on average on a scale of 1 to 100. Process-wise, KSA lacks an organization-wide recognition of social responsibility and its strategic implementation. Performance-wise, KSA's human rights and environment achievements were relatively weak but it made positive accomplishments regarding labour practices, consumer issues and community involvement and development.

KSA is recommended to continue to take action and make improvement in a way that is systemized and aligned with its own business strategy to address the aforementioned weaknesses.

September 2011  
Sustainability Reporting TFT

## GRI G3.1 Contents Index &amp; ISO 26000

● 보고 ○ 부분보고 ○ 미보고 ● 해당없음

	Detail	ISO 26000	ISO 26000 - Core Subjects and Issues	Page	Reporting level	Note
	Principle of Stakeholder Engagement	6.8.2	Community Involvement			
	Boundary Protocol	6.6.5	Promotion of Social Responsibility within Value Chain			
<b>Strategy and Analysis</b>						
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position)	6.2	Organizational governance	2~3	●	
1.2	Description of key impacts, risks, and opportunities	6.2		2~3	●	
<b>Organizational Profile</b>						
2.1	Name of the organization			6~7	●	
2.2	Primary brands, products, and/or services			6~7	●	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	6.2	Organizational governance	6~7	●	
2.4	Location of organization's headquarters			6~7	●	
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 issues covered in the report			6~7	●	
2.6	Nature of ownership and legal form			6~7	●	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)			6~7	●	
2.8	Scale of the reporting organization			6~7	●	
2.9	Significant changes during the reporting period regarding size, structure, or ownership			6~7	●	
2.10	Awards received in the reporting period			6~7	●	
<b>Report Parameters</b>						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided			About this report	●	
3.2	Date of most recent previous report (if any)				●	
3.3	Reporting cycle (annual, biennial, etc.)				●	
3.4	Contact point for questions regarding the report or its contents				●	
3.5	Process for defining report content				●	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance				●	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)				●	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations				●	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols				●	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)				●	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report				●	
3.12	Table identifying the location of the Standard Disclosures in the report			70~74	●	
3.13	Policy and current practice with regard to seeking external assurance for the report.	7.5.3	Assurance	74	○	No additional assurance was conducted given KSA's role as an assurance provider
<b>Governance, Commitments, and Engagement</b>						
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	6.2	Organizational governance	8	●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	6.2		8	●	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	6.2		8	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	6.2		8	○	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	6.2		8	●	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	6.2		-	○	Low relevance with material issues

	Detail	ISO 26000	ISO 26000 - Core Subjects and Issues	Page	Reporting level	Note
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	6.2	Organizational governance	8	○	Low relevance with material issues
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	6.2		4~5	●	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	6.2		8	◉	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	6.2		-	○	Low relevance with material issues
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	6.2		-	○	Low relevance with material issues
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	6.2		75	●	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies: * Participates in projects or committees: * Provides substantive funding beyond routine membership dues; or * Views membership as strategic	6.2		7	◉	
4.14	List of stakeholder groups engaged by the organization	6.2		10~11	●	
4.15	Basis for identification and selection of stakeholders with whom to engage	6.2		10~11	●	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	6.2		10~11	●	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	6.2		10~11	●	
Economic (Disclosure on Management Approach)						
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	6.8/6.8.3/6.8.7/6.8.9	Community involvement and development/ Community involvement/Social investment/ Social investment	60~61	●	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	6.5.5	Climate change and mitigation	48~49	●	
EC3	Coverage of the organization's defined benefit plan obligations	6.4.4/6.8		-	○	Low relevance with material issues
EC4	Significant financial assistance received from government			61	●	
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	6.4.4/6.8	Conditions of work and social protection/ Community involvement and development	62	◉	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6/6.8/6.8.5/6.8.7	Promoting social responsibility in the value chain / Community involvement and development/ Employment creation and skills/Social investment	19, 63	●	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	6.8/6.8.5/6.8.7	Community involvement and development / Employment creation and skills/Social investment	-	○	Low relevance with KSA's business operation
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	6.3.9/6.8/6.8.3/6.8.4/ 6.8.5/6.8.6/6.8.7/6.8.9	Economic, social and cultural rights/ Community involvement and development/ Community involvement / Education and culture/ Technology development and access/ Social investment/ Social investment	32~51	●	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	6.3.9/6.6.6/6.7/6.8/6.8/ 6.8.5/6.8.6/6.8.7/6.8.9	Economic, social and cultural rights/ Promoting social responsibility in the value chain/ Respect for property rights/ Access to essential services/ Community involvement and development/ Technology development and access/ Wealth and income creation/ Social investment	32~51	●	
Environmental (Disclosure on Management Approach)						
EN1	Materials used by weight or volume	6.5/6.5.4	The environment/Sustainable resource use	64	●	
EN2	Percentage of materials used that are recycled input materials			-	○	No records of recycled input materials used
EN3	Direct energy consumption by primary energy source			64	●	
EN4	Indirect energy consumption by primary source			64	●	
EN5	Energy saved due to conservation and efficiency improvements			22	◉	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives			22~23	●	



## Appendix

	Detail	ISO 26000	ISO 26000 - Core Subjects and Issues	Page	Reporting level	Note
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	6.5/6.5.4	The environment/Sustainable resource use	22~23	⦿	
EN8	Total water withdrawal by source			64	●	
EN9	Water sources significantly affected by withdrawal of water			-	○	Low relevance with KSA's business operation
EN10	Percentage and total volume of water recycled and reused			-	○	No records of water recycled and reused
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5/6.5.6	The environment/Protection of environment, biodiversity and restoration of natural habits	6	●	Low relevance with KSA's business operation
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas			-	○	Low relevance with KSA's business operation
EN13	Habitats protected or restored			-	○	Low relevance with KSA's business operation
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity			-	○	Low relevance with KSA's business operation
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk			-	○	Low relevance with KSA's business operation
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5/6.5.5	The environment/Climate change and mitigation	64	●	
EN17	Other relevant indirect greenhouse gas emissions by weight			65	●	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved			23, 64	●	
EN19	Emissions of ozone-depleting substances by weight	6.5/6.5.3	The environment/Prevention of pollution	65	●	
EN20	NOx, SOx, and other significant air emissions by type and weight			65	●	
EN21	Total water discharge by quality and destination			-	○	No additional actions were taken
EN22	Total weight of waste by type and disposal method			65	●	
EN23	Total number and volume of significant spills			-	⊖	Not applicable
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			-	⊖	Not applicable
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	6.5/6.5.4/6.5.6 6.5/6.5.4/6.5.6	The environment/Sustainable resource use/Protection of environment, biodiversity and restoration of natural habits	-	⊖	Not applicable
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5/6.5.4/6.6/6.7.5	The environment/Sustainable resource use/Promoting social responsibility in the value chain/Sustainable consumption	64~65	●	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5/6.5.4/6.7.5	The environment/Sustainable resource use/Sustainable consumption	-	○	Low relevance with KSA's business operation
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	6.5	The environment	-	⊖	No sanctions were imposed
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	6.5/6.5.4/6.6.6	The environment/Sustainable resource use/Promoting social responsibility in the value chain	22	⦿	
EN30	Total environmental protection expenditures and investments by type	6.5	The environment	-	○	No additional actions were taken
Labor Practices and Decent Work (Disclosure on Management Approach)				25, 30		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	6.4/6.4.3	Labour practices/Employment and employment relationships	26, 62	●	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region			62	●	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	6.4/6.4.3/6.4.4	Labour practices/Employment and employment relationships/Conditions of work and social protection	-	⊖	All employees are equally entitled to benefits
LA4	Percentage of employees covered by collective bargaining agreements	6.4/6.4.3/6.4.4/ 6.4.5/6.3.10	Labour practices/Employment and employment relationships/Conditions of work and social protection/Social dialogue/Fundamental principles and rights at work	30, 63	●	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	6.4/6.4.3/6.4.4/6.4.5	Labour practices/Employment and employment relationships/Conditions of work and social protection/Social dialogue	59	●	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	6.4/6.4.6	Labour practices/Health and safety at work	63	●	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender			-	⊖	Not applicable

	Detail	ISO 26000	ISO 26000 - Core Subjects and Issues	Page	Reporting level	Note
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	6.4/6.4.6/6.8/6.8.3 6.8.4/6.8.8	Labour practices/Health and safety at work/Community involvement and development/Community involvement/Education and culture/Health	30~31	●	
LA9	Health and safety topics covered in formal agreements with trade unions	6.4/6.4.6	Labour practices/Health and safety at work	30	⊕	
LA10	Average hours of training per year per employee by gender, and by employee category	6.4/6.4.7	Labour practices/Human development and training in the workplace	63	●	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	6.4/6.4.7/6.8.5	Labour practices/Human development and training in the workplace/Employment creation and skills	27~29	●	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	6.4/6.4.7	Labour practices/Human development and training in the workplace	62	⊕	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.3.7/6.3.10/6.4/6.4.3	Discrimination and vulnerable groups/Fundamental principles and rights at work/Labour practices/Employment and employment relationships	8	●	
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	6.3.7/6.3.10/6.4/6.4.3/6.4.4	Discrimination and vulnerable groups/Fundamental principles and rights at work/Labour practices/Employment and employment relationships/Conditions of work and social protection	62	●	
LA15	Return to work and retention rates after parental leave, by gender		Discrimination and vulnerable groups	63	●	
Human Rights (Disclosure on Management Approach)				25, 30		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	6.3/6.3.3/6.3.5/6.6.6	Human rights/Due diligence/Avoidance of complicity/Promoting social responsibility in the value chain	-	○	No additional actions were taken
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	6.3/6.3.3/6.3.5/6.4.3/6.6.6	Human rights/Due diligence/Avoidance of complicity/Employment and employment relationships/Promoting social responsibility in the value chain	-	○	No additional actions were taken
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	6.3/6.3.5	Human rights/Avoidance of complicity	18	●	No additional actions were taken
HR4	Total number of incidents of discrimination and corrective actions taken	6.3/6.3.6/6.3.7/6.3.10/6.4.3	Human rights/Resolving grievances/Discrimination and vulnerable groups/Fundamental principles and rights at work/Employment and employment relationships	-	●	No discriminations took place
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	6.3/6.3.3/6.3.4/6.3.5/6.3.8/6.3.10/6.4.3/6.4.5	Human rights/Due diligence/Human rights risk situation/Avoidance of complicity/Civil and political rights/Fundamental principles and rights at work/Employment and employment relationships/Social dialogue	-	⊖	Not applicable
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		Human rights/Due diligence/Human rights risk situation/Avoidance of complicity/Discrimination and vulnerable groups/Fundamental principles and rights at work	-	⊖	Not applicable
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor		Human rights/Avoidance of complicity/Employment and employment relationships/Promoting social responsibility in the value chain	-	⊖	Not applicable
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	6.3/6.3.5/6.4.3/6.6.6	Human rights/Resolving grievances/Discrimination and vulnerable groups/Fundamental principles and rights at work/Employment and employment relationships	30	⊕	Human rights situations are to be examined
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	6.3/6.3.6/6.3.7/6.3.8/6.6.7	Human rights/Resolving grievances/Discrimination and vulnerable groups/Civil and political rights/Respect for property rights	-	⊖	Not applicable
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		Due diligence/Human rights risk situation	-	⊖	Not applicable
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		Resolving grievances	-	⊖	No grievances were filed regarding human rights
Society (Disclosure on Management Approach)						
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	6.3.9/6.8/6.8.5/6.8.7*/6.6.7	Economic, social and cultural rights/Community involvement and development/Employment creation and skills/Social investment/Respect for property rights	44~51	⊕	
SO2	Percentage and total number of business units analyzed for risks related to corruption	6.6/6.6.3	Fair operating practices/Anti-corruption	18	●	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures			18	●	
SO4	Actions taken in response to incidents of corruption			18	●	
SO5	Public policy positions and participation in public policy development and lobbying	6.6/6.6.4/6.8.3	Fair operating practices/Responsible political involvement/Community involvement	34, 48	●	

## Appendix

	Detail	ISO 26000	ISO 26000 - Core Subjects and Issues	Page	Reporting level	Note
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			-	●	Not applicable
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	6.6/6.6.5/6.6.7	Fair operating practices/Fair competition/Respect for property rights	19	⊙	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	6.6/6.6.7/6.8.7*	Fair operating practices/Respect for property rights/Social investment	-	●	No sanctions were imposed
SO9	Operations with significant potential or actual negative impacts on local communities		Community involvement and development	-	●	Not applicable
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Community involvement and development	-	●	Not applicable
Product Responsibility (Disclosure on Management Approach)					53	
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	6.3.9/6.6.6/6.7/6.7.4/6.7.5	Economic, social and cultural rights/Promoting social responsibility in the value chain/Consumer issue/Protecting consumers' health and safety/Sustainable consumption	54~57	●	
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, by type of outcomes			38	●	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	6.7/6.7.3/6.7.4/6.7.5/6.7.6/6.7.9	Consumer issue/Fair marketing, factual and unbiased information and fair contractual practices/Protecting consumer's health and safety/Sustainable consumption/Consumer service, support, and complaint and dispute resolution/Education and awareness	-	●	Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes			-	●	Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7/6.7.4/6.7.5/6.7.6/6.7.8/6.7.9	Consumer issue/Protecting consumer's health and safety/Sustainable consumption/Consumer service, support, and complaint and dispute resolution/Access to essential services/Education and awareness	54~55	●	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	6.7/6.7.3/6.7.6/6.7.9	Consumer issue/Fair marketing, factual and unbiased information and fair contractual practices/Consumer service, support, and complaint and dispute resolution	18	⊙	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes			-	●	No incidents of non-compliance took place
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7/6.7.7	Consumer issue/Consumer data protection and privacy	54~55	●	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	6.7/6.7.6	Consumer issue/Consumer service, support, and complaint and dispute resolution	-	●	No incidents of non-compliance took place

## Declaration of the GRI G3.1 Application Level

KSA prepared this report in accordance with the GRI G3.1 Guidelines, the international guidelines on sustainability reporting, and self-declares the 'A' Application Level.

In accordance with the 2002 Guidelines		C	C+	B	B+	A
Mandatory	Self-Declaration	Externally assured reports		Externally assured reports		✓

# UN Global Compact Principle Compliance Report

KSA joined the UN Global Compact (UNGC), the international society's initiative on social responsibility, on November 11, 2010 to support its ten principles in the 4 areas of human rights, labour, environment and anti-corruption. KSA intends to illustrate its compliance performance through this Sustainability Report 2011 and contribute to sustainable development of society through management of economic, social and environmental achievements in the conduct of business.

The UNGC Ten Principles	Major Activities	Page
<b>1) Human Rights</b>		
<p>▶ <b>Principle 1_</b> Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>▶ <b>Principle 2_</b> make sure that they are not complicit in human rights abuses</p>	<ul style="list-style-type: none"> <li>• Support and respect the protection of internationally proclaimed human rights</li> <li>• Respect diversity at workplace and install/run a grievance resolution center to establish a culture of gender equality</li> <li>• Sexual harassment prevention training</li> <li>• Gradual increase in the percentage of female employees (25.5%)</li> </ul>	2, 5, 30
<b>2) Labour</b>		
<p>▶ <b>Principle 3_</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>▶ <b>Principle 4_</b> the elimination of all forms of forced and compulsory labour;</p> <p>▶ <b>Principle 5_</b> the effective abolition of child labour; and</p> <p>▶ <b>Principle 6_</b> the elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> <li>• Comply with the Korean Labor Standards Act and the ILO's labor standards and principles</li> <li>• Consider the labor union as a partner for sustainable growth and move forwards mutually-beneficial and cooperative labor relations</li> <li>• Ban unfair treatment and discriminations regarding recruitment, promotion, compensation and training and guarantee equal opportunities</li> <li>• Disapprove all forms of human rights violations covering child labor and compulsory labor</li> <li>• Introduce flexible working hours to support employees to take care of children and household chores, commute long distances and pursue self-improvement</li> </ul>	30~31
<b>3) Environment</b>		
<p>▶ <b>Principle 7_</b> Businesses should support a precautionary approach to environmental challenges;</p> <p>▶ <b>Principle 8_</b> undertake initiatives to promote greater environmental responsibility; and</p> <p>▶ <b>Principle 9_</b> encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> <li>• Designated as a UN CDM DOE (Designated Operational Entity) (Sep. 2008)</li> <li>• Designated as a verifier for GHG emissions reduction projects to support businesses to mitigate climate change (Oct. 24, 2007)</li> <li>• Introduce online video conferencing for weekly executive meetings instead of offline gatherings that require physical presence</li> <li>• Other efforts to cut indirect GHG emissions (promotion of public transportation use)</li> <li>• Proactively encourage the purchase of eco-friendly products</li> <li>• Improve heating efficiency at HRD Center</li> </ul>	22~23 48~49
<b>4) Anti-Corruption</b>		
<p>▶ <b>Principle 10_</b> Businesses should work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> <li>• Disclose BOD's decisions to stakeholders through the briefing to the Ministry of Knowledge and Economy, the creative management system for public institutions (<a href="http://www.allo.go.kr">www.allo.go.kr</a>) and the disclosure of BOD minutes on the KSA website</li> <li>• Strengthen anti-corruption training for partner companies</li> <li>• Extend ethical practice training from 2 to 4 hours</li> <li>• No corruption cases took place in the last 7 years</li> </ul>	8, 18



# Reader Feedback Survey

We greatly appreciate your interest in the KSA Sustainability Report 2011. This is the KSA's second sustainability report and we welcome your valuable opinion as your feedback will significantly contribute to improving our future sustainability reports. Please fax us your completed questionnaire

To : Management Planning & Public Relations Team, KS  
Fax \_ 82-2-6009-4539

From: (This section may be left blank)  
Name \_  
Occupation \_

1. Which of the following do you belong to?

- ☐ Member company
- ☐ Customer
- ☐ Employee
- ☐ Government
- ☐ Local resident
- ☐ Supplier
- ☐ Competitor
- ☐ Expert institute
- ☐ Others (\_\_\_\_\_)

2. Which of the following interests you? (Multiple choices allowed)

- ☐ General parts (CEO Message and others)
- ☐ Proud Company
- ☐ Proud Character
- ☐ Proud Contents\_Conventional Business
- ☐ Proud Competence\_New Growth Business
- ☐ Proud Customer
- ☐ Performance Creation

3. Which of the following do you think was insufficient in this report? (Multiple choices allowed)

- ☐ General parts (CEO Message and others)
- ☐ Proud Company
- ☐ Proud Character
- ☐ Proud Contents\_Conventional Business
- ☐ Proud Competence\_New Growth Business
- ☐ Proud Customer
- ☐ Performance Creation

4. Please rate the usefulness of information presented in this report.

- ☐ General Parts of the Report(Message from the CEO, etc.)

(Insufficient)

1

2

3

4

5

(Satisfactory)
- ☐ Proud Company

(Insufficient)

1

2

3

4

5

(Satisfactory)
- ☐ Proud Character

(Insufficient)

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(Satisfactory)
- ☐ Proud Contents\_Conventional Business

(Insufficient)

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(Satisfactory)
- ☐ Proud Competence\_New Growth Business

(Insufficient)

1

2

3

4

5

(Satisfactory)
- ☐ Proud Customer

(Insufficient)

1

2

3

4

5

(Satisfactory)
- ☐ Performance Creation

(Insufficient)

1

2

3

4

5

(Satisfactory)

5. Please tell us the types of information that will further complete this report.

6. Please tell us any issues that KSA should consider for sustainable development of businesses in Korea.

7. Please feel free to tell us any other opinions that you might have.

# KSA Sustainability Report 2011

## Reader's Voices

KSA fully committed itself to present an accurate picture of its sustainability management to stakeholders.  
KSA's endeavors will continue to offer even more reliable information through sustainability reporting.

If you have any opinions or inquiries regarding the 'KSA Sustainability Report 2011', please contact:  
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※ This Report has been printed using bean oil on eco-paper.

