



United Nations Global Compact

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Lee International
IP & LAW GROUP

Communication on Progress 2013/14

Statement of Continued Support by the Chief Executive Officer

The importance of ethics and compliance is widely recognized, not only in developed countries but also in the developing world as well. It has become essential as companies expand their reach globally to maintain the highest possible ethical standards. Undeniably, ethics compliance management has become the last hurdle for the survival and growth of companies in this era of global competition.

Lee International was founded by the late Dr. Yoon-Mo Lee, the first director of the Patent Bureau. Since its inception, our office has been a steadfast leader in protecting intellectual property in Korea. While maintaining traditional values and upholding a strong reputation, our office has continued to mature for decades.

From the beginning, our firm mainly assisted foreign clients with their legal matters recognizing the importance of globalization and its value for the future and has continued to preserve ethical compliance and transparency in management.

One of our goals is to pronounce our will to introduce standards of ethical management and ensure they are maintained industry-wide. In accordance with this principle, we have signed on to the United Nations Global Compact (UN Global Compact) and pledged to support the 10 principles it espouses including human rights, labor, environment and anti-corruption. We also promise to embody our catchphrase, "Happiness Creator," along with our compliance programs to promote our group's future and contribute to the flourishing of humanity.

November 2013

Seung-Ki Kim, Chief Attorney at Lee International Patent & Law Office



1. Human Rights Principles

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

Our Commitment or Policy

Our system of laws basically originated from the norms brought about by social agreements to protect society and the rights and property of its members. As a member of the legal community, we, the employees of Lee international, have complied with the rules and have maintained our code of conduct both inside and outside the firm.

Implementation

The following measures have been implemented to improve our office environment:

1. We made a comment box to collect anonymous opinions for improvements. Those opinions are actively reviewed by management and reflected in our policy
2. To protect rights of female workers, we guarantee maternity leave up to 1 year. We are also equipped with in-house nurseries, have initiated a limit on pregnant workers' hours, and have designated a person to be in charge of matters relating to sexual harassment and education thereof.
3. To promote member relations, We support the Alpine club, bowling clubs, social fraternity, and a company soccer team both financially and socially
4. To encourage teamwork between members of the department and boost synergistic engagements, we have been allowing fraternity funds to support private meetings.
5. To help each employee develop their capabilities and improve their lifestyle, we conduct English, Japanese, and Chinese (irregular) classes twice a week, as well as flower arrangement classes, and reading clubs. When the assignees have shown improvement we provide them with a voucher program as an incentive.
6. To improve work efficiency and quality of personal break time, we have provided an employees' lounge on each floor equipped with a refrigerator, sofa, dining table, and heating equipment.

Members of our office have also been actively seeking opportunities to contribute to our community and have so far performed the following:

7. Talent donation: Our attorneys whose names are registered with the KPAA (Korean Patent Attorneys Association) have provided pro-bono work representing inventions without charge to promote small to mid-sized businesses and to support youth enterprises.
8. We hold a periodical bazaar to raise funds for the construction of clean wells in Cambodia.
9. Each member's private donation has been gathered bi-monthly and delivered to three public organizations including an orphanage and sanatorium.

Assessment of outcome

We operate a free bulletin board and an anonymous open opinion box so that employees can raise concerns or issues within office management and voice unjustifiable violations of human rights without penalty or identity exposure. We also frequently circulate anonymous questionnaires which encourages our employees to submit feedback to our management system.

The results of our firm's survey conducted in 2012 significantly dictated 2013's policy initiatives. As a result, we expect higher employees' satisfaction and overall moral and ethics level. We will continue to conduct annual surveys at the end of each year.

2. Labor Principles

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

Our Commitment or Policy

Our office established a strict, in-writing policy against discrimination in the workplace.

All of the employee's rights, responsibilities, compensation, and benefits are clearly outlined in our management system.

Implementation

Our management is practicing the following activities to prevent unreasonable or unfair

practices and labor rights violations throughout the workplace:

1. Collecting anonymous opinions from an open comment box in the lounge to encourage employees to report acts of discrimination, coercion, and harassment or of any witnessed acts perpetrated against others, if present.
2. For the benefits of workers who have parental responsibilities, we have initiated a flexible attendance schedule and altered the closing hour selectively.
3. Biennially, we offer all employees a number of free health-related programs including health screenings and flu shots.
4. We initiated a graduated bonus structure commensurate with length of service.

Assessment of outcome

Our average employees' tenure since our founding is 6.2 years with a retention rate of over 12% for employees who remain with us 10 years or longer. We take great pride in those numbers as they reflect a highly satisfactory working environment.

3. Environmental Principles

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

Our Commitment or Policy

As a responsible member of our community, Lee International has initiated various energy conservation and renewable resources campaigns to support sustainable development and community stability.

Implementation

1. We have implemented an electronic library system in order to most efficiently utilize space and conserve resources. In accordance with this goal, our firm has digitized our archive dating back to the firm's inception. This has achieved much greater management effectiveness and has hugely impacted our environmental footprint.

2. Concurrent with our digital archive, we have further initiated an E-documentation system throughout administration and management to eliminate waste and allow for faster and more efficient office-wide communication.
3. Energy saving program: we regulate our environment so that it is kept to an appropriate temperature throughout the year. As an added bonus, in the warmer summer months male employees may elect not to wear ties if so inclined. Overtime or emergency workers are obligated to turn off all equipments that are not being used on current time.
4. We initiated a program to deter unnecessary printing and use recycled papers whenever possible.

Assessment of Outcome

Implementation of our efficiency programs above led to an overall 25% increase in efficiency with an equal reduction in environmental impact and overhead costs.

4. Anti-Corruption Principles

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

Our Commitment or Policy

Lee International has a strict anti-corruption policy and is steadfastly opposed to the offering or solicitation of all bribes and/or favors. As employees engaged in law-related occupations we endeavor to comply with the highest ethical awareness and conduct our own system wide audit to prevent fraud and corruption.

Implementation

1. Disciplinary measures are in place for any act to offer and/or receive any bribes or favors.
2. When a supervisor gives instructions that are unfair or inhibit the original job's purpose (with or without intention to impede subordinate's duty), initially, the related supervisor will be instructed to take an appropriate consultation with the authority. However, if our office discovers that such behavior is repeated, a penalty/punishment will be imposed on such supervisor.
3. Any team member found to be issuing repeated instructions or engaging in any

behavior that may impair or impede the duties of another employee will be subject to disciplinary action from consultation until their termination.

4. No team member shall engage in any conduct or work on any cases with either a direct or indirect financial link to any relatives including spouses or lineal descendants so as to avoid any potential conflict of interest or perception thereof.

No employee shall be subject to discrimination or favoritism based upon acquaintance, relation, patronage, or religious affiliation

As noted above, if any act in violation of anti-corruption act is discovered, we reflect the same in our employees' performance evaluation.

The aforementioned anti-corruption policies were enacted in accordance with reviews received from our employees' performance appraisals.