

aT

CI

aT is formed with the combination of small letter "a" and capital letter "T". The small letter "a" contains the progressive and productive image of aT that grows small to larger size as it starts with the new bud sprouting up. And the spoon image in "a" shown along symbolizes the role of aT that is responsible for things to eat in Korea. The capital letter "T" symbolizes the tower image of the trade center and it expresses global public company that provides the optimal service.

SNS

e www.twitter.com/atcotweet 🐻 www.youtube.com/atwebtv blog.naver.com/gr22nade www.facebook.com/atcobook 🥥 www.me2day.net/atgogogo



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2012 COVER STORY

The will of aT to do our best for efficient distribution and consumption of eco-friendly agro-fishery products was described in a symbolic illustration.

aT Sustainability Report History

Green Dream



2008 sustainability report



2009 sustainability report







2011 sustainability report

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aT Sustainability Management

Creation of

Sustainability Message from CEO Management Outline

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This report is the 5th edition of sustainability management report published by Korea Agro-Fisheries & Food Trade Corporation. We are doing our best to become a sustainable enterprise for the stakeholders by providing a transparent sustainable management activities.

Principle of the Report

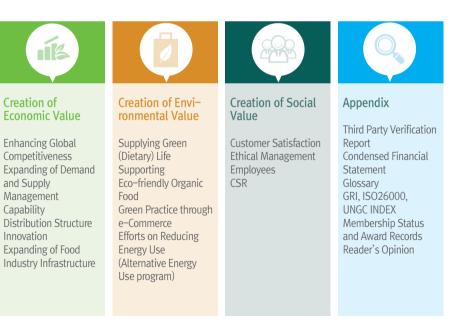
This report is written based on G3.1 Guideline of Global Reporting Initiative (GRI).

Scope and Terms of the Report

This report includes the head quarter's and domestic branches' economic, environmental and social activities as well as their achievements and will be published annually for the following years. For some quantative data, achievements made from 2010 to 2012 were reported in order to comprehend change in trend and data have been collected upto the time of the publication of this report for issues that are considered to be important.

Verification on the report

In order to enhance the reliability of information contained in this report, aT has requested for third party verification to Korea Productivity Center. Verification has been undertaken in accordance with AA1000AS 2008 verification criteria and it has been confirmed that the A+ application level of GRI guideline has been satisfied.



In the case that any additional information is required in relations to sustainable management and other activities of aT, you may have the access on such information through our website (www.at.or.kr). For more information and inquiries,



Worth of sweat for what farmers and fishermen have shed Fresh satisfaction for consumers Infinite trust and happiness for citizens

I deeply appreciate the stakeholders or the trust and attention for aT.

Since aT was founded as the Agricultural and Fishery Development Corporation in 1967, aT has been responsible for our Nation's food. Under a new corporate vision of a trustful public enterprise, an expert in raising global food, agriculture and fishery industry, in January 2012, we had a fresh start by changing the name of the enterprise to Korea Agro-Fisheries & Food Trade Corporation. We focused on establishing expertise by enhancing stabilization of supply and demand by expanding food, agriculture and fishery industry which will stimulate the growth of our agro-fishery industry.

aT will prepare a foundation stone for an agricultural export.

Due to applied efforts of farming and fishing communities to establish oversea markets and to discover various promising export products to increase an income, exports have increased more than twice in 4 years. Through active export promotion project, aT will open a new era for 10 billion dollar of agricultural exports and will boost our agro-fishery industry.

aT will promote and develop domestic food industry.

K-Food Support Center has been established to support and promote domestic food enterprises. Development of domestic food industry is being supported by aT providing counseling on real fields. For the goal: 'Korean food that the world enjoys,' various projects will be carried out by training Korean food experts and enhancing competitiveness of Korean food restaurants.

We will work hard to stabilize supply of farm products by revising distribution process.

Income for farms will be raised by revising complex agricultural distribution channels and distribution process will be improved by adopting online direct sales system. Also, in order to manage agricultural distribution systematically for a long term, advanced responsive system will be established.

As a result of putting much effort to form an ethical organizational culture in 2012, aT received awards in various fields such as ethics and social contribution. We will hold responsibility as an enterprise citizen to pay continuous attention in order to continue ethical organizational culture in 2013. Employees of aT will keep up to enhance competitiveness of our agro-fishery industry with our heavy responsibility and do our best to improve income of our farming and fishing villages. We ask for encouragement and attention from stakeholders.

- Ethical Management Award
- Sharing Happiness Award
- The Highest Level (AAA) from Sustainability Management Index
- Top Grade for 6 Consecutive Years on Customer Satisfaction
- Enterprise of National Merit for Preferential Purchase of Products Produced by Severely Disabled People







aT 2012 HIGHLIGHTS

GREEN DREAM aT 2012 Sustainability Report



Establishment of Korea Agro-Fisheries & Food Trade Corporation (January 2012)

In January 26th, 2012, by revising corporation act, new name and vision for the enterprise were announced.



The Income of Agro-Fisheries Online Market was 1 Trillion Korean Won (Dec. 2012)

The business achieved 126% compared to the annual goal by achieving 1.12 trillion Korean Won until late December. Also, aT contributed in improvement of distribution structure.

Operation of Support Center for Food Industry (Jan. 2012)

Support Center for Agro-Fisheries, which provides customized support for food service enterprises began to be operated and 400 times of counseling were provided.

The maximum result in the history of Agro-fisheries and Food

The maximum result in the history of Agro-fisheries and food export was achieved in December 2012 with the amount of \$8 billion.



Began construction of new company building in order to move to Naju Innovation City

Groundbreaking Ceremony for moving to Naju Innovation City in Jeonnam, Gwangju was held in 2013.

New

Introduction

Korea Agro-Fisheries & Food Trade Corporation was founded as Agro-Fisheries Development Corporation in 1967 in order to relieve gap between farmers and manufacturers. After expansive revision of Agro-Fisheries Distribution Corporation in 1986, aT has been contributing to balanced increase of income and to economy of farming and fishing villages by promoting wholesale markets, enhancing distribution process, providing education and information, expanding divisional domain into export and by consumption promotion businesses. In 2012, the corporate name was changed to Korea Agro-Fisheries & Food Trade Corporation.

A new vision slogan was established, 'a trustful public corporate, an expert in raising global food, agriculture and fishery industry'. Main focus was on revising ourselves with distinctive and specialized business structure by enhancing support for agro-fisheries and food which will be the growth engines for our agricultural industry. Korea Agro-Fisheries & Food Trade Corporation, as a specialized organization which promotes agro-fisheries and food industry, will do their best to create new agricultural values and keep up with the social responsibility to become a trustful and respectful public enterprise.



- a public enterprise.
- of the oversea networks in the medium or longer term.



Distribution of Innovation	Support Exports	Promo Ind
Support producer omote producing area Promote producing area ganizations stablish municipal, local oducing area organizations o-marketing ducation Support wholesale arkets / management on nsignment Manage online trade market	 5. Create base for exports manage safety of exporting agro-fishery products create specialized complex for exports 6. Promote specialized organization for exports support exporting organizations train experts in exports 7. Support exports form an exporting conference find promising products for exports 8. Marketing on consumers overseas host / attend an international exposition invite buyers 	9. Support an enterprises • support fun food service • provide con food / food s 10. Consume • agricultural promotion 11. Promote 12. Globaliza Food

2 aT's Sustainability Management(Promotion System, Initiative, Governance)

aT's management ideology is a trusted enterprise by public specialized in promoting global agro-fishery and food industry.' aT is implementing sustainability management in order to promote continuous growth company and its stakeholders creating value, altering and innovating. Our goal is to build the world where everybody is happy due to activities such as social contribution and environmental management.



Awarded Korea Ethical Management Award (2012413)



Awarded Sharing Happiness Award (2012.9.25)



Achieved KoBEX SM AAA (2012,12,28)

Slogan **GREEN DREAM** aT



Sustainability Management Achievement : Ethical Management Award, KoBEX SM, Sharing Happiness Award

aT achieved Korea Ethical Management Award from Korea Ethics Management Society which is consisted of experts from academic and industrial worlds. It seemed like that our practices of ethical management through implementing an anti-corruption system and a model of empirical education were highly appreciated. aT will continue to perform social responsibility and put efforts to become a trusted enterprise by public.

'Sharing Happiness Award' was given by Ministry of Health and Welfare. This award is usually granted to an enterprise that is socially committed in sharing activities. The award was given to aT, as we formed a Sharing Love Volunteer Group' to perform various social commitment activities in farming and fishing villages aT will continue our social commitment of practical help for social groups in need.

aT achieved the highest level, 'AAA' by receiving high grades on general fields such as vision of sustainability management, governance, customer relationships, regional community and environment as a part of '2012 Actual Condition Investment of Sustainability Management' performed by Ministry of Knowledge Economy and the Institute for Industrial Policy Studies.

aT's Sustainable Management(Participation of Stakeholders, Main Interests)

Communication Channel with Stakeholders

We categorized stakeholders according to the importance and influence of each interested party and are communicating through various channels. Various advisory committees, conferences and regular meetings are held regularly to gather opinions. Opinions of stakeholders are gathered through homepage, telephone calls and mails in real time. We will put our efforts to become a developing enterprise through active communication with the stakeholders.

Customer	Employees	Government/Public Organizations	Cooperative Companies	NGO Media/NGOs	Local Communities
stablishing	Satisfying	Enhancing Coopera-	Collaborating Coop-	Establishing	Sharing with
Justomer Trust Customer atisfaction Index Customer ormmittee Customer roposal System Management bisclosure Sustainability Aanagement Report	Employees - Survey on Satisfaction of Employees - Labor-Management Joint Workshop - Labor-Management Council, aT Newsletter - Intranet - Grievance Committee - Clean Tea Time - CEO - Employees Meeting	tion of Interagency - Regular Meeting with Government - Employee Dispatch - Official Contact Point - National Organization Participation	erative Companies • Cooperative Company Proposal System • Complaint Reception and Feedback • Cooperative Companies Meeting • Project Conference	Partnership • Press Data • Seminar and Forum • Customer Committee • NGO Partnership Participation	Local Community - Resident Inviting Event - Local Communities Meeting - Company-town Relationship - Activities for Social Responsibility

Assessment of Importance

aT implemented assessment of importance on each field such as sustainability management, economy, environment and society. Around 30 sustainability management issues were drawn from the stakeholders. Based on the result, priority was set, which is shown in this report and will be reflected in our business direction.

1) Verifying an Issue	Verifying an Internal Issue Obtaining: – Evaluation of tasks of business strategy – Recognition surveys from board of directors
2) Setting Priority	Influence on aT Obtaining: – Strategic importance

	irgency of the matter	
3) Evaluation on Importance – E	valuate issues of stakeholders through the	С
and Reflection on the Report - R	eflect important issues on the report	

High degree Issue	Medium degree Issue	Low degree Issue
 Social Contributive Activity Mutual Management Ethical Management Expansion of agro- fisheries and food Export Stabilization of supply and demand of agro-fisheries and food Risk Management Creation of Jobs (Recruitment, etc.) Efforts to Preserve Environment 	 9) Sustainability Management Strategy 10) Governance Structure 11) Distribution Innovation for Agro-Fisheries 12) Promotion of Food Industry 13) Fair Distribution and Contribution to Economic Achievements 14) Countermeasure to Climate Change 15) Train Women Workforce 16) Develop Human Resources 17) Welfare Benefits 18) Anti-Discrimination Policy 19) Effective Use of Energy (Alternative Energy Use program) 20) Fair Performance Evaluation and Reward 21) Secure Agro-Fisheries Safety 22) Customer Satisfaction Activities 23) Investment in Public Infrastructure 	 24) Board of Directors Leadership 25) Communication System for Stakeholders 26) Innovation in Enterprise Culture 27) Environmental Management of the Organization 28) Support Eco-Friendly Agro-Fisheries 29) Effort to Promote Green Dietary Life 30) Industrial/Labor Relations

Verifying an External Issue

Obtaining:

- Evaluation of media
- Benchmark in corporates of the same field
- Opinions of external stakeholders

through various committees valuation the Interests of

- he Interested Parties
- Frequency of the issues
- Importance of the stakeholders

corporate strategic promotion direction

Governance

Board of Directors

Board of directors, as the highest level of decision making organization which controls aT's management, is consisted of 4 executive directors including the president, and 5 non-executive directors. The rate of non-executive directors is kept above 50% in order to watch and check the managing.

The president of the corporation is appointed by the president of Republic of Korea after voting by Executive Recommendation Committee. Experts of each field take part in a poll and one selected candidate is recommended by the Minister of Food, Agriculture, Forestry and Fisheries to the president of Republic of Korea. Executive directors are appointed by the elected president of the corporation. Through objective elective procedure based on the law, the qualification and professionalism of the executive directors are secured. Non-executive directors are appointed of Ministry for Food, Agriculture, Forestry and Fisheries after proposal of Executive Recommendation Committee was given. Candidates are selected from an open recruitment. Candidates who have enough experience and show capabilities in various agricultural, social and economic fields are selected to form a professional board of directors.

In 2012, there were 12 conferences of board of directors and a regulation was arranged that if a director has an interest in an issue, he can not attend the conference and present an opinion.

Risk Management

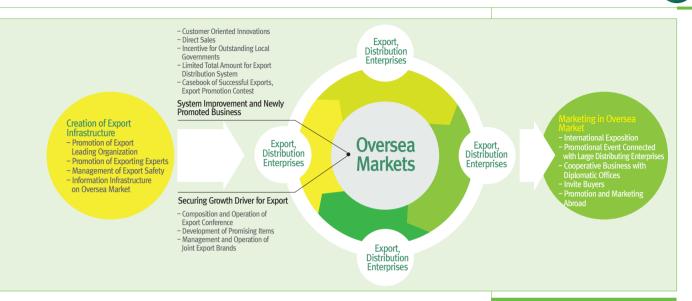
aT established a risk management system by selecting possible risks in order to confront risks, such as unstable supply and demand on agricultural products due to climate change, population growth and slowdown on rate of export growth (e.g. due to extended global economic recession such as Eurozone crisis) aT contributes to perform stable business, increase agricultural income and maintain safe national dietary life by dealing promptly with risks, collecting and analyzing various information.

Enterprise Risk Management System

Risk Management Guideline was developed. Effective responsive system is established by classifying possible risk according to each business field and systematizing procedure of response when risk is identified. The vice president is in charge of risk management as a Chief Risk Officer at ordinary days. When risk situation is occurred, Risk Management Committee which consists of the president and executive directors plunge into an operation.

The enterprise is classifying the enterprise risk into 4 different fields-business management, disaster, negative press reports and conflict with stakeholders. Responsible departments are set according to each form of risk and Risk Plan department is managing generally through Risk Management Planning Committee.





Support Overseas Expansion as an Exclusive Organization for Supporting Agro-Fisheries and Food Export

It took more than 20 years for Korean agro-fisheries and food export to achieve 3.8 billion dollars in 2007. However, since 2008, on the strength of aggressive export policy, 3 billion dollars increase of export had been made in just 4 years. Especially, since last year, Korean agro-fisheries and food are continuously becoming more popular because of the raise in Korean food awareness due to K-Pop, Han-Rvu and upswing in exports. aT will do our best to expand exports globally.

Establishment of Export-Base, Expansion of Export Growth Engine, Marketing to Oversea Markets

aT, in 2012, continuously applied efforts in establishing export-base for stable supply of Food, Agriculture, Forestry and Fisheries' export quantity, on expanding export growth engine by revising export support policy and on pioneering oversea markets. On the strength of such support, amount of agro-fisheries and food exports is increasing annually and, in 2012, dollar amount of export was 8 billion which was the highest record in the history of Food, Agriculture, Forestry and Fisheries' export.

Classification	Details	11.5	Key Performance		
		Unit –	2010	2011	2012
Establishment of	Train leading organizations		21	18	21
Export–Base	Train experts in export		10	13	13
Expansion of Export	Support export commercialization		43	33	39
Growth Engine					
Marketing on	Consulting to support export and sales(*)	Million \$	756	861	1,065
Oversea Markets					
	Amount of Exports	100 Million \$	59	77	80

* Consulting to support export and sales : Total sales done by consulting intercessions for exhibitions, large distributors and buyers.



Enhancing Global Competitiveness of Agro - Fisheries and Food 🐖

PRINCIPLE

OUR APPROACH

Enhancing Global Competitiveness of Agro - Fisheries and Food

Fresh Agro Product

Fisheries Product

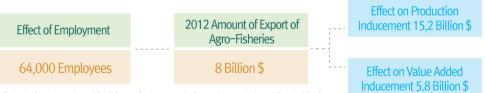
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2010

Processed Agro Product

Economic effects of exports for agro-fisheries and food and aT's commitment

aT, as an organization which is specialized in Food, Agriculture, Forestry and Fisheries' export support, is performing full assistance through the consistent system which supports from domestic production to pioneering oversea markets of agro-fishery industry. With aT's assistance exports of agro-fisheries had a result of 8 billion dollars in 2012 and economical ripple effects were calculated as 15.2 billion dollars for effects on production inducement, 5.8 billion dollars for added value inductive effect and 64,000 emplovees.



* Calculation based on 2010 inter-industry relation table and Korea Bank 2012.

8008

Statistical System of Agro-Fisheries and Food Import and Export (KATI)

KATI is a website where specialized information about export is displayed. It is a website which is visited more than a million times by people who export products. It provides various information on export such as items, oversea markets, export safety and export supply; It also briefs about statistics, import and export and about oversea prices of wholesale as well as retail products and market conditions (www.kati.net).

2011 Present Condition of Agro-Fisheries and Food Export (Unit : Million \$)

0

Support Improvement of Export Distribution System

2012

In order to solve problems of excessive expense on distribution of a small scale agricultural product for export enterprises (2, 3 times more than industrial products), aT is operating a system that reduces about 30% of shipping expenses by establishing joint distribution system on major sea routes for agricultural exports. Also, aT is consulting on distribution for all the agricultural product exports and statistics showed that there is a reduction in distribution expense of about 100 million Korean Won for each participating consulting group is 2012.

2. Expansion of **Export Growth Engine**

1. Establishment of

Export-Base

Composition and Management of Export Conference

aT is operating export conferences for each item in order to prevent superabundant export competition between Korean companies and to build a cooperative system between exporting companies. Guidelines of export standards, shipping dates and unit prices are given at Export Conference.

Promising Export Items Promotion

aT is supporting merchandising development, consulting on exports and expenses of oversea marketing for developing adequate products that suit tastes of foreign consumers. Pioneering new markets and settling in local markets by establishing 'Promising Export Items Promotion System' in order to develop promising export items which will become the power for our future agro-fisheries and food export.

Enhancing Global Competitiveness of Agro - Fisheries and Food

Operation and Management of Joint Brand (Whimori)

aT is operating Whimori, joint export brand, to manage quality of exporting agro-fishery products and to encourage outstanding products to export according to production traceability system, aT is managing 15 companies on 11 items such as vegetables, flowers, mushrooms, fruits and Kimchi as joint brand.

Competitiveness Provision by Systematization/Scale Improvement of Exporting Organization

aT is planning expansion of export by improving competitiveness of Korean agro-fisheries products. It is enabled by promoting export leading organization which are responsible for production of exporting products and marketing overseas. Especially, by encouraging leading organizations to group themselves as an alliance and by systemizing and improving in scale, competitiveness is being improved.

K-Food Oversea Promotion and Marketing

In order to ensure the worldwide interest of K-Pop and K-Food with expansion of export, promotion stickers (which a girl band "Kara" were selected as models for), were produced and distributed to 38 small and medium size exporting businesses to support difficulties in oversea promotion. Also, starting 2013, Global K-Food project, including marketing through exported media contents and oversea experience marketing, will be initiating order to enhance the oversea marketing.

Conducting and Supporting International Exposition

aT is contributing a lot to pioneering oversea markets in areas such as collecting information about discovering buyers for major Korean small and medium size exporting businesses by selecting promising exporting businesses to participate in international food expositions since 1992. Especially, in 2012, total of 175 participation and participation application in international expositions earned 790 million dollars and played a key role in achieving 8 billion dollars in exports.

Establishment of Direct Export Network with Large Foreign Distribution Businesses

aT is supporting connected sales promotion events for foreign importing distribution businesses, vendors, large distribution businesses and Korean exporting businesses in order to expand boundaries for export of our agricultural products. Also, large scale promotion events were performed by signing MOU with large foreign distribution enterprises (38 companies in 13 countries, 2013). Direct exporting network is planned to be continuous expansion after 2013.

Base for Pioneering New Promising Export Market

aT has been performing a role of being the local base for enterprises pioneering market by dispatching export marketers in promising oversea export markets (China, Vietnam, Taiwan, etc.), areas, where aT does not have market connectivity. Such role was played by promoting supports for companies that hope to enter the oversea markets and their export marketing. Also, by cooperating with 52 diplomatic offices in 36 countries in 2012, aT has been marketing in ways that are suitable for the local markets.





B. Enhancing **Oversea Marketing**

[Achievement of Marketing and Promotion Business Dealing with Large Foreign Distributing Enterprises(Amount of Export)

Amount of Export (1,000\$)

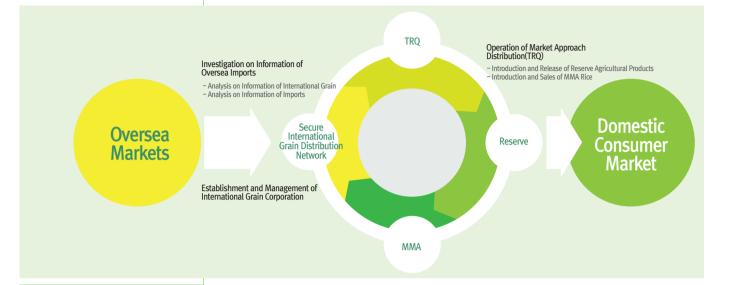
2012	80,004	
2011	68,400	
2010	33,184	
2009	18,439	

Business Made (Times)

2012	225	
2011	148	
2010	116	
2009	68	

ECONOMY

Supply and Demand, and Grains



PRINCIPLE

Responsibility for Our National Food

Each country is showing passion to secure food resource due to the unstable international grain price caused by abnormal temperatures and etc. It is getting more and more difficult domestically to stabilize supply and demand of agricultural products due to weather anomalies. Now, it is becoming more and more important to stabilize the price of basic food items. aT is in charge of maintaining stable supply of food and alleviating the impacts from the rapidly changing foreign agricultural markets.

OUR APPROACH

Demand and Supply Management to Cope with International Markets

aT manages demand and supply of food by purchasing domestic products and reserving imported products in order to valorize by securing basic food stably. aT will lead national food security by managing TRQ supply to reserve and supply agricultural products by establishing network of foreign food procurement to procure food resource, by establishing international grain corporation.

Classification	Details	Linde	Key Performance		
	Deldits	Unit -	2010	2011	2012
TRQ Management	Introduction Rate of State Traded TRQ	Tons	336,268	400,200	374,491
	Introduction Rate of MMA Rice	Tons	327,311	347,658	368,006
	Result of Sales of Statement Trade	Tons(100 Million	314,508	369,332	421,051
		Korean Won)	(5,729)	(649,533)	(660,793)

Import Management of Tariff Rate Quotas (TRQ)

aT promotes price stabilization by importing and releasing at the right time and by managing stable imports on 9 TRQ items such as red peppers and soybean to minimize impacts on domestic product bases. Also, purchases are managed elastically by monitoring trends of domestic and international supply and demand.

Management on Introduction and Sales of Rice for Minimum Market Access

aT is introducing and managing MMA rice for processing use and eating use. MMA rice was exempted for tariffication according to the renegotiation done at WTO.

Rice for Processing Use

Rice for processing use is purchased as brown rice and is transported to local (municipals) governments from the arrival ports, in order to be reserved at government storage facilities for grain and to be processed as white rice at government rice milling shops. After it is being supplied to food processors (for rice cakes and rice wine). Rice for processing use is used for wines and general processed food and is not distributed in the markets.

Rice for Eating Use

Purchase and Sales of rice for eating use is exclusively managed by aT in order to minimize domestic impact. Impact on domestic rice price is being minimized by flexibly managing the time and quantity of sales. The sales profit is used to support rice producing farms.

Enhancing Safety of Imported and Reserved Agricultural Products

aT puts efforts to recover the credibility on safety of agricultural products by operating a T/F team to review and improve the state trading business system. Problems in processes chain from purchases to sales were analyzed and improved plans were prepared. Security safety was developed by diversifying and enhancing purchasing standards on not only dried pepper but also peeled garlic and peeled onion.

Improvement on Napa Cabbage Reserving System(Switched from Reserving Frequently to Regularly)

In order to manage the price jumps in Napa cabbages due to weather anomaly, regular and calculated reserving system of fresh cabbage was necessary. And, in 2012, a demonstrative implementation of stabilizing the price of Napa cabbages was performed. As a result, prices of Napa cabbages were stabilized under the condition of 3 times of typhoons in August and September and the efforts were proven to be effective and to be stable supply and demand system for both consumers and producers.

Implementation of Emergency Supply Stabilization for Sugar in order to Stabilize Basic Food Products

Because there is inefficiency in distribution system . Since domestic sugar price does not reflect international sugar price drop at proper time, supply stabilization for sugar was implemented. By setting a standard that suits the requirements of fastidious consumers and the world class level of domestic sugar manufacturing techniques, 5,000 tons of sugar was purchased to be released at a low price in order to prevent domestic sugar companies increasing sugar price. The end users and consumers could reduce about 45.6 billion Korean Won in their living cost.

Supply and Demand, and Grains

1. Stable Supply and Demand Management of Basic Food

2. Efforts to Stabilize Domestic Supply and Demand

Supply and Demand, and Grains



Enhancement in Functions of Supply and Demand of Agricultural Products

Supply and demand manuals for major items were prepared in order to manage supply and demand of agricultural products synthetically and in advance. Supply and Demand Management of Agricultural Products Committee consisted of government, producers, consumer group, distributing corporation and academia was organized in order to decide and execute effective supply and demand policy.

Stabilization on Supply and Demand by Providing Personalized Distribution Information and Improving Impacts on Public

aT provided information on the price and time for purchasing products in high demand at periods for Kim-chi making and national holidays and on weekly thrifty grocery list, Agricultural products distributing information (kamis.co.kr) was revised as customized system and price on products were announced on a designated TV channel. aT will continue to make efforts to provide nation-wide distribution information.

3. Investigation on Information on Foreign **Agricultural Products**

Establishment of National Grain Procuring System

The recent price of grain has been increasing in variability and cycle of jump in price is shortening. Due to global warming, variability in grain producing has increased and instability in grain supply is increasing due to economic development of rising nations like China and expanded demand of bio-energy. In this international condition, food security for Korea is considered to be the most important political subject. since Korea is relying on import almost for all grains except rice aT is working on securing grain distributing network such as export elevators and producer elevators through local American branch (aT Grain Company) and reviewing on diversifying exporting nations such as Brazil or Southeast Asian nations.

Analysis on International Grain Information

aT is releasing reports by collecting and analyzing information of supply and demand, and price of major international grain products such as flour, corn, soybean and rice. aT formed 'International Grain Information Analysis Conference' in order to enhance prediction on international supply and demand, and price of grain in 2009. Furthermore, as a countermeasure to the quickly changing grain market, 'Daily Grain Report' which analyzes price movements and major issues on each product is prepared and provided to interagency and related business worlds to perform a role as an international grain information specialized organization.

Investigation on Information of Foreign Agricultural Imports

Leading Monitoring on Foreign Market Movements and Diversity of Origin

aT is contributing to stabilizing supply and demand by investigating and analyzing about 1000 foreign market movements according to items collected through monitoring, foreign branches and business trips and by providing such information to related government departments posting it online in aT website. Also, aT is trying to stabilize supply and demand by looking for nations of origins of importing products with unstable production rates.

Enhanced Investigation on Items that Undergo Assessment of Tax

aT is enabling Korea Customs Service to collect proper tax by providing production costs of major importing agricultural products as standard price for tax assessment to prevent indiscriminate imports performed by private companies. As a result, hundreds of million Korean Won of tax assessment and prevention of tax evasion were done.



Distribution must flow without interference. We put efforts to improve agricultural product distribution structure

Distribution must flow without blockage. Quality and price must flow clearly. Just like the water stream that flows through the whole country, harvest of producers must flow to the consumers without blockage on the stream of distribution. aT will improve the structure of agricultural product distribution in order for both producers and consumers to be happy.

Utilization of Distribution through Scale Improvement of Producing Area and Vitalization of Direct Sales

aT is focused on reducing distributing cost and processes by training large scale producing area organizations and operating agro-fisheries direct sales-B2B online market, regular direct sale market at production area and 'Fresh Market,' the portal website that is specialized in direct sales. Also, training of experts, education is being carried forward in order to improve competitiveness of the employees in the distribution field of business.

Classification	Details	1 Juda	Key Performance		
Classification		Unit ·	2010	2011	2012
Producing Area/	Amount of Business in Online	100 Million	1,755	6,255	11,146
Consuming Area Vitaliza-	Trade Markets	Korean Won			
ion of Direct Sales					
mprove Scale of	Support APC Establishment		318	330	345
Producing Area					
Vitalization of Functions of	Result of Flowering Plant Joint	100 Million	982	1,008	1,066
Wholesale Markets	Market	Korean Won			
	Trust Management of Public		1	1	1
	Wholesale Markets				





Distribution and e-Commerce

PRINCIPLE

OUR APPROACH

15

ECONOMY

Distribution and e-Commerce

1. Expansion of Direct Sales Channels from Production Area to Consuming Area

Present Condition of Major Business is Done by Online Trade markets

B2B Business

B2B business refers to business transactions between businesses or companies that deal with agricultural products and includes deals of massive amounts of agro–fisheries electronically. Payment, shipping, proof of business and after service are done electronically and every offline trade pattern is done not facing each other.

Sales of B2C

Sales of B2C vitalizes sales of eco–friendly agricultural products, locally specialized products and traditional wines for proper price and suggests new direct sales models such as groceries for small to medium food service businesses.

Online Procuring Groceries for School Meal Service

By utilizing online procurement system for school groceries, unnecessary administrative costs can be reduced and good efficiency acquired. Trustful trade system will be arranged by enhancing connective cooperation with interagency in order to secure safety of groceries and transparency of trade.

Improvements in Distribution through Online Trade Markets

In 3 years since the first sale (from 2010), volume of trade exceeded 1 trillion Korean Won (compared to 2012's targeted amount of trade, 8,830, 126% of volume trade was achieved). – Financial Results : (2010) 175.5 billion Korean Won \rightarrow (2011) 625.5 billion Korean Won \rightarrow

(2012) 1.11 trillion Korean Won

* Reduction in Cost of Distribution : 44 billion Korean Won reduced based on 2012 financial result of 1.11 trillion Korean Won.

Vitalization of Direct Sales through On-Offline Channels

aT is planning on expanding 'Fresh Market' (www.esingsing.com) which is operated by combining 206 agricultural online shopping malls to portal site specialized in direct sales. One–stop shopping (SSO func–tion) is available with only one ID. Product information comparison as well as real time information will be provided to consumers. Also, aT supports opening regular direct sale markets which skips intermediate distribution process and connects producers with consumers.

Enhancement of Supportive System for Producing Area Distributing Facilities

2. Competitiveness of Production Provision and Distribution

aT has adopted and is operating evaluation system of comprehensive plan for production provision and distribution. We switched to supportive system that focuses on local governments above city or county level in order to develop as the base for agricultural production and distribution by supporting producing product distributing facilities, which have the proper scales and are specialized for each area. This system grants eligibility to apply for production area distributing facility supported by government, such as Agricultural Product Distributing Facility Center (APC), base APC and establishment of low temperature distribution system, for the selected local governments and organizations dealing with selected items.

Systematization and Scale Improvement Plan of Local Business through Improvement of Supportive Project for Production Area Distribution

In order to improve competitiveness of production area distributing organizations, aT is encouraging local businesses to consolidate evaluating and supporting mainly joint marketing organization. The objective is to train 150 major local businesses until 2017. Applicable local businesses were combined to 170 businesses in 2012 from 216 companies in 2010.

Training Experts in Distribution and Food Industry

Education on fields of distribution and food such as production and consuming area distribution and food marketing is being operated(7,715 students in 91 classes). Evening school classes are provided in consideration of the needs and accessibility of the consumers to education(306 students in 5 classes).

Evaluation on Performance of Wholesale Market

As a result of encouraging public wholesale markets to improve their operation, evaluation and transparency in trades improved, number of trades of eco-friendly agricultural products increased and management was stabilized. Endless innovation is encouraged by providing outstanding enterprises with incentives and slowly adapting enterprises with penalties, according to the results of evaluation.

Support in Vitalization of Wholesale Market Management

aT is supporting improvements in management of 195 businesses including wholesale corporates by evaluating management results of public wholesale markets. Also, 'Wholesale Market Development Conference' was formed in October 2012 to discuss trading in fixed price, vitalization of e-Commerce and improvement of evaluation system on wholesale markets.

Suggest Effective Administrative Model through Trust Management on Public Wholesale Market

The administration of existing wholesale market had a limitation that it lack of distribution expertise and strategies for vitalizing markets. Ever since aT began managing Chuncheon Wholesale Market based on trust management in 2008, the trade volume was increased, income, expenditure and transparency on trade were improved. Other city wholesale markets are visiting the market in order to benchmark the successful management. Number of wholesale markets operated under trust management will be increased in the future.

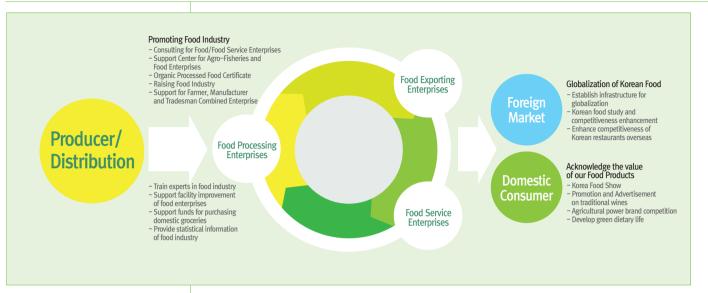
Support for the growth of Floricultural Industry

aT Flower Marketing Center is the largest flowering plant wholesale market which provides a stable market for flowering plant farms and provides consumers with high quality flowers for a great price. aT market has been putting efforts to vitalize urban agriculture and to create a culture that will have flowers in everyday life. Auctions that amounted 106.6 billion Korean Won were made for cut–flowers, orchid and foliage plants and aT flower joint market had 6% increase compared to last year.

Distribution and e-Commerce

B. Enhancing Functions of Wholesale Markets and Vitalization of Operation

a) Food Industry Support



PRINCIPLE

We lead advancement of food industry

Agricultural industry, as a new growth engine that leads advancement and high-level industrialization of agro-fisheries, increases income of farmers and fishermen by creating high value. Especially, Korean food and traditional food are cultural products that spread Korean culture and taste, are recognized for their values in oversea markets and are being enjoyed by everyone. Food industry, which has infinite potential growth ability from producing, storing and processing to food service, is a valuable source which will improve the global competitiveness of our agro-fishery industry.

OUR APPROACH

Promote food industry and globalize Korean Food

In order to improve food industry from being regulated industry and to become future value-added industry with global market competitiveness, aT has been performing various supportive projects. Consulting on food/food service enterprises has begun in earnest. Various promotions for consuming agricultural products were performed in order to expand promotion infrastructure of food industry and to create agricultural industry infrastructure. At the same time, our agricultural products gained worldwide fame for Korean food globalization project.

Classification	Details	1 Justi	Key Performance		
Classification		Unit	2011	2012	
Promoting Food/	Consulting Service for Food/	Services	118	134	
Food Service	Food Service Enterprises				
Industry	Food Industry Education	Men	1,470	3,275	
	Provide Statistical Informa-	Times	Provide Food Industry	6 Analytical Research Assignments	
	tion on Food Industry		Statistical Report (213 tables)	such as Survey on Consumption	
Korean Food	Specialized School for Cook-	Schools	4	5	
Globalization	ing Korean Food				
	Training Korea Food for	Men	3,257	4,829	
	foreign Cooks				

Operate Agro-Fisheries and Food Enterprise Support Center

Agro-Fisheries and Food Enterprise Support Center was established as T/F team in 2011 and was formally launched as a regular organization in January 2012. The number of experts was expanded from 250 to 321. Joint network with food supporting interagency was established and operated field consulting force to become a consulting center for small to medium food service businesses. The center provided consulting for more than 6,000 times in 2012 and 384 businesses favored the support. Income growth rate of specialized consulting agencies was recorded as three times higher than the growth rate of food producing enterprises. Also, export expansion is supported by food enterprises actively utilizing FTA, and we are devoted to provide export information through KATI.



Train Food Industry Experts

aT is training experts in different fields of food industry by operating Agro-Food Marketing Training Institute. Its objective is to train 100,000 food industry experts until 2017. Also, the role of the institute will be expanded through the budget for modernizing the institute. Base educational centers will be designated regionally across the nation and the center will be in charge of the whole food education.

Vitalization of Market and Promotion of Globalization by Hosting Korean Traditional Liquor Grand Festival

118 traditional wine enterprises participated in Our Wine Festival(2010.25-25) and displayed and promoted various traditional wines. Compared to last year, 31% increased number of people (304,000) participated and also, the view on traditional wines improved through various experience programs and promotion.

Expansion of Traditional Food Markets by Expanding Distribution Channels

In order to expand sales of traditional food, winner of traditional wine show entered duty-free shop and purchase agreements were encouraged by inviting and providing field trips for people from hotels and distributing enterprises. Also, Pororo special episode : Kim-chi was produced in order to promote Kimchi and was distributed to kindergartens and preschools. 'Best Kim-chi Soup Cook' festival was held in SBS-TV program 'Star-King.'



Food Industry Support

. Establishment of Food **Industry Support Center**

- Agro/Food Department Affiliated Organization
- Public Institute
- Local Government Institute and **Research** Center
- Universities
- Private Educational Institute - Association · Organization

External letwork



2. Consumption Promotion of Traditional Agro-**Fisheries Products**



ECONOMY

Food Industry Support

Korea Food Show

aT is hosting KOREA FOOD SHOW, a large–scale food exposition for shedding a new light on value of food industry by suggesting the future image and global trend of food industry. It was the largest scale of expo–sition in Asia as it was integrated with Seoul Food in 2012. Its objective is to become one of the 3 largest food exposition in the world by holding world–class conference and inviting famous foreign futurologists.

Development of food/groceries Direct Sale Business

Cost of food service enterprises was reduced and connection of agro–fishery industry was enhanced by food service enterprises trading food/groceries directly with producing areas. Difficulties of the field in the business were identified by forming a direct sales advancement council and an online shopping mall specialized in direct sales (www.eatmark.co.kr) was launched in order to make consensus with food service industry association, Korea food service industry central association and related business world.

3. Globalizing Korean Food

Infrastructure for globalizing Korean Food

aT has put efforts to establish infrastructure for globalizing Korean food in 2012. Total of 12 consultative Korean restaurants was formed and project in order to upgrade the restaurants regionally, promote Korean food and improve menu. The consultative restaurants are trained to be the local centripetal bodies and to be the local private infrastructures for globalizing Korean food.

Training Korean Food Experts

In order to train Korean food experts, support project for exclusive Korean food cooking institutes and capability education for employees in foreign Korean restaurants was held. 1,183 people were trained through popular foreign culinary institutes such as Drexel University in the USA, Yangzhou University in China and Hattori Nutrition College in Japan. Korean food education was given to popular foreign hotels' chefs and MOU was signed with Marriott Hotel and IHG. Infrastructure for continuous projects was prepared and joint cooperation on employing personnel for Korean food and direct exporting project of food/ groceries was promised.

Enhancing Competitiveness of Foreign Korean Restaurants

Management consulting was provided for Korean restaurants that are operated or that will be operated in foreign countries in order to improve competitiveness among Korean restaurants. Difficulties in management of Korean restaurants and food service enterprises are consulted online through foodinkorea.co.kr in order to improve competitiveness of Korean restaurants at home and abroad.

Global Food Service Enterprises by Domestic Enterprises Expanding Overseas

Promoted brand and culture of Korean food service by participating in foreign franchise exposition for expanding food service enterprises to foreign markets. Also, for enterprises having difficulties participating in foreign expositions, skull sessions were held by inviting foreign buyers to Korea. Agreements for expanding to foreign markets are progressing continuously. Domestic Korean food and food service enterprises could sign contracts and franchise agreements with foreign master franchise enterprises.



 61 Agro-Fisheries GAP Management and Safety Control Personnel (3rd class) 41 Organic Processed Food Certification Education Personnel (3rd class) 89 Low-Energy-Commitment e-Commerce Process Personnel (3rd class)



11.3 Billion Korean Won! Cost of Environmental Effect Reduced by Online Trade

10.3 Billion Korean Won – Reduced cost of distribution due to online trade From distribution costs, cost of diesel is 34%, 1,900 Won/L 5.15 Won of diesel run Suggested: About 113 million Korean Won is saved by implementing an environmental effect program

Green-House Gas Emission

Direct Emission (tCO2eq)

2010	2,581	
2011	2,429	
2012	2.234	

Indirect Emission (tCO2eq)

2010	8.461	
2011	9.421	
2012	8.768	

Purchase Ratio of Green Products Gas Emission

2010	91.1(%)	473(Million Won)	
2011	80.2(%)	490(Million Won)	
2012	82.9(%)	619(Million Won))

Summary of Environmental Achievement in 2012





Green Dietary Life



Eco-Friendly Agricultural Education



Reduction of negative Environmental Effect



Reduction in Environmental Pollution

Introduction of Green Dietary Life

Promote Consumption of Domestic Agro-Fisheries by Expanding Healthy **Dietary Life Movement**

In order to expand green dietary life for the health of the public, aT utilized media such as TV advertisement and SNS to encourage people to participate in healthy dietary life movement. Dietary life and agro-fisheries experience educational programs connected with agro-fisheries industries are operated for students. As a result, 22,000 people participated in green dietary life and agro-fisheries experiment program and 3,000 people in green dietary life experience school.

Detailed description on green dietary life can be found at Green Dietary Life Information 114 homepage (www.greentable.or.kr) and Green Dietary Life – Green Lip Campaign Internet Blog(http://blog.naver. com/greentable1).







[Green Dietary Life Desk Calendar]

Environmental Effect

113 million Won.

[Citizen Participated Campaign]

Reduction in Cost for Distribution by Utilizing Online Trade Markets and

[TV PSA on Green Dietary Life]



GAP (Good Agricultural Practices) Support

aT is managing GAP(Good Agricultural Practices) in order to not only secure safety of agricultural cally from production stage to final consumption stage, but also keep sustainable agricultural environment by protecting wild life and environment.

Compared to the cost for distribution for general industrial products (12%), cost of distribution for agricultural products is high. However, because the transportation costs for the agricultural products are reduced

when they are sold online. In the end 4.1% of total cost of purchase decreases in distribution cost only.

Reduction in cost for environmental protection due to B2B trades in online market is estimated to be about

Eco-Friendly Agricultural Product Online Shopping Mall (www.eatmart.co.kr)

Agro-fishery Online Shopping Mall, Economic for Consumers and Useful for producers

In a situation where products with great quality and reasonable price are abundant and opening agrofishery market is being expedited, aT plans to continuously improve quality and efficiency of the online market which is specialized in trading eco-friendly agricultural products in order to have the world-class competitiveness in distribution field of business.

Purchasing Eco-friendly Products

aT is purchasing green products directly and indirectly to protect the environment and to save resources. In 2012, 82.9% (619 million Won) of the total cost from purchasing products was used to purchase ecofriendly products.

Efforts to save energy

aT established an energy saving plan on our own in order to respond to the jump in crude oil price, global warming and the energy saving measures of the government. As a result of implementing detailed plans to save energy, 7.16% of energy use was reduced compared to 2011.

Transportation

In 2012, 4 hybrid vehicles were purchased for business use. Employees are required to produce and attach Self Carfree Day stickers and are to follow self carfree day policy. Car pool is encouraged as well.

aT center is following suggested temperatures of air conditioning and heating during periods of high electricity usage in winter and summer seasons. Also, usage of individual air conditioning and heating devices has been forbidden. In 2012, electrical outlets that blocks standby power were purchased and distributed so that standby power can be blocked in lunch time and after the office hours.

Water Usage and Management of Wastewater

Clean water is essential in production of eco-friendly agricultural products. The corporation understands that the wastewater discharged from aT center can impact surrounding, ecological environment and thus, the wastewater is processed in sewage treatment plant and discharged without polluting any area. Water with low pollution level is recycled for miscellaneous use after being processed at a facility.

Following Laws

aT is following related laws such as basic environmental law, clean air conservation act, water quality conservation act and natural environmental conservation act. There was no incident in which aT violated an environmental law in 3 years.



Energy Reduction 🛐

Enhancement of energy saving during periods of high electricity usage

Current State of Green Product Purchase

Year	Purchase Green Purchase Ratio(%) (Million Won)		
2012	82.9	619	
2011	80.2	490	
2010	91.1	473	



Social Achievement in 2012

(Complemented in late February)



Selected as an Outstanding Enterprise by Government for Customer Satisfaction during 6 Consecutive Years

1) Ethical Management Award

2) KoBEX SM AAA(Highest Level)

Customer Satisfaction



Ethical Management



Love Funds

Amount(Million Won)

(People)

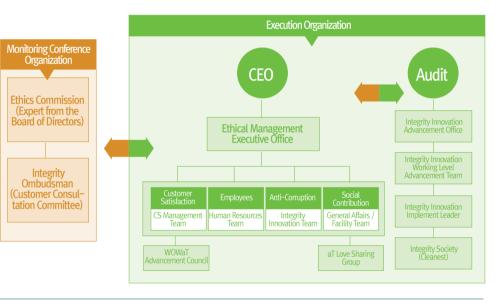
Organization Promoting Ethical Management

aT is operating an ethical management department which is responsible for ethical management and righteous innovation promotion planning group which takes charge of anti-corruption and integrity simultaneously in order to promote ethical management strongly. aT will continue to do our best to build a more ethical enterprise culture to become a sustainable aT.

Personalized Ethical Management Program

Ethical Education for Employees

aT is doing the best to improve ethical recognition of Employees by establishing straightforward ethical management education system. Including board of directors, many executives and staff members took classes in ethics and anti-corruption for a year and in 2012, the education focused on giving solutions to ethical dilemma that people may face occasionally in real life.



Online Ethical Education

'Solutions for Vague situations,' an animated movie in which CEO provides right directions to ethically vague problems and 'aT's Quality,' an ethical management campaign, are provided every month so that employees are exposed to ethical educational contents continuously.

Offline Ethical Education

In order to provide ethical education with sense of realism instead of cramming method, 'Integrity Theater' was selected as the educational method. Participants had a chance to practically learn about unreasonable task cueing and public official's proper posture.

Designation and Implementation of Ethical Integrity Week (2012.11.5~2011.11)

In 2012, in order to establish ethical management organizational culture and to set bond of sympathy of all Employees on ethical mind, the week that included Ethical Day (enacted in '11.11.11) was designated as 'Ethical Integrity Week.' Employees could share ethical management and culture, and their will to practice ethics by the designated events in each day such as 'CEO's kind letter and ethical rice cake, ethical speed quiz contest, and sharing ethical dilemma contest.









Solutions for Vague Situations





Events in Ethical Integrity Week



Sharing Ethical Dilemma Contest

SOCIETY

Ethical Management

Improvement on Anti-corruption Policy

aT tried to improve the effectiveness of ethical management by enhancing corruption control such as establishing IT infrastructure system for transparent job performance and improving the existing system.

Establishing IT Infrastructure to Pre-isolate the Cause of Corruption

IT infrastructure was enhanced in order to pre-isolate corruption in 2012. Transparent and fair work processing was enabled by introducing electronic bidding system and integrated fund management system.

► Operation of Total Directional Report System

Various report systems are installed and operated in case Employees or customers experienced or caused unethical or corruptive measures. (Refer to the picture to the right) Especially, 11 claims were reported at unethical request report center to prevent unfair request and thus helped create healthy public service culture.

▶ Improvement on Existing System of Vulnerable Fields for Corruption

As a result of encouraging departments to voluntarily improve systems, there were 45 system improvements in 2012 (9 more compared to 2011).

Process of Customer Compliance Treatment

aT is following Customer Petitions Treatment Act and operating various windows for customer compliance in order to listen to and promptly resolve customer ompliances. When a customer claims a compliance through online homepage, telephone or mail, it is categorized at auditing office and transferred to corresponding department. aT has given petitions the first priority compared to other tasks in order to resolve problems as quickly as possible.

Customer Satisfaction Investigation

aT was selected as a top enterprise for 6 consecutive years by Public Customer Satisfaction Investigation implemented by Ministry of Strategy and Finance. aT is self appraising that the recognition was given by aT's differentiated CS programs such as customer service focused on fields, Management Innovation BP Contest and CS experience education for customer satisfaction. aT will focus its efforts in order to satisfy customers by customer experience management.

Efforts to Protect Private Information

In order to enhance information protection on major businesses, aT has installed Information Security Team, and is operating security specialists. Also, Report Center for Infringement of Personal Information is being operated to protect personal information and there was infringement reported in 2012. aT will promote improvements in distribution based on IT safely and effectively by continuously enhancing information security and personal information protection.



Website Safety Mark and Excellent Personal Information Protection Certification



Window for Customer Petitions in the Website

aT acknowledges human asset as the driving force for the enterprise's sustainable development and is improving sustainability by providing reasonable treatment for Employees, supporting human resource development and creating enjoyable working environment.

Classification	2010	2011	2012
Number of Male Employees(Ratio)	441(81.4%)	441(78.9%)	441(76.8%)
Number of Female Employees (Ratio)	101(18.6%)	118(21.1%)	133(23.2%)
*(Number of Disabled Person(Ratio))	17(3.1%)	17(3%)	18(3%)

Employment

Employment of Employees

In late December 2012, there were 5 executives and 569 employees in aT. Ratio of female employees to the total employees is 23.3% which is increased by 2.1%p compared to the one of last year. Salaries for every employee satisfies the legal minimum wage and there isn't any discrimination in salaries according to sex. aT is following rules of employment and the Labor Standards Act and forced labor. Child labor does not occur. Foreign branches are putting efforts to local employment and 32 employees were employed in 12 foreign branches in 2012.

Health of Employees

aT is operating various welfare programs to stabilize body and soul of Employees and to prevent accidents. EAP and health care program are operated. Rehabilitation is provided by organizational employee insurance after accidents. Also, health examination is provided annually for laborers on the site in order to protect accidents.

Prevention of Discrimination

Prevention of Discrimination and Respect for Human Rights

aT is forbidding discrimination on sex, age, religion, educational background, physical disability and region. It is following Labor Standard Act and ILO's prohibition on forced labor. No discrimination has occurred. Security guards of aT (outsourced from private company) undergo human rights education to follow regulations of prevention of discrimination and respect for human rights.

Gender Equality Education

Various types of education are provided in order to improve employees' gender equality consciousness. Sexual harassment and prostitution prevention education is given once a year and 94% of employees completed. 114 employees participated in special lecture given in the week of aT gender equality. Also, 130 employees participated in gender equality education by participating in special lecture for female employees and conversations between male and female employees and auditors.





Welfare for Employees 🚮

Present Condition of Emplo	yees
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Welfare for Employees

Welfare Improvement

Operation of Selective Welfare System

Cafeteria-Welfare system is being operated to allow employees to choose categories, such as familyfriendly or leisure, and amounts according to individual preferences. Voluntary welfare system is actualized by expanding the range of welfare and cultural activities of employees.

► Operation of Day–Care System at Work

In order to prevent employees from resigning due to childcare, to increase female employment rate and to reinstate female employees quickly, aT nursery is being operated. As a result, burden of childcare was alleviated and all employees who gave birth to their child were reinstated.

Difficulty Treatment for Employees

Online consultation center for difficulties is operated to resolve difficulties of employees. One on one site survey for field staffs to understand their difficulties. Such program is applied to temporary employees as well so that organizational culture of respect for human without discrimination is implemented.

Education

aT recognizes that the most important factor to enhance organizational competitiveness to implement sustainability management is the education for the organizational members. aT is putting efforts to improve all the employees' capability by dividing into 4 capability fields to train employees to meet the objective that aT seeks.

Rational Management and Labor Unions Culture

Classification Welfare Improvement Programs Selective Duty Time Duty Type Focused Duty Time Student Loan for University Students Collective Insurance for Employees Installation of Day Care Facility Introduction and Operation of Mutual Aid Service For Support Childbirth Grant Family Leave of Absence/ Vacation for Infant Care Vitalization of Annual Paid Holiday Leave of Absence for Spouse's Oversea Service Home Loan Support for Graduate School Support Activity Cost for Leisure and Personal Cultural Activity Details Retirement Pension System Leave of Absence for Self-Improvement

aT's management and labor unions understand that it is important to stabilize the relationship between management and labor unions to achieve the organizational vision and management objective. The relationship between management and labor unions, with 24 consecutive years having no labor dispute ever since the establishment of labor unions in 1989. It is considered to be an exemplary model for private enterprises. Especially, the organizational arrangement signed in 2012 emphasized mutual understanding, trust, voluntary harmony and specified social responsibilities of the management and labor unions. Also, health service and safety of employees were stated in the organizational arrangement.

Vitalization of Communication between Management and labor unions

aT is operating regular conferences to promote mutual understanding between management and labor unions and is pursuing common interest by improving welfare and production rate of the employees. For important matters, the management and labor unions have to notify each other without hesitation. And if changes in arrangement due to drastic change in economical environment are needed, notification must be made 10 days ahead of the alternation.

Contributive Activity Promotion Direction

aT is implementing love-sharing activities over 4 different fields of social contribution (farming and fishing villages, local community, environment protection and participative contributive activity) to grow together socially with the alienated neighborhoods of farming and fishing villages. In 2012, aT tries to actualize the social responsibility by operating 1 program by 1 department.



Enhancing Personalized Welfare to Promote Future Man Power of Farming and Fishing Villages

▶ Operation of 'Sharing Hope Summer School' for Elementary Students

aT supported 1,943 elementary students in 95 elementary schools in farming and fishing villages who might be neglected over the vacations with learning/reading, health practice, culture experience and extracurricular activities.

► Mentor Support for Mid-high School Students

aT supported 65 mid-high school students in farming and fishing villages who might have low level of basic academic skills due to lack of educational infrastructure of the areas with mentors.

► Signing MOU with Regional Local Universities

aT supported scholarship and signed MOUs with regional local universities to train students in agricultural field of study who are perspective future of agricultural industry. Students were provided with mentoring service by new employees of aT.

Various Programs for Multicultural Families in Farming and Fishing Villages

Invitation for Migrated Females in Multicultural Families to Make Kim-Chi. aT invited migrated females in multicultural families who are having difficulties in making Kim-chi to do it together with Kim-chi experts.

Employment of Multicultural Love Sharers

To create employment for multicultural migrated women, aT is employing 'Multicultural Love Sharers' since 2009. This secured a chance to educate multicultural migrated women and form the basis to become independent and valid member of society.

▶ Visiting and Video Chatting with the Family Abroad for Vietnamese Multicultural Families

aT invited multicultural families which could not visit relative on the mother's side due to financial conditions and promoted the visit, Also, aT supported 38 Vietnamese multicultural families to have video chatting with their abroad families.









CSR





Specialized Volunteer Works that Reflected Job Characteristic

aT discovered 26 major programs, 1 major program for each department, by comparing performed work done by each department for each program. It is being operated annually and motivating departments by awarding the top departments.

Supporting Employment of Disabled People at Flower Shop

Flower Marketing Center established autonomous economic unit in which disabled people can be relied on by educating them in flower arrangement and floral distribution.

Establishment of 'Social Enterprise Pavilion' in Agricultural Products Cyber Exchange

Online trade market which is operating B2C online agricultural shopping mall established social enterprise pavilion in the shopping mall and supported 5 social agricultural enterprises (141 items) by exempting them from operational commission $(2 \sim 3\%)$.

▶ Operation of 'Win–Win, Sharing' Direct Sales Market Involved in Children's Foundation

aT developed and operated 'Win-win, Sharing' direct sales market model by cooperating with a children's foundation and 50 farms-participants, Also, 2,5% of the sales profit was donated and encouraged purchasing products from direct sales markets.









30 Korea Agro-Fisheries & Food Trade Corporation

Achievement and Efforts to Encourage Employees to Participate in Volunteer Work

Operation of 'aT Probono' Educational Organization

'Kind learning for kind sharing' as a motto, employees formed educational organizations voluntarily to learn and share various talents. Talent donation in various fields will be encouraged continuously.

► Free Consulting by 'Mentoring by Probono'

'Mentoring by Probono' which was established by 32 experts from Food Enterprise Support Center performed consulting on management and marketing for small food service enterprises which had regional and economical difficulties in getting specialized help from experts. Their continuous, free consulting achieved an export deal in one occasion.

Discovery and Introduction of CSR Items

► Support for 'Bags of Agricultural Products' to Social Welfare Organization

By delivering 'bags of agricultural products' to social welfare organizations through CSA (business model which connects small producers to consumers in large cities directly; farms periodically deliver agricultural products), income increased for small farms and food safety was secured for children in low-income families.

Sending Love with Second-handed Equipments

In order to minimize the gap in information of neglected classes of people, electronic devices such as PCs and laptops that are not in use and books that are not read anymore in the information resource center are donated, aT could contribute to protect environment by recycling resources and simultaneously practice love for neighborhood.

aT's Accompanied Growth Activities

aT shares deep understanding of a need to vitalize the preferential purchasing of products of small-medium enterprises as well as those, which are produced by second-class citizens. aT is looking for and practicing ways to be socially responsible through purchase agreements.

Expansion of Participating Opportunity for Small–Medium Enterprises

- In order to expand the opportunity for small-medium enterprises to participate, preferential purchasing policy of products produced by small-medium enterprises. One on one counseling opportunities around the nation are given in order to accept small-medium enterprises' field opinions and to support them pioneering markets.

Classification	ification 1:1 Counseling			Private and Public Joint Workshop	
Subject	Muan, Jeonnam (April) Yesan, Chungnam (September)		Seoul (September)	Daejeon (November)	
Achievement	Curtain Wall Enterprise	Social Enterprise	Small-Medium MRO	Production Facility of	
on Matching	(Female)	Production Facility of	Enterprise (Female)	Severely Disabled People	
	* Moving T/F of New	Severely Disabled people	* General Affairs and	* General Affairs and	
	Company Building	* Chungbook Branch	Facility Team	Facility Team	



- aT improved transparency and trust in selecting enterprises by providing bidding opportunity to all small-medium enterprises that wish to sign a contract by abolishing enterprise registration system for contracting.

▶ Efforts to Improve Recognition and Sale of Products Made by Second Class Citizens

aT has made efforts to overcome the negative prejudice such as lack of recognition on products produced by second class citizens and the low expectancy in their quality. aT is mainly focusing on transforming the recognition by providing various quiz events and awards for outstanding examples and for settling the culture of purchasing products produced by second class citizens.

Performance Result of Policies Encouraged by Government (Unit: Million Won)

2010	2011	2012
18,729	26,656	48,510
17,898	25,543	44,509
69	310	324
1,172	2,106	3,150
334	470	284
473	453	619
24.5	26	50
	18,729 17,898 69 1,172 334 473	18,729 26,656 17,898 25,543 69 310 1,172 2,106 334 470 473 453

















APPENDIX

Summarized Financial Statements

Summarized balance sheet

			(Unit: Million Won)
Classification	2010	2011	2012
Asset	1,055,032	1,168,803	1,296,846
Current Asset	732,608	771,711	796,356
Non-Current Asset	322,424	397,092	500,490
Liability	911,074	994,317	1,068,886
Current Liability	653,245	675,192	662,632
Non-Current Liability	257,829	319,125	406,254
Equity	143,958	174,486	227,960
Equity	66,200	86,200	130,440
Equity Surplus	168	168	168
Accumulated Other Comprehensive Income	(322)	36	(445)
(Foreign Currency Translation Loss on			
Oversea Business)			
Earned Surplus	77,912	88,082	97,797

Summarized income statements

			(Unit: Million Won)
Classification	2010	2011	2012
Sales	217,701	220,780	234,933
Cost of Sales	197,019	198,406	210,430
Gross Profit on Sales	20,682	22,374	24,503
Selling Expenses and Maintenance Fee	12,150	13,397	14,764
Business Profit	8,532	8,977	9,739
Non-Operating Income	5,663	6,926	8,487
Non-Operating Expense	802	906	1,005
Income and Loss before Income Taxes	13,393	14,997	17,221
Income Taxes	3,134	3,802	4,838
Net Profit	10,259	11,195	12,383

Major management index

				(Unit : %)
Classification		2010	2011	2012
Stability	Current Ratio	112.15	114.30	120.18
	Debt Ratio(Except Policy Fund)	40.36	34.35	29.26
	Ratio of Equity	13.64	14.93	17.58
Profitability	Ration of Operating Profit to the Net Sales	3.92	4.07	4.15
	Net Profit on Sales Ratio	4.71	5.07	5.27
	Net Income to Total Asset Ratio	0.97	0.97	0.95
	Net Income to Equity Ratio	7.13	6.42	5.43
Growth	Growth Rate of Total Asset	5.43	10.78	10.96
	Growth Rate of Total Sales	14.56	1.48	6.41
	Growth Rate of Net Income	22.15	9.12	10.61

inciple
Describe in writing the administrative or executive level discussion on s
Explain decision-making process for enterprise's sustainability and gov
Describe in writing participation of every important interested party.
Describe in writing the activities to support the extensive UN objectives
Describe in writing the strong will, strategy or policy in human rights.
Describe in writing the effective management system in order to consol
Describe in writing the analytical mechanism and effective monitoring of
Apply standardized performance indicator (including GRI) on human rig
Describe in writing the strong will, strategy or policy in labor.
). Describe in writing the effective management system in order to conso
. Describe in writing the analytical mechanism and effective monitoring
2. Apply standardized performance indicator (including GRI) on labor.
B. Describe in writing the strong will, strategy or policy in environment.
A. Describe in writing the effective management system in order to conso
5. Describe in writing the analytical mechanism and effective monitoring
6. Apply standardized performance indicator (including GRI) on environm
7. Describe in writing the strong will, strategy or policy in anticorruption.
3. Describe in writing the effective management system in order to conso
9. Describe in writing the analytical mechanism and effective monitoring
). Apply standardized performance indicator on anticorruption.
. Explain performance of global compact principle in chain of value.
2. Provide enterprise profile and information on management environme
Include high level transparency and public appouncement



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strategic sides of performing global compact. vernance system. s and issues. lidate human rights principles. on human rights principles. ghts. solidate labor principles. g on labor principles. g on labor principles. g on environment principles. g on environment principles. mental management. . solidate anticorruption principles. g in order to consolidate anticorruption.