

A New World of Land

**Be,** KCSC

# Sustainability Report 2008



**대한지적공사**  
Korea Cadastral Survey Corp.



#### | The significance of the Sustainability Report |

Korea Cadastral Survey Corporation(KCSC) has published the first Sustainability Report to report its managerial activities up to now in order to win the trust and support of the interested parties, and on such a basis create new values and grow into a sustainable organization.

This report shows the corporation's strategies and activities for Sustainability that are being implemented in economical, social and environmental aspects. Through the report, we will share the information on sustainability internally, and strengthen external communication with the interested parties.

#### | Criteria for the writing of the report and its readers |

KCSC's Sustainability Report was written according to the criteria of 'GRI(Global Reporting Initiative) Guideline G3', and the top priority was put on securing accurate data and objectivity. The report was prepared for the concerned parties including the corporation's executives and employees, government agencies, the local community, clients, partner companies and NGO who are influenced by our managerial activities both directly and indirectly. The third verification agency inspected that this report has been prepared with the criteria of Guideline G3.

#### | Scope of period of the report |

This report covers the sustainability activities and performances of each headquarters and branch offices including the head office in Korea. For overseas businesses, only business activities are reflected as they are implemented by the unit of a project. The period of this report is from January 1st, 2008 till December 31st, 2008. If it is necessary to show the past trend for comparison, the activities and performances for the 3 years from 2006 to 2008 was reported.

#### | The recent report date and the cycle of report |

This is the first Sustainability Report which shows KCSC's economic, social and environmental activities and performances. From now on, the Sustainability Report will be published every year to report the sustainability activities and performances of KCSC.

#### | For more information |

The information contained in this report can also be found in KCSC's website [www.kcsc.co.kr](http://www.kcsc.co.kr). For more information on the report or if you have any inquiries, please contact the department in charge.

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## LOOKING FOR THE MEANING OF LAND

Land is the very basis for the birth of mankind.

Human beings have maintained their lives eating what grew in the land where they were born, and obtained the power to give birth to and raise their children by living standing on the land.

Just like our mother, our land embraced all and gave us the wisdom of life.

We search for the meaning of the wise and embracing land...





## COVER STORY

### Those who study land

Land is the basis of life for us. We are much more appreciative of the land since it does not boast of itself. What can we do for the land? People often say that we must protect the earth. Then how could we protect the precious earth and our land? KCSC is studying our precious land. We want to know more about our beloved land, and thus we take pride in making researches about the land which is loved by the nature and us human beings.

## Disclosure on Management Approach

### DMA –Economic Performance

KCSC is making efforts to realize the social values for public benefit using advanced survey techniques.



### DMA –Social Performance

KCSC tries to improve customer satisfaction and establish a transparent corporation culture.



### DMA –Environmental Performance

KCSC will contribute to the preservation of the earth's environment by practicing activities to manage and improve the environment.



## Appendix

KCSC is making effort to promote public interest with clean and right mind and honest sweat.

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## Global Compact 10 Principles

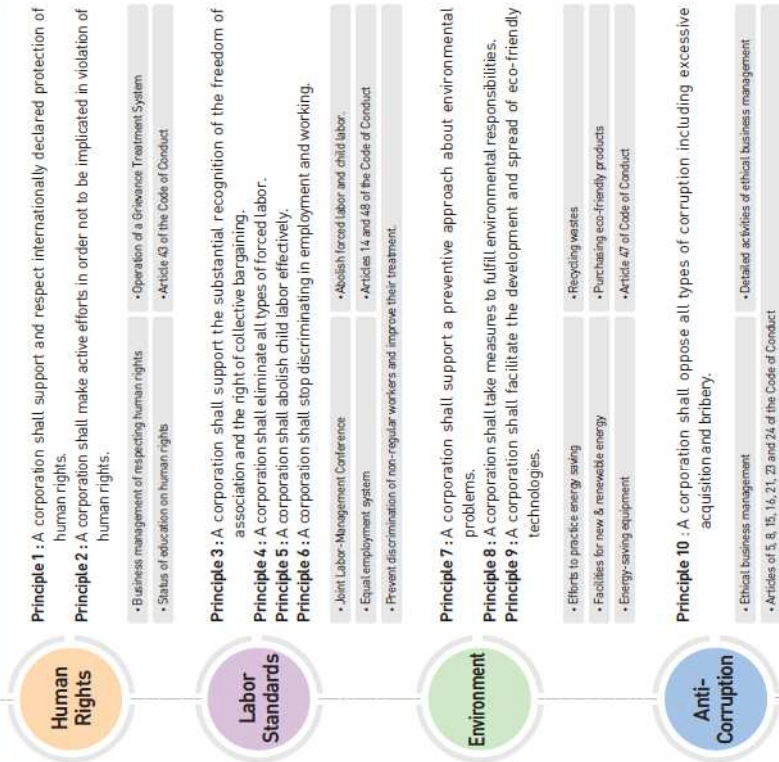
Human Rights | Labor Standards | Environment | Anti-Corruption

## Efforts to put UN Global Compact into practice



KSCC proclaimed its will to maintain sustainability by joining UN Global Compact in June, 2007 which promises to voluntarily fulfill a corporation's economic, environmental and social responsibilities. KSCC recognizes that an ethical business management is the most fundamental and powerful source of competitiveness for business corporations and thus it is faithfully fulfilling the activities related to human rights, labor, environment and anti-corruption as presented in the 10 principles of UN Global Compact. KSCC will continue to make efforts in order to be born again as a trustworthy and respected global company. We promise to open our status transparently in the Sustainability Report.

### Status of Observation of Global Compact's 10 Principles and the Related Principles







# CEO Message

## Dear concerned parties of KCSC.

For over 70 years since its establishment in 1938, KCSC has grown with the sense of mission and responsibility to 'contribute to the protection of people's property rights, the development of land surveying technology and the improvement in the cadastral system'. Such development was possible with the strong support of our clients, executives and employees and various other concerned people who keep encouraging KCSC. I am glad that I can share KCSC's performance and will for corporate sustainability management through this Sustainability Report.

The market environment is rapidly changing now. We need to cope with the worldwide economic slowdown due to the financial crisis and at the same time prepare ourselves for the opening of the cadastral survey market according to the negotiation on FTA. However, I certainly believe that we can make continuous development even in this ever-changing environment. Last year was a very meaningful one for the development of KCSC. On its 70th anniversary, KCSC declared the first year of the practice of corporate sustainability management and established a future-oriented managerial goal system that will not only create economic values but also will fulfill environmental responsibility and social responsibility. We have also laid the groundwork to become a global company by reshuffling our organization with the purpose to enable quick decision making and establish a responsible management system.

KCSC now has a new challenge. Our principle of business management in 2009 is to contribute to the realization of the national vision of the 'construction of a first class nation of the world by making an advanced nation' by jumping into a global leader that will create a good environment for the sustainable usage of the national land and promote the cadastral system and space information industry. We will practice 'efficient management', 'ethical management' and 'value-oriented management'.

### Raise management efficiency.

We will practice efficient business management by reasonable and efficient operation of the organization, manpower and budget and the formation of the organization's culture based on performance. We will strengthen the professionalism of our manpower and upgrade our business structure through human resources training programs in order to improve productivity by 5%, secure more than 20% of our total sales with new businesses and set up the infra for space information. We will also create a new growth engine by developing new businesses both home and abroad. Especially, we will establish cadastral systems in foreign countries to overcome the limit of the domestic market. By reinforcing our capabilities through advancing into overseas cadastral market, we will grow into a global company that can correspond with the national policy as a public enterprise.

### Value-oriented Management

Under the mission that "we make a happy future by creating the information on our national land," we will carry out the vision to become 'a global leader that guide the cadastral system and space information industry' by providing customers with quick and accurate cadastral survey service and various kinds of cadastral information that can meet the era of digital information. For this, we will create sustainable new working values to develop the national economy and improve people's quality of life, and at the same time we will improve the working process reasonably in order to strengthen customer-oriented service system and share the benefits of a more efficient business management with our customers.

### We will grow on the basis of sustainability strategy.

KCSC will play a pivotal role in the area of the cadastral and space information service both home and abroad by continuously creating new corporate values through environmental management, ethical management and social contribution. We will faithfully carry out the responsibilities of a public corporation by forming the image of a trustworthy public corporation through clean and transparent working and realizing ethical management by fulfilling social responsibilities. KCSC will do its best in fulfilling its mission to grow with our clients, executives and employees and the various concerned parties.

Thank you.

March, 2009

President & CEO Lee Sung-yeul

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## 2008 Highlights

1

### The 70th Anniversary of KCSC

KCSC was established on Jan. 24, 1938 as a professional agency for cadastral survey, and for more than 70 years it has made every effort for the protection of the property rights of the people and the efficient usage and management of the national land. In commemoration of its the corporation's 70th anniversary, the 'History of 70 Years of KCSC' has been published to shed light on the corporation's contribution to the development of the cadastral system, establish an identity and provide a guideline for the future development of the corporation in preparation for the rapidly changing managerial environment.



2

### The authorities in charge changed to the Ministry of Land, Transport & Maritime Affairs

On Feb. 29, 2008, the authorities in charge of KCSC was changed from the Ministry of Public Administration & Security to the Ministry of Land, Transport & Maritime Affairs. Though the operation of KCSC is expected to be changed much due to the change in the authorities in charge, we are making effort to respond positively and actively to the changed environment. President Sung-Yeol Lee asked to "overcome the changed environment by increasing our abilities to respond positively and actively to the change in the authorities in charge."



3

### Proclamation of the first year of the practice of corporate sustainability management

On the 31st Cadastral Day on May 7th, KCSC proclaimed the 'First Year of the Practice of CSM - Corporate Sustainability Management'. The goal of CSM is to provide the best national space information service by introducing management strategies that consider not only economic benefits but also public interests such as environmental soundness and social responsibilities. Regarding the proclamation of this year as the first year of the practice of CSM, President Lee, Sung-Yeol said, "In all managerial activities, we should have a strong will to set up future-oriented managerial strategies that pursue not only economic profitability but also public interest such as social responsibilities and environmental soundness."



4

### Advancement into overseas businesses and training of foreign countries' cadastral government officials

President Lee, Sung-Yeol accompanies the Prime Minister's tour of the 4 nations in the Central Asia as an economic delegation from May 11th to May 20th and had much results. President Lee concluded an 'MOU on the cooperation in cadastral and land areas' with Azerbaijan to play a decisive role in the 'Test Cadastral project in Azerbaijan' as a foreign aid project of KOICA (Korea International Cooperation Agency). Besides, 32 Malaysian registered cadastral surveyors were trained on Korean cadastral system and cadastral survey technology for a week in Korea Cadastral Training Center, enhancing the corporation's global status for development of overseas markets through international activities.



5

### KCSC is Awarded the 2008 Global Leader Grand Prize

On Aug. 29th, 2008, KCSC was awarded the grand prize in the global networking division of the '2008 Global Leader Prize' held by the Hankyung Economic Daily in order to contribute to the reinforcement of the national competitive power by finding out and giving awards to the most important global leaders in the globalized managerial environment. KCSC received the award for its development of the state-of-the-art digital surveying technology and business diversification on its basis as an innovative professional company in cadastral survey. Another reason for the granting of the award was that KCSC exerted active global networking abilities when Korean Prime Minister signed on an 'MOU on the cooperation in cadastral and land areas' with Azerbaijan in May of this year during his tour of the 4 nations in Central Asia.



6

### KCSC received the Steve Award in advertisement & media division of the International Business Award

KCSC's newsletter, 'Land & People' received the Steve Award, the grand prize, in 2008 International Business Award (IBA) on Sep. 8, 2008 in Dublin, Ireland. IBA is regarded as the Oscar in business arena and it evaluates the business management activities of the world's companies and organizations conducted for 1 year in 5 divisions and 131 sections in total. IBA was first launched 5 years ago. Being established in Feb., 2004, the 'Land & People' has received favorable comments that it cast off the rigid image of a public corporation and helped the company approach the people with a more friendly image.



7

### 2008 National Spatial Data Infrastructure held (NSDI KOREA 2008)

The 'National Spatial Data Infrastructure' was held for 3 days from Oct. 8, 2008 in KINTEX, Iseo, with the purpose to create synergy among industry and academics and realize a ubiquitous spatial information society in the future by integrating the events related to the national land - cadastral, U-Chi, land surveying, GIS and maritime affairs. With the theme of 'Another national land - digital Korea', the EXPO showed off the potential power to protect the nation's safety and land using state-of-the-art IT technologies and gave a momentum to reinforce Korea's global competitiveness in the under-developed area of spatial information. Together with the EXPO, the 6th International Cadastral Symposium was successfully held with the presentation of articles and international exchange activities for the development of cadastral area in the 3 nations of Korea, Taiwan and Japan.



8

### Social contribution activities reaped abundant 'affection'

In 2008, the Head Office of KCSC and its 12 regional Headquarters and 209 branch offices nationwide visited social welfare facilities in the neighborhood and poor neighbors to convey love and hope. They visited the Daegang village in Sunchang-gun, Jeollabuk-do Province, that is one of the sisterhood villages of the company, to donate 2 sets of air conditioner and helped with farming works. KCSC will execute sustainable transparent and ethical business management through such active social contribution activities. In addition, we will fulfill the social responsibilities of a corporation through the social contribution activities utilizing KCSC's core competence.





## Concerned Parties

### Criteria for the selection of concerned parties and major issues

KCSC's Sustainability Report described mainly the influence of its managerial activities on the concerned parties and the issues thought important by the concerned parties. The concerned parties are divided into the 5 groups of the government (government departments and government agencies), clients, partner companies, local community and executives & employees considering their influence, dependency, interest, representation and political intent. Surveys with internal executives and employees as well as experts were conducted to grasp the issues of their main interest of the concerned parties, and the policies and regulations both home and abroad were also examined.

#### [ Process of the selection of the concerned parties ]



#### [ Category of concerned parties ]

Category	government	client	partner Co.	local community	executives & employees
Concerned Parties	<ul style="list-style-type: none"> <li>The National Assembly</li> <li>The central Government</li> <li>Local Governments</li> </ul>	<ul style="list-style-type: none"> <li>Application for cadastral survey, Client</li> </ul>	<ul style="list-style-type: none"> <li>Partner companies</li> </ul>	<ul style="list-style-type: none"> <li>Civil organization</li> <li>NGO</li> </ul>	<ul style="list-style-type: none"> <li>3,388 persons</li> <li>Head Office</li> <li>12 Regional Headquarters</li> <li>207 Local Branches</li> </ul>
Core values of concerned parties	<ul style="list-style-type: none"> <li>A corporation which faithfully carries out its roles as a public agency</li> <li>A public agency which aims to pursue public interest</li> </ul>	<ul style="list-style-type: none"> <li>A corporation that clients can trust and rely on</li> <li>A representative public agency that provides reliable information service</li> </ul>	<ul style="list-style-type: none"> <li>A corporation with which they like to continue doing business through Win-Win relationship</li> <li>A corporation with which they like to continue doing business through Win-Win relationship</li> </ul>	<ul style="list-style-type: none"> <li>A corporation which is respected by a calling socially responsible business</li> <li>A corporation which is respected by a calling socially responsible business</li> </ul>	<ul style="list-style-type: none"> <li>The best workplace where employees can realize their potentials and dreams</li> <li>A workplace where employees can realize their potentials and dreams</li> </ul>
Major issues of interest	<ul style="list-style-type: none"> <li>Pursuit of public interest</li> <li>Fair and transparent</li> <li>Sound financial status</li> <li>Maximizing management efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Accurate surveying service</li> <li>Expanding the participation of the concerned parties</li> </ul>	<ul style="list-style-type: none"> <li>Common growth with partner companies</li> <li>Improving the Fair Trade Law</li> <li>Transparent contracting system</li> <li>Prompt payment</li> </ul>	<ul style="list-style-type: none"> <li>Minimum environmental influences on the local society</li> <li>Improvement in the quality of life of the local residents and formation of friendly environment</li> <li>Contribution to the development of the local economy</li> </ul>	<ul style="list-style-type: none"> <li>Win-win labor-management relationships</li> <li>Improvement in work atmosphere</li> <li>Giving equal opportunity to all employees</li> </ul>
Communication Channel	<ul style="list-style-type: none"> <li>KCSC homepage</li> <li>Regular BOD Meeting</li> <li>Transparency Society Council of Public Corporations</li> <li>Transparency Society of UN Global Compact</li> <li>Anti-Corruption and Civil Rights Commission of Korea</li> <li>Sustainability Report</li> <li>Investor Relations Management offices conducted by the National Assembly</li> <li>Managerial Performance Report</li> <li>Workshop of related agencies</li> </ul>	<ul style="list-style-type: none"> <li>KCSC homepage</li> <li>Disclosure, customers' suggestion</li> <li>Monthly cadastre of magazine, Newsletter, Land &amp; People</li> <li>Customer satisfaction survey conducted by KCSC</li> <li>Customer satisfaction survey conducted by related agencies</li> <li>Hotline Call</li> <li>Sustainability Report</li> <li>Monitoring System</li> </ul>	<ul style="list-style-type: none"> <li>KCSC homepage</li> <li>Cadastral EXPO</li> <li>Round-table conferences with partner companies</li> <li>Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>KCSC homepage</li> <li>JifonService Corp.</li> <li>Die company-one village</li> <li>Neighborhood</li> <li>Sustainability survey collect</li> <li>Sustainability Report</li> <li>Meeting with local residents</li> <li>Presentation of Cadastral affairs</li> <li>Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>KCSC homepage</li> <li>Labor-management council</li> <li>Labor-management gathering</li> <li>Employee satisfaction survey</li> <li>Employee satisfaction survey</li> <li>Forum of executives and employees</li> <li>Employee suggestion System</li> <li>Innovation Junior Board</li> <li>Development strategy workshop</li> <li>Sustainability Report</li> <li>Board of Directors</li> </ul>

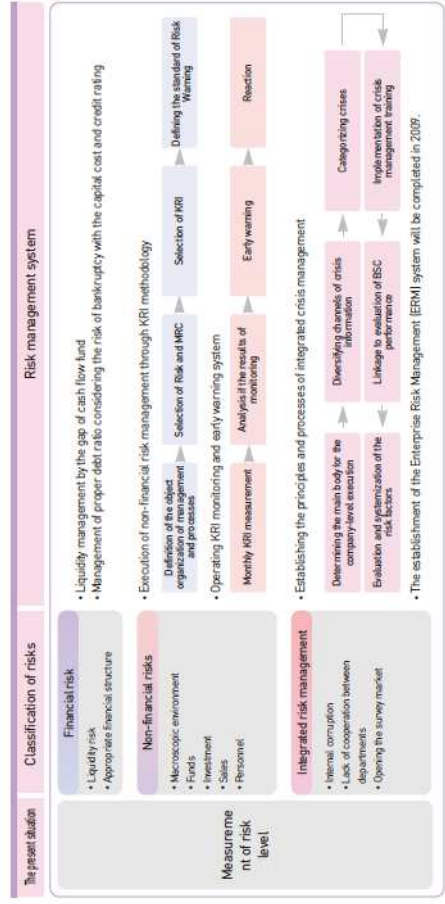
### Communication with concerned parties

KCSC is operating the managerial participation system in which the many concerned parties can suggest their opinions and participate in the corporation's management in direct and indirect ways. The conflicts which can occur in the process of the execution of a project may be prevented in advance and transparency and reliability can be secured by the participation of the concerned parties in the stage of decision making and the process of the execution of the project. In relation to this, the guide for 'customer related information management and solutions at time of trouble' is being used.

Recognizing the importance of the management of conflicts with the concerned parties at time of the execution of a project, KCSC is running the 'VOC Management System' to overcome conflicts with concerned parties including the clients and come up with a cooperative project execution system. In addition, the opinions of the concerned parties are collected in real time through the Internet Customer Participation Center, and customers can use the diverse added services (Acceptance through the Internet, wireless mailing service, cyber PR center, electronic library, etc.). As a result, customers' complaints have been decreasing since 2005. The number of customers' complaints submitted to KCSC in 2008 is 97, which is about 5% decrease compared to the previous year.

### Risk management system

With the increasing uncertainties in the managerial environment, the necessity to manage the various internal and external potential risk factors with a company-level viewpoint is also increasing. To reduce the risks in advance and make a promptly response when such risks actually occur, KCSC is operating a risk management system by establishing the infrastructure of the IT system, regulations and manuals and formed a management process to define the procedures and methods of risk management.

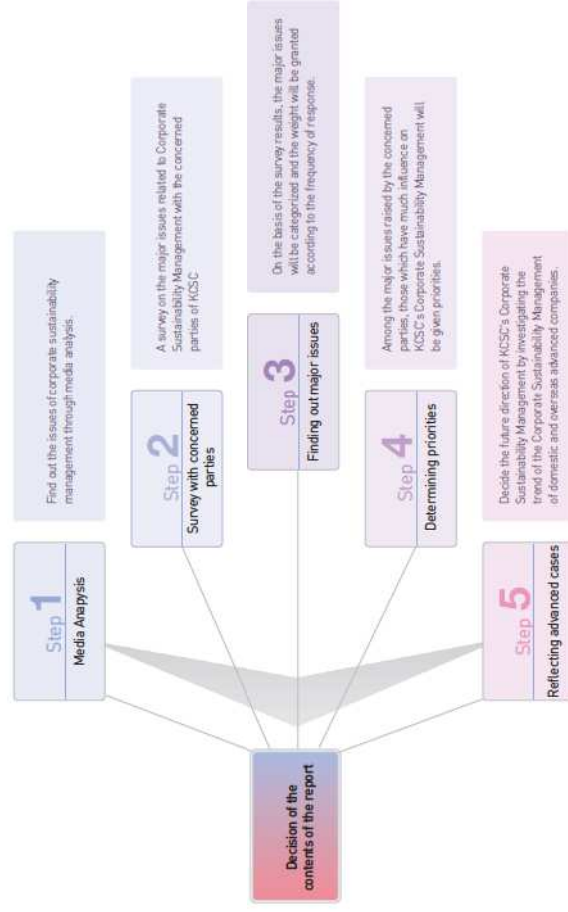




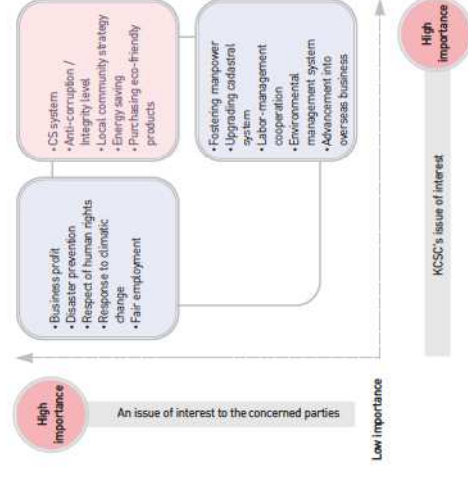
## Materiality Test

### The processes and results of the Materiality Test

For the construction of the contents of this report, KCSC conducted the Materiality Test. The following systematic methods were used to identify the most important topics that will be included in the report.



On the basis of such processes, the major contents of the report have been selected as shown in the following drawing.





## Introduction of KCSC



### Company Brief (as of Dec. 31, 2008)

Company name	KCSC(Korea Cadastral Survey Corp.)
Date of establishment	Jan. 24, 1938
No. of executives and employees	3,988
Total assets	KRW 238,407 million
Sales	KRW 392,512 million
Total liabilities	KRW 156,418 million
Equity capital	KRW 84,184 million
Location of the Head Office	14-1, Ulsadang-ro Yoido-dong, Yeongdeungpo-gu, Seoul, Korea, 150-971

### Basis of Establishment

Article 41-9 in Cadastral Law (establishment of KCSC)

- ① KCSC will be established to conduct researches on cadastral survey and cadastral system.
- ② KCSC will be a corporation.
- ③ KCSC will come into existence by registering its establishment in the place of its main office.
- ④ The matters related to the registration of the establishment of the corporation will be decided by an executive order of the President.

### Purpose of Establishment

KCSC aims to contribute to the protection of people's property rights and development of cadastral survey technology and cadastral system by effectively implementing the projects of the cadastral Law.

1938.1.24 Joeseon Cadastral Association (Foundation) was established.

1949.5.1 The Joeseon was changed into Joeseon Cadastral Association (Foundation).

1950 1960 1970 1980 1990 2000 2010

### Major Businesses

Cadastral survey	Decide the reference cadastral point, divide, restore boundaries, confirm cadastral map, etc. according to the cadastral law.
Overseas businesses	Executes overseas projects and international exchanges, and introduce foreign technologies and export technologies.
New businesses	Do new businesses related to cadastral matters which is the purpose of the establishment of KCSC.
Education and research	Supporting projects such as the education and research on cadastral system and cadastral survey.
System improvement	Lay the groundwork for cadastral re-inspection and cadastral boundary maintenance.
Cadastral information	Provision and utilization of cadastral information service using the data in the electronic files of cadastral drawings.

### History

- 1938.01.24 Joeseon Cadastral Association (Foundation) was established.
- 1949.05.01 The name was changed into Joeseon Cadastral Association (Foundation).
- 1961.12.31 The ground for the agency business for cadastral survey work was provided by No. 174 Directive of the Prime Minister.
- 1962.01.01 The authorities in charge changed from the Minister of Finance to the Minister of Home Affairs.
- 1969.12.29 The articles of incorporation were changed to appoint the executives and branch managers directly by the Minister of Home Affairs.
- 1976.11.06 The corporation was designated as an agency for cadastral survey work by the cadastral law.
- 1977.07.01 The articles of incorporation were completely revised according to the revision of the cadastral law, and the name of the foundation was changed to KCSC.
- 1981.12.18 KCSC training center moved to a new building in Yongsin, Gyeonggi-do.
- 1994.04.01 The cadastral technology research institute was established.
- 1999.03.01 The cadastral technology training center and the cadastral technology research institute were combined to be the cadastral technology training and research center.
- 2004.01.01 The foundation was converted to a special corporation of KCSC by the cadastral law.
- 2004.12.16 KCSC acquired the certificate of company with superior service quality in Korea.
- 2005.07.01 The cadastral research institute opened.
- 2008.02.29 The authorities in charge changed from the Ministry of Public Administration & Security to the Ministry of Land, Transport & Maritime Affairs.



2008.02.29 The authorities in charge changed from the Ministry of Public Administration & Security to the Ministry of Land, Transport & Maritime Affairs.

2005.07.01 The cadastral research institute opened.

2004.12.16 KCSC acquired the certificate of company with superior service quality in Korea.

2004.1.1 The foundation was converted to a special corporation of KCSC by the cadastral law.

1977.7.1 The articles of incorporation were completely revised according to the revision of the cadastral law, and the name of the foundation was changed to KCSC.

1976.11.6 The corporation was designated as an agency for cadastral survey work by the cadastral law.

2010

2000

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1980

1970

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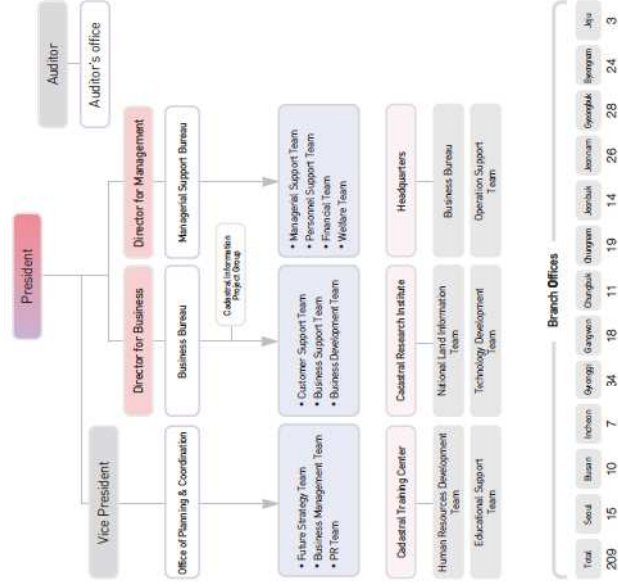
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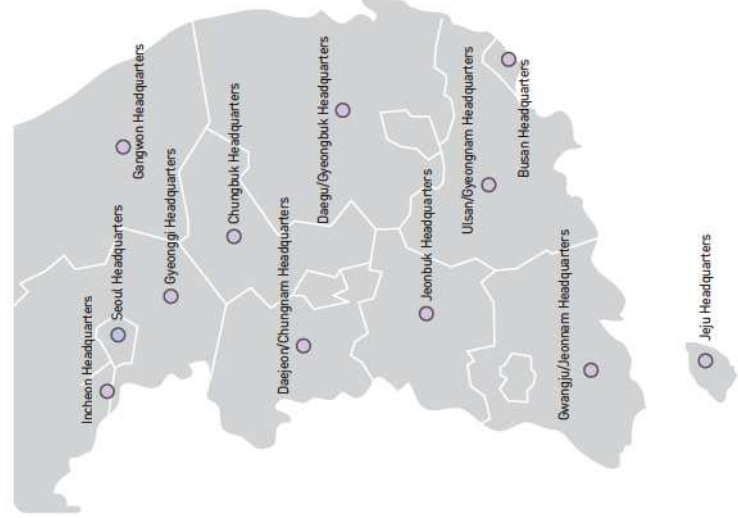
## Corporation Structure

KCSG has 2 directors, 2 offices, 2 bureaus, 1 business unit and 10 teams in the head office; 12 regional headquarters in the metropolitan cities and provinces; and 209 branches in the cities, counties and districts nationwide. It also has the cadastral training center and the cadastral research institute. The number of the total executives and employees is 3,988 (as of Dec. 31, 2008). 5 executives, 3,977 technicians, 80 office workers, and 306 other staffs.

## | Organization |



## | Location of the Head Office and Regional Headquarters



Head Office

**Head Office:**  
141, Ulsan-dong, Yeongdeungpo-gu, Seoul, Korea, 150-911  
02-3774-1000

**Seoul Headquarters**  
Yoon-A (Munhwa-ro 28) Samnang-dong, Gangnam-gu, Seoul, Korea TEL 899

**Buran Headquarters**  
02567-9287

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**Incheon Headquarters**  
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0000-0001-7400-0111



## Corporate Governance

KCSC will increase managerial professionalism and efficiency through business management mainly by the BOD and fulfill the responsibilities of uncorrupted and clean public corporation through ethical management.

### KCSC's corporate governance

As a semi-governmental agency, KCSC aims to contribute to the protection of people's property rights and development of cadastral survey technology and cadastral system by effectively implementing the projects of the cadastral law.

#### Operation of BOD

As the highest decision-making organization that reviews and votes on important managerial issues, KCSC's Board of Directors is composed of 11 directors (5 permanent members and 6 non-permanent members) as of December, 2008, and the ratio of non-permanent members is 55% of the BOD. The president of KCSC becomes the concurrent chairman of the BOD based on Article 18-4 of the law on the operation of public agencies.

#### Status of the BOD meeting

Year	No. of BOD meetings held	Agenda	Attendance
2006	6	35	91.7%
2007	6	29	97.2%
2008	8	32	98.4%

Director Young-Hyun Chung retired on Nov. 18, 2008, and directors Hyun-Jin Oh and Sam-Oyun Baek retired on Dec. 22, 2008. The new 3 non-permanent directors will be appointed in around March, 2009 after holding the meeting of the committee for the recommendation of executives.



### Strengthened independence and professionalism of the BOD operation

KCSC blocks the possibility of corruption by strengthening the function of checking, watching and preventive auditing of the internal management. In addition, the conflicts of interest within the BOD are prevented on the basis of the independence of the non-permanent directors, and the efficiency and professionalism of the BOD operation is being raised through the operation of specialty committees. The articles of incorporation were revised to secure the transparency in the appointment of directors, and the regulations for the operation of the committee for the recommendation of executives were established to improve the procedures for appointment of directors.

#### The Committee for Managerial Disclosure

To increase the transparency in business management, the plan to improve disclosure system has been established and the guideline for disclosure has been implemented since 2007. Moreover, the committee for the operation of managerial disclosure has been newly established which is composed of 8 member (6 inside members and 2 outside members). The committee have meetings for the review of the registration of the disclosure and the operation of the disclosure system, and they have prepared the standards for the items, periods, procedures and the person in charge of the disclosures. In 2008, there were 5 times of checking the implementation of disclosures, 2 times of the meeting of the steering committee, and 2 times of the education of the persons in charge.

#### Committee for the Recommendation of Executives

The Committee for the Recommendation of Executives has been newly established to provide transparent procedures for the selection of executives. The Committee for the Recommendation of Executives appoints those who have sufficient knowledge and experience in economics, environment, society, business management and legal areas as the candidates for executives. In principle, the Committee for the Recommendation of Executives is formed at 2 months before the termination of executives by a BOD resolution, the fairness and objectivity in the procedures for the appointment of executives are strengthened by the participation of the 5 civilian members who represent the academic world, legal circles, the media, the labor world and the corporation's employees as well as all the non-permanent directors.

Year	Agenda/ No. of speaking	No. of speaking per person
2006	35/314	5.2
2007	29/140	8.0
2008	32/402	10.3

No. of speaking by non-permanent directors

Classification	Procedures for appointment
President	Recommended by the Committee for the Recommendation of Executives. By more than 1 member → Appointment of the Minister of Land, Transport & Maritime Affairs for appointment
Auditor	Recommended by the Committee for the Recommendation of Executives. By more than 1 member → Review and resolution of the Steering Committee of Public Corporations → Nomination of the Minister of Strategy and Finance for appointment → Appointment of the President
Permanent Director	Recommended by the Committee for the Recommendation of Executives. By more than 1 member → Nomination of KCSC President for appointment → Appointment of the Minister of Land, Transport & Maritime Affairs
Non-permanent Director	Selected by the Committee for the Recommendation of Executives. By more than 1 member → Review and resolution of the Steering Committee of Public Corporations → Appointment of the Minister of Land, Transport & Maritime Affairs



### Steering Committees in Specialty Areas

To promote reasonable policy decision, KCSC is operating Steering Committees in Specialty Areas (Technology Committee, Business Management Committee) and a Group of Advisory Directors (Law-lawsuit / organization- personnel / finance-banking / cadastral system / cadastral survey / regulations- education) under the BOD. The steering committee is directly responsible for the corporation's performance related to economic, environmental and societal areas.



### Major performances of consultation

#### Form a special advisory group in the special fields of non-permanent directors

Area of consultation	Advisory Director
Law-lawsuit	Young-Hwan Chung
cadastral system	Gyun-Woo Yang
organization- personnel	Sam-Gyun Baek
regulations- education	Hyun-Jin Oh
finance-banking	Chang-Yong Lee
cadastral survey	Byeong-Sang Yoon

### Evaluation of BOD performances

The evaluation of BOD performances is made in the "efforts and performances to activate the function of directors and auditor" for managerial evaluation of public corporations. The evaluation of a non-permanent director is done in relation to the reappointment of the non-permanent director (3 years), and the job performance of a non-permanent director whose term has expired is evaluated and submitted to the Ministry of Strategy and Finance. The incentive for the president is decided between 0% and 200% by the final point of the agency's evaluation (75.7 points) and president's evaluation (72.1 points) in the evaluation of public corporations. The vice president, the director for business and the director for management are evaluated by an external agency for the areas of general business, major business areas and business management area respectively and their performances are decided by percentage and difficulties and incentives are given differently at 90%, 100% or 110% of their regular pay.

### Sharing the information of BOD meeting

To satisfy the concerned parties right to know and to raise the transparency of the operation of BOD, the profiles of directors and the minutes of BOD meeting are provided through the Open Management Bulletin in KCSC homepage [www.kcsc.co.kr](http://www.kcsc.co.kr). The managerial information is also shared through the corporation's intranet, We-Land, and executives can express their opinions.

### Independent operation of the audit office

KCSC is faithfully receiving the audits of the Board of Audit and Inspection of Korea, the Ministry of Land, Transport & Maritime Affairs and the Inspection of the government offices conducted by the National Assembly. In addition, KCSC is operating a legislative organ, an executive body and an independent audit office within the company and conduct its own auditing of working and everyday managerial activities in order to control the organization and raise integrity, in auditing of working, a general auditing is conducted for the head office, regional headquarters and branch offices and summarize the categories of the pointed cases and superior cases to reflect them to management activities. In ordinary auditing, important businesses are audited in advance to strengthen control in the stages of business planning and implementation. In addition, the e-auditing system has been used since its construction was completed in July, 2008.

#### No. of employees reprimanded in auditing of working

Year	Disciplinary punishment	Censure
2006	0	3
2007	0	14
2008	0	7

#### Status of the execution of Ordinary auditing

Year	No. of auditing	Issuance of opinion
2006	338	14
2007	304	6
2008	282	5



## KCSC's Corporate Sustainability Management

About KCSC Economic Performance | Social Performance | Environmental Performance | Appendix

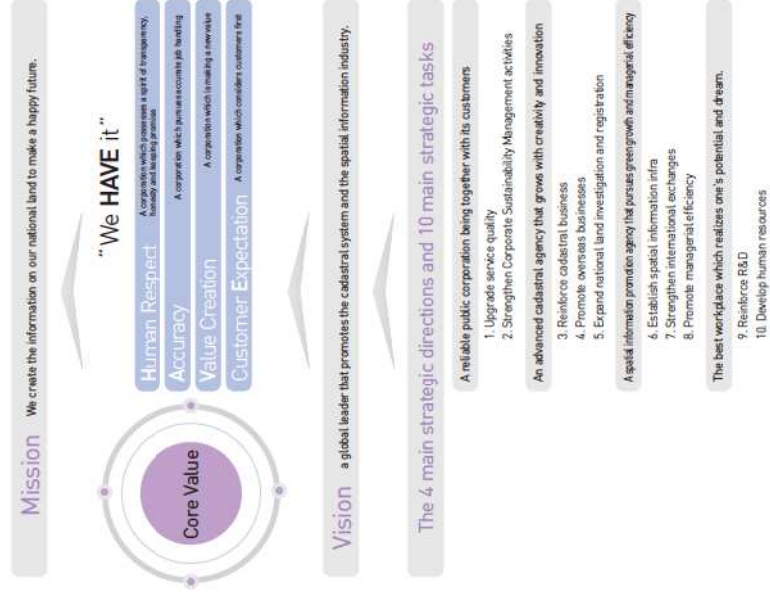
### KCSC's VISION 2020

We will be a global leader that will promote the cadastral system and the spatial information industry.

### KCSC's mission, vision and strategy

KCSC's mission is to create the information on our national land to make a happy future. We will make efforts to establish and provide the most appropriate information on the national land and space and develop a 3-dimensional spatial information industry by upgrading the cadastral system and conducting inspection of the national land. In addition, we will reinforce the trust in land administration and at the same time actively carry out the responsibility of the government that private companies cannot exercise in order to protect the properties of the people. We have a strong will to contribute to the economic development of the nation and the improvement in the people's quality of life by forming a sustainable environment for the usage of the national land and establishing a clear territory.

To achieve such a mission, we made the 4 Core Values with the catch phrases of "We HAVE it" and selected 4 main strategic directions and 10 strategic tasks under Vision 2020. In order to become a "global leader that will promote the cadastral system and the spatial information industry," we will upgrade cadastral system and spatial information industry through close cooperation with related companies and agencies and create a sustainable environment for the usage of the national land. At the executives and employees of KCSC, we will make their utmost with a will to become the best service corporation with professionalism and dedication by fostering creative talents and leading technologies.



### Promote Corporate Sustainability Management

After setting its vision to "create the information on our national land to make a happy future," KCSC established the future development strategy for sustainable growth. In order to respond to the internal and external changes in managerial environment including the decrease in demand due to the opening of the cadastral market, the change in the authorities in charge into the Ministry of Land, Transport & Maritime Affairs and the integration law, the establishment of the law on the promotion of spatial information industry, Green Growth policy and the effort to upgrade public corporations, KCSC established the 2012 "mid and long-term composite development plan" in connection with the "KCSC Vision 2020" and newly selected the 4 Core Values, 4 Strategic Goals and 10 Strategic Tasks and is reflecting them to the Corporate Sustainability Management strategies. In order to lead such activities to specific results, we will establish the Corporate Sustainability Management as KCSC's corporate culture through close consultation with related departments and management and evaluation of performances.



### The implementation system for Corporate Sustainability Management strategy

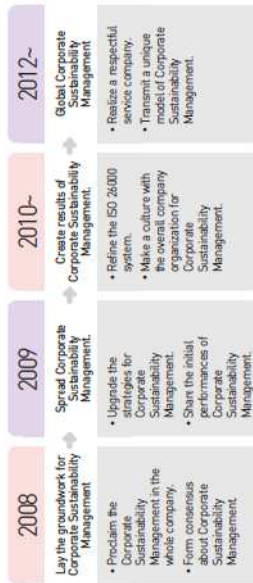
Sustainable growth through the best national spatial information service





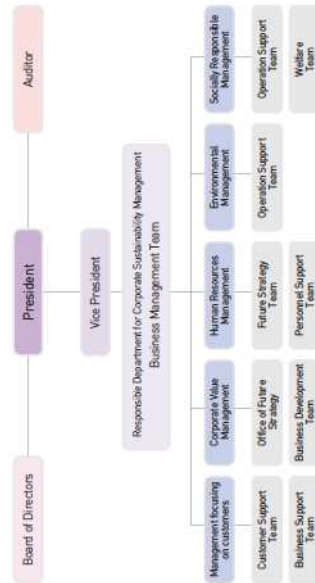
### Road Map of Corporate Sustainability Management

For the implementation of a global standard Corporate Sustainability Management by 2012, KCSC has set up the road map for each stage and prepared specific implementation strategies.



### Organization for the promotion of Corporate Sustainability Management

For the promotion of the Corporate Sustainability Management at the overall company level, the Business Management Team in the Office of Planning and Coordination becomes the responsible department and the departments implementation will be appointed and operated according to the strategic direction and tasks to be executed.



### CEO's Will for Corporate Sustainability Management

"In all managerial activities, we should have a strong will to set up future-oriented managerial strategies that pursue not only economic profitability but also public interest such as social responsibilities and environmental soundness."

- In the Proclamation Ceremony for the First Year of the Practice of Corporate Sustainability Management, on May 7, 2008

"Now we have newly decided the 4 Core Values and Vision. There are many contents contained but there are 3 most important things: firstly, as appears in the core values we will grow into a corporation that provides the most satisfaction to our customers. Secondly, KCSC will be an advanced cadastral company by enhancing managerial efficiency and a global leader that will lead the spatial information industry. This means that we must develop the best surveying technology taking the lead and also develop the best system in cadastral system, too. Thirdly, we will make KCSC the best workplace where we can realize our potentials and dreams. I believe these values can be accomplished when our 4,000 employees give priority to the development of KCSC than their own comfort."

- In the Proclamation Ceremony for Vision 2020 on Dec. 22, 2008

### Declaration of the Practice of KCSC Corporate Sustainability Management

KCSC will make the following efforts to create balanced performances in economic, environmental and social aspects in all managerial activities and make sustainable growth with the confidence of our customers and concerned parties.

- Firstly,** we will raise customer-oriented corporate values by providing the highest-level national spatial information service.
- Secondly,** as a member of the society, we will join the efforts for the preservation of environment and make eco-friendly business management.
- Thirdly,** we will actively practice transparent & ethical management and fulfill our social responsibilities through social contribution activities using our core competence.

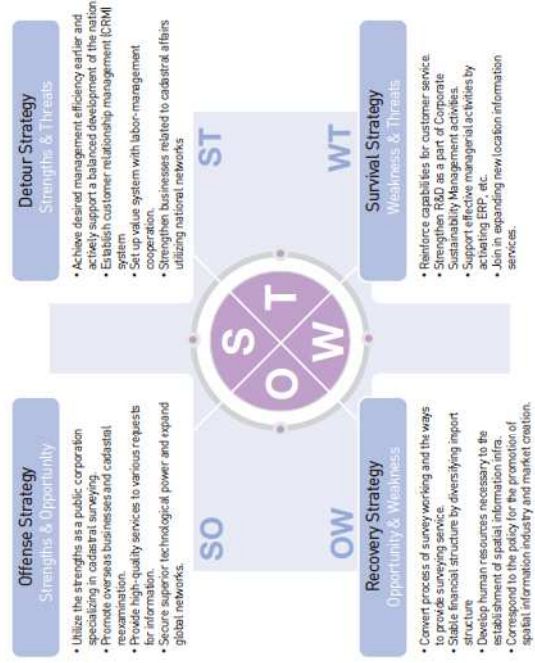
May 7, 2008  
All KCSC Executives and Employees



## KCSC's Opportunities and Challenge

### Analysis of Managerial Environment

The market environment encompassing KCSC is rapidly changing. Externally, economic growth has been slowing down due to the instability of the world economy, and competition is becoming much fiercer due to the market entry of our competitors with the opening of the cadastral survey market. Also, with the government's implementation of the policy to upgrade public corporations, the internal request for change is increasing to strengthen our competitiveness through raising managerial efficiency. However, while the existing market is stagnant, the new market is being expanded and the demand of location information service in the private sector is increasing with the increase in national income. In addition, the demand of the government for cadastral survey service is increasing, too, by the expansion of investment in the public construction sector.



### Managerial Environment for KCSC

#### The cadastral survey market in Korea

The function of public agencies is being rearranged with the changed business environment including the enactment of the laws on survey, waterway investigation and cadastral matters. As a result, the government's policy on national land spatial information is changing and upgrading business efficiency is under way such as the abolition and unification of public agencies. While special works are expected to increase with the implementation of large projects like 6 main corporate cities and 10 innovation cities, the size of the overall cadastral survey market is expected to be stagnant due to the continuous restriction policy of the government. At the same time, the market shares of competing companies in open projects are on the increase and competition is becoming fiercer.

#### New businesses and overseas businesses

KCSC is advancing into more new businesses including the management of the trace of flooding and creating the preservation zone for cultural assets, and expanding its business areas by developing the businesses that use cadastral information. In addition, KCSC is expanding overseas businesses such as the pilot business to improve the cadastral system in Azerbaijan and the consulting project in the cadastral area in Jamaica.

#### CEO's strong will in the changing business environment

"Recently, KCSC is confronting a period of historic change. Since 2004, the cadastral survey market has been opened, there has been a strong pressure for additional opening, and the demand for cadastral survey market has been decreasing in Korea. In 2008, the cadastral works have been transferred to the control of the Ministry of Land, Transport & Maritime Affairs and the government promoted upgrading the efficiency of public corporations. As a result, drastic changes are occurring in our business environment."

- On publication of a guide for overseas business

"With the restructuring of the organization and function of the government, it will be inevitable that KCSC will have a changed status and function. It will solely depend upon us whether KCSC will collapse easily by external shock or take this opportunity for its further development by one more level."

- In a speech in commemoration of the 70th anniversary

"A great change is occurring to our works due to the change in the government authorities in charge of KCSC. The individual cadastral, survey and waterway investigation laws are combined into a single law, and the law for the promotion of spatial information industry is being enacted. The main work of KCSC - cadastral surveying - is changing its paradigm from a passive management of the national land to an active utilization and creation of the national land."

- In a speech bidding the old year out



## Approach

- KCSC has increased sales in the surveying business through advanced surveying techniques. By implementing advanced surveying business on the basis of a global standard, KCSC prevented conflicts of interest between customers due to the disagreement in cadastral boundary and effectively eliminated the social and economic damages that can occur due to the conflicts of interest. We will keep doing research activities for advanced cadastral survey and making effort to realize social public values through cadastral surveying business.

## Disclosure on Management Approach

# DMA-Economic performance

## Strategic direction

- KCSC will make efforts to be recognized as a reliable public corporation being together with our customers. We will convert the research projects from mostly academic studies to on-site research activities. Through this, we will expand the indirect economic values of KCSC's businesses. We will grope for multi-faceted advancement into overseas markets to correspond to the government's policy to reinforce mutual cooperation and exchange programs with foreign countries. Especially, through the cadastral projects of KCSC, we will do our best to public economic values such as protection of cultural assets, assistance of disaster management, and maximization of land usage.

## Performance monitoring

- The realization of public values through land investigation and cadastral survey is one of KCSC's important business goals. KCSC tried to faithfully carry out its social responsibility that private companies cannot execute through such projects as the investigation of the realities of the seashore and surveying, creating the preservation zone for cultural assets, establishment of the flooding trace management system, and the survey for the registration of unregistered islands.

Classification	Contents	2008 Performance	Compared to the previous year	2009 Goal
Indirect economic value	Cadastral survey work (No. of lot)	1,674,000 lots	24,000 lots ↓	1,836,000 lots
	Research project (case)	25 cases	4 cases ↑	12 cases
Public interest	Overseas business (KRW 1 mil.)	₩ 2,007,000,000	43% ↑	₩ 1,500,000,000
	Making drawings of flood trace investigation of the realities of the seashore and surveying	location: 18 / area: 985ha No. of cases: 107 / area: 592ha	34.6% ↓ 75.9% ↓	reinforce disaster prevention activities ₩ 350,000,000

## WE GIVE A NEW VALUE TO LAND.

A vast land.

We draw a picture with dream and hope on the empty land.

We divide it.

We measure the distance.

We dream of a world.

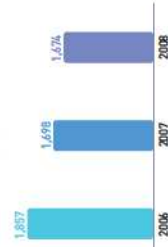
And we give a name to the world.



## KCSC's Economic Value

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Execution of surveying work (1,000 lots)

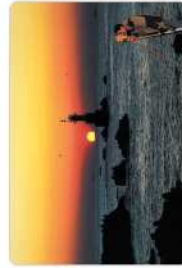


### KCSC's economic creation and distribution

KCSC carries out the responsibility of the government that private companies cannot execute such as strengthening people's confidence in land administration and protection of property rights and at the same time contributes to the economic development of the nation by promoting the cadastral system and spatial information industry. Furthermore, in order to increase the public benefits of various concerned parties and create and return new values, KCSC makes profits every year with its own financial resources without the financial assistance of the government and is using the profits as the funds for reinvestment.

### Survey business

Survey business is KCSC's core business, which is a technology service conducted for the requests of the people, government, government agencies or customers. The results are utilized to increase customers' values. KCSC is creating economic values through various survey businesses.



### Raise business value and develop future businesses

Cadastral survey business is providing stable managerial resource by raising efficiency in business implementation through accurate prediction of workload and appropriate allocation of human and material resources. Also, interactive On-Line communication system is being operated for continuous process improvement, and the precision is increasing through the introduction of the latest equipment, acquisition of new technologies and systemization of the treatment processes. Moreover, business diversification is under way through the development of new service contents to meet various customers' requests and support effective usage of the cadastral information by the government and public agencies.

### Refining cadastral system

With the increasing conflicts over land due to the disagreement in cadastral boundary, KCSC set up a plan for a test project for the establishment of a 'Digital Cadastral Map' as one of the systematic improvements to resolve such problems. Also, KCSC has refined the cadastral standard by adopting the global survey standard. It has recently begun to apply the World Geodetic System instead of the Tokyo Geodetic System, which was used for over 100 years, for the installation of the cadastral satellite datum point. We will make effort to help enact the special law of land investigation to lay the groundwork for cadastral reexamination.

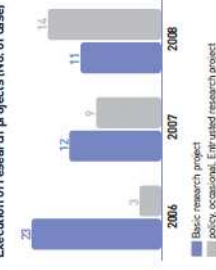
### Research projects

With the government's policy to activate the spatial information industry and the expansion in the competition system in the cadastral area, the researches on strengthening KCSC's competitiveness and the implementation of new businesses have become essential. Thus, KCSC has activated the researches for the development of cadastral survey technologies and the related laws and systems to secure the corporation's sustainable growth engine.

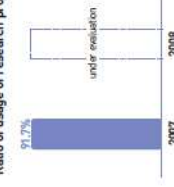
#### Progress of researches

The direction and strategy of the research projects, which used to focus on academic research on general areas, have been changed to focus on work-site operations. Also, we received orders for external research projects and grasped the latest technological and policy trends. As a result, we did 11 basic researches in total including the development of interactive survey terminal system [STS-1] in the research area of social science and technological development. The number of external research orders was 14 in total including the R&D in the nation's intelligent national land information technology innovation project. The research projects are selected in consideration of the expected efficiency of the research results and practical use by the suggestion of KCSC and related agencies. The proposed research projects are first reviewed within KCSC and then the preliminary research plan is made through the consultation between the researcher and the staff members in the related department. Then the Committee for the Selection of Research Projects composed of 10 experts selects plausible research projects considering their practicality and efficiency after holding 2 times of related meetings. The selected research projects are reviewed 3 times in the meeting of Research Examination Committee composed of experts in each research area to reinforce the professionalism of the research project, raise the completion level, professionalism and practicality of the research results and improve the research quality. If a project is finished, a survey on each project and its usage is done to enhance the practicality and efficiency of the research.

Execution of research projects (No. of case)



Ratio of usage of research projects (%)



The examination of the usage of research projects is done one year after the execution of the projects. The examination of the usage of 2007 research projects was done in May, 2008 and the examination of the usage of 2008 research projects will be done during 2009.

#### Usage of the research project

Through the selection and management of the research projects, 11 (91.7%) out of the 12 '2007 research projects' are now being used, and about the '2008 research projects' the department in charge is currently evaluating their usage and direction for improvement. Through such activities, KCSC plays the role of a professional research institute which leads the future of cadastral matters and is laying the groundwork for cadastral development through practical and efficient researches.



## KCSC's special projects for public interest

### Creation of added value through the usage of spatial information

#### Realities up to now

The Ministry of Land, Transport & Maritime Affairs has promoted the enactment of the 'basic law on spatial information and the law for industrial promotion' as a way to establish the national land spatial information infra. KCSC has been establishing a system equipped with the function to classify, process, store and find out data for effective management of cadastral survey information to enable scientific analysis of the national land and that rational decision-making. It is currently abolishing and combining organizations in consideration of continuous managerial efficiency of the organization and customer service.

#### Necessity to use the spatial information

As a part of the government's Green Growth policy, the necessity of the accumulation of 3-D cadastral data is emphasized for the promotion of the cadastral system and spatial information industry, and through this it is required to expand the national spatial information infra and lay the groundwork for the development of new businesses. At the same time, internally, it is important to for a stable managerial basis and a transparent image of a public corporation with efficient business management and a sound financial structure.

#### Future directions for execution

KCSC will contribute the standardization of the 3-D digital cadastral information database and its quality improvement to promote the spatial information industry, set up the infrastructure and establish an assistance system for industrial promotion. We will also continue to enhance the managerial efficiency with a goal to improve it by 10%, and secure spatial information competitiveness by broadening its scope both home and abroad and activate international exchange and cooperation in order to strengthen the role of a public corporation representing the cadastral survey work in Korea by laying the groundwork for a Green Growth.



### KCSC's stance about public businesses

KCSC will make effort to realize social public values through its unique land inspection and cadastral survey business. KCSC will faithfully carry out its social responsibilities. It will support the effective usage, development and preservation of land by securing the cadastral data of the coastal areas, assist for a systematic management of cultural assets through inspection and surveying of the nationally designed cultural assets nationwide, and support the establishment of a quick damage recovery measures at time of natural disasters by inspecting trace of flooding.

### Establishment of Districts for Protection of Cultural Assets

KCSC found out that if an item was designated as a cultural asset without the appointment of a zone for cultural assets, the scope of a zone for the protection of cultural assets is unclear, or the location is different. It is necessary to establish the zone again and give a public notice. After KCSC continuously told the department in charge - Cultural Heritage Administration of Korea - that the drawings for the public notice need to be made again realistically reflecting the cadastral change of the preservation zone for cultural assets including the division or merge of the lot, it has become possible to carry out the project of the establishment of cultural assets protection zone on cadastral basis by applying standardized work guideline and conducting unified on-site survey for the cultural assets being taken care of by the central government or local governments.

According to the 'Basic law of the restriction on land usage' enacted on June 8, 2006, the zones designated for cultural assets before Dec. 8, 2006 will be given the database on cultural assets by surveying with topographical drawings or serial cadastral map set up in the national land usage information system by Dec. 31, 2008. The data on the zones for cultural assets newly nominated after Dec. 8, 2008 is being provided in the 'General GIS information network for cultural assets'. It was a good opportunity for KCSC to enhance its status both home and abroad by generating the basic data to be the basis for cultural assets management.

#### Performance

In 2007, KCSC implemented a total of 1,550 on-site surveys for the nationwide cultural assets designated by the nation including the national treasures, treasures, historical relics, natural monuments, important folk cultural assets and registered cultural assets. In 2008, KCSC conducted 222 surveys for the cultural assets designated by the central government or local governments.





### System configuration



### Future plan

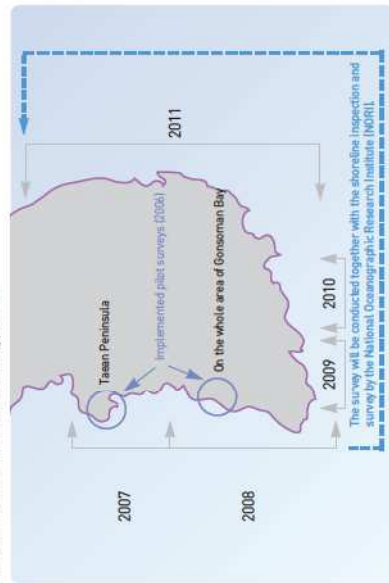
Beginning with the pilot surveys in 2006 conducted for Taean-gun in Chungnam Province and Buan-gun in Jeonbuk Province, the surveys for 18 local governments in Incheon Metropolitan city and Gyeonggi-do, Chungcheongnam-do and Jeollabuk-do Provinces were completed in 2007. In 2008, the surveys for 8 local governments in Jeollanam-do Province were done. Surveys will be done for Masdo, Jangheung, Boryeong and Goseong Counties in 2009, and for Yeosu, Dongseong, Suncheon, and a part of Gwangseongnam-do Province in 2010. The areas from Busan to Gangwon-do Province will be done in 2011.

### Research on the actual condition of seashores and on-site survey

KCSC supports an effective management of seashore by inspecting and surveying the unregistered lands scattered on the seashores nationwide and acquiring them as national properties.

Since the first land survey (1910-1924), land registration and land inspection have been omitted due to the lack of coastline survey and low precision at time of land inspection, and unregistered lands are left alone as the surface of the water in public ownership is registered as land in the land register due to errors in survey. In addition, a land formed by natural phenomena such as tide, weathering and sediment is not registered making it difficult to use, develop or preserve the seashore effectively. The seashore reality examination and on-site survey project is a 5-year project from 2006 to 2010. With the project, the lands on the beach which used to be managed as the surface of the water in public ownership has been newly registered to be included in the national property to increase the revenue of the central government. The registration of the unregistered lands in the register has enabled effective usage, development and preservation of the seashore area. In addition, the effective value of the seashore management information system has been increased by securing precise cadastral data of the seashore area, and it is now possible to offer good-quality services.

### Present status of seashore management



### A project to establish the flood trace management system

With the purpose to be able to take prompt measures when damages are caused by the annual natural disasters such as typhoon, heavy rain or tidal waves, the project quickly and accurately inspects and surveys the damaged places to make a flood trace map. In addition, in the flood trace inspections, the flood traces are marked on semi-permanent structures to keep and manage the past damage by flood as historical records so that the residents can recognize the damaged area to heighten their awareness of natural disasters and improve their ability to respond to natural disasters. Being designated as the agency in charge of the preparation of the flood trace drawing for the Council to Reduce Natural Disasters based on Article 21 of the Law to Cope With Natural Disasters, KCSC has established a system with the database of the flood trace management system and the inspection and survey of the flooded area to provide national agencies - the National Emergency Management Agency and local governments - with basic information for disaster management.

### Expected effects

Taking responsibilities for and managing national disasters, KCSC is expected to fulfill its social responsibilities as a public agency and secure a solid position as an agency in charge of flood trace management.



### Practical education for the writing of flood trace



### Performance

Year of writing	No. of local governments	area(km <sup>2</sup> )
2006	21	7,253
2007	19	2,849
2008	18	985

• If requested to give flood trace drawings, provide the related electronic files (DWG) National Institute for Disaster Prevention, National Emergency Management Agency



## KCSC in the World

### Survey unregistered islands for the registration in land register.

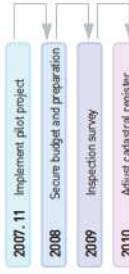
There are 4,410 islands within the territorial waters of Korea, and among them 1,419 islands (32.2%) are not registered. The land register made by Japan in 1910 did not register small or valueless islands due to the then poor surveying technology and difficult economic condition.

KCSC is currently inspecting and surveying the unregistered islands according to the World Geodetic System and doing cadastral registration. As a pilot project, among the 169 islands located near Hongdo Island and Heulsan-do Island in Jeollanam-do Province, 58 unregistered islands were inspected and registered for 2 months in 2007. From 2008, all the inspected unregistered islands are done cadastral survey and registered.

Using the state-of-the-art surveying technique of aviation LIDAR, it was possible to observe any island of which area is more than 10 71 of area. Unregistered islands were regarded as those without an owner and treated them to be national properties based on Article 8 (treatment of real estates without an owner) of the Law of National Property after marking them with 'nation'.

By registering all islands within the territorial waters in the cadastral register, it is expected that the issue of sovereignty near the islands in the Exclusive Economic Zone (EEZ) and territorial disputes can be prevented in advance and the ecological management and the usage of land as resources of maritime tourism in the island regions can be maximized.

#### Project implementation schedule



#### Survey with aviation LIDAR

A 3-D survey device with an airplane equipped with laser scanner, GPS and INS

There are lot numbers surveyed by KCSC in every corner of the country even to the hand-ful end of the land. KCSC is maintaining people's property rights and the self-pride of the national land with accurate and reliable survey and records.



### FIG (International Federation of Surveyors)

Classification	Time	Place
FIG Congress	2010 (planned)	Australia
	2006. 10	Germany
	2002. 04	U.S.
FIG Working Week	2009 (planned)	Israel
	2008. 06	Sweden
	2007. 05	Hong Kong
FIG Commission on 7 Annual Meeting	2008. 04	Egypt
	2004. 05	Greece
	2003. 04	France
FIG Commission on 7 Annual Meeting	2008. 09	Italy
	2007. 05	Korea
	2006. 10	Slovenia
FIG Commission on 7 Annual Meeting	2008. 06	U.S.
	2004. 09	France
	2003. 09	Poland

#### FIG (International Federation of Surveyors)

FIG is an NGO founded in July, 1878 in Paris, France by the surveyors' associations of the 7 nations of France, Belgium, Germany, Italy, Switzerland, G.B., and Spain with the purpose to exchange information, promote exchange programs and spread the research results by training on new surveying techniques.

The general meeting and the working week are held regularly to fulfill FIG's purpose of establishment. The 2001 FIG Working Week was held in Seoul in May, 2001 by Korean Federation of Surveyors (KCSC/Korean Association of Surveying & Mapping) with the participation of 962 members from 47 countries. In May, 2007, the annual meeting of FIG Commission on 7 was held in Seoul with the participation of 27 members from 15 nations to boost Korea's status in the area of survey and spatial information in the global society.

#### International Cadastral Symposium

The International Cadastral Society was established in 1998 by cadastral institutes in Korea, Taiwan and Japan with the purpose to exchange information for the development of cadastral area as well as academic and technological development. The society is playing an important role in the international exchange for cadastral development in East Asia. The International Cadastral Symposium was successfully held in 2008 in Ilisan KINTEX, Korea, in commemoration of the 10th anniversary of the Society with the active participation of the experts from the 3 nations.

### International Cadastral Symposium

Congress	Time	Place	Participation/theis
1st	1998	Taiwan	3 countries/8 theis
2nd	2000	Japan	4 countries/29 theis
3rd	2002	Korea	3 countries/25 theis
4th	2004	Taiwan	3 countries/22 theis
5th	2006	Japan	3 countries/29 theis
6th	2008	Korea	3 countries/15 theis

#### Congress of Surveyors in East Asia

The congress was established in 1979 for the development of survey through information exchange in East Asian countries and promotion of friendship. The general meeting is held biennially with the agenda of cadastral survey information, production of digital drawings, waterways survey, surveying with aerial photographing, land administration, and urban and rural planning.

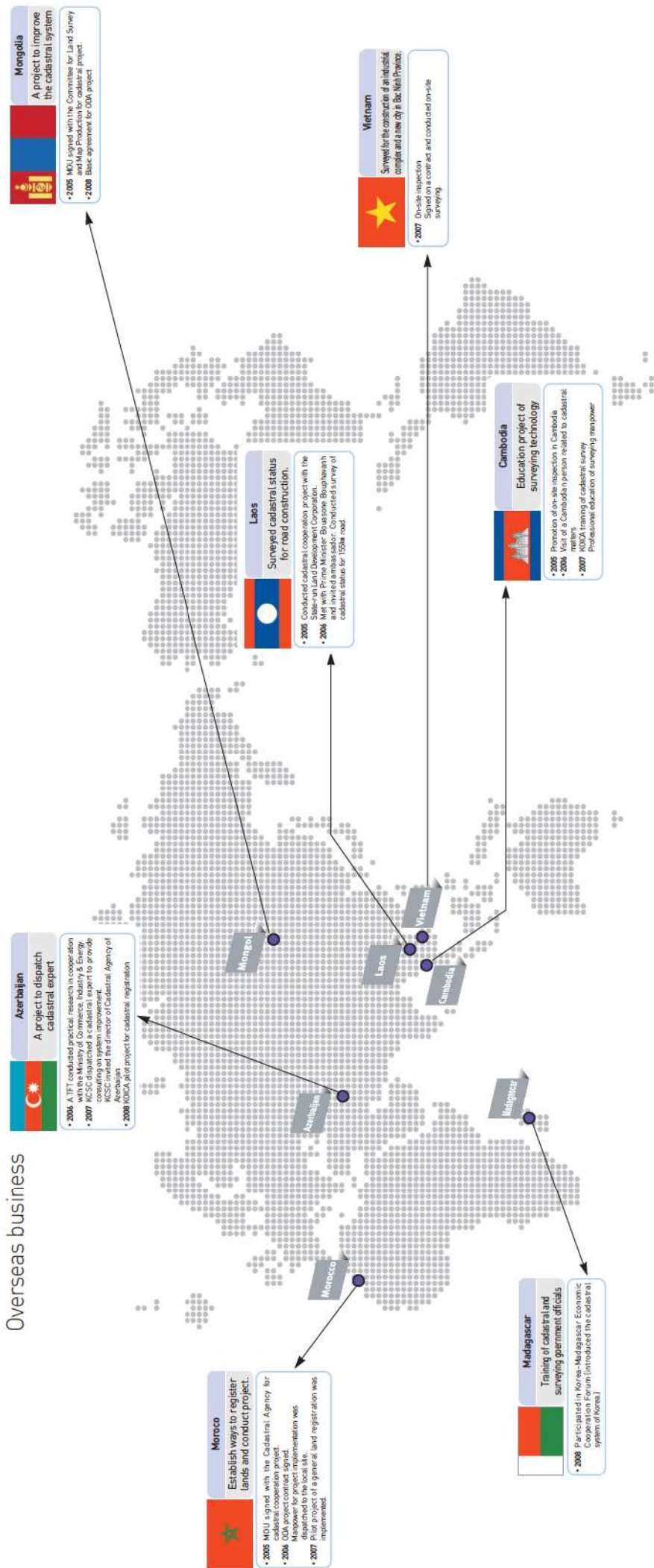
### Congress of Surveyors in East Asia

Congress	Time	Place
1st	1979	Singapore
2nd	1983	Hong Kong
3rd	1987	Indonesia
4th	1991	Malaysia
5th	1995	Singapore
6th	1999	Australia
7th	2003	Hong Kong
8th	2005	Brunei
9th	2007	New Zealand



We look to the world and think about our future :  
that is the growth engine of KCSC.

## Overseas business





**The reason for advancing into overseas markets as a public corporation**

To overcome the limit to the cadastral survey market in Korea and secure a new growth engine, KCSC has been strategically promoting overseas projects since 2004. The international societies including UN recognize that the cadastral system is essential to the economic development of a nation and sustainable management of its national land resources, and are supporting mainly developing countries and the independent nations which used to be included in the former USSR.

In order to be a global company corresponding to the government's policy to strengthen international exchanges, KCSC will secure a international competitiveness through overseas projects by actively participating in ODA projects focusing on under-developed and developing countries reinforcing the capabilities of the corporation.

## Consulting on cadastral system and training on cadastral survey

KCSC is expanding its consulting business for under-developed countries in the areas of the adjustment in cadastral laws, improvement in the cadastral survey working procedures, transfer of new technologies, etc. In April, 2008, KCSC dispatched an expert to the Inter-American Development Bank (IDB) to consult Jamaica on the matters related to the cadastral system and land registration system. Also, in cooperation with KOICA and Korea Cadastre Research Institute, KCSC trains the cadastral government officials and surveyors of developing countries or invites the concerned employees of the companies located in the country where KCSC is promoting businesses for training. In July, 2008, the surveyors of the Cadastre Survey Association in Malaysia were trained on cadastral survey and high-tech surveying techniques and the cadastral government officials of Cambodia were trained for the importance of the reference cadastral point in August, 2008.

In October and November, the government officials of Nigeria and Heilong Jiang Province of China were educated on the importance of cadastral survey and were introduced KCSC's cadastral survey technology.

By activating its consulting businesses, KCSC can acquire major business plans of the related country and the information necessary to the pilot project of land registration and at the same time can lay the groundwork for overseas projects by transmitting Korea's cadastral system and KCSC's advanced cadastral surveying technology and enhance its global recognition by establishing human networks.

Performance in consulting and training			
2007		2008	
goal	performance	goal	performance
2 nations (30 people)	2 nations (28 people)	2 nations (30 people)	2 nations (32 people)



### Projects to establish cadastral and spatial information

For a year from July 2008, KCSD conducted a pilot project in Morocco after establishing the ways for land registration. In connection with KOICA, we did such projects as the consulting on land registration, test survey, system development and education.

From May 2007 to December 2008, KCSC conducted a project in Vietnam to form an industrial complex, a new city and a golf course in Bac Ninh Province. We did the cadastral work to set up a land information system on the location of boundaries between the outer wall, households and each lot. In December, 2008, KCSC began the pilot project of the cadastral registration in Azerbaijan and will proceed with consulting on land registration and test survey, system development, education and other projects until June, 2010.

## Exploring overseas markets

KCSC delegation visited the 4 nations in Central Asia – Uzbekistan, Kazakhstan, Azerbaijan and Turkmenistan – in May. In 2018, and signed an agreement with Azerbaijan to cooperate in the Karadag and land areas. In August, we visited Ulan Bator, Mongolia in August, 2018 and had basic discussion on the implementation of the 'cadastral system improvement project' as JDA project with the participation of KCSC, the Korean Embassy in Mongolia, KIOCA and the Mongolian government together.



## Business performance in cadastral and spatial information

2007		2008	
goal	performance	goal	performance
1 nation (99% 200 million)	3 nations (99% 250 million)	1 nation (99% 1.4 billion)	2 nations (99% 105 billion)
(155hr)	(155hr)	(100hr)	(1130hr)





### Approach

- We pursue improvement in customer satisfaction through customer segmentation and establishment of channels for customer participation. We are also supporting for a systematic social service activities in order to share values with the local community. We are strengthening the trust of our executives and employees through fair treatment and respect of their diversity, and providing them with various education programs to boost their professionalism and capabilities. Furthermore, we will establish a transparent organizational culture through a strong will of the CEO for ethical management and relevant support systems.

### Disclosure on Management Approach

## DMA-Social Performance

### Strategic direction

- To raise customer satisfaction, we will operate a customer service system which reflects the characteristics of our customers. We will perform KCSC's social responsibilities as a public corporation by promoting the overall company's participation in social contribution activities and expanding opportunities for social minority. We will diversify educational programs to foster talented employees and increase the hours of educational programs for them. We will also make effort to expand welfare benefits for our employees so that they could work with pride. Moreover, by systematically monitoring the matters related to our employees' health and safety, we will form a workplace culture where they can work happily in security.

### Performance monitoring

- We have enhanced customer satisfaction by operating the VOC system, online customer participation center, etc. We have made effort to improve the welfare level of the local community by establishing sisterhood relationships and supporting for the promotion of sports activities. For our executives and employees, KCSC is applying more objective and reasonable evaluation system and assisting them with various types of educational programs. In addition, we are making an organizational culture to satisfy both the labor and management by developing a selective welfare system which can meet the individual needs of the employees. We have also reinforced evaluation and compensation for ethical management to be recognized as a clean corporation.

Classification	Contents	Performance in 2008	Performance compared to the previous year	Goal in 2009
Customer	Customer satisfaction level(score)	84.9	3.3 ↑	Increase by 2.0 points compared to the previous year
Social	Contribution activities for local community(Number of times)	6,124 times	-	Maintain the level of the previous year.
Diversity	Ratio of employment of local talents(%)	83.0%	0.8% ↑	Maintain the level of the previous year.
Employee satisfaction	No. of training courses	39 courses	14 courses ↑	43 courses
	Average annual hours of education per person	81.5 hours	20.6 hours ↑	89.6 hours
	Average amount for welfare benefits per person	5,320,000 won	820,000 won ↑	5,080,000 won
Safety and health	No. of disaster cases related to safety and health works	3	6 ↑	Achieving zero occupational disasters

## FINDING THE HEART OF LAND

There is a feeling among the houses and buildings located in a cluster.  
 The land is encompassing you and me, our family and neighbors and the residents of the village as a basis of our life.  
 The sections made by accurate survey do not divide neighbors but become channels that connect us, and the transparency makes a route that connects man and land.  
 We learn the affections among people and the truth of life from the clear boundary, clean business management and culture.  
 We are finding the heart of land.



# Management for Customer Satisfaction

Beyond customer satisfaction, we want to give happiness to our customers.

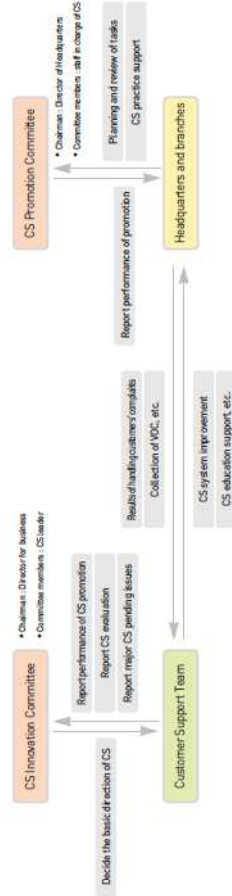
### Definition of customers

In the cadastral survey industry, ordinary customer relations cannot satisfy customers sufficiently. Besides general customers, there are various customers according to the special characters of businesses from value creating customers who develop survey technology and operate the cadastral survey market through research and education of cadastral system to the value purchasing customers who utilize the results of the developed survey technology. Furthermore, we think of the customers with potential value who have the possibility to use the cadastral survey service in the future. KCSC is making effort to provide the segmented customers with differentiated information and leading rational balance and development of the cadastral system.

## Classification of customers and service characteristics

Classification	Customer	Characteristics
Value creating customers	<ul style="list-style-type: none"> <li>• Internal customer</li> <li>• Cooperating customer</li> </ul>	Those who operate the cadastre, survey service market and actively perform the research and education of cadastre system and development of survey technology
Value purchasing customers	<ul style="list-style-type: none"> <li>• General customers, special policy customers</li> <li>• People who have interest with the land and users</li> </ul>	Those who utilize the result of effects of the development of survey technology and influenced by it
Customers who affect value	<ul style="list-style-type: none"> <li>• Cadastre specialist</li> <li>• The press</li> </ul>	Those who affect the planning and execution of the development of survey technology and the decision making process
Customers with potential value	<ul style="list-style-type: none"> <li>• Potential survey businessman</li> <li>• Potential customer</li> </ul>	Those who have the possibility to use the cadastre survey service in the future

## Diagram of CS Innovation Promotion



## Management for customer satisfaction

With the GS Vision, "KSCC gives impression and receives love," KSCC is operating a company-level management system for customer satisfaction in order to maximize customers' satisfaction by providing custom-made services according to the types of our customers.

In order to provide systematic and effective services meeting the needs of the segmented customers, we have formed the CS innovation promotion organization composed of CS leaders which is playing the role to improve the system for the whole CS activities of KCSC as well as its services. At the same time, we have secured channels for the sharing and participation of all the employees in CS through a learning club (LCP) education program and survey of opinions. As a result, KCSC has laid the basis for the change in CS organization culture and CS innovation.

## | Strategy and goals of management for customer satisfaction |

CS Vision	<p>"KCS gives impression and receives love."</p>	
CS Mission	<p>The best service that keeps customers' values</p>	
CS Core Value	<p>Core value 4A</p> <p>Accurate: Accurate service based on professionalism</p> <p>Alert: Quick service with rational procedures</p> <p>Assisted: Kind service basing on our customers</p> <p>Advanced: Advanced service</p>	
Management Index	<p>Effective operation of customer satisfaction response system and the system of customer satisfaction survey</p>	<p>Activate customer suggestion system by installing internet customer participation center, etc</p>
Activities performed	<ul style="list-style-type: none"> <li>Establish customer satisfaction response system</li> <li>Operate customer satisfaction survey system</li> </ul>	<ul style="list-style-type: none"> <li>Install and operate customer participation center</li> <li>Activate customer suggestion system</li> </ul> <p>Effort to fulfill Customer Service Charter and performance</p> <ul style="list-style-type: none"> <li>Establish the system of Customer Service Charter system</li> <li>Fulfill Customer Service Charter system</li> </ul>



KSCC is making effort to give greater satisfaction to our customers by improving services at the front where we meet customers directly to the general services through the operation of a support system so as to 'reflect customers' need in the whole areas of business management.

The Voice of Customer (VOC) is an integrated management system composed of various online and offline media established to receive, process, analyze and evaluate customers' complaints in a prompt and effective way. In addition, the content of complaints are monitored by all employees to prevent the occurrence of the same type of customers' complaints and improve quality of works. As a result, more improved services can be provided to promote the management for customer satisfaction on the whole company level.

```

graph LR
    subgraph Collection_channel [Collection channel]
        C1[Customer contact VOC]
        C2[Homepage]
        C3[Off/On Line customer]
        C4[We-Land Community]
        C5[Various data of customer evaluation  
(VOC, etc.)]
        C6[Data of internal monitoring]
        C7[Announcement of external affairs  
(Government, etc.)]
        C8[Media report  
Newspaper / TV internet]
    end

    subgraph System
        S1[VOC System]
        S2[Intranet]
        S3[Regular reports  
BSC index]
        S4[Regular reports  
Intranet]
    end

    subgraph Contents_of_information [Contents of information]
        I1[VOC information]
        I2[Market trend information]
        I3[Suggested information]
        I4[Market research information]
        I5[Information on public opinion]
    end

    subgraph Channel_for_sharing [Channel for sharing]
        CS1[Social opinion  
Intranet We-Land]
        CS2[Managerial meeting  
(teleconference)]
        CS3[CS innovation committee]
        CS4[Company Newsletter]
    end

    subgraph Channel_for_usage [Channel for usage]
        U1[The management]
        U2[Marketing policy]
        U3[Customer management policy]
        U4[Development of new services]
        U5[R&D]
    end

    C1 --> S1
    C2 --> S1
    C3 --> S1
    C4 --> S1
    C5 --> S3
    C6 --> S3
    C7 --> S4
    C8 --> S4

    S1 --> I1
    S2 --> I2
    S3 --> I3
    S4 --> I5

    I1 --> CS1
    I1 --> CS2
    I1 --> CS3
    I1 --> CS4
    I2 --> CS1
    I2 --> CS2
    I2 --> CS3
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    I5 --> CS4

    CS1 --> U1
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    CS4 --> U4
    CS4 --> U5
  
```

KWSC is making effort to become a reliable corporation by offering custom-made services to meet customers' needs in order to prevent and minimize customer's complaints about the cadastral survey services provided by us.

The 'treatment by one-time visit' means that KCSG handles various works related to cadastral survey. After the one-time visit of our customers to the corporation. The percentage of 'Treatment by one-time visit' was 27.2% of all the cases completed in 2008. The performance delivery system is a service that KCSG workers visit the customers who want the results of the survey that they requested and give a detailed explanation and answer their questions. The service took 24% of all the cases completed in 2008. We will keep expanding these services until they become available to all our customers.

In order to promote customers' convenience and be of real help by realizing customer-oriented services, KCSC offers visiting on-site services by the requests of those who live in remote areas or isolated islands or handicapped people. In 2008, we handled 183 such cases through online and 334 cases through offline services.

For this cadastral administration service, we form a joint working team with the civil servants in the respective area of each headquarters and branch and visit the actual sites in person. In the case of an island or remote area to consult on cadastral matters and real estates and receive applications and handle them. In 2008, KSCS provided 334 times of such service in 7 headquarters.

Year	Lots surveyed (1000s)	Complaints occurred (No. of lots)	Ratio of complaints(N)
2004	1,737	138	0.008
2005	2,048	144	0.007
2006	1,857	98	0.005
2007	1,698	102	0.006
2008	1,674	97	0.006

Year	2007	2008	Increased/ decrease
No. of cases	40	183	143

Region	No. of cases	Region	No. of cases
Incheon	1	Gyeongbuk	256
Chungbuk	30	Gyeongnam	6
Jeonbuk	7	Jeju	4
Jeonnam	30	Total	334



## Customer participation center in Homepage

### Consulting on cadastral survey

Year	2007	2008	Increase/ decrease
No. of case	448	1,157	709 ↑

### Publishing the process of handling customers' complaints

Year	2007	2008	Increase/ decrease
No. of case	102	97	5 ↓

### Customers' opinion

Year	2007	2008	Increase/ decrease
Suggestions	24	34	10 ↑
Free bulletin	295	310	15 ↑
'Let's praise'	47	97	50 ↑

### The 8th ceremony of awarding prizes for cadastral literature contest



### Consulting on cadastral survey

Customers' questions about cadastral survey are handled in real time. In 2008, the number of consulting rose 258.3% from the previous year showing the increase in customers' participation in the Internet.

### Publishing the process of handling customers' complaints

The process of handling customers' complaints about the results of survey is opened in the Internet for real-time confirmation in order to dissolve customers' complaints and raise the reliability of the corporation. As a result, the number of objections decreased 5% in 2008 compared to the previous year.

### Internet application system

This system allows customers to submit applications for cadastral survey in KCSC's homepage without visiting the corporation. In 2008, 890 applications were accepted and handled through this service. Moreover, it is possible for customers to pay their survey fee with credit cards after automatically downloading the transaction module.

### Customers' opinion

The space for customers' suggestions is being operated in order to listen to the various requests and ideas of customers for policy development and reflect them to managerial decision. It is also used as a stage to share customers' experiences regarding cadastral survey service and the cases of kind employees.

### Establishment of the homepage for the elderly and handicapped

KCSC is offering customer-oriented web services to provide those who are alienated from information including the elderly and handicapped with appropriate Internet access.

## Customer satisfaction survey

KCSC is making effort to improve the quality in customer satisfaction service through objective inspection of the level of customer satisfaction service conducted by the government and activities to improve it. As a result of such practice, KCSC received 84.9 points in 2008 customer satisfaction survey which is 3.3 points up from the previous year giving a positive influence in improving its corporate image. We will keep endeavoring to be born again as the best service institute among public agencies.

## Survey of kindness in telephone reception

KCSC is evaluating the attitude of its employees in receiving telephone calls from customers in order to strengthen its weak points. According to the results of the investigation, employees with good attitude are awarded and those with poor attitude have to participate in the level-up training. The level of kindness in receiving telephone calls has gradually risen for the past 4 years, and the general score marked 89.7 points in 2008 which is 1.1 points up from the previous year.

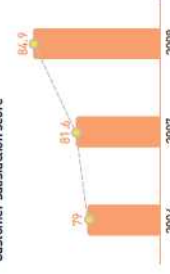
## Happy Call (customer satisfaction after service) survey

KCSC is examining customers' satisfaction after the general cadastral survey service. The observance of service standards is checked on the basis of the checklist of each area such as the kindness at time of the request for survey, the kindness at time of the on-site surveying, progress, keeping promise and the general satisfaction. Then, the tasks that need improvement are drawn out to realize high-quality customer-oriented services. The scores have gradually risen for the past 3 years, and the general score in 2008 was 86.7 which is 2.0 increase from the previous year.

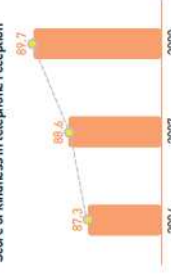
## Publicizing information on service and evaluation

The results of the survey and the DB of related materials are set up as a way to minimize customers' complaints, and the booklets of the cases of customers' complaints are published to share the know-how of the persons at the front contacting customers. Regarding the cadastral survey services provided by KCSC, there was no violation of law related to the service's information, customers' health or safety. Nor was there any violation of rules or regulations or fines imposed for the violation of the laws or regulations on service provision. Internal guideline on information is established on the materials for advertisement or promotion produced and distributed by KCSC. So far, there has been no violation of rules related to advertisement, promotion or sponsorship.

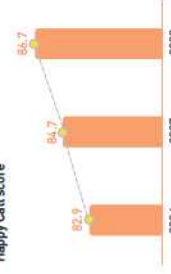
### Customer satisfaction score



### Score of kindness in telephone reception



### Happy Call score



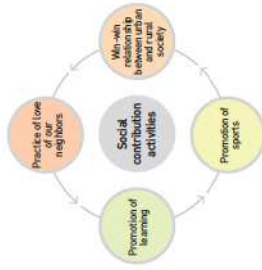
## Protection of customers' information

For (adequately) and safe management of customers' information, KCSC is implementing its own plan to protect personal information by installing a 'locking' protection system and web firewall at time of the collection, saving and transmission of personal information. There has been no complaint of customers related to leakage of personal information.



## Sharing with the Local Community

Sharing in the shades makes a happier world.



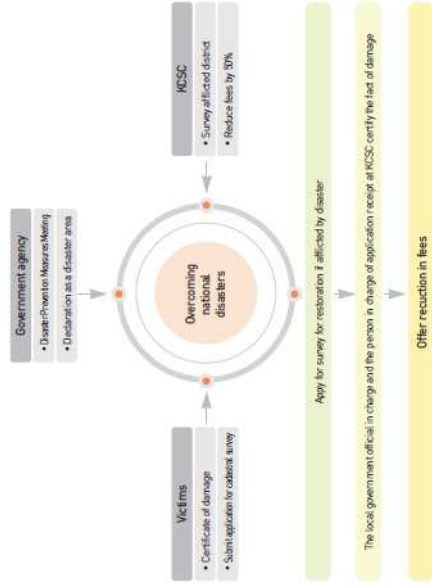
### Social contribution activities through sharing management

There is no difference in position in sharing love. With the increasing emphasis on corporate citizenship, all the executives and employees of KCSC are committed to assuming their social responsibilities and roles. We are all making social contribution activities to realize a healthy society for the nation and the local community and practice sharing management, love of agricultural societies and the environment so that our neighbors in difficulties and the handicapped are not alienated but live together with us.

### Unique social contribution activities of KCSC

#### Reduction of fees for cadastral survey

KCSC reduces the fees for cadastral survey in areas hit by natural disasters as a unique social contribution activity to fulfill its responsibility as a public corporation so as to solidify the bonds with the local community and prevent conflicts by solving problems in the interests among concerned parties in the afflicted district over the boundary of lands. In addition the image of KCSC can be improved by actively supporting and cooperating with the government policies.



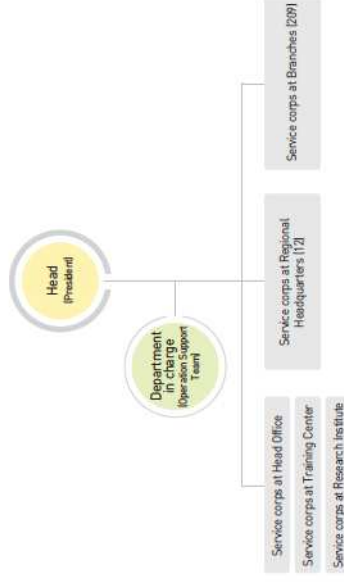
#### Performance of reduction in cadastral survey fees

Classification	No. of cases	quantity	amount (1000won)
Forest fire, flood, heavy snow, etc.	96	161	29,645
Inspection of flood trace	18	1,306	183,921
Farming infra facilities	2,007	3,292	405,572
Other 12 projects	3,789	45,400	4,853,269
<b>Total</b>	<b>5,910</b>	<b>50,159</b>	<b>5,472,407</b>

### Jidori Service Corps

After making a sisterhood relationship with Daegang village in Geumgwang-myeon, Suncheon-gun, Jeonbuk Province in November, 2005, the 'Jidori Service Corps' was launched in July, 2006. With the president as the head of the corps, more than 4,000 employees have become members of 224 corps and the corps was expanded to 1 corps in each organization in February, 2007. The volunteer workers have continued to actively practice share of love by direct dealing of agricultural products, providing tour programs for the elderly of the village and helping with farming works. In addition, they have strengthened partnership by establishing networks with related institutes including the local government and NGOs, supported quick restoration of the afflicted district, cooperated with government policy by reducing survey fees to conduct social contribution activities which correspond to cadastral information service.

#### Organization of Jidori Service Corps |



In 2008, 8,706 members of Jidori Service Corps participated in more than 1,019 times of voluntary works for poor and alienated people and the local community. We will continue to expand the unique social services of KCSC.





### Performance of Jidori Service Corps in 2008

	Work as assistants at welfare facilities	
Support neighbors in need and alienated people	<ul style="list-style-type: none"> <li>Help the elderly living alone and teenagers supporting their family, and clean the environment</li> <li>Help families with handicapped people.</li> </ul>	KRW 450,004 (thousand)
Activities to clean the environment	<ul style="list-style-type: none"> <li>Clean the environment of the streams, mountains and the ocean, and coastline street and do traffic control</li> <li>Seashore cleaning at Taean where oil leaked</li> </ul>	266 times / 3,579 people
Social contribution program	<ul style="list-style-type: none"> <li>Collecting bone to help child with cancer and leukemia (Korea Child Cancer Foundation)</li> <li>Participation in the campaign to find lost children (Korea Welfare Foundation)</li> <li>Blood donation movement with bone (Korea Red Cross)</li> <li>Activities of cultural members with bone (Gyeonggi-do Hall of Cultural)</li> </ul>	KRW 5, 146 thousand 266 times / 3,579 people KRW 8, 148 thousand

### 1 company 1 village Exchange

KCSC made a sisterhood relationship with Daejang village in Geumgwa-myeon, Suncheon-gun, Jeonbuk Province in November, 2008 and has practiced our love of the agricultural village through such activities of direct dealing of agricultural products, helping with farming works and providing tour programs for the elderly of the village. In addition, we directly purchased Jeju tangmeries and other agricultural products in order to pursue a win-win relationship through continued exchanges with and support of the agricultural village that is having difficulties due to the opening of agricultural products to foreign countries. We reduced the cadastral survey fees for the projects to expand agricultural infrastructure and built a low-temperature warehouse for farmers and presented a grain drier. With the support of the whole corporation, the village concentrated on the production of high-quality crops to create new added values and the income of the farming households increase by 10~15%. KCSC was selected as a 'superior company in the 1 company 1 village sister relationship and exchange' for encouraging the self-confidence of the previously depressed agricultural village and promoting its vitality.

We will continue to faithfully play the role of a reliable sponsor in making an exemplary model for the win-win relationship between urban and rural communities by supporting more for the cultural and welfare areas of rural residents, providing consultation about cadastral affairs and conducting new employees' training programs in agricultural communities to broaden their experience.



Awards won by the cycle team

Name of contest / Rank
Won the individual match in the national road cycle competition of the 50th 11 Independence Movement
Won the individual match in the Daegu regional road cycle games for 2008 President's Cup
Won the individual match and ranked 3rd in the group race in the 25th national cycle contest among metropolitan cities and provinces for the Presidential Cup
Ranked 1st in individual match and group racing in Tour de Korea / Japan 2008
Won the individual match in the cycle games for the SOFOT President's Cup

### Sponsoring the cycle team

In order to create a new corporate culture and demonstrate the will to assume its social responsibilities, KCSC started a cycle team, which was an unpopular sport, in November 2006 and has contributed to the promotion of national sports. The men's cycle team is composed of 1 manager, 1 coach and 8 athletes. In 2006, Seon-Jae Jang belonging to the team won 3 gold medals in the Asian Games held in Doha, Qatar, in 2006. Since then, the teams players won and ranked high in many international games to raise the status of Korea.

### Cadastral scholarship association for industry-academy cooperation

KCSC thinks that today's talents are not made without effort but they are fostered by the society, and thus we are practicing management of sharing by donating scholarships for human resources development. In addition, we started the 'scholarship program for those in need' in November, 2007 and since 2008 each headquarter of KCSC has been supporting scholarships to university students in difficult conditions until their graduation. We continue to expand the number of the students for scholarship benefits in order to support as many talented students as possible.

Support of cadastral scholarship association

Year	No. of persons (person)	amount (1000 won)
2007	483	440,375
2008	486	443,387



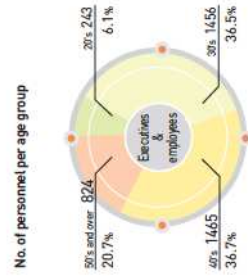


## Satisfaction of Employees

All 4,000 of our employees are united in passion, professionalism and love.

### Present status of executives and employees

As of the end of 2008, the number of KCSC's executives and employees is 3,988 (excluding non-regular workers and short-term irregular workers). The number of women workers has been increasing for the past 4 years though their ratio is rather not high due to the characteristics of the works of the corporation. There is no executives or 1st grade manager yet, but it is expected that the ratio of high-ranking women will increase with the rising ratio of women workers. The average duration of consecutive working is 16 years and the average age of the employees is 42 but it is expected to decrease according to the employment of more new workers.



#### No. of persons per class of position

(as of Dec. 31, 2008)

Classification	2006		2007		2008	
Total (person)	3,829		3,975		3,988	
Gender	male	female	male	female	male	female
Ratio(%)	91.9	8.1	91.6	8.4	91.4	8.6
Executives	5	0	4	0	5	0
Director of Headquarters	14	0	13	0	14	0
1st grade	14	0	12	0	14	0
2nd grade	149	0	149	0	149	0
3rd grade	337	3	338	3	346	3
4th grade	825	5	829	5	828	4
5th grade	1,025	78	1,335	104	1,695	146
6th grade	1,019	164	658	138	285	109
7th grade	94	28	133	39	137	36
Technician	38	31	40	29	40	29
Assistant job			132	14	135	13

## Equal Opportunities for Employment

### Employment system

KCSC has maintained the principle of public employment through open competition, and is expanding opportunities for test taking by abolishing the limits of gender, age or minimum educational standard on the basis of the personnel regulations so that able and talented youths can fully exert their abilities. We have introduced the blind interview system and various other techniques for recruitment to strengthen fairness and objectivity in employment. We have also opened a space in our homepage for the registration of talented people through which we can receive applications of the people with special knowledge, technology or certificates and use them when vacancies happen in a certain area.

#### A system with a goal to hire the minimum ratio of women

KCSC is implementing the system with a goal to hire the minimum ratio of women for fair employment according to applicants' abilities regardless of their gender. We had decided a goal to hire minimum 25% of women among new employees, but this year the actual ratio was 23.4% - a little less than our goal. From 2007, the goal for women's new employment will be expanded to up to 30%.

#### Employment of social minorities

In order to fulfill the ethical and social responsibilities as a public corporation, KCSC has introduced a socially fair employment system by allocating a certain ratio of the number of new employees to the handicapped and the persons related to distinguished service for the nation. Currently the ratio of handicapped people working in KCSC is 2.1%, which is over the obligatory ratio (2%) stipulated by law, and a certain ratio of handicapped people are employed when new employees are hired. In addition, we are employing more than 5% of new employees with the system to give preferential treatment to those who are from Jeollabuk-do Province, the region which was decided to be the site of KCSC. We will continue to expand the employment of social minority.

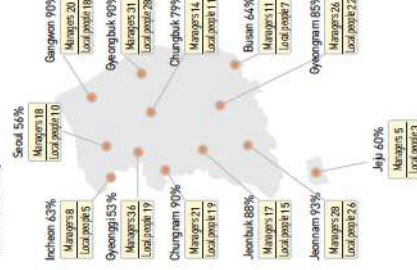
#### Employment by Internship

KCSC has begun to hire interns to correspond to the government's measures to create jobs in the public sector for the youth. There is no limit to educational degree, age or gender. 194 people who are not students now and who haven't worked for the public corporation will be hired as interns. The internship will be operated for about 10 months until the end of 2009.

#### Status of employment of social minority

Classification	2006	2007	2008
Handicapped employee (person)	81	86	86
Ratio of female employees(%)	8.1	8.4	8.6
Ratio of employees of local origin(%)	79.4	82.2	83.0
Employment of those who related in science & engineering (person)	51	37	36
Employment of the persons related to distinguished service for nation (person)	7	9	2

#### Status of high-ranking managers from the locality





## No. of irregular employees

Year	Regular workers	Irregular workers
2006	3,829	341
2007	3,975	175
2008	3,949	74

## Performance evaluation system based on abilities

Position	Evaluation system
Executive director for headquarters	<ul style="list-style-type: none"> <li>Contract on performance of consecutive service for directors for headquarters</li> <li>Contract on management headquarters for directors for headquarters</li> <li>Evaluation of integrity</li> </ul>
Team manager	<ul style="list-style-type: none"> <li>Personal evaluation of team manager</li> <li>Evaluation of performance of branch managers</li> <li>Evaluation of integrity</li> </ul>
Team member	<ul style="list-style-type: none"> <li>Evaluation of personal contribution of each team member</li> <li>Evaluation of performance by evaluation of management of research job, professor's job and contract job</li> <li>Evaluation of BSC on-site survey team</li> </ul>
Others	<ul style="list-style-type: none"> <li>Evaluation of working scores</li> <li>Inspection of individual's reception in telephone reception</li> <li>Evaluation of management performance of each organization</li> <li>Evaluation of an employee's personal capabilities</li> </ul>

## Prevention of discrimination against irregular workers and improvement in treatment

Some of KSCC's works are done by hiring irregular workers. Unfair treatment of employees is prevented by clearly dividing the works of regular workers and irregular workers according to the corporation's regulation and the guide on the management of on-site assisting manpower. In addition, the office for the solution of the difficulties of irregular workers was newly established in 2007 and the department and person in charge were designated at each organization to prepare a system for the solution of difficulties. KSCC converted the workers who have worked more than 2 years as of December 1, 2007 (146 workers) into regular workers according to the government's comprehensive measures for irregular workers at the public sector.

## Strengthening the connection between internal evaluation and compensation

KSCC regularly evaluates the performance of its employees and reflect it to performance rating to link job performance and payment of bonus for personnel management based on ability and performance. The president and executives sign on management contracts according to the standard management contract made by the government, and the director for the cadastral training center, the director for the cadastral research institute and director for headquarters sign on managerial performance contract and the results of the annual evaluation of their performances are reflected to their consecutive service, etc. The leaders above the team managers are evaluated for their personal abilities, and the members of teams are evaluated by their personal contribution and the results of evaluation are reflected to the payment of bonus, extension of the contract-based workers, awards and overseas training in order to strengthen performance-oriented corporate culture.

## Performance-based promotion system

For promotion, the unreasonable conventional promotion system mainly based on seniority and period of working has been changed to expand the candidates for promotion so that an employee can be promoted if the person has enough ability and character for promotion and achieves the work goal. To raise objectivity and fairness at time of the selection of the workers who qualify for promotion, various criteria of inspection are quantified in addition to work performance, duration of working and capabilities. It is stipulated by the code of conducts for executives and employees that a fair standard will be applied without discrimination by education, gender or hometown when decisions are made for executives' education, personnel change, promotion or appointment of positions.

KSCC is operating human resources development programs to foster global leaders.

## Various education to foster talented employees

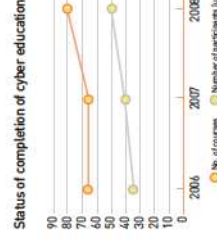
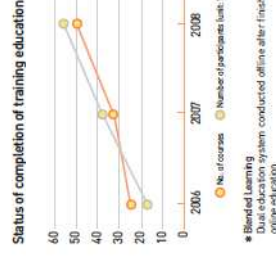
To achieve the vision to 'foster global leaders who can take the lead in promoting the cadastral system and the spatial information industry', KSCC decided that the most important thing is fostering global leaders. Besides the job ability promotion intended to strengthen the core competence of our employees, various educational programs for self-attainment are also offered.

## Training education

We completely reformed all the curriculums of technological education into Blended Learning to implement the training education in connection with cyber education. We will develop more contents for a more faithful cyber education and lay the groundwork for the visiting educational service for on-site technological education. In addition, we have fostered our own in-house instructors who are equipped with theory and practical experience for quick spread of technologies through the activation of workplace education.

## Cyber education

We are aware of the importance of the education through reading, and established the cyber reading education in 2008 to expand autonomous reading programs. We hope that employees can recognize the changes in managerial environment and the importance of the efforts for self-development through reading to be fostered into talented people who can contribute to the development of the corporation through learning and research activities.



## Education to foster international cadastral specialists

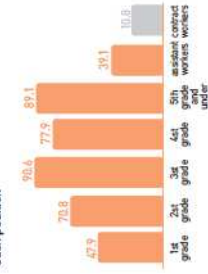
In order to secure the competitive edge as a leader in cadastral survey and the spatial information industry, KSCC is implementing the international cadastral expert education through overseas training with the aim to foster core talents equipped with the ability to develop overseas markets, expand business areas and smoothly carry out international exchange programs.

Classification	2006	2007	2008
Education to foster experts in overseas business (person)	-	15	15
Education through overseas dispatch (person)	4	3	2



## Improve quality of life

Average hours of education per person for each position



### Education on human rights

KSCC is conducting human rights education for internal customers in a gradual and systematic way. Not only the person in charge of customers' information but the receptionists and guide contacting customers at site participate in various education on human rights to satisfy external customers. Human rights education will be expanded to irregular workers and contract-based workers from next year.

### Average yearly hours of education per person

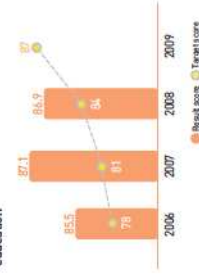
The average hours of education per person in 2006 was 47.7, and that of 2007 was 61.1. The average hours of education per person in 2008 was 81.5 (11.7 days) which was 33% increase compared to the previous year.

**Results of the survey of educational satisfaction with employees**  
With the purpose to minimize trainees' inconveniences and raise educational effects, KSCC conducts surveys of educational satisfaction with employees. The survey questionnaires include the contents and methods of lecture, satisfaction level, satisfaction with the usage of equipment and teaching devices, if the education is helpful to their actual work, the contents and system of the texts, appropriateness of the structure of curriculum and duration of education, satisfaction with the living facilities, etc.

### Operation of learning programs for retirees

KSCC is operating the learning program to support those who will retire soon for their reemployment, business establishment and preparation for retirement so that they can improve their quality of working relationship and self-confidence and contribute to the creation of values in diverse areas in the society even after their retirement. We hope that more employees will use this learning program through active PR and support.

Results of employees' satisfaction with education



### Payment system

For payment, executives and employees who are 3rd grade and above with their positions higher than team manager are applied the annual salary system, and ordinary employees below 3rd grade are divided by salary class. The basic pay for men and women is the same, and incentives are paid differently according to their ability and performance. KSCC's salary level is similar to that of other semi-governmental organizations, and the monthly salary for new employees (KRW 1,554,000) is 197.2% of the minimum wage stipulated by law (KRW 787,930).

### Welfare system

Both regular and irregular workers are provided with various welfare programs including the 4 main insurances (health insurance, employment insurance, occupational disaster insurance, and national pension program), various monetary gift for happy and sorrowful events (wedding, 70th birthday, death, etc.), tuition support for middle and high school students, loan for house rent, and the usage of condominium and resort so that the executives and employees can work in a comfortable environment.

Year	2006	2007	2008
Welfare expenses	KRW 20.4 billion	KRW 60.1 billion	KRW 74.9 billion
Average welfare expenses per person	KRW 4.8 million	KRW 4.5 million	KRW 5.3 million

### Regular general health check-up

General health check-up is done annually for employees' health. Individuals can select the type of check-up (A, B or C) among the basic examination supported by the National Health Insurance Corporation, the precision examination supported by KSCC and the special examination which covers examination for cancers. Employees, families and retirees can receive the check-up at the same costs, and a preventive health management system is being reinforced through systematic management of the results of the health check-up.

In 2008, 3,773 employees (92%) out of 4,095 in total received health check-up.

### Establishment of selective welfare system

In order to increase employees' satisfaction with limited budget, KSCC is operating the selective welfare benefit system which allows its employees to autonomously select the items among the pre-designed welfare items according to their own preferences within the total amount granted to each person. User-oriented welfare system for workers is being realized by activating the system in connection with the welfare care.

Classification	Education for reemployment and business establishment	Training in appreciation of hard-working
Specific supports	Consulting Acquisition of certificates of qualification	Training Tour training of advanced overseas institutes
Period of support	occasional 1 time	2-3 weeks 6 months



#### No. of work-related disasters including injury and occupational disease

Year	2006	2007	2008
No. of disasters	23	9	3
No. of victim	23	11	3

#### Retirement ratio

KSCC's ratio of retirement is very low compared to other companies. Retirement due to the age limit and termination of the contract period are not included, and the ratio of retirement in 2008 increase from the previous year by the increase in "honorary retirement".

Year	2006	2007	2008
No. of employees	3,829	3,775	3,988
No. of retirees	21	13	155
Ratio of retirement(%)	0.55	0.33	3.89

#### Prohibition of child labor and forced labor

KSCC is observing the regulations on child labor and forced labor stipulated in the Korean Labor Standard Law, the ILO and the collective bargaining. We also follow the principles of UN Global Compact and there has been no violation of the principles on child labor and forced labor.

#### Disaster prevention and risk management

When our employees get sick, injured or die while working, KSCC makes it sure to treat the case according to the Occupational Disaster Compensation Insurance Law. If the costs of hospitalization and nursing exceed the total insurance payment of the occupational disaster compensation insurance and collective insurance, the difference is paid by KSCC. In addition, as most of KSCC's works are on-site operations, the works can be temporarily stopped in case of extreme cold or heat, heavy rain, heavy snow or yellow dust.

#### Retirement pension program

After setting the 'introduction of retirement pension program' as a task of the mid-term management goal, KSCC has completed consulting on the program. The program will soon be implemented: the retiring allowance reserve, which is 30 days' average wage for each one consecutive year of working calculated on the basis of the Labor Standard Law, will be accumulated every year.

#### Operation of grievance treatment system

To treat employees' grievance, KSCC is operating labor-management joint grievance committee and counseling office. The causes for employees' complaints are prevented by the operation of both offline channels and various online channels including the corporation's bulletin board ('We-Land') and labor union's bulletin board.

If any grievance occurs, the employee shall submit a verbal or written report to a member of the grievance committee, and the results of the treatment of the received grievance shall be informed to the employee within 10 days after the receipt of the grievance. If there is anything that cannot be handled by the member of the grievance committee, then it will be submitted to the joint labor-management council for consideration and treatment. We will continue to make efforts to enhance employees' satisfaction through active treatment of their grievances.

## 2008 negotiation on payment settled early

Maximizing business performance through unity of the labor and management is the best way for a win-win relationship.

#### Labor-Management cooperation

For the first case among public corporations in this year, KSCC has come to an agreement on 2008 wages and the labor collective agreement within the range of the government's guideline. The main content of the agreement is freezing the total payment at 2007 level. Meanwhile, since the establishment of its labor union in 1987, KSCC has made labor agreement as early as possible to minimize manpower and time loss, and there has been no strike to date. KSCC's management and labor union update the corporation's labor collective agreement in every 2 years and the agreement on payment every year to sign on a complementary agreement flexibly if revision is necessary due to omission of items in labor collective agreement or the changes in social and economic system or conditions.



#### Labor-management council

KSCC has formed a labor-management council to have regular quarterly discussion and negotiation between the management and workers. The council is composed of 14 persons including the chairman of the labor union and the president. They discuss the quarterly report on business management performance, productivity improvement, organizational change, personnel and labor system, safety & health and working environment, employees' welfare, and prior arrangement of payment and collective bargaining.



#### Major contents of the labor collective agreement

Article 16	Recognize the hours of education at labor education agencies as the hours of education at KSCC.
Article 35	In principle, regular technician workers are placed for the jobs at cadastral survey team and the general affairs section and civil application section.
Article 41	Job rotation is done between the Head Office, regional headquarters and branches.
Article 58	KSCC will compensate the damages caused by its employees while working.
Article 65	The benefit of temporary rest from office due to childcare is expanded to those who have a child of 6 and under who does not attend school.
Article 70	If the costs of hospitalization exceeds the total insurance payment of the occupational disaster compensation insurance and collective insurance, the difference is paid by KSCC.
Article 75	If an employee used the corporation's car for business trip, the travelling expenses will be deducted by 5,000 won from June 1, 2008.
Article 85	Separate payment will be made for condolence of a death and funeral in addition to occupational disaster insurance payment.
Article 90	An agreement with the labor union is necessary if the performance indexes of ERP, BSC are to be used as the basis for personnel change, evaluation of individuals and teams or payment of bonus for performance.
Article 104	



## Ethical management

About KCSC | Economic Performance | Social Performance | Environmental Performance | Appendix

KCSC will make effort for continuous growth and development through transparent and ethical management.

### Labor Union

KCSC's labor union was established in August, 1987. Its upper union is the National Public Transportation Labor Union Federation in the National Democratic Labor Union Federation. In 2008, a total of 2,829 employees are joining KCSC's labor union and the ratio of labor union member among the total employees is about 71%. There are 4 exclusive labor union workers: 1 chairman, 1 vice chairman, 1 secretary general and 1 chief of the office of policy who KCSC's employees.

Year	2004	2005	2006	2007	2008
No. of employees	3,776	3,814	3,829	3,975	3,988
Equality to become labor union members					
No. of union workers	2,259	2,367	2,469	2,663	2,829
No. of exclusive union workers	4	4	4	4	4

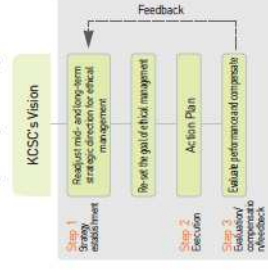
### Goal of ethical management

- Achieve the highest level of integrity by strengthening transparency and ethical management.
- Realize the global ethical standard by performing UN Global Compact.

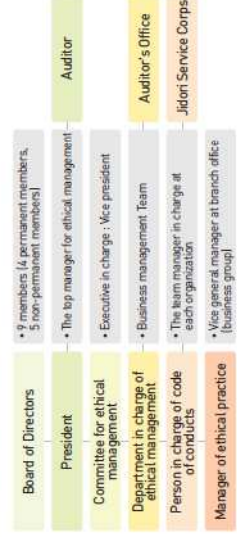


- Strong will of the CEO
- Strengthen ethical capabilities.
- Monitor ethical management and manage performance.
- Operate the promotion organization and system.
- Form ethical environment.
- Reinforce social responsibilities.

### Ethical management promotion system



### Ethical management promotion organization



### Notice of important changes in business

- ▶ Article 8 in the labor collective agreement KCSC shall listen to the opinion of the labor union if it wants to enact, revise, or abolish its articles of incorporation, regulations, rules or guides that are related to the working conditions of the union workers. However, there must be the consent of the labor union if they are going to be made against the advantage of the union workers.
- ▶ Article 23 in the labor collective agreement KCSC and its labor union shall give notice to the other party if any item of notice occurs.
- ▶ Article 36 in the labor collective agreement If KCSC is planning to lay off union workers due to emergent reasons for management, it shall give a notice to the labor union 60 days before such action and must have the prior consent of the labor union. If necessary, a Committee for Stable Employment can be formed through the labor-management council. In this case, KCSC shall provide the labor union with all the related information including the reasons for the lay-off, the measure taken to avoid lay-off or minimize the number of laid-off workers, the criteria and methods for the selection of the workers to be laid off, the number of the workers to be laid off and the date of the lay-off, and the amount of compensation.



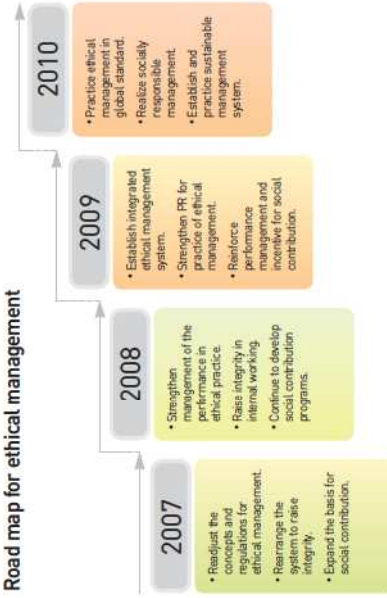


## An organization with superior integrity

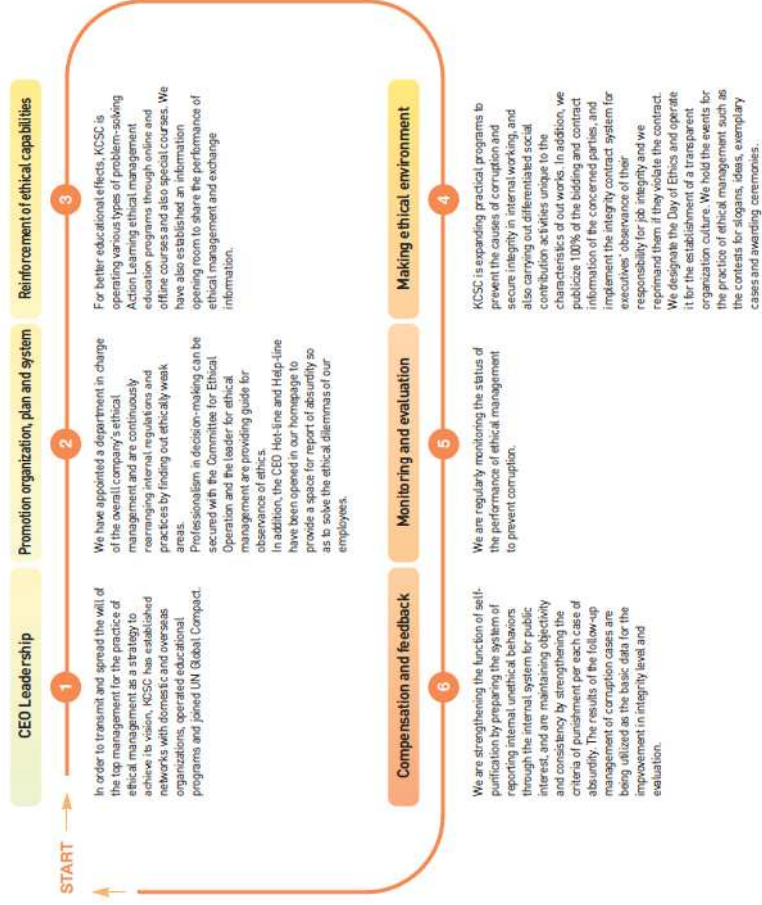
"9.43 in integrity score, No. 1 among government-run organizations, 0% bribery."

In 2006, KSCC received 9.43 points (No. 2 among 304 institutes) in the examination of integrity level by the Korea Independent Commission against Corruption. We are not satisfied with the results but pursue continuous improvement in integrity level in order to win customers' trust. Under the firm policy of ethical management and social responsibilities and with the judgment that a more systematic promotion of ethical management linked to our vision and managerial goals is necessary, we set up the goal of 2007 ethical management and road maps for the tasks in each division. The goals of ethical management and promotion strategies have been set up through the diagnosis of the realities of ethical management and a survey and the opinions of concerned parties have also been reflected.

## Road map for ethical management



## Process of practice of ethical management





Classification	Course	Duration	Trainee	No. of trainees (person)
Online education	Ethical management Self examination of observance of ethics (Company internet Web-Land) Future strategy course and 5 other courses	one month 5 days	all employees all employees	1,000 3,981
Offline education	On-site blended education together with collective training in the training center for the Education for ethical leaders managers in charge of ethical practice at each branch	5 days On-site blended education together with collective training in the training center for the managers in charge of ethical practice at each branch	Basic compulsory education all employees	649 108
Special course	Integrity practice education done together with CS	3 days	all employees	695

### Educational programs for ethical management

To establish our executives' good recognition of the ethical management, KSCG is providing various education programs including online & offline courses and special courses for the observance of the regulations related to anti-corruption and support of ethical management.

### KSCG's ethical management activities

	2005	2006	2007	2008
Jan.	Declaration of ethical management and observance of integrity			Self diagnosis of observance of ethics fall per month
Feb.		Special education on ethics for those attending in front meeting customers (240 persons)	Implementation of evaluation for clean working	
Mar.		The 1st meeting of Committee for Ethical Operation		Participation in UN Global Compact Anti-corruption symposium
Apr.	All employees sign on the pledge for integrity	The 2nd meeting of Committee for Ethical Operation	Ethical management workshop at each headquarters	Ethical management education for new employees
May		Ethical management education through the Internet The 3rd meeting of Committee for Ethical Operation	Ethical management workshop at each headquarters Establishment of the measures for reinforcement of ethical management	Declaration of the practice of sustainability management
June		Ethical management workshop for all employees	Ethical management workshop at each headquarters Participation in UN Global Compact's Asian Conference	Joined UN Global Compact Special education for the employees in charge of contracting
July		Announcement of the special appointment contract through the Internet Set up plans for voluntary service activities	Ethical management workshop at each headquarters	Education for ethics manager in the 1st ethics leader course Establishment of E-auditing system Establishment of E-environment system
Aug.		Inspection of integrity by reflecting integrity to evaluation of working performance (Korea Development Commission grant)	Ethical management workshop at each headquarters	Education for ethics manager in the 2nd ethics leader course
Sep.	Adoption of the declaration of ethics Introduction of clean card system for corporate credit cards	Ethical management CoP opened "Happy Ethics" The 4th meeting of Committee for Ethical Operation	The 1st meeting of Committee for Ethical Operation Notice of main tasks to be promoted for ethical management	Examination of executive's observance of ethical code of conducts
Oct.	Implementation of integrity education for employees	Monitoring of self-inspection of the observance of ethics Upgrading Committee for Ethical Operation Survey on recognition of ethical management Opening of the ethical counseling center (Help Line)	Special education for ethical practice managers Signing of job integrity contracts with executives	Education for ethics manager in the 3rd ethics leader course
Nov.			Integrity practice campaign	Participation in the collection of "Sustainability management in Asia" KSCG's Endes in the diagnosis of the recognition of ethical management Education on ethical management for families of high-ranking managers Signing of job integrity contract with E-signing ceremony with all employees for practice of integrity
Dec.	Sharing of standard anti-corruption guide among all employees Appointment of the guide on ethical code of conducts Establishment of the regulations on ethics for environmental preservation Checking ethical management activities Registration of the self-examination sheet to ethical management	Inspection of the matters related to ethical management Appointment of integrity by the selection of qualification for a director of headquarters Appointment as an organization with superior integrity by Korea Independent Commission on Integrity - No. 1 among government-affiliated agencies Implementation of the guide on operation of internal report system for public interest Signing job integrity contract with executives		Evaluation of internal employees on integrity Evaluation of executives' integrity Awarding of prizes for "Clean Cadastre Man" Committee for Ethical Operation

### Evaluation of ethical management and compensation

We have improved the evaluation index related to our executives' ethical management and reinforced systematic devices such as the evaluation and compensation of ethical management activities. The efforts for the practice of ethical management are directly reflected to the management contract for top management, qualification examination for consecutive service of directors for headquarters, and evaluation of the working performance of employees.

In addition, the effort to improve integrity, performance of ethical management, fulfillment of social responsibilities, etc. will be reflected to the internal evaluation of each organization, and the score for ethical management will be deducted by 50% if they violate the ethical code of conduct.

We have also prepared the 'Award for Clean Cadastre Man' to enhance the ethics of respect of customers, observance of ethical standard, social contribution, integrity, etc. and are awarding grand ethical prizes to the employees who have excellent ethical capabilities and show exemplary job performance.



## Approach

- KCSC is making effort to preserve and improve our environment on the company level on the basis of the pursuit of the preservation of the environment and eco-friendly business management. We hope to be able to contribute to the preservation of the environment of the earth by actively responding to the climatic change.

## Disclosure on Management Approach

# DMA-Environmental results

## Strategic direction

- The basic direction in environmental management is to curtail costs and preserve environment by saving energy and resources. For this purpose, KCSC has established the system to promote energy saving and the detailed plans for saving. In addition, we have set our strategic directions to conduct eco-friendly management, enhance energy efficiency, change the recognition of our executives and employees, implement internal policies for the overall company, introduce energy-efficient equipment and strengthen the capability to respond to climatic change.

## Monitoring of results

- KCSC is practicing various ways to save energy in this era of high oil prices and high exchange rates. We install facilities for new and renewable energy when we construct a new building for the corporation and introducing energy-saving equipment using high-efficient devices to pursue rational use of energy.

We have made efforts to save energy and preserve environment by recycling used fluorescent lamps and electronic expendables. KCSC will continue to participate in responding to the global climatic change by refining energy efficiency and various environmental activities with systematic environmental management system.

## THE LAND HAS FOUND HOPE

Some say it is too early.  
Some say it is too cold.  
Some say we have to wait.

But we know

it's time for us to look around and stretch out hands  
to produce a warm channel to connect man and nature  
so as to create warmth to make the earth healthier.

Move on when everyone else is shrinking.  
Land is our hope.

Classification	Content	Performance in 2008	Performance compared to the previous year	2009 goal
Efficient use of energy	Electricity consumption(kwh)	699,898kwh	82,866kwh ↑	5% save compared to the previous year
	Consumption of regional heating(8cal)	253310cal	5,996cal ↑	
	Consumption of water supply and drainage(m <sup>3</sup> )	3,416m <sup>3</sup>	74m <sup>3</sup> ↑	
Eco-friendly activities	Recycling of used fluorescent lamps	120 pcs	(new)	20% increase from the previous year
	Recycling of electronic expendables	766 pcs	(new)	50% increase from the previous year
	Ratio of purchase of eco-friendly goods	85%	4% ↓	90%



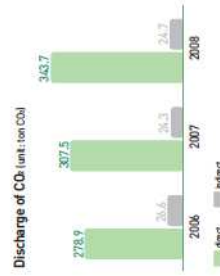
## Environmental Management

### Efforts for environmental management

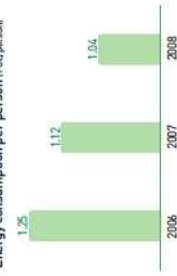
With the recognition of the global society about the seriousness of the environmental problems such as the green house effect and the destruction of the ozone layer, each nation is trying to reduce the consumption of raw materials and energy and the use of harmful materials. The Korean government, too, announced its policy on Green Growth to respond to the future climatic change. Corresponding to these trends, KSC is making continuous efforts to reduce wastes, chemical materials and air pollution. In addition, we have promoted the systems and campaigns to save energy and resources and we are making results in cost saving and environmental preservation. KSC will continue to establish systematic environmental management system through various eco-friendly activities to minimize negative environmental effect on local societies and preserve the environment of the earth.

### Energy consumption

The total amount of energy consumed by KSC in 2008 was 187 TOE including the direct energy of the use city gas and the indirect energy of the use of electricity, and the green house gases discharged by KSC's head office was 386.4 ton CO<sub>2</sub> in total. Though the total amount of energy is increasing with the increase in the number of the persons working in the head office, the amount of energy consumption per person is decreasing. We will continue to contribute to the protection of the environment by reducing greenhouse gases, etc. through the efforts of the overall company for energy saving so as to save cost and maximize profits.



Energy consumption per person (TOE/person)



	Year				[in the head office]	
	2006	2007	2008	2009	2010	2011
Electricity(kw/h)	526,536	616,832	699,698			
	299.62	247.32	253.31			
Regional heating(cal)	11,450	10,470	10,641			
	3,135	3,490	3,416			
City gas(m <sup>3</sup> )	155.2	168.4	187.0			
	124	150	180			
Water supply and drainage(m <sup>3</sup> )	1.25	1.12	1.04			
	1.25	1.12	1.04			
Total consumption of energy(TOE)						
No. of workers at head office(person)						
Energy consumption per person(TOE/person)						

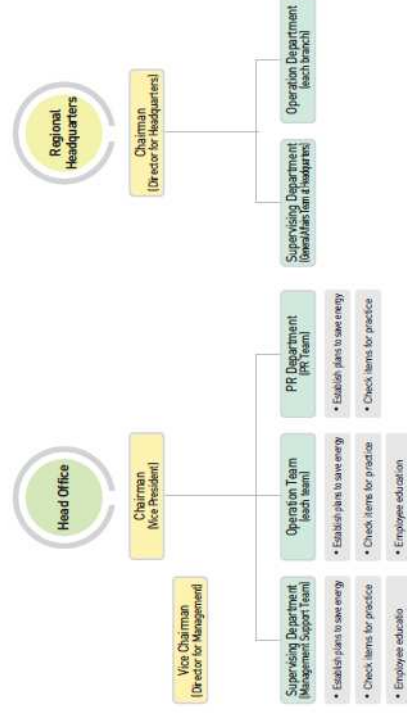
### Energy saving promotion system

KSC is conducting educational programs on energy saving to enhance employees' awareness of the importance of energy, and running the Committee for Promotion of Energy Saving. We will continue to make efforts to boost energy efficiency through the diagnosis of energy efficiency by a professional energy company, segmentation of the areas for cooling and heating at the head office, review and application of the ventilation plan to minimize power load for heating and cooling equipment, and management of the stand-by electricity.



### Committee for Promotion of Energy Saving

The Committee for Promotion of Energy Saving has declared its strong will for energy saving. The committee is being operated at all workplaces including regional headquarters to set the goal for energy saving and evaluate the annual usage of energy. Each team in the committee is operating its own energy protector and practicing the activities to achieve its internal goal for energy saving. Moreover, it is trying to continue energy saving activities by granting roles for the education and PR on energy saving.





**Efforts for energy saving by the overall company**

KCCSC is setting the goal for energy saving through the Committee for Promotion of Energy Saving. With the movement of the general society for energy saving, in 2008 we have made a goal to reduce 10% of energy consumption and is implementing strong measures to save energy in all the areas of energy consumption (40% of cars, 37% of buildings, and 23% of lighting in all the consumption at public sector).

We are doing out best to assume our environmental responsibilities as a public corporation by saving energy, curtailing budget, and taking the lead in participating in the government's policy to save energy for Green Growth.

### Policy to practice saving energy

More than 4,000 employees of KSCC are working in more than 200 buildings including the head office, regional headquarters and branch offices. For the overall company's movement to save energy, all buildings observe the standard interior temperature (turn on cooling system when temperature is over 27°C and the heating system below 19°C), and the elevator operates only for floors 5 and up for every other floor.

In case of the annexed building of the head office, only some of the lamps can be used if necessary to prevent loss of the lighting energy in the office.

In addition, considering our organizations that are scattered nationwide, teleconferencing is actively used to minimize transportation and thus curtail the consumption of oil.

“Organization’s autonomous goal system” to save energy

The Committee for Promotion of Energy Saving has declared its strong will for energy saving. The committee is being operated at all workplaces including regional headquarters to set the goal for energy saving and evaluate the annual usage of energy. Each team in the committee is operating to become an energy protector and practicing the activities to achieve its internal goal for energy saving. Moreover, it is trying to continue energy saving activities by granting roles to the education and PR on energy saving.

**Achieve the goals of energy saving at each organization**



Examples of autonomous goals at each organization

Area of organization	Maximum goal	Methods of practice
Catalyst Training Center	Save electricity, reduce energy cost by 2%	<ul style="list-style-type: none"> <li>Minimize wall-to-wall electricity by using multi-taps</li> <li>Choose products with high energy efficiency when purchasing appliances</li> <li>Minimize indoor temperature at 18 during winter season</li> <li>Use energy saving air-conditioner and fan together</li> </ul>
Jooble Headquarters	City gas for air conditioning	<ul style="list-style-type: none"> <li>Always turn off heating when it is no use in the room</li> <li>Turn off 7200W fluorescent lamps among 35</li> </ul>
Heaven City Branch	Save electricity, reduce energy cost by 3%	<ul style="list-style-type: none"> <li>Put a block in the toilet tank</li> <li>Turn off the water tap when washing hands</li> </ul>
Bum City Branch	Save costs, reduce water supply and drainage, reduce energy cost by 5%	<ul style="list-style-type: none"> <li>Divide the persons into 2 groups and turn this car wash into a car wash</li> <li>Turn off the car wash driver's car when take a car wash at a weekly basis</li> </ul>
Banqian County Branch	Control car running by 10%	<ul style="list-style-type: none"> <li>Turn off unnecessary</li> <li>Turn off heater or air-conditioner 1 hour before leaving the office</li> </ul>
Jingnan County Branch	Save electricity, reduce energy cost by 3%	



## Usage of energy resources

### Operation of energy-efficient facilities

#### Installation of equipment for new & renewable energy

According to article 12 of the law on the development, usage and propagation of new and renewable energy that stipulates that public facilities, business facilities and new buildings with over 3,000㎡ of total floor area must spend more than 5% of the total construction costs for the installation of facilities for new & renewable energy, KSC is introducing the heating & cooling system with the Heat Pump method using geothermal energy.

Though it requires much initial investment, the system can reduce the greenhouse gases through the use of stable terrestrial heat as the source of energy and save at least 30% of the annual energy costs and make social contribution by active investment in the policy of the development of new & renewable energy. Currently, the system is being adopted for the new construction of the buildings of Ulsan and Gyeongnam headquarters, and more such facilities are going to be installed.

#### Installation of energy-saving devices

To pursue reasonable use of energy with highly efficient devices and save energy by individually managing the heating & cooling facilities at the company's buildings, we are designing highly efficient lighting devices and installing water-saving sanitary facilities when we construct new buildings or extend or repair our buildings. The buildings are being designed with energy-saving heating & cooling system (heat pump).

※ **Heat Pump**  
A mechanical device that uses freon gas as refrigerant for heating or cooling

※ **ERP (Electronic Heat Pump)**  
Heat pump for electricity heat source

※ **GHP (Gas Heat Pump)**  
Heat pump for gas heat source

Classification	ERP/Heat pump for electricity heat source	GHP/Heat pump for gas heat source
Summary		
Charge cost → or benefit	<ul style="list-style-type: none"> <li>• inexpensive initial investment</li> <li>• Just a little noise in operation</li> <li>• Cheap maintenance cost</li> </ul>	<ul style="list-style-type: none"> <li>• Cheap operating cost with the use of gas</li> <li>• Consumption of electricity/reduce electricity recipient capacity</li> <li>• Support with installation costs and tax benefits</li> </ul>

### Recycling waste

#### Recycling used fluorescent lamps

Used fluorescent lamps contain a very harmful materials of mercury (25mg in one lamp), and thus they can give serious damage not only to the environment but to human body if they are not treated properly. Therefore, we have entrusted the company (run by Korea Lighting Recycling Association) that can lawfully recycle the used fluorescent lamps, etc. that are thrown out at our buildings. By making a one-year contract from April 1, 2008, the company has collected and treated about 120 fluorescent lamps.

#### Recycling used computer expendables

Much used computer expendables are occurring with the increased use of color printers for work (OKI) and combination machines. Before, they were simply incinerated due to lack of proper ways of treatment, but since October, 2008, they have been sold after making a contract with a professional company for collection of used expendables. For 3 months, we have made a profit of KRW 3.2 million by selling 766 pieces of used computer expendables and improved the working environment and contributed to the preservation of environment by recycling used expendables.

### Purchasing eco-friendly goods

Among the office supplies, paper is consumed the most in our corporation. We are purchasing eco-friendly paper to prevent waste of resources, prevent environmental pollution and actively correspond to the government's Green Growth policy.

When we review an item for purchase, we are checking whether it has been certified as an eco-friendly item. Two persons of our corporation participated in the education on the promotion of the purchase of eco-friendly products held by the Ministry of Environment. We will buy more eco-friendly items.

Year	Total purchase of goods		Purchase of eco-friendly goods		Purchase rate(%)	
	Quantity	amount	Quantity	amount	Quantity	amount
2007	60,284	3,107	20,586	2,767	34.1%	89.0%
2008	244,712	3,149	108,232	2,685	41.0%	85.0%

Unit: KRW 1 million



# Appendix

## A LAND WHICH REGAINED ITS NAME

A footstep was made on a land where there was nothing on it.

A small space for life was made on the land with the footstep, and large and small harvests were made by the hard working of the year beside the small space with a generous mind to share them with the neighbors.

The land that used to have nothing and no name has gained a name with its full meaning, value and heart. We attach names to the world which contains everything of us.

80	<b>Business status</b>
	Business status
	Profit & Loss
	Disposal of profit & loss
	Yearly business performance
	Assets, liabilities and capital
	Sales, ordinary profit and added value
	Financial and management index
84	<b>Evaluation of external institutes and status of admission</b>
	Awards and certifications
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85	<b>Terminology</b>
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## Business status

### Business status

Despite of the dullness due to the government's extensive land transaction permit system and heavy taxation on the transfer of non-commercial lands, our annual business goal was achieved in excess by 105.6% thanks to the finding of various new businesses according to the selection of innovation cities, the final survey of the Gaejeong industrial complex in North Korea as a part of the 'Northern Business', attraction of the Incheon Asian Games, and the early order placement and active receipt of orders including the one for cultural assets placed by the administrator of the Cultural Heritage Administration of Korea.

Accounts		2006	2007	2008
Assets	I. Current assets	64,943,512,427	89,912,977,794	78,661,372,904
	(1) Quick assets	63,534,691,855	88,426,847,626	77,380,938,163
	(2) Inventories	1,408,820,572	1,488,130,168	1,280,434,741
	II. Non-current assets	144,111,332,051	144,617,836,539	159,940,976,702
	(1) Investment assets	21,374,982,845	16,102,348,841	18,895,707,362
Liabilities	(2) Visible assets	122,719,674,494	124,976,510,600	137,175,870,355
	(3) Invisible assets	21,674,712	25,437,748	22,247,275
	(4) Other non-current assets	3,323,683,180	3,513,539,330	3,847,151,710
	Total assets	209,059,844,478	234,530,814,333	238,602,349,606
	I. Current liabilities	23,771,561,855	29,893,927,554	23,808,653,561
Funds	II. Non-current liabilities	129,564,060,427	130,396,872,108	130,609,563,774
	Total liabilities	153,335,622,282	160,290,799,662	154,418,217,335
	I. Basic funds	10,000,000,000	10,000,000,000	154,418,217,335
Funds	II. Surplus in operational results	45,724,222,196	64,240,014,671	74,184,132,271
	(1) Reserve for business of proper purpose		4,336,382,605	14,216,599,457
	(2) Unappropriated earned surplus	45,724,222,196	59,903,632,066	59,967,532,814
	a. The surplus operational results at the beginning of the period	44,208,588,597	52,156,119,018	50,023,415,214
	b. Current operational results	1,515,633,599	7,747,313,048	9,944,117,600
Total funds		55,724,222,196	74,240,014,671	84,184,132,271

(Unit: won)

### Profit & Loss

Accounts		2006	2007	2008
I. Business income	(1) Income from survey fees	335,447,258,109	362,108,684,432	392,511,790,183
	II. Business expenses	333,482,258,827	344,761,527,831	379,094,349,589
	(1) Operational cost	292,927,822,282	301,208,471,847	328,174,103,233
II. Business results	(2) Management cost	40,554,436,545	45,553,055,984	50,920,266,356
	III. Non-business income	1,964,999,282	15,347,156,601	13,417,420,614
	IV. Non-business expenses	8,483,533,871	4,484,692,086	6,589,723,775
VI. Results before corporate tax	V. Corporate tax	7,504,961,484	7,334,486,179	7,914,223,739
	VI. Results before corporate tax	2,943,571,659	12,497,362,508	12,092,920,650
	VII. Current net operational results	1,427,938,070	4,750,049,440	2,148,803,050
VIII. Current net operational results		1,515,633,599	7,747,313,048	9,944,117,600

(Unit: won)

### Disposal of profit & loss

Accounts		2006	2007	2008
I. Earned surplus before appropriation	(1) Earned surplus at the beginning of the period	45,724,222,196	59,903,632,066	59,967,532,814
	(2) Income by correction of the errors during the previous period	44,208,588,597	41,387,639,591	50,023,415,214
	(3) Current operational results	0	10,768,479,427	0
II. Transfer from voluntary reserve	(1) Reserve for business of proper purpose	1,515,633,599	7,747,313,048	9,944,117,600
	(2) Reserve for business of proper purpose	3,015,918,514	8,015,641,444	8,226,125,467
	III. Total (I + II)	48,740,140,710	67,919,073,510	68,193,658,281
IV. Appropriation of surplus of operational results	(1) Reserve for business of proper purpose	7,352,501,119	17,895,658,296	12,772,357,417
	(2) Reserve for business of proper purpose	7,352,501,119	17,895,658,296	12,772,357,417
	V. Carried forward surplus of operational results	41,387,639,591	50,023,415,214	55,421,300,864

(Unit: won)



## Yearly business performance

Classification	2006	2007	2008
Business income	335,447	342,109	392,512
Business results	1,965	15,347	13,417
Ordinary income	2,943	12,497	12,093
Current operational income	1,516	7,747	9,944

(Unit: HK\$ million)

## Assets, liabilities and capital

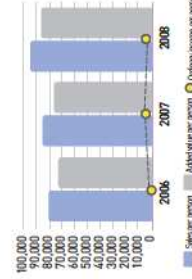
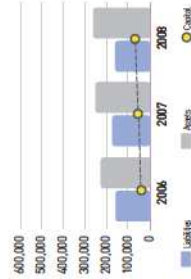
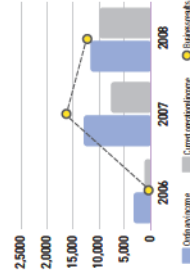
Classification	2006	2007	2008
Assets	209,060	234,531	236,602
Liabilities	153,336	160,291	154,418
Capital	55,724	74,240	84,184

(Unit: HK\$ million)

## Sales, ordinary profit and added value

Classification	2006	2007	2008
Sales per person	80,714	87,192	95,875
Ordinary income per person	708	3,009	2,954
Added value per person	72,007	78,439	87,061

(Unit: HK\$ million)



## Financial and management index

Evaluation item	Performance level			Increase/decrease(A-B)
	2006(C)	2007(B)	2008(A)	
Stability				
Current ratio	273.20	300.77	330.39	29.62
Debt ratio	275.17	215.91	184.43	△32.43
Interest compensation ratio against operating profit	3,182.91	0	0	0
Ratio of net worth	26.65	31.65	35.28	3.63
Ratio of operating income to sales	0.59	4.24	3.42	△0.82
Ratio of net income to sales	0.45	2.14	2.53	0.39
Ratio of net income to total assets	0.71	3.49	4.20	0.71
Net income to stockholders' equity	2.76	11.92	12.55	0.63
Ratio of operation cash flow to total assets	8.34	22.91	2.83	△20.08
Ratio of sales to financial expenses	0.02	0	0	0
Ratio of sales to labor costs	87.86	83.18	84.28	1.09
Ratio of sales to cost of sales	87.32	83.18	83.61	0.43
Net sales growth rate	-1.02	7.95	8.40	0.45
Operating profit growth rate	-89.02	681.03	-12.57	△693.60
Current net income growth rate	-83.50	411.16	28.36	△382.80
Total assets growth rate	-3.83	12.18	1.74	△10.45
Asset turnover	1.57	1.63	1.66	0.03
Efficiency of total capital investment	140.35	146.87	150.67	3.79
Efficiency of facility investment	247.37	271.50	292.95	21.45
Ratio of compensation of employees to NI	98.48	92.47	92.81	0.34
Increase in labor cost per person	7.87	2.28	11.40	9.13
Increase in added value per person	0.52	8.93	10.99	2.06
Profitability				
Growth Activity				
Productivity				

(Unit: %)



## Evaluation of external institutes and status of admission

### Awards and certifications

Year	Contents of award	Host
2006	2006 Selected as a superior institute in the are of finance and profit type in the 2005 business management performance	Ministry of Planning and Budget
2006	'Land & People' received a special award in the prizes for Korean Magazine Press Awards	Korean Magazine Association
2006	Received grand prize in customer service innovation section in the 14th Korea Grand Prizes for Customer Satisfaction	KMAC
2006	Received grand prize in innovative management section in the Korea Grand Prizes for Management	KMAC
2006	Received superior award in the knowledge deepening model section among public corporations in the 8th Knowledge Management Grand Prizes	Maell Economic Daily-Bozallien
2006	Selected a superior institute for integrity among public corporations	Anti-corruption & Civil Rights Commission
2006	Acquired certification again as a superior Korean company in service quality	Ministry of Commerce, Industry & Energy
2006	Acquired ISO 9001 management quality certification again	KMAC
2008	Received Steve Award in Advertisement and Media section in 2008 International Business Award (IBA)	IBA
2008	Received grand prize in the global networking section in 2008 Global Leader Awards	Hankyung Economic Daily

### Status of admission to associations and organizations

Year	Name of association and organization	Activities
1981	FIG	International exchanges of technological information and cooperation and dispatch of surveyors for education
1989	The Institute of Internal Auditors	Education on auditing and information collection, and domestic and overseas exchange programs for auditors
2006	Council for reduction of disasters	Participation in meetings for management of disasters and cooperation with local governments
2006	Korea Association for Service	Collection of the latest information on customer satisfaction management, exchanges with other institutes through benchmarking and workshops
2007	Korean association of UN Global Compact	Participation in workshops and symposiums related to human rights, labor, environment and anti-corruption

## Terminology

### GRI (Global Reporting Initiative)

This organization was established in 1997 with the initiative of CERES - an international federation of environmental organizations based in the U.S. - and UNEP. Its headquarters is located in Amsterdam, the Netherlands. Since its announcement of the 'GRI Guideline', which is the first guideline on sustainability management report, in June, 2006, it continued to publicize the 'GRI Guideline' in May, 2002 and the 'G3 Guideline' in Oct. 2008. The 'GRI Guideline' is the universally used guideline on sustainability management report.

### UN Global Compact

This voluntary agreement under the auspices of the U.N. was established by the proposal of the former UN Secretary General Kofi Atta Annan in Jan. 1999 in the Dabos Forum in Switzerland. It is composed of the 10 principles in total including human rights, labor, environment and anti-corruption on the basis of the Universal Declaration of Human Rights, ILO Declaration, Rio Declaration and UN Convention against Corruption. KCSC joined UN Global Compact in June, 2007.

### Survey for boundary restoration

This is a survey which restores the boundary registered in the land register on the surface of the earth, and it requires the installation of a mark for the boundary. This survey is usually done when a building is newly constructed, extended or rebuilt, or the boundary with adjacent land needs to be confirmed.

### Survey for cadastral status

This survey is used to mark the location of a ground structure, topography or planimetric features in contrast to the cadastral map or the boundary in the forest map and its area. This is usually done for the application for a permit for building completion or the confirmation of the area of the occupying land with the results of the cadastral survey.

### Divided survey

This survey is done to divide a lot of land registered in the land register into 2 or more lots of land.

### Survey for registration switchover

This survey is done for the land registered in forest register and forest map to register it in the land register and cadastral map. It is usually done if one wants to transfer a land which used to be registered in the forest register to the land register after changing its character.

### Survey for new registration

This survey is done for a land which has not been registered in the land register to newly register it.

### Survey for cadastral supplementary control point

This survey is done to set up a supplementary control point which is a control point for detailed cadastral survey. It is a skeleton survey of which importance is similar to cadastral triangulation.

### Cadastral triangulation

This survey obtains the locations of the control points that become the skeleton for the establishment and repair of the cadastral triangulation points. Survey for cadastral supplementary control point and detailed survey with the horizontal and vertical coordinates found by trigonometry. It needs precision work as it becomes an important basis of cadastral survey.

### Cadastral survey by map

This is a cadastral system which registers the boundaries of lands on drawings like cadastral map or forest map kept by the government agency in charge and relies the boundaries of lands on what is shown on these maps. Thus the boundaries of lands are decided by the maps and marked as such.

### Survey to decide control point

This survey is done to decide the control point so that a land can be granted its horizontal location or altitude.

### Automatic drawing system

Since 1977, KCSC has handled various drawings related to cadastral working with an automatic system using computers. As a result, it offers accurate cadastral survey results to improve services for customers.

### Computerization of drawings

The drawings of about 750,000 pieces nationwide were digitalized by the computer for 5 years from 1997 to 2003 in order to solve the difficulties with storing and managing the original forms caused by the new production of cadastral maps and establish accurate data for cadastral survey. By integrating the land register and cadastral maps, it laid the groundwork for the utilization of the data for basic information for the project of national geographical information.

### The project to make a continuous cadastral maps

This is a project conducted to set up continuous data using the digitalized cadastral maps. KCSC is exclusively conducting the project under the supervision of the Ministry of Land, Transport & Maritime Affairs. The data will be used as a basic data for land policy and an important basic maps for the preparation of GIS policies.

### World Geodetic System

This is a coordinate system with the center of earth which is adopted by all the nations of the world by using the center of the earth's quantity center as the original point. The system is utilized for surveying, production of maps and geographic information system (GIS).

### Cadastral reexamination

This is a project that is reforming the existing cadastral system in order to solve the problem of cadastrally disaccordng lands that causes confusion in cadastral management by structural obstruction to the promotion of lands and the protection of people's property rights. Improve the boundary relating force of lands and realize efficient cadastral management system by clarifying the marking of a lot.



## Report of a Third Party's Inspection

### \* Summary

#### To KCSC:

Korea Productivity Center (hereinafter 'the inspector') was requested by KCSC for an independent inspection of the 'SUSTAINABILITY REPORT 2008' (hereinafter 'the report') according to the conditions of contract signed between the two institutes. This inspection is conducted for the activities and results of KCSC's sustainable business management from Jan. 1st, 2008 till Jan. 31st, 2008. The responsibilities for collection of information and preparation of the report are assumed by KCSC, and the inspector is to provide its professional opinions on the contents and structure of the report to concerned parties on the basis of the results of the inspection.

The inspector does not have any relationship of interest with KCSC for business profits other than providing a third party's inspection for this report. We select the personnel for the inspection from various areas through strict evaluation of their qualifications and career.

### \* Methodology

#### • Criteria of inspection

This inspection has been conducted on the basis of the 3 principles of comprehensibility, importance and response that are mentioned in the AA1000AS (2008) standard.

#### • Comprehensibility

Does the organization make efforts to fulfill its responsibilities for the concerned parties that have mutual influence? Is there a process of participation among the concerned parties? Are the capabilities and resources necessary to the concerned parties' participation process being offered?

#### • Importance

Is there a process in the organization for the decision of importance? Are the capabilities and resources necessary to the process of the decision of importance being offered?

#### • Response

Is there a process in the organization to develop appropriate response? Are the capabilities and resources necessary to the process of development of appropriate response being offered? Is the organization responding to major issues in an extensive and balanced way?

#### • Scope and level of inspection

The inspector conducted Type 1 inspection which evaluates the characteristics and degree of the observance of the 3 major principles, and we secured sufficient evidence necessary for the moderate inspection standard. As this inspection has been conducted at a moderate inspection level, and thus we must say that different results may occur if additional inspection procedures are carried out. We conducted inspection on the overall contents of the report, and we did not conduct inspection of the actual workplace and the additional information contained in KCSC's homepage.

#### • Inspection system

- This inspection was done from February, 2009 to March, 2009 according to the following procedures.
- Research of media reports related to KCSC's sustainable management during the period of the report.
  - Review of the system and process used to generate the information of the report
  - Review of the internal documents and basic data as well as data sampling
  - Interview with persons in charge and managers who are related to the sustainability report

### \* Conclusions

#### • Inspection results and opinions

The inspector confirmed that the report reflects the activities and results of KCSC's sustainable management in a faithful and fair manner. We also have confirmed that the report satisfies the B+ application level declared by KCSC itself according to the GRI Guideline 63.

#### • Comprehensibility

KCSC establishes appropriate communication channels among the concerned parties to listen to the various opinions of the concerned parties. Especially, its efforts for the concerned parties was confirmed by the fact that it establishes the core values of the concerned parties and summarized the major issues of interest thought important for the achievement of these core values. We believe that KCSC's sustainable management will be developed further if the organization is structured for the practice of these efforts to be reflected to the strategies for the sustainable management. In addition, more diverse opinions of the concerned parties could be reflected if the current VOC system is developed more.

#### • Importance

KCSC is deciding the contents of the report in 5 stages including the survey with concerned parties. The findings are demonstrated by the activities and results in economic, social and environmental areas. Especially, the clear suggestion of KCSC's goals through ethical management and the vision and system for customer satisfaction management seem to be important results in fulfilling the corporation's social responsibilities. We think the understanding of the issues will be increased if the results are described focusing on the major issues of the concerned parties in the future.

#### • Response

We judge that KCSC has made efforts to cope with the requests of the concerned parties through its major economic, social and environmental performances.

This report contains the business activities that KCSC is conducting now or will conduct in the future, and especially, it is showing the efforts and performance of KCSC in fulfilling its social responsibilities as a public corporation through various business activities. The needs of the concerned parties will be met more clearly if the strategies and methods of implementation for the respective economic, social and environmental areas are revised and complemented reflecting the needs of the concerned parties.

We hope that KCSC's efforts for its economic, social and environmental responsibilities and performances will be shown well through the report, and wish that the report will be used much as a tool for a method of communication among concerned parties to contribute to the development of KCSC's Sustainability Management.



March, 2009

Dong-Kyu Chio / Chairman & CEO Korea Productivity Center



## GRI Contents Index

On-site report
Partially reported
Not reported
N/A

GRI G3	Contents of index	Page	Report level	KSCC application index
<b>Strategy and analysis</b>				
1.1	Declaration of the top decision maker on the connection between report, organization and strategy with the sustainability management	8, 9	●	CEO Message
1.2	Description of the major influences, risk factors and opportunities	28, 29	●	Opportunity and challenge of KSCC
<b>Organization profile</b>				
2.1	Organization name	16	●	Company name
2.2	Representative brand, product and service	17	●	Major business
2.3	Structure of report organization	18	●	Business structure
2.4	Location of Head Office and regional headquarters	19	●	Location of Head Office and regional headquarters
2.5	No. of the major workplaces where the report organization is doing business, and the name of the nation which has specific connection with the sustainability issues treated by the report	19, 40, 41	●	Location of Head Office and regional headquarters, and overseas business
2.6	Characteristics and legal type of ownership	16	●	Company brief
2.7	The target market (Region, business area, type of customer and beneficiary)	19	●	Location of Head Office and regional headquarters
2.8	Size of report organization	16, 18	●	Company brief, business structure, organization chart
2.9	Major changes in size, structure or ownership during the report period		N/A	
2.10	Awards received during the report period	84	●	Awards and certifications
<b>Report parameter</b>				
3.1	Period of report object	2	●	Scope and period of report
3.2	Date of the publication of the latest report	2	●	The recent report date and report cycle
3.3	Report cycle	2	●	The recent report date and report cycle
3.4	Contact point for the question about the report and related contents	2	●	Additional contents
3.5	Process for definition of the contents of report	14, 15	●	Evaluation of importance
3.6	Boundary of report	2	●	Scope of report
3.7	Specific restriction to the scope or boundary of report	2	●	Scope of report
3.8	Criteria for report of the objects that have great influence on the possibility of comparison between periods of organizations	2	●	Criteria and objects of writing report
3.9	Data measuring techniques and criteria for calculation	2	●	Criteria and objects of writing report
3.10	Effects of and reasons for rewriting of the information suggested in the previous report		N/A	
3.11	Scope of report compared to the period of the previous report, and change in boundary		N/A	
<b>GRI Comparison Table</b>				
3.12	The table which shows the location of the items of standard notice within the report	88-92	●	GRI Contents Index
3.13	Policy and activities to obtain external inspection on the report	84, 87	●	A third party's inspection report
<b>Governance, responsibility and participation</b>				
4.1	Governance of the organization	20	●	KSCC's governance
4.2	Whether BOD chairman is also an executive	20	●	Operation of BOD meeting
4.3	Number of BOD members who are independent or not executives	20	●	BOD members
4.4	The mechanism of shareholders' and employees' advice or direction suggestion to the BOD	23	●	Information sharing in the BOD
4.5	Compensation for BOD members and the performance of the organization	23	●	Evaluation of the performance of BOD

GRI G3	Contents of index	Page	Report level	KSCC application index
<b>Governance</b>				
4.6	The process of prevention of collision of interest in the BOD	22	●	Reinforcement of independence and professionalism in the operation of BOD meeting / Steering Committee in each professional area
4.7	The process to decide the qualification and professionalism of the BOD members	21	●	Committee for Recommendation of Executives
4.8	The internally decided mission, core value, statements, code of conduct and principles	24	●	KSCC's mission, vision and strategies
4.9	The process of BOD's grasp and management of economic, environmental and social performances	23	●	Evaluation of the performance of BOD
4.10	The process of the evaluation of the performance of BOD itself	23	●	Evaluation of the performance of BOD
4.11	Whether the principles and approach of advance prevention are adopted, and the explanation of the method of adoption	13	●	
4.12	Outside organization KSCC's joining of supporting in economic, environmental and social characters, and principles	7	●	Efforts to practice UN Global Compact
4.13	Membership in association and national and international policy organizations	84	●	Membership in associations and organizations
4.14	List of group of participating concerned parties	12	●	Classification of concerned parties
4.15	Criteria of recognition and selection of concerned parties that will participate	12	●	Criteria for selection of concerned parties and major issues
4.16	Methods of participation of concerned parties including type of participation and frequency of the participation of the groups of concerned parties	12	●	Classification of concerned parties
4.17	Core subjects and interests raised through the participation of concerned parties, and not to cope with them	12	●	Communication among concerned parties
<b>Economic index</b>				
EC1	Creation and distribution of direct economic values	32-38	●	KSCC's economic value
EC2	Financial influence of climatic change and the risk and opportunity for business activities	34, 37	●	Project to establish flood trace management system
EC3	Scope of pension support	62	●	Retirement pension program
EC4	Performance in receipt of government subsidy		N/A	
EC5	Ratio of payment of new employees at major workplaces compared to the legal minimum wage in the locality	61	●	Payment system
EC6	Local purchasing policy, practice and ratio at major workplaces		○	
EC7	The procedure of preferential employment of the local people and the ratio of high-ranking managers who are from the locality	57	●	Status of high-ranking managers who are from the locality
EC8	Activities and effects of the investment and service which put priority on public benefit	35-38	●	KSCC's special projects for public benefit
EC9	Understanding and explanation of indirect economic ripple effect	35, 36	●	KSCC's special projects for public benefit
<b>Environmental index</b>				
EN1	Usage of raw materials in weight or volume		N/A	
EN2	Ratio of usage of recycled raw materials		N/A	
EN3	Direct energy consumption per each primary energy source	72	●	Energy consumption
EN4	Indirect energy consumption per each primary energy source	72	●	Energy consumption
EN5	Amount of energy reduced by saving and efficiency	74-76	●	Efforts of overall company to save energy
EN6	Energy-efficient products or products based on recyclable energy/Amount of energy reduced by service provision efforts and related businesses	74-76	●	Efforts of overall company to save energy
EN7	Indirect energy-saving programs and performances	74	●	Practice to save energy
EN8	Amount of water intake per supply source	72	●	Energy consumption
EN9	Supply source for service water that is much influenced by water intake	72	●	Energy consumption
EN10	Total amount and ratio of reused and recycled service water		○	Energy consumption



ERI G3	Contents of index	Page	Report level	KSCC application index
EN1	Location and size of the land owned, leased or managed in the protected region or the district with high value for biological diversity or in the neighborhood		N/A	
EN2	The influence of the activities, products or services on biological diversity in the protected region or the district with high value for biological diversity		N/A	
EN3	Protected or restored habitats		N/A	
EN4	Strategies, current measures and future plans for the management of biological diversity		N/A	
EN5	Number of the endangered species designated by IUCN (The International Union for Conservation of Nature) and the national government that are living in the area influenced by the business, at the risk of their termination		N/A	
EN16	Total output of direct and indirect greenhouse gases	72	●	Status of energy consumption and discharge of CO <sub>2</sub>
EN17	Output of other indirect greenhouse gases	72	●	Energy consumption
EN18	Projects to reduce greenhouse gases and results	74-76	●	Overall company's efforts to save energy, and operation of energy efficient facilities
EN19	Output of materials that destroy ozone layer		N/A	
EN20	Output of NOX, SOX and other major air pollutants		N/A	
EN21	Total output of waste water and water quality at each final place of discharge		○	
EN22	Output of wastes per type and treatment method		○	
EN23	Number of cases of leakage of seriously harmful materials and quantity of output		N/A	
EN24	The amount of transportation, bring-out, take-out and treatment of wastes that are included in the attached documents 1, 11, 111 and 1111 to Basel Convention, and the ratio of wastes shipped out overseas		N/A	
EN25	The name, size, status of protection and the value of biological diversity in the waters and related habitats that are influenced by the discharge of waste water from the report organization		N/A	
EN26	Activities and performance for reduction of environmental influence by goods and services		N/A	
EN27	Ratio of recycling of solid goods and related packing materials		N/A	
EN28	Amount of fine and non-monetary penalty imposed for violation of environmental laws		N/A	
EN29	Science environmental influence by transportation of good and raw materials and the movement of executives and employees	74	●	Practice to save energy
EN30	Total expenditure and investment for protection of environment	77	●	Purchase of eco-friendly products
<b>Labor index</b>				
LA1	Type of employment, employment contract and status of manpower in each region	57	●	Employment system
LA2	Type of employment, employment contract and status of manpower in each region	62	●	No. of retirees
LA3	Benefits provided to permanent employees only, not to temporary or part-time workers	58	●	Strengthening internal evaluation and compensation
LA4	Ratio of employees to whom the collective bargaining is applied	64	●	Labor union
LA5	Minimum term of notice for important changes in business	64	●	Notice on items to be changed
LA6	Ratio of employees represented by the labor-management joint Health & Safety Committee	64	●	Labor union
LA7	Injury occupational diseases, days of loss, absence and number of work-related disasters	62	●	Work-related disasters including injury and occupational diseases
LA8	Education, training, counseling, and programs for prevention and disaster response for employees and their families and the local residents about serious disasters	62	●	Disaster prevention and risk management
LA9	Items of health and safety that are the object of formal agreement with the labor union	63	●	Major items of the collective agreement

ERI G3	Contents of index	Page	Report level	KSCC application index
LA10	Hours of annual education per person per type of employee	60	●	Hours of education to be completed per employee
LA11	Job education and learning program intended to support continuous employment and retirees	60	●	Programs for retirees
LA12	Ratio of employees who are the object of regular evaluation of performance and evaluation of career development	58	●	No. of irregular employees, and promotion system based on ability
LA13	Composition of BOD and employees	20, 56	●	BOD members, and No. of employees per position
LA14	Ratio of basic payment for men and women in each category of employees	61	●	Payment system
<b>Human rights index</b>				
HR1	Major investment agreements which contain articles for protection of human rights or which passed human rights examination		N/A	
HR2	Ratio of examination of human rights for major suppliers and subcontractor companies		○	
HR3	Hours of education of employees on human rights and procedures related to work	60	●	Education on human rights
HR4	Total No. of discrimination and related measures		N/A	
HR5	Areas of working where it is judged that the freedom of organization and collective bargaining can be seriously infringed upon and the measures taken to guarantee such rights	62	●	Operation of grievance treatment system
HR6	Business areas with high possibility of the occurrence of child labor and the measures taken to eradicate child labor	62	●	Eradication of child labor and forced labor
HR7	Business areas with high possibility of the occurrence of forced labor and the measures taken to eradicate forced labor	62	●	Eradication of child labor and forced labor
HR8	Ratio of the persons in charge of security who completed education on the policy and procedures of human rights related to work	60	●	Education on human rights
HR9	No. of the cases of infringement on the rights of the original residents and social index of related measures		N/A	
<b>Social index</b>				
S01	The characteristic, scope and effectiveness of the programs that evaluate and manage the impact on the society of the beginning, operation and ending stages of the work activities		○	
S02	No. and ratio of the business units analyzed for the risk of corruption		○	
S03	Ratio of the employees who completed education on the policy and procedures of anti-corruption	68	●	Education program on ethical management
S04	Management of corruption cases	68	●	Evaluation of and compensation for ethical management
S05	Establishment of public policies and stance on public policies and participation in lobby activities		○	
S06	Total amount of contribution of cash or in-kind to political parties, politicians and related organizations		N/A	
S07	No. of legal actions taken against unfair competition and monopoly and results		N/A	
S08	Amount of fine and non-monetary penalty imposed for violation of laws and regulations		N/A	



GRI G3	Contents of index	Page	Report level	KCSC application index
<b>Product responsibility index</b>				
Ratio of performance of evaluation related to the phase of life cycle which assesses the influence of products and services on health and safety and the products and service themselves for the purpose of improvement				
Custom and health and safety	PR1		N/A	
	PR2		N/A	
Product and service labelling	PR3	46	●	Classification of customers and service characteristics
	PR4		N/A	
	PR5	51	●	Survey on customers' satisfaction
Marketing communication	PR6	51	●	Publicizing information on service and evaluation
	PR7	51	●	Publicizing information on service and evaluation
Protection of information	PR8	51	●	Protection of customers' personal information
	PR9	51	●	Publicizing information on service and evaluation

### Efforts for continuous improvement

KCSC publicized the first report in 2008 with the main purpose of achieving a 'corporation trusted and respected by the concerned parties'. Though we made efforts to receive advice from internal and external concerned parties for the planning and writing of the report, yet there may be shortcomings. We will make a better report in the future by more faithfully reflecting the performance indexes presented by the G3 Guideline which is an international standard for sustainability management through more active collection of wider opinions of internal and external concerned parties so as to contribute to a much mature sustainability management of KCSC.

### Level of application of GRI G3 Guideline

KCSC's Sustainability Report 2008 was prepared satisfying all the requirements of B level among the application level of the G3 Guideline set by GRI. It was confirmed by the inspection of Korea Productivity Center that this report was B+ in the application level of the G3 Guideline.



Application level of the report	C	C+	B	B+	A	A+
<div>Results</div> <div>G3 profile operation</div>	<div>Operation item : 1.1, 2.1-2.10, 3.1-3.8, 3.10-3.12, 4.1-4.4, 4.14-4.15</div>	External inspection of the report	<div>All the items in level 'C' and 1.2, 3.9, 3.13, 4.5-4.13, 4.16-4.17</div>	External inspection of the report	<div>The same as all the items in level 'B'</div>	External inspection of the report
<div>Results</div> <div>G3 management method operation</div>	Unnecessary	External inspection of the report	<div>Publicizing management method(DMAI) for each index category</div>	<div>Publicizing management method(DMAI) for each index category</div>	<div>Publicizing management method(DMAI) for each index category</div>	<div>Publicizing management method(DMAI) for each index category</div>
<div>Results</div> <div>G3 performance index and added index per industry</div>	<div>Minimum 20 performance indexes must be reported including at least each 1 item of economic, environmental, and social index</div>	External inspection of the report	<div>Minimum 10 performance indexes must be reported including at least each 1 item of economic, environmental, human rights, labor, social, and product liability index</div>	<div>According to the principle of importance, explain the reasons for a reporting or blind reporting for all G3 core performance indexes and industrial guide indexes</div>		

Standard operation





A New World of Land  
**Be, KCSC**  
**SUSTAINABILITY REPORT**



This report can be downloaded in PDF file at KCSC homepage ([www.kcsc.co.kr](http://www.kcsc.co.kr)).  
For more detailed information on the activities and performances introduced in the report, contact  
the person in charge written below.

Thank you very much for your interest in KCSC's Sustainability Management.



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■ Eco-friendly paper was used for this report.





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Be, KCSC

Sustainability Report 2008

To : KCSC

Business Management Team in Office of Planning &  
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150 - 911



# Sustainability Report 2008

We welcome your precious opinions.

Each one of your opinions will be a great help for the promotion of KCSC's activities for sustainability management. We are waiting for our readers' ideas and suggestions regarding this Sustainability Management. We will receive your precious opinions and reflect them to the next report.



## Regarding KCSC's Sustainability Report 2008



1. Which of the following category do you belong to?

- |                              |                   |              |                                   |
|------------------------------|-------------------|--------------|-----------------------------------|
| ① Investor/shareholder       | ② Partner company | ③ KCSC       | ④ Local resident                  |
| ⑤ Civilian organization(NGO) | ⑥ Academic world  | ⑦ Journalist | ⑧ Others (                      ) |

2. Through which channel did you come to know the Sustainability Report of KCSC?

- |  |                                |                                   |
|--|--------------------------------|-----------------------------------|
| ① KCSC homepage                                    | ② Newspaper or magazine report | ③ Internet search                 |
| ④ Introduction by executives and employees of KCSC |                                | ⑤ Others (                      ) |

3. Which of the following parts was the most interesting to you?

- |                             |                        |                      |
|-----------------------------|------------------------|----------------------|
| ① About KCSC                | ② Economic performance | ③ Social performance |
| ④ Environmental performance | ⑤ Appendix             |                      |

4. In your opinion, which of the following parts needs to be complemented the most?

- |                             |                        |                      |
|-----------------------------|------------------------|----------------------|
| ① About KCSC                | ② Economic performance | ③ Social performance |
| ④ Environmental performance | ⑤ Appendix             |                      |

5. Please tell us freely about the items that need to be improved in the overall construction or contents, or your opinions on KCSC's activities for sustainability management.