



BEYOND LIMITS

2012 KOTRA Sustainability Report

ABOUT THIS REPORT

SIGNIFICANCE OF THE REPORT

This is the second sustainability report published by KOTRA since the first publication in April, 2012, which includes its efforts for sustainable growth and performances. In particular, this report emphasizes the linkage between KOTRA's management strategies and sustainability by reporting its economic, social, and environmental performances based on mid and long-term management strategies. The third-party verification was conducted for the improvement of credibility of contents, and stakeholder requirements were also collected through a series of interviews. KOTRA plans to publish the sustainability report on an annual basis to share its sustainability management performances with stakeholders and reflect onto the follow-up plans.

SCOPE AND PERIOD

The period subject to reporting runs from January, 2012 to December, 2012, and quantitative data for three years was described for trend analysis. In case where data collection was not available, the relevant reasons were clearly stated, and the scope of the report encompasses information from KOTRA's head office and overseas branches. In addition, the data on the environmental performances were provided by the domestic head office.

CRITERIA

The report was prepared in accordance with the Global Reporting Initiative (GRI) G3.1 Guideline, and financial information was produced on the basis of data from fiscal year 2012. In addition, the data on the economic, social, and environmental performances (including modifications) have footnotes through which pertinent standards and reasons are clearly stated.

VERIFICATION

To ensure the credibility of the contents in this report, the third-party verification was performed by an independent and objective institution, and the results are included in the appendix.

ADDITIONAL INFORMATION

This report was published both in Korean and English. You may access the report on the website of KOTRA (<http://www.kotra.or.kr>) as well. In the case marked with (📄), you can find more details on the corresponding website. If you have any inquiry or need additional information, please contact the KOTRA Global CSR Team.

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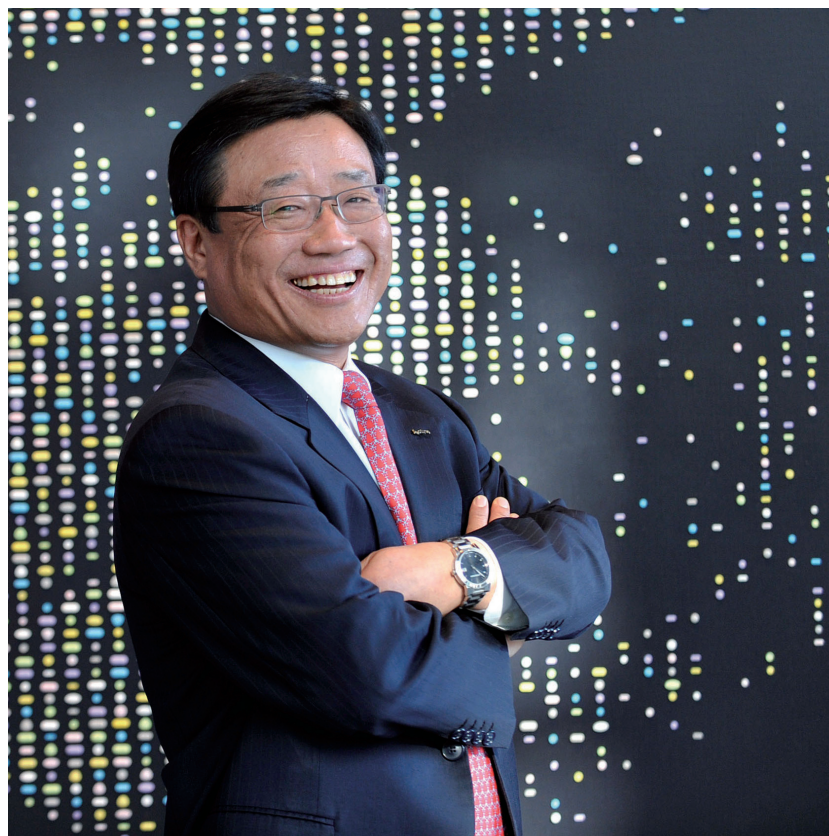
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KOTRA Sustainability Report 2012

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CEO Message



**KOTRA will serve as a 'Global Business platform'
to support for the overseas marketing
of Korean companies.**

Thank you for all the love and support that you have shown KOTRA.

I am very glad to see the second edition of the KOTRA Sustainability Report published this year following the first publication last year. Through this report, KOTRA humbly listened to your precious opinions and actively reflects them into our sustainability management strategies and businesses. The major customers of KOTRA are Korean companies, especially SMEs (small and medium-sized enterprises). From a broader perspective, they include a variety of domestic and overseas stakeholders such as the Korean government and its relevant institutions such as, the National Assembly, the media, and foreign governments and companies.

KOTRA, which has been contributing to the development of the Korean economy since its inception, commemorates its 50th anniversary of its establishment in 2012. Under the new vision 'A Global Business Platform for the Future of Korea', KOTRA is making all-out efforts for sustainable growth of Korean companies.

We at KOTRA are committed to creating economic value through not only supporting Korean companies in their overseas marketing and investment activities, but also attracting foreign investments. In 2012, it organized a corporation-wide export emergency task force and implemented a variety of projects to resolve the issue of sluggish exports by Korean companies. As a result of these efforts, KOTRA was able to attract approximately 5,600 foreign buyers and US\$10.7 billion worth of foreign investments for the year only.

In addition, we have strived to create social value: supporting SMEs and large enterprises to achieve shared growth and to successfully advance into overseas markets through 34 joint projects; generating approximately 10,200 jobs through foreign investment sharing values with foreign stakeholders through a total of 718 CSR activities abroad; and internally, winning the 'grand prize for the public corporation with a good working environment thanks to its effort to promote the culture where executives and staff members can feel proud of working for KOTRA.

KOTRA has also contributed to the environment through its business activities: cutting down direct energy consumption by 27% in 2012 compared to the previous year by making energy conservation a part of its daily business operation: exploring eco-friendly projects abroad and conducting feasibility studies for the advancement of domestic green companies into overseas markets.

Even at this moment, KOTRA's head office and its 119 overseas branches called Korea Business Centers (KBCs) in 81 countries across the globe are sincerely serving as a trade-investment platform to help Korean companies increase exports, enter into overseas markets, and attract foreign investments. I expect you to obtain a significant amount of useful information from this report which meets the requirements of Application level A+ of the GRI G3.1 guidelines in terms of objectivity and credibility as confirmed through the third-party verification.

Young-Ho Oh
President of KOTRA



INTRODUCTION OF KOTRA

Corporate Profile

KOTRA was established in 1962 for the purpose of assisting Korean businesses with their trade promotion, investment attraction, and advancement into overseas markets. Through supporting global businesses, KOTRA contributes to enhancing the competitiveness of its customers, developing the national economy, and elevating the national prestige.

Summary

(As of December 31, 2012)



The ceremony of unveiling the memorial stone for 50th anniversary

Corporate name	Korea Trade-Investment Promotion Agency (KOTRA)
Head office	13 Heonreung-ro, Seocho-gu, Seoul, Korea
President	Young-Ho Oh
Established for	Trade promotion, investment attraction, and supports for overseas expansion and industrial cooperation
Date of establishment	June 21, 1962
Shareholder	100% ownership by the government
Affiliated companies	KINTEX (33%), BEXCO (26%)

Employees (Persons)

771

Sales (KRW in billions)

297.5

Total equity (KRW in billions)

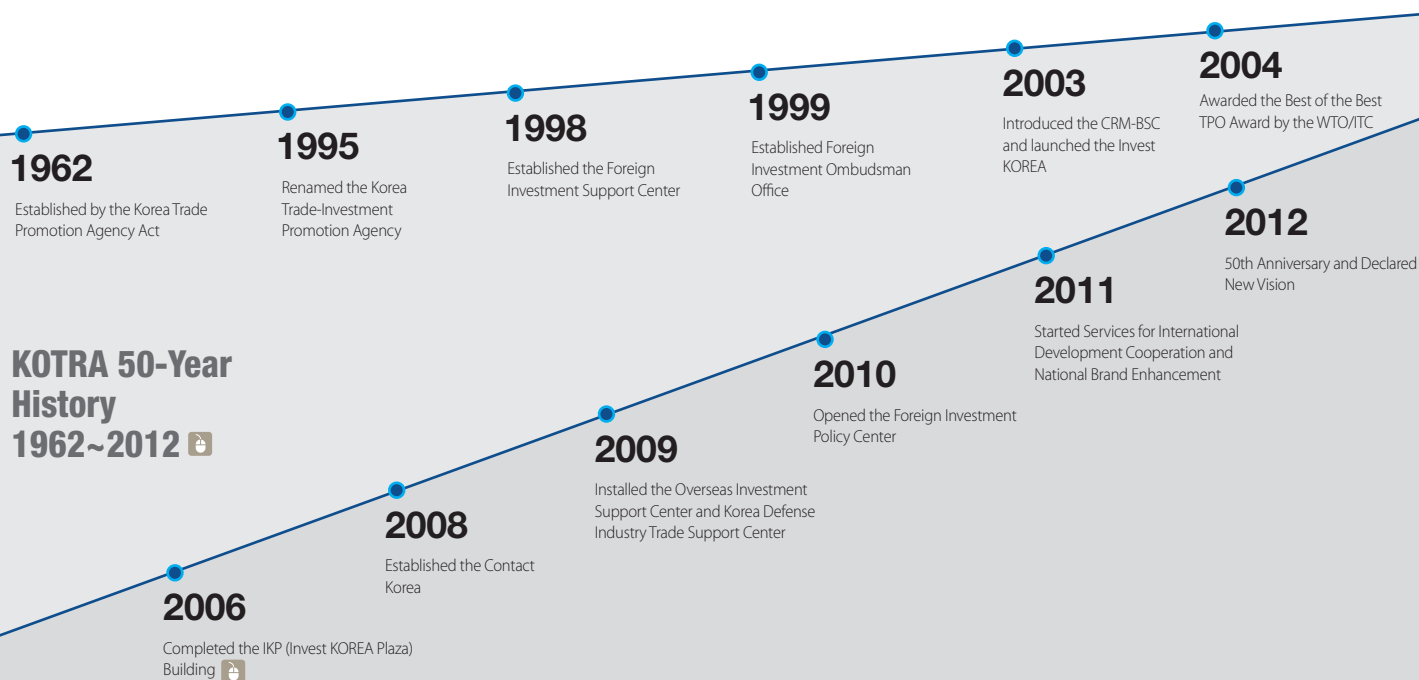
112.5

Net profit (KRW in billions)

16.3

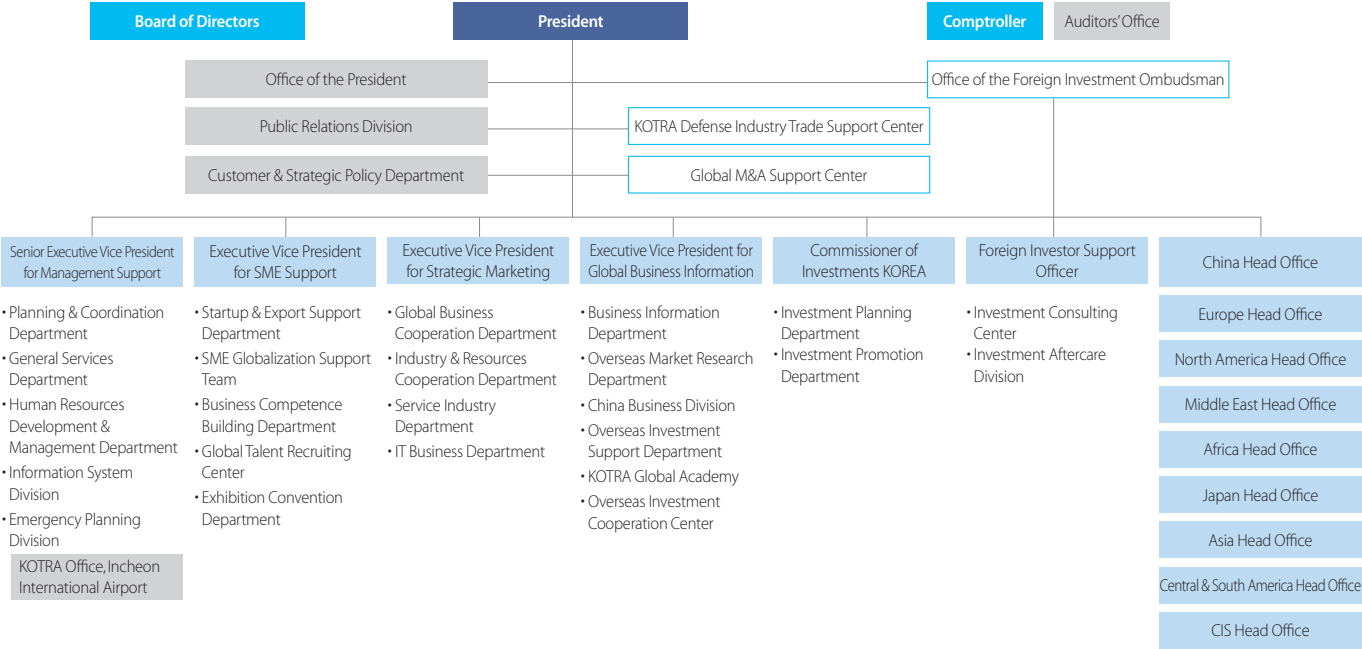
* including extraordinary civil services and excluding overseas local employees

KOTRA 50-Year History 1962~2012

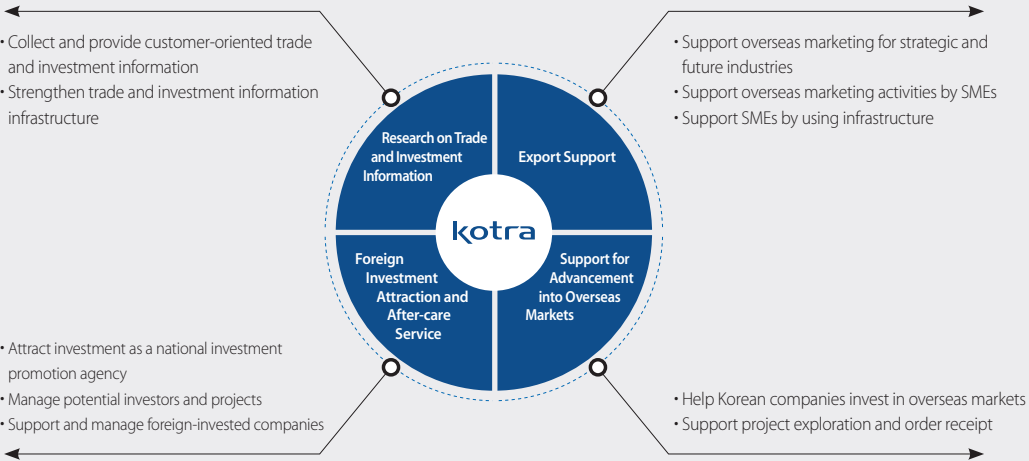


Organization Chart

- Headquarters: 5 executive vice presidents' offices, 23 departments (centers) and 7 divisions (53 teams)
- Overseas: 9 local head offices and 119 overseas KBCs (81 countries)
- Domestic: 1 airport office



Business Areas of KOTRA



KOTRA IN THE WORLD

KOTRA's Global Network

KOTRA operates a wide global network consisting of 119 overseas KBCs in 81 countries across the globe. In 2012, 8 KBCs were newly opened to support Korean companies to make inroads into emerging markets.

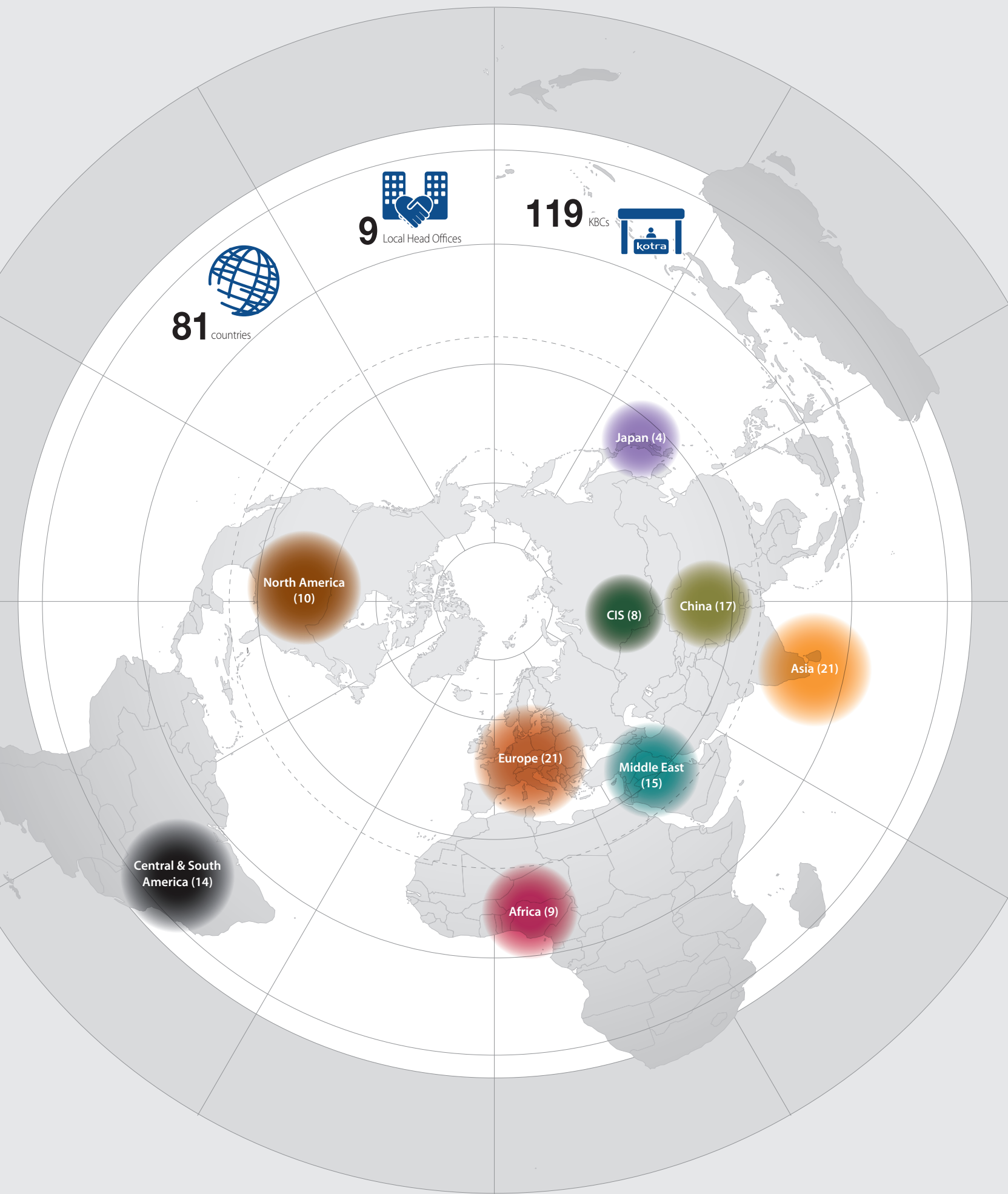
Global Network

9 Local Head Offices and 119 Overseas KBCs (81 Countries)

* newly established in 2012

China (17)	Europe (21)	North America (10)	Middle East (15)	Africa (9)
Beijing (China)	Frankfurt (Germany)	New York (USA)	Dubai (UAE)	Johannesburg (South Africa)
Shanghai (China)	Hamburg (Germany)	Los Angeles (USA)	Cairo (Egypt)	Lagos (Nigeria)
Guangzhou (China)	Munich (Germany)	Chicago (USA)	Tehran (Iran)	Nairobi (Kenya)
Dalian (China)	Paris (France)	Dallas (USA)	Tel Aviv (Israel)	Khartoum (Sudan)
Chengdu (China)	London (UK)	Washington DC (USA)	Riyadh (Saudi Arabia)	Douala (Cameroon)
Qingdao (China)	Stockholm (Sweden)	Silicon Valley (USA)	Amman (Jordan)	Addis Ababa (Ethiopia)
Wuhan (China)	Copenhagen (Denmark)	Miami (USA)	Tripoli (Libya)	Accra (Ghana)
Xian (China)	Amsterdam (Netherlands)	Detroit (USA)	Casablanca (Morocco)	Dar es Salaam (Tanzania)*
Shenyang (China)	Brussels (Belgium)	Toronto (Canada)	Kuwait (Kuwait)	Kinshasa (Congo)*
Nanjing (China)	Milano (Italy)	Vancouver (Canada)	Muscat (Oman)	
Chongqing (China)	Zurich (Switzerland)		Baghdad (Iraq)	
Changsha (China)	Madrid (Spain)		Alger (Algeria)	
Zhengzhou (China)	Vienna (Austria)		Damascus (Syria)	
Hangzhou (China)	Athens (Greece)		Istanbul (Turkey)	
Xiamen (China)	Helsinki (Finland)		Doha (Qatar)*	
Hong Kong (Hong Kong)	Budapest (Hungary)			
Taipei (Taiwan)	Warsaw (Poland)			
	Prague (Czech Republic)			
	Bucharest (Romania)			
	Zagreb (Croatia)			
	Sofia (Bulgaria)			

Japan (4)	Asia (21)	Central & South America (14)	CIS (8)
Tokyo (Japan)	Singapore (Singapore)	Mexico City (Mexico)	Moscow (Russia)
Osaka (Japan)	Manila (Philippines)	Panama (Panama)	Vladivostok (Russia)
Fukuoka (Japan)	Bangkok (Thailand)	Guatemala (Guatemala)	Novosibirsk (Russia)
Nagoya (Japan)	Kuala Lumpur (Malaysia)	Havana (Cuba)	St. Petersburg (Russia)
	Yangon (Myanmar)	Santo Domingo (Dominican Republic)	Kiev (Ukraine)
	Jakarta (Indonesia)	Sao Paulo (Brazil)	Almaty (Kazakhstan)
	Surabaya (Indonesia)*	Rio de Janeiro (Brazil)*	Baku (Azerbaijan)
	Ho Chi Minh (Vietnam)	Lima (Peru)	Tashkent (Uzbekistan)
	Hanoi (Vietnam)	Bogota (Colombia)	
	Phnom Penh (Cambodia)	Buenos Aires (Argentina)	
	Vientiane (Laos)	Santiago (Chile)	
	Sydney (Australia)	Caracas (Venezuela)	
	Melbourne (Australia)	Asuncion (Paraguay)*	
	Oakland (New Zealand)	Quito (Ecuador)*	
	New Delhi (India)		
	Mumbai (India)		
	Chennai (India)		
	Bangalore (India)*		
	Karachi (Pakistan)		
	Dhaka (Bangladesh)		
	Colombo (Sri Lanka)		



GLOBAL BUSINESS PLATFORM

Management Goal and Strategy

Over the last half century, KOTRA has fulfilled its duties as a national trade and investment promotion agency. Now is an important moment for KOTRA to make a new leap forward. KOTRA will do its utmost for another 50 years of success and the brighter future of Korea.

Mission Statement



Raise the customer competitive power aim to develop the Korean economy & improve the national prestige and make the nation to live well

Vision



A Global Business Platform for the Future of Korea

Core Value



Customer

- Move before the customers, Commune with the customers.
- Put top priority on an appointment with the customers.
- Value the customer information. Do not seek personal gain.



Contribution

- Speak and act to improve the reputation of KOTRA.
- Sincerely serve the organization, the economy, the country, the humankind and the future.
- Do not look on unethical, immoral behaviors of co-workers.



Challenge

- Do not be satisfied with the present. Work with innovative, creative ideas.
- Do not be afraid of failures. Never give up. Work with passion.
- Do not work by interest. Go for Ethically Zero Defect. Do not accept any requests of conciliation.



Global

- Develop the global mind. Work to improve the reputation of the country and KOTRA.
- Spend an hour of each day solely for you to make yourself the best expert of global capabilities.
- Actively participate in the global field. Learn and absorb everything you can to be the best local expert.

Strategic Target and Task



Enhance infra for supporting Small and Medium Enterprises

- Support globalization of Small and Medium Enterprises
- Strengthen global market information center
- Improve customer services system



Strengthen trade & investment services

- Strengthen performance-oriented marketing
- Upgrade investment-promotion business
- Provide differentiated services according to market characteristics



Pioneer future markets for sustainable development

- Dominate new growing industries
- Target new strategic market
- Enhance new functions



Foster a creative & strong organization

- Create an organizational culture both rational and emotion-oriented
- Foster creative global specialists
- Innovate for management efficiency

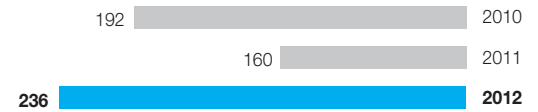
Sustainability Management Performances

Economic performance

Overseas Branch Office of Companies



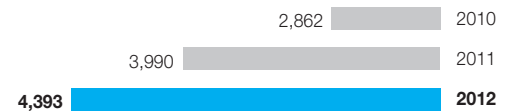
236 companies



Information use



4,393 thousand cases



Attraction of foreign investments



US\$ **10.7** billion

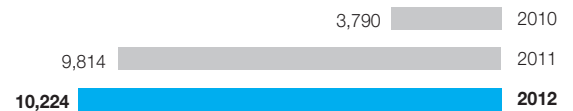


Social performance

Job creations by KOTRA



10,224 persons



Customer satisfaction level



94.7 points

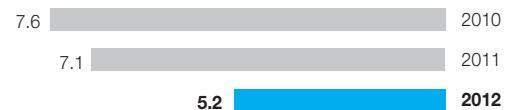


Environmental performance

LNG consumption



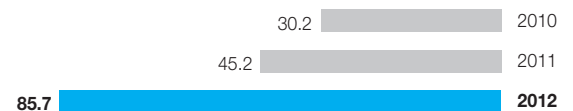
5.2 TJ



LED lighting ratio



85.7 %



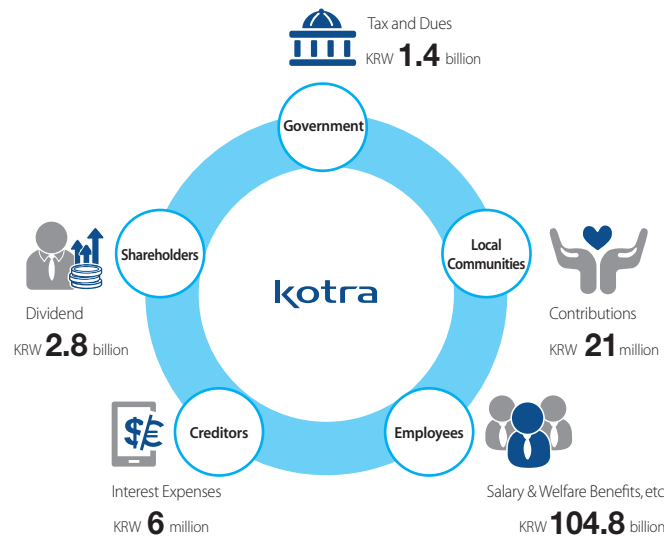
Distribution of Economic Value to Stakeholders

KOTRA delivers economic value generated from its business activities to stakeholders in the forms of tax payment, dividend, and social contribution.

(KRW in millions)

Category	Distributed through	2010	2011	2012
Government	Tax and Dues	1,447	1,378	1,407
Shareholders	Dividend	957	6,859	2,844
Creditors	Interest Expenses	77	26	6
Employees	Salary & Welfare Benefits, etc.	95,288	95,776	104,770
Local Communities	Contributions	18	21	21

Distribution of Economic Value in 2012



Operating Performances of Affiliates

KOTRA established KINTEX in Goyang-si and BEXCO in Busan, exhibition and convention centers, in an effort to enhance the competitiveness of the domestic exhibition industry. KOTRA supports the expansion, globalization, and diversification of domestic exhibitions so that affiliates can enhance their operating performances.

Operating System and Performances of Affiliates

		KINTEX	BEXCO
<div>Enlargement</div> <div>Globalization</div> <div>Diversification</div>		Support the promotion of global brand exhibitions	
		<ul style="list-style-type: none"> Seoul Food - Visitors: 45,331 in 2011 → 49,156 in 2012 (up by 8.4%) 	<ul style="list-style-type: none"> Busan International Motor Show - Visitors: 1,010 thousands in 2011 → 1,107 thousands in 2012 (up by 9.6%)
		Support the attraction of key foreign buyers	
		Hold international cooperation exhibitions and large-scale fairs	
		<ul style="list-style-type: none"> KOTRA-KINTEX Joint International Exhibition - Foreign buyers: 1,039 in 2011 → 1,773 in 2012 (up by 70.6%) 	<ul style="list-style-type: none"> KOTRA-BEXCO Joint International Exhibition - Foreign buyers: 453 in 2011 → 465 in 2012 (up by 2.6%)
		<ul style="list-style-type: none"> Diversify exhibition sectors: Seoul Food, G-FAIR KOREA 2012, Global Transport Tech, etc. 	<ul style="list-style-type: none"> Diversify businesses: Busan International Motor Show, Busan International Seafood & Fisheries Expo, G-STAR, etc.

CORPORATE GOVERNANCE

Results of the BOD Activities in 2012

Number of meetings



Number of items



Ratio of modified decisions



Attendance of non-standing directors



Utterance of non-standing directors



Board of Directors

The Board of Directors (BoD) is comprised of six standing directors including the CEO and seven non-standing directors who are experts in their respective fields such as management, law, accounting, etc. Accounting for a majority in the Board of Directors are non-standing directors who efficiently provide consultation for and check against internal management. In addition, a comptroller and a commissioner from Invest KOREA participate in the Board of Directors as observers.

BOD Members

Category	Name	Current position
Standing directors	Young-Ho Oh	President, Chairman of the Board
	Seong-Keun Oh	Senior Executive Vice President for Management Support
	Ki-Hoon Woo	Executive Vice President for SME Support
	Byung-Kwon Kim	Executive Vice President for Strategic Marketing
	Chang-Heon Bae	Executive Vice President for Global Business Information
	Jin-Hyung Park	Executive Vice President for China
Non-standing directors	Hyun-Gyu Jang	President of Future Management Research Center
	Hey-Ja Song	President of Wooam Corporation
	Woon-Ho Lee	Director General for Trade at the Ministry of Trade, Industry & Energy
	Bong-Kyu Park	Former President of Daesung Energy Co., Ltd.
	Chang-Kyu Choi	Professor in Economics of Myongji University
	Suk-Hyun Chung	Chairman of Soosan Heavy Industries Co., Ltd.
Comptroller	Hyun-Guk Yoo	Auditor
Commissioner of the Invest KOREA	Ki-Won Han	Commissioner of Invest KOREA

Appointment of BOD Members

In accordance with the Act on the Management of Public Institutions, KOTRA selects candidates for its presidency and non-standing directorship through open invitation, and recommends them to the government through the Executive Nomination Committee. KOTRA's President is appointed by the President of Korea at the request of the Minister of Trade, Industry, and Energy, while its non-standing directors are also appointed by the Minister of Trade, Industry, and Energy. Standing directors are directly appointed by the president of KOTRA.

Operation of the BOD

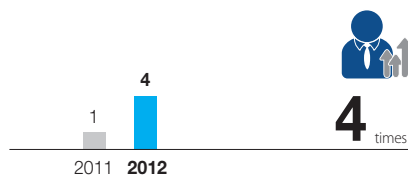
The BOD meeting is held regularly once a month and ad hoc meeting are conducted upon the occurrence of matters for deliberation and decision. The proceedings are disclosed on the website of KOTRA to immediately announce major decisions on management to shareholders and stakeholders.

BOD Meetings

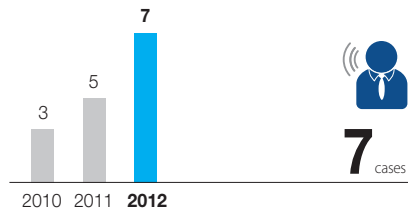
Category	Number of meetings	Number of items	Ratio of modified decisions (%)	Attendance of non-standing directors (%)	Utterance of non-standing directors (%)
2010	12	25	4 (1 item)	91.7	69.9
2011	18	32	-	92.9	78.8
2012	17	32	6 (2 items)	90.9	83.1

Advices and Proposals on Management Activities by Non-standing Directors

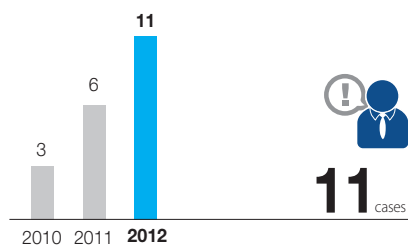
Advices on management activities by non-standing directors



Proposals on management activities by non-standing directors



Reflection of advices and proposals



Executive Nomination Committee

According to the Act on the Management of Public Institutions, KOTRA operates the Executive Nomination Committee independently to appoint experts in each sector to ensure the representativeness of each member and strive to select the most suitable executive officers by setting separate qualifications for each position. The committee holds meetings for the representatives of each position where the opinions of the employees can be freely presented and secures the fairness of the recommendation process by having non-standing directors as a majority and disclosing their proceedings.

Expertise of Non-Standing Directors and Their Supports

KOTRA endeavors to utilize the expertise of its non-standing directors: enhancing their understanding of business by providing them with key management information and its publications from time to time, and helping them take part in its important projects; encouraging their active participation by supporting their agenda introduction and hosting workshops; establishing and operating an overseas inspection system to improve the understanding of overseas sites; and taking advice from working-level units on how to utilize the special expertise of each non-standing director.

Performance Evaluation and Compensation

According to the Act on the Management of Public Institutions, KOTRA's President and standing directors are subject to performance evaluation in light of management goals. This serves as a basis of differential incentive payment. The Minister of Trade, Industry, and Energy evaluates the job performances of non-standing directors and determines whether they will be allowed to serve consecutive terms. To promote the operation of the Board of Directors, its activity indexes have been independently developed and managed. In addition, the level of satisfaction with its operation is surveyed annually for greater improvement.



Board of Directors

ETHICAL MANAGEMENT



Ethical Management Promotion System

Goal of Ethical Management

Under the goal of 'Meeting the Global Standards for Ethical Management', KOTRA has established a wide range of operating systems for integrity and ethical management, and actively involved in system improvement, corruption control, and integrity promotion.

Meeting the Global Standards for Ethical Management		
Consolidate the foundation for ethical management	Activate ethical management throughout the company	Expand ethical management
<ul style="list-style-type: none"> • **Sentence is confusing and awkwardly phrased. • Prepare preemptive anti-corruption systems 	<ul style="list-style-type: none"> • Declare a solid ethical management policy by the management • Establish systems for voluntary ethical behaviors • Encourage all employees to internalize ethical management 	<ul style="list-style-type: none"> • Publish annual sustainability reports • Share best practice in ethical management • Secure diverse communication channels

Norms of Ethical Management

KOTRA is committed to internalizing corporation-wide ethical management according to the systematic internal norms of integrity and business ethics. Based on its code of ethics, KOTRA has established ethical management regulations providing for the overall organization and structure.

KOTRA's code of ethics 	<ul style="list-style-type: none"> • Goal of declaratory ethical management
Practical regulations for ethical management	<ul style="list-style-type: none"> • Specification of organizations and systems to practice ethical management in a systematic way
Employee code of conduct	<ul style="list-style-type: none"> • Specification of standards for ethical value judgment and behavior that all employees must comply with based on ethical management regulations
Employee conduct guidelines related to responsible works	<ul style="list-style-type: none"> • Specification of the scope of the persons related to their performance of duties and definition of the details of behavioral standards
Other specific regulations	<ul style="list-style-type: none"> • Whistleblower protection and compensation guidelines, and provisions of the employee integrity agreement

Organization in Charge of Ethical Management

Ethical Management Committee

The Ethical Management Committee of KOTRA is composed of the President, standing directors, a comptroller, and a commissioner from Invest KOREA. The committee is in charge of decision-making on major policies of ethical management as well as enactment and derogation of ethical codes and principles.

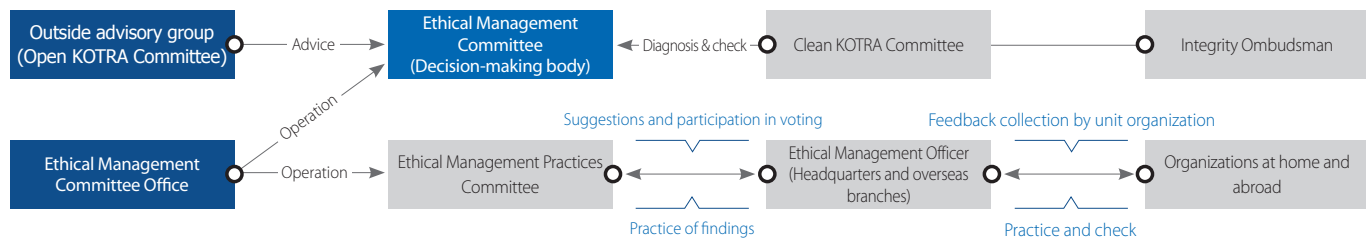
Clean KOTRA Committee

The Clean KOTRA Committee is comprised of a comptroller, 5 non-standing commissioners, and 24 standing commissioners (head of department-level), and in charge of developing anti-corruption programs and checking the promotion status. In 2012, the committee was held 4 times in total to determine the outcome of 14 agenda items.

Integrity Ombudsman and Ethical Management Officers

KOTRA operates an Integrity Ombudsman' composed of 5 outside experts in anti-corruption and integrity. The ombudsman monitors contracts in light of integrity and evaluates the results of audits to discover areas for improvement. It also posts recommendations for corrective actions in regards to corrupt acts and improvements. Meanwhile, KOTRA has appointed a total of 59 ethical management officers at home and abroad to internalize ethical management.

Organization in Charge of Ethical Management and Role



Ethical Management Practices

Declaration of Proactive Ethical Management by the Management

The CEO and all employees of KOTRA take a pledge to maintain integrity. The CEO awards employees who exhibit an excellent degree of integrity and encourages them to practice integrity and ethical management via lectures.

Consolidation of the Foundation for Preventive Ethical Activities

KOTRA has stipulated the prohibition of abuse of duty-related information, and established specific standards for the scope and the restriction period of duty-related information to comply with relevant regulations. Unethical employees are strictly disciplined to prevent reoccurrences. We have also reinforced the sexual harassment prevention system by opening an exclusive grievance control body and revising the guidelines on how to prevent sexual harassment. Furthermore, the company encourages employees who are asked to complete an assignment to inform the matters on the intranet board in order to preemptively prevent corruptions and create an honest and transparent corporate culture.



Ethical Management Committee



Pledge to maintain the integrity by the CEO and all employees

Appointment of Integrity Ambassadors

KOTRA strives to spread the culture of ethical management by having employees take a pledge to maintain their integrity and employees voluntarily explore and execute ethics-related tasks.

Educations on Ethical Management

Our education programs for ethical management include boardcasts twice a day, notification through LCD boards, and online communication through the intranet. Education on integrity for each position are prepared for accountants, persons in charge of tax adjustment at KBCs, employees dispatched abroad, and employees at head offices. Other programs include lectures on integrity practice by the CEO, online and offline compulsory education on integrity and ethics, and training by external experts.

Performance of Ethical Management

On the Integrity Index of 2012 announced by the Anti-Corruption & Civil Rights Commission, KOTRA ranked 22nd (up from 50th in 2011) and received the grade of 'excellent' (up from 'moderate' in 2011). In addition, it received the 'Best Lecture Award' and appreciation plaque at Yoonkyung SM Forum held in November, 2012, thanks to the presentation on 'KOTRA's organizational culture and ethical management'.

Monitoring of Ethical Management Performance

KOTRA introduced the KOTEX (KOTRA Ethics Index) in 2008 to autonomously monitor and evaluate its ethical management performances as well as set the direction for the following year based on the assessment findings. The KOTEX is comprised of 8 evaluation fields, including the CEO, management principles, corporate governance, employees ethical management system, fair trade, customer satisfaction, and community & environment.

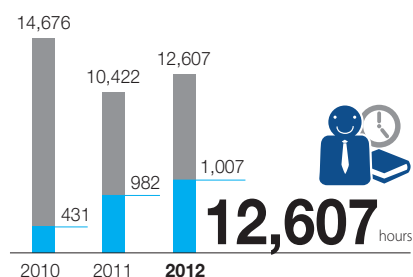
Consolidation of the Internal Audit Activities

To consolidate the internal audit capability, KOTRA provides employees with specialized education courses for obtaining certificates such as CIA (Certified Internal Auditor) and ICA (Internal Control Assessment), and focuses on expanding the audit advisory group and cooperation with external organizations. Other activities include overhauling the audit system, standardizing the audit procedures, introducing sampling techniques, and controlling the quality of audit reports.

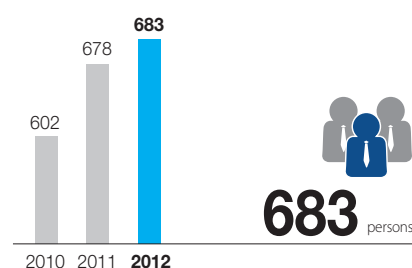
Educations on Ethical Management

Education hours

● On-/off-line educations ● Off-line educations

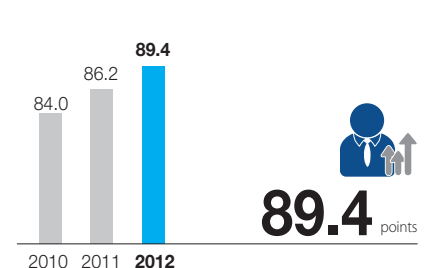


Number of employees completed ethical educations



Ethical Management Index

KOTEX (KOTRA Ethics Index)



RISK MANAGEMENT

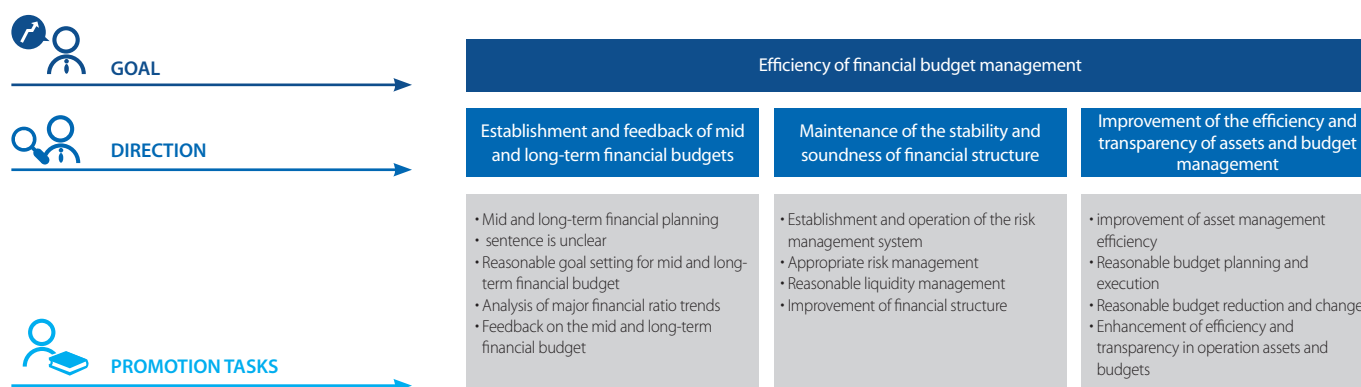
KOTRA established a risk management system to promptly respond to external risks that potentially arise in daily business operations. In addition, we have a strict and preventive internal control system in place to minimize operational risks.

Scope of Risk Management

Financial risk	Non-financial risk
Exchange risk, liquidity risk, operational risk	Management risk, disaster risk, PR risk, customer risk, legal risk

Financial Risk Management System

Financial risks are managed under the direction of establishing mid and long-term financial budget plans, encouraging feedback, strengthening the stability and soundness of financial structure, enhancing operational efficiency of assets and budgets, and improving transparency.



Financial Risk Management Organization

The Exchange Risk Management Committee is designed to effectively resolves and occurrences related to exchange risks and hold budget planning meetings for efficient budget management. In addition, the Budget Execution Management Subcommittee, which is composed of members from the budget team, finance team, organizational network support team, human resources office, and auditing team, is committed to preventing deterioration of financial soundness.

Exchange Risk Management System

KOTRA defines the types and the objects of foreign exchange risks, through which economic gains and losses on foreign exchange are analyzed and establishes a series of strategies for each interval of exchange rates according to the target exchange rate and analyzes crisis situations by fluctuating exchange rates, while managing the action plans for each stage.

Financial Risk Management System

Category	Risk management activities	
Exchange risk	<ul style="list-style-type: none"> • Respond based on prepared manuals • Expand currencies for remittance 	<ul style="list-style-type: none"> • Self-resolution of exchange losses (reserves) • Make up foreign currency assets
Liquidity risk	<ul style="list-style-type: none"> • Manage operating margin 	<ul style="list-style-type: none"> • Increase capital stock • Manage liquidity and debt-to-equity
Operational risk	<ul style="list-style-type: none"> • Operate e-auditing system and full-time monitoring 	<ul style="list-style-type: none"> • Diagnose and improve internal auditing system

Exchange Risk Monitoring

KOTRA closely examines the size of exchange risk reduction and its feasibility according to the exchange risk management standards, and follows a step-by-step risk management process that considers the current status of exchange risk management as well as the difficulty of quantification.

Exchange Risk Subcommittee

The Exchange Risk Subcommittee is comprised of 4 representatives from the budget, finance, organizational network support, and human resources departments, respectively, and 2 outside experts. The committee engages in exploring agendas for the Exchange Risk Management Committee, consulting on the exchange timing for money transfer, strengthening the ability to cope with exchange risk by convening a working-level committee and discovering tasks.

Liquidity Risk Management

According to mid and long-term financial planning, KOTRA established 'One-Roof KBP (Korea Business Plaza)'; a nation-wide trade support infrastructure that provides one stop service for customers by opening KBCs to the government, local governments, and relevant institutions. This allows KOTRA to effectively consider capital needs, borrowings, and repayment plans, which also contributes to our zero debt management.

Non-Financial Risk Management

For the purpose of identifying and managing non-financial risks, KOTRA has defined risk types and set up risk indicators in the sectors of management, disaster, PR, customer, and law. KOTRA endeavors to prevent and reduce non-financial risks through integrated management including risk estimation and regular monitoring.

Legal Risk Management

For legal risk management, KOTRA has identified a total of 39 risks in 4 sectors: human resources, customer, service, and contract, and classified them into 4 grades: regular management, intensive management, caution, and attention, according to frequency and gravity. Furthermore, KOTRA has prepared a risk management manual that contains management methods of and improvements for each key risk.

Preparing for Disasters and Securing Business Continuity

Upon the expectation that the dependency ratio on informatization will reach 78% in 2012 and 82% in 2013, KOTRA has assessed its backup status and business continuity since 2012 in preparation for failure or disaster under the system of Business Continuity Management (BCM), and built a foundation for the 'stage 1' data backup system at the support center in Daejeon.

Non-financial Risk Management System

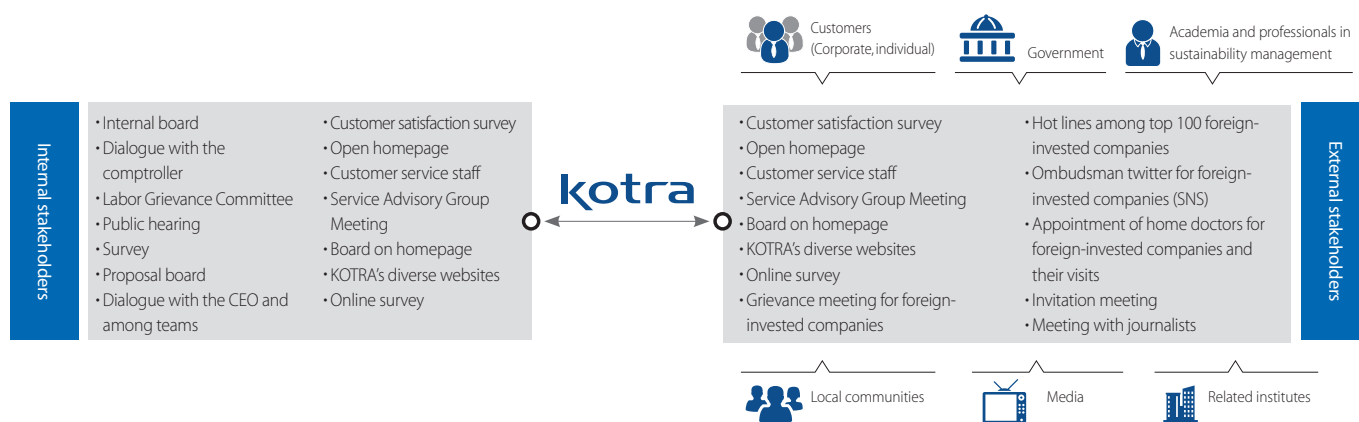
Category	Risk type	Risk index
Management	<ul style="list-style-type: none">• Policy: changes of the government's policies• Business: shrinkage of exports and investment attraction• Public discipline: corruption and irrational working practices	<ul style="list-style-type: none">• Foreign exchange loss• Current ratio and debt-to-equity• Corruption index
Disaster	<ul style="list-style-type: none">• Paralysis of information systems (hacking, trouble) / terrorism targeting overseas networks	<ul style="list-style-type: none">• Information leakage
Customer	<ul style="list-style-type: none">• Deterioration of trust by customer complaints	<ul style="list-style-type: none">• Customer complaints
Law	<ul style="list-style-type: none">• Legal risk related to business practices	<ul style="list-style-type: none">• Legal action

STAKEHOLDER ENGAGEMENT

KOTRA's Stakeholders

KOTRA defines customers, employees, the government, relevant institutions, the media, and non-profit organizations as its key stakeholders, and operates communication channels for each group. Each communication channel is periodically or regularly operated according to the importance and influence of the group, which contribute to solidifying the foundation of KOTRA's sustainability by collecting various opinions and requirements from stakeholders and reflecting them on management.

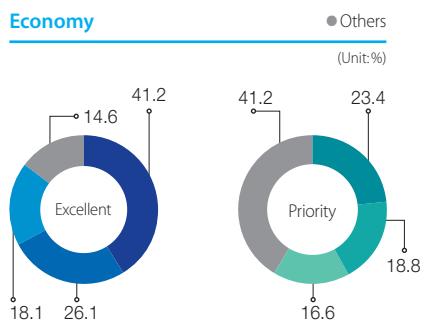
Stakeholder Communication Channels



Stakeholder Survey

KOTRA conducted a survey on the key interests and opinions of internal and external stakeholders to reflect them into the 2012 KOTRA Sustainability Report. This survey was conducted from February 27 to March 5, 2013 (for 7 days) in the form of an e-mail questionnaire and participated by 391 internal and 154 external stakeholders.

Economy



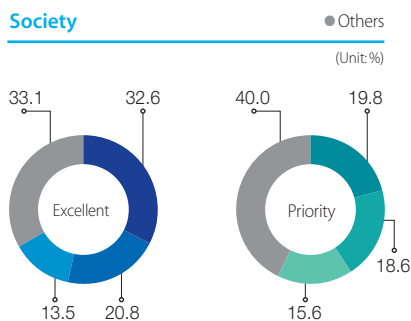
Excellent

- Support overseas market exploration
- Support overseas investments
- Support attracting foreign investments

Priority

- Support overseas employment and founding
- Support trainings to nurture global experts
- Support global talents employment

Society



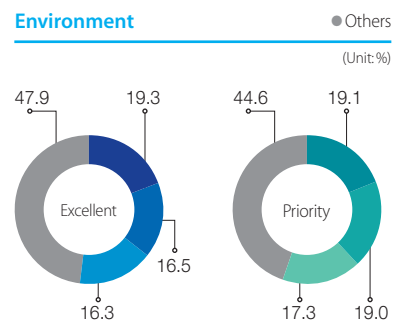
Excellent

- Vitalize communications with customers
- Enhance customer information protection
- Expand shared growth programs

Priority

- Create new Jobs
- Expand shared growth programs
- Promote global social contributions

Environment



Excellent

- Improve the efficiency of energy consumption
- Support receiving orders for overseas eco-friendly projects
- Support green companies' entrance into overseas markets

Priority

- Support attracting investments in eco-friendly industry
- Support new overseas eco-friendly projects
- Support green companies' entrance into overseas markets

Step3 , Materiality assessment

Key issue
Major issue
Potential issue

Step2 , Prioritization

Stakeholder interest analysis
• Frequency analysis by each issue
• Materiality analysis by stakeholder

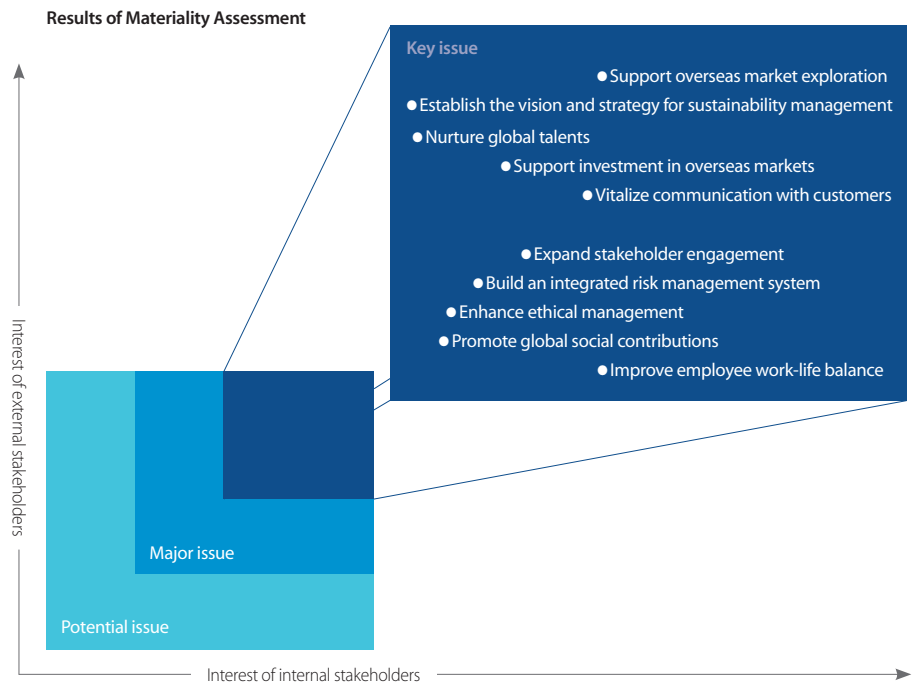
Step1 , Issue identification

Internal issue identification
• Management status analysis
• Employee interview
• Employee survey

External issue
• identification
• Media research (2,147 cases)
• Benchmarking of leading companies (11 companies)
• External stakeholder survey

Materiality Assessment

KOTRA depends on a structured approach in selecting key issues, reflecting them in the sustainability report, and reporting to internal and external stakeholders. It also conducts an indirect survey through media research and benchmarking of leading companies, and also conducted an online survey targeting internal and external stakeholders to collect various opinions.



Major issue

Support foreign investment attraction

Enhance the independence and integrity of corporate governance

Ensure the rights, diversity, and equality of employees

Support receiving orders for overseas eco-friendly projects

Create new jobs

Expand shared growth programs

Support green companies' entrance into overseas markets

Support global talents employment

Support overseas employment and founding

Support attracting investments in eco-friendly industry and provide relevant information

Potential issue

Forge a win-win labor-management culture

Improve the efficiency of energy consumption

Promote resources saving and recycling

Enhance customer information protection

Operate the KOTRA Global Academy

Support the underprivileged and spread the culture of sharing

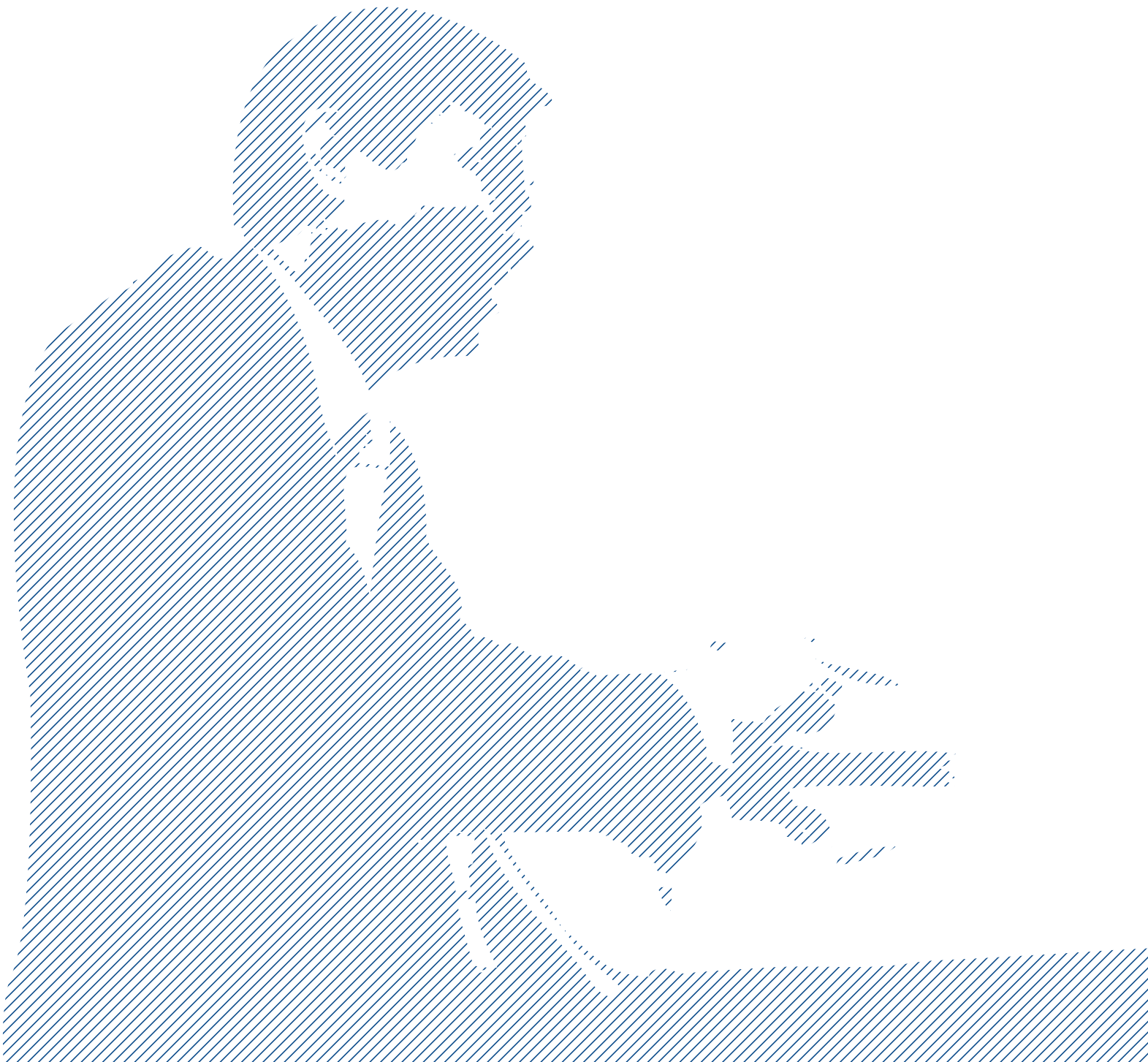
Promote employee safety and health

Increase green purchasing

Promote fair trade

ECONOMIC PERFORMANCE

KOTRA is committed to strengthening the global competitiveness of Korean companies by supporting overseas marketing activities for strategic and future industries. In particular, we allow them to use its infrastructure and trade-investment information when advancing into overseas markets and strive to help them explore overseas projects and win new orders. Our efforts to attract foreign investments also contribute to enhancing the national industrial competitiveness as well as creating new jobs.



Interview



Postech Global is a small and medium-sized enterprise that develops and exports synthetic resins used for paint and coating products. Thanks to KOTRA's support for SMEs like us, we could be given a letter of intent (LOI) from a foreign buyer, selected for a joint technology development project, and awarded a research and development fund from the government. From our perspective, KOTRA provides a great opportunity for SMEs with lack of information on overseas markets, such as our previous case, to meet foreign buyers, participate in technology development projects by the government, conduct their own research and development, and open a market for exports. We expect more various and continuous support from KOTRA regarding logistics and overseas networking so that our product development can lead to sales and exports.

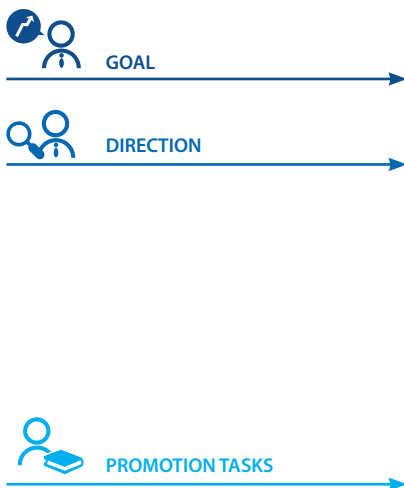
Chang-Ho Choi, CEO of Postech Global



SUPPORT FOR EXPORTS OF KOREAN COMPANIES

Overview

KOTRA contributes to the globalization of Korean companies through various and professional overseas marketing activities. In particular, we provide customized marketing activities to strategic and future industries. Our major activities to boost the capability of SMEs in export include diagnosis of their global competitiveness, support for the commencement of export, encouragement of overseas marketing, and provision of online marketplaces based on advanced IT technology.



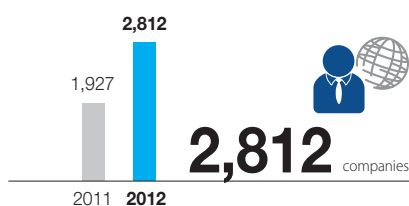
Promote the globalization of Korean companies through advanced overseas marketing supports		
Support overseas marketing activities for strategic and future industries	Support overseas marketing activities for SMEs	Support SMEs by using infrastructure
<ul style="list-style-type: none"> Promote specified marketing projects for each strategic industry Make preemptive responses to market changes Enhance the quality of overseas marketing strategies Establish customized service support systems Promote export industrialization through the reinforcement of flagship businesses 	<ul style="list-style-type: none"> Develop and conduct a 'Global Level Test' Provide mentoring support for export companies through the 'Export Startup Support Project' Improve the short-term performance of the Export Emergency Task Force to boost exports Engage in multi-pronged marketing activities based on overseas infrastructure Build capacity in the exhibition business by employing exclusive staff 	<ul style="list-style-type: none"> Establish an integrated overseas infrastructure ecosystem through the operation of 'Open KBCs' Increase marketing efficiency through the revitalization of online infrastructure Improve the value of domestic players through the enhancement of intangible infrastructure and national brand

Key Performance

As a result of implementing marketing strategies and increasing support based on infrastructure by growth stage of each industry, KOTRA contributed to attracting 5,643 buyers in 2012, up 41.4% from the previous year. A total of 2,612 arduous matters related to Korean companies' exports have been resolved through operating the export emergency support system, and the capability in overseas exhibitions and marketing activities has also been improved by employing exclusive staff.

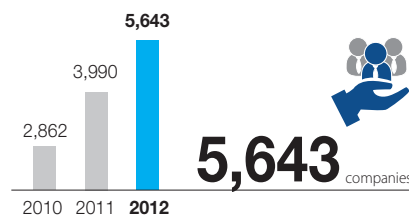
Business Performance

Attract global buyers*



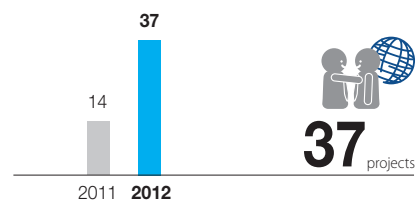
* Global buyer: foreign company with annual sales of over US\$100 million

Attract prospective buyers**



** Prospective buyer: foreign company with annual sales of over US\$10 million

Global partnering performance



Support for Overseas Marketing Activities of Strategic Industries

Support for Overseas Marketing Activities of Each Industry

Our specialized business platforms for each industry provide marketing activities customized to auto-component, IT, public procurement, electricity, lifestyle consumer goods, and the parts and materials sectors. In the auto-component industry, KOTRA has increased the number of cooperative partners in emerging markets through projects such as the Global Transportech and the Korea Autoparts Plaza. In the IT industry, it has won new projects worth US\$210 million in Africa by forming a global consortium for IT export. We are also expanding the partnership in public procurement to become a member of international organizations and providing customized marketing supports including the operation of export marketing consultation system for electricity, operation of global network for lifestyle consumer goods, and reinforcement of R&D support platform for parts and materials.



Global Procurement Plaza

Marketing Support and Performance by Industry

Industry	Support platform	Project name	Performance
Auto-component	• Increase the number of cooperative partners in emerging markets by developing cooperative business models	Global Transportech, Korea Autoparts Plaza	Contract promotion: US\$370 million Number of exhibition in emerging markets: 6
IT	• Expand the global consortium for IT export	Global Smart SOC Initiative	Won the first IT project in Africa worth about US\$210 million
Public procurement	• Expand the partnership in public procurement to become a member of international organizations • Enhance the platform to support KOTRA's first G2G contracts		
Electricity	• Build and operate regular consultation system for electricity export	Global Energy Plaza	Consultation volume by each business: KRW2.58 billion
Lifestyle consumer goods	• Build and operate global business networks	Consumer Market Plaza	Buyer attraction by each business: 21.3 companies
Parts and materials	• R&D support platform reflecting global companies' needs		

Support for Overseas Marketing Activities by Each Region

To effectively cope with sluggish export triggered by the global economic recession, KOTRA implements differentiated strategies for each overseas market: provision of presentations on how to use the FTA in advanced countries such as the U.S and the EU; promotion of customized cooperation projects to meet the needs of large corporations in Japan; expansion of marketing activities targeting the domestic market in China; and segmentation of targets according to market maturity in emerging markets.



FTA Business Plaza

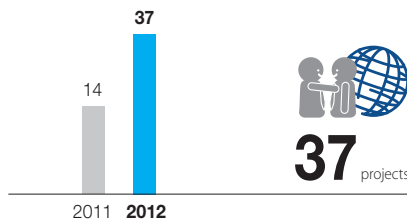
Support for Complex Business Development

KOTRA is actively engaged in global partnering projects. It discovers business needs from the value chain of global companies, and supports domestic players in terms of R&D expenses, technology, and marketing to encourage more cooperation projects between global and Korean companies.

Global Partnering Project Process



Performance in Global Partnering Projects



Support for Overseas Marketing Activities for Future Industries

Establishment of Marketing Strategies for Target Industries

KOTRA has selected 8 target industries of knowledge services including smart contents, franchise, entertainment, design, healthcare, contents, e-learning, and engineering, and implementation of differentiated marketing strategies for each industry. Our marketing strategies and activities are further subdivided and sophisticated in view of industry-related effects, risks from entry into overseas markets, and the possibility of relying on the Korean wave, which contributes to sharpening the competitive edge of domestic players.

Customized Businesses for Future Market

To help Korean companies engage in the knowledge service industry successfully to advance into overseas markets, KOTRA is implementing the "Service Mundus" project. Various supports such as giving preference for the participation in KOTRA's projects, utilizing the infrastructure at KBCs, offering a customized roadmap for the advancement into overseas markets, and helping with budget planning are provided with a total of 40 companies in various sectors ranging from video game, animation, design, character, broadcast programs/music, medical service, e-learning, and franchise. Also, our Medi-Star Initiative Program is delivered to 10 companies in the medical and bio industry.



Inauguration of the Service Mundus Project

Export Industrialization for Future Industries

For the preemptive occupation of future industries in the global market, KOTRA holds a series of international events. To create synergy by making use of recent Korean wave, we are strengthening the strategic partnership with the government, relevant institutions, and overseas business areas. In addition, KOTRA hosts large-scale exhibitions to boost exports in the industries of cultural contents, consumer goods, and services.

Marketing Activities by Making Use of the Korean Wave



Korea Media & Content Market 2012

Institution and company	Cooperation area	Projects in 2012
KBS, MBC, SBS	K-Pop festival	Held and broadcasted events through the Korean wave Expo
Official residence, cultural institute	K-Pop cover dance competition and Korean food festival	Installed the Design Korea Gallery in KBCs to elaborate the Korean wave
Korea Tourist Service, KINTEX	Attraction of foreign medical tourists	Attracted foreign medical tourists by linking Korean wave
Regional agencies for digital opportunity and promotion	Overseas marketing to boost the Korean wave	Attracted buyers for Korean digital contents
Entertainment firms including SM, YG and JYP	Discussion of purchasing derivatives of K-Pop entertainment firms	Developed halo effect products of the Korean wave

KOTRA strives to develop major cultural content businesses by holding a series of events as followed: 'Korea Media & Content Market (KMCM) 2012' to encourage the advancement of cultural contents such as character, video game, animation, broadcast program, movie, and 3D contents, into overseas markets; 'Korea-EU Cartoon Connection 2012' to provide consultation services on animation export; and 'Biomedical Hub of Asia' to promote the global technology cooperation in the pharmaceutical and bio, and medical device industries which are all based on high value-added technology.

Support for Overseas Marketing Activities of SMEs

Global Level Test for SMEs

KOTRA has developed the 'Global Level (GL) Test' for SMEs to estimate their global competitiveness and make a recommendation on their customized businesses. Being conducted at basic and in-depth levels the test evaluates their performances on a scale of 1 to 6 and analyzes their score distribution at each of the in-depth levels.

Global Level Test System for SMEs





'Portable KOTRA' service

Support for the Start of Export

KOTRA's expert advisors with working experience in trade services provide mentoring support for inexperienced export companies. Such mentoring support is offered for one year to SMEs whose export accounts for less than 25% of total sales. SMEs located in local areas are supported by our dispatched consultants and the 'Portable KOTRA' service. In addition, KOTRA has hosted 13 presentations and consultation meetings in provincial areas.

Support System for the Start of Export



Provision of Specialists for Education

To help customers foster their competitiveness and growth potential, KOTRA provides various training and education programs meeting their needs. Our Global Competitiveness Reinforcement Support Center in Daejeon contributes to developing and operating IT-based education contents as well as meeting the needs for education and training of enterprises in provincial areas. KOTRA encourages promising SMEs to utilize its brand power in their marketing activities and has also co-developed the BPI (Brand Power Index) with an international consulting firm to apply it to the corporation's brand marketing activities. Job fairs for overseas students and presentations for Japanese retired engineers have been conducted to discover experts for SMEs.

Introduction of the Export Emergency Task Force and Exhibition Staff

KOTRA has operated a corporation-wide export emergency support system for SMEs to actively cope with the euro-zone crisis. This system includes a one-to-one mentoring service, inquiry development to create demands, and a hot lines for export emergency, which contributes to boosting exports of SMEs. A total of 2,612 discrepancies in export have been seamlessly resolved within the year through this system. Moreover, based on the analysis of the strategy matrix to support overseas exhibitions as well as differentiation of marketing activities, KOTRA pursues value-added marketing activities, through which it can discover prospective buyers and induce actual consultations.

Promotion of 'World Champion' Enterprises

Based on the World Champ Promotion Platform, KOTRA provides export companies having high potential with customized package services in terms of marketing and finance. The project 'World Class 300' is designed to support SMEs with strong growth potential, and thus nurturing 300 companies with global competitiveness by 2020.



Launch of 2012 World Champ Promotion

Support for Marketing Aligned with Overseas Infrastructure

To promote the role of KBCs as an overseas branch office of export companies, KOTRA provides one-to-one support for the development of overseas markets ranging from market research to customer discovery and main contract. In addition, we organize a series of exhibitions promoting Korean products for their advancement into large distribution networks in China.



Common logistics center

Support for SMEs by Using Infrastructure

Provision of Office Space and Infrastructure to SMEs

In order to help SMEs to effectively conduct overseas marketing activities, KOTRA has opened its KBCs to SMEs and also established 'Business Incubators' to provide them with office space. In addition, the corporation has set up a logistics support center for SMEs to reduce their logistics costs.

Common logistics center

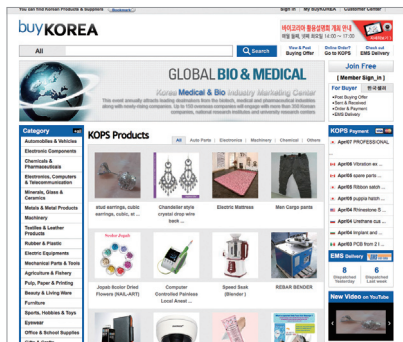
Open KBC	Play a role as the foothold by establishing office space for SMEs in overseas KBCs	47 places
Common logistics center	Reduce distribution costs by building common logistics centers	36 centers
Export incubator (BI)	Support early stabilization by providing office space before the establishment of local branches and consultation services	17 incubators

Vitalization of Online Infrastructure

KOTRA provides an integrated online marketplace through which customers can enjoy one-stop service covering PR, consultation, settlement, and delivery. Moreover, it publishes online guides on export marketing, and promotes exchange among companies and employees as well as buyer discovery. KOTRA is committed to helping SMEs make inroads into the global market with low costs in line with IT technology development.

Improvement of Domestic Corporate Values by National Brand Power

KOTRA has started an international PR campaign titled 'High-Tech and Design Powerhouse', mainly targeting advanced countries. In the exhibitions promoting world-class products made in Korea, the corporation has held a variety of events for economic cooperation and cultural promotion depending on conditions on-site. For instance, it hosted a special exhibition promoting Korean brands at Harrods, London, to spread their premium image and upgrade the status of Korean SMEs to a higher level. Furthermore, KOTRA is making greater efforts to improve the national brand value and promote the international image of Korean businesses by building a sound corporate image and promoting high-quality goods made in Korea throughout emerging countries. It is taking full advantage of online blogs and social networking sites such as Facebook and Twitter to consolidate the foundation for online PR activities and provide information on the products manufactured by Korean SMEs which use KOTRA Global Brand as well as their own ones.



'Buy Korea', an online marketplace

SUPPORT FOR OVERSEAS EXPANSION OF KOREAN COMPANIES

Overview

KOTRA provides Korean companies with differentiated supports for making inroads into overseas markets according to three steps of advancement, settlement, and return. We also support overseas project development, process, and contracts.



GOAL

Encourage Korean companies to advance into overseas markets by improving the support process

Support investment in overseas markets by Korean companies

Support overseas project development and contracts



DIRECTION

Build an ecological environment to support advancement into overseas markets by stage

Advancement

Settlement

Return

Development

Support for new orders

Contract

- Strengthen the infrastructure to support advancement into overseas markets
- Explore promising emerging markets and fields
- Expand support services for companies heading abroad
- Establish support systems by advancement stage

- Support project discovery and order-receiving in untapped strategic markets
- Strengthen the platform to support order-receiving
- Provide strategic support for profitable contracts



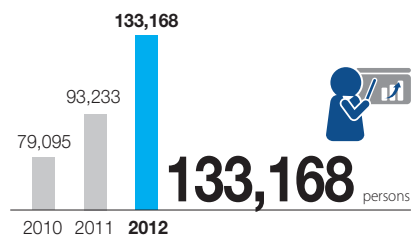
STRATEGY

Key Performance

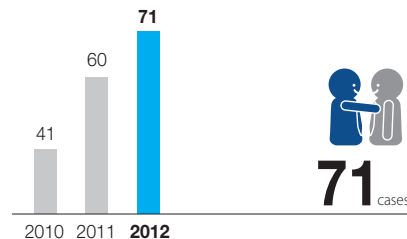
KOTRA has established a step-by-step support system for companies entering into foreign markets and also a consulting support system for companies returning to Korea. It is exploring promising emerging regions and fields for investment, supporting recruitment, and providing consultation on intellectual property. In addition, our support for winning orders is expanding and joint-projects with relevant institutions are being implemented.

Business Performance

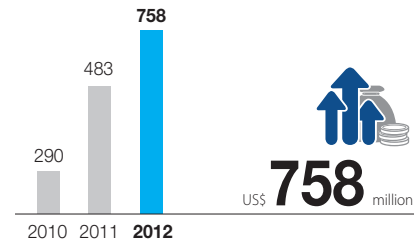
Visitors to the portal site for entrance into overseas markets



Establishment of local subsidiaries



Project contract



Support for Korean companies' Investments in Overseas Markets

Exploration of Promising Regions and Fields for Investment

KOTRA encourages Korean companies to make investments in new promising regions by dispatching delegations. Exhibitions and forums have been held to lead the investments in Myanmar. And, to consolidate the foundation for the investments in Laos by Korean companies, IR events have been held and an investment research group was dispatched.

KOTRA established the Overseas M&A Support Center to help private M&A deals in a small and medium scale. Moreover, it assists small and medium-sized law firms to expand their business abroad by cooperating with the Ministry of Justice and Korean Bar Association, through contributes to resolving local legal issues of Korean companies in Ho Chi Minh, Vienna, and Moscow. This service will be expanded into the Middle East and Southeast Asia in 2013.

Expansion of Infrastructure for Entry into Overseas Markets

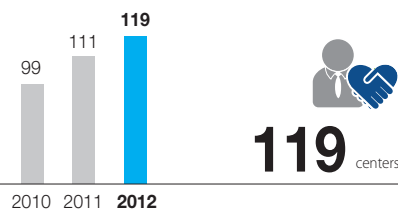
In 2012, KOTRA established a total of 8 KBCs in Tanzania and Democratic Republic of the Congo in Africa, Qatar in the Middle East, Brazil, Ecuador, and Paraguay in South America, and India and Indonesia in Asia. More KBCs will be launched in Mozambique, Mongolia, and Belarus in 2013. In addition, we plan to open the 'Korean Investor Company Support Center' and the 'Overseas Intellectual Property Center' to support the management stabilization of companies investing in overseas markets.

Diversification of Support for Companies Investing in Overseas Markets

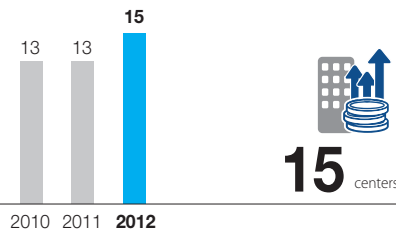
KOTRA has built a platform to support CSR activities by Korean companies in developing countries. Awards, seminars, and forums for local CSR activities have forged strong ties among local companies, governments, and KOTRA, and also consolidated the network with the local government and institutions. Meanwhile, to deal with the manpower shortage issue, KOTRA has hosted a 'Global Job Fair & Forum' and a 'Career Fair for Overseas Students'. In addition, it has formed a platform in the global intellectual property business, and provides support for the prevention of and response to intellectual property disputes.

Operation of Global Bases

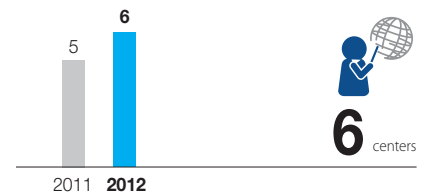
Korea Business Centers (KBC)



Korean Investor Company Support Center

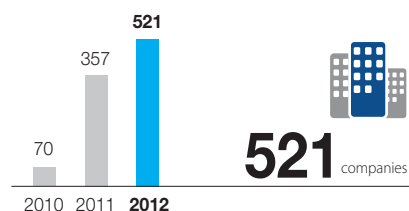


Overseas Intellectual Property Center



Members of Project-Receiving Council

Number of companies



Participants in the 1st Global Industrial Cooperation Forum

Region	Country
Asia (6)	India, Vietnam, Myanmar, Laos, the Philippines, and Bangladesh
Africa (9)	Mozambique, Mauritius, Ghana, Kenya, Tanzania, Namibia, Botswana, Ethiopia, and Zambia
Central and South America (7)	Rumania, Bulgaria, Poland, Algeria, Jordan, Egypt, Republic of Sakha, and Uzbekistan
Eastern Europe, Middle East, and CIS (8)	Rumania, Bulgaria, Poland, Algeria, Jordan, Egypt, Republic of Sakha, and Uzbekistan

Dissemination of Overseas Investment Information

KOTRA is currently operating a national portal labeled 'Overseas Investment Information System (OIS)', which provides investment information of 31 relevant institutions, and continually upgrading the contents and system to encourage domestic players to venture into international markets. Targeting 6 regions in 5 countries (China, Vietnam, Indonesia, Cambodia, and Myanmar) with good investment prospects, we have organized presentations on investment environments and provided information that Korean companies would need. Furthermore, startup business fairs and investment conferences are held in Nepal, Papua New Guinea, Costa Rica, Uruguay, and Russia.

One-Stop Service for Companies Returning to Korea

We provide one-stop service to help Korean companies returning to home. Those companies are able to be supported by our step-by-step system and services support in Beijing, Shanghai, Guangzhou, Qingdao, Ho Chi Minh, and Los Angeles.

Support for Developing Overseas Projects and Winning Orders

Improvement of Support Infrastructure

The OPS (Overseas Premium Service), a package-type charged service, was introduced to provide customized services for companies expanding their business abroad, which further contributes to winning projects.

Exploration of Untapped Strategic Markets

KOTRA invites high-level government officials and project owners of developing countries to its global industrial cooperation forums, contributing to strengthening the industrial cooperation with developing countries and helping domestic players participate in lucrative projects in those countries.

Creation of Synergy through Business Partnership

Based on the strong cooperation with the Korea Engineering and Consulting Association, KOTRA is making greater efforts to help the engineering industry enter the global market. By using the organizational network as its strongholds, KOTRA supports the engineering industry in establishing as information infrastructure and winning orders. In addition, the number of information related to order issuers, local engineering companies, local constructors, global engineering companies, local laws and regulations, projects, and trends of construction and engineering industries has increased from 800 in 2011 to 1,200 in 2012. Moreover, KOTRA holds the Global Project Plaza to which it invites the issuers of prospective overseas projects.

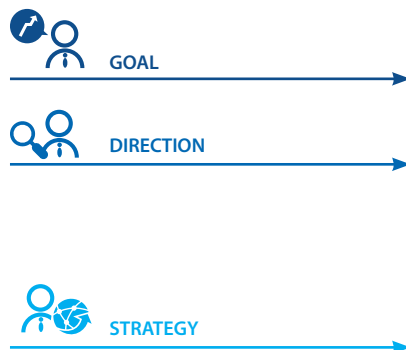
Business Promotion Customized to Strategic Markets

In April 2012, a delegation to support winning economic cooperation projects was dispatched to Myanmar for the establishment of partnership bases. The same process involving the delegation was also sent to East Africa. As a result, in Sudan, we obtained information on the government's project order plans and conducted one-on-one meetings with major leaders. In Ethiopia, presentations for winning future projects and laying the foundation for partnerships were also held.

FOREIGN INVESTMENT ATTRACTION AND AFTER-CARE SERVICE

Overview

As a national investment promotion agency, KOTRA has been actively and continually engaged in foreign investment attraction. While leading the investment promotion activities with the government and its relevant institutions, KOTRA has formed high-quality strategies to draw foreign investments and strengthened the support for and management of foreign-invested companies.



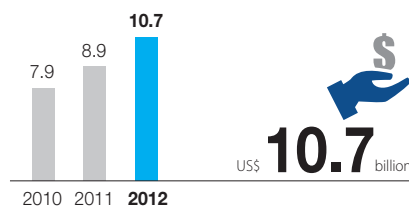
Enhance industrial competitiveness and create jobs through foreign investment attraction		
Contribute to investment attraction as a national investment promotion agency	Manage potential investors and projects	Support and manage foreign-invested companies
<ul style="list-style-type: none"> • Increase foreign investment by sharpening KOTRA's capability to attract investment • Lead investment promotion activities by the government, local governments, and relevant institutions 	<ul style="list-style-type: none"> • Establish performance and quality-focused strategies to attract foreign investment • Conduct strategic investment promotion activities by region and industry 	<ul style="list-style-type: none"> • Reinforce the system to support and manage foreign-invested companies • Promote the expansion of investment by foreign-invested companies

Key Performance

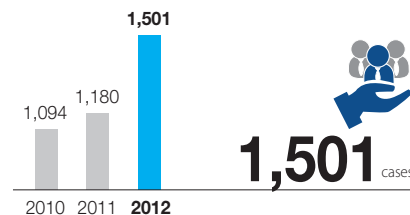
Despite the global economic recession, foreign direct investment by KOTRA amounted to US\$10.7 billion in 2012, up 20.1% from the previous year, which is the largest since inception. In addition, KOTRA has carried out a reshuffle to effectively respond to the rapidly changing global environment, and pursued customized investment attraction strategies that meet the needs of strategic regions. As a result of active foreign investment promotion, a total of 10,224 jobs were created.

Business Performance

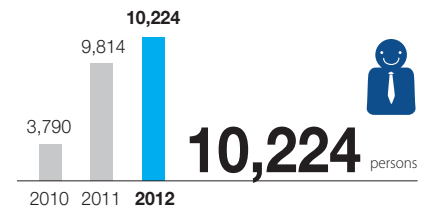
Amount of investment attraction



Amount of investment attraction

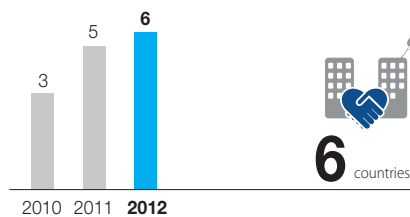


Job creation

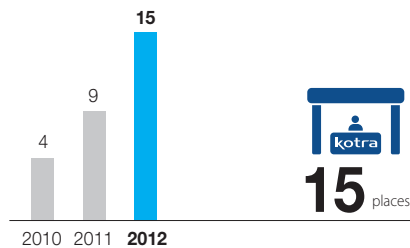


Strongholds to Attract Investment in Strategic Regions

Country



Korea Business Centers



Presentation on the Korean investment environment for the Swedish CEO and delegation

Contribution to Foreign Investment Attraction

Enhancement of KOTRA's Competence

We established the Strategic Region Attraction Team to attract investments from Japan, China, and emerging countries. The Japanese Business Investment Support Center established in April 2012 is focusing on developing plans and strategies to attract Japanese companies, and the number of footholds to attract investments from and the number of China Support Desks increased from 3 in 2011 to 5 in 2012 (additionally in Tsingtao and Dalian). Moreover, KOTRA provides its employees with customized education on FDI-related job competency considering their practical experience in investment attraction and working conditions.

Research on Government-sponsored Investment Attraction

KOTRA presents government-sponsored foreign direct investment (FDI) policies including identifying implications and publishing reports. Major activities in 2012 involving 7 cases on the FDI attraction strategy development and research by theme, 5 analyses on investment trends through multilateral international cooperation, 7 cases on the information infrastructure for foreign investment attraction, and 24 briefings on global FDI. Other activities included the improvement direction of the national IR, 9th FDI Expert Forum, launch of Global Investment Forum, and 9 meetings and workshops by theme. In April 2012, we formed an IR task force and has strived to improve the quality of contents by reflecting research data and internal meeting results.

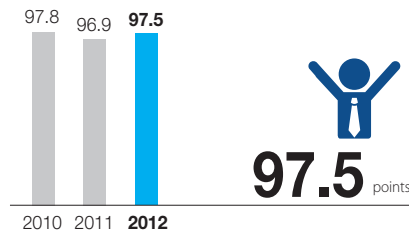
Support for Nationwide FDI Promotion Activities

Based on cumulated know-how and a wide infrastructure, we are active in supporting strategy setup, policy improvement, promotion, and capability of relevant institutions for FDI. Starting customized support for investment attraction to Gyeongsangbuk-do in 2007, KOTRA has expanded its activities into Jeju Island's Special Self-Governing Government, Saemangeum Project, Seoul Metropolitan City, and Chungcheongbuk-do. Our major supports include strategy setup, development of potential investors, project management, education of public officials in charge of investment, overseas IR, TFT activities, and customized FDI activities. KOTRA contributes to increasing investment attractions by hosting large-scale events for investment attraction in collaboration with the government and local governments.

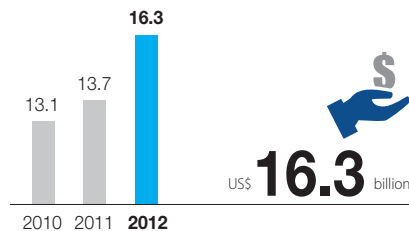
Investment Attraction Support System



Public Service Customer Satisfaction Index (PCSI)

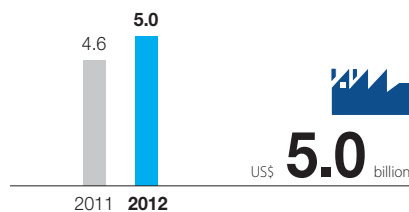


National investment attraction as IPA

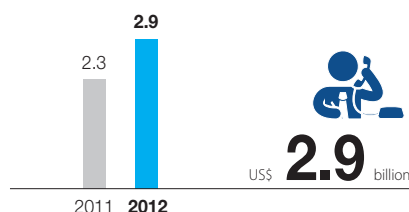


Domestic investment attraction by industry

Manufacturing industry



Service industry



Management of Potential Investors and Projects

Strategic Investment Attraction by Region

Through researching and evaluating the investment attraction conditions of each region including Europe, the Middle East, China, Japan, and the US, KOTRA selects strategic countries and conducts attraction activities by utilizing the FTA. Also, newly established Asia Regional Headquarters and R&D Center are focusing on encouraging global companies to invest in Korea, the business hub the Asia Pacific Region. Investment attraction from China and emerging markets contributes to the diversification of foreign-invested companies.

Investment Attraction Linked with National Development Strategies

KOTRA strives to further attract investments in sophisticated technology sectors such as IT, environment, bio, chemical, and aviation to foster growth potential. Such activities are conducted to support technology clusters in Korea and set up outposts in China, the US, and the EU as well. In addition, we are implementing GAPS (Global Alliance Project Series), through which we support global leading companies, Korean companies, and research institutions in the high-tech industry with regards to R&D, licensing, strategic partnership, technology transfer, and M&A. Our efforts to attract investments are extended to the service and high value-added industries which can create more jobs. In particular, volume of investments in regional development, tourism, and leisure is increasing thanks to joint attraction activities linked with not only projects of the central and regional governments but also emerging capitals of the Great China Region. KOTRA also makes the best use of the FTA effect in emphasizing the importance of Korea as a logistics and distribution hub in Northeast Asia while drawing investment from global companies and so-called 'anchor' companies with high marketability by promoting Korea as a hub of production, logistics, and distribution in the Asia-Pacific region. Furthermore, KOTRA hosted the 2012 Korea PE/VC forum to help domestic players acquire advanced management know-how and lay the foundation for overseas market entry through financial investment promotion.

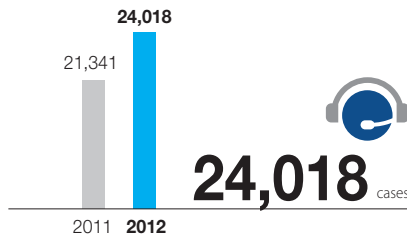
Management of Foreign-Invested Companies and Projects

All processes from the development of investors to investment payment are managed by KOTRA's Investment Smart CRM system. In addition, regular investment attraction activities and monitoring systems are operated in order to develop and manage investment projects in target areas.



Foreign Investment Week

Comprehensive one-stop service



Invest Korea Plaza



Grievance Resolution Ombudsman



The CEO Forum for Foreign-Invested Companies

Support for and Management of Foreign-Invested Companies

Comprehensive One-Stop Administration Service

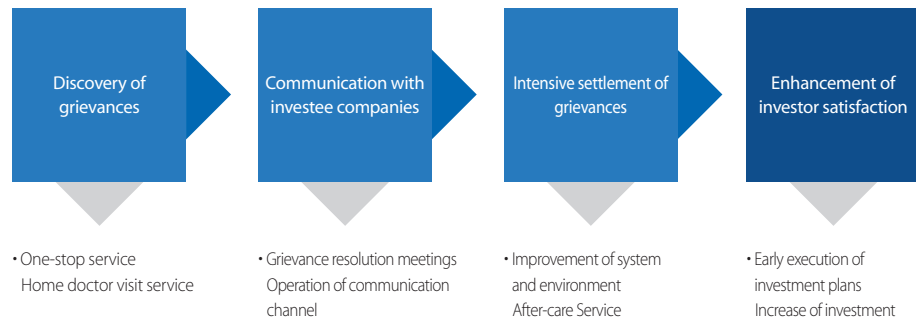
The comprehensive one-stop service from investment consultation to grievance settlement has been improved and the scope of civil affairs administration by the ICC (Investment Consulting Center) has been also further extended. At the ICC in Invest KOREA Plaza, dispatched public officials and industry experts are providing locals and foreigners with comprehensive services ranging from consultation on initial investment related to law, tax, and accounting, to administration support on visa requirements, national tax, customs, and corporation registration. In addition, 9 foreign venture companies, foreign institutions, law firms, the Korea Exchange Bank, and local governments are residing in Invest Korea Plaza, and we are incubating promising foreign-invested companies.

Provision of On-Site Support

KOTRA makes personal visits to investors and provides one-on-one consultation services. It also expands operational assistances for target industries which have the largest demand from foreign-invested companies while improving the settlement conditions of foreign investors and their families.

Grievance Settlement for Foreign-Invested Companies

To efficiently deal with grievances of foreign-invested companies, KOTRA sends technical experts to the sites and also operates a regular support system. A total of 346 grievances have been resolved in 2012.



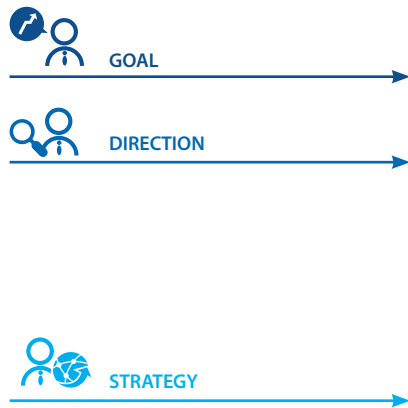
PR on Grievance Settlement

Successful grievance settlements are presented to the CEOs of foreign-invested companies to improve their confidence in the Korean investment environment. In particular, KOTRA hosted 'The CEO Forum for Foreign-Invested Companies' participated by a total of 195 government officials as well as the CEOs and management of foreign-invested companies, through which it provided investment information and opportunities for networking. Ombudsman Ahn Chung-Yung received a 'Commendation by the First Lord of the Foreign Affairs' from the Japanese Ministry of Foreign Affairs in August 2012, for his contribution to supporting investment by Japanese companies, settling their grievances, and promoting the mutual understanding between Korea and Japan.

TRADE INVESTMENT INFORMATION RESEARCH

Overview

KOTRA is serving as an overseas business information hub that leads to the global market by producing and providing customized information on exports. It also established a system to collect and analyze trade investment, and manage converged information, which contributes to responding to global market trends and resolving risks.



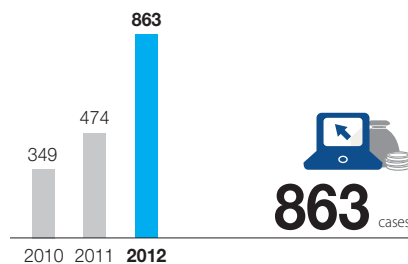
Key Performance

KOTRA has enhanced the level of information provided to consumers' regarding satisfaction by presenting business promotion strategies and market entry plans based on the characteristics of each market. Moreover, our trade investment information has been playing a role as an infrastructure for Korean companies' business promotion by conducting preparatory analysis on business environment changes.

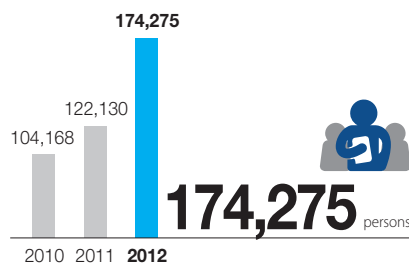
Meanwhile, KOTRA presents strategies for shared growth at home and abroad in an effort to provide information on global employment and business start-up and support the development of less-developed countries. In addition, a system for interactive communication with customers has been established.

Business Performance

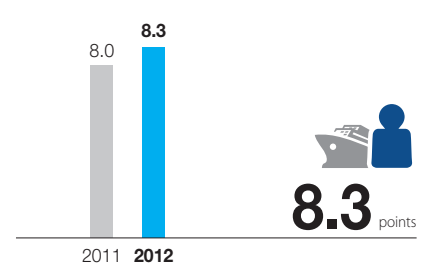
Use of each piece of information



Number of newsletter readers

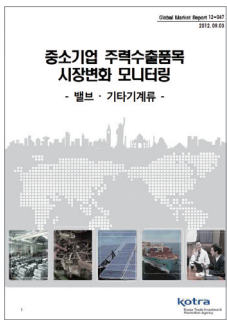


User satisfaction with trade information





Myanmar President at the Forum on Myanmar's Investment Environment



Monitoring on the Market Trends of SMEs' Major Export Items

Collection and Provision of Customer-Oriented Trade Investment Information

Development of Strategies and Projects for Strategic and Emerging Markets

KOTRA serves as a Think Tank for Korean companies' advancing into key markets. Now we are collecting and providing information on 5 key markets (Myanmar, Libya, Columbia, Turkey, and Indonesia). In particular, as the spearhead of entering Myanmar, we are focusing on developing and exploring major issues in the country and creating opportunities for public-private cooperation between Korea and Myanmar. In Libya, the Comprehensive Support Center for the Middle East Business was launched to analyze relevant risks and provide full support to investing companies. In addition, KOTRA has hosted a series of forums and presentations on the in-depth analysis of key issues in Russia/CIS, Africa, and Latin America in an attempt to proactively deal with major issues in emerging markets.

Providing Information Directly Related to Exports and Addressing Global Issues

We are committed to producing and providing useful and multi-dimensional information tailored to growth stage, product, and region to exporters. Our activities involve real-time monitoring of export status, market trends of key export items for SMEs, and provisions of promising export items by each country and marketing plans. Furthermore, KOTRA engages in analyzing FTA effects, discovering best practices, disseminating know-how about utilizing the FTA through presentations, and operating the Help Desk. KOTRA is also striving to identify major political, economic, and industrial issues of strategic markets in a timely manner, and offering data on the analysis of ripple effects. For instance, after elections in major countries including France, the U.S., and Japan, we issued reports about the effects on Korean companies, and suggested strategies for preemptive response to the European financial crisis and risks of entering the Indian market.

Providing Consultation on Prospective Industries

To strengthen consultation for the entrance into overseas markets of the service industry, KOTRA has completed a strategic business map, discovered prospective areas, and published a relevant guidebook.

System to Provide Information Directly Related to Exports

Provide multi-dimensional information on exports by growth stage, country, and product



Reinforcement of Trade-Investment Information Infrastructure

Establishment of the Interactive Communication Channel with Customers

KOTRA has reinforced the customer communication system through a renewal of its trade-investment information portal site 'Global Window'. This was not a simple website upgrade, but a complete overhaul of the information system and contents in terms of the customer participation system, on-site information provision, and quick information search. It has also improved the 'Mobile Global Window Interface' and created its Facebook and Twitter account, resulting in a dramatic increase in the number of overseas market information users.



KOTRA Global Window

Encouraging Proactive Management of Global Risks

KOTRA is monitoring global market trends, managing relevant risks, and disseminating information to its customers. To be specific, it has built a customer-friendly channel, and produced a movie-clip of the business guide for each city of major countries in response to multimedia demands. As of December 2012, it has provided such business guides for 61 cities in 52 countries. Through the information dissemination channels by region, issue, and industry type, it is providing offline presentations, forums, and community services, and also delivering information on overseas market trends to media outlets.

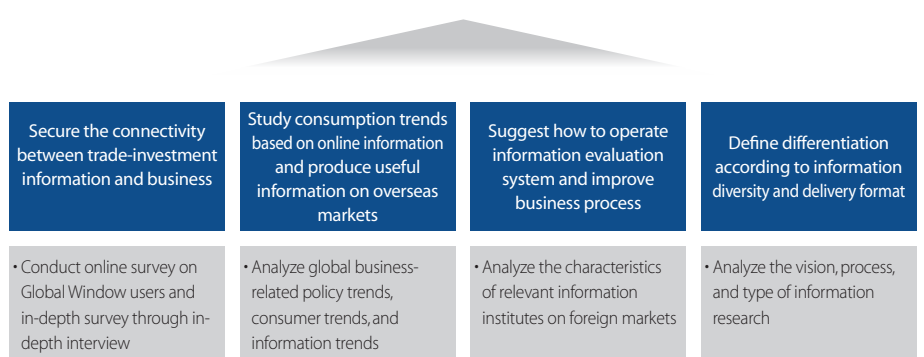
Strengthening Core Competence of Information Research and Improving Information Quality

KOTRA offers a variety of specialized education courses to strengthen its research competence. While providing programs for the headquarters and individualized programs for each department and team, it has increased the hours of annual education programs from 24 in 2011 to 56 in 2012. In addition, it plans to share the global business experience of KOTRA employees by establishing a job-related knowledge sharing system by 2014.

KOTRA sets the direction for information research through the analysis of internal/external environment and demands, and provides individualized information for each customer type based on the analysis of customers, information environment, economic institutions, and internal competence. For start-up firms, it provides information on the current market status and trends that they would need for decision-making on their foreign market entry. For SMEs and large enterprises, it provides information that can be directly used in their marketing and investment activities. For industry organizations and research institutions, it provides market research data the demands in-depth information and, for government ministries, the latest on-site information for their short and long-term policy making.

Information Quality Enhancement System

Provide customized information by type



SOCIAL PERFORMANCE

KOTRA is committed to creating and sharing social value for shared growth with internal and external stakeholders. KOTRA strives to establish a fair society, provide more support for the socially marginalized at home and abroad, and support the global CSR activities by domestic and foreign companies. In addition, it has established and operated infrastructure and systems to enhance customer satisfaction.



Interview



Fuji Xerox Korea has received a lot of help with domestic system and regulation improvements through KOTRA's Ombudsman System. Moreover, 'One Love', an in-house volunteer group, has done joint voluntary work with its counterpart at KOTRA. I believe KOTRA's support for CSR activities by Korean companies in overseas markets is helpful and useful. Fuji Xerox Korea hopes KOTRA's social contribution activities expand and become a model that volunteer companies and employees can feel joy and rewarded beyond just a one-time event, in which we will continuously participate. In addition, as global companies put more emphasis on sustainable management, Fuji Xerox Korea expects KOTRA to actively promote exemplary cases of CSR support for any cooperation with foreign-invested companies.

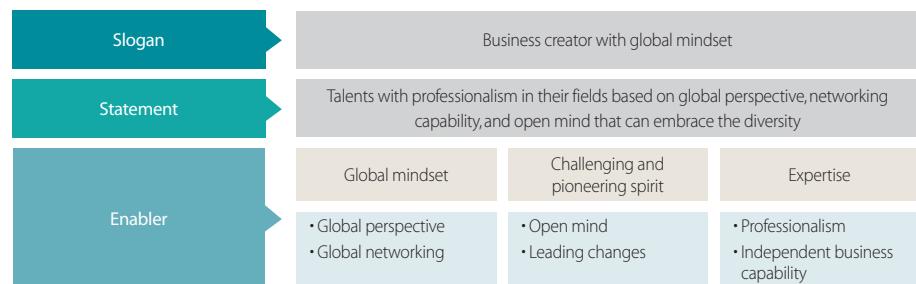
Jeong-Hyeok Na, Management Quality Team Leader of Fuji Xerox Korea



HUMAN RESOURCES MANAGEMENT

Talents Envisioned by KOTRA

As a part of the efforts to become a world-leading trade and investment agency in the 21st century, KOTRA is committed to nurturing talents with challenges and a frontier spirit under the slogan "Business Creator with Global Mindset."



Respect for Employee Diversity

As of December 31, 2012, a total of 771 employees (excluding young interns and local employees abroad) are working for KOTRA. At KOTRA, there are no salary differences between genders, and female employees enjoy the same opportunity as their counterparts do in terms of promotion and compensation. As of the end of 2012, the number of females among regular workers stands at 129, accounting for approximately 19.5%. Meanwhile, the disabled account for 2.9% of the total work force, and are granted with additional points for employment. The turnover of 2012 was 17, posting a relatively low rate of 2.58%.

Status of Employees

Category	Unit	2010	2011	2012
Employee	Executive	7	7	7
	Staff			
	Trade & Professional Services	626	656	653
	Extraordinary Civil Services	101	104	111
	Total	734	767	771
Gender	Male	563	536	531
	Female	100	127	129
Employment type	Regular Workers	633	663	660
	Indefinite Contract Workers	2	0	1
	Contract Workers	27	27	31
Average Period of Service	Years	13.87	13.78	14.24
Turnover Rate	%	2.21	1.66	2.58

Employment of Talents

Employment to Pursue Social Equity

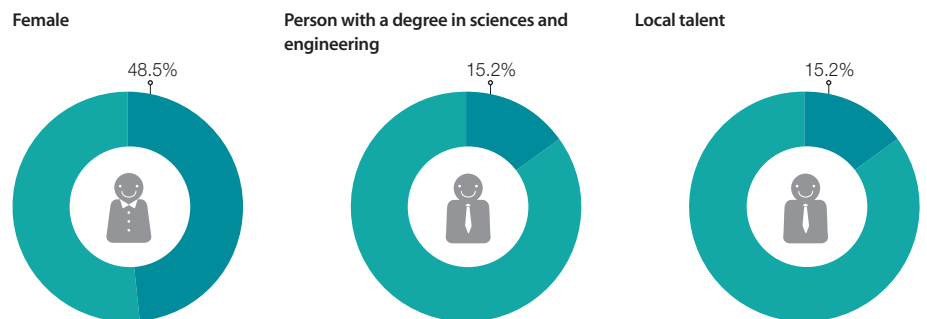
When it comes to employment, KOTRA strives to provide fair opportunities to each applicant, to be more considerate of the socially vulnerable, and to alleviate bipolarization by applying employment standards that pursue social equity. Moreover, KOTRA has eliminated discrimination with regards to educational background, age, and gender, and actively complies with relevant laws and regulations.

Talents with a high school diploma	<ul style="list-style-type: none"> • Prepare the employment base by changing personal policies including the installation of new positions • Introduce employment process centering on work experiences and careers instead of written test • Support the obtainment of bachelors' degree
Local talents	<ul style="list-style-type: none"> • Grant incentives in interview for local talents • Expand the job fair for employment and internship into local universities
Disabled and people of national merit	<ul style="list-style-type: none"> • Grant incentives in employment • Number of employees of national merit: 49 persons or 6.35% of total employees as of the end of 2012 (recommendation by the government: 4%) • Increase the employment of the disabled through job fairs
Abolition of specialty exam	<ul style="list-style-type: none"> • Provide graduates in various majors with opportunities to enter the company • Introduce job capability evaluation and discussion interview

Employment Status

Based on the mid and long-term employment plans, KOTRA estimates the optimal employment size, recruits and trains new staff, and coordinates their positions. In 2012, a total of 33 new employees were hired, of which 16 were female, 5 were persons with a degree in sciences and engineering, and another 5 were local talents in line with the government's job sharing policy. In addition, KOTRA has actively participated in the government's efforts to create social positions through its young internship program: hiring 339 in 2010, 357 in 2011, and 273 in 2012.

Employment of Regular Workers in 2012



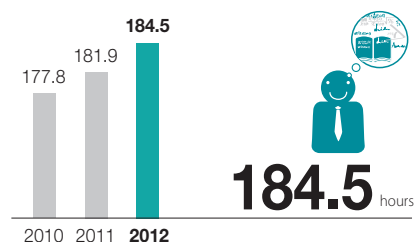
Human Resources Development

Human Resources Development System

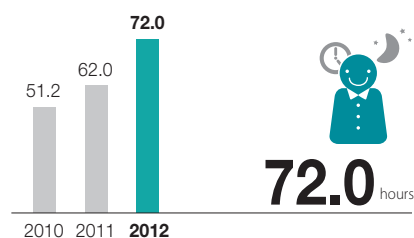
The globalization of the business environment creates a need for global talents, and the government's effort to advance public corporations requires a high level of organization efficiency. efficiency and the enhancement of business environment calls for securing experts at working level. Accordingly, KOTRA has been operating a system to nurture in-house experts by developing various customized training programs based on the HRD (Human Resource Development) plan.

Human resource development target	Build specialized knowledge group by fostering core capabilities	
Strategic tasks	Enhance global capability	Realize strategy-linked leadership
	Improve professionalism for career development	Build an organization culture for creativity and communication
Key capabilities	Capability by class	Job capability

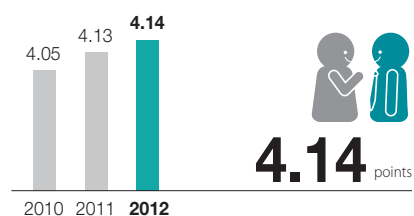
Training per employee



Foreign language training per employee



Satisfaction with education/training



Human Resources Development Program

KOTRA is operating a variety of programs to develop the capabilities of employees, and each employee is participating in general/management/job/learning/self-development/other training programs according to their positions.

Specialized job education by department	<ul style="list-style-type: none"> Develop job-centered specialized education programs Support real-time personal capability evaluation (online evaluation system) Expand budget for job educations into KRW1.5 million per employee annually
KOTRA College	<ul style="list-style-type: none"> Independent training course for KOTRA's specialized jobs that cannot be conducted by external programs Jointly develop and implement technology commercialization course with Hanyang University
Foreign language education	<ul style="list-style-type: none"> Expand internal educations and budgets (up to 140 employees for 6 languages) Foster talents who are fluent in emerging market languages (Spanish and Russian languages)
Academic training	<ul style="list-style-type: none"> Expand trainings to develop new growth engines (Middle East, Africa/medical & bio/law) Preferentially assign finishers of training programs into related jobs
Self-development	<ul style="list-style-type: none"> Support fees for professional qualification courses and learning foreign languages

Education/Training Performance

In 2012, employee training amounted 185 hours per person and US\$2.36 billion in total. The budget of special job training by department has increased 25% compared to the previous year, and the ratio of employees having a score report of a second language test has increased from 34% to 57% thanks to our policy that requests a certain level of foreign language ability for promotion and overseas posting. A total of 22 employees, the largest number ever, were selected for academic research programs, and received financial support for their self-development such as language training abroad. Moreover, those who are to be retired are provided with job transfer training.

Performance and Compensation

KOTRA is committed to building a work environment where global talents can display their ability: establishing a global human resources management system and implementing a human resources policy that introduces a fair and transparent human resources system covering recruitment, promotion, evaluation, and compensation. The employee compensation is commensurate with the specialty and risk of each job as well as the responsibility of each role. This system contributes to strengthening individual capabilities and enhancing management efficiency. Furthermore, the executives now see more gaps in basic annual salary and service allowance while employees in incentive payment. High-performing employees enjoy more opportunities for training support and overseas posting while those with low performance are under intensive management.

Family-Friendly Management

For a balance between work and life, we pursue family-friendly management and have the selective welfare benefit system.

Flexible Work Programs

A series of flexible work programs have been operated to build a work-life balance culture: flexible work which allows the adjustment of commuting time by one hour; part-time work which encourages autonomous working for 15-35 hours per week; and remote work which depends on a digital business reporting system outside the office.

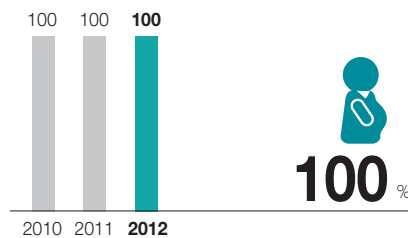
Support for Working Couples

We have the spousal accompaniment leave for the couples working at KOTRA. Thanks to this program, if one of the couple is assigned to an overseas office, the other can take time off work and go abroad to stay together.

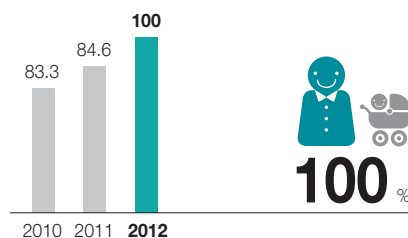
Obtainment of the Best Family-Friendly Certification

KOTRA was selected as the best family-friendly institute by the Ministry of Gender Equality and Family in October, 2012. The Family-Friendly Certification is designed to identify those institutes that built a work environment where employees can strike a balance between work and life.

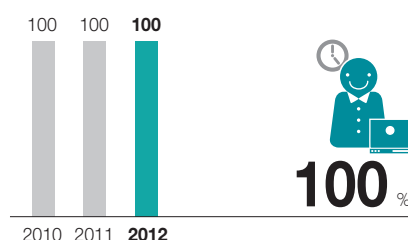
Use of maternity/parental leave



Return to work after leave of absence



Work for more than 12 months after return from leave of absence



GWP (Great Work Place) Program

A total of 25 programs have been operated to lead a happy family life, which include Family Day which allows employees to leave the office on time and spend the rest of the day with their family by designating one of the Fridays each month as 'no overtime or staff dinner day', and 'Talk to Your Children' which invites employees' children to the workplace and provides a place for conversation. As a result of these efforts, KOTRA received the 'Grand Prize for the Public Corporation with a Good Working Environment' from GWP Korea.



Grand Prize for the Public Corporation with a Good Working Environment

Advancement of Labor-Management Relations

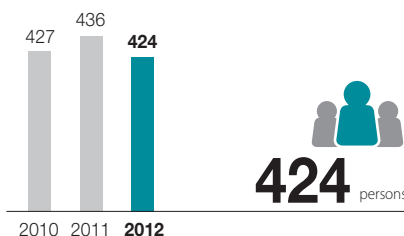
New Labor-Management Development System

In 2012, KOTRA established a new labor-management vision to usher in another 50 years of success for mutual trust between and co-existence of labor and management.



Create a leading labor-management culture based on trust, communication and participation			
Establish and implement strategies to advance industrial relations	Facilitate labor-management cooperation programs	Establish communication channels and strengthen labor-management ties	Reasonably conclude and improve collective agreements
<ul style="list-style-type: none"> Implement action plans for sound relations in 2012 Establish a mid/long-term master plan for the advancement Improve the management system for non-regular workers Establish a new vision and make a declaration for harmonious labor-management relations in commemoration of 50th anniversary 	<ul style="list-style-type: none"> Take preemptive actions to prevent labor-management conflicts Improve grievance resolving system Build a pleasant workplace through labor-management cooperation Innovate organizational culture through labor-management joint workshop 	<ul style="list-style-type: none"> Innovate the dialogue channel among the CEO, the union and employees Develop a new communication channel for overseas employees Encourage sound participation of the union in management Conduct a long-term joint training for labor and management 	<ul style="list-style-type: none"> Conclude as agreement with the union without any dispute for the 24th consecutive year and comply with the government guidelines Continuously improve collective agreements Improve the wage system both at home and abroad through labor-management consultation
<ul style="list-style-type: none"> Conduct monitoring based on the advice from Labor-Management Council and internal/external persons concerned Establish a new labor-management vision Provide welfare programs for non-regular workers Establish and specify visions based on consulting and labor opinions 	<ul style="list-style-type: none"> Make preemptive policy improvements for each cause of conflict Introduce EAP policy and enlarge labor-management conflict resolving body Expand GWP program that supports work-life balance Hold labor-management joint workshops for the innovation of organizational culture and establish a relevant T/F 	<ul style="list-style-type: none"> Regularize a dialogue with the CEO Publish KOTRA's weekly newsletter Evaluate proposals on ethical management and participate in trend research groups Encourage participation in the mid and long-term joint training programs to strengthen the competitiveness of labor-management 	<ul style="list-style-type: none"> Conclude a wage agreement in compliance with the government guidelines Conclude additional agreements to amend the articles regarding the authority over personal affairs build a standard for the wage and welfare of overseas local employees Amend the collective agreement within the guidelines

Number of employees in the labor union



On-Site Communication with the CEO

KOTRA stimulates an interactive on-site communication between the CEO and employees. A round-table conference between the CEO and the union head and also between the management and the union executive is held on a regular basis, while a dialogue program called "Chungwujungdam" is operated to encourage conversations with employees.

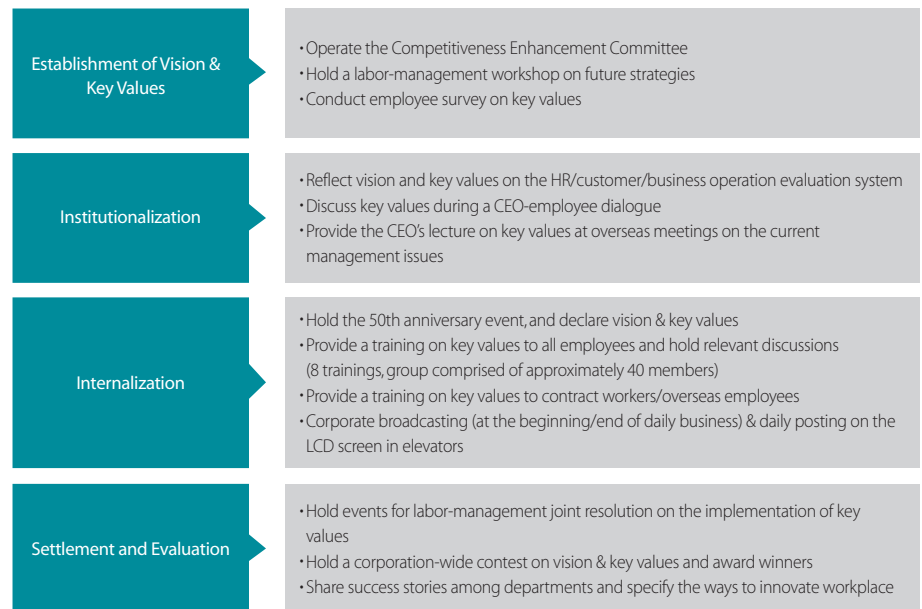


Chungwujungdam

Organizational Culture

Internalization of Vision and Core Values

The CEO, executives, and employees are dedicated to reaching a consensus on and internalizing the vision and core values of KOTRA. To stimulate this, the Customer & Strategic Policy Department was newly established and, based on the agreement between labor and management, the strength of employees' efforts to embody core values are reflected in performance evaluations and promotion-related decisions.



Hi-Five Day event



Resolution event to create core values between the labor and the management

Activities to Innovate Organizational Culture

KOTRA has already built a consensus on the fact that voluntary participation of and communication among all employees is essential for a unified organizational culture. In this regard, an organizational culture T/F was established, through which weekly CEO reports are filed and related activities are shared with all employees. 23 labor-management officials, including the Joint Team Head, are exploring the ideas to innovate KOTRA's organizational culture and are developing relevant action plans. Up to now, the "Ten Commandments" on staff meetings and get-togethers has been established and a bulletin board is set up for free discussion on organizational culture. KOTRA also publishes its corporate newsletter called "Cheongwujidam," which literally means pure stories of KOTRA surrounded by Mt. Cheonggye and Mt. Woomyeon, to stimulate communication with its CEO and overseas employees.

Strengthening Personal Touch Management

To enhance the level of employee satisfaction, KOTRA has introduced a series of programs such as: High-Five Day where the management pledges harmony and communication with employees during office-going hours; spontaneous casual meetings among executives and employees; CEO letters and employee responses; and direct visits to overseas KBCs.

SOCIAL CONTRIBUTION

Overview

KOTRA is actively fulfilling its social responsibility as a public institution. Not to mention creating jobs, it is laying the foundation for sustainable growth through the internalization of a fair society culture. KOTRA is also promoting joint overseas market entrance of large companies and SMEs while leading the global CSR activities which enable the coexistence with customers and business partners.



GOAL



DIRECTION



PROMOTION TASKS

Fulfill the social responsibility as a public institution through strategic global business implementation

Strengthen the foundation for sustainable growth through the internalization of a fair society culture

- Implement strategies to realize a fair society in line with its key values and capabilities
- Establish a fair society culture within the organization and promote it externally
- Avoid unfair practices to establish a fair relationship with customers
- Expand the system to support the socially vulnerable

Promote win-win overseas market entry of large companies and SMEs

- Establish a platform to promote win-win growth in overseas markets
- Develop a model to promote win-win growth in overseas markets
- Raise the awareness of win-win growth in overseas markets

Increase job creation by using the corporation's core competence

- Maximize job creation effects through strategic investment attraction activities
- Support overseas employment of domestic talents
- Create overseas jobs by supporting overseas project order receipt
- Create future jobs by strengthening the competitiveness of job seekers and supporting global business startups

Lead the global CSR activities that enable the coexistence with customers and business partners

- Establish a KOTRA-style system to lead global CSR activities
- Lead the CSR activities by Korean companies in overseas markets
- Share trade-investment experiences with developing countries
- Nurture multicultural talents and support multicultural families

Key Performance

KOTRA has carried out diverse activities to promote joint overseas market entrance of large companies and SMEs, and as a result, 34 business agreements for such joint advancements were concluded in 2012. Moreover, 10,224 jobs were created through active investment promotion at home and abroad. KOTRA is also conducting a variety of CSR activities in overseas markets as well as in the domestic market under the cooperation with foreign-invested companies.

Key Performance in 2012

Agreements on joint entrance projects of large companies and SMEs



34 cases

Job creation



10,224 persons

Global CSR activities

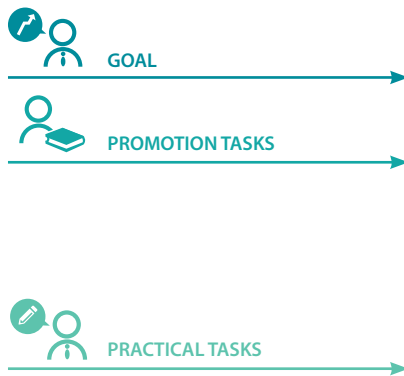


718 cases

Realization of a Fair Society



Education on fair society



Solidify the foundation for a sustainable growth through the internalization of a fair society culture

Establish an organizational culture that pursues a fair society

- Provide trainings for all employees
- Continue the 'One-KOTRA' campaign

Promote fairness throughout the system related to the public and customers

- Increase the purchase of Onnuri gift certificate
- Promote service fairness by revising service agreements
- Support the fund management of partner companies
- Streamline the contract and inspection procedures
- Strengthen the education/training on contract businesses

Strengthen the support for women and social enterprises and improve relevant systems

- Encourage the service participation by women and social enterprises
- Provide discounts on training sessions for capacity building
- Provide discounts on consulting fees and extend support

Support for the Socially Vulnerability in Businesses

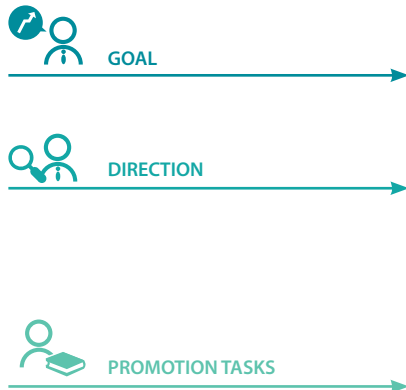
Female and handicapped business owners are given preferential treatments by KOTRA. Those companies are given priority for registration when KOTRA holds presentations or export consultation meetings, and they are given a certain quota for each event. In addition, customized consulting and support for marketing activities are provided to those companies.



Shared growth workshop with partner companies

Creating a Transparent and Fair Contract Culture

KOTRA is working hard to promote fairness in contract handling and to support sound fund management of its partner companies. KOTRA has strengthened the supervision on money settlement for the 2nd and 3rd partner companies by checking whether the 1st partner company subcontracted part of its work to other firms and urging payments to them, if any. KOTRA also provides Korean companies with the national information service free of charge through the Service Fees Deliberation Committee and has accordingly revised service agreements to enhance the public character of its service.



Vitalization of Joint Entrance into Overseas Markets

By forming a mid and long-term partnership with global companies and domestic SMEs, KOTRA stimulated their joint entrances into overseas markets.

Enhance the global capacity of SMEs that have a partnership with global companies and relevant organizations and the performance of co-advancement into overseas markets			
Establish a platform to support win-win growth in overseas markets	Develop a model to support win-win growth in overseas markets	Raise the awareness of win-win growth in overseas markets	Improve the purchasing administration process and increase the purchase of SME products
<ul style="list-style-type: none"> Enter into partnerships with domestic/foreign large companies and relevant organizations & expand the platform to support win-win growth of SMEs in overseas markets 	<ul style="list-style-type: none"> Increase business efficiency through a KOTRA-style model to promote win-win growth in overseas markets 	<ul style="list-style-type: none"> Create synergy effects from fair competition and coexistence 	<ul style="list-style-type: none"> Improve the purchasing policies and procedures for partner companies (travel agency, printing company, interpreter/translator, etc) and increase the purchase of SME products



Joint entrance forum among large companies and SMEs



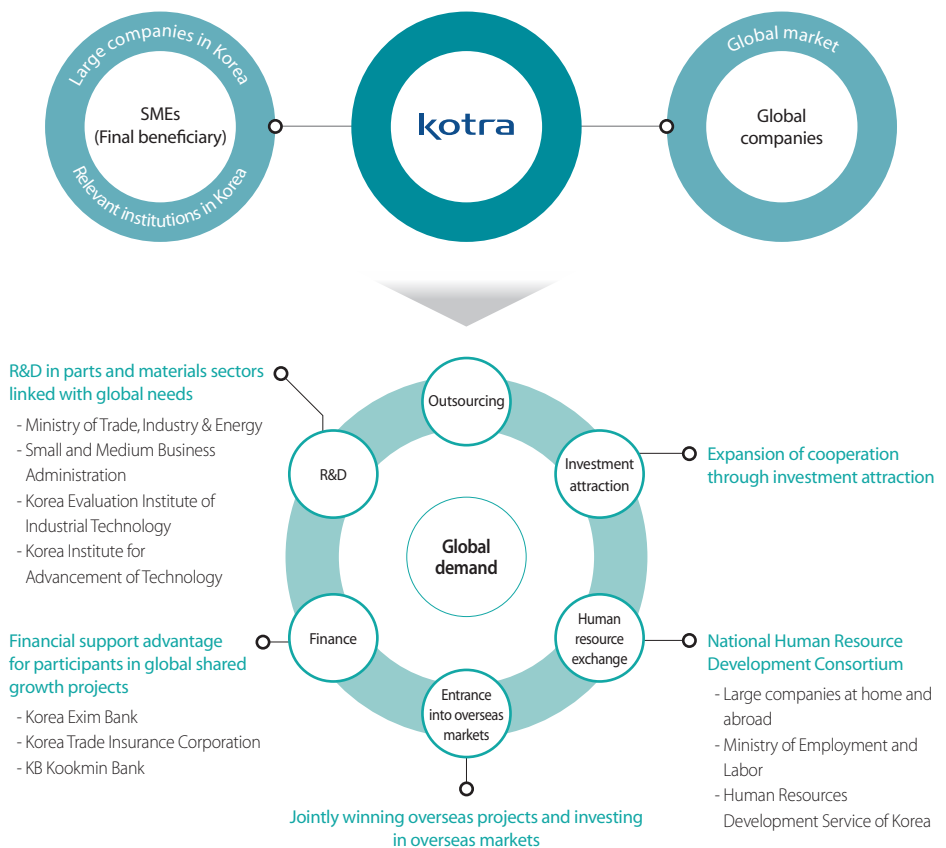
Agreement on an MOU to jointly enter into overseas markets



Consultation on joint entrance among large companies and SMEs

Cooperation Promotion System

To expand core global networks for shared growth among global companies and domestic SMEs, KOTRA formed a consultative body by business model with domestic relevant institutions, and established partnerships with the UN, MDB, public institutions and global companies through overseas KBCs.



Developing a Culture for Shared Growth

KOTRA, under the lead of its CEO, is delivering messages of mutual cooperation through interviews and e-mails and also expressing its strong willingness to pursue shared growth through dialogues with and special lectures for employees. In addition, KOTRA is pursuing the creation of success stories on shared growth as a mid and long-term business objective, and establishing a system where the employee in-charge manages the shared growth evaluation index. Moreover, KOTRA is strengthening the on-site communication with SME partners through meetings inviting large companies & foreign-invested companies as well as customer meetings. It is also building a business cooperation system with relevant institutions both at home and abroad to strengthen the network of SMEs.

Discovery of large companies for joint entrance



Performance of global partnering



Agreement on an MOU for KOTRA-Microsoft Smart Growth Project



Global Industry Cooperation Forum

Performance in Shared Growth Businesses

Global outsourcing	Hitachi Zosen	• Export increase and job creation by utilizing needs for outsourcing
	GM	• Expansion of auto parts export and business models
	Caterpillar	• Purchase-based investment and value creation through the cooperation in R&D convergence
Cooperation in R&D	Haier	• Cooperation in convergence based on technological tie
Initiative in development	Applied Materials	• Support for delivery after joint R&D
Joint overseas marketing	STX Offshore & Shipbuilding	• Support for suppliers' entrance into Chinese market
	Lotte Mart	• Expansion of overseas sales of consumer goods of SMEs partnering with globalized Korean distributors
Cooperation with foreign-invested companies	Renault Samsung	• Parts delivery to Kyushu factory by 6 suppliers
	Microsoft	• Support for SMEs' globalization by utilizing cloud services
	Home Plus (TESCO)	• Entrance of 49 products from 26 companies into TESCO stores in the UK
Jointly winning projects	KEPCO	• Support for joint entrance into electricity project markets with 6 suppliers
	Samsung SDS	• Won 2 ICT projects by forming a consortium with 4 SMEs

Establishing a Regular Communication Channel

The opinions collected at the partner company meetings in 2011 have been reflected to our policy in 2012. Similarly, policy revisions in 2013 will reflect the results of the shared growth workshop held with partner companies and relevant surveys (conducted on 178 partner companies.)

System Improvement

System	Contents
Introduction of simple contract form	Integration of order sheets and memorandum of contract deposit payment
Simplification of bidding documents	Reduction of the documents for submission including certified copy of corporation register and certified credit rating report
Diversification of examination documents	Expansion of document scope for the examination
Simplification of small-sized contract documents	Making a contract by a quotation upon small-sized contract under KRW0.5 million

Interview



Nalebe participated in the 2012 KOTRA-Microsoft Smart-Growth Project and also in the K-Tech held at Silicon Valley. Nalebe was very lucky to join one of KOTRA's projects in 2012. KOTRA had clear objectives for their business and Nalebe was able to experience a significant growth thanks to KOTRA's in-depth research and analysis on the overseas market trends and demands as well as its strong business support. I think resolving difficulties at the right place and time is the most necessary type of support for Korean companies. I look forward to seeing KOTRA's stronger support for the advancement of Korean companies into overseas markets using the infrastructure of overseas KBCs.

Hyo-In Sung, Director of Nalebe

Contribution to Job Creation

In line with the Korean government's policy to create more jobs in the public sector, KOTRA has supported job creation both at home and abroad. KOTRA is also helping job seekers obtain stronger competitiveness and is working hard to create new jobs by supporting global business startups.

KOTRA-Style Job Creation Model

Create domestic jobs	Nurture global talents	Create overseas jobs
<ul style="list-style-type: none"> • Create jobs through foreign investment attraction • Global job/business startup fair 	<ul style="list-style-type: none"> • Global competency building internship • Regional expert training program • Global business startup support/training 	<ul style="list-style-type: none"> • Support overseas employment of outstanding domestic talents • Create jobs by supporting overseas project order receipt
<ul style="list-style-type: none"> • Ministry of Employment and Labor, Human Resources Development Service of Korea, etc. 	<ul style="list-style-type: none"> • Ministry of Education and Science Technology, Korea International Trade Association, Korea University of Technology & Education, etc. 	<ul style="list-style-type: none"> • Overseas Construction Order Council, OKTA, etc.



International Student Career Fair 2012

Job Creation through Foreign Investment Attraction

KOTRA has focused on attracting foreign investment investment services and high value added industries such as regional development, tourism and leisure, and logistics with higher job creation effect. As a result, the investment attraction in those industries has increased from US\$2.32 billion in 2011 to US\$2.89 billion in 2012. This has also led to the recruitment of high-level talents by global companies with cutting edge technologies such as R&D, IT convergence, and bio technology. Despite the global economic recession, KOTRA posted a record-high performance in terms of foreign investment attraction and subsequent employments.

Job Creation through Exploring Demands

The "Global Job/Business Startup Fair" was hosted by KOTRA for two days on June 11-12, 2012. With the participation of 44 foreign companies, 46 Korean companies doing business in overseas markets, and 21 foreign invested companies, a total of 2,274 interviews were conducted and 1,118 applicants were advanced to the second level of review for employment. The event was of high significance as it contributed to helping foreign-invested companies with recruitment and providing local job seekers with actual opportunities for employment.

Job Creation through Winning New Orders

KOTRA is striving to create more jobs overseas by expanding overseas project supports with a sophisticated support system. The Korea Research Institute for Human Settlements (KRIHS) announced that 1,877 jobs were created through KOTRA's support to capture the orders of overseas projects in 2012.

Global Competency Enhancement and Business Startup Support

KOTRA is conducting various programs to strengthen the global competency of young talents and to support global business startups. Customized trainings are provided to engineers at regional universities, and the Industry-Academy Cooperative Internship Program is operated to support global employments and business startups.

Support for Overseas Employment of Domestic Talents

KBCs are playing a role as a stronghold for overseas employment. A total of 41 online communities have been opened for overseas employment and internships within the regions, through which students studying abroad are able to share information on employment and postings by recruiters and job seekers are disclosed. Furthermore, the "Job Fair for Successful Employment of High-School Graduates" was held in order to help connect SMEs in need of a workforce and high-school graduates seeking jobs.

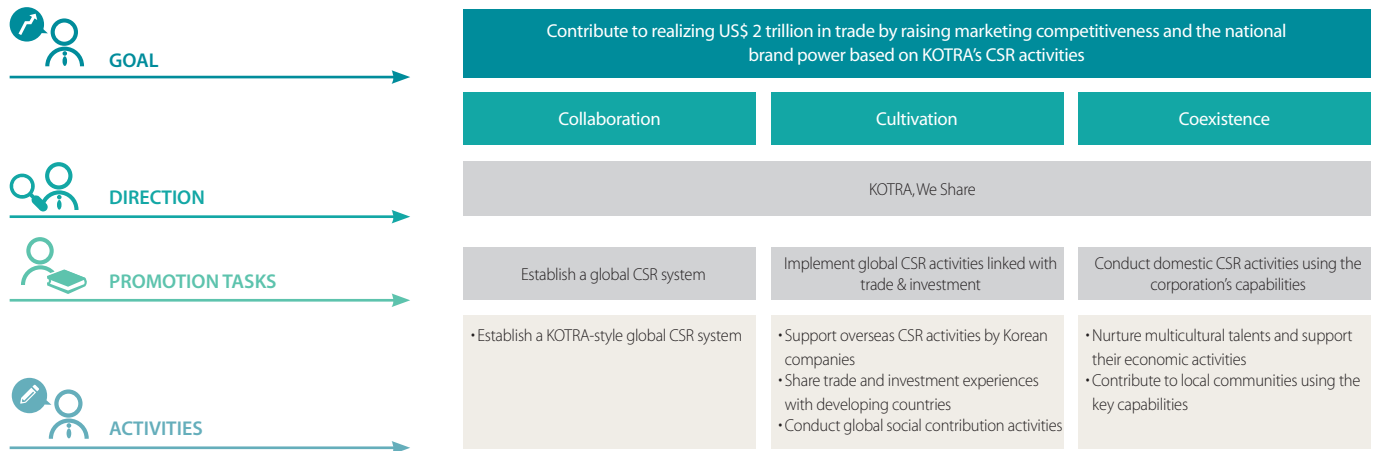
Job Creation by Industry (Unit: persons)

Category	Job creation
Industry	16
Manufacturing	8,103
Electricity, gas and water	5
Wholesale and retail sales	1,015
Transportation	58
Lodging and restaurant	180
Publication, film, broadcasting, and IT service	73
Finance and insurance	296
Real estate and rent	316
Science and technology service	104
Facility management and business support service	57
Education service	1

KOTRA CSR

KOTRA CSR Promotion Strategy

Under the slogan "KOTRA, We Share," KOTRA is engaged in a variety of CSR activities which can meet the expectations of major stakeholders. KOTRA's CSR activities are basically designed to promote 'collaboration' among Korean companies at home and abroad and foreign-invested companies, 'cultivation' of trade and investment experts from multicultural families, and 'coexistence' with the local community.



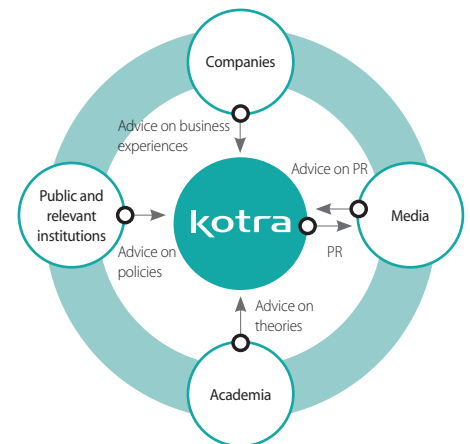
Establishing a Global CSR System

KOTRA established the Global CSR Team in 2012 to develop and evaluate the strategies of domestic and overseas CSR activities, promote cooperation with private sectors, and raise public awareness. In addition, it launched the KOTRA CSR Advisory Council, comprised of 12 CSR experts from the corporate, academic and government sector.

Overseas CSR Consultative Body



Domestic CSR Advisory Group



Global CSR Linked with Trade and Investment Activities

Support for Korean companies' Global CSR

KOTRA promotes global CSR activities with overseas Korean companies. In November 2012, KOTRA and KD Power contributed to dealing with electricity shortages in Myanmar by donating a 50kW solar power systems to Khalote in Yangon. We also forged a sisterhood relationship with 'Casa Hogar Sion,' an orphanage in Chile in 2011 and since then have been conducting various social contribution activities such as providing local children with daily necessities and sporting equipment along with Korean companies doing business there like Samsung C&T, Lock & Lock, Ceragem, and CNC. In Hanoi, Vietnam, with the participation of 10 Korean companies, KOTRA constructed 5 houses, built and repaired 3 nurseries, treated children exposed to defoliants, and provided necessary goods to orphanages and schools, which in total was approximately US\$130 thousand worth of cash and goods.

Sharing Trade and Investment Experiences with Developing Countries

One of KOTRA's businesses is sharing Korea's development experience with developing countries. Since 2012, KOTRA has been and will continue supporting Moroccan companies to raise their global competitiveness, and also fostering 1,200 trade experts for 3 years. KOTRA is currently implementing a Colombian SME competency building project, and also studying the ways to facilitate the Trade and Investment Agency in Ecuador. Furthermore, KOTRA supported the establishment of MYTRA in Myanmar, and delivered its know-how on trade-investment promotion.

Raising the Awareness of CSR through Public-Private Cooperation

KOTRA, along with local governments abroad, grants the Best CSR Award to Korean companies showing exemplary CSR activities in overseas markets to stimulate engagement in more global CSR activities. In 2012, the CSR award ceremonies were jointly organized with the local governments of Vietnam, Indonesia, Cambodia, and Myanmar. At the '2012 Korea Brand & Entertainment Expo (KBEE)', KOTRA raised approximately JP 50 thousand from 'Korean Celebrity Item Auction' and donated the profits to the local 'Korean House.'

Global Social Contribution Activities

For residents who are suffering from the aftermath of the severe earthquake and tsunami in Fukushima, KOTRA not only provided daily necessities but also participated in purifying the nuclear-contaminated soil around the area. For these efforts, KOTRA received a letter of appreciation from the Governor of Fukushima for the provision of relief supplies and restoration work. We also engaged in a variety of volunteer works for a children's hospital in Novosibirsk, Russia where young tuberculosis patients from low income families are being treated and protected, and provided them with necessary medicines, stationery, and toys.

- ① Sharing KOTRA Global Brand Knowhow with Sri Lanka
- ② CSR award ceremony in Vietnam
- ③ Korea Brand and Entertainment Expo honorary ambassador JYJ
- ④ Joint social contribution with Fuji Xerox Korea



Domestic CSR Activities Using the Corporation's Capability

Nurturing Multicultural Talents and Supporting Economic Activities

To nurture multicultural talents and encourage their economic activities, KOTRA selected 24 international marriage migrant women and state scholarship students from China, Vietnam and Myanmar, provided them with trade business trainings, and appointed them as Global Power Marketers. They are given interpretation jobs for consultative meetings held by KOTRA and also support for employment at export companies. For those who return to their mother nations, KOTRA is planning to support their business startups.

Contributing to Local Communities by Using Core Capabilities

Support for Social Enterprises' Export

KOTRA has begun supporting the exports by social enterprises. A meeting was held where KOTRA's export professionals shared basic know-how with social enterprises that wish to start their exports. KOTRA is also planning to support their trade missions and participation in overseas exhibitions.

Mini Export School

Through the Mini Export School, KOTRA employees provide their knowledge on international trade to high school students who are interested in the area. By introducing 1:1 mentoring program, KOTRA encourages their continuous exchange and fosters them as global talents.

Voluntary Language Service by Volunteer Group 'Left Hands'

KOTRA's social contribution group called "Left Hands" is utilizing the foreign language skills of its members to provide foreign language education to the teenagers in the local children's centers.

KOTRA Open Gallery

The lobby of KOTRA's main building is used as an 'Open Gallery.' The pieces under exhibition in the 'Open Gallery' are made by Korean artists using SME products as themes. The 'Open Gallery' therefore serves as a place for collaboration between artists and SMEs. In December 2012, 72 multicultural family members were invited to the gallery for an "Experience Drawing and Talk" event participated by both parents and children.

- ⑤ Multinational Global Power Marketers
- ⑥ Support for exports by social enterprises
- ⑦ Mini Export School
- ⑧ Open Gallery
- ⑨ 'Experience Drawing and Talk' event with multicultural families

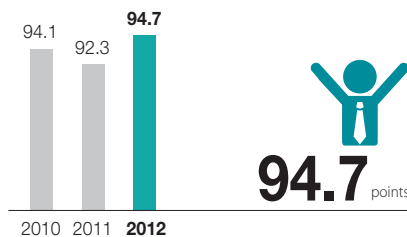


CUSTOMER SATISFACTION MANAGEMENT

Customer Service Charter

To act on the promised made to customers, KOTRA published the Customer Service Charter. Based on this, KOTRA confirms the existence of any issues regarding customer services, and discloses the results on a regular basis.

Customer satisfaction



We will do our best to provide customers with desired services.

We will provide services within the agreed timeline.

We will provide customers with the most updated information.

We will put top priority on our customers' success.

We will conduct corporation-wide social contribution activities.

We will make swift corrections and provide compensation when wrong service provision leads to inconvenience or complaints.

Systemic CS Activities

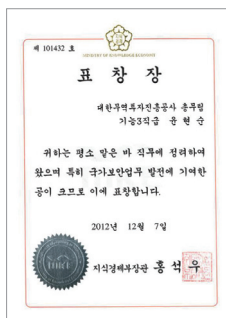
Operation of Diverse VOC Channels

KOTRA operates diverse online/offline VOC (Voice of Customer) channels for customer satisfaction management. Swift reactions are taken to deal with customer opinions or complaints registered through these channels and the collected VOCs are managed in a comprehensive manner.

Enhancement of Information Protection

Customer Information Protection and Management

In 2012, KOTRA encrypted the database of personal information & personally identifiable information as well as the internet sections using personal information in order to ensure safe protection of customer information.



Security award by the Minister of MOTIE



GOAL



SECURITY STRATEGY



PRACTICAL TASKS

Establish the foundation for reliable information services

Manage information protection for information availability, confidentiality, and integrity

Strengthen personal security

- Conduct trainings on information security
- Improve user account management
- Strengthen outsourcing management

Build a technological security infrastructure

- Encrypt personal information
- Install web firewalls and strengthen the authentication system
- Block unapproved storage devices

Strengthen physical security

- Strengthen the control of access to computer & machine rooms and equipment
- Strengthen the management of passwords on technology equipment


Customer Service based on Communication

Voluntary Information Disclosure

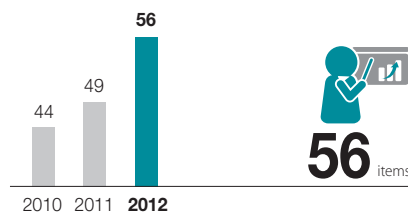
In order to strengthen the communication with customers, KOTRA is continuously expanding the scope of information disclosure. In 2012, we newly disclosed information on the organizational status both internally and externally in Korea, MOU conclusions, overseas exhibitions, trade missions, and performance of branch office services. KOTRA also renewed its website on management information disclosure in 2012 to provide customers with higher convenience. To relieve the fatigue from searching information displayed regardless of quantity, the renewed website has a new screen format with information classified by year under each disclosure item. This has led to the increased number of information users and higher satisfaction level.

Renewal of Portal Sites

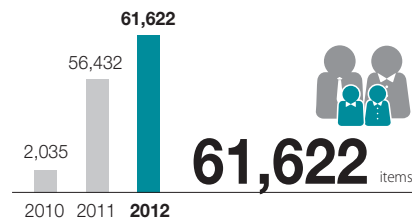
KOTRA renewed 8 portal sites along with its official homepage to enhance user convenience. A comprehensive search function is applied to not only its homepage but also external portals, which contributes to significant improvements in information sharing and user convenience.

KOTRA	<ul style="list-style-type: none"> • Link KOTRA website, mobile service, and SNS channels • Build one comprehensive bulletin board • Conduct a step-by-step integration of old and new websites based on the standard platform • Improve and strengthen the comprehensive search function applied to external portals and intranet
Buy Korea 	<ul style="list-style-type: none"> • Integrate Buy Korea, e-Trade, and KOPS • Provide one-stop service including product promotion, offer discovery, online consulting, and settlement • Design the website based on customer demand
Global Window	<ul style="list-style-type: none"> • Reconstruction of website
Invest KOREA	<ul style="list-style-type: none"> • Renewal of website

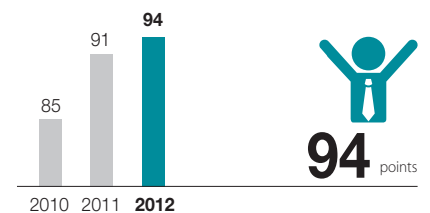
Voluntary disclosure items



Number of users



User satisfaction



ENVIRONMENTAL PERFORMANCE

KOTRA is actively engaged in saving resources and energy to minimize its environmental impact and pursue environment-friendly business management. KOTRA is also tapping green projects and holding relevant consultation meetings to help domestic green companies make inroads into overseas markets.

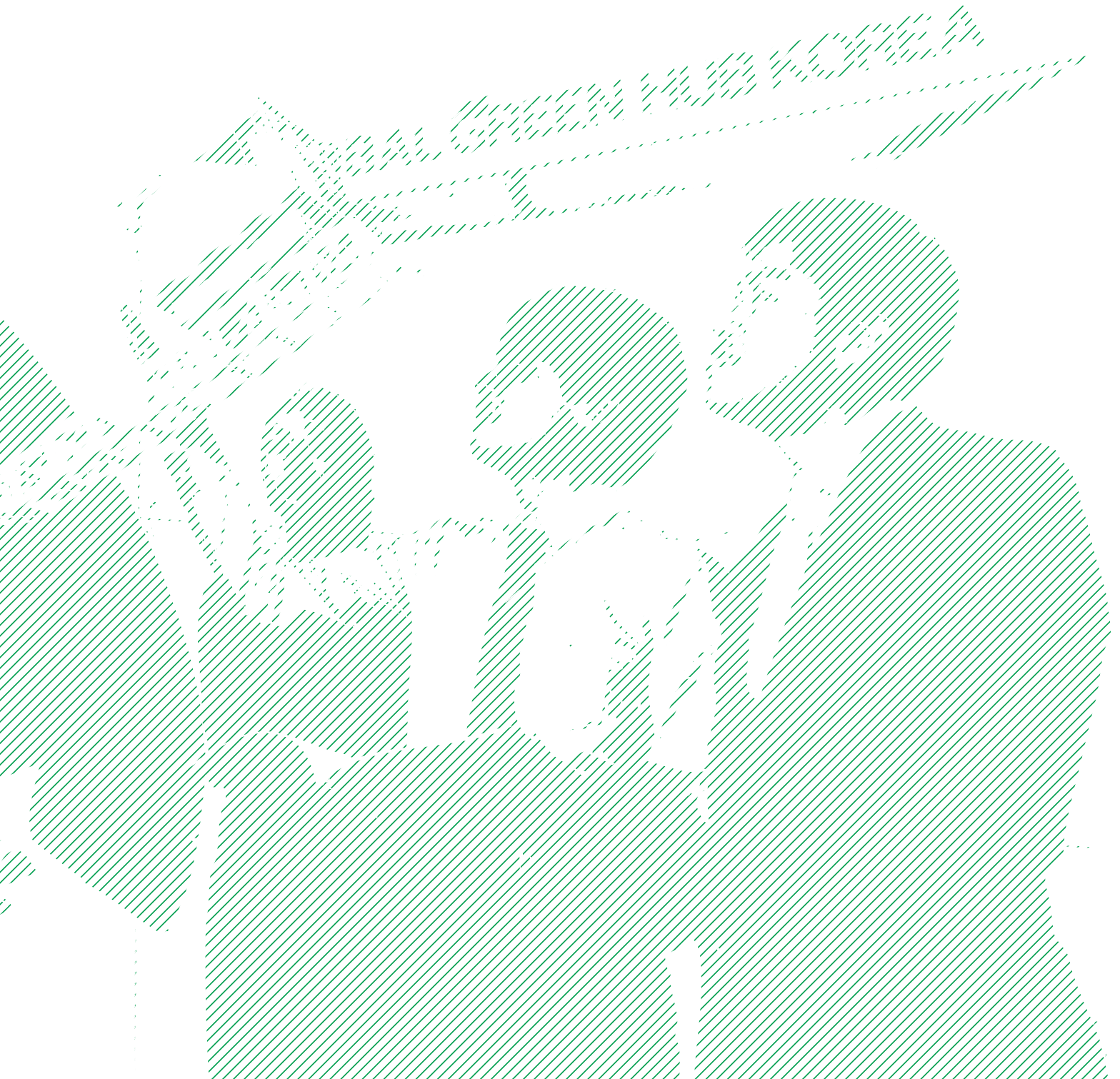


Interview



AOG System is a SME promoting the export of the Korean Ondol system. While we were facing a lot of difficulties in conducting marketing activities abroad, KOTRA provided us with a lot of support through its branch office services, overseas market researches, and green consulting business. The green consulting business was especially helpful in resolving problems we faced as a SME and also promoting our business. I would like to express my appreciation for KOTRA's efforts in helping SMEs enter overseas markets, and look forward to seeing KOTRA's support for the sustainable growth of SMEs based on its mid and long-term strategy considering the business characteristics and marketability of SMEs.

Hui-Gon Lee, CEO of AOG System



ENVIRONMENT-FRIENDLY MANAGEMENT

Environment Friendly Management Activities

Reducing Energy Consumption

KOTRA uses electric energy and LNG as its key energy source, which is mostly consumed for IT system operations, heating and cooling, and lighting. In 2012, KOTRA replaced the old boiler system and increased energy efficiency, which led to 27.2% of reduction in LNG usage from 2011. General fluorescent lights were also replaced with LED lights for further energy savings, resulting in the reduction of electric energy use.

Water Usage Reduction and Recycling

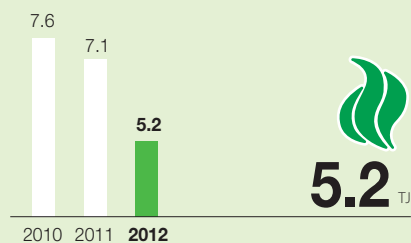
Most of the water used at KOTRA's head office is from underground sources while some are from local waterworks. Starting from 2010, KOTRA is reusing underground water through the water recycling system to reduce the amount of total water usage. Using recycled water is actively encouraged and in 2012, the total volume of reused water reached 1.6 thousand tons. Water re-usage rates are continuously increasing and all of the used water is treated as sewage.

Saving Resources

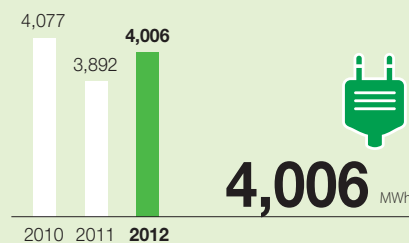
In line with the efforts to reduce resource consumption, KOTRA is refraining from wasting paper and using only 100% recycled paper during its daily business. To further reduce the use of paper, smart devices were distributed to all employees and a group of activities were enforced to increase the use of digital business reporting system.

LNG consumption

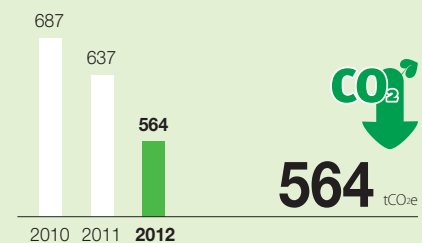
* Applied criteria revised by the Ministry of Environment on December 30, 2011



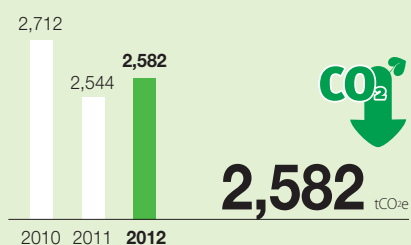
Electricity consumption



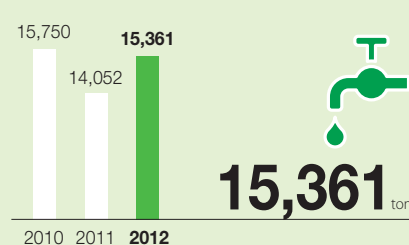
Direct greenhouse gas emissions



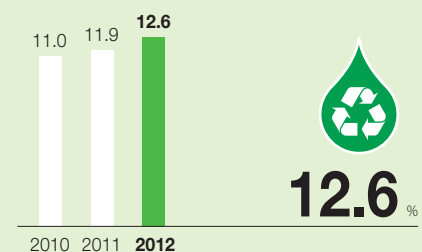
Indirect greenhouse gas emissions



Water consumption



Water recycling rate



Waste Disposal

Most of the waste released by KOTRA is general waste, and no toxic waste is generated during its service provision process. All employees are participating in separate disposal of general waste and recyclable waste, and are doing their utmost to reduce the total amount of waste discharge. All recyclable waste, including paper, cans/bottles, scrap metals, and waste electronic equipment, are handled by a professional waste management company.

Environment Purification Activities

Every year, KOTRA employees participate in an environment purification activity around Yangjae-cheon nearby KOTRA's head office.

Green Purchases and Environmental Investments

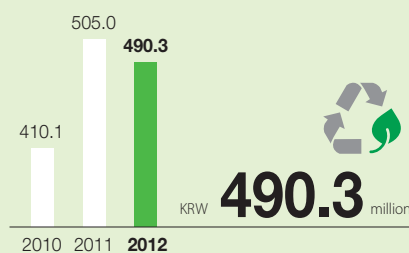
Increasing Green Purchases

In compliance with the government recommendations, KOTRA is actively participating in green product purchasing. KOTRA is striving to preserve the ecosystem by purchasing the ever diversifying green products more than non-green products, such as computers, office furniture, and toner cartridge.

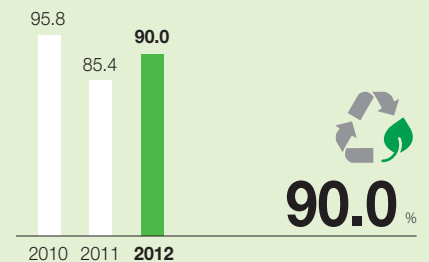
Increasing Environmental Investments

For energy savings and environment protection, KOTRA is replacing general fluorescent lights with LED. As of 2012, 6,439 out of total 7,518 lights (85.7%) in the KOTRA head office are now LED. Moreover, KOTRA has also been replacing old corporate vehicles with eco-friendly hybrid cars since 2011.

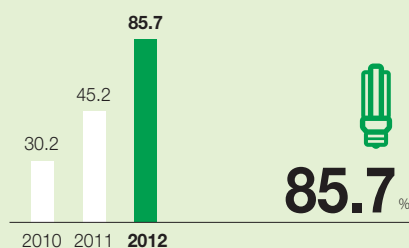
Green purchase



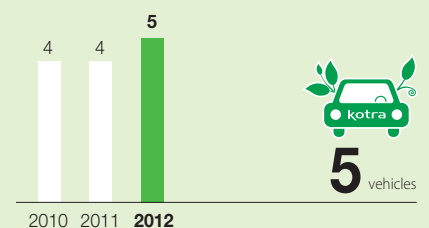
Green purchase rate



LED lighting rate



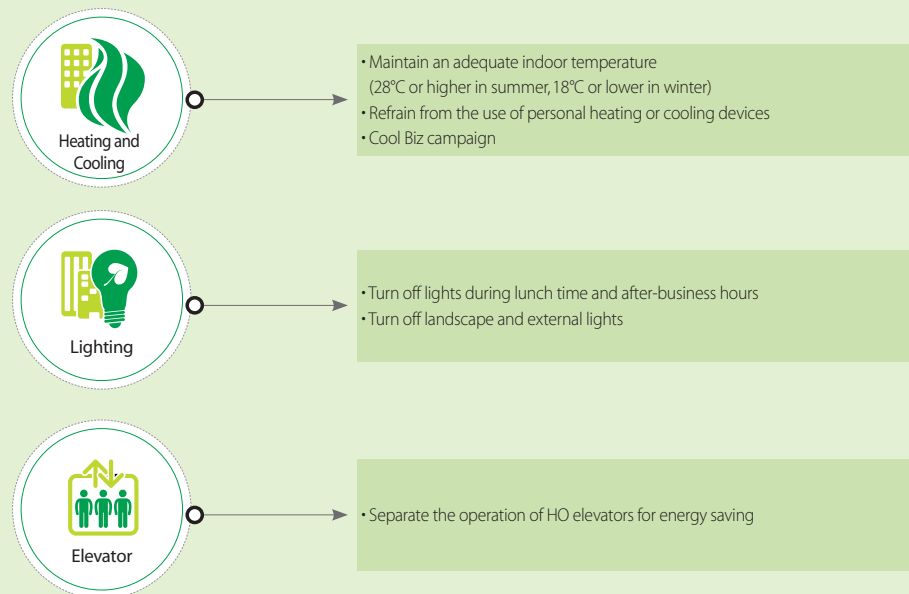
Hybrid car



Leading Low Carbon Green Growth

Implementing Energy Saving Activities

According to the Korean government's 'Guidelines for Reasonable Energy Use in Public Institutions,' KOTRA has developed an energy saving policy and has been pursuing various energy saving activities. The indoor temperature at KOTRA's head office is maintained at an adequate level fit for each season so as to reduce the overall energy consumption. Furthermore, KOTRA is discouraging the use of personal heating or cooling devices and implementing the Cool Biz campaign. Employees turn off all lights including landscape and external lights when leaving the building and elevators are separately operated according to time and floor for energy saving purposes.



Reducing Greenhouse Gas Emissions

KOTRA has direct greenhouse gas emissions from the use of LNG and is doing its utmost to reduce the amount of GHG emissions by raising energy efficiency and conducting a variety of energy saving activities. Moreover, according to the government's 'Guidelines for Reasonable Energy Use in Public Institutions,' KOTRA is making energy conservation a part of its daily business operation and reducing indirect greenhouse gas emissions from the use of electricity.

Green Commuting Culture

All KOTRA employees are participating in the fifth-day--no-driving-system and are encouraged to use public transportation for commuting.

Video Conference System

KOTRA has established Cyber Consultation Rooms, Video Conference Rooms and other business systems that enable video conferences among employees home or abroad. Such systems are used for meetings between the CEO and overseas employees, as well as for various types of strategic meetings. Approximately 200 meetings are being held in the Video Conference Rooms per year.

SUPPORT FOR ENVIRONMENT-FRIENDLY BUSINESSES

Overview

To help domestic green companies capture more overseas project orders, KOTRA has set the directions for 1) strengthened support for overseas market entry, 2) overseas market targeting, and 3) business consolidation, and are carrying out specific strategic businesses in these directions.

DIRECTION	Expand support for the globalization of green projects			Target and focus on overseas markets		Create synergy by integrating businesses		
	Expand project discovery capability	Build and operate consultative bodies at home and abroad	Build and operate consultative bodies at home and abroad	Expand project discovery capability	Expand global networking	Hold the 'Global Green Industry Hub Korea'	Consultation meeting linked with IWA	Consultation meeting linked with REK
STRATEGY	<ul style="list-style-type: none"> • Operate 'Green Cooperation Support Center' and footholds to win green projects • Share project information 	<ul style="list-style-type: none"> • Green Industry's Overseas Advancement Support Council • FS Fund Support Council 	<ul style="list-style-type: none"> • Support feasibility study • Support consultation service 	<ul style="list-style-type: none"> • Focus on emerging markets • Target strategic advanced markets 	<ul style="list-style-type: none"> • Hold consultation meetings for green partnership • Send a delegation to strategic markets 	<ul style="list-style-type: none"> • Integrate businesses • Hold customized consultation meetings 	<ul style="list-style-type: none"> • Invite VIPs • Encourage the participation of domestic green companies by linking with ENTECH 	<ul style="list-style-type: none"> • Link with Korea's largest new and renewable energy exhibition

Key Performance in 2012

KOTRA has built a support platform for overseas market entry by green companies, connected domestic centers and overseas strongholds to strengthen the network with overseas order issuers, and provided green companies with information on new overseas projects. Companies with less experience in projects were encouraged to strategically target emerging markets and also to select and focus on specific and promising markets among advanced ones. Furthermore, various businesses were consolidated for expansion and synergy effect.

Business Performance in 2012

Number of project F/S support



Number of agreements concluded between overseas project owners and Korean companies



Number of project discovery



Number of project presentations



Consulted amount at project consultation meetings



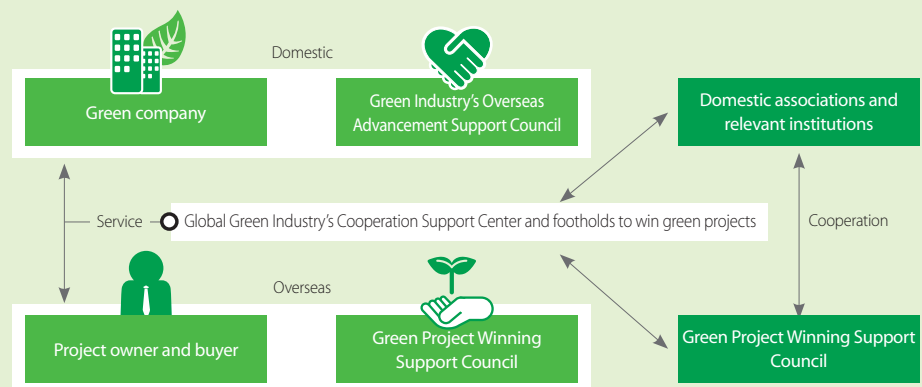
Number of missions dispatched to target markets



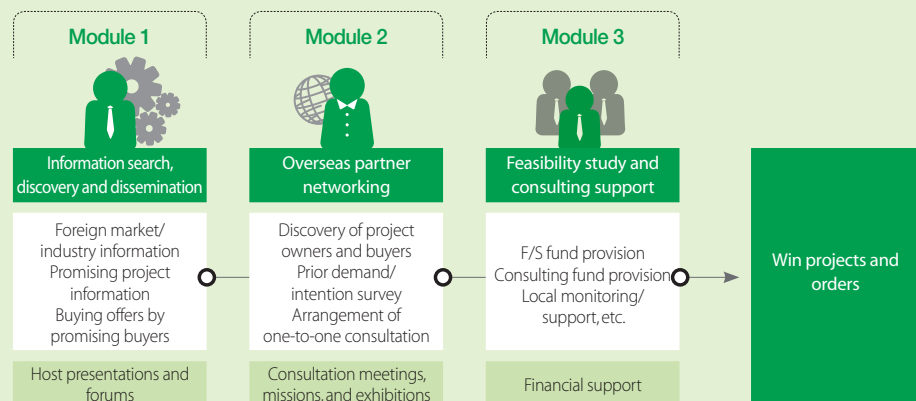
Support for the Globalization of Green Project

KOTRA is providing one-stop service for overseas market entry by domestic green companies through the Global Green Cooperation Support Center and Green Order Capturing Support Centers. In Korea, the Overseas Green Market Entry Support Council is operated to lead support activities for overseas market advancement by green SMEs. Overseas, project-related information is explored and networking with order issuers are strengthened based on the Green Order Capturing Support Centers. As of 2012, a total of 10 centers are being operated including those in Shanghai and Beijing in China, Osaka in Japan, and Frankfurt in Germany. And the number of these centers will increase more the future. Based on the organic platform operation, KOTRA has established a module-type support system for the overall overseas business process of domestic green companies. Through this system, customized support services are provided to Korean companies entering foreign markets, such as provision of overseas market information, discovery of partners, consultation arrangements, and funding support.

KOTRA-Style Platform to Support the Overseas Market Entry by Green Industries



Support System for the Overseas Market Entry by Green Companies



Interview



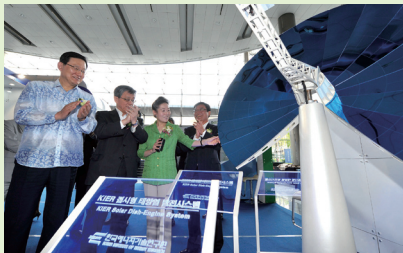
Ecoeye has received much support from KOTRA through its biomass CHP project, ranging from project discovery to negotiation to mediation to legal consulting. We could save a lot of time and money by obtaining diverse information and building networks at the Green Hub Korea event. Moreover, KOTRA's support during the project development process provided us with strong credibility and public confidence in negotiations with our business partners. From Ecoeye's experience, KOTRA was a strong ally providing on-site business support with passion in customer's shoes.

Ki-Sung Kim, Team Manager of Climate Business Development Division of Ecoeye

Customized Support for Strategic Markets

In an effort to participate in environmental infrastructure building projects in strategic markets, KOTRA is pursuing a series of customized businesses. In the case of emerging markets, focusing on 6 areas with promising projects, KOTRA is supporting domestic SMEs having difficulties in making their debut in the global market. Meanwhile, in the case of advanced markets, KOTRA depends on the “selection and focus” strategy for the regions with highly concrete projects, such as the United Kingdom with the world’s largest offshore wind power project, and Japan with strong demands for energy-saving products after the nuclear power plant accident with high potential in photovoltaic projects.

Emerging Markets Designated for Strategic Entry



Global Green Hub Korea 2012



Support for Overseas Networking



IWA-ENTECH Export Consultation Meeting

KOTRA is supporting domestic green companies to build a network in strategic markets. In 2012, KOTRA held presentations and forums 7 times in and out of Korea with a total of 845 participants, where it introduced promising projects in emerging markets and proposed participation methods of Korean companies. Moreover, it sent a delegation 4 times to emerging markets in preparation for the market entry by domestic players. In one of the advanced markets Osaka, Japan, the Osaka Green Partnering Consultation Meeting was held with a series of events including one-on-one green partnering consultation meetings, Korea-Japan Photovoltaic Cooperation Forum, and visits to local green companies for consultation. Around 320 Japanese companies participated in the event and 620 consultation meetings were held, resulting in 170 million dollars worth of consultation effect in photovoltaic and smart grid area.

Creating Synergy Effect through Business Consolidation and Enlargement

Global Green Hub Korea 2012

In June 2012, KOTRA and Korea Environmental Industry & Technology Institute (KEITI) jointly organized the 'Global Green Hub Korea (GGHK 2012)', which was participated by 109 foreign companies from 45 countries and 519 Korean companies. Through project consultation meetings, regional green forums, and key environmental facility inspection programs, a desalination agreement was reached along with multiple MOU signings for project cooperation.

IWA-ENTECH Export Consultation Meeting

In September 2012, KOTRA held an export consultation meeting aligned with IWA and ENTECH. The key participants from IWA and domestic environment-related companies had a chance to get together, which led to a 10 million dollar worth sewage treatment EPC agreement and an MOU for a feasibility study on sewage treatment facilities.

Overseas Project Consultation Meeting at Renewable Energy Korea

Aligned with Renewable Energy Korea, the biggest renewable energy exhibition in the country, KOTRA attracted many promising buyers from home and abroad. One-on-one project consultation meetings and project contract signing ceremonies were held, resulting in 216 consultations and 6.8 billion dollar worth of agreements including the Brazil Photovoltaic Project contract.

APPENDIX

Financial Position and Key Performance Index	67
Sustainability Performance Data	68
Awards and Initiative Memberships	70
GRI Index	71
Third-Party Independent Assurance Report	74



Financial Position and Income Statements

Category	Unit	2010	2011	2012
Summarized Financial Position				
Current assets	KRW in millions	66,474	95,671	92,689
Non-current assets	KRW in millions	41,164	45,211	58,502
Total assets	KRW in millions	107,638	140,882	151,191
Current liabilities	KRW in millions	28,364	22,751	21,953
Non-current liabilities	KRW in millions	13,526	13,462	16,725
Total liabilities	KRW in millions	41,890	36,213	38,678
Share capital	KRW in millions	16,000	32,000	50,000
Share premium	KRW in millions	2,037	2,037	2,037
Accumulated other comprehensive income	KRW in millions	-137	-136	-137
Retained earnings	KRW in millions	47,848	70,768	60,613
Total equity	KRW in millions	65,748	104,669	112,513
Total liabilities and equity	KRW in millions	107,638	140,882	151,191
Summarized Income Statements				
Sales	KRW in millions	286,328	277,928	297,459
Cost of sales	KRW in millions	190,644	177,588	192,216
Gross income	KRW in millions	95,684	100,340	105,243
Selling and marketing expenses	KRW in millions	95,288	95,776	104,770
Operating income	KRW in millions	396	4,564	473
Non-operating income	KRW in millions	7,950	37,656	46,678
Non-operating expense	KRW in millions	982	2,343	30,879
Net income	KRW in millions	7,364	39,877	16,272

Key Performance Index

Category	Index	Unit	2010	2011	2012
Growth	Total assets growth	%	11.84	30.88	7.32
	Tangible assets growth	%	0.26	4.21	4.15
	Sales growth	%	-1.38	-2.93	7.03
Profitability	Operating income margin	%	0.14	1.64	0.16
	Net income margin	%	2.57	14.35	5.47
	Net income to assets	%	6.84	28.31	10.76
	Net income to equity	%	11.20	38.10	14.46
Stability	Current ratio	%	234.36	420.51	422.22
	Debt to equity	%	63.71	34.60	34.38
	Equity to assets	%	61.08	74.30	74.42
	Interest coverage ratio	Multiple	5.10	176.86	786.01
Productivity	Amount of value added	KRW in millions	149,829	184,465	174,450
	Ratio of value added	%	52.33	66.37	58.65
	Labor income share	%	55.70	44.76	52.33
	Gross value added to equity	%	139.20	130.94	115.38
	Gross value added to capital expenditures	%	1,151.57	1,360.43	1,235.30

Sustainability Performance Data

			Unit	2010	2011	2012
Economic Performance						
Operation of pension						
Total amount		KRW in millions		13,789	16,837	18,712
Subscribers (Defined Benefit, Defined Contribution)		Persons		740	772	776
Wage of new employees						
Legal minimum wage		KRW in thousands		10,308	10,836	11,488
Wage of new employees (annual basic wage)		KRW in thousands		23,336	24,504	27,037
Employment of local people						
Number of local employees		Persons		181	217	243
Number of local managers		Persons		14	17	17
Ratio of local managers		%		2.21	2.56	2.58
Social Performance						
Training on ethical management						
Provision of trainings	Online	Cases		2	2	2
	Offline	Cases		9	5	3
Training hours	Online	Hours		14,245	9,440	11,600
	Offline	Hours		431	982	1,007
Number of participants	Employees	Persons		602	678	683
Employment status						
Position	Executive	Persons		7	7	7
	Grade 1	Persons		54	54	56
	Grade 2	Persons		125	136	141
	Grade 3	Persons		155	148	156
	Grade 4, 5 & 6	Persons		280	310	300
	Others	Persons		12	8	-
Gender	Male	Persons		533	536	531
	Female	Persons		100	127	129
New employee	Female	Persons		10	19	16
	Disabled	Persons		2	3	1
	Local talents	Persons		2	2	5
	Science & engineering	Persons		3	5	5
	Total	Persons		26	38	33
Female employment	Female employees	Persons (%)		100(15.8)	127(19.2%)	129(19.5%)
	Female employees over team leader position	Persons (%)		3(0.47)	5(0.76)	7(1.05)
Employment status						
Duty	Executive	Persons		7	7	7
	Trade/Professional	Persons		626	656	653
	Extraordinary position	Persons		101	104	111
Employment type	Regular	Persons		633	663	660
	Indefinite contract	Persons		2	0	1
	Contract	Persons		27	27	31
Region	Domestic	Persons		323	345	384
	Overseas	Persons		310	318	276
Employees with labor right						
Number of target employees		Persons		548	488	485
Subscribers		Persons		427	436	424
Subscription rate		%		77.9	89.3	87.4
Employee training						

* Local manager to regular worker

	Unit	2010	2011	2012	
Number of employees	Persons	734	767	771	
Number of trainings	Cases	665	840	884	
Total training expenses	KRW in thousands	1,562,000	2,305,000	2,356,000	
Training expenses per employee	KRW per employee	2,128,065	3,005,215	3,055,772	
Total training hours	Hours	130,505	139,517	142,250	
Training hours per employee	Hours per employee	177.8	181.9	184.5	
Foreign language training hours per employee	Hours per employee	51.2	62	72	
Training satisfaction	Maximum 5 points	4.05	4.13	4.14	
Target employees for performance and career development evaluation					
Number of target employees	Persons	741	772	776	
Number of evaluated employees	Persons	709	728	737	
Evaluation rate	%	95.7%	94.3%	95.0%	
Training on human rights policy					
Number of trainings	Hours	3	5	4	
Number of participants	Persons	569	728	765	
Complaints on human rights					
Number of complaints	Cases	6	16	7	
Resolved	Cases	6	16	7	
Customer satisfaction					
Number of surveys	Cases	1	1	1	
Customer satisfaction	Points	94.1	92.3	94.7	
Violation of information protection or information loss					
Number of information losses	Cases	0	0	0	
Economic Performance					
Materials consumption (copying paper)	KRW in thousands	27,439.70	21,503.40	17,694.00	
Recycling of materials					
Recycling rate	%	100	100	100	
Purchase of green products	KRW in millions	410.1	505.0	490.3	
Total purchase	KRW in millions	428,191	591,114	544,519	
Green product purchase ratio	%	95.8	85.4	90.0	
Water consumption					
Underground water	ton	12,552	12,549	12,430	
Annual water consumption	ton	15,750	14,052	15,361	
Recycling of water					
Recycle water	ton	1,375	1,494	1,565	
Recycling rate	%	11%	11%	12%	
Direct and indirect GHG emissions					
Scope 1 - direct GHG emissions	Fixed -city gas	tCO ₂ e	392	368	268
	Movable - gasoline	tCO ₂ e	134	109	136
	Movable - diesel	tCO ₂ e	25	31	28
	Direct GHG emissions	tCO ₂ e	551	508	433
Scope 2 - indirect GHG emissions	Electricity	tCO ₂ e	1,901	1,815	1,868
	Indirect GHG emissions	tCO ₂ e	1,901	1,815	1,868
Total direct and indirect GHG emissions		tCO ₂ e	2,452	2,322	2,301
Total expenses and investments in environment protection					
Expenses in waste treatment	KRW	9,696,800	8,387,040	16,776,200	
Sewage	KRW	15,093,990	13,600,140	18,167,320	

** Based on copying papers purchased during the fiscal year

Awards

Awards	Held by	Date
Excellent Institution in Family-friendly Management	MOGEF	Dec. 2012
Minister Prize for Security	MOTIE	Dec. 2012
Best Lecture Award	BESM Forum	Nov. 2012
Sustainability Management Award	MOTIE, SMBA	Nov. 2012
Global Frontier Award	KAIB	Nov. 2012
Grand Prize in Public Institution Sector at GWP Awards	GWP KOREA	Oct. 2012
Best Semi-Government Agency for Sustainability Index	KSA	Oct. 2012
President Prize at National Productivity Awards	KPC	Sep. 2012
Foreign Minister Citation	MOFAJ	Aug. 2012
Selected as Excellent Management Model for Public Institutions	MOSF	Jun. 2012

Initiative Memberships

Organization	Major Activities
Korea International Trade Association	Regular use of trade information DB through the website by the head office and KBCs
Institute of Internal Auditors Korea	Participation in major forums held by the institute, and networking among institutions
Auditors' Forum for Progress	Sharing of information on auditing, enhancement of innovative mindset, and promotion of friendship among members
Korea Society of Public Enterprise	Information sharing channel between related agencies
Korea Accounting Association	Improvement of transparency in financial budget management
Korea Management Association	Exchange of information on training programs of each institution through annual breakfast forums and regular meetings, and PR activities for KOTRA with its president invited as a lecturer at breakfast forums
Korean Red Cross	Participation in social settlement programs
Seoul Foreign Correspondents' Club	Hosting of FDI meetings that invite foreign correspondents in Korea (January), and invitation to FDI meetings targeting prominent foreign media members (November)
Korea HR Club	Attendance at ordinary monthly general meetings, ascertainment of the trends of HR and labor affairs at foreign-invested companies and hosting of a seminar on labor-management relations of foreign-invested companies in collaboration with the HR Club in November
UNGC	Annual submission of a Communication on Progress (CoP) to the UN Global Compact
Quality Leaders Forum	Quality information sharing and networking, and formulation and publication of a quality roadmap for national and industrial development
BEST Forum	Ethical management
World Association of Investment Promotion Agencies (WAIPA)	Forum for exchange of opinions and information among investment promotion agencies from 174 nations; participation in regular conferences
UFI (Global Association of the Exhibition Industry)	Participation in top global exhibitions and government-subsidized exhibitions

UN Global Compact



KOTRA is a signatory to the Global Compact. The Compact challenges business to operate abiding by its ten principles covering the four areas of labor standard, environment and anti-corruption.

The Ten Principles

Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

Labor Standard

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labor;
Principle 5 the effective abolition of child labor; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

GRI Index

● Reported ● Partially Reported ○ Not Reported

Code	Description	ISO 26000	Page	Reporting	Remarks
Strategy and Analysis Organizational Profile					
1.1	Statement from most senior decision-maker in organization	6.2	4,5	●	
1.2	Description of key impacts, risks, and opportunities		18,19	●	
2.1	Name of organization		6	●	
2.2	Primary brands, products, and/or services		6,7	●	
2.3	Operational structure	6.2	6-9	●	
2.4	Location of organization's headquarters		6	●	
2.5	Location of overseas branch offices and sites		8,9	●	
2.6	Nature of ownership and legal form		6	●	
2.7	Markets served		8,9	●	
2.8	Scale of the reporting organization		8,9,12	●	
2.9	Significant changes during reporting period regarding size, structure, or ownership		6-9	●	
2.10	Awards received in reporting period		70	●	
Report Parameters					
3.1	Reporting period		2	●	
3.2	Date of most recent previous report (if any)		2	●	
3.3	Reporting cycle (annual, biennial, etc.)		2	●	
3.4	Contact point for questions regarding the report or its contents		2	●	
3.5	Process for defining report content		20,21	●	
3.6	Boundaries of report		2	●	
3.7	State any specific limitations on the scope or boundary of report		2	●	
3.8	Basis for reporting on comparability from period to period and/or between organizations		2	●	
3.9	Data measurement techniques and bases of calculations for data, including performance index		2	●	
3.10	Explanation of the effects of & reasons for any re-statements of information provided in earlier reports		2	●	
3.11	Significant changes from previous reporting periods applied in the report		2	●	
3.12	Table identifying the location of the Standard Disclosures in the report		71-73	●	
3.13	Policy and current practices with regard to seeking external assurances for the report		74,75	●	
Governance, Commitments, and Engagement					
4.1	Governance of organization	6.2	13,14	●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		13,14	●	
4.3	Number of members of highest governance body that are independent and/or non-executive members		13,14	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to highest governance body		20	●	
4.5	Compensation for members of highest governance body, senior managers, and executives		13,14	●	
4.6	Processes in place for highest governance body to ensure conflicts of interest are avoided		13,14	●	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body		13,14	●	
4.8	Internally developed statements of mission or values, codes of conduct, and principles		10,15,24,30,33,37,46,48,49,50,53,63	●	
4.9	Procedures of highest governance body for management of economic, environmental, and social performances		13,14	●	
4.10	Processes for evaluating highest governance body's own performance		13,14	●	
4.11	Whether and how the precautionary approach or principle is addressed by the organization		18,19	●	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives		70	●	
4.13	Membership in associations and/or national/international advocacy organizations		70	●	
4.14	List of stakeholder groups engaged by the organization		20	●	
4.15	Bases for identification and selection of stakeholders with whom to engage		20,21	●	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group		20,21	●	
4.17	Key topics and concerns raised through stakeholder engagement, and responses to them		20,21	●	

● Reported ● Partially Reported ○ Not Reported

Code	Description	ISO 26000	Page	Reporting	Remarks
EC1	Direct economic value generated and distributed	6.8,6.8.3,6.8.7,6.8.9	12	●	
EC2	Financial implications and other risks and opportunities for organization's activities due to climate change	6.5.5	60-65	●	
EC3	Coverage of organization's defined benefit plan obligations		68	●	
EC4	Significant financial assistance received from governments		6	●	
EC5	Range of ratios of standard entry-level wages compared to local minimum wage at significant locations of operation	6.4.4,6.8	68	●	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6,6.8,6.8.5,6.8.7	69	●	
EC7	Process of hiring local workers preferably and percentages of locally-hired high-ranking managers	6.8,6.8.5,6.8.7	68	●	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	6.3.9,6.8,6.8.3,6.8.4,6.8.5,6.8.6,6.8.7,6.8.9	48-55	●	
EC9	Understanding and describing significant indirect economic impacts	6.3.9,6.6.6,6.6.7,6.7.8,6.8,6.8.5,6.8.6,6.8.7,6.8.9	48-55	●	
EN1	Materials used by weight or volume	6.5,6.5.4	69	●	
EN2	Percentage of materials used that are recycled input materials		69	●	
EN3	Direct energy consumption by primary energy source		60	●	
EN4	Indirect energy consumption by primary energy source		60	●	
EN5	Energy saved due to conservation and efficiency improvements		60-62	●	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives or services more widely used		60-62	●	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		60-62	●	
EN8	Total water withdrawal by source		69	●	
EN9	Water sources significantly affected by withdrawal of water		69	●	
EN10	Percentage and total volume of water recycled and reused		69	●	
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity managed by us	6.5,6.5.6	-	●	No worksite around protection areas and biodiversity areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity biological diversity		-	●	No worksite around protection areas and biodiversity areas.
EN13	Habitats protected or restored		-	●	N/A
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		-	●	N/A
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk and the government and living in the areas affected by our business activities		-	●	N/A
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5,6.5.5	69	●	
EN17	Other relevant indirect greenhouse gas emissions by weight		-	●	N/A
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		60-62	●	
EN19	Emissions of ozone-depleting substances by weight	6.5,6.5.3	-	●	No emission of ozone-depleting substances
EN20	NOx, SOx, and other significant air emissions by type and weight		-	●	N/A
EN21	Total water discharge by quality and destination		60	●	
EN22	Total weight of waste by type and disposal method		61	●	
EN23	Total number and volume of significant spills		-	●	No significant spills
EN24	Weight of transported, imported, exported, or treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII Annex of Basel Convention		-	●	N/A
EN25	Name of water bodies significantly affected by the reporting organization's discharges of water and runoff protection states, protection levels and biological diversity value of related habitats	6.5,6.5.4,6.5.6		●	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5,6.5.4,6.6.6,6.7.5	63-65	●	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5,6.5.4,6.7.5	-	●	N/A
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5	-	●	No violation of environmental regulations
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	6.5,6.5.4,6.6.6	-	○	
EN30	Total environmental protection expenditures and investments by type	6.5	69	●	
HR1	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	6.3,6.3.3,6.3.5,6.6.6	16,17	●	
HR2	Total number of incidents of discrimination, and actions taken	6.3,6.3.3,6.3.5,6.4.3,6.6.6	16,17	●	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	6.3,6.3.5	17	●	
HR4	Total number of incidents of discrimination, and actions taken	6.3,6.3.6,6.3.7,6.3.10,6.4.3	-	●	No crimination
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	6.3,6.3.3,6.3.4,6.3.5,6.3.7,6.4.5	46,47	●	

● Reported ● Partially Reported ○ Not Reported

Code	Description	ISO 26000	Page	Reporting	Remarks
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	-	●	Prohibit child labor according to UNGC and ILO guidelines
HR7	Operations identified as having significant risk for incidents of forced labor, and measures taken		-	●	Prohibit forced labor according to UNGC and ILO guidelines
HR8	Percentage of security personnel trained in the organization's policies concerning human rights relevant to operations	6.3, 6.3.5, 6.4.3, 6.6.6	-	○	
HR9	Total number of incidents of violations involving rights of indigenous peoples, and actions taken	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	-	●	No violation
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		16,17	●	
HR11	Number of complaints related to human rights that are filed, dealt with, and resolved through the official complaint registration channel		69	●	
LA1	Total workforce by employment type, employment contract, and region	6.4, 6.4.3	68	●	
LA2	Total number and rate of employee turnover by age group, gender, and region		42	●	
LA3	Benefits provided to full-time employees that are not provided to temporary employees	6.4, 6.4.3, 6.4.4	45	●	
LA4	Percentage of employees covered by collective bargaining agreements	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	68	●	
LA5	Minimum notice period(s) regarding significant operational changes	6.4, 6.4.3, 6.4.4, 6.4.5	46,47	●	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committee	6.4, 6.4.6	-	○	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		45	●	
LA8	Staff composition by site obtaining the HSE management system certification	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	45	●	
LA9	Disease and safety control programs to assist workforce members, their families, and community members	6.4, 6.4.6	46,47	●	
LA10	Health and safety topics covered in formal agreements with labor unions	6.4, 6.4.7	44	●	Trainings are provided to all employees regardless of gender
LA11	Average hours of training per year per gender and employment type	6.4, 6.4.7, 6.8.5	44	●	
LA12	Programs for skills management and lifelong learning for continued employability and managing career endings	6.4, 6.4.7	69	●	
LA13	Percentage of employees receiving regular performance and career development reviews	6.3.7, 6.3.10, 6.4, 6.4.3	13	●	
LA14	Composition of governance bodies and breakdown of employees per category by indicators of diversity	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	69	●	There is no discrimination in basic wage regardless of gender.
LA15	Ratio of basic salary of men to women by employee category		45	●	
SO1	Return to work and retention rates after parental leave	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	53-55	●	
SO2	Percentage of operations with implemented local community engagement, impact assessments, and development programs	6.6, 6.6.3	15-17	●	
SO3	Percentage and total number of business units analyzed for risks related to corruption		15-17	●	
SO4	Percentage of employees trained in organization's anti-corruption policies and procedures		15-17	●	
SO5	Actions taken in response to incidents of corruption	6.6, 6.6.4, 6.8.3	34,39, 52,61	●	
SO6	Public policy positions and participation in public policy development and lobbying		-	●	No case
SO7	Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	6.6, 6.6.5, 6.6.7	-	●	No illegal behavior
SO8	Total number of legal actions for anti-competitive behavior and monopoly practices	6.6, 6.6.7, 6.8.7	-	●	No violation
SO9	Monetary value of significant fines, and total number of non-monetary sanctions for non-compliance with laws and regulations		-	●	No worksite having direct bad influences
SO10	Operations with significant potential or actual negative impacts on local communities		-	●	Conduct ecosystem production activities regardless of no worksite having direct bad influences
PR1	Countermeasures to move local inhabitants by business developments	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	-	●	No provision of products and services affecting customer health and safety
PR2	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		-	●	No violation of laws and regulations
PR3	Type of product and service information required by procedures	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	24-39	●	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		-	●	No violation of regulations for service information disclosure and voluntary regulations
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	69	●	
PR6	Programs for adherence to laws and standards related to marketing communications	6.7, 6.7.3, 6.7.6, 6.7.9	-	●	Comply with domestic marketing-related laws and have no internal regulation
PR7	Total number of incidents of non-compliance with regulations, standards and voluntary codes concerning marketing communications		-	●	Comply with domestic marketing-related laws and no violation
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7, 6.7.7	69	●	
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning provision of products and services	6.7, 6.7.6	-	●	No violation of laws

Third-Party Independent Assurance Report

INTRODUCTION

Det Norske Veritas Certification Ltd. (hereinafter referred to as 'DNV') has been commissioned to carry out assurance engagement on Korea Trade Investment Promotion Agency(hereinafter referred to as 'KOTRA') 2012 KOTRA Sustainability Report (hereinafter referred to as 'the Report'). This engagement focused on the information provided in the Report and the underlying management and reporting processes.

This Assurance Statement is intended for the readers of the Report. KOTRA is responsible for the collection, analysis, aggregation and presentation of all information within the Report. DNV's responsibility regarding this Assurance engagement is to the management of KOTRA only, in accordance with terms of reference and scope of work agreed. DNV disclaims any liability or responsibility to a third-party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

SCOPE OF ASSURANCE

This Assurance Engagement covered data from calendar year 2012. The scope of DNV's Assurance Engagement, as agreed with KOTRA included the verification of:

- Sustainability policy, goals, initiatives, practices and performance, as described in the Report. These were verified at company level.
- Health & Safety, Social and Environmental data management systems, and associated processes and tools for collecting, analysing, aggregating and reporting quantitative and qualitative information provided in the Report.
- Processes for defining the boundaries, focus and content of the Report.
- Review of the extent to which the principles and requirements of the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting (GRI G3.1) are reflected in the Report.
- The extent to which the principles of Materiality, Inclusivity and Responsiveness are adopted. The reliability of the information within the Report was verified to a Moderate level of assurance.

KOTRA's reporting boundaries include all operations in Korea and international offices over which KOTRA's management exercises significant control.

LIMITATIONS

The engagement excluded the sustainability management, performance and reporting practices of KOTRA's suppliers, contractors and any third-parties mentioned in the Report. DNV did not interview external stakeholders as part of this Assurance Engagement. Economic performances including financial data were cross-checked at head-office with internal documents and the financial statements audited by another 3rd party.

STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV provides sustainability risk management services through specialists worldwide. This engagement was undertaken by a multi-disciplinary team of suitably qualified and experienced sustainability professionals. DNV was not involved in the preparation of any information presented in the Report. DNV did not provide any services to KOTRA in 2012 that could compromise the independence or impartiality of our work.

VERIFICATION METHODOLOGY

This Assurance Engagement was carried out in March 2013, and in accordance with the DNV Protocol for Verification of Sustainability Reporting (VeriSustainTM).

In reaching our conclusion, we have undertaken the following work; Visited OCI's Head office, Republic of Korea;

- Interviewed KOTRA's executive;
- Visited KOTRA's office in Seoul, Republic of Korea;
- Examined relevant documents, data and other information requested by DNV and made available by KOTRA;
- Reviewed the mechanisms implemented by KOTRA to promote and oversee its sustainability-related policies as described in the Report;
- Reviewed a selection of internal communication and external media reports relating to KOTRA's sustainability management approach, performance and adherence to its policies;
- Analysed sustainability data management systems, assessing specific data and information reported.
- The assessment of reliability of data and information was based on explicit assertions regarding sustainability performance on material issues and included a review of their completeness and accuracy.
- Checked that the Report fulfils the requirement of GRI Application Level.

CONCLUSIONS

In DNV's opinion, and based on the scope of this Assurance Engagement, the Report provides a reliable and fair representation of KOTRA's sustainability strategy, policy, practices and performance in 2012.

Based on the work undertaken as part of this Assurance Engagement, DNV believes that the Report generally meets the principles, content and quality requirements of GRI G3.1. The Report meets the requirement of GRI Application Level 'A+'. Further conclusions and observations on the adoption of reporting principles and specific performance information are made below;

Inclusivity: Acceptable Level. KOTRA has engaged with a wide range of stakeholders regarding sustainability issues via survey and interview. The stakeholder engagement covers a wide range of stakeholders. Stakeholder engagement process is disclosed in the Report. 6 Stakeholder groups which are, Customers, Employees, Government, Interagencies, Media, Non-profit Organizations are identified. Why these stakeholders are selected and how the communication processes for respective groups go are stated in the report. However, most issues were from internal employees. It is recommended that the mid or long term issue research be planned and performed with various stakeholders so that the concerns and expectations of these stakeholders are reflected into the sustainability strategy of KOTRA.

Responsiveness: Acceptable Level. Stakeholders' views, interests and expectations sought from the survey are considered in the preparation of the Report and in the formulation of KOTRA's sustainability management approach. Comparatively less mature systems are in place. KOTRA is recommended to establish quantitative objectives corresponding to respective material issues and regularly monitor and measure the performance. These needs to be reported in the sustainability report.

Materiality: Acceptable Level. The Report generally provides an account of performance on the issues that are most significant to KOTRA's activities and which are most relevant to its stakeholders. The material issues were identified and prioritised based upon the stakeholders' opinion sought by survey.

Reliability: Acceptable Level. Data and information presented in the report are generally reliable. However, internal assessment of data management and data checks need to be implemented. The Report is referred to GRI G3.1 for preparation so that the readers can compare the performance and changes over time. The control of the data and information about the sustainability performance should be improved. Some data in the report are found inconsistent with the source data during the verification and subsequently corrected.

Completeness: Acceptable Level. The scope and boundary of the Report cover the issues and activities that are of most significance to KOTRA and relevance to its stakeholders. No material omissions were identified in data or information verified. More efforts to improve reporting on the performance from international business operations need to be made.

Neutrality: Acceptable Level. The information in the Report is generally presented in a balanced manner. The Report clearly distinguishes between factual presentation and the reporting organization's interpretation of information.

OPPORTUNITIES FOR IMPROVEMENT

The following is an excerpt from the observations and opportunities reported to KOTRA's management in addition to the recommendations above. However, these do not affect our conclusions on the Report and are provided to encourage continual improvement. Continue to raise awareness and internally conduct verification on all data and information to be disclosed to ensure its accuracy and reliability.

- Adopt more structured and systematic processes for data gathering, analysis and reporting as part of the existing internal audit program to ensure the accuracy and reliability of reported information;
- Progressively extend the scope of Environmental reporting data to operations and projects overseas;
- Plan and perform the mid or long term issue research with various stakeholders so that the concerns and expectations of these stakeholders are reflected into the sustainability strategy of KOTRA.



Seoul, Korea 25 March 2013

A handwritten signature in black ink.

Cheol Soo Kim
Lead Verifier

A handwritten signature in black ink.

Seung Hyun Kwak
Technical Reviewer

A handwritten signature in black ink.

In Kyooh Ahn
Country Manager



This report was printed on environment-friendly paper using soy ink.

kotra

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