KSA Integrated Sustainability Report







About this Report

Characteristics

This report reflects the engagement and opinions of the stakeholders on material issues that were addressed in accordance with the ISO 26000 guidelines for social responsibility that were reflected as the major standards. It discloses the performance in the resolution of some of the material issues. Furthermore, this report includes KSA's strategies, in order for the stakeholders to see its future direction.

Reporting Standards

This report was drafted pursuant to the core methods of the GRI G4 guidelines, while also reflecting the items described in the ISO 26000 guidelines for social responsibility. The most recent data for the past three years is available for access in order to show KSA's quantitative performance. The statistics reported in the previous year's publication prior to the reporting period are reused. The financial data was calculated based on the International Financial Reporting Standards (IFRS), while environmental and social performance data was calculated in accordance with KSA internal performance management system.

Reporting Period, Scope, and Boundary

In principle, KSA's sustainability report is published every two years, and the most recent report was published in 2013. This report contains the sustainability management performance of KSA, including that of the headquarter in Yeoksam-dong, the Seoul(Gasan) Learning Center, the Human Resources Development Center (HRD Center), and 12 local branch offices, in the period between January 1, 2013 and December 31, 2014.

The currencies and measurement units used in this report are shown on a separate page within this report. The reporting boundary was determined by identifying the impacts of each material aspect on the entire value chain.

(The environmental performance section does not include local branch offices in Korea, and the office in China since they were rented)

Assurance of the Report

Since KSA offers sustainability report assurance services, reports are not to be assured by assurance providers for the sake of conformity, and those at KSA will make efforts to improve the level of reliability by focusing on conforming with international standards when drafting a report.

More Information on the Report

This report is published in Korean and English. For more information, visit KSA website(www.ksa.or.kr \rightarrow About KSA \rightarrow Disclosures on Management Information).

KSA listens to the opinions of the stakeholders. If you have any questions or comments about KSA's management activities and reports, please contact:

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CEO's Message

KSA, the perfect partner for successful company in Korea

The Korean Standards Association which is a responsible member of society serves as a reliable partner for its customers and other stakeholders that have been playing leading roles in Korea's industrial growth.



Dear stakeholders.

Thank you for your continued support and interest in the Korean Standards Association. For over 50 years we have been a leading standards and quality organization, an achievement we owe to your continued support and efforts to communicate with one another. KSA has published its fourth sustainability report for the purpose of responding actively to the emerging demand for KSA to fulfill its social responsibilities in the coming new era, and to share the fruits of economic, social, and environmental development with the stakeholders.

Ever since joining the UN Global Compact (UNGC), a global initiative for responsible corporate management, in November 2010, KSA has adhered to the ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption as prescribed by the compact. KSA publishes its sustainability report to show its efforts and achievements in these areas. In addition, as a training center designated by the Global Reporting Initiative (GRI), a global organization for the development and dissemination of globally applicable sustainability reporting guidelines, KSA has been running a sustainable management training program for Korean companies with the aim of promoting and improving the quality of their sustainability reports. Furthermore, KSA has developed the KSI (Korean Sustainability Index) based on ISO 26000 in order to measure the level of a company's compliance in the area of social responsibility. The aim is to improve Korean companies' fulfillment of their CSR and, ultimately, to contribute to Korea's sustainable growth.

In the previous reporting period, KSA invested more time in listening to the needs and opinions of the stakeholders concerned, as it believes that disclosing the progress of activities aimed at delivering the promises made in the previous report to the stakeholders is a true form of communication.

To ensure our continued communication with the stakeholders and our sustainable growth, we at KSA promise to achieve the following objectives:

First, we shall improve KSA's identity and status as an organization dedicated to ensuring standard quality.

Despite the fact that Korea recognized the materiality of standards later than the U.S., Europe, and Japan, which together occupy the leading position in the field of standards, we believe that Korea, as an ICT leader, is now one of the most developed countries in the area of global standards. We at KSA shall continue to play a leading role in evolving industrial standards and quality assurance, host international forums on standards and quality, and make efforts to ensure Korean standards are adopted as international standards, since we recognize that this is the raison d'etre of KSA and the only way for it to be recognized as a global leader in the area.

Second, we shall promote the diversification of growth by reflecting new trends.

We shall focus more on developing and promoting growth en-

gines for the future in various areas including Industry 4.0 (a collective term originated from Germany that refers to the new industrial revolution that would enable it to maintain its leadership status in the area of manufacturing), Smart Factory, the Internet of Things, ISO 55000, and safety. In addition, when government entities require professional support from organizations specializing in standards and quality, we shall play the role of a government agency while also developing businesses for improving regional competitiveness that can be carried out in the regions to which public organizations have recently been relocated.

Third, we shall enhance the professionalism of our employees to ensure sustainability.

We believe that the first thing we should do to maintain a leading role in industry is to improve the professionalism of our employees and establish a work environment that is conducive to creativity. We shall improve the skills and competences of our employees in order to raise their professionalism to a level that exceeds our customers' expectations and to enable them to train future generations of experts equipped with the skills and experience required to work at international organizations for standards and quality. We shall also adhere to the prevailing ethical and fair trade standards and continue making innovative improvements with the aim of becoming a more flexible organization.

Fourth, we shall focus on providing customer services based or trust.

We at KSA shall place emphasis on gaining the trust of the public, government, companies, and other stakeholders through communication, and on providing optimal knowledge services that companies can count on. We shall implement more customeroriented management methods, listen to their needs, and quickly reflect their opinions in our service system so that we can continue to provide services that satisfy our customers.

In a rapidly changing business environment where companies constantly face crises and opportunities simultaneously, standards and quality are both the cornerstones of any product and service, and the factors that set the directions. We at KSA shall provide solutions for establishing standards and quality so that companies can deal with the new paradigm, such as Industry 4.0, Big Data, Internet of Things (IoT), and Smart Factory, and offer new standards and creative methods of quality management.

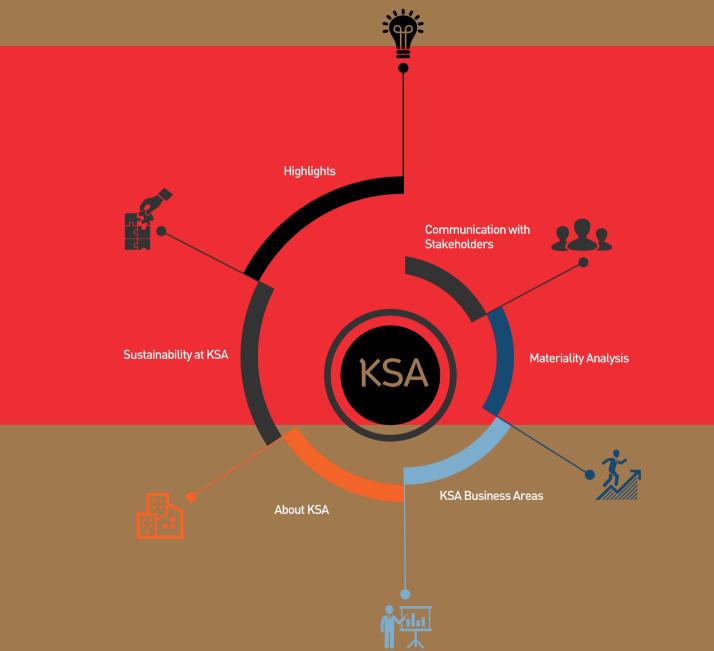
Finally, we shall strengthen our function as a partner for our customers, and strive to become a true partner for the growth of not only companies and the country, but also for individuals. We shall make assiduous efforts to become an organization that is loved by the public and companies alike, by ensuring the sustainable growth of all the stakeholders. Your continued interest and encouragement will be greatly appreciated. Thank you.

May 2015 Chairman & CEO of Korean Standards Association Soo-Hyun Baek

Back, Sou Hyun

Introduction

As a true partner for your growth, KSA will make you smile by improving the level of satisfaction in Korean standards and quality.





Highlights

Establishment of KSA's Share the Happiness Charity

KSA has established the Share the Happiness Charity with the participation of its employees. They will donate a small portion of their paychecks to raise funds that will be used to support underprivileged and multicultural families. KSA held a ceremony at Geumcheon-gu Office in 2014 to hand over the charity money. At the event, KSA and Geumcheon-gu Office promised to continue to support underprivileged families in the district where KSA Seoul(Gasan) Learning Center is located. In 2015, KSA is planning to offer a student counseling program at a camp for children from underprivileged and multicultural families. In addition to this, KSA, as a knowledge service provider, also plans to develop a job support program for young people.

> KSA will take the charity program as an opportunity to set a direction for its other Corporate Social Responsibility (CSR) activities and will continue to make additional efforts to fulfill its social responsibilities.

International Standards Olympiad

KSA hosted the Standards Olympiad, a standards contest, for youth on August 11-12, 2014. This time, however, KSA named it the "International Standards Olympiad" so that it could invite foreign teams to participate in the contest for the first time. This 9th Standards Olympiad was held at KSA HRD Center in Anseong-si, Gyeonggi-do in which 30 middle and high school teams and two teams from Indonesia and Malaysia that passed the preliminaries participated in. The middle school teams made standard models under the theme of "The Standardization of Signboards by Business," while the high school teams made theirs under the title of "The Standardization of Water Flow Control in Water Faucets."

The levels of compatibility, uniformity, creativity, and economical benefits were evaluated, as these are some of the most basic standards' elements. Each of the 32 teams received the Prime Minister Award and various other prizes according to their performance. KSA plans to turn the Standards Olympiad into an international event since there is a growing interest in the materiality of standards so as to cope with today's trade liberalization trends.

KSA opened the Global Standardization Support Center on August 29, 2013 in order to help small and medium sized enterprises (SMEs) better cope with international standards, and held an opening ceremony with the participation of the CEOs of SMEs, Chairman of the Society for Standards and Standardization, and other stakeholders. For years, SMEs that are capable of conforming with international standards didn't receive the support when they need it the most due to the lack of technical information and human resources in the area of standardization. After the opening of the Global Standardization Support Center, however, SMEs are now able to incorporate international standards into their proprietary technology on time, which will help increase their overseas sales and enhance their competitiveness in the global market. The Global Standardization Support Center provides international standardization services to the SMEs after identifying the technologies that qualify, helps them better understand the procedures for international standardization activities so that they can conform with international standards. In addition to this, the center also provides customized services such as recent technology trends for international standards and different stages of strategies for international standardization, produces prototypes for the commercialization of technologies that were accepted as an international standard, and offers a industrial technology transfer program for marketable international standard technologies. All these services and support are aimed

at helping SMEs take a leap into the global market. KSA plans to develop a number of standardization support policies for SMEs with the goal of increasing the level of their participation in standardization R&D to 50% by 2017.



Rookie Board

KSA created a Rookie Board designed especially for new employees in 2010 in order to form a culture of sharing by fulfilling social responsibilities as a public organization and establishing a harmonious environment through improved communication between the members of the organization. KSA has been making multilateral efforts through the Rookie Board to contribute to the community by carrying out a series of CSR activities while also providing the new employees with an opportunity to contribute to the organization. In 2014, KSA began to expand the scope of its CSR activities by utilizing its intellectual properties. Today, its knowledge sharing activ-

ities include donating books and talent to Oryu Orphanage, 2nd Fleet of the Korean Navy, and Seoul Youth Dream Center. KSA promises to continue to carry out CSR activities with the goal of creating customer value and building the trust of the community.

Opening of the Safety Innovation Center

Public safety became one of the most controversial social topics since the Sewol Ferry Disaster. To this, KSA opened the Safety Innovation Center in 2015 to offer a series of safety programs after recognizing the need for a safety standard manual. The Safety Innovation Center offers site improvement programs such as 'Safety Patrol' to help companies create a safety culture in addition to various educational programs for service safety, occupational health and safety, and chemical safety. Repeated practice on a set of standards for contact system and escape routes can help minimize the damage in case of an emergency particularly in oil refineries, power plants, steel mills, and other public infrastructure facilities. Through

the Safety Innovation Center, KŠA
will continue to contribute to
promoting industrial safety
by developing standard
systems customized for
each infrastructure facility
and training safety experts
for different types of occupation.



Global Innovation Conference

Since 1992, KSA has been hosting the annual Global Innovation Conference (GIC) with the participation of domestic and foreign experts in innovation to reward outstanding companies and individual contributors in the field of innovation in addition to introducing exemplary cases of innovation in companies and holding lectures on the subject of innovation. The theme of the lectures was 'Innovation is the Future' on June 12 and 13, 2013, and 'Create Innovation' on July 9 and 10, 2014. The main program was followed by a series of lectures on excellent cases in other countries such as Bosch, Toyota Motor Corporation, Tata Motors, British SMMT Industry Forum, German Center of Excellence for TPM, Japan Institute of Plant Maintenance (JIPM), and China Association for Quality in addition to the four major sessions titled 'Global Innovation', 'TPM Innovation', 'Productivity Innovation', and 'Quality Innovation', while the conference particularly focuses on the methodologies for innovation. Every year, on the average of 600 people from 150 companies participate in the conference, which is a place of open exchange where participants can actually see and experience innovation activities that are taking place at the companies and government organizations through the 'Innovation Contest' and exhibitions of innovative products such as Hankook Tire and Karakuri exhibitions.

Sustainability at KSA

Our Strategy

O1. Management of a Reliable Organization

Ethics Management
Environmental Managemen

Our Challenge

KSA's issues of sustainability (Opinions of stakeholders)

• KSA shall make efforts to generate profit and reasonably share the results by increasing the scope of business and developing new growth engines.

• KSA shall answer to the social needs for transparency in companies through the implementation of ethical management activities.

• KSA shall take responsibility in coping with the global challenges in tackling the problems regarding climate changes and environmental damage.

O2. Creation of a Workplace for Experts

Recruitment of Talented People Improvement of Professional Skills Creation of a Great Workplace KSA shall train internal experts while also recruiting more talented people with global capabilities and professional knowledge.

 KSA shall make effort to improve employee welfare and rights, and provide a work environment in consideration of the balance between work and life. Introduction/Special Issues

Management of a Reliable Organization Creation of a Workplace for Experts

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

			● Completed ● n Progress ○ Not Performed
	Our Responsibility		
What we promised in 2013	What we did during 2013~2014	Progre	ss What we will do in 2015~2016
Establish the 3rd Mid-to-Long-Term Management Strategies (2014~2016) and define the objectives Reestablish the vision, mission, and strategic system for KSA	Developed the 3 main strategies and 12 strategic objectives for the implementation of the 3rd Mid-to-Long-Term Management Strategies Had all the divisions and teams to select and implement the objectives to move from strategy to action. Managed an open R&D system (Idea Generator) with which to turn ideas into new businesses. Carried out various activities regarding the ISO 55000s.	••••	 Establish the Future Strategy Lab for the development of a new growth engine for the future. Implement new R&D policy objectives such as emergency safety and 'Smart Factory'. Establish the Korean Association of Asset Management (KAAM) and play the role of the secretariat.
 Internalize ethical standards for anti-corruption. Establish regulations for the prevention of unfair business practices. 	Revised the 'Code of Ethics for Management Activities' and conformed to the 'Regulations on Integrity Activities'. Offered training programs on integrity, managed the 'Clean Report Center', posted the posters on integrity and ethics in all the companies, and made additional effort to improve ethical management. Promoted the internal network for reporting unethical conduct in order to ensure transparency in management and diversify reporting methods.	•	Launch a survey on the level of integrity and offer training programs in order to increase the level of awareness of integrity among employees. Further promote transparency in management and ethical management activities. Offer educational programs aimed at preventing sexual discrimination and harassment at work.
Develop and continue to implement more energy saving measures. Increase the number of environmentally-friendly products that are recommended to buy.	Developed and continued to implement more energy saving methods (control of cooling & heating temperatures, turning off the PC/printer, using energy save mode on home appliances, turning off the lights during lunch time, take an active part in voluntary energy saving campaigns, getting off work after turning off the multi-tap, providing insulation materials in the winter, etc.) Continued to carry out green purchasing activities.	•	Create environmentally-friendly offices
Utilize the recruitment system based on capabilities (Prohibit the discrimination against training, sex, and age.). Improve the capabilities by experiencing the services of competitors more. Improve the effect of using the core expert through improved performance evaluation.	Continued to implement the recruitment system based on capabilities (Removed limits on job applications.) Enhanced the professionalism in the fields of business by hiring experts of new technology and future strategic businesses. Selected/implemented objectives annually for improving the management of the employee promotion system and increasing the reliability of the individual evaluation system.	•••	Continue to implement the recruitment system based on capabilities. Improve the evaluation system and standards for fair performance evaluation. Create a better work environment.
Reduce percentage of temporary workers. Financial support for graduate study in Korea. Offer educational programs for improve the level of happiness and quality of life.	Implemented a system for changing the employees' status from temporary to permanent (2 employees in 2013 and 5 in 2014 have benefited from this system). Paid and provided welfare benefits to more temporary employees. Managed a complaint handling system and committee for resolving complaints. Hosted workshops with the participation of both the labor and management, discussion sessions, sports events for everyone, and GWP programs such as the 'Hope Day'.	•	 Change the status of temporary employees to permanent, and offer an internship program for young people. Develop and continue to implement programs for improving communication between the labor and management.

Our Strategy

O3. Sustainable Business Performance

Expansion of Standardization Activities in Korea and Overseas

Improvement of Certification Services
Competitiveness

Improvement of Training Services Competitiveness

Expansion of Global Quality Management Systems

Our Challenge

KSA's issues of sustainability (Opinions of stakeholders)

• KSA shall improve its global competitiveness in standards and certifications, and take initiatives in the cooperative relationship with both advanced and developing countries.

- KSA shall actively participate in the establishment of national standards policies for public benefits, and answer to a range of social demands for standards.
- KSA shall reflect the opinions of various consumer groups in order to develop training programs customized for each type of business and size that can actually contribute to the worksite.
- KSA shall improve the quality of the instructors and educational programs through outstanding customer services and communication.
- KSA shall cope with changes in certification systems quickly and flexibly in order to prevent quality drop among companies.
- KSA shall make effort to improve the value of the brands such as KS.
- KSA shall improve its competitiveness to be prepared for various certifications, awards, and the growing number of professional organizations in the face of the growing competition in the knowledge industry.

Management of a Reliable Organization Creation of a Workplace for Experts

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

Our Responsibility						
What we promised in 2013	What we did during 2013~2014	Progress What we will do in 2015~2016				
 Publish a regular report on global trends in standards policies. Continue on with standards support programs for developing countries. Improve the role as an national secretary for the International Organization for Standardization. 	Created and shared a report on the trends in the ISO/IEC Policy Committee in 2014 (21 times in total). Hosted the 'Research on Milestone for Standard Policies' competition and published a report. Opened the Global Standardization Support Center (support international standardization for proprietary technologies of SMEs) Hosted the most number of international conferences in South Korea (host the Conference on the Standardization of International Multimedia)	 Participate in the Co-operating Organization of Standards Development (COSD) and receive a contract for the management of the Support Center for Standards Development. Host and successfully manage the ISO Meeting in South Korea. Support and increase the scope of global standardization activities. 				
Play a more material role in the national standard coordinator business. Continue to offer training programs on standardizations by age groups. Host the Global Youth Standards Olympiad	Served as the secretariat for the Policy Forum on Technical Regulations (2014). Trained experts in standards (participated in international conferences on standardization, developed Korean-type KYP training program, hosted a policy forum, etc.) Organized a new Safety TFT (2014) → Launched as the Safety Innovation Center (2015) Offered a training program for health & safety managers and people in charge in the field. Provided the 'Safety Performance Improvement Program' and 'Chemical Management Service'.	Continue to serve as the secretariat for policy rums on technical regulations (host forums/ subcommittee meetings). Training experts in standards and continue to offer educational programs on standardization for the public. (Set up and manage an online luture on standardization.) Provide a safety awareness program to all thindustries.				
Continue to increase the number of open training curriculum courses. Improved blended learning online and offline. Be designated and recognized as an organization for lifelong learning.	Diversified online and offline training media, categorized educational programs by rank and level, and increased the number of curriculum courses (Continued to open new courses.) Regularly provided commissioned (corporate) training courses customized to the customer demand. Managed quality improvement programs for suppliers.	 Develop more educational contents. Manage a training program for public organizations specialized for the region. 				
Improve the instructor evaluation system. Continue to set up more excellent lectures by improving internal R&D.	 Frequently recruited new instructors and established an excellent pool of instructors. Improved the quality of the lectures by introducing the best practices of research fellows. 	Continue to maintain and recruit good instructors. Continue to improve the training and evaluat systems by improving the capabilities of professional instructors.				
Develop more management system certification items. Develop measures against changes in the KS Certification System. Listen to the problems of companies through the management of the KS Certification Support Center and take necessary measures. Improve the level of convenience for companies through the promotion of online KS certificate services.	 Developed a KS Certification Support System and implemented online services. Implemented the ISO 50001 (Energy Management System) certification service. Trained ISO auditors (Increase the scope of training to include the Energy Management System in 2014). 	Host a presentation tour in accordance with a revision of the Industrial Standardization Act. Host free presentations in accordance with the revision of the ISO 9001 (Quality Managemen System) and ISO 14001 (Environmental Management System). Promote the ISO 20121 (Event Sustainable Management System) Certificate and ISO 55001 (Asset Management System).				
Further promote businesses by team.	Improved the quality of international certification, KS Certification, and JIS Certification services. Further promoted the role of KSA and major businesses among the public (Diversified communication channels).	 Improve promotional and marketing activities major business for certification, training, and award. Strengthen the cooperation and promotional tivities for improving the value of the Association's brand. 				
Improve the status of KSA awards such as the Korea National Quality Awards.	Continued to host the National Quality Management Convention and other awards. Reviewed, selected, and announced various indexes such as the Korean Standard-Service Quality Index (KS-SQI).	Increase the reliability of the award (contests dexes) (improve the award management methods, set higher standards for selecting judges, continue to improve the screening standards, etc.)				

Our Strategy

O4. Leading Customer Value Creation

Communication with Customers
Improved Protection of
Customer Information

Our Challenge

KSA's issues of sustainability (Opinions of stakeholders)

- KSA shall provide product information by reflecting consumer demands and carry out customer satisfaction activities through communication and service improvement.
- KSA shall make efforts to protect customers' personal information by fully meeting the customers' demands for information security.

O5. Increase of the Value of Sharing with the Community

Mutual Growth
Expansion of Sustainability
Management Businesses
Corporate Social Responsibility (CSR

- KSA shall play a leading role in fair trade and mutual growth and increase its social responsibilities within the range of its influence.
- KSA shall contribute to the community by providing environment-related services to ensure the sustainable growth of companies.
- KSA shall play its role to the fullest in order to create a convenient, healthy, and future-oriented society as a knowledge service provider.
- KSA shall contribute to creating more jobs by reflecting the aspects of public benefits while conforming to the economic situation and government policies.
- KSA shall respond to the responsibilities for the community by carrying out more CSR activities particularly for the underprivileged.

Introduction

Management of a Reliable Organization Creation of a Workplace for Experts

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

Our Responsibility						
What we promised in 2013	What we did during 2013~2014	Progress What we will do in 2015~2016				
activities that conform to the business characteristics of each division. • Enhance the quality of KSA service delivery by improving the web	 Continued to improve the services customized to each customer that conform to the business characteristics of each division. Identified specific complaints after analyzing the level of satisfaction throughout the process (TMS). Promoted internal and external communication channels such as email Knowledge Letter, Customer Forum on the website, cooperation with reporters visiting the Association, webzine, etc 	 Improve customer services by managing a call center. Improve communication through Moment of Truth (MOT) and Voice of Customer (VOC) activities. 				
Promptly cone with the government	 Continued to assign Personal Information Protection Manager and Information Security Staff. Continued to conform to the Seven Rules for Information Protection and improve the level of awareness regarding information security. Disposed the personal information for which the purpose of collecting the minimum amount of personal information has been served in accordance with the revised Enforcement Decree of the Personal Information Protection Act (revised on August 7, 2014) and the disposal procedure. 	 Continue to manage a thorough security inspection system. Continue to improve the necessary activities and level of customers' information protection as prescribed by the Personal Information Protection Act. 				
SMES benefiting from government	Continued to purchase products made by SMEs and the disabled (96.8% in 2013 and 96.5% in 2014). Established a public procurement accounting system for integrated management procurement and related activities.	 Increase the scope of free services for SME members. Increase purchases of products made by SMEs and the disabled. 				
provider for greenhouse gas reduction performance by the Ministry of	 Inspected greenhouse gas and energy statements and inventory. Inspected and assessed the feasibility of CDM and greenhouse gas reduction businesses. Evaluated Outstanding Green Biz and trained technicians for the green industry. 	Continue to increase the scope of greenhouse gas feasibility assessment and inspection activities. Carry out R&D activities in the area of energy. Take charge of evaluating Outstanding Green Biz.				
to the GRI G4 Guideline. Conform to the activities regarding Creating Shared Value (CSV). Conform to the integrated report	 Increased the scope of the business for utilizing the G4 Guidelines and became a training center designated by the GRI G4. Fully reflected on the strategies and table of contents plan when carrying out a business. Increased the scope of business on integrated report. 	Carry out CSR activities and published an integrated report. Increase Socially Responsible Investment (SRI) by expanding the scope of KSI-related research.				
Improve the quality of vocational training programs that conform to the new paradigm of the government.	Offered Youth Job Academy courses, helped students of 'specialized high schools' better understand SMEs, and carried out businesses customized for Gyeonggi-do. Carried out businesses for 'specialized colleges' and 'lifelong vocational training advancement colleges'. Established the National Competency Standards(NCS) and carried out businesses for implementation methods.	Improved customized job support and hiring service network. Transform 'specialized colleges' into an training institution for advanced vocational training. Play an active role in other job support businesses of the current government.				
Continue to carry out corporate-level CSR activities.	Carried out various activities according to the corporate-level CSR strategy (Support for social welfare facilities, environmental clean-up, delivery services of traditional markets, help the farmers programs, 'one company per one village' voluntary activities, etc) Carried out knowledge sharing activities in the form of 'talent donation' through the Rookie Board.	Carry out more CSR activities by each division. Participate more in the 'Share Happiness Voluntary Group' and provide more support to the underprivileged.				

About KSA

KSA was established in 1962 as prescribed in Article 32 of the Industrial Standardization Act. As an organization specializing in the provision of general knowledge services in the areas of standards, certification, training, and promotion for the past 50 years, KSA promises to make continuous effort for the sustainable growth of stakeholders both inside and outside the association.





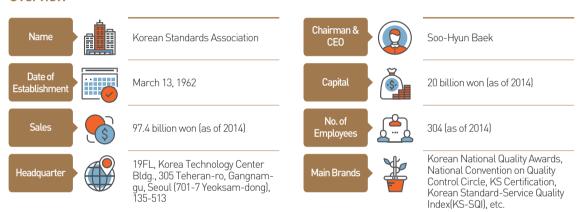


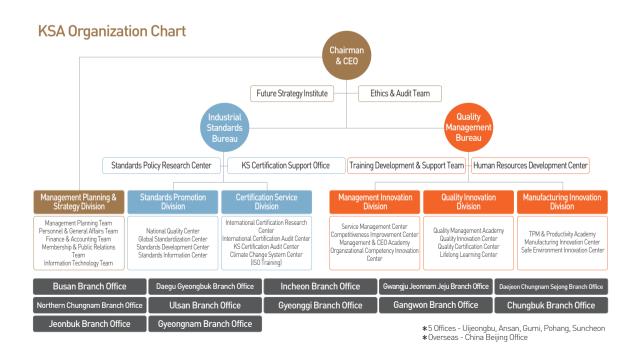
KSA Headquarter (Yeoksam-dong, Gangnam-gu, Seoul)

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

KSA Human Resources Development Center (Anseong-si, Gyeonggi-do)

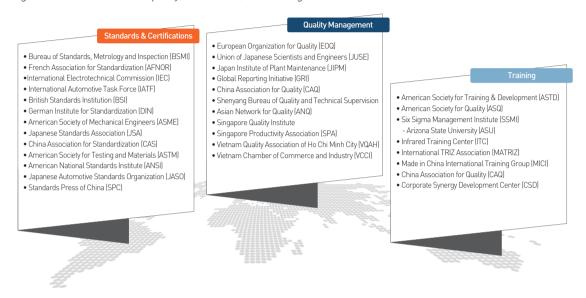
Overview





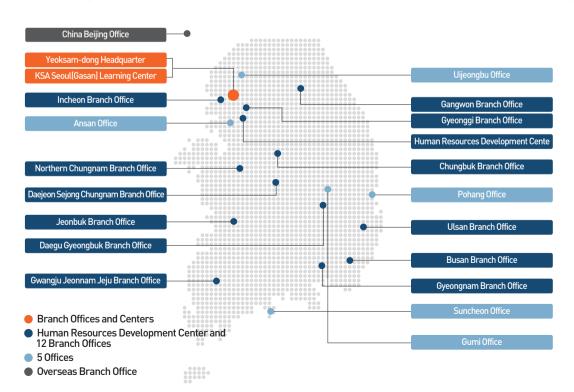
KSA Global Network

KSA's China Beijing Office supports Korean companies in China while also actively exchanging with relevant overseas organizations in the areas of quality, certification, and training.



Domestic KSA Network

KSA became the leading knowledge service provider in Korea that ensures joint growth with customers by establishing a domestic industry-academia-research collaborative network centered on its 12 branch offices and 5 offices in the country.



KSA History

KSA-

History of Korean industrial development.

1960~ 1980

Developed into a Leading Organization for Standards Quality Management



- **1962** Established the Korean Standards & Norms Association
- 1971 Quality Control Engineer Training Agency
 [Designated by the Ministry of Trade and
 Industry]
- 1975 Managed the Korea National Quality Awards as the Quality Control Implementation Division
 - Bureau (Designated by the Industrial Advancement Administration)
- 1983 Eligible Vocational Training Center designated by the Ministry of Employment and Labor

1990

Developed into the National Certification Body (KS Certification & ISO Training)



- 1991 Established the Quality Management Research Center
- 1993 Renamed as Korean Standards Association
- **1994** Designated as the first Quality Management System Training Center
- 1996 Designated as the first Environmental Management System Training Center
- **1998** Designated as KS certification body
- 1999 Integrated with the Korean Industrial Standard Institute

2000

Developed into a National Knowledge Service Provider



- 2000 Appointed as ISO 9001 and ISO 14001 certification body
- 2001 Designated as JIS certification body for the first time as a foreign institute
 - China Office opened in Beijing
- 2004 KSA Media (KSAM) established as a KSA subsidiary
- **2005** Designated as the Social Responsibility (SR) Standardization Forum Bureau
- 2006 Korea LOHAS certification body
- **2007** Designated as a public organization(Designated by the Ministry of Strategy and Finance)
 - Sustainability management partnership concluded with GRI
 - Designated as an assurance provider for greenhouse gas reduction projects
 - Designated as an e-learning institute
- 2008 Designated as CDM (Clean Development Mechanism) op-
 - Provided greenhouse gas inventory assurance services
- 2009 Designated as ISO 26000 national secretary
 Designated as a VCS (Verified Carbon Standard)
 assurance provider for the first time in Korea
 Opened KSA Seoul(Gasan) Learning Center
- 2010 Designated as a Green Training Institute
 [Committee on Green Growth]
 - Obtained the Best HRD (Human Resources Development) Certification
 - Joined the UN Global Compact (UNGC)
- 2011 Designated as an assurance provider for Greenhouse Gas Target Management System Indoor air quality certification body
- Registered as an official license institute for the MATRIZ **2012** Celebrated the 50th Anniversary and published the
- Association's 50 years of history

 2013 Opened the KS Certification Support Center
- (Suwon, Daejeon, Daegu)

 2014 Hosted the 40th National Convention on Quality
 - Control Circle Hosted the 40th National Quality Management
 - Establishment of KSA Share Happiness Voluntary Group
 - Registered as the official training institute for the Ministry of Employment and Labor
- 2015 Opened the Safety Innovation Center

Organizational Governance

Organization of the General Meeting and Decision-Making Process

KSA holds the general meeting in March every year, and the main participants of the general meeting are representatives from member companies. The member companies are notified of the meeting agenda, date, and location seven days prior to the meeting, and the meeting is assembled when more than one-fifth of the current members are present. The general meeting serves as the highest decision-making body within KSA, where the articles of association can be revised, chairman and part-time executives can be appointed and dismissed, and budgets and accounting can be approved. Major pending issues that were decided at the general meeting are submitted to the government for approval to improve the transparency of the management. KSA provides various information and services to the member companies, since they are the ones that form the cornerstone of KSA.

Organization of the Board of Directors and Decision-Making Process

KSA Board of Directors consists of the people listed in the table below. The chairman can call for a board of directors meeting, serves as the chairperson of the meeting, and manages the affairs. Part-time executives are comprised of the representatives of the member companies and relevant organizations to ensure the independence and professionalism, and they are appointed at the general meeting. Directors are nominated for a 3-year tenure from the date of appointment, and can be reappointed. Full-time executives receive pay and bonus in accordance with the pay system as prescribed by the rules of the association, while part-time executives keep an honorary position. Main policies on business/budget planning and settlement of accounts are approved by the Board of Directors and the government in order to ensure the transparency of the management by showing the entire progress.

List of the Board of Directors

Name of Company	Position at KSA	Position	Name	
Korean Standards	Full-Time	Chairman	Soo-Hyun	
Association	Chairman	& CEO	Baek	
Hankook Chinaware	Part-Time Director	President	Young-shin Kim	
Korean Standards	Full-Time	Executive	Yun-baek	
Association	Director	Director	Yoo	
	Part-Time	Vice-Chairman	Seung-hwa	
Hankook Tire	Director	& CEO	Suh	
Korean Standards	Full-Time	Executive	Jae-won	
Association	Director	Director	Oh	
Ace Bed	Part-Time Director	CEO	Sung-ho Ahn	
Kwang Dong	Part-Time	President &	Sung-won	
Pharmaceutical	Vice-Chairman	CEO	Choi	
Sungwoo Hitech	Part-Time	President	Tae-il Kim	
	Director			
Dongsuh Foods	Part-Time Vice-Chairman	President	Gwang-bok Lee	
Aju Corporation	Part-Time Director	President	Byeong-eun Yu	
Doosan Heavy Industries	Part-Time	Vice-Chairman	Ji-taik	
& Construction	Vice-Chairman	& COO	Chung	
Society for Standards and	Part-Time	Chairman	Jae-hak	
Standardization	Director		Lee	
Pyung Hwa Industrial	Part-Time Vice-Chairman	Chairman	Jong-seok Kim	
Korea Federation of	Part-Time		Jae-hui	
SME's	Director	Vice-Chairman	Song	

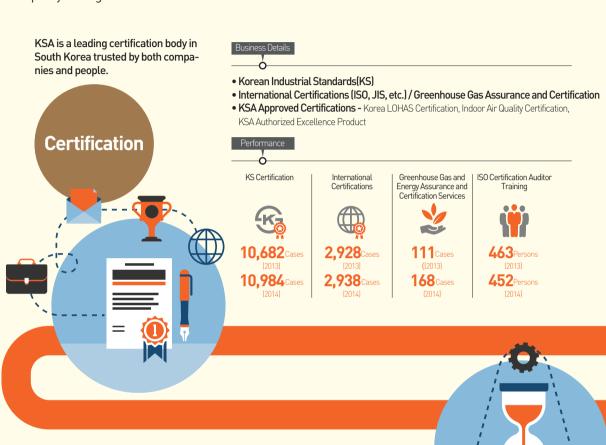
Name of Company	Position at KSA	Position	Name	
Korea Hydro and Nuclear Power	Part-Time Vice-Chairman	President	Seok Cho	
Korea Consumer Agency	Part-Time Director	Vice-President	Eun-gyu Lim	
Doosan Engine	Part-Time Vice-Chairman	President & CEO	Dong-chul Kim	
Korean Agency for Technology and Standards	Part-Time Director	Director	Jong-il Ahn	
Toray Advanced Materials Korea	Part-Time Vice-Chairman	Chairman & CEO	Young-kwan Lee	
Kumho Tire	Part-Time Director	President & CEO	Chang-gyu Kim	
Noroo Paint & Coatings	Part-Time Director	CEO	Soo-kyoung Kim	
Daehan Solution	Part-Time Director	CEO	Hoe-hyun Kwon	
LSIS	Part-Timer Director	CEO	Ja-kyun Koo	
Hanyoung Nux	Part-Time Auditor	CEO & President	Young-soo Han	
Yura Harness	Part-Time Director	President	Sang-geun Yu	
Dongnam Petroleum Industry	Part-Time Auditor	CEO	Chung-seok Ro	
Poongsan Corporation	Part-Time Director	President	Han-myeong Choi	

Appointment of Ex-officio and Public Interest Directors

KSA appointed ex-officio and public interest directors in March 2013 in order to better fulfill its social responsibility. The ex-officio director is appointed among the high ranking officials in charge of industry standard policies upon the recommendation of the Minister of Trade, Industry & Energy, while public interest director positions are served by the Chairman of the Society for Standards and Standardization, Vice-Chairman of the Korea Federation of Small and Medium Business, and Vice-President of the Korea Consumer Agency so KSA can ensure fairness in business activities and play a better role.

KSA Business Area

KSA is composed of experts with extensive knowledge and experience in all the fields of the industry. KSA is now playing a leading role in Korea's industrial development based on 53 years of experience for providing KS and ISO certification services as well as survey, research, training, and training on industrial standardization and quality management.





- National Quality Management Convention/National Convention on Quality Control Circle
- Korea Service Grand Prix/Korea Innovation Award

No. of National Quality Masters 1.406

No. of Companies with Competitive Quality

- Service Quality Index (Index) Korean Standard-Service Quality Index(KS-SQI),
 Korean Standard-Contact Service Quality Index (KS-CQI),
 KS-QEI (Korean Standard-Quality Excellence Index), Korean Standard-Premium Brand Index
 (KS-PBI), Korean Standard-Wellbeing Consumer Index (KS-WCI)
- Premium Industry Development Forum on Creation of Premium Products/Services



he KSA provides quality management services to the industries since it's the basis of national industrial growth, and encourages quality management practices.

Management of a Reliable Organization

Creation of a Workplace for Experts

Sustainable Business Performance

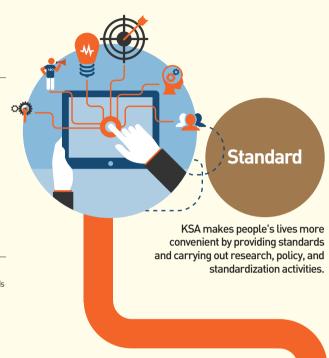
Leading Customer Value Creation

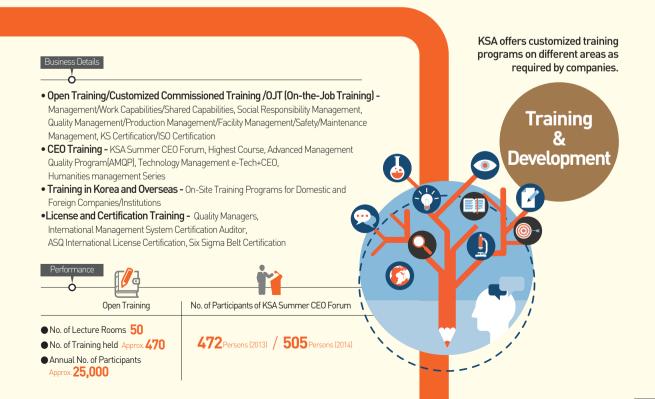
Increase of the Value of Sharing with the Community



- Provision of standards to domestic and foreign markets Publication and distribution of KS, Collection and Distribution of International Standards
- R&D Activities for Standards National Standards Coordinator,
- Standards Day, Standard Winners Award
- Standardization Activities, Training on International Standards, Support for





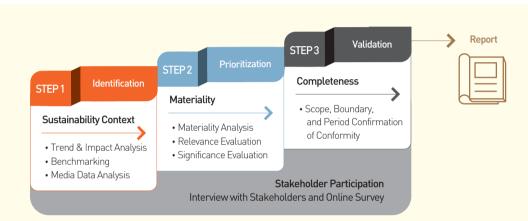


Materiality Analysis

A materiality analysis must be systematically carried out in order to select major issues among the sustainability issues involving KSA that are highly related to the sustainability of the organization and those that attract the interest of all the stakeholders, and also to submit reports on them. KSA has identified some of the core issues that must be considered in the management activities in accordance with the methods analyzing the materiality as proposed by the GRI G4, ISO 26000, and IIRC. It is based on these core issues that the direction of KSA's sustainability strategies is set and a table of contents is established.

Process of Materiality Analysis

KSA analyzed the internal and external environments and their materiality based on the principles of 'Sustainability Context', 'Materiality', 'Completeness', and 'Stakeholder Inclusiveness'.



STEP 1 Identification of sustainability issues through the analysis of internal and external environments

KSA has created a pool of issues by reflecting the trends of sustainability that are highly relevant to KSA, aspects of sustainability as proposed by the GRI, and capitals proposed by the IIRC. Next, KSA has identified a total of 55 issues related to internal and external sustainability and involving KSA through an analysis of the trends & impacts, benchmarking, and analysis of media data.



STEP 2 Prioritization of core issues through the materiality analysis

KSA conducted an online survey of 113 stakeholders based on the relevance evaluation through the analysis of internal and external environments, and identified the core issues regarding the 18 different impacts by prioritizing the issues based on the significance.

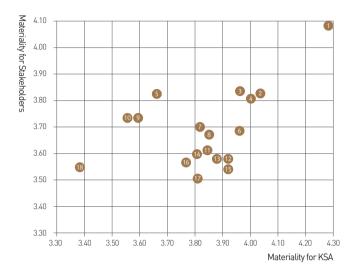
STEP 3 Verification of Validity

KSA has reviewed the 18 core issues through internal reports to see if whether they have important effects on KSA and determined the level of reports on 18 core issues such as the scope, boundary, and period, before drafting this report in relation to the direction for the 5 sustainability strategies.

Results of Materiality Analysis

The materiality analysis was conducted in two steps: Relevance and Significance. A total of 55 related issues were identified by analyzing the relevance, and also their significance was analyzed through a survey.

As a result, a total of 18 issues were confirmed as the final core issues by scoring 3.5 and higher out of 5 points. An in-depth report on sustainability issues that are related to 'environmental and safety standards management', 'socially beneficial training programs', and 'development of future growth engine' reported in 'Special Issues' section in order to share the strategic measures of KSA for the emerging social issues.



Strategic Direction	Material Issues	Material Aspects (GRI G4)	2014 Ranking	2013 Ranking	Reporting Boundary	Page
Management	Economic Performance (Profit, Pension, Government Funding)	Economic Performance	3	-	VA Fil.	38, 80-81
of a Reliable Organization	Anti-Corruption (Fair Bidding and others)	Anti-corruption	11	18	Within	39, 85
or garnization	Compliance with environmental regulations	Compliance	18			40-41
	Training & Training	Training & Training	1	4		46-47, 85
	Market Presence (Wage, Procurement, Hiring)	Market Processes 9			44, 75, 85	
Creation of a Workplace for	Diversity & Equal Opportunity (Fair Personnel Management)	Diversity and Equal Opportunity	4	4 6		44-45
Experts	Employment (Gender, New, Temporary Position, Dispatch Position)	Employment	7	11	Within -	44, 83-84
	Labor-Management Relations	Labor-Management Relations	13	-		48
	Labor Practices Grievance Mechanisms	Labor Practices Grievance Mechanisms				48-49
Sustainable	Public Policies (Active participation in the establishment of standard policies)	Public Policy	12 2			28-33
Business Performance	Expansion of the scope of Environmental and Safety Certifications and Standards	-	14	V		28-29
	Customer Health and Safety	Customer Health and Safety	10	9		63
	Customer Satisfaction (Regular Training Course, Forum, Breakfast Meeting Conference, Research, Awards, etc.)	Product and Service Labeling	2	23		69-70
	Customer Privacy	Customer Privacy	5	13		73
Leading Customer Value Creation	Improvement of Customer Value in KS Certification (Simplification of Procedure, Less Burden, and Avoidance of Duplicate Certifications)	Product and Service Labeling	6	7	Within	56-57
	Compliance with Product Regulations	ompliance with Product Regulations Compliance 9 -		-		93
	Marketing Communications	Marketing Communications	15	17		71-72
Increase the Value of Sharing with the Community	Compliance with Social ReguNlations	Compliance	16	-	Within	93

Communication with Stakeholders

All the sustainable management activities carried out by KSA are centered on the stakeholders, and KSA is trying to fulfill its economic, social, and environmental responsibilities by communicating with the stakeholders. KSA regularly hosts and manages discussion sessions by using various communication channels by reflecting the characteristics of the groups that each of the stakeholders belong to in order to identify their expectations and issues.

Definition and Participation of Stakeholders

KSA has categorized the core stakeholders into 6 different groups including employees, customers, government and regional autonomous bodies, partners, communities, and suppliers in accordance with the three scopes such as when there are effects on the performance of the organization, when effected by the performance, and when there are legal, financial, and operational responsibilities as prescribed by the ISO 26000. The opinions collected from communication with the stakeholders are considered first when making decisions on sustainability management, and are fully reflected on overall management activities.



All the Employees Including Full-time and Temporary Employees

- Issues of Interest (characteristics)
- Improvement of work environment, growth of organization, vision & strategies, sharing of policy decisions, and improving understanding of them
- Communication Channels (frequency)
- Labor-Management Meetings (four times a year)
- Labor-Management Workshops (twice a year)
 Labor-Management Discussion (upon necessity)
- Discussion between Leaders of each Team and Division (twice a year)
- Intranet (throughout the year)
- Board of Directors Meeting (every quarter)
- CEO Hot-Line (throughout the year)
- Grievance Committee (upon necessity)
- Webzine (twice a month)



Certification Customers, Award Customers, Training Program Customers

- Issues of Interest (characteristics)
- Improved Customer Service, Convenience and Satisfy Their Need to Know
- Communication Channels (frequency)
 - Discussion between Reporters at KSA (twice a year)
- email Knowledge Letter (once a week)

Definition and Communication

- Voice of Customer (upon necessity)
 Customer Satisfaction Survey
- (twice a year)



Korean Agency for Technology and Standards, Ministry of Trade, Industry & Energy, Local Governments, etc.

- Issues of Interest (characteristics)
- Government Policies, Supervision and Control of business performance, Budget property and Transparency
- Communication Channels (frequency)
- Work Report (once a month)
- Management Information Sharing (upon necessity)
- National Assembly Audit (once a year)
- Policy Discussion (upon necessity)



The disabled, Woman-owned Businesses and SME's

- Issues of Interest (characteristics)
 Mutual Growth & Cooperation
- Communication Channels (frequency)
- Discussion Session (once a month
- Workshop (upon necessity)
- Free Training (upon demand)



Societies, Associations, etc.

- Issues of Interest (characteristics)
- Cooperation on Customer Services, Mutual Growth, and Cooperation
- Communication Channels (frequency)
- MOU Signing (upon necessity)
- Agreement/Briefing Session (upon necessity)



Community and Residents Who are Directly and Indirectly Effected

- Issues of Interest (characteristics)
- Communication with the community, regional development, resolution of local problems
- Communication Channels (frequency)
- Talent Donation (four times a year)
- Charity Activities (40 times a year)
- Delivery of Donation Money (six times a year)



■ Common Channel - Website, Management Announcement, VOC, Survey, Billboard, Paper Advertisement

Survey of Stakeholders

Summary of Survey

KSA has conducted a survey of the main stakeholders including customers, employees, central government, local government, partners, and local community on KSA's level of sustainability management and social responsibility. The survey was composed of questions on CSR Trend, CSR Impact, and Resource & Capability (R&C) issues on a score of 5 points, and the survey results were used as basic data for identifying major issues.

- *CSR Trend: Economic, social, and environmental trends that affect KSA
- **CSR Impact: The influence of KSA on the economy, society, and environment
- ***R&C: Issues of competency in terms of each area of KSA's value chain

Survey Results

Trend Results Among the trend items, most of the stakeholders have selected 'heightening the materiality of human resources development' and increasing the level of

safety awareness in the society' as issues of high materiality that must be managed prior to other issues that affect KSA.

Materiality of Trend Items of High Materiality in the Issue Outcide Increased Social Interest in Safety 4.00 Diversification of Customer Demands 3.00 Increasing Demand for the Transparency of Companies 4.00 4.14 4.00 ncreasing Demand for Employee Benefits 3.00 4.14 4.10 4.00 4.00 Increasing number of customers who place importance on safety environmental and social friendly practices 3.50 4.09 4.00 4.00 4.00 Increasing demand for mutual growth The need for training for temporary employees and the underprivileged 4.00 The need to improve the brand value o KS Certification 4.00 3.95 Increasing demand for fair trade

X List of issues with an average score of 4.0 or higher among the 19 trend issues

Impact Results Among the impact items, most of the stakeholders have selected 'training & training' as the most material issue that must be managed prior to other

issues that affect KSA.

The second most material issues were 'customer satisfaction', 'economic performance', and 'diversity and equal opportunity'.

Materiality of Impact								
				Item	s of High	n Materi	ality in th	ne Issue
Training & Training	4.13	4.13 Inside Outside						
Customer Satisfaction	3.88	Employees	Government and Local Government	Customers (Member Companies)	Customers (Non- Member Companies)	Partners	Community	University/Research Center/Association
Economic Performance	3.87	4.29	4.50	4.07	4.30	3.25	3.50	4.00
B: 3 IF IB . 3		4.04	3.50	3.98	3.75	2.25	4.00	3.50
Diversity and Equal Opportunity	3.86	3.96	4.00	3.87	3.90	3.25	3.00	4.00
Customer Privacy	3.79	4.00	4.00	3.87	3.95	2.25	3.50	4.00
Increased Customer Value in KS Certification	3.76	3.68	3.50	3.82	4.00	3.00	4.00	4.00
Employment	3.73	3.96	3.50	3.73	3.75	2.50	4.50	4.00
	3.73	3.82	4.50	3.67	4.00	2.50	3.00	4.00
Market Presence	3.73	3.86	4.00	3.73	3.85	2.25	3.00	4.00
Compliance with Product-Related Regulations	3.71	3.61	3.50	3.80	3.80	2.75	3.50	4.00
Customer Health and Safety	3.70	3.57	3.50	3.85	3.80	2.25	3.50	3.50

X List of issues with an average score of 3.7 or higher among the 24 impact issues

R&C Results Among the R&C items, most of the stakeholders have selected 'the trust of stakeholders in the company', 'securing social support in the or-

ganization's services', and 'capabilities in understanding, establishing, and carrying out the organization's strategies' as competency issues of high materiality that KSA must continue to improve.

Matariality of DOC	
Materiality of R&C	
Stakeholders' Trust in the Company	4.13
Securing Social Support in the Organization's Services	4.07
Capabilities to Understand and Establish Strategies for the Organization	4.06
Encouragement for Continuous Improvement	4.00
Intellectual Property	3.98
Reputation and Brand	3.97
Ethical Management, Risk Management, Governance, and Related Capabilities	3.97
Relationship and Capabilities for Sharing gulations, Value, and Attitude with the Society	3.92
NV 1 1 1	6: 31

Items of High Materiality in the Issue

Outside

Outside

Commonwell

Commonwe

Inside	Outside					
Employees	Government and Local Government	Customers (Member Companies)	Customers (Non- Member Companies)	Partners	Community	University/Research Center/Association
3.00	4.00	3.56	3.70	3.00	2.00	3.00
2.86	4.00	3.53	3.65	3.25	3.00	3.00
3.18	3.50	3.62	3.75	3.50	2.50	3.50
2.93	3.50	3.53	3.75	3.25	2.50	3.00
3.18	3.50	3.56	3.80	3.25	2.50	3.00
2.86	3.50	3.60	3.65	3.50	2.50	3.00
2.71	3.00	3.56	3.65	3.25	2.50	3.50
3.18	3.50	3.49	3.75	3.25	3.00	3.50

* List of issues with an average score of 3.9 or higher among the 12 R&C issues

Interviews with Stakeholders

KSA believes that true sustainability management practices can be realized only based on communication with the stakeholders.

To this, KSA has selected the major stakeholders of KSA in each area and conducted an in-depth interview with them to collect their honest opinions about KSA.





Ju-seung Park
Manager, Korean
Agency for Technology
and Standards

KSA should actually think about what it needs to prepare in the face of change called multiplication of KS Certification. On a long-term basis, KSA shouldn't be just one of the certification bodies, but become an organization in charge of managing standards, from reflecting the opinions of the domestic members, coping with international activities, and supplying standards to Korea with some degree of professionalism in the area of standards development. In addition to this, it should also strengthen its role as a 'think tank' for policies on standards. I wish KSA to become an organization that actually identifies issues and achieve what it wants in the industries in the areas of standardization, certification, and training.

KSA has a long tradition in the area of quality, and it's particularly helpful to SMEs. KSA's quality improvement activities have been making major contributions to Korea's economic growth and increasing exports. KSA should provide differentiated certification, training, and standards services through continuous innovation in the increasingly competitive environment. It should also create an environment where its employees can work with more enthusiasm, which will eventually lead to improving customer services. I wish through this, KSA can be recognized as an organization that can create and provide a new set of values.







Yeong-nam Baek
Former Chairman of the
Society for Standards
and Standardization

KSA should play the role of reducing businesses' burden of coping with international standards and obtaining the required certifications. It should play a leading role by obtaining international standards before anyone and communicating with each of the relevant government offices based on its close ties with various standards organizations. In addition to this, it should also promote innovation and changes by continuously developing strategies for the future. Standards are not only applied in the area of technology, but also in culture and life. I think that hiring more experts in different and new areas and coping with these changes in the external environment are a must for KSA's continuous growth.

KSA has been playing a key role in improving the quality of Korean companies. It is now time to think about what role KSA should play when Korean companies advance to the international market. Sharing standardization systems between countries is becoming an important issue as international exchange is becoming more frequent. KSA should become a leader in FTA by improving the Korean standardization system, and develop more standardization systems in new areas such as IT and BIO, so it can support Korean companies that wish to enter the global market. On a long-term basis, KSA should play a leading role in Korea's participation in the global trends to ensure its sustainable growth.

Wan-seon Sin
Chairman of the
Korean Society for
Quality Management



Management of a Reliable Organization

Creation of a Workplace for Experts

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community



Dae-yeong Kwon

Manager, Health
Insurance Review &
Assessment Service

The Health Insurance Review & Assessment Service was able to improve its level of reliability in the area of quality management by obtaining the ISO 9001 certification through KSA. KSA is recognized as the most reliable organization in Korea in the areas of standardization and certification. However, its brand value is somewhat reduced with the increasing number of certification bodies. I wish KSA to improve its brand value to increase the level of reliability when compared to its competitors. I expect KSA to play the role so that companies that obtained a certification from KSA can be proud.

I expect KSA to have the capabilities and functions to offer a new point of view or direction to companies in addition to providing standards and certifications. In the area of KS-SQI management, KSA should not only provide analysis services and announce the ranks, but also propose actual improvement measures so that companies can know what kind of efforts they should make in order to play a leading role in their respective area. I think improving its consulting services for companies to resolve pending issues and set up a global management system in terms of sustainability is one of the ways for KSA to improve its long-term competitiveness.







Jae-won Cha
Deputy General
Manager, Seoul Dairy
Cooperative

While having professional knowledge is important, I think it's equally as important to have the creativity to create new things by applying knowledge in order for KSA to become a technology-oriented organization. In the age of big data, we need to develop human resources if you want to create something new from something based on the integration of knowledge. In addition to the technical training programs that KSA offers to companies, it should also develop training programs that can help them develop the creativity that they need to meet the demands for innovation.

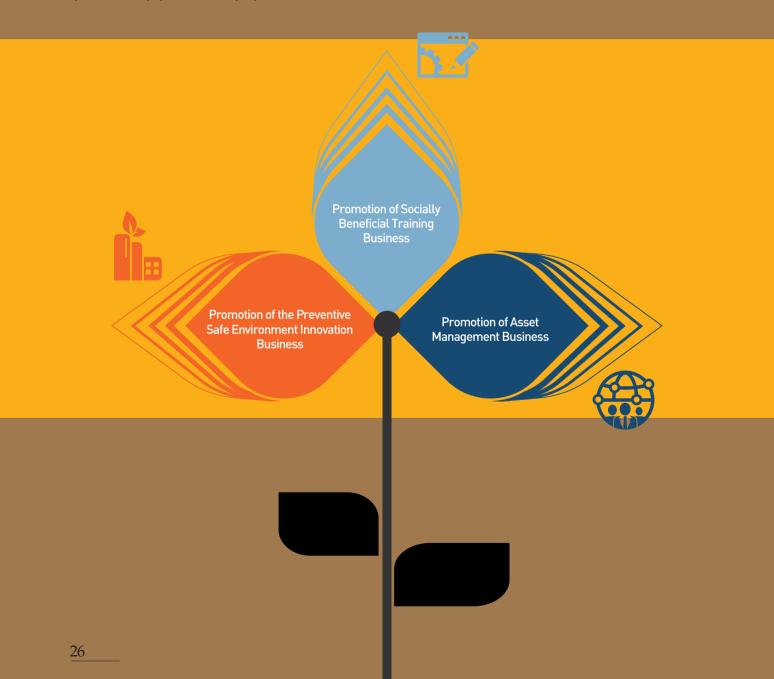
I think we saw the most number of changes in the market and regulations such as the certification systems and government regulations on quality in 2014. The new certification system that allowed more certification bodies to enter the market is a very important issue for KSA. KSA should take initiatives to resolve this issue through active promotion and improvement of professionalism. Significant changes are taking place in the organizational culture as companies hire less people. I believe that KSA can ensure its sustainable growth if there is a communication channel between existing and new employees so that they can all try to create a cooperative environment within the organization in their respective position.

Yun-gi Kim
Chairman of KSA Labor
Union



Special Issues

KSA has been improving environmental and safety standards by providing professional safety training and assurance services for climate changes and activating socially beneficial training businesses by offering competence development programs and job search, while also promoting training on optimization of industrial asset management in order to cope with various social issues such as public safety, youth unemployment crisis, and old industrial facilities.



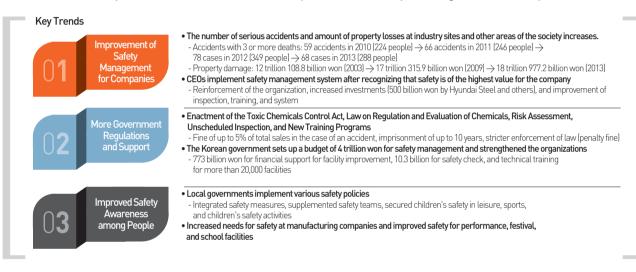


Promotion of the Preventive Safe Environment Innovation Business



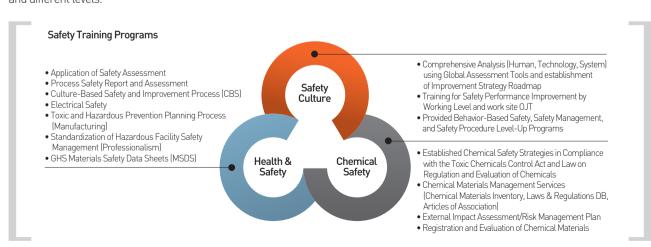
People are getting more worried about their safety despite various safety measures that were proposed and implemented after the Gumi hydrofluoric acid gas leakage and the Sewol Ferry Disaster, because more accidents occurred even after these disasters. To this, the Korean government has established the Ministry of Public Safety and Security while struggling to come up with other necessary measures in order to secure public safety. Companies are also making effort to implement a safety management system and doing away with the principles that are focused on short-term performance after seeing that safety can be of the highest value for any business.

To promote safety awareness through safety innovation activities throughout the industries, KSA has organized the 'Safety TFT' in 2014 and launched the 'Safety Innovation Center' in 2015 in order to provide the necessary knowledge services to companies.



Training Programs

KSA provides expert training courses for official positions and Process Safty Management (PSM), comprehensive safety analysis and improvement (human, technology, and system), OJT for chemical safety, and safety leadership training programs customized for company and different levels.



Introduction/Special Issues

Management of a Reliable

Creation of a Workplace for Experts

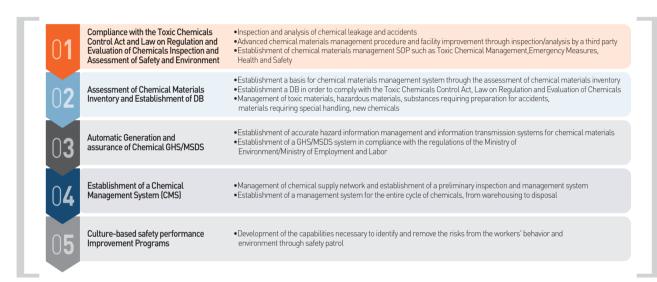
Sustainable Business Performance Leading Customer Value

Increase of the Value of Sharing with the Community

KSA is making best effort to create a clean and safe environment for the community by improving the relevant standards to cope with the public awareness of safety and climate changes.

Site Improvement Programs

KSA provides site improvement programs to help companies establish a safety culture. KSA also offers the 'Safety Performance Improvement Program' for establishing a safety culture and developing the capabilities necessary to identify and remove the risks from workers' behavior and environment through safety patrol and 'Chemical Materials Safety Service' for safe management of chemical materials.



Coping with Climate Changes

Verification of Greenhouse Gas and Energy Statement | KSA provides assurance services for companies that create a lot of greenhouse gas emissions and consumes a lot of energy as an assurance provider for greenhouse gas and energy certified by the Ministry of Environment with the aim to achieve the national greenhouse gas reduction goals. KSA became the No.1 assurance provider for greenhouse gas and energy in Korea by providing highly reliable assurance services. It has verified a total 78 statements in 2012, 111 statements in 2013, and 168 statements in 2014.

Feasibility Assessment and Verification of UN Clean Development Mechanism(CDM) I Ever since being certified as a CDM management service provider by the UN in 2008, KSA has been helping Korean companies obtain Certified Emission Reduction (CER) through the feasibility assessment of the CDM services and assurance of greenhouse gas reduction.

Feasibility Assessment and Verification of Emission Reductions | Ever since being designated as an assurance provider for greenhouse gas reduction performance by the Ministry of Trade, Industry & Energy in 2007, KSA became Korea's best assurance provider for greenhouse gas reduction performance by providing feasibility assessment and assurance services for 71 cases in 2012, 59 cases in 2013, and 61 cases in 2014.

Verification of Outstanding Green Biz | KSA has been providing green business management performance assessment services since being designated as a Green Management Assessment (currently Outstanding Green Biz) service provider by Small and Medium Business Administration in 2010. KSA has been expanding the basis of green management by having evaluated a total of 521 SMEs from 2012 to 2014.

Promotion of Socially Beneficial Training Business



KSA Lifelong Learning Center has been offering various competence development programs such as recruitment, job search, and vocational training services for college students, unemployed, and the underprivileged to help resolve the youth unemployment rate that is one of the biggest social issues today.

Improvement of customized job support and hiring service network

KSA has been participating in the government business for improving customized job support services in order to reduce mismatched jobs and improve the employment rate according to Presidential Agenda No. 53.

Youth Job Academy Program (Organized by: Ministry of Employment and Labor, Human Resources Development Service of Korea) | With a full support of companies and business representatives, this customized training program is designed to help soon-to-graduate college students and graduates find the right job in compliance with the job-friendly government policies. KSA has been selected five consecutive times (2011~2015) to manage the program, and has successfully provided the program to a total of 35 colleges and more than 1,000 participants.



Youth Job Academy

Help Specialized High School Students Better Understand SMEs (Organized by: Korea Technology & Information Promotion Agency for SMEs) I This is the main program created by the job-friendly government policy for helping specialized high school students who are participating in the human resources development programs of the Small and Medium Business Administration. It is designed to help students better understand SMEs and provide more job opportunities to high school graduates. KSA has been selected four consecutive times (2011~2014) to manage the program, and has successfully provided the program to a total of 40 colleges and more than 1,500 participants.





Help Specialized High School Students Better Understand SMEs Introduction/Special Issues

Management of a Reliable Organization

Creation of a Workplace for Experts Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

KSA has been playing its role to the fullest as a professional training service provider that contributes to the society by offering customized job support programs, improving job service network, and specialized colleges in order to contribute to resolving the issue of low youth unemployment rate.

Technical Training Program for Engineering Majors (Organized by: Ministry of Science, ICT and Future Planning, Korea Industrial Technology Association) I This program is designed to develop talented people who are needed at the actual work site by offering professional job training and OJT to engineering majors. After being designated to manage this program for 9 consecutive years (2003~2011), about 1,500 participants have completed this training program.





Technical Training Program for Engineering Majors

Job Creation Program Customized for Each Region (Organized by: Local Governments) | This job training program provides job support to the underprivileged in each region with the aim of turning them into new experts. KSA was selected four consecutive times (2011~2014) to manage the customized program for Gyeonggi-do , and has successfully provided the program to more than 400 participants.

Transforming 'specialized colleges' into training institutions for advanced vocational training

KSA has been carrying out a number of projects for supporting the government policy on transforming colleges into lifelong vocational training schools and improving their global competency so they can serve as the main advanced vocational school in the country according to Presidential Agenda No. 74.



Establishment of Strategies for Turning Colleges into Specialized Colleges, Development of Training Courses Customized to Industrial Needs, Reorganization of Professor Training Management System, Establishment of Strategies for Vocational Competence/Achievements, Establishment of Student History Management System, Establishment of Faculty Competence Improvement System, College Satisfaction Survey, etc.

Creating a society based on capabilities instead of educational background

KSA provides a number of programs for the establishment of National Competency Standards(NCS) and development of implementation measures in order to develop/supply NCS and create a society where skills are more respected than educational background as prescribed in Presidential Agenda No. 111.



Development of NCS 2014 (QM/QC Management)[Organized by: Human Resources Development Services of Korea], Development of NCS Training Models by Occupation Group 2014 (Organized by: Human Resources Development Services of Korea), NCS Vocational Training Instructors Development Program 2014 (Organized by: Human Resources Development Services of Korea)

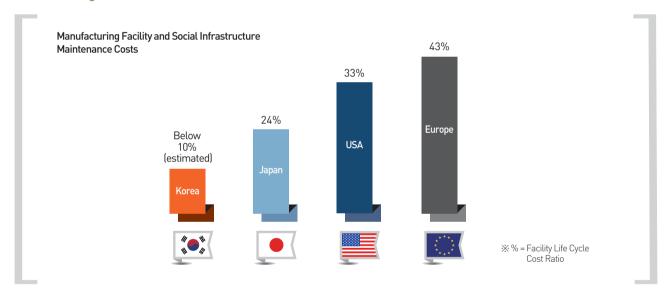
Promotion of Asset Management Business



With ISO 55000s, KSA will play a leading role in asset management

A large percentage of industrial facilities (chemical, steel, oil refining, manufacturing, etc.) and social infrastructures (roads, ports, railroads, power plants, communication, water services, dam, etc.) are old, and an enormous amount of money has to be invested to repair or replace them. However, it is becoming difficult to decide when they should be repaired or replaced. For this reason, there is a growing materiality to assess the utilization, productivity, return on investment, safety, and environment of all the factories, facilities, and other social assets that are used in social infrastructures and production activities throughout the industries.

Asset Management in Advanced Countries



The UK, US, Australia, and New Zealand are making government and social efforts in the legalization and standardization of relevant

systems to ensure the effective management of social infrastructure asset and the scope is increasing rapidly to include all the industries. And this trend is becoming widespread as the UK and US are publishing international standards.

KSA has been contributing to improving national competitiveness by promoting international standards for asset management throughout the industries by carrying out academic research and technical development activities, particularly after establishing the KAAM (May 8, 2015. Founding President: Prof. Pil-sang Lee) and through support activities.



General Meeting of KAAM

ISO 55000s (Asset Management), Published in March 2014

A management method for establishing plans for managing the life cycle of an asset and maximizing the value.

Management of a Reliable Organization Creation of a Workplace for Experts Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

KSA has been contributing to improving national competitiveness by improving the economic performance and efficiency of industrial facilities and assets through the establishment, operation, and maintenance of an efficient asset management system based on ISO 55000s.

KSA Asset Management Optimization Program

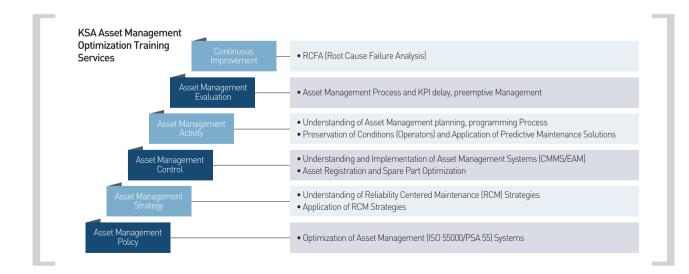
KSA is carrying out various activities related to ISO 55000s in order to meet domestic demands for maximizing the return on investment and optimizing the risks in physical assets. KSA has been playing the role of the secretariat for the Korean Association for Asset Management(KAAM), which was established in April 2015, while also providing related information, training services, and OJT programs.

Major Customers (2013-2014)

(Company names listed in Korean alphabetical order)

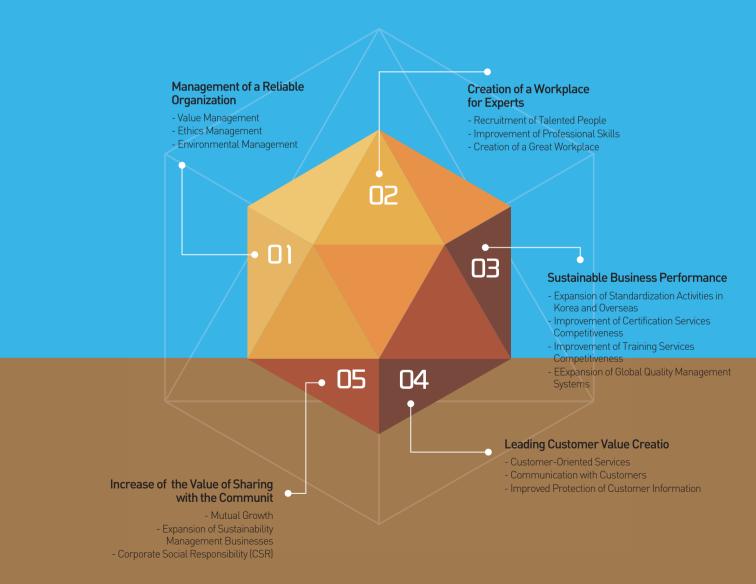
Kyung Chang Industrial, Samnam Petrochemical, Korea South-East Power, Hankook Tire





Strategy for Sustainability

KSA will ensure the mutual growth with customers as a partner for large, medium, and small companies in standards and quality management.





Management of a Reliable Organization

Context

Management strategies and systematic management systems for creating value through business activities while conforming to the purpose of establishment are a must for company sustainability. In addition to this, there is a growing importance for companies to fulfill their social responsibility through compliance risk management and building preemptive response system for climate changes. After recognizing these as necessary factors for ensuring sustainability, KSA has been promoting the value management for understanding and sharing visions and core values among the members. KSA is making effort to become an organization trusted by stakeholders through strategic environmental management for the future generations and earth in addition to the ethics management that reflects KSA's determination to carry out transparent and honest management activities.



Value Management

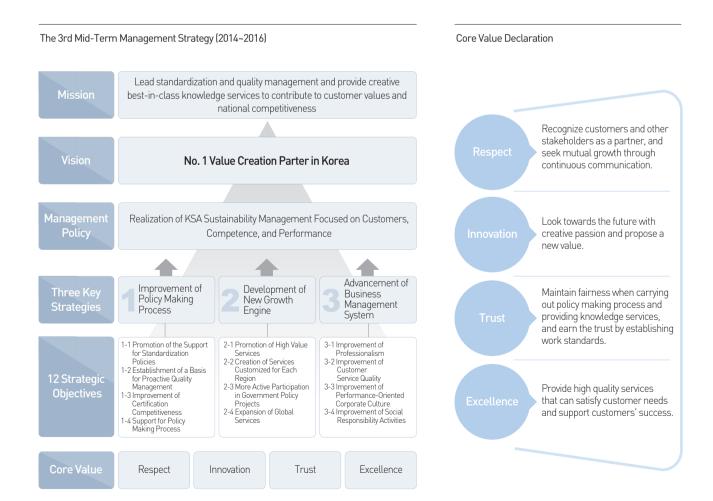
KSA will turn risk into opportunity through effective risk management and innovation of the organization by establishing and implementing the 3rd Mid-Term Management Strategy.

Establishment and Implementation of the 3rd Mid-Term Management Strategy

KSA sets up and implements a mid-term management strategy every three years in order to propose the policies and strategies for the management of the services and organization by reflecting the rapidly changing internal and external environments. In 2014, KSA came up with the 3rd Mid-Term Management Strategy (2014~2016), which includes three main strategies and 12 strategic objectives, and selected/implemented action plans

for the implementation of the strategies by each division and team.

KSA held a workshop to share the core value that was identified by reviewing KSA's intrinsic value and consistency such as the purpose of establishment, mission, and vision. Employees participating in the workshop were asked to write their own declaration with more details on core value to make it easier to implement them.



Major Changes in Organizational Structure and Management

Every year, KSA recognizes its service portfolio and organization in order to better cope with changes in the KS Certification system and low-growth environment both in Korea and overseas. In particular, after the appointment of Soo-Hyun Baek as the new Chairman & CEO of KSA in 2014, KSA has organized a TFT and established the Future Strategy Lab (2015) in order to develop a future growth engine. It has also integrated the KS and ISO certification divisions and reorganized the training teams in order to maximize synergy between certification and businesses.

KSA will continue to make effort to ensure sustainable and mutual growth with customers.

R&D for Ensuring Sustainable Growth and **Future Growth Engine**

KSA has been implementing the R&D system to ensure sustainable growth and develop a future growth engine. The R&D budget from 2013 to 2014 was about 2 billion won, which was used to upgrade the quality of KSA's knowledge services through the improvement of the existing research and certification services and development of follow-up/derivative products. In 2013, KSA has reflected the opinions of those from both inside and outside the association and managed the open R&D system in order to develop new business. KSA will continue to develop and improve new business.

Progress of Major R&D Projects

Classification	2012	2013	2014
Business	Implemented	Implemented	mplemented
Development	15 Objectives	28 Objectives	18 Objectives
Course	Developed	Developed	Developed
Development	48 New Courses	37 New Courses	65 New Courses

Financial Performance

KSA has been in the black for more than 10 years by posting an average annual growth of 6.5%. However, the growth rate slowed due to the changes in the KS Certification system in 2013. To improve the growth rate, KSA has been making continuous and multilateral efforts in process innovation and human resources development. (Total sales of 98.7 billion won in 2013 and 98.5 billion won in 2014)

Despite the recent difficulties, KSA managed to maintain its credit rating at AA+ since 2012, as a result of creating/improving new businesses and realizing efficient management. Everyone at KSA is working hard to ensure sustainable and solid growth, and ultimately stabilize the management.

Credit Ra	iting						
Classifi- cation	2008	2009	2010	2011	2012	2013	2014
Credit	AA-	AA0	AA0	AAO	AA+	AA+	AA+

Grade

Finance and Sta	(Unit : 1 m	nillion won)				
Project Category	2009	2010	2011	2012	2013	2014
Member Business	2,782	2,828	2,841	2,846	2,885	2,835
Standardization Business	17,854	18,108	19,789	15,262	17,689	16,333
Quality Management Business	8,788	10,734	9,855	13,525	12,438	12,603
Certification Business	10,363	10,556	11,252	12,925	11,396	11,333
Training Business	39,866	44,307	48,346	53,442	52,875	54,385
Other Business	867	1,227	1,153	1,154	1,464	1,026
Total	80,520	87,760	93,237	99,154	98,747	98,515

Creation of Economic Value and **Performance Sharing**

KSA shares the economic value created through its business activities with the main stakeholders including the government, employees, customers, suppliers, and community. KSA will continue to open its business activities and share the performance among the stakeholders in order to deliver value in sustainability management for mutual growth.

Economic Value Cre	Economic Value Created and Distributed (Unit : 1 million won)					
Stakeholders	Items	2013	2014			
Government and Public Organizations	Taxes and Utility Bills	634	660			
Employees	Wage, Training Costs, Benefits	21,956	21,918			
Customers	Selling and Administrative Expenses (Working Expenses)	62,032	62,138			
Suppliers	SMEs Product Procurement Costs, Outsourcing Costs	13,553	12,307			
Community	Community Social Contribution Expenses		7			
Other Expenses Reserve and Others		556	1,485			
	Total	98,747	98,515			

Ethics Management

KSA is making effort to create an transparent and trustworthy organizational culture to fulfill its social responsibilities as a public organization and build a sustainable management system.

Today, many public organizations lost the trust of the people due to their lax management. Accordingly, there is a growing demand for ethical management. KSA has announced the Code of Ethical Conduct to promote ethics awareness among employees, offered training programs on ethical conduct, identified exemplary cases, and presented them to the stakeholders both inside and outside the organization in order to create a clean corporate culture. KSA has various ethics management programs that are used to identify and assess the risk of corruption at the headquarter and branch offices. In the reporting period, there were no serious cases of corruption. KSA will make best efforts to earn the trust of the stakeholders and the community by carrying out transparent and ethical business activities.

Establishment of Ethics Management

Revision of and Compliance with Ethical Rules | After announcing its ethics management in 2005, KSA has revised the 'Code of Ethical Conduct' in order to tighten discipline and create a clean organizational culture.

KSA implemented an internal audit system to establish ethical management and is complying with the 'Regulations on Integrity Activities' to increase the level of awareness of integrity among employees.

More Strict Code of Conduct | KSA has designated the 'Code of Conduct Day' every month, sent SMS messages, and established/implemented an annual plan in order to ensure more strict code of conduct. In addition to this, KSA shared the results with its employees to identify and reward the excellent cases to make continuous improvements.

Integrity Survey | KSA ensure the integrity of KS/ISO Certification services, procurement, and contracts by actively coping with the government's integrity survey.

Improvement of Ethics Management

Improvement of Integrity Awareness Among Employees I KSA has been making attempts to improve the awareness of integrity by offering training programs on integrity, putting posters on integrity and ethics at the company, offering online training, holding lecture for



teams vulnerable to ethical problems, posting the '70 Q&As on ethical management in everyday life', managing the Clean Report Center, appointing persons in charge of personnel management, budget, accounting, contracts, and other areas that are vulnerable to corruption, appointing KS/ISO auditors, and providing integrity training program to new employees.

Improvement of Management Transparency I Among the 41 innovation objectives, KSA continued to manage the ones that are completed, implemented two more innovation objectives (written oath of integrity), promoted the internal reporting network for corruption, diversified the reporting methods (development of an app for the promotion of secret internal reporting), and managed the gift reporting systems/solicitation registration system in order to improve the transparency in management.

Improvement of Ethics Management Network | KSA participated in two of the workshops that were hosted by the stakeholders of the Ministry of Trade, Industry and Energy for improving the performance of ethical management and audit activities and sharing information conducted the joint inspection of KS certified companies twice with the auditing organization.

Environmental Management

KSA practices green management by reducing greenhouse gas emissions and minimizing environmental effects.

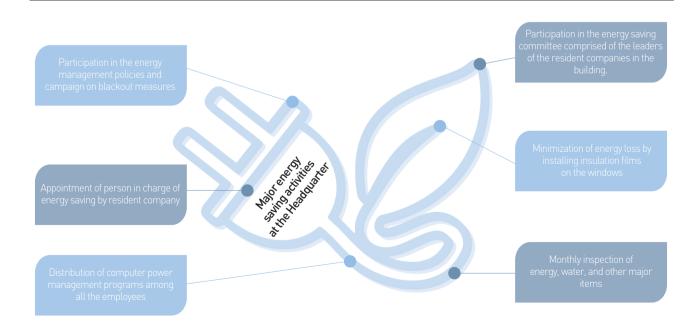
KSA is also making corporate efforts to promote the awareness in energy saving and greenhouse gas reduction in order to reduce greenhouse gas emissions, which is the main cause of global warming. In addition to this, KSA has been providing the following services in order to practice green management by actively participating in forums on climate changes in Korea and other countries through effective energy use.

GHG Reduction and Energy Saving Activities

Energy Saving at the Office | KSA endeavors to reduce greenhouse gas emissions. KSA is expanding the scope of energy saving activities by having the employees voluntarily save energy in the building and turn off the multi-tap before getting off work and also providing clothes in the winter, in addition to controlling the cooling/heating temperatures, turning off the PCs/printers, using energy save mode on home appliances, and turning off the lights during lunch time.

Energy Saving Activities at the Headquarter of KSA | Those at the headquarter of KSA play an active part in the government's energy saving and building energy reduction programs. In 2014, KSA has replaced all the lights on the floors with LED lights to save energy, minimized the use of personal coolers/heaters in compliance with the government's energy regulations, and had employees turn off the lights and computers during lunch time. In addition, KSA encouraged its employees to turn off all the devices before getting off work.

Energy Saving Activities at KSA Human Resources Development Center I KSA Human Resources Development Center complies with all the government regulations on the use of energy. From December 2012, HRD center consumed less than 90% of the average consumption during peak time (4 hours a day). HRD center controlled the cooling/heating temperatures by building, made a habit of turning off the lights and other de-



Sustainable Business Performance Leading Customer Value

Increase of the Value of Sharing with the Community

vices in the lecture hall, and installed insulation around the windows.

Creation of Environmentally-Friendly Offices

KSA manages the Seoul(Gasan) Learning Center as an environmentally-friendly training site. The building has 15 lecture halls with a capacity of 30 people each, international conference room, and lounge, which are all made of environmentally-friendly materials and equipped with independent air conditioning system and LED lights that are designed to save energy.

Green Purchasing I The KSA carries out procurement management activities in order to minimize the effects of wastes on the environment. KSA endeavors to preserve the nature through recycling and purchase of environmentally-friendly products. Currently office supplies and electronic communication devices fit into this category. A 110 million won worth of such products were purchased in 2014. KSA plans to purchase more environmentally-friendly items such as print and office paper to contribute more to the creation of socially and environmentally beneficial values.

Reduction of Office Paper Use | After the improvement of the ERP system in June 2013, paper slips were replaced with electronic slips, and employees made a habit of reusing the printed paper. As a result, the total paper consumption dropped 400,000 sheets[18%] from 2,300,000 sheets in 2012 to 1,900,000 sheets in 2014.

Greenhouse Gas & Energy Reduction | KSA installed energy saving switches that automatically control the lights when there are no users in the bathrooms, and have all the old air conditioners maintained and repaired every year to ensure continuously greenhouse gas and energy reduction. KSA plans to maintain the air conditioning systems in their optimal conditions and continue to launch energy saving campaigns.

Improvement of Indoor Air Quality | KSA continues to improve the environment for training participants by providing them with a clean and pleasant training site in order to improve the participants' learning capabilities and efficiency of the training program. For this, KSA will establish a plan for improving the indoor air quality at the Seoul(Gasan) Learning Center.



02.

Creation of a Workplace for Experts

Context

KSA recognize that talented people play a central role in the growth of any company. For this reason, it built training and personnel management systems to recruit as many talented people as possible and help them demonstrate their capabilities to the fullest. In addition to this, KSA continues to increase the number of communication channels between the labor and management and provide more benefits to temporary employees in order to create a workplace where every employee can achieve their goals and happiness by finding balance between work and life. KSA will continue to make efforts to grow with employees, who are the most important asset and source of competitive advantage based on the organizational culture of trust and harmony.



Progress

- Recruit employees based on their qualifications and operate an open recruitment system
- Implement Core Expert Management
 System
- Reflect evaluations of performance and competence in HR policy and systems
- Operate a human resources development system based on the role model
- Offer training on understanding and sharing the value
- Operate the mandatory training hours and training team systems
- Created and operated various
 communication channels between the
- Operated full-time grievance handling and employee welfare systems
- Offered better benefits to temporary employees in compliance with the government policy

Next Step

- Improve the recruitment strategies in order to hire experts and talented people
- Continue to improve the personnel evaluation system to cope with changes in the labor environment
- Improve job training programs for training experts
- Improve leadership and core value training for employees
- Continue to develop more programs for the promotion of communication between members
- Create a better work environment
- Create a family-friendly welfare system
 through labor-management cooperation



Improvement of Professional Skills

Recruitment of Talented People

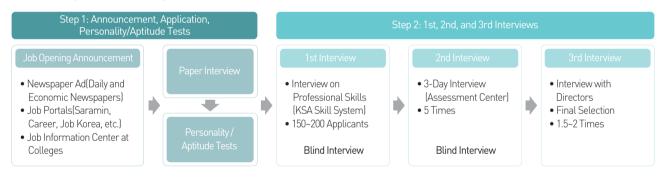
To provide job applicants with an equal opportunity, KSA has implemented a recruitment system based on competence to hire the talented people that have the skills demanded by KSA instead of setting restrictions on job application qualifications.

KSA has mid to long-term personnel management policies in relation to its mid to long-term management strategies and changes in the environment. KSA continued to implement a recruitment system based on competence in order to correctly evaluate young applicants' capabilities and passion. KSA did not set restrictions on job applications in order to provide an equal opportunity to the job applicants. Instead, it established a recruitment procedure for hiring the talented people by evaluating their personal management skills, professionalism, communication skills, relationship with other people, troubleshooting skills, understanding of the organization, and global capabilities.

Employee Status

In 2014, KSA recruited 16 full-time employees and operated the Rookie Board, and continued to transfer administrative and technical staff (2 in 2013, 5 in 2014). This system is managed in liaison with the professionalism development system through systematic performance management of the candidates for promotion, and those with excellent job skills and great potential for growth are selected and managed separately. Besides the office duties such as management support and standards promotion, most of the employees are assigned at the site (72% of the total employees) in order to provide site-oriented management services

Recruitment System based on Competence



Multilateral Analysis of Recruitment Environment



Establishment of Recruitment Strategies



closer to the customers as a knowledge service provider. At least 30% of the employees are women to maintain a healthy balance in the organization, and more than 10 women are hired every year.

New Recruitment by Year

	Classification	2012	2013	2014
	Maximum No.	325	325	325
	Current No.	309	308	304
	Regular Retirement	3	4	5
\	4	2	4	
	Women	7	4	5
	People with Disabilities	1	-	-
Permanent Position	Local Employees (Outside Seoul)	3	2	2
New Recruitment	High School Graduates			-
	Specialized High School			_
	Majored in Engineering	9	7	6
	Total	16	15	17
	Interns	15	22	21
	General Affairs & Administrative Service	6	5	1
	Technical	6	6	2
Temporary	High-Paid Employees	1	1	1
Position No. of New	Contract Work	10	16	14
Hires (Classified by the Type of	Replacements for Leave of Absence	2	5	5
Temporary Positions)	Old Aged	21	21	20
	Director's Driver	1	1	2
	Secretary			1
	Technical Committee Members	4	2	4
	General	8	5	3
Percen	tage of Female Employees	92(30%)	92(29%)	92(30%)

Percentage of On-Site Employees by Year

Year	Maximum No.	Current No.	Office Workers	On-Site Workers	Percentage of On-Site Employees
2012	325	309	91	218	72%
2013	325	308	90	218	71%
2014	325	304	86	218	71%

Open Recruitment

KSA recruits people to ensure sustainable growth. KSA analyzes the recruitment environment by using diverse methods in order to achieve the vision and strategic goals of the association and development recruitment strategies in consideration of the mid to long-term manpower management plan and environment. In addition to this, KSA hired experts suitable for new technology

Recruitment Strategies According to Mid to Long-Term Personnel Management Plan

Recruitment Strategies	Major Details	Target Group
Strategy Support of the Association	Hire talented people necessary for developing new growth business Hire experts to increase the level of professionalism	New Employee Expert
Compliance with Government Policies	Create a fair society by hiring local people Give preferential treatment to the underprivileged by hiring young interns Maintain social balance by hiring women	New Employee Young Intern
Improve Transparency and Fairness	Comply with the recruitment procedure through blind interview Apply outside expert service providers and have experts participate in the interviews Apply a recruitment system beyond specifications through multilateral evaluation	New Employee

Number of Talented People and Outside Experts Hired

Area	Role	Recruitment
International Certifications	Greenhouse Gas Verification Audit	1 expert (July 2013)
Development of Standards	National Standards Coordinator Support	12 policy and planning employees(May 2013)
International Certifications	Building Energy Efficiency Assessment	5 full-time expert members (December 2013)
Quality Management	Diagnosis/Guide (OJT), Training Course Development	2 expert members (February 2014) 1 expert member (April 2014)
Safety Culture Development of Lectures, OJT Training Courses		4 expert members (September 2014) 2 with experience (September 2014)

Performance Achieved by Recruiting Outside Experts

Classification	Performance(Expected)	Performance
International Certifications	300 Million Won	Increased Scope of Greenhouse Gas Verification Business
Standards Development	3.4 Billion Won	National Standards Coordinator Support Service Contract
Quality Management	1 Billion Won	Development of Quality Management Programs and Promotion of OJT
Safety Culture Promotion	2 Billion Won	Job Training Program for Health and Safety, Safety Check OJT

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

and future strategy programs to improve the level of professionalism in the areas of greenhouse gas assurance, national standards coordinator, quality management, and safety services.

Fair Personnel Management

KSA endeavors to improve the personnel management system to increase the level of reliability. KSA selects reliability improvement objectives to improve the promotion and personal evaluation systems every year, and the system is improved to reflect the evaluation results based on personal achievements and capabilities by unifying the evaluation standards which were divided into the promotion and the wage increase. In addition to this, KSA applies systematic performance management of candidates for promotion and on site shift duty standards.

Core Expert Management System

KSA manages core expert management system to create value for the future by training experts in the core areas of duty and providing expert support. The activities of main experts are categorized into quality, standards, certification, and HR, and they're given the rank of Knowledge Creator, Expert, and Master in accordance with their experience and level of expertise. The core experts develops their professional skills by carrying out various professional activities such as lecture, review, teaching plan de-

velopment, participation in the OJT, planning and procedure development, and CoP management, through which they can contribute to improving the performance of the organization. As an expert in the area, they're given the task of proposing a vision for growth so they can develop their personal capabilities while contributing to the growth of the organization, and also to write a contribution letter for the internal projects. KSA also supports a separate career path management system.

Support for Benchmarking Training and Seminar Participation

KSA encourages its employees to take outside benchmarking training course or participate in seminars in order to improve their competence by experiencing the services of competitors. There are various support programs for the development of talented employees with thinking capabilities and long-term vision, by giving them the opportunity to participate in conferences taking place in foreign countries where they can experience the latest trends and academic seminars on improving the quality of life.

This doesn't only help them build experience, but also gives them an opportunity to boost their performance by sharing their experience with other members of the Association at the 'Lunch TED' where their experience can be used in the Association's services.

Reliability and Feasibility of Personnel Assessment

Classification	2011	2012	2013	2014
Improvement of Promotion System	Organization of Promotion Evaluation Committee	Management of Individual Performance History	Bonus Points in Personnel Evaluation for Those Who Worked at the Branch Offices	Review the Implementation of Outside Competence Evaluation Systems
Reliability of Personal Evaluation System	Establishment of Competence Evaluation by Individual Performance	Establishment of assessor-assessee Interview System	Adjustment of the Ratio for Giving Personnel Evaluation Points	Increased Application of Evaluation Results (Title, Promotion, Performance Bonus, etc.)

Efforts for Ensuring Fairness in Personnel Management and Results

C	lassification	Before	Revised	
Improvement	Performance Management	There is the need to verify the performance of the candidates for promotion	Systematic performance management of the candidates for promotion	
of System	Reflection of shift duties	There is the need to promote the shift duties between the headquarter and branch offices	Reflect the shift duties between the headquarter and branch offices	
Promotion Performance	• Individual performance management for team leaders and chiefs (104) * Annually update the reference data applied in personnel management. • Ensure Fairness in Promotion: 0.5 points for shift duties between the headquarter and branch offices			
Key Performance	Create and Submit Individual Performance History Management Report (once a year) Provide more promotion opportunities to those who have worked shift duties between the headquarter and branch offices			

Improvement of Professional Skills

KSA has a human resources development system for ensuring the professionalism as a knowledge service provider, based on which to offer various competence development programs.

KSA offers competence and career development opportunities to individuals as means to train experts with a certain degree of professionalism and creativity through voluntary learning and continuous system support. In addition to this, KSA supports various programs that help towards a comprehensive understanding of the organization's philosophy and cultivation of mind.

Human Resources Development System

KSA's competency system is comprised of 'Leadership Competency', 'Job Competency', and 'Global Competency'. They meet 'Creator', 'Professional', and 'Global Leader', which represent role model for employees at KSA, and there are various policies in use, particularly for the six tier and four competency levels. KSA systematically manages a number of systems for voluntary training aimed at improving the employees' leadership competency, job competency, and global competency by establishing

the role model and management policies, and their level of excellence is proven as other relevant institutions have benchmarked these training programs and systems.

various human resources development strategies in relation to

Mandatory Training Hours System

KAS has a Mandatory Training Hours System, which requires employees to participate in training programs for more than 60 hours in a year, and the results are reflected on personnel and team management evaluations. KSA provides more than 700 elearning sessions and over 300 remote training content suitable for career and competency development through the personnel management system, so that employees can take the internal and external offline training programs at will. In 2014, employees participated in the training programs for an average of 111 hours, and 410 million won was used in human resources development.

KSA's Training System by Competency



- Shared value training
- · Humanities and technical management
- Mentoring/Rookie Board
- Leadership training for managers
- Change and innovation course



- Expert training support for the division/team
- License support
- Learning organization (division/team)
- Expert system
- Audit/OJT participation support



- Overseas position/study
- Support for foreign language study
- Overseas expert training
- Language training



- Sharing of outside benchmarking
- Ethics and integrity training
- Government 3.0 value training
 Support for learning activities outside the training course
- Violence prevention training

Training on Organization's Value Sharing

KSA considers that sharing the direction and value of the organization is the first step towards achieving performance, and sets priority on providing training on in-depth understanding and sharing of the organization's value. KSA offers voluntary training programs to the members to help them better understand the existing values and advantages through voluntary and active participation, so that its philosophies are the first thing which all the members should consider when carrying out business activities or making decisions through a bottom-up process.

KSA also offers the 'Rookie Camp' program, which is designed to help new employees understand the organizational culture of KSA and establish their identity as a new employee of KSA. In addition to these, there are also the 'Communication Time' and other programs that can help new employees develop a sense of pride and belonging as a member of KSA. KSA also manages a one-year intensive training program comprised of Follow-up and mentoring in order to provide the new employees with an opportunity to become an expert in what they do.











Training on Organization's Value Sharing

Study Group System

KSA has been managing a study group system since 2009, and as of 2014, there are a total of 42 study groups. The goal is to develop the members' competency by creating and sharing knowledge, and ultimately improve the competence of the organization and achieve performance. For this, many training activities are being carried out such as development of language skills, improvement of career competency, and learning new knowledge. Each study group can voluntarily select the topic and study the subject in accordance with the characteristics of the relevant

team and necessary knowledge. KSA offers financial support for activities such as buying books, attending seminars, and hiring/inviting instructors. Every employee analyzes and shares the results of the training in order to establish a study culture, and holds a ceremony to announce the most excellent study group. The activities of the study groups are reflected on the management evaluation so that every team can promote collective intelligence through their study group. KSA encourages its employees to link this to their personal development.

Intensive New Employee Training Action guideline by core value Evaluation and Hiring (qualified talent) and Competency Development Reflection of recruitment criteria (competency, foreign language, etc.) Assurance of Adaptability to the Organization through Personal Test and In-Depth Interview Results Eight-week management of Rookie Camp • We should be considerate • We should adhere to fair Mindset Development for Talented People (One Week): Strong Mind and Results of Training and to each other as if we're in Arting Power Introductory Training (Six Weeks): Troubleshooting, Understanding of the Organization, Planning, PT, Knowledge of the Division's Businesses, OA Basics, Charity Activities, Creativity Branch Office Training (One Week): Site Training by Visiting Branch and transparent each other's shoes. business conduct • We should respect each • We should try to earn the Team Activities trust of our colleagues other by accepting Offices, Improvement of Understanding in Busine Performance of Objectives different opinions. and customers. 7 Months of One on One Mentoring, Communication Observation of Aptitude, Workshop + Charity Activities Adaptation Results of Instruction and Advices on Team Experience, Relationship with People, Mentoring and Personal Management Mentoring Guide: Mentoring on Sensibility, Knowledge, and Project Activities • We should continue with Development of Career Competency through Observation of our personal development Strategic Assignment Job Adaptation • We should not stop at efforts to develop our where we are now. professional capabilities. • Internal and Commissioned Training in Relation to Actual Work Adaptability • We should change myself Establishment of Career and Personal Development Plan through • We should create a global Consultation with the Team Leader and the organization No. 1 organization with through new challenges. the best professional Observation of Aptitude, Introspection of 1 Year After Joining the Organization capabilities. Adaptation . Time for introspection one year after joining the organization Communicate better with senior staff and develop loyalty to the company Results of

Creation of a Great Workplace

KSA is making best efforts to create a great workplace by establishing a positive organizational culture through labor-management relations aimed at harmony mutual growth, and managing various employee voluntary programs for personal happiness and organizational success.

KSA created various communication channels between the labor and management such as the Labor-Management Meeting and Labor-Management Workshop based on the trust and understanding between the labor and management, and offers a number of employee welfare programs in order to create a great workplace and improve the quality of life for the employees.

When there are major changes in the businesses or organization that can have serious effects on the recruitment process, KSA reviews, reaches an agreement, and announces the decision to resolve the issues at the Labor-Management Meeting within the time frame as specified in the Group Agreement (Chapter 6: Group Negotiation).

Establishment of a reasonable and cooperative labor-management relations



- · Sharing of opinions on factors for labor-management conflicts and unreasonable system
- Highlight the importance of managing labor-management relations for cooperation and participation

- Some residual sense of dislike towards the advancement of
- public organizations among employees
 There is a need to promote cooperative labor-management relations through reasonable relationship

- · Seek positive changes in labor-management relations at labor-manage ment workshops and meeting on pending issues
- Prepare a reasonable system and reach an agreement between the labor and management through frequent meetings
- · Create and share a bond of sympathy through cooperative meetings between the labor and management

	Improvement Details	Performance
	Establishment of Incentive System	Provided different bonuses based on performance by unit and resolved labor-management disputes by development distribution standards and regulations by unit
iance of otion	Implemented performance-based bonus system for team leaders	Implemented performance-related pay system by holding a meeting of team leaders and through the efforts of directors
Performance of Promotion	Ceased paying fixed bonuses	Stopped paying the customary fixed bonuses after an extensive discussion with the labor union
	Improvement of Personnel Evaluation System	Implemented a personnel management system based on capabilities and performance through the establishment of a fair bonus system
	Promotion of Bonus Vacation	Removed the limitation on the number of bonus vacation days for working on weekends (7 days → 3 months)

Communication Channels Between the Labor and Management

KSA guarantees the right for organizing a labor union, collective bargaining and group activities, recognizes the labor union as a partner for mutual and sustainable growth, and aims to build a cooperative labor-management relationship for resolving all the pending issues. KSA has a 'Labor-Management Committee' through which the labor and management can communicate regarding important issues related to the recruitment, safety, wage, welfare, and work environment, while carrying out various activities such as 'Labor-Management Workshop', 'Unity Sporting Event', and 'Hope Day' to build a labor-management relationship based on trust.

Employee Grievance Resolution

KSA organized a full-time Grievance Resolution Committee to resolve employee grievance through which to provide practical help to the employees having problems with personnel management, organizational culture, and employee welfare.

After receiving a report, the Grievance Resolution Committee notifies the person of what measures were taken within 10 days, but presents the issue at the meeting if it cannot be resolved on its own. In addition to this, KSA has implemented a system named 'I'm going to meet you now' for the maintenance of convenient communication channels, and also another consultation system for casual consultation on environment improvement, childcare, and career development. In 2014, KSA resolved a total of 33 employee grievance issues.

Status of Grievance Resolution

Grievance Type	Grievance Details	Performance	
Human	Establishment of a fair system for evaluation and compensation	Improvement of personnel evaluation system	
Resource	Improvement of career competency by experiencing advanced trends	Creativity and sensibility training, Karakuri training, ICQCC	
	Improved Sense of Pride by Celebrating the foundation day	Held on 3.13	
Work	Meeting with the leaders by team and division	19 teams, 125 people	
Culture and Others	Create a venue for labor-management cooperation through the 'Unity Sporting Event'	318 participants	
	Creation of a great workplace through labor-management cooperation	Watermelon Day	
Welfare	Expansion of ladies' lounge	Improved	
	Increased number of health check items	Improved	

Improvement of Treatment for Temporary Employees

KSA has been changing the status of temporary employees to full-time in compliance with the government policy aimed at reducing the ratio of temporary workers and reducing youth unemployment issues. In the past 6 years, KSA has changed the employment status to full-time for an average of 7.1 temporary employees whose duties involve processes that are needed on an everyday basis (general and administrative affairs, professional skills), and gave other temporary employees a pay raise and more benefits.

Change of Employment Status from Temporary to Full-time

		' '	
Year	2012	2013	2014
Contract Employee	59	62	53
Changed Status	5	2	9

More benefits for temporary employees

Classification I	Promotion details	Note
Wage	Match the wage increase rate of permanent contract employees with that of full-time employees - Reflected both the wage increase rate of average full-time employees and the minimum wage increase rate that was agreed between the labor and management	Wage increase rate
Employee Welfare	Pay year-end and performance bonus also to temporary employees	Incentive pay
	Apply employee welfare fund also to temporary employees	Congratulatory and condo- lence bonus

Various Employee Welfare Programs

KSA supports various programs that can help employees maintain a healthy balance between work and life and ensure the quality of life. Since 2013, KSA has been celebrating the 'Home-

Run Day' on second and fourth Fridays of the month to encourage employees to get off work on time at least on those two days, so that they can enjoy the night and relaxation, after recognizing the fact that a happy employee can make his family happy, and then the organization happy.

KSA provides annual health checkup services to all the employees including temporary employees and their families for the health and safety of employees, while also offering health management training, medical consultation, and on-the-site vaccination services to ensure their health. Since 2011, KSA has been offering a staggering work-hour system to the employees who need time for childcare, household chores, long commute, and personal development.

Lecture on Knowledge Sharing and Club Support

KSA has been holding a lecture on knowledge sharing since 2013 to help employees improve their mindset. KSA also operates a short knowledge sharing session called 'Lunch TED' during lunch time, to teach the latest trends and provide employees with an opportunity to share knowledge and experience between each other. The Trend - Expertise - Dream(TED) session, which is held once a quarter, is very popular among employees.

In addition to these, KSA supports various clubs to promote communication and harmony between employees as part of its program for creating a great workplace. Support includes budget and facilities necessary for club activities. For this reason, there are a total of 12 clubs at the Association, including Hiking, Football, Baseball, and Bowling Clubs.

Lunch TED Status

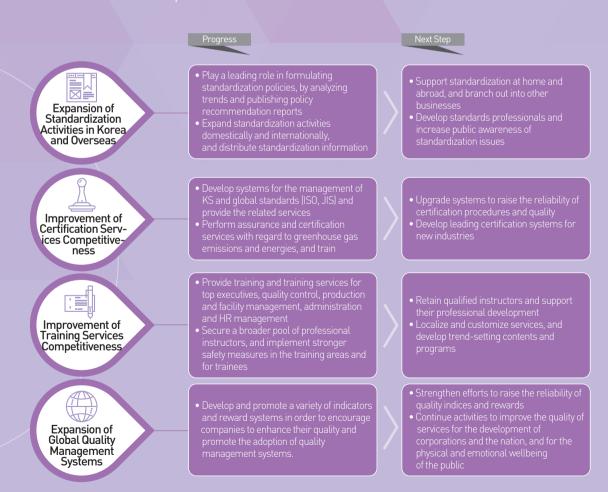
Topic Presentation	Торіс		
	Share the experience in outside conferences, forums, and the latest trends		
Trend	Participation in ASTD/Guideline for participating in international conference/Experience of being assigned to NIST/Experience in the World		
	Strategy Forum/Experience in the SSG Knowledge Feast/Human Library Social Network/Opening, Sharing, Communication, Cooperation		
	Share the ideas that are worth sharing among the know-how		
	Training/Trademark Registration/Training/Tips on Training		
Experience	Management/Easy Ice Breaking/Understanding NCS/ Planning and		
Know-How	Management of New Businesses/Opening, Sharing, Communication,		
	Cooperation		
	Share the dreams and challenges for talent development in terms of GWP		
Dream & Challenge	Dance Sports/ Acupuncture, Moxibustion/International NGO, Japanese		
	TV Dramas and Culture/Introduction to American TV Drama on		
	Bromance/European Beer Story/Travel Europe by Car/ Opening, Sharing,		
	Communication, Cooperation		

03.

Sustainable Business Performance

Context

The constantly changing business environment both at home and abroad simultaneously presents challenges and opportunities to major corporations. KSA's sustainability and ultimate goal depend on its ability to provide optimal knowledge services that corporations can rely on to keep abreast with evolving trends, and top-quality standards and quality solutions that can help corporations cope with changing paradigms. KSA has been consolidating its status as a provider of smart knowledge services by encouraging standardization domestically and internationally and by improving the quality of certification and training services. KSA will continue with its endeavors to make itself and its corporate customers more competitive and to create greater value as the No. 1 value-creation partner.



Expansion of Standardization Activities in Korea and Overseas

KSA, as the No.1 private standardization body in Korea, is contributing to the nation's industrial development. KSA will expand its standardization activities at home and abroad.

KSA is leading and advancing standardization policies by analyzing global trends and conducting academic research.

Policy Leader

Analysis of Policy Trends | KSA analyzes major standardization policies and trends at home and abroad and publishes the results on a continuous basis in order to make policy recommendations to the government and shed a guiding light on corporate activities. From 2013 to 2014, KSA published a total of nine issue reports in which policy recommendations were proposed. These reports were made publicly available on KSA's website and distributed to government agencies and other relevant institutions. In 2014, KSA performed 21 studies comprising analyses of the discussions and activities of the ISO/IEC committees and shared them with standards professionals.

KSA Policy Studies

No	Subject	Year of publication
1	New European standardization rules for the creation of an EU standardization ecosystem	2013
2	Characteristics of the distributed standardization system of the U.S., and the implications for Korea's standardization policies	2013
3	Characteristics of KS identified in fiscal statistics, and the implications (1962–2013)	2013
4	The rise of China in the field of technology standards - New rules imposed on old systems	2013
5	Use of global standards in technology - A comparative analysis of major industries in five OECD member countries	2013
6	Group standards in Korea and the challenges - with the focus on institutional changes and fiscal trends	2013
7	Use of standards as a tool for regulatory reform - the case of the U.S. government and the implications	2014
8	A review of ten years of FTA implementation in TBT and the challenges ahead	2014
9	Use of standards certification in government procurement - with the focus on Korea and China	2014

Standards Policy Milestone Reports | KSA held the Standards Policy Milestone Research Contest with the aim of providing a

forum for discussing current issues, major theories, and policy directions to further advance Korea's standardization, and of promoting academic and practical research on standardization. The results were published in a report. KSA provided supports for 11 research subjects as the comparison of standards systems and governance in different countries, dispute resolution through the World Trade Organization (WTO) and the Mutual Recognition Arrangement (MRA), cooperation with developing countries, standardization in new technologies, raising competitiveness in certification, and the harmonization of standards in North and South Korea, and hosted the presentation of the results.



Standards Policy Milestone Research Contest

Publication of Next Standards | Each year KSA publishes the results of major research studies in a book form to assist in setting standardization policies for the next year.



Publication of FNext Standards

Expanding its role as a private standardization body | In line with the government's policy direction of "increasing the role of the private sector in promoting standardization", KSA is becoming increasingly involved in developing new standards and setting

international standards. KSA took on a greater role in developing national standards by becoming a Co-operating Organization for Standards Development (COSD) and by operating the One-Stop Standards Development Support Center. As a secretary of the national mirror committees in this field, KSA intends to create synergy in domestic and international standardization efforts and actively participate in global standardization initiatives.

Involvement in Global Standardization

The Mirror Committee of International Standardization Organizations | KSA was designated by the Korean Agency for Technology and Standards (KATS) under Ministry of Trade, Industry and Energy (MOTIE) as a secretary of the national mirror committees of the ISO, IEC, and JTC 1; and, as of 2014, is operating 24 committees and conducting research.

ISO and IEC Mirror Committees

No	Committee	Title
1	ISO TC204	Intelligent transport systems
2	ISO TC211	Geographic information/Geomatics
3	IEC TC48	Electrical connectors and mechanical structures for electrical and electronic equipment.
4	IEC TC100	Audio, video and multimedia systems and equipment
5	ISO/IEC JTC1	Information technology
6	JTC1 SC02	Coded character sets
7	JTC1 SC06	Telecommunications and information exchange
8	JTC1 SC07	Software and systems engineering
9	JTC1 SC17	Cards and personal identification
10	JTC1 SC22	Programming language
11	JTC1 SC23	Digitally recorded media for information interchange and storage
12	JTC1 SC24	Computer graphics, image processing and environmental data representation
13	JTC1 SC25	Interconnection of information technology equipment
14	JTC1 SC27	IT security techniques
15	JTC1 SC29	Coding of audio, picture, multimedia and hypermedia information
16	JTC1 SC31	Automatic identification and data capture techniques
17	JTC1 SC32	Data management and exchange
18	JTC1 SC34	Document description and processing languages
19	JTC1 SC35	User interfaces
20	JTC1 SC36	Information technology for learning, training and training
21	JTC1 SC37	Biometrics
22	JTC1 SC38	Distributed application platforms and services
23	JTC1 SC39	Sustainability for and by Information Technology
24	JTC1 SC40	IT Service Management and IT Governance

Global Standardization Support Center | The KATS under MOTIE set up the Global Standardization Support Center within KSA in 2013 with the goals of providing technology advisory services to small and medium sized enterprises (SMEs) and ultimately assisting SMEs with their efforts to increase their exports and raise their global position, and also provides financial support as part of the efforts to improve standard technologies. The center hired international standards professionals to offer one-onone advisory service to corporations, identified 10 companies as possessing technologies with the potential to become a global leading company, and supported the submittal NPs by six of those companies.





Opening the Global Standardization Support Center

Support for Standards Systems in Developing Countries | KSA

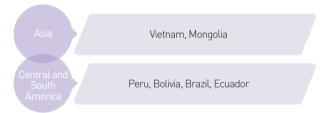
secured 900 million won from the KATS's subsidy budget in 2014, which is spent on establishing standards systems in developing countries, and is implementing various businesses to meet the needs of individual countries including setting up master plans for the national standards policy, and creating institutional frameworks for standards, compatibility, and measurement. Through these businesses, KSA is working closely with ISO, African Regional Organization for Standardization (ARSO), Gulf Standardization Organization (GSO), Pan American Standards Commission (COPANT), and Pacific Area Standards Congress (PASC), and enhancing its global status. In addition, KSA is also





Completion Ceremony for Ecuadorian Trainees in 2013, Completion Ceremony for Central and South American Trainees in 2014

Support Recipient Countries by region (2014)



actively involved in forming regional standardization and certification blocs to facilitate the sale of certification testing services and exports by domestic corporations in those regions.

International Conferences | KSA organized the multi-media international standardization conference hosted by the KATS in April 2013 (61st JPEG meeting, 104th MPEG, 47th VCEG, 13th JCT-VC, and 4th JCT-3V meetings). The conference was attended by 455 multi-media professionals from 21 countries to discuss a wide range of issues concerning next-generation multi-media standardizations, including high-efficiency video coding for ultra-high resolution TV, hybrid delivery for smart TV and the provision of user-customized information, augmented reality, 3D video coding, and moving picture data indexing and search technology.



Multi-media international standardization conference in 2013

In 2015, KSA will organize the ISO general meeting to be hosted by the KATS in Korea with the remit of making it a material event that will reconfirm Korea's leadership in standardization and provide an opportunity for another leap forward.

Standardization Initiatives in Korea

Technical Regulation | KSA was appointed as the secretariat of the Technical Regulation Policy Forum at the end of 2014. The forum was created to identify excessive technical regulation and recommend ways of rationalizing them under the leadership of the KATS. The forum and subcommittee meetings were held on a continuing basis in 2015 to listen for difficulties that such regulations pose to corporations and work out ways of resolving them.

National Standards Coordinator | The KATS launched the standards coordinator program in 2011 with the aim of maximizing the use of national R&D achievements in industries by standardizing and promoting the sales of domestic technologies in global markets. The budget for this business comes from the general account of the KATS. Private professionals are selected as standards coordinators for each of the major industries and get involved in the drafting of national standardization plans. These coordinators are responsible for creating a R&D roadmap of standardization, mentoring SMEs on technology standards, informing SMEs of international standards to create B2B business environments, connecting R&D and standards, and building the basic eco system.

Leader in Standardization Training 1 KSA also plays a leading role in educating standards users by developing a broad curriculum with in-depth contents. As a founding member of the International Cooperation for Training about Standardization (ICES),

which was launched in 2006, KSA is sharing its educational experience and know-how with other countries while, on the domestic front, it is striving to create an training system that caters to the needs of trainees and to develop high-quality contents.

Standardization Training Curriculum

No	Trainees	Content
1	Elementary Schools	Standardization training sessions
2	Middle & High Schools	International Standards Olympiad Technology textbooks contain a unit on standardization.
3	Universities & Colleges	Regular standardization course in more than 50 universities Human resources development programs incorporated with technology standards
4	Industries	Standards professionals, international standardization, greater expertise and professional knowledge on standards, standards management strategy guide, de facto standardization training
5	Consumers	Nationwide standardization training for the general public; training programs to raise consumers' awareness of standardization

Standards Professionals | The KATS earmarked a budget for standard technology improvement program and initiated program in 2013 to nurture Korean young professionals (KYPs) and enhance Korea's capacity to respond to international standardization. KSA attended international standardization conferences hosted by the International Electrotechnical Commission (IEC) and surveyed standards professionals development programs in major countries. KSA developed a KYP program and held a policy forum twice a year. In 2014, a total of six training sessions were provided and 40 students received training. In addition to this program, 17 sessions were held in 2014 on such subjects as standards professionals (certified), ISO/IEC international standards professionals, standards expertise, standards management strategy guidance, and responses to de facto international standards.

Training for the General Public | As a part of the standard technology improvement businesses, KSA is educating the general public on standards that are commonly found in their everyday life in order to raise their awareness of the materiality of standards. Specifically, the public training program consists of nationwide standardization training for the general public, a program designed to raise consumers' awareness of standardization, and standardization training in elementary schools. KSA ran 15 such training sessions in 2014.

International Standards Olympiad | The event was launched by KATS in 2006 and marked its 9th anniversary in 2014. The main participants are middle and high school students, and the winners receive the Prime Minister's Award and the MOTIE Award. The Olympiad was attended by 241 teams in 2014, and foreign high school students joined the event for the first time, illustrating its potential to develop into a pan-Asian event in which youngsters from other countries can participate and compete to come up with new standardization ideas.







International Standards Olympia

World Standards Day | The ISO, IEC, and International Telecommunication Union (ITU) designated October 14 as the World Standards Day in 1970, which is now celebrated in almost every country around the world. In Korea, KATS held the first Govern-

ment Awards Ceremony in celebration of the World Standards Day in 2000, which marks its 15th anniversary in 2014. The ceremony, as the only standards-re-





World Standards Day

lated national event in Korea, honors individuals and groups that have contributed to strengthening national competitiveness through standardization, and is intended to promote the development of national standards by spreading superior standardization cases. In 2013 and 2014, the ceremony was joined by more than 400 people including the award winners. In 2013, 44 entries won awards including 12 government awards, while 48 entries including 12 government awards were awarded in 2014.

Promotion of Standards Information

Publication and Dissemination of Korean Industrial Standards

(KS) I KSA publishes and disseminates standards developed or revised by the KATS. Ever since their introduction in 1962, KSs have been used for product specifications, testing and manufacturing methods in all industries, thereby serving as a guiding light for corporations on the path to greater competitiveness. As of December 2014, 20,443 KSs had been published, of which some 12,287 are compatible and identified with international standards (ISO, IEC), thus constituting an additional driving force behind Korea's exports. The KSs are available in various formats including book, handbook, periodic online service, and DVD.

Number of types of standards in different areas



Collection and Promotion of Standards in Other Countries

KSA has signed MOUs with major standardization organizations in other countries to collect and disseminate their national standards, along with group standards and international standards. To that end, KSA renewed its MOUs with the British Standards Institution, the Canadian Standards Association, and French Association for Standardization in 2013, and signed MOUs with the Russian Scientific and Technical Center for Information on Standardization, Metrology and Conformity Assessment, the German Association for Electrical, Electronic and Information Technologies (VDE, Germany), and the Directorate for Standards, Metrology and Quality (Vietnam) in 2014. International standards and standards in other countries can be easily accessed and purchased on the Korean Standards Service Network, KSA will continue its efforts to expand cooperation with other countries so as to make a broader range of foreign standards available to domestic users in a timely manner.

Partnership with major oversears standardization organizations

No	Organization
1	International Organization for Standardization (ISO)
2	International Electrotechnical Commission (IEC)
3	Bureau of Standards, Metrology and Inspection (BSMI)
4	Japanese Standards Association (JSA)
5	American Society for Testing and Materials (ASTM)
6	American National Standards Institute (ANSI)
7	German Institute for Standardization (DIN)
8	QuestForum
9	Society of Automotive Engineers of Japan (JSAE)
10	Standards Press of China (SPC)
11	Standards Australia (SAI Global)
12	Society of Automotive Engineers (SAE)
13	Institute of Electrical and Electronics Engineers (IEEE)
14	American Society of Mechanical Engineers (ASME)
15	French Association for Standardization (AFNOR)
16	National Fire Protection Association (NFPA)
17	Canadian Standards Association (CSA)
18	British Standards Institution (BSI)
19	Russian Scientific and Technical Center for Information on Standardization, Metrology and Conformity Assessment (FGUP)
20	German Association for Electrical, Electronic and Information Technologies (VDE)

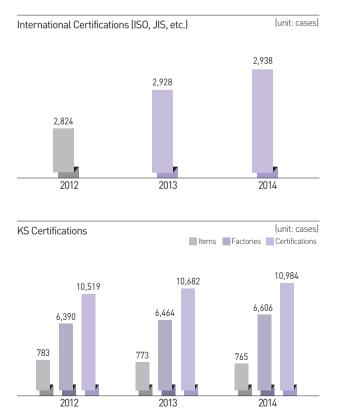
Improvement of Certification Services Competitiveness

KSA takes advantage of its advanced certification and assurance systems to help corporations produce globally-competitive products and services.

As the certification and assurance provider that is most trusted by corporations and consumers in Korea, KSA is committed to advancing Korea's certification and assurance systems. To that end, KSA is making its certification and assurance procedures more transparent and responding actively to the needs of its customers.

Certification: KSA, Korea's No. 1 Certification Body

KSA offers international certifications in nine business management areas including ISO 9001 (Quality Management Systems), KS certification, and JIS certification based on the principles of reliability, fairness, and professionalism.



KS Certification: Keeping Abreast with the Evolving KS Certification System

KS certification is issued to companies that pass a strict set of tests and are found to be capable of producing products or services that meet the KS set by the government, on a sustainable and stable basis. KS-certified products and services carry the mark. Since it was designated as a KS certification body in 1988, KSA has been trying its best to promote the distribution and promotion of KS-certified products and services in the domestic market. With the launch of a new KS certification system for services in 2008, KSA's role has been expanded to include ensuring the quality of services as well as that of products.

In order to improve convenience and accessibility for corporate customers, and to make administrative support more productive, KSA developed the KS certification support system (www.ks-mark.or.kr) which began its online services in March 2013.

The recently revised Industrial Standardization Act brought about some changes including the introduction of a suitability test, the tightening of plant(system) evaluation, adoption of the KS certification procedures and methods as the KS standards (the KS certification system consists of three elements including general requirements for product certification), and the consolidation of similar certifications. In light of these changes, KSA is planning to hold information sessions in 13 regions across the country in order to help corporations and the general public to understand and prepare for the changes



International Certifications (ISO, JIS): KSA, a Value Creator

KSA certifies management systems in a wide range of areas including quality, environment, food safety, and health and safety, and offers JIS certification services, thereby helping corporations to raise their competitiveness and create more value.

In 2015, ISO 9001(Quality Management Systems) and ISO 14001(Environmental Management Systems) will be revised. Prior to the changes, KSA will hold information sessions at which ISO certified corporations will be invited free of charge to come and learn how they can best respond to the changes. Furthermore, KSA is working to introduce ISO 20121 (Event Sustainability Management Systems) to enhance the competitiveness of Korea's MICE industry, and ISO 55001 (Asset Management System) to accommodate customers' needs in the areas of social infrastructure and manufacturing facility management.



Climate Change System Center: Market Leader in Greenhouse Gases and Energy Assurance and Certification

Greenhouse Gases and Energy Assurance and Certification Services







Letter of Certification as Greenhouse Gas Emission Reduction Assurance Provider



Letter of Designation as Greenhouse Gas and Energy Assurance Provider

Designated by the Ministry of Environment as a greenhouse gas and energy assurance provider, KSA performs assurance services for companies (workplaces) that generate high greenhouse gas emissions or consume large amounts of energy, with the aim of meeting the national greenhouse gas reduction targets. KSA offers highly reliable assurance services, and has confirmed its status as Korea's No 1 greenhouse gas assurance provider over the last three years by providing 78 assurances in 2012, 111 in 2013, and 168 in 2014. As a CDM-operating entity and a greenhouse gas reduction assurance provider, KSA is helping companies to respond to climate change more effectively.

Climate Change System Center: Training of ISO Auditors

KSA, as Korea's first Quality Management System Training Center, trains ISO certification auditors with the ability to help corporations adopt and implement international standards, and to obtain certifications to enable them to compete globally. The training and training services were expanded to include environment, health and safety, and food safety management systems. In 2014, energy management system was added to the services. KSA serves as an incubator of highly qualified certification auditors in different areas, who play a central role in raising the quality of certification auditing by helping companies to acquire certifications and raise their management to the next level, as well as invigorating their business.

Training Status of Certification Auditors

Year	No. of auditors	Area
2012	443	Quality/environment/health &safety/food
2013	463	Quality, environment/heatth & safety/1000
2014	472	Quality/environment/health & safety/food/energy/event

- * MICE: An acronym for Meetings, Incentives, Conventions, and Exhibitions, an area which generates significant added value in other industries with wide-ranging ripple effects.
- ** ISO 20121 (Event Sustainability Management Systems):
 a management system standard concerning the environmental, social, and economic sustainability of events.

*** ISO 55001(Asset Management Systems):

Asset management is a technique for managing the life cycle of assets according to a plan and maximizing their value.

Improvement of Training Services Competitiveness

KSA is Korea's largest knowledge creation center. More than one million people have learned about new technologies and acquired the latest knowledge by attending the open training programs offered by KSA. Thanks to its top-rated training programs, KSA has become a cradle of high-quality human resources.

KSA Training Programs

Executives

- CEO seminars
- CEO breakfast meetings
- CEO forums
- AMQP
- Humanities management series
- Technology management e-Tech+CEO

Standards/ Certification

- KS certification and follow-up management
- Quality management for quality managers and executives
- ISO 9000, ISO 14000, ISO 22000, ISO 26262, ISO 31000, ISO 50001
- TS 16949
- OHSMS 18001 Green Management System

Quality Management

- Quality mind
- Quality planning
- Quality parining
- Quality assurance
- Quality improvement
- Reliability
- R&D
- Six Sigma, Mini Tap
- Auto parts quality
- Qualifications for quality management

Production & Facility Management

- Field improvements
- Lean production
- Materials control
- Monozukuri
- Cost, procurement, logistics
- TPM, autonomous maintenance, individual improvement, planned maintenance
- Safety
- Enterprise Asset
 Management (EAM)
- Predictive maintenance & diagnostic techniques
- Qualifications for facility
 managers

Management & HF

- Strategy/planning
- Personnel/HRD/general administration
- Accounting/tax/cost
- Marketing/new product design
- Sales/trade
- CS/leadership
- Training according to position
- Creativity/ problem-solving
- Communication
- 0A
- Social responsibility management

As of 2015, KSA is offering 475 open classes in 50 lecture rooms across the country, with the total number of students coming to about 25,000 in 2014. KSA is diversifying its training media both on- and off-line, customizing its programs to fit the diverse needs of students by position and level, and opening new programs each year. In addition, KSA is offering customized training programs entrusted by companies to train their employees in their workplace.

CEO Training

KSA's CEO training programs are designed to equip CEOs with

the ability to proactively respond to the changing business environment and to exercise strong leadership.

- CEO breakfast meetings, seminars and forums helpful to keep up to date with the latest trends
- e-Tech+CEO helpful to develop a discerning eye to integrate human resources and technology and to identify future growth engines.
- Humanities management intended to discover strategic thinking skills in classic literature

Introduction/Special Issues

Management of a Reliable Organization Creation of a Workplace for Experts

Sustainable Business Performance Leading Customer Value Creation Increase of the Value of Sharing with the Community

Date

- July 24(Wed.)~July 27(Sat), 2013/ July 30(Wed) ~ August 2(Sat), 2014

Venue

- Lotte Hotel Jeju

No. of participants

- 2013: 472 (263 CEOs and 209 dependants)
- 2014: 505(the largest ever in Korea) (280 CEOs and 225 dependents)

Major participant companies

Samsung Electronics Service, Lotte Mart, Hyundai Motor Company, Hana Bank, KT Rental, Dongbu Insurance, Hyundai Department Store, Korea Federation of Banks, Kumho Tire, Kumho Resort, KEPCO KPS, Sungwoo Hitech, S&T Dynamics, LUSEM, Aju Corporation, Korea Hydro & Nuclear Power, Chemtronics, Dongnam Petroleum Industry, Hyupsun Industry[ptn179], Daesung Industrial Corporation, AR







KSA Summer CEO Forums(59th and 60th) in 2013 and 2014

KSA Summer CEO Forums(59th and 60th) in 2013 and 2014

Corporate CEOs and top managers of other organizations take advantage of their summer retreat to find new growth engines

for their organizations and personal growth factors for themselves, and to develop new perspectives and insights into the future while enjoying quality time with their family and recharging themselves. It is acknowledged as being by far the best CEO forum in Korea.



Quality Management Training

Although the years 2013 and 2014 required a major break-through for Korean companies faced with slow economic growth both at home and abroad, they still had to push on with their efforts to bring about quality innovations. In response to these needs, KSA plans and provides top-rated quality training programs designed to assist companies in raising their quality competitiveness. KSA places particular emphasis on quality for co-prosperity, quality for partnership, and quality of suppliers and suppliers in order to enhance the quality competencies of Korean companies that are operating at the global level and achieving consistent growth.

Quality Enhancement Programs for Suppliers | These quality enhancement programs are designed to ensure process quality including system quality and product quality for the construction of quality control systems and infrastructure at our suppliers, and to ultimately ensure prevention quality by creating a Webbased control system for continued improvement and maintenance.

To increase quality at suppliers, guidance and support are planned and provided in the following order: clarify the quality demand through the parent company's system and determine the model to use \rightarrow build the quality base at the suppliers \rightarrow attain process quality and prevention quality to bring about continued improvements.

Major customers(2013-2014)

(Company names listed in Korean alphabetical order)

- Mando: developed and implemented a training program to improve quality at suppliers - Mando Quality Innovation School (2012~present (2015)).
- Woojin Industry: raised the quality of the manufacturing process by introducing a process diagnosis and improvement system for suppliers (2014~present (2015)).
- LSIS: implemented an training program to raise quality awareness at suppliers (2013–2014).
- S&T Dynamics: improved the quality guarantee systems at suppliers (Oct. 2012~Jun. 2013).

The Roadmap for Improving Quality at Suppliers

STEP 3. Prevention Quality STEP 2. Process Quality 1. Create Web-based ERP 1. Establish the core process of products 1. Set quality targets (manage indicators) • Standards for import, process(autonomous), 2. Analyze and improve quality: address 2. Build SPC electronic system for collection and and shipment incompleteness and claims analysis of data • Approval standards for initial products 3. Compliance with QC flow chart 3. Establish an integrated suppliers' management • Criteria for handling incompleteness and • Product features(examination) • Process features 4. Make improvements and changes on an claims Establish or revise QC flow chart(select) • Facility & measuring machines as-needed basis products and characteristics of the process) 4. Operate SPC(MSA, maintenance chart, • Work standards/facility examination criteria process capacity) 5. Implement Production Part Approval • Criteria for managing 4M changes 2. Set maintenance support process Process (PPAP) • Internal review for suitability 6. Report and approval of 4M changes 7. Make facility fool-proof • Performance management 3. 3J and 5S*(Expose and visualize problems)

*Refers to a campaign to increase on-site productivity by adhering to the principles indicated by the title. 31 means "Just in time, Just in quantity, Just in place," and 55 refers to the initials of 5 workplace principles in Japan, namely, Seiri, Seiton, Seiso, Seiketsu, and Shitsuke, which can be translated as Sort, Set in Order, Sweep, Standardize, and Sustain in English, [pn1711]

Flow Chart of Quality Enhancement Training Programs for Suppliers

Examine the current status	Determine the	S	upport for quality at suppli	ers	Bring quality in line with global
	model to use		Process quality	Prevention quality	standards
Related teams at suppliers/assignment and division of responsibilities Management of suppliers Evaluation process Management indicators Quality standards Quality guarantee system Quality demands Development and assurance systems Technology standards system Items in focus	Organization in charge Evaluation model Evaluation criteria Evaluation level Nurture experts Evaluation/support system Comprehensive evaluation Use of results	Establish quality system and foundation • Assurance criteria • QC flow chart • Work standards • 4M change management criteria • 3J 5S • Establish the process quality guarantee system	Secure complete product quality • Manage quality targets • Improve incompleteness/ claims • Comply with QC flow chart • Operate SPC • Manage 4M changes	Stabilite quality system Construct a Web-based ERP system Create an e-SPC system Build an integrated suppliers' management network	Achieve the best quality in the world(within the same industry)

Production & Plant Management Training

Amid the growing need for training and consulting services to improve industrial facilities and bring about fundamental changes by enhancing the competence of workers, KSA has created and is offering training and consulting services featuring Total Productive Maintenance (TPM), targeting the full spectrum of employees from factory workers to managers. In addition, KSA provides standardized international certification programs in the

area of facility diagnosis technology (ISO 18436), and national certification programs for plant maintenance engineers and technicians.

Major customers(2013-2014

[Company names listed in Korean alphabetical order]

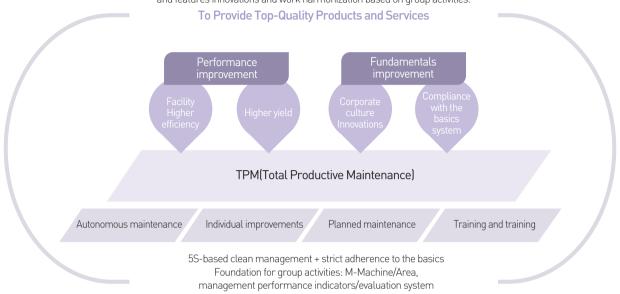
LG Chem, Kumho Tire, Dongkuk Steel, Seoul Semiconductor, Seoul Dairy Cooperative, Sunchang Corporation, Taekwang Industry, Poongsan Corporation, HITEJINRO, Owens Corning BM Korea, KEPCO Nuclear Fuel Company, HuSteel

Management of a Reliable Organization Creation of a Workplace for Experts Sustainable Business Performance Leading Customer Value

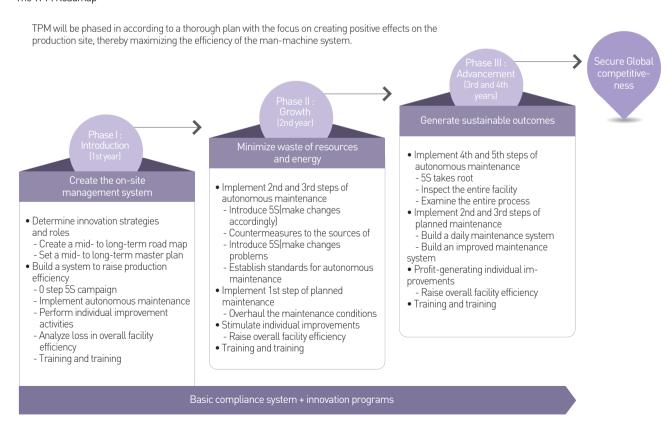
Increase of the Value of Sharing with the Community

TPM Concept

TPM aims to change the fundamentals of a company by improving the underlying competence of its personnel and facilities, and features innovations and work harmonization based on group activities.



The TPM Roadmap



Management/HR Training

In an effort to cope with the changing paradigm in the knowledge and information age, KSA is constantly working to raise the value of "humanware" and to develop new job performance competences such as K.S.A (Knowledge, Skills, Attitude). KSA is stretching the boundaries of its training and training services beyond simple knowledge transfer and skill acquisition to enlightening trainees to regard the dynamics of the internal and external business conditions surrounding business goals and to connect services to goals, with a firm focus on on-site learning, execution and performance improvement. KSA's training and training programs allow trainees to learn specific methodologies in each job area, and to be able to increase their efficiency in performing their job, as well as suggesting a path for companies to follow in order to become globally competitive.

WA! Program | WA! consists of 20 programs in 7 fields including change/innovation, communication, vision/core values, teamwork/community, leadership(by position level), industrial safety,

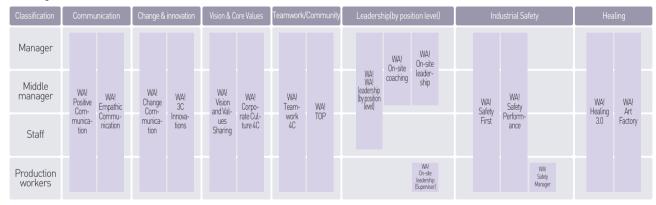
and healing. These programs are designed based on the carefully-identified major HRD issues that companies run up against due to the changing business environment. Being one of the best programs in the field, WA! Program aims to improve both human

Major customers(2013-2014

(Company names in alphabetical order)

LG Chem, Land & Housing Corporation, LS Mtron, KCL, SK Energy, Health Insurance Review & Assessment Service, Kyung Chang Industrial, Government Employees Pension Service, Korea Institute of Human Resources Development in Science & Technology, Cultural Foundation of National Museum of Korea, Agency for Defense Development, Kumho Tire, Industrial Bank of Korea, Korean Teachers' Credit Union, Kwang Dong Pharmaceutical, NH Bank, National Agricultural Cooperatives Foundation, Nonghyup Chemical, Daejeon Metropolitan Express Transit Corporation, Korea Cadastral Survey Corporation, Korea Road Traffic Authority, Doosan Engineering & Construction, Lotte Chemical, Bosch Korea, Korea Evaluation Institute of Industrial Technology, Korea Industrial Complex, Ministry of Trade, Industry and Energy, Sungwoo Hitech, New Airport Hiway, SeAH Besteel, SeAH Steel, AmorePacific, Ministry of Security and Public Administration, Korea Post, YURA, China Aero-Poly technology Establishment, CrucialTec, Korean Intellectual Property Office, Pyung Hwa Group, Hyundai Elevator, Hyundai Steel, OSG KOREA, Korea Railroad Corporation, KEPCO Nuclear Fuel etc.

WA! Program



Strong Point of WA! Program

Differentiated Contents

- Completeness: the program progresses in stages, which makes it easier to reach the learning objectives.
- The program uses an indirect approach designed to stimulate emotions.
- Structured learning model: Structured lessons and models help learners to understand challenging concepts and theories easily.

learning

Engagement

Maximize learning engagement

- Team-based learning: Students conduct discussions and perform tasks as a team.
- Participation and performance evaluation:
 Students are evaluated based on their class participation and performance in each module.
- Dedicated designated instructors: Classes are taught only by designated instructors to ensure quality and consistency.

FUN Eng • Str ac Di ro in' • Us m he co Participation in learning

Engaging learning experience

- Students are encouraged to become more actively involved in the learning process: Discussions, quizzes, games, simulations, role play, and other activities are incorporated into learning to engage students.
- Use of multi-media : Level-appropriate multi-media resources are used in class to help students better understand the contents being taught.

resource competency—the core component of corporate competitiveness—and performance. The program features differentiated contents and methods in order to engage students in the learning process. , Since the introduction of team-based learning system, evaluation, and designated instructors, the level of learning engagement and outcome have risen. Also, all training programs consist of modules, making it possible for KSA to easily customize programs to meet the needs of individual companies.

Professional Instructors

KSA hires the best instructors in each area to provide top-rated knowledge services

Recruitment | New instructors are recruited all year round through recommendations, self-applications, or open recruitment. KSA hires only those individuals who display excellent theoretical knowledge and have accumulated hands-on experience. In addition, KSA continues to expand its pool of instructors by constantly seeking out qualified instructors at forums, seminars, and CEO training programs, as well as through media monitoring.

Competence Enhancement I Instructors are provided with feedback from their students upon completion of the program to guide and shape their future instruction. Instructors can share their know-how and exchange their experiences and ideas at the best practice meeting in order to improve the quality of their instruction and develop their professional competence. KSA also provides instructors with opportunities to keep abreast of the latest trends by holding conferences and forums, and offering professional development programs.

Professional Instructors' Day | KSA hosts an annual event titled "Professional Instructors' Day" to express its gratitude to all instructors for their dedicated efforts, to boost their morale, and to strengthen their sense of solidarity, belonging, and responsibility.

The 5th Professional Instructors' Day

- Date: December 19(Thursday), 2013
- Venue : Adonis Hall, Hotel Samjung
- Attendees: 135 persons including expert instructors and professors

The 6th Professional Instructors' Day

- Date : December 23(Tuesday), 2014
- Venue : Adonis Hall, Hotel Samjung
- Attendees: 103 persons including expert instructors and professors



KSA Professional Instructors' Day

Safety Measures for Trainees and the Training Facility

KSA has published and distributed a manual that details specific actions, steps and prevention measures to be taken in case of emergencies. This enables all employees to respond swiftly to such emergencies and thereby secures the safety of trains as well as the training facility. For clients' safety, KSA will prevent disasters and accidents by strictly following the procedures outlined in the manual at all times.

KSA Seoul(Gasan) Learning Center | KSA has listed specific actions to take in the event of an emergency such as fire, medical emergencies, theft, facility malfunctions, and earthquakes. KSA has created a standard form that should be used to report an accident so that the accumulated data can be used in preventing and responding to future accidents.

KSA Human Resources Development Center | The HRD Center is a large facility that can accommodate more than 400 people, thus inadequate responses to an emergency may result in a serious accident. For this reason, a set of emergency management policies is in place and preventive actions are taken on a regular basis. The emergency-handling manual is distributed throughout offices, lecture rooms, lounges and other places in the building, and an emergency hotline is also available. Firefighting equipment, potentially hazardous facilities, and air and water conditions are checked once a month according to KSA's own checklist. The building is divided into sections, and the firefighting equipment in each section is regularly inspected by the section manager. KSA has its own firefighting and fire drill plans in place and performs thorough inspections of firefighting equipment on a regular basis. Firefighting equipment is inspected for any external damage or malfunction each month, and warning signs for slippery surfaces are attached to all gates. The emergency quide is available in each room, and KSA has purchased a fire and liability insurance.

Expansion of Global Quality Management Systems

he KSA develops and promotes a variety of indicators and reward systems in order to encourage companies to enhance their quality and promote the adoption of global quality management systems.

By discovering and rewarding companies that implement outstanding quality management, and individuals who contribute to improving quality, KSA expresses its support and encourages the adoption of superior quality management practices. Building upon its 53 years of history and tradition, KSA aims to remain Korea's leading quality manager by further raising its reliability and its corporate profile.

National Quality Management Convention

KSA hosts the National Quality Management Convention, which is organized by KATS, and presents the winners with Korea National Quality Awards. The contest is intended to encourage diligence, the spirit of challenge, and creativity among production workers, who form the backbone of economic development, and to reward quality groups, quality leaders, and individuals who contribute to quality management, and companies that have established exemplary quality management systems, for their efforts toward quality innovation, with the aim of recognizing and promoting model cases of quality management. From 1975 to 2014, the contest recognized 2,087 individual quality contributors, 563 companies for their outstanding quality management, 5,343 quality management groups, 1,406 national quality masters, and 979 companies for their superior quality competitiveness (they can be rewarded for other areas, too), firmly establishing itself as the leading governmental quality management award for production workers, employees, and companies.

Reliability of Awards | The Korea National Quality Awards hosted by KSA have the longest history among all government awards. A fair and reliable evaluation process coupled with transparency is the key to the long-term positioning of the Korea National Quality Awards. As such, KSA is working on changing the way the award is operated so as to reflect the needs of participant companies, tightening the criteria for selecting the panel of judges, and improving the evaluation criteria on an ongoing basis. Many of the award-recipient companies (25 in total) rank among the top 5 in terms of market share in 10 core industries, and have continued growing and achieving outstanding results even after winning the awards. This attests to the fact that quality management systems that are proven to be superior by the award contribute to boosting the growth potential of the recipient organizations.

2014 Korea National Quality Award Winners(Presidential Citation)

(Company names listed in Korean alphabetical order)

Classification	Company Name
Korea National Quality Award	Daehan Solution, Korea Midland Power
National Quality Management Award	Kyung Chang Industrial, Nexen Tire, Samsung Electronics, Digital Appliances Business, Korea Water Resources Corporation
National Quality Innovation Award	DGB Financial Group, Blackyak, Seoul Metropolitan Rapid Transit Corporation, Union Steel, Maintenance Depot, OSG Korea Corporation, Han Sung Motor







National Quality Management Convention

National Convention on Quality Control Circle

The convention offers a forum which enables quality management teams to present their knowledge-based solutions to various issues that have a direct impact on corporate performance such as cost saving, quality and productivity enhancement, customer satisfaction, and safety. The participating teams first compete within their own organization and then move on to a regional convention before reaching the national convention. This is a national event where more than 56,000 teams and over 570,000 quality managers come together to celebrate their achievements. In 2013, 285 teams contended for the awards and shared their knowledge, followed by 293 teams in 2014. KSA held the quality concert "2014 Quality &" concurrently with the contest in 2014 with the aim of spreading best practices in quality management and making quality knowledge more comprehensible to the general public. The 2014 event was attended by a larger number of public sector companies and medium-sized companies than in the previous years.



National Convention on Quality Control Circle

Korea Service Grand Prix



The Korea Service Grand Prix recognizes and awards companies and organizations for their efforts toward constructing a customer-oriented service quality management

system and making innovative quality improvements in all areas of business management, ultimately pursuing a better quality of life and happiness for all citizens through the development of companies.

Major customers(2013-2014)

(Company names listed in Korean alphabetical order)

- Hall of Fame: Kumho Resort, SHINSEGAE Group
- Award winners: GS Retail, KT Corporation, KT Rental, Kumho Buslines, Dongbu Insurance, Lotte Engineering & Construction, Lotte Mart, Lotte Shopping, Lotte World Adventure, Lotte Card, Lotte Hotels & Resorts, Master Motor, Samsung Card, Shinsegae Department Store, Korea Credit Guarantee Fund, Shinhan Life Insurance, Shinhan Card, Aju Capital, Hanwha Life Insurance, Hyundai Motor Company, Hyundai Home Shopping Coporation

Korean Innovation Frontier Award



The award recognizes companies for products or services they have newly developed or improved using their own new technologies or innovations, and publicizes and promotes the

recipient companies' innovations and excellence with a view to helping them compete at the global level.

Maior customers(2013-20

(Company names listed in Korean alphabetical order)

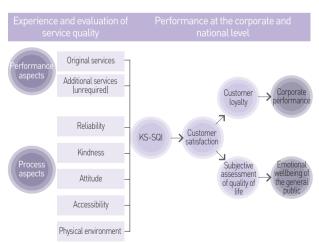
- •Technology Innovation : Kyungdong Navien, Duoback Korea, Moonchang, Samsung Electronics, Sung Gwang Window, Zen Hankook, Chungho Nais, Coway, Hanil Electric
- Product Innovation: Doonam, Sung Gwang Window, Shinwoo Industrial, Shinil Industrial, Ace Electronics, Wood Metal, Zen Hankook, Hankukbowonbio, Hyunjoo In-Tech.
- Service Innovation : SK Planet, Samsung Claim Adjustment Service, Hyundai Department Store
- Management Innovation: Daesung Electric, CHEMTRONICS, Coway
- Creative Innovation : Mobile Seoul Bus, OCON, INNO Design, Daum Kakao

Korean Standard-Service Quality Index (KS-SQI)



The KS-SQI, an index jointly developed by KSA and the Management Research Center of Seoul National University, is designed to reflect the characteristics of Korea's service

industry and consumers. The index measures the quality of Korea's service industry based on a quality evaluation by consumers who have personally used or purchased the services or products of the companies included in the index.



Service quality is a leading index of customer satisfaction that can be directly controlled and managed.

Industries included in the index Wholesale/retail (14 sectors), financial services (8 sectors), accommodation/food (8 sectors), communication services (6 sectors), transportation (8 sectors), health/construction (2 sectors), training (7 sectors), product aftersale services (6 sectors), cultural services (8 sectors), public services (7 sectors)

Maior customers(2013~2014)

[Company names listed in Korean alphabetical order]

11street, GS Xi, GS25, Hmall, KB Kookmin Card, KFC, KT, KT Rental, LG Arts Center, LG Electronics Service Center, SK broadband, SK Energy, SK Telecom, SK Telink, Kyungdong Navien, Kyobo Book Centre, Kyowon Kumon, Kyowon Wells, Kumho Buslines, Kia Motors, Korean Air, Dongbu Insurance, Redcap Tour, Lotte Cinema, Lotte Hotels & Resorts, Rinnai, Bono Bono, Saramin, Samsung Digital Plaza, Samsung Life Insurance, Samsung Electronics, Samsung Electronics Service, Samsung Securities, Samsung Card, Samsung Fire & Marine Insurance, Sogang University, Seoul St. Mary's Hospital, Sungkyunkwan University, Starbucks, Shingu College, Shinhan Bank, Shinhan Savings Bank, Shinhan Card, Asiana Airlines, Aladin, Everland Resort, S-1 Corporation, Air Busan, Youngpoong Bookstore, Woori Bank, NH Investment & Securities, Korea Post Bank, Ulsan Infrastructure Corporation, Wemakeprice, Chungbuk National University, CareerNet, Coway, Todai Korea, Pagoda Academy, PARIS BAGUETTE, Hana Tour, Hanyang Cyber University, Haevichi Hotels & Resorts, Hackers Education Group, Hyundai Department Store, Hyundai I Park, Hyundai Marine & Fire Insurance, Hyundai Home Shopping Coporation, Home Plus Express

Korean Standard-Quality Excellence Index(KS-QEI)



The KS-QEI is an index jointly developed by KSA and the Index Research Group of the Korean Society for Quality Management that reflects consumer satisfaction and the characteristics of products. The index meas-

ures the quality of and degree of satisfaction with products based on a survey of consumers who have purchased or used the products, and of experts who have professional knowledge of the products.

Major customers(2013-2014

(Company names listed in Korean alphabetical order)

Gmarket, KCC, KT, LSIS, Kyungdong Navien, Keyang Electric Machinery, KYOWON, Kumkang, Yellow Balloon Tour, DABONDA, Daelim Trading, Delkor, Dong-a special chemical, Lotte Mart, Samsung Electronics, Sampyo, Samhwa Paint Industrial, Sindoh, Shinil Industrial, IS Dongseo, Emons Furniture, Ace Bed, OSRAM Binding Corporate, kt Rental, THINKWARE, POSCO Engineering & Construction, Hankook Chinaware, Hankook Tire, Hanil Cement, KEPCO KPS, Hyundai Motor Company, Hong Sung Brake

Korean Standard-Premium Brand Index(KS-PBI)



The KS-PBI is a brand evaluation tool jointly developed by KSA and the Management Research Center of Seoul National University to increase corporate competitiveness by

promoting the materiality of brands and encouraging companies to strategically manage their own brands. KSA and the Center determine and announce the best company in each category after surveying consumers who are aware of the brands on their perception of the value of the brand as an asset.

Major customers/2013~2014

(Company names listed in Korean alphabetical order)

LG Electronics, SK Broadband, SK Telecom, SK Telink, Kyochon F&B, Kumho Buslines, Daewoo Engineering & Construction, DUOINFO Corp, Lotte Shopping, Lotte Super, Lotte World Adventure, Lotte Hotels & Resorts, Sahmyook Health University College, Asan Medical Center (Cancer), Seoulmilk, Somang, Shinhan Bank, Shinhan Card, Elite Basic, YBM Sisa.com, Woori Card, Jeju tourism Organization, Chungdahm Learning, Chorocmaeul, kt Rental, THINKWARE, Fashion Group Hyungji, Hankook Chinaware

Korean Standard-Wellbeing Consumer Index (KS-WCI)



KS-WCI 한국소비자웰빙지수

KSA determines and announces the best company in each category based on a consumer survey on the wellbeing of health-conscious and environmentally-friendly products and services that can help consumers to improve the quality of their life. The index was developed to provide objective cri-

teria for choosing products and services that promote health and wellbeing and to encourage a LOHAS-based consumption culture.

Maior customers(2013-2014)

(Company names listed in Korean alphabetical order)

AJ Rentacar, SK Planet, Kyungdong Navien, Glami, YB Tour, Daesang, Dongbu Insurance, TONGYANG Magic, Lock & Lock, Hyundai Livart, BonIF, Blackyak, Samsung Electronics, Severance Hospital, SIMMONS-K, Woongjin Foods, ILDONG FOODIS, Jangsoo Industry, Zen Hankook, Chungdahm Learning, ChungHo Nais, Pulmuone, Hyundai Department Store, Suomi







Korea Service Grand Prix



Korean Standard-Quality Excellence Index

Korean Standard-Contact Service Quality Index (KS-CQI)



The KS-CQI is an index that measures the service quality of call centers. The index contributes significantly to keeping consumers satisfied and companies competitive by sys-

tematically evaluating non-face-to-face services and recommending ways of improving the quality of services.

Major customers (2013-2014

(Company names listed in Korean alphabetical order)

AJ Rentacar, DHL, KDB Daewoo Securities, KT, LIG Insurance, SK broadband, SK Telecom, Health Insurance Review & Assessment Service, KyungDong Navien, Government Employees Pension Service, Kyowon Wells, National Health Insurance Service, Korea Workers' Compensation & Welfare Service, Dongbu Insurance, Lotte Shopping, Lotte Himart, Lotte Home Shopping, Rinnai, Samsung Life Insurance, Samsung Life Service, Samsung Medical Center, Samsung Electronics Service, Seoul St.Mary's Hospital, Shinhan Card, Korea Exchange Bank, Hyundai Engineering & Construction, Hyundai Department Store, Hyundai Oilbank, Hyundai Motor Company, Hyundai Home Shopping Corporation

Korea LOHAS Certification



The certification assures that companies (organizations), services, and spaces conform to the definition and standards of LOHAS, and contribute to creating a 21st

century-style green, healthy, and happy society for all.

Major customers(2013-2014)

(Company names listed in Korean alphabetical order)

Samcheok City Hall, Icheon City Hall, Yeongdeok County Office, Uljin County Office, Glami, Daesang FNF, Daesang Sunchang Plant, Dongwon F&B, DSE, Lock & Lock, Yeongdo-gu, BND Life Health, Samhwa Paint Industrial, Seoulmilk, CJ CheilJedang, Aekyung, Ever Miracle, Evezary, Ildong Pharmaceutical, ILDONG FOODIS, Cheongju City Hall, Pyeongchang-Yeongwol-Jeongseon livestock industry

Indoor Air Quality Certification



The index was jointly developed by KSA and Yonsei University to promote a green, healthy, and happy society. KSA uses this index to objectively assess and certify the indoor air quality in stores and facilities run by

companies and other organizations.

Major customers(2013-201

(Company names listed in Korean alphabetical order)

CJ CGV, SK Planet 11street, Guro-gu office, Daehyun Primall, Lotte Department Store, Lotte World Adventure, Everland Resort, Suwon City Facilities Management Corporation, Osan Facilities Management Corporation, Incheon Seo-gu Facilities Management Corporation, Changwon Exhibition Convention Center, Kidzania, COEX, POS Mate, Korea Research Institute of Standards and Science, Home Plus

KSA Authorized Excellence Product



This certification is intended to support product development by venture companies and SMEs by certifying superior corporate products, regional specialty products, software, etc. based on an evaluation of product quality and mar-

ketability, technologies, and quality management systems, and by allowing them to use the quality certification mark "Eutteum" ("Excellent") so that companies and consumers can purchase products with confidence, thereby leading to increased sales of the certified products.

Major customers (2013-2014)

(Company names listed in Korean alphabetical order)

Kwang Young Construction Industry, Narae Food Farm[ptn1715], DAEHWA E/M, DOA DREAM, Dongsung Pharm, Dongsung Company, Dongjin Chemical, Doonam[ptn1716], Borimtech, SIMMONS-K, Ace-mechatronics, Ace Electronics, OCOO, Okban[ptn1717], Woojin, Wongak Street Light, Union Carbon, ILHWA, KB Tech, Conet Industries, Komax Latex, Taebaeksan Charcoal Sauna[ptn1718], Phoenix, Hankukbowonbio, Hyundai Hoist

Korea Service Forum (KSF)



The Korea Service Forum, widely recognized as Korea's best member-only network, was formed in 2007 with the aim of promoting exchanges and cooperation

among domestic services companies and, ultimately, of supporting the growth of companies and the development of the industry.

Major customers (2013-2014

(Company names listed in Korean alphabetical order)

11street, GS Retail, KB Kookmin Card, KT, kt Rental, LIG Insurance, SK Broadband, SK Energy, SK Telecom, SK Telink, Kumho Buslines, Kumho Resort, Dongbu Insurance, Lotte Engineering & Construction, Lotte Tour Development, Lotte Mart, Lotte Department Store, Lotte Card, Lotte Himart, MASTER, Samsung Life Insurance, Samsung Life Service, Samsung Medical Center, Samsung Electronics Service, Samsung Securities, Samsung Card, Samsung Card Customer Service, Samsung Fire & Marine Insurance, SHINSEGAE GROUP, Shinhan Life Insurance, Shinhan Bank, Shinhan Card, Asiana Airlines, Aju Capital, Everland Resort, Parnas Hotel, Hanwha Life Insurance, Hyundai Department Store, Hyundai Oilbank, Hyundai Motor Company, Hyundai Home Shopping Corporation, Hotel Lotte, Lotte World Adventure

04.

Leading Customer Value Creation

Context

With new materials and cutting-edge technologies emerging on an almost daily basis, customers are calling for an ever greater variety of services related to standards, certification and quality management in order to take advantage of these new materials and technologies. As Korea's leading agency for industrial standardization and quality management, and a major knowledge service provider, particularly in the field of training, KSA adheres to its philosophy of providing customer-oriented services that meet the needs of customers in a timely manner. KSA sets itself apart from its rivals by responding to customers' claims swiftly, delivering accurate and useful information that is customized to each customer, and keeping its customers' information safe and secure. KSA is determined to maximize customer satisfaction and value by constantly monitoring and improving the quality of its services.

Progress Okas is operating a system that analyzes needs and claims by customer and step Teams are tasked with planning and implementaling customer satisfaction activities tailored to the individual programs they are in charge of Calls from customers and customer satisfaction are monitored on a regular basis Internal- and external communication channels are kept open at all times Provision of customized information, increased accessibility Improved protection of customers of information security Information security Information security Information security and crisis management systems are being upgraded Next Step Ocuntinue improving customized services for individual dividual divisions Continue improving customized services for individual pusinesses undertaken by individual dividual divisions Strengthen CS management execution capability by improving CS support systems and training Ocuntinue improving customized services for individual pusinesses undertaken by individual dividual dividua

Customer-Oriented Services

KSA is committed to building the foundation for sustainable growth of our customers and keeping our customers satisfied by staying attuned to the varying needs of customers and modifying our services to meet their needs - initiatives which form the backbone of our customer-centered management.

KSA works closely with both the government and the private sector on a wide range of businesses. As such, it is important for us to identify customers and their needs for each business so as to be able to customize our services to fit the different needs of different customers. Since our business encompasses a wide range of activities, we strive to take advantage of that variety and create synergy effects by combining the strengths and weaknesses of various businesses in such a way as to optimize the effects of individual businesses.

Listening to Customers

KSA conducts a survey on customers who use its services in such areas as standards, quality management, certification, and promotion through the Total Management System (TMS, http://tms.ksa.or.kr) immediately after providing such services to customers. The survey results are used to analyze the level of customer satisfaction at each stage and to collect claims and issues that need to be addressed. The findings of the analysis are shared with the teams concerned so that they can further improve their services for greater customer satisfaction.

Monitoring Call Responses

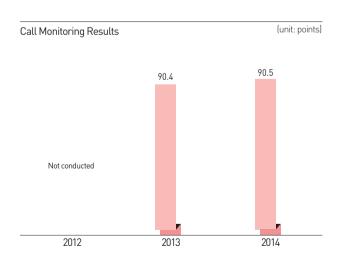
Given that the most frequently used channel of communication

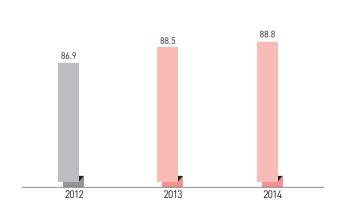
with customers is the telephone, all calls are monitored once every six months for quality control. According to the 2013 call monitoring, KSA scored 90.4 points on average, followed by 90.5 in 2014. Employees who showed outstanding performance in responding to calls from customers are rewarded with prizes and provided with company-wide feedback, while underperforming employees are provided with individual feedback. In 2011, the average reached almost 90 points, thus dispensing with the need to conduct monitoring in 2012. Only those employees who need to improve their responses will be trained separately in 2015.

Customer Satisfaction Survey

PCSI Results

In order to further raise the quality of its services, KSA began to perform an internally-developed online survey in 2014, in addition to the Public Service Customer Satisfaction Index (PCSI), a survey conducted each year by the Ministry of Strategy and Finance. The 2014 survey showed that KSA received 88.8 points, 0.3 points higher than in the previous year. Greater customer satisfaction resulted in higher confidence in KSA. Building on these achievements, KSA strives to grow with customers and stay at the forefront of efforts to develop first-class customized services. By linking the customer satisfaction survey and the handling of customer claims and suggestions with the employee performance





(unit: points)

evaluation, KSA expresses its strong commitment to communicating with customers and reflecting the VOC in all of its business.

Listening to the Voice of the Customer (VOC)

As part of its continuing efforts to better understand the needs and wants of our customers, KSA listens to the VOC online including inquiries from customers. Such efforts extend to calls, mail, personal visits, and other offline media that our customers may choose to use to communicate their needs and demands. All the data collected from various sources and channels are used in improving our systems and services. In particular, KSA makes it a rule to respond to all inquiries posted on the Q&A section of our customer lounge on our website within 24 hours so that our customers can obtain timely and accurate information.

A TOWN OF VALUE AND A REPORT AND A REPOR

KSA Knowledge Letter

All of the contents posted on the FAQ section are sorted according to such subjects as standards, certification, training, and promotion, thereby serving as a useful information tool for our customers.

Team-Based Customer Satisfaction Activities

KSA encourages its teams to design customer satisfaction activities to fit the needs of individual businesses. In 2012, 90 tasks were selected for this purpose, while 43 tasks were selected in 2013. However, in 2014 this practice was replaced by a survey and the necessary follow-up CS improvement actions. Tasks that achieved outstanding results were shared by all employees at KSA Best Practice Presentation to enable the teams to use the tasks as benchmarks and thereby enhance performance across the board.



Photo of 2014 Campus/Company Tour for Member Companies

Communication with Customers

KSA keeps multiple communication channels open in order to gain an accurate understanding of the changing needs of customers amid fast-changing external circumstances.

The circumstances surrounding KSA are changing constantly at a rapid pace, and the stakeholders' expectations of KSA's role and status are also changing. Against this backdrop, KSA is exerting diverse efforts to communicate with its stakeholders in a more efficient and effective manner to keep abreast of these changes.

To that end, KSA operates internal and external channels of communication to stay connected with the stakeholders. These channels enable us to listen closely to the voices of our customers and their expectations concerning KSA's role. In addition, KSA takes advantage of these channels to communicate its activities and material messages back to the stakeholders, thereby helping our brand value to grow.

Internal and External Communication Channels

KSA employees also hold one-on-one personal meetings with

our member companies. However, since it is not possible for KSA to meet personally with all our customers, we monitor major media coverage in order to obtain an accurate assessment of how KSA is perceived and understood by the public. KSA is actively involved in regularly exchanging information and cooperating closely with other organizations such as MOTIE and the KATS. Reporters and journalists are also an integral part of our communication strategy as they provide a critical link between KSA and the public. Other communication tools include email Knowledge Letter, and the customer lounge on our website. KSA also pays close attention to voices within, and operates a channel through which the voices of customers heard outside are delivered to our organization. A webzine-type newsletter launched in January 2014 is published each month and distributed to all our employees.



PR Council of Related Organizations hosted by KATS





Monthly meeting of KSA reporters

A conference held to collect opinions on core competencies

Public Awareness of KSA

Efforts to raise public awareness of KSA are focused on KSA's role in setting the direction for Korea's industrial development and economic growth. As the year 2014 marked the 40th anniversary of the National Quality Management Convention and the National Convention on Quality Control Circle, KSA will take advantage of these anniversaries to let KSA and its roles better known to the public. KSA will discover 'stories' featuring KSA's role in promoting quality management among companies and in helping production facilities to become more competitive, and publish them in major media organs. KSA's major businesses involving standards R&D and support for KS certification will be advertised to the public. All of these PR activities are expected both to boost our employees' sense of pride as members of KSA and to enhance public trust in KSA.



■ National Convention on Quality Control Circle featured in the Dong-A Ilbo
■ News coverage by YTN

Marketing of Major Businesses

In its previous sustainability report, KSA promised to accelerate the marketing of businesses undertaken by individual departments. Following up on that promise, KSA held meetings with individual departments to identify businesses to advertise, and embarked on a marketing campaign that employed every possible form of advertisement including broadcasting, print media, online marketing strategies, and outdoor advertisements, in line with the execution of its core competency businesses for 2014. KSA also supported the marketing campaigns for other key businesses such as the National Competency Standards (NCS), LOHAS certification, the annual spring forum and the summer CEO forum, in addition to its backbone businesses of index publication and certification. The marketing efforts undertaken thus far have concentrated on conventional media outlets, but will later be expanded to two-way interactive media such as SNS.



2 3 Subway advertisement of KSA's core competencies, a video ad in an elevator

Improved Protection of **Customer Information**

KSA fully recognizes the serious consequences of customer information leaks and thus ensures that its customers' personal information is not lost, stolen, leaked, manipulated, damaged, abused or misused by keeping all electronic data and resources under its firm control and running an internal management system.

Heightened Awareness of Information Security

Recently, personal information leakage and abuse by Internet portals, financial institutions, communications companies, and public organizations have been occurring with rising frequency as information technology (IT) continues to advance, posing serious threats to information security. KSA deals with a broad range of personal information and is fully aware of the growing concern over the issue. All KSA employees are fully well aware that regular monitoring and prevention is of paramount importance, and KSA is working on building a reliable system to keep personal information safe and secure.

KSA's Internal Information Security System

In order to prevent customer data leakage by hacking and illegal access, KSA rigorously implements technical, supervisory, and physical measures including the periodic resetting or tightening of IT security guidelines and personal information protection guidelines. In addition, KSA has appointed personal information protection managers and set up a data security task force as part of its efforts to create a crisis response system capable of coping with accidents such as DDos attacks and DB leakages.

KSA's Internal Information Security System Set up an information • Manage and operate Raise information security task force he information security security awareness of Establish/revise infrastructure, and all employees information maintain the stability of Actively comply with security guidelines personal information the system Create a crisis •Implement 24-hour protection guidelines response system security control Continue to identify and improve weaknesses Implement security Increase the capacity to Create a mature policies and revise respond to security information security security systems threats culture

Collaboration with Relevant Institutions

KSA is collaborating closely with relevant institutions to raise awareness of information security and to operate its security system in tandem with those of its collaborators. KSA observes the seven major principles of personal information protection set by MOTIE, and cooperates with the latter's Cyber Security Center in running 24-hour security control. Furthermore, KSA is actively adopting security recommendations regarding its security vulnerabilities and other issues highlighted by the National Cyber Security Center and AhnLab.

KSA collects the minimum amount of personal information such as personal identification data and discards such data upon completion of its intended purpose of collection and use according to the Enforcement Decree of the Personal Information Protection Act, revised on August 7, 2014. KSA will manage and use customer information according to the Act and comply with all of the provisions thereof, and protect customer information.

KSA's Information Security Measures

- · Carry out daily, weekly, and monthly information security updates
- Apply the outcomes of the diagnostic
- evaluation of web vulnerabilities
- · Distribute information to raise security awareness and run the related training
- Run monthly security checks

- Security patch: run the Windows security patch
- . E-Mail: prohibit the opening of suspicious emails
- Vaccine: install and run vaccine programs
- Explorer Active X: ban the use of Active X
- Network-shared folders : Restrict the use of network-shared folders
- . USB: strictly control the use of USBs and other external memory devices
- · Password: encourage the use of safe passwords

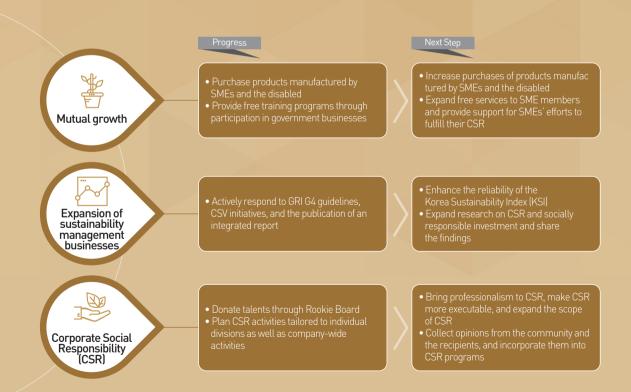
- IT security guidelines
- Personal information protection guidelines · Monitor personal information management practices according to the guidelines issued by the Ministry of Government Administration and
- Network security(IPS/UTM/VPN)
- Web firewalls
- Apply security SSL
- Encrypt DB and restrict access to DBs
- Media security solutions
- · Personal information encryption solutions
- Restrict access to IT centers

05.

Increase of the Value of Sharing with The Community

Context

We at KSA believe that the organization's duties and social responsibilities as a corporate citizen include promoting the products of SMEs and offering free training to SMEs, building partnerships with the community, and providing what is most needed by the members of the community. As people are becoming increasingly concerned about sustainability management and socially responsible investment by companies, KSA is developing and expanding a number of businesses in various areas to help companies and the community to respond strategically to these growing expectations. KSA will play a leading role in building the community where companies and consumers all prosper and in making a sustainable country and a sustainable future.



Mutual Growth

As part of its efforts to support SMEs, KSA runs free training programs for SMEs and procures products from them. KSA plans to expand free training programs subsidized by the government, and increase purchases of products made by SMEs.

We at KSA believe that it is the responsibility of public organizations to promote mutual growth based on trust and concerted efforts, and to create a fair and equitable society. With a firm sense of social responsibility, KSA is actively involved in promoting mutual growth – including the purchase of products made by SMEs and the disabled.

Procurement from SMEs and the Disabled

KSA supports mutual growth for large and small companies through its procurement activities. In 2013, KSA procured 96.8% of all its supplies from SMEs, and 96.5% in 2014, far exceeding the 50% quota legally required under the Act on the Facilitation of Purchases of SME-Manufactured Products and Support for the Development of their Markets. KSA is steadily increasing its procurements of products made by small companies run by female owners and the disabled, social enterprises, and environmentally-friendly manufacturers.

Public Procurement Accounting System

KSA has created an effective public procurement accounting system that coordinates and manages purchases from its suppliers and other related activities. The system raises the efficiency of procurement by allowing KSA to compile the data on mandatory purchases that it makes as a public organization. It also enables KSA to sort out procurement data by type of supplier, such as SMEs, woman-owned companies, companies run by the disabled, social enterprises, etc., and to draw up its procurement plans accordingly. The public procurement accounting system is expected to help KSA effectively implement the public procurement policy and to achieve mutual growth with SMEs.

Free Training Programs for SMEs

Improving the job competency of employees is one of the top pri-

orities for SMEs. In reality, however, it is not easy for SMEs to provide their employees with industrial training opportunities due to financial restrictions and poor working conditions. That being the case, KSA carefully chooses superior training programs that can best meet the needs of SMEs and provides them free of charge, with a view to strengthening the professional competency and productivity of SMEs' employees.

These free training programs, which KSA provides to help SMEs enhance their core competencies, are designed to address their needs in such areas as quality control, production control and HR management. The programs aim to expand the core competencies required of SME employees, which will lead to higher competitiveness and productivity for their companies. In addition, KSA works closely with techno parks in different regions to offer free on-site training to enable small companies to meet the quality standards required by the large companies to which they supply their products. In 2012, 4,382 people benefited from this free training program, followed by 7,042 people in 2013 and 8,684 in 2014, showing an almost twofold increase from 2012.

Free Training Programs for SMEs

	<u> </u>		
Year	Program	No. of sessions	No. of attendees
2012	12 programs including Leadership of Field Managers Learned from Movies	174	4,382
2013	26 programs including Problem- Solving Strategies with a Focus on Real-Life Situations	331	7,042
2014	41 programs including Acquiring Know-how on Building a Quality Innovation System for Small but Competitive Companies	528	8,684

Expansion of Sustainability Management Businesses

KSA is striving to expand its sustainability management businesses with the firm belief that sustainability management is an extremely useful tool that allows it to create shared values as well as supporting the sustainable development of society.

In recent years, certain sustainability management issues such as governance, supply chain management, linkage of financial performance and non-financial performance, and shared value creation have been attracting increasing attention. Many companies have seen their corporate value damaged by exposure to reputation risk, and companies and consumers are becoming increasingly interested in socially responsible investment, as indicated in the revision of the National Pension Act. In light of these trends, KSA is taking a number of initiatives to help companies deal with these emerging demands in a proactive and effective manner.

GRI G4 Guidelines

The GRI disclosed the 4th-generation version of its sustainability report guidelines in May 2013. The G4 guidelines placed greater emphasis on governance, ethics management, and social responsibility regarding the supply chain. Notably, the rules on the 'disclosure of management approach' (DMA) were tightened. KSA coached many companies in implementing the G4 guidelines, and was closely involved in the publication of the 2012 Sustainability Management Report of Mine Reclamation Corp., which was the first such report in Korea and only the seventh in the world to be published in compliance with the GRI G4 guidelines, in 2013. In May 2014, KSA became the only organization officially approved by the GRI to operate GRI G4 programs.

Creating Shared Value (CSV)

As it carries out businesses to promote the concept of creating shared value, KSA helps companies to incorporate CSV into their strategies and into the planning stage of a report.

Publication of Integrated Report

The IIRC released the first guidelines on preparing an integrated report in December 2013. An integrated report combines both financial and non-financial performance in one document and incorporates sustainability into company-wide strategies. KSA advised KT, KOTRA, and many other Korean companies on how to prepare and publishing their integrated report, and is gradually expanding the integrated report business.

Next Steps

KSA will concentrate its efforts on making sustainability management practically beneficial to corporate management, the first step of which is to make the Korea Sustainability Index [KSI], a key measure of the sustainability of domestic companies, more reliable. KSA will develop ways for companies to use sustainability management in managing their reputation risk and for the KSI to play a greater role in promoting socially responsible investment.



KSI mark

Corporate Social Responsibility (CSR)

As part of our efforts to fulfil its social responsibility as a public organization and help create a culture of sharing, KSA conducts companywide CSR activities to help the socially disadvantaged members of society. KSA will expand its CSR initiatives to create customer value and build customer confidence.

KSA's value-sharing programs are aimed at creating and sharing social value with the communities. KSA is working diligently on developing CSR programs for the communities to grow together with the communities and to make CSR an integral component of our corporate culture.

Giving Back to the Community

KSA is sponsoring the social welfare corporation Hyesungwon in Anseong-si, Gyeonggi-do, and the Multicultural Family Support Center of Geumcheon-qu in Seoul to give back to the community. KSA invites around 90 people including residents of Hyesungwon and guidance instructors to KSA's HRD Center once or twice each year, where they enjoy recreational events organized by KSA and engage in emotional exchanges, as well as receiving gifts and donations. KSA has been also sponsoring the Multicultural Family Support Center in Geumcheon-gu where Seoul(Gasan) Learning Center is located since 2014 as a token of its affection for the community and its efforts to build trust with members of the community. The annual kimchi-making event that KSA holds in Guro-qu, Seoul is not merely a charity event but rather a communicative event in which KSA actually takes part, thereby coming into close and direct contact with members of the community.

CSR Activities by Individual Divisions

In addition to the companywide activities, individual business divisions of KSA also plan and carry out their own CSR activities as listed below.

- ▶ Volunteering at social welfare facilities
- ► Environment-cleaning activities(Daecheon Beach)
- ➤ Volunteering such as grocery delivery from traditional marketplaces(Incheon Guwol Market)
- ► Volunteering in farms(Noonsa-dong in Gwangmyeong-si, and Gadeok-myeon in Cheongwon-gun)

Rookie Board

The Rookie Board is a group of new employees that was formed in 2010 to improve KSA's corporate culture through themed activities. The board provides new employees with opportunities to make an impact on the organization.

The active participation of new employees in corporate activities helps improve communication among members of KSA and build a sense of solidarity, as well as contributing to fulfilling CSR as a public organization and encouraging a culture of sharing. The Rookie Board also launched knowledge-sharing programs where employees donate their talents in 2014, and further expanded CSR activities that take advantage of the knowledge assets that KSA has accumulated as a knowledge services provider.

- ▶ 2014: donated 500 books and talents to Oryu Orphanage
- ▶ 2014: donated 600 books to the 2nd Fleet of the Korean Naw
- ▶ 2014: donated talents to the Seoul Youth Dream Center

Volunteering on Farms: Sister Ties with Agricultural Villages at One Company per One Village

KSA established sister ties with agricultural villages at one company per one village and has been volunteering to help out on the farms each year since 2008. In 2008, KSA entered into a sister tie with Yupo 1-ri (Bongpyeong-myeon, Pyeongchang-gun, Gangwon-do), and with Yeomul-ri (Cheongun-myeon, Yang-pyeong-gun, Gyeonggi-do) in 2012, and has been interacting with these villages through individual divisions of KSA each year. KSA employees visit these villages and lend a helping hand each season when it is most needed. They help the farmers thin out radish sprouts, clean and package sun-dried red peppers, and harvest crops in fall. They also buy agricultural products directly from the farmers, including grains and fruit, to help the farmers financially as well.

Appendix

Sustainable Performance

Financial Statements

Self-Diagnosis Report on ISO 26000 Compliance Level

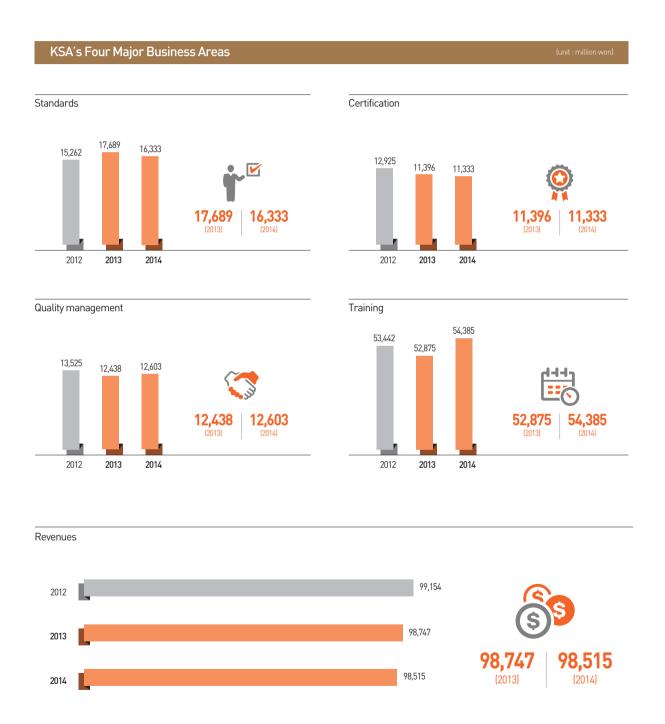
GRI G4 & ISO 26000 Index

Membership of Major Associations

Report on Conformity with the Principles of the UN Global Compac

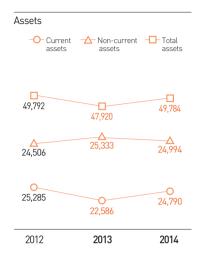
Sustainable Performance

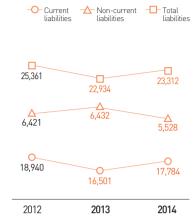
Economic Performance



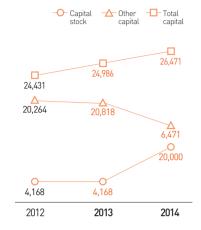
Summary of Balance Sheet

(unit · million won)

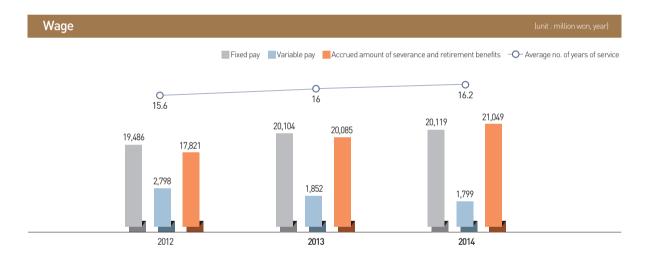




Liabilities

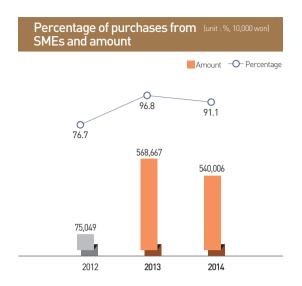


Capital

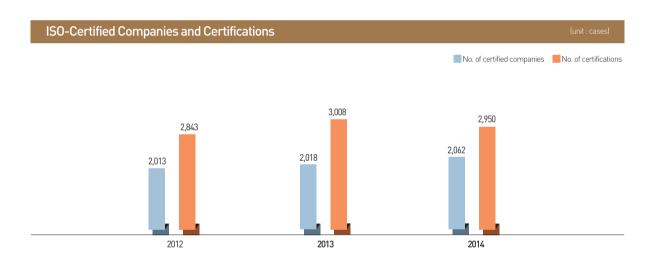


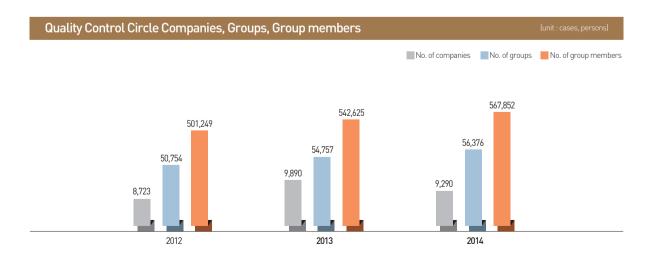


Memb				
Type of member	Registration Fee	Annual Fee	Criteria	Qualification
Large Companies	30	150	30 billion won or more in annual sales	KS-certified or candidate companies ISO-certified or candidate
SMEs	20	100	5 billion won or more in annual sales	companies(KSA) •Industry-related corporations(manufacturing,
Small Companies	20	60	Less than 5 billion won in annual sales	financial services, construction, distribution, services, and others)
Group Members	-	150	Government, public corporations, government-invested organizations, local governments	-

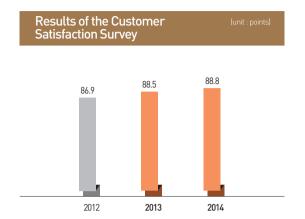


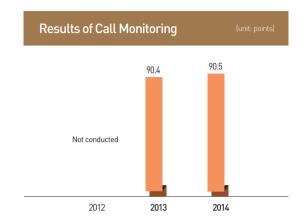






Social Performance

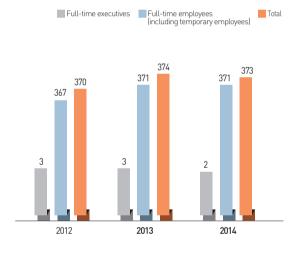




Officers and Employees (as of the end of 2014)

(unit: persons)

Type of employment	Position and Employment Category	Male	Female	Total
	Executives	2	-	2
	Division heads	7	-	7
Full-time	Team heads	39	3	42
employees	General	159	68	227
	Administrative		18	18
	Specialized & technical	6	2	8
Permanent	General & administrative	-	6	6
contract employees	Specialized & technical	5	1	6
	General	37	11	48
Temporary employees	Administrative	-	6	6
Sp.toyees	Specialized & technical	3	-	3
	Total	258	115	373



New Employees and Employee Turnover (Age group, gender, location)

(unit : persons)

			2012		2013		14
		All executives & employees	New employees	All executives & employees	New employees	All executives & employees	New employees
Candan	Female	92	7	89	4	91	5
Gender -	Male	217	9	219	11	213	12
	Associate Researcher/Manager	47	12	52	14	60	16
Tal.	Researcher/Manager, Senior Researcher/Manager	57	3	57	1	52	-
Title	Chief Researcher/Manager	30		23	-	22	-
	Principal Researcher/Manager or higher	175	1	176	1	170	1
Location	Seoul	233	16	223	15	227	17
Location	Other regions	76	-	85	-	77	-

Benefits for Full-time Employees

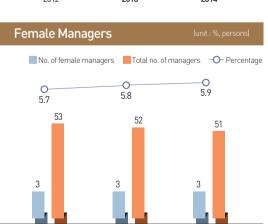
Benefit	Details
Flexible benefits plan	Employees are given benefit points equivalent to a fixed amount of cash which can be used to pay for the products and services they choose.
Financial support for training for employees' children	One child in high school is eligible for this support. Average fees of national and public high schools in Seoul.
Self-improvement	Language learning, 500,000 won per semester when enrolled on a graduate program, license-acquisition fees, 20% of the expenses when enrolled on overseas language-learning programs.
Housing	30 million won for buying a house; 20 million won for leasing a house.
Family events(congratulations & condolences) and paid leave	Congratulatory money for weddings, 60th and 70th birthdays of parents and special leave, condolence money in the event of death of parents and siblings, and funeral-related supplies.
Discounted price for condominium	Employees can use all Daemyung Resorts and Hanwha Resorts around the country at a corporate discount.
Medical check-up	Once per year for all employees.

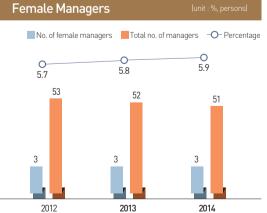
Return to Work and Retention after Maternity Leave

Classification	2012			2013	2014		
Classification	Female	Male	Female	Male	Female	Male	
Employees on maternity leave	8(8.7%)	1(0.5%)	13(14.6%)	-	12(13.2%)	1(0.5%)	
Employees who return to work	4(4.3%)	1(0.5%)	5(5.6%)	-	8(8.8%)	-	
Employees still on payroll 12 months after returning to work	8(8.8%)	-	4(4.5%)	1	5(5.5%)	-	

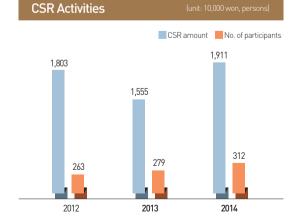
Retired or Resigned Employees and Turnover Rate



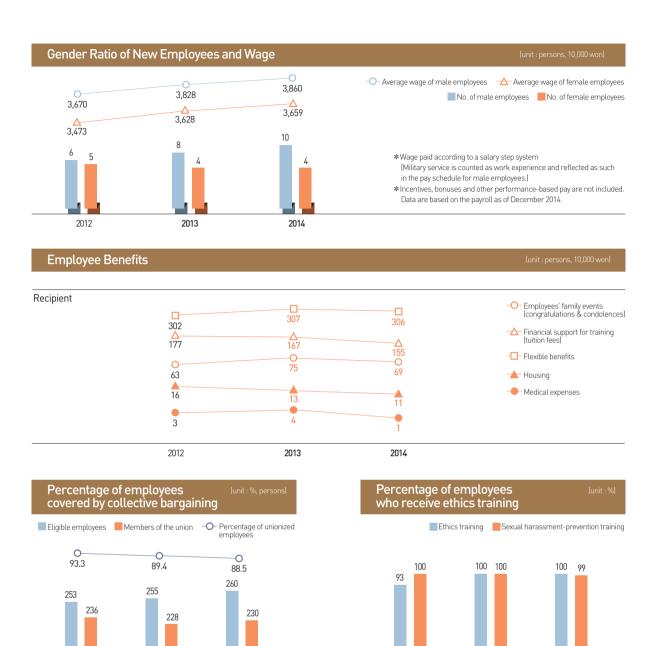








st Managers : All employees who are team heads or who occupy a higher position.

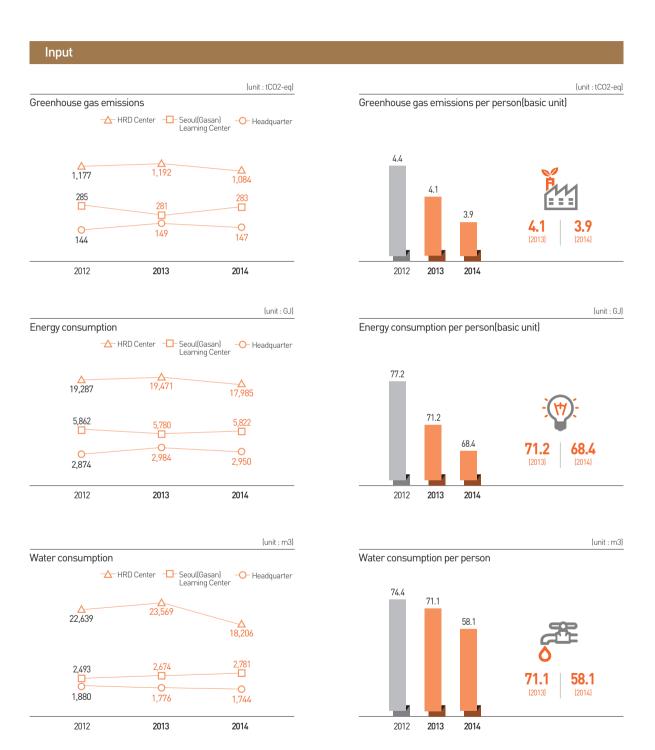


Annual Average Number of Training Hours by Employee Type and Gender

unit : persons, hours

			2012		2013			2014			
Class	ification	All executives & employees	Total no. of hours of training	Average annual no. of hours of training	All executives & employees	Total no. of hours o training	f Average annual no. of hours of training	All executives & employees	Total no. of hours of training	of Average annual no. of hours of training	
Divisio	n heads	8	521	65	8	371	53	6	286	48	
Team	Male	38	3,602	95	39	3,599	92	40	3,683	92	
heads	Female	3	252	84	3	193	64	3	256	85	
Team	Male	172	16,780	98	224	20,187	90	166	19,487	117	
mem- bers	Female	875	7,072	83	103	8,565	83	87	9,955	114	

Environmental Performance



 \star Criteria for calculating greenhouse gas emissions

The method of calculation followed the integrated guidelines on the greenhouse gas & energy target management system; and the incineration and carbon emission factors were determined according to these guidelines.



*Calculation of waste discharge

The data are based on waste discharged from the HRD Center. The data for the Headquarter and Seoul(Gasan) Learning Center are not available as these are rented buildings and thus KSA does not have access to the data.

Financial Statement

Statement of Financial Position

53rd period, as of December 31, 2014 / 52nd period, as of December 31, 2013

(unit : won)

Description	2014 (53rd	d)	2013 (52nd)		
Description	Amount		Amount		
I . Current assets		24,789,795,102		22,586,778,364	
1. Quick assets	24,622,674,890	, , , , ,	22,437,386,690	,,	
(1) Cash & cash equivalents	8,584,217,023		6,027,174,665		
(2) Short-term financial products	11,837,938,163		11,622,708,203		
(3) Securities held to maturity	1,220,000				
(4) Trade receivables	4,061,747,620		4,453,673,440		
Allowance for loan loss	-169,685,181		-149,326,360		
(5) Advance payments	77,457,340		200,374,656		
(6) Accounts receivable	3,500,000		42,088,085		
(7) Accrued income receivable	199,169,263		211,399,606		
(8) Short-term loans	28,330,662		28,074,395		
2. Inventory assets	167,120,212		149,391,674		
(1) Books	155,527,995		142,341,158		
(2) Files	11,592,217	01.000.017.100	7,050,516	05 000 000 000	
II . Non-current assets	1 100 500 500	24,993,847,492	1 155 155 000	25,333,889,022	
1. Investments	1,139,599,720		1,175,157,902		
(1) Tradable securities	651,700,000		652,120,000		
(2) Securities held to maturity	/07 000 720		E22 027 002		
(3) Long-term loans	487,899,720 15,017,350,906		523,037,902		
2. Tangible assets			15,586,008,222		
(1) Land	4,262,503,210 19,506,494,733		4,262,503,210		
(2) Buildings	-6,792,506,645		19,379,999,213		
Aggregated depreciation of buildings	-2,609,407,185		-6,286,328,230 -2,678,121,362		
Government subsidy	1,493,907,005		1,490,827,005		
(3) Structures	-1,454,859,630		-1,451,778,879		
Aggregated depreciation of structures [4] Machinery	667,779,123		664,847,623		
Aggregated depreciation of machinery	-660,197,576		-650,836,026		
(5) Furniture & fixtures	5,231,481,773		5,526,835,110		
Aggregated depreciation of furniture & fixtures	-4,627,843,902		-4,671,939,442		
3. Intangible assets	1,196,631,346		1,665,708,678		
(1) Rights of facility use	1,817,706		2,625,576		
(2) Industrial property rights	1,194,812,640		1,643,182,102		
(3) Goodwill	1,000		1,000		
(4) Assets under construction	19,900,000				
4. Other non-current assets	7,640,265,520		6,907,014,220		
(1) Deposits	7,640,265,520		6,907,014,220		
Total assets		49,783,642,594		47,920,667,386	
I . Current liabilities		17,783,729,895		16,501,678,887	
1. Trade payables	3,478,001,513		3,021,735,098		
2. Accounts payable	1,814,573,222		1,663,119,122		
3. Accrued expenses payable	1,407,452,400		796,370,760		
4. Guarantee deposits received	41,000,000		41,000,000		
5. Deposits received	7,741,271,802		7,392,294,198		
6. VAT payable	532,291,728		457,571,137		
7. Advanced receipts	2,155,339,230		2,515,788,572		
8. Current long-term borrowings	613,800,000		613,800,000		
I . Non-current liabilities		5,528,658,855		6,432,344,92	
1. Long-term borrowings	1,432,200,000		2,046,000,000		
Allowance for severance and retirement benefits	21,049,372,551		20,085,254,000		
(Deposits for retirement pensions)	-16,983,913,696		-15,729,909,073		
3. Allowance for guarantee losses	31,000,000	00 040 000 550	31,000,000	00.007.000.01	
Total liabilities		23,312,388,750		22,934,023,814	
I . Capital	20,000,000,000	20,000,000,000	/ 1/7 000 000	4,167,832,908	
1. Basic capital	20,000,000,000	055 200 007	4,167,832,908	000 000	
II. Capital surplus	855.398.097	855,398,097	855.398.097	855,398,097	
1. Revaluation reserve	0.00,070,077	5,615,855,747	033,370,077	19,963,412,567	
II. Retained earnings	1.496.885.774	3,013,033,747	1,296,885,774	17,700,412,367	
Reserve fund for essential businesses Happaraprieted retained cornings	4,118,969,973		18,666,526,793		
2. Unappropriated retained earnings	4,110,707,773		10,000,020,770		
(Net profit Current period :					
1,484,610,272					
Previous period: 555,503,964) Total shareholder's equity		26,471,253,844		24,986,643,572	
		,,,			

Income Statement

53rd period (January 1, 2014~ December 31, 2014) / 52nd period (January 1, 2013~December 31, 2013)

(unit : won)

D	2014 (53rd	period)	2013 (52nd	l period)
Description	Amou		Amou	ınt
I . Sales		97,489,745,076		97,282,523,795
Businesses for members	2,835,000,000	,,	2,885,000,000	,,_,
2. Training	62,836,169,791		61,220,665,847	
3. Publishing	7,785,830,977		7,907,007,125	
4. Certification	11,333,030,224		11,395,491,991	
5. Standards	13,002,659,264		14,156,934,209	
6. Sales discount	-302,945,180		-282,575,377	
II . Cost of goods sold	,,	88,764,621,057		89,759,860,550
Member management	572,650,225	00,701,021,007	381,928,118	07,707,000,000
2. Training & training	58,665,902,162		58,412,631,776	
(1)Beginning inventory	00,000,702,102		00,412,001,770	
(2)Purchases during the year	58,665,902,162		58,412,631,776	
	30,003,702,102		30,412,001,770	
(3)Ending inventory	5,084,186,509		5,437,163,993	
3. Publication and distribution expenses	149,391,674		233,268,273	
(1)Beginning inventory				
(2)Purchases during the year	5,101,915,047		5,353,287,394	
(3)Ending inventory	167,120,212		149,391,674	
Certification business expenses	10,344,585,601		10,746,186,708	
5. Standards business expenses	14,097,296,560	0.505.407.040	14,781,949,955	F F00 / / 0 0 / F
III. Gross profits		8,725,124,019		7,522,663,245
IV. General & administrative expenses		7,691,711,162		7,598,993,432
1. Wages	2,755,942,285		2,196,287,542	
2. Office expenses	4,489,993,204		4,750,151,868	
(1)Employee benefits	2,356,420,531		1,614,703,106	
(2)Travel & transportation expenses	105,666,248		84,363,882	
(3)Communication expenses	127,005,341		106,238,536	
(4)Rent	191,938,838		156,428,947	
(5)Vehicle maintenance	3,059,544		55,175,398	
(6)Entertainment	24,007,953		31,202,058	
(7)Utilities	64,665,110		523,294,675	
(8)Commissions paid	116,866,593		105,143,05	
(9)Expropriation	180,946,389		403,421,453	
(10) HR development	176,609,673		328,626,481	
(11) Other office expenses	895,669,984		1,128,464,684	
(12) Replacements of other accounts	247,137,000		213,089,592	
3. Depreciation & amortization	72,210,975		102,634,134	
4. Planning and operating	373,564,698		549,919,888	
V . Operating income		1,033,412,857		-76,330,187
VI. Non-operating income		1,025,598,950		1,464,017,778
1. Interest income	895,575,734		1,012,545,104	
2. Income from housing	5,495,734		10,162,078	
3. Rent	29,950,002		12,945,456	
4. Sundry income	51,498,502		421,623,560	
5. Gains on foreign currency transactions	41,596,999		6,731,959	
Gains from foreign currency conversion	233,479		9,621	
7. Gains from collection of depreciated debts	1,248,500		.,	
VII. Non-operating expenses	1,212,223	175,021,956		441,305,995
1. Interest cost	86,098,199	.,0,02.,,00	149,052,430	,555,776
Loss from disposal of inventory assets	29,288,732		67,244,916	
3. Loss from disposal of tangible assets	1,155,804		235,000	
Loss from disposal of langible assets Sundry expenses	521,131		4,719	
Sunary expenses Loss from foreign currency transactions	8,990,336		802,971	
,	1,967,754		73,965,959	
6. Loss from foreign currency conversion	47,000,000		150,000,000	
7. Contribution	47,000,000	1,883,989,851	130,000,000	946,381,596
VIII. Recurring profit		1,000,707,001		740,301,370
IX. Extraordinary gain	-		-	
X . Extraordinary loss	-	1 000 000 051	-	0// 201 50/
XI. Earnings before tax	200 270 570	1,883,989,851	200 077 /20	946,381,596
XII. Income tax expenses	399,379,579	1 /0/ /10 050	390,877,632	FFF F00 0//
X III . Net profit		1,484,610,272		555,503,964

Self-Diagnosis Report on ISO 26000 Compliance Level



Assessment Criteria

KSA developed a checklist in 2010 to assess compliance with its social responsibility in accordance with ISO 26000, the international standard on social responsibility, as part of the service business it undertook for the KATS under MOTIE. This report outlines KSA's own assessment of its social responsibility process and achievements according to the seven core subjects of ISO 26000, using the same method as that used for the 2013 Sustainability Report.

Scope of Assessment

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

The assessment was completed as of April 2015. As such, this report does not reflect any improvements made after the assessment.

Assessment Methodology

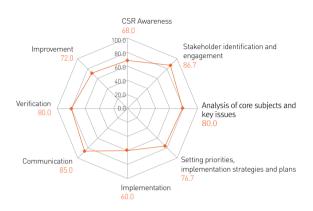
With the task force team responsible for creating sustainability reports taking the leading role, KSA gathered evidential data in accordance with objective assessment criteria and performed the following activities.

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

I. Results of Assessment by the ISO 26000 CSR Process

Although the assessment found no significant changes from 2013, KSA has nonetheless made some improvements. First, KSA made CSR management a companywide effort by expanding the scope of its activities to identify, communicate with, and engage key stakeholders in its CSR efforts, as well as clearly specifying what needs to be done to fulfill its CSR. In its fourth sustainability report, KSA identified major issues and linked them to its sustainability management strategies and reported the specific progress that it has made in each task. On the other hand, much more progress needs to be made in raising the stakeholders' awareness of CSR, integrating CSR into the organization and implementing it, and managing the progress and results. KSA will need to establish a system for incorporating sustainability and CSR into its management strategy and ensure its implementation, along with a process of monitoring sustainability activities and achievements on a regular basis.

Results of Assessment of CSR Process



- CSR awareness: 68.0
- Stakeholder identification and engagement: 86.7
- Analysis of core subjects and key issues: 80.0
- Setting priorities, implementation strategies and plans: 76.7
- Implementation: 60.0
- Communication: 85.0
- Verification: 80.0
- Improvement: 72.0

II. Results of Assessment by Seven Core Subjects of ISO 26000

Organizational Governance | KSA brought an element of CSR into its decision-making process by appointing ex-officio directors and public interest directors. However, KSA has made no progress since 2013 in that it has no decision-making body that can make and implement CSR decisions or promote further improvements. KSA needs to establish its own decision-making body (under the Board of Directors) with the remit of regularly reporting CSR goals and achievements, and continue to improve its operation.

Human Rights | KSA established human rights policies, conducted an assessment of the impact of human rights issues on the organization, and made considerable improvements in managing the outcomes. KSA needs to include its suppliers and suppliers in the assessment, set the assessment criteria, and provide more training to raise awareness of human rights.

Labor Practices | Overall, KSA's labor practices are sound and

remain similar to how they were in 2013. In complying with the government's policy, KSA is steadily reducing the ratio of temporary employees by switching their status to permanent employees, and has made some progress in the area of "occupational health and safety". On the other hand, KSA scored lower in "manpower development and training" and needs to take additional actions to enhance the job capacity of its employees.

Environment | KSA has appointed a team in charge of preventing environmental contamination. The team is responsible for identifying, managing, and reporting on pollutants and the causes of environmental contamination. As part of its efforts to cope with climate change, KSA is implementing a companywide campaign to reduce greenhouse gas emissions and energy consumption, has created an environmentally-friendly office, and complies with the environmental regulations. Future steps that KSA should consider taking include building an environment-related progress monitoring system for regional offices, tightening its recycling policy, and raising awareness of the materiality of recycling.

Fair Operating Practices | In light of the growing social expectations concerning ethical management by public organizations, KSA declared the code of conduct for ethics management, conducts regular integrity training, discovers and recognizes model cases, and promotes them both inside and outside of the company in order to create a corruption-free corporate culture. On the back of these efforts, KSA performed much better in this area than in 2013, but more efforts are required to get suppliers and suppliers more involved in fulfilling their CSR.

Consumer Issues | KSA provides all its stakeholders including customers with factual and accurate information on standards, certification, and rewards through a variety of channels. KSA has made much progress in recognizing the materiality of customers' personal information and improving its security systems, as personal data protection has emerged as a major concern for public organizations. As its next steps, KSA needs to ensure that KS-certified products are healthier and safer than before, and to raise awareness and provide regular training so that sustainable standards, certification, and quality management can be implemented across all industries.

Community Involvement and Development | KSA maintains its involvement in the community through various CSR activities such as sister ties with agricultural villages, charity events, and talent donations led by the Rookie Board. KSA should continue its efforts to develop programs that can take more advantage of its strengths as a knowledge services provider and cater to the

Results of CSR Achievements



- Organizational Governance: 90.0

- Human rights: 87.9- Labor practices: 85.9

- Environment: 75.8

- Fair operating practices: 97.4

- Consumer issues: 93.3

- Community involvement and development: 78.1

practical needs of society, such as by promoting the health of socially disadvantage members of the community.

III. Conclusion

The self-assessment found that KSA scored 274 points out of 360 in process, 549.7 points out of 640 in performance, for a total of 823.7 points, which places KSA in the 4th stage of CSR. KSA is aware of the materiality of identifying, engaging, and communicating with major stakeholder groups, but it needs to make further progress in raising awareness and responding more actively to the issues related with the environment, and community involvement and development. KSA needs to focus its future efforts on building a seamless process that organically connects the planning, implementation and monitoring of its CSR activities by carefully setting the priorities, and incorporating the process fully into all aspects of its management and operations, thereby leading to actual improvements in performance.

May 2015 Sustainability Report TFT

GRI G4 & ISO 26000 Index

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Reported	Partially Reported	() Unreported	 Not Applicable

<u> </u>	Index	G4 Details	ISO 26000	Core themes and issues	Page	Disclose level	Note
Strategy and Analysis	G4-1	CEO Message	4.7/6.2/7.4.2	Respect for international norms of be havior/Organizational governance/Setting the direction of an organization for social responsibility	2-3	•	
Organizational Pro							
	G4-3	Organization name			10		
	G4-4	Key brands, products, and services			18-19		
	G4-5	Location of the organization's headquarters Number and names of countries where the organization manages operating sites or which are re-	1		14		
	G4-6	lated to sustainable topics			14~15		
	G4-7	Nature of ownership and legal form	1		14		
		Markets served (including geographic breakdown, sectors served, and types of customers and ben-		Fundamental principles and rights at	47.45.40.40		
	G4-8	eficiaries)		work/Labor practices/Employment and	14-15, 18-19		
	G4-9	Scale of the organization	6.3.10/6.4.1-	employment relationships/Conditions of work	14, 38, 80-81		
	G4-10	Employment type, contract, and regional labor force status	6.4.2/6.4.3/6.4.4/	and social protection/Social dialogue/ Employment creation and skills	44, 83-84		
	G4-11	Percentage of total employees covered by collective bargaining agreements	6.4.3/ 6.8.3/ /.8	development/Voluntary initiatives for social	85		
	G4-12	Explanation about the organization's supply chain	_	responsibility	22	0	
	G4-13	Significant changes during the reporting period regarding the organization's size, structure, owner-		, , , , ,	14-15, 38		
	0/1/	ship, or its supply chain	-				
	G4-14	Whether and how the precautionary approach or principle is addressed by the organization	-		94		
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses			94		
		Memberships of associations (such as industry associations) and national or international advocacy	1				
	G4-16	memberships of associations (such as industry associations) and national or international advocacy organizations			93		
Identified Material	Aspects an						
idonimod i idionidi	Τ.	List of entities included in the organization's consolidated financial statements or equivalent					
	G4-17	documents		Decemping social responsibility/	-		
	G4-18	Process for defining the report content and the Aspect Boundaries	1	Recognizing social responsibility/ Understanding the social responsibility	20~21		
	G4-19	List of Material Aspects identified in the process for defining report content	F 0/2 0 0/2 0 0/	throughout an organization/Determining	20~21		
	G4-20	Aspect Boundary within the organization for each Material Aspect	5.2/7.3.2/7.3.3/ 7.3.4	relevance and significance of core subjects	20~21		
	G4-21	Aspect Boundary outside the organization for each Material Aspect	7.5.4	and issues to an organization/An	20~21		
	G4-22	Effect of any restatements of information provided in previous reports, and its reasons]	organization's sphere of influence/	About This Report		
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		Establishing priorities for addressing issues	About This Report		
		Stakeholder Engagement			About IIIIs Neport		
Stakeholder Enga	-	The first of the second					
	G4-24	List of stakeholder groups engaged by the organization		22			
	G4-25	Basis for identification and selection of stakeholders with whom to engage	-		22		
	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group,	5.3	Stakeholder identification and engagement	22~23	•	
	G4-27	Key topics and interests raised through stakeholder participation and the organization's means of response; stakeholder groups that brought forward the key topics and interests			22~25		
Report Profile							
	G4-28	Reporting period (such as fiscal or calendar year) for information provided			About This Report		
	G4-29	Date of most recent previous report (if any)			About This Report		
	G4-30	Reporting cycle (such as annual, biennial)			About This Report		
	G4-31	Contact point for questions regarding the report or its contents]	Types of communication on social	About This Report		
	G4-32	Organization's 'in accordance' option, GRI Content Index, reference to the External Assurance Report	7.5.3/7.6.2	responsibility/Enriching the credibility of reports and claims about social responsibility	About This Report	•	
		Organization's policy and current practice with regard to seeking external assurance for the report,		reports and claims about social responsibility			
	G4-33	scope and basis of any external assurance, relationship between the organization and the assurance			About This Report		
	04-50	providers, role of highest governance body or senior executives in seeking assurance					
Governance		, , ,					
				Organizational governance/Building social			
	G4-34	Governance structure of the organization	6.2/7.4.3/7.7.5	responsibilities into an organization's	17		
	04-34	Oover hance su dotal e or the organization	0.2/1.4.3/1.1.3	governance, systems and procedures/	17		
				Improving performance			
Ethics and Integrity							
		Ratio of percentage increase in annual total compensation for the organization's highest-paid indi-		Fig. 11 to 18 to 18			
	G4-56	vidual in each country of significant operations to the median percentage increase in annual total	4.4/6.6.3	Ethical behavior/Anti-corruption	39		
	C-4	compensation for all employees (excluding the highest-paid individual) in the same country					
A		: Economic - Direct economic value generated		In			
Aspects	Category	- Diffect economic value generated	6.8.1-6.8.2/6.8.3/ 6.8.7/6.8.9	Community involvement and development(principles and considerations) Wealth and income	38	•	
•	G4-EC1	- Economic value distributed	0.0.7/0.0.7	creation/Social investment			
Aspects Economic Performance		- Economic value distributed - Economic value retained	0.0.7/0.0.7				
•		- Economic value retained		Discrimination and vulnerable groups/Funda-			
•		- Economic value retained Ratios of standard entry level wage by gender compared to local minimum wage at significant lo-	6.3.7/6.3.10/6.4.3		85	•	
Economic Performance	G4-EC1	- Economic value retained		Discrimination and vulnerable groups/Funda- mental principles and rights at work/Employ- ment and employment relationships/Conditions of work and social protection/Community in-	85	•	
Economic Performance	G4-EC1	- Economic value retained Ratios of standard entry level wage by gender compared to local minimum wage at significant lo-	6.3.7/6.3.10/6.4.3	Discrimination and vulnerable groups/Funda- mental principles and rights at work/Employ- ment and employment relationships/Conditions	85	•	
Economic Performance	G4-EC1 G4-EC5	- Economic value retained Ratios of standard entry level wage by gender compared to local minimum wage at significant lo-	6.3.7/6.3.10/6.4.3	Discrimination and vulnerable groups/Funda- mental principles and rights at work/Employ- ment and employment relationships/Conditions of work and social protection/Community in-	85	•	

	Index	G4 Details	ISO 26000	Core themes and issues	Page	[†] Disclose level	Note
Emissions	G4-EN15	Direct Greenhouse Gas (GHG) emissions (SCOPE 1)	6.5.5	Climate change mitigation and adoption	40-41,86		
Compliance	G4-EN29	Total fines and non-monetary sanctions for violations of environmental laws and regulations	4.6	Respect for the rule of law	-		No case of violation
Aspects	Category : Sub-Categ	: Social gory: Labor Practice and Decent Work					
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	6.4.3	Employment and employment relationship	44, 84	•	
Employment	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	6.4.4/6.8.7	Conditions of work and social protection/Wealth and income creation	49,84		
	G4-LA3	Return to work and retention rates after parental leave, by gender	6.4.4	Conditions of work and social protection	84		
Labor/Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	6.4.3/6.4.5	Employment and employment relationship/Social dialogue	48	•	
Training and Training	G4-LA9	Average hours of training per year per employee by gender, and by employee category	6.4.7	Human development and training in the workplace	85	•	
Diversity and Equal Opportunit	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other Indicators of diversity	6.23/6.3.7/ 6.3.10/6.4.3	Decision-making processes and structures/ Discrimination and vulnerable groups/Funda- mental principles and rights at work/Employ- ment and employment relationships	83-84	•	
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	6.3.6	Resolving grievances	48-49	•	
Aspects	Sub-Categ	gory : Society					
Anti-corruption	G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	6.6.1-6.6.2/6.6.3	Fair operating practices/Anti-corruption	39	•	
Anti-corruption	G4-S04	Communication and training on anti-corruption policies and procedures	0.0.1 0.0.2/0.0.0	r all operating practices/Anti-corruption	39		
	G4-S05	Confirmed incidents of corruption and actions taken			-		No case of violation
Public Policy	G4-S06	Total value of political contributions by country and recipient/beneficiary	6.6.1-6.6.2/6.6.4	Fair operating practices/Responsible political involvement	-	•	No political contributions
Compliance	G4-S08	$Monetary value \ of significant fines and total number \ of non-monetary sanctions for non-compliance with laws and regulations$	4.6	Respect for the rule of law	-	•	No case of violation
Aspects	Sub-Cate	gory : Product Responsibility					
Customer Health	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	6.7.1-6.7.2/6.7.4/ 6.7.5/6.8.8	Consumer issues/Protecting consumers' health and safety/Sustainable consumption/Health	28-29,63	•	
and Safety	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning mar- keting communications, including advertising, promotion, and sponsorship, by type of outcomes	4.6/6.7.1-6.7.2/ 6.7.4/6.7.5/6.8.8	Respect for the rule of law/Consumer issues/Protecting consumers' health and safety/Sustainable consumption/Health	-	•	No case of violation
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction	6.7.1-6.7.2/6.7.6	Consumer issues/Consumer service, support, and complaint and dispute resolution	69	•	
Marketing Communications	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning mar- keting communications, including advertising, promotion, and sponsorship, by type of outcomes	4.6/6.7.1-6.7.2/ 6.7.3	Respect for the rule of law/Consumer issues/Protecting consumers' health and safety/Sustainable consumption/Health	-	•	No case of violation
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7.1-6.7.2/6.7.7	Consumer issues/Consumer data protection and privacy	-	•	No case of violation
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	4.6/6.7.1-6.7.2/6.7.6	Respect for the rule of law/Consumer issues(principles and considerations)/ Consumer service, support, and complaint and dispute resolution	-	•	No case of violation

Membership of Major Associations

Classification	Organization	Membership Period (One Year)	Team in Charge		
Team in Charge	The Korea Chamber of Commerce & Industry (KCCI)	April 2015 ~ March 2016	Personnel & General Affairs Team		
	Korea Price Research Center (KPRC)	March 2015 ~ February 2016	Personnel & General Affairs Team		
	Korea International Trade Association (KITA)	April 2015 ~ March 2016	Personnel & General Affairs Team		
	The Federation of Korean Industries (FKI)	March 2015 ~ February 2016	Personnel & General Affairs Team		
	Society for Standards and Standardization (SSS)	April 2015 ~ March 2016	Personnel & General Affairs Team		
Overseas	Japan Institute of Plant Maintenance (JIPM)	April 2015 ~ March 2016	Manufacturing Innovation Center(Management Planning Team)		
	Union of Japanese Scientists and Engineers (JUSE)	April 2015 ~ March 2016	TPM & Productivity Academy(Management Planning Team)		
	MOTIE Interagency Council in China	April 2015 ~ March 2016	China Beijing Office		
	The Korea Chamber of Commerce in China	April 2015 ~ March 2016	China Beijing Office		
	American Society for Quality(ASQ)	April 2015 ~ March 2016	Management Planning Team		
	Asia Network for Quality(ANQ)	April 2015 ~ March 2016	Management Planning Team		
	Global Reporting Initiative(GRI)	November 2015 ~ October 2016	Management Planning Team		
	UN Global Compact(UNGC) in Korea	November 2015 ~ October 2016	Management Planning Team		

Report on Conformity with the Principles of the UN Global Compact

KSA joined the UN Global Compact (UNGC) on November 11, 2010 to support its principles concerning human rights, labor, environment and anti-corruption, and has submitted the communication on progress (COP) each year. This year's report contains more details of KSA's compliance with the application of the UNGC Advanced Level.

Criterion	Major Activities		
Strategy, Governance and Engagement	,		
1. CEO commitment and leadership	• Establishment of the code of ethics on anti-corruption to guide the moral judgments and behavior of employees.		
2. Board adoption and oversight	The board has been put in charge of integrated management of all risks in such areas as economy, society, and environment.		
3. Stakeholder engagement	Gathering of opinions through interviews with stakeholders by group. Government, labor unions, suppliers and suppliers, community, customers, KSA employees		
UN Goals and Issues			
4. Core business contributions to UN goals and issues	Provision of opportunities for fair and equitable manpower development		
Human Rights Implementation			
5. Robust commitments, strategies or policies in the area of human rights	•Operation of a system under which temporary employees can become full-time employees as part of the efforts to improve the status of temporary employees		
6. Effective management systems to integrate the human rights principles	• KSA pays for an annual medical checkup for all employees including temporary employees to promote their health and safety.		
7. Effective monitoring and evaluation mechanisms of human rights integration	Review of human rights issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
System to track and measure performance based on standardized performance metrics	Review of human rights issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
Labor Principles Implementation			
9. Robust commitments, strategies or policies in the area of labour	Fostering of productive labor-management relations to achieve the vision of win-win relations under the banner of creating a Great Workplace		
10. Effective management systems to integrate the labour principles	Implementation of a flexible work schedule for employees who need to adjust their working hours due to childcare needs, long-distance commuting, self-improvement, etc.		
Effective monitoring and evaluation mechanisms of labour principles integration	Review of labor issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
 System to track and measure performance based on standardized performance metrics 	Review of labor issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
Environmental Stewardship Implementation			
13. Robust commitments, strategies or policies in the area of	Designation as an assurance provider for greenhouse gas reduction		
environmental stewardship 14. Effective management systems to integrate the environmental principles	Creation of an environmentally-friendly office by saving energy and purchasing environmentally-friendly materials		
15. Effective monitoring and evaluation mechanisms for environmental stewardship	Review of environmental issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
 System to track and measure performance based on standardized performance metrics 	Review of environmental issues according to the ISO 26000 procedures and reflection of the findings in the corporate management strategies		
Anti-Corruption Implementation			
17. Robust commitments, strategies or policies in the area of anti-corruption	Employees in a manager position or higher are required to make an integrity pledge and develop an application program to facilitate whistleblowing		
18. Effective management systems to integrate the anti-corruption principle	Enhancement of transparency in management by running the gift declaration system and the business favor request registration system		
 Effective monitoring and evaluation mechanisms for the integration of anti-corruption 	Review of anti-corruption issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
System to track and measure performance based on standardized performance metrics	Review of anti-corruption issues according to the ISO 26000 procedures and reflection of the findings in corporate management strategies		
Value Chain Implementation			
21. Value chain implementation	KSA's sustainability management strategies were established based on ISO 26000 and include the 10 principles of the UNGC.		
Transparency and Verification			
22. Provision of information on organizational profile and background	 KSA's sustainability report contains a wide range of information including organizational profile and operational systems. 		
23. Reflection of foreign policy for transparency and disclosure	 KSA's sustainability report reflects the global standards including ISO 26000, the principles of the UNGC, and GRI G4. 		
24. Accuracy and completeness of information assessed by a credible third-party	\bullet As a provider of sustainability report assurance services, KSA ensures compliance with international standards.		

Staff

Special Issues

Safe Environment Innovation Center | LIM JUN YUNG Chief Researcher/Manager Lifelong Learning Center | Nan Ju Park Associate Researcher/Manager Manufacturing Innovation Center | JOE HYUN WOO Senior Researcher/Manager

Strategy for Sustainability

I. Management of a Reliable Organization

Finance & Accounting Team | Kim Si Youl Chief Researcher/Manager Ethics & Audit Team | SONG HYEON JU Principal Researcher/Manager Personnel & General Affairs Team | HWANG IN KUK Researcher/Manager

II. Creation of a Workplace for Experts

Personnel & General Affairs Team | SEO YO HAN Principal Researcher/Manager Personnel & General Affairs Team | Dan Bee KIM Chief Researcher/Manager

III. Sustainable Business Performance

Standards Policy Research Center | SEO KYOUNG MI Senior Researcher/Manager
Standards Information Center | JUNG A RUM Associate Researcher/Manager
KS Certification Audit Center | Jeon Jeong Ho Senior Researcher/Manager
Climate Change System Center | Dohdam Kim Researcher/Manager
International Certification Research Center | Jongkon Choi Associate Researcher/Manager
Training&Development Support Team | Woo Munkyoo Chief Researcher/Manager
Manufacturing Innovation Center | Kim Hyun Seok Principal Researcher/Manager
Management & CEO Academy | KIM MIN KYEONG Researcher/Manager
Organizational Competency Innovation Center | YUN HYEONG KEUN Principal Researcher/Manager
National Quality Center | Lim, Hee-jun Associate Researcher/Manager
Service Management Center | JO TAEK HYUN Principal Researcher/Manager

IV. Leading Customer Value Creation

Competitiveness Improvement Center | KI NAM CHANG Chief Researcher/Manager Management Planning Team | AN JU YOUNG Researcher/Manager Membership & Public Relations Team | RYU HYOUNG SEOK Senior Researcher/Manager

V. Increase of the Value of Sharing with the Community

Information Technology Team | CHOI JAE HYUNG Chief Researcher/Manager



Voices of the Readers

KSA is fully committed to presenting an accurate picture of its sustainability management practices to the stakeholders.
KSA will continue endeavoring to offer even more reliable information through its sustainability reporting.
If you have any questions, comments, or inquiries, please contact us via the telephone number or email address provided below.

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Integrated Sustainability Reporting TFT

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