

2013 ATUS Sustainability Report

Sustainability Management of ATUS



April 2014

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00. Overview of the Report

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Message from the CEO

We are pleased to have this opportunity to pledge our commitment to ATUS' sustainability management through this report.

Since its establishment on May, 2004, ATUS has grown into a professional enterprise that provides Total Education Solution services for business education consulting.

Today, the most important factor for a company's growth and sustainability is cultivating its human resources. Therefore, in order to develop a more systematic training program for the next generation of company leaders and to promote company-wide growth, ATUS will continually implement changes and work toward innovation. Furthermore, ATUS will ensure its sustained viability through its commitment to social responsibility and aspire to become a company of the future.

ATUS aims to achieve the following goals in order to systematically execute sustainable management:

First, to attain high competitiveness, ATUS aims to develop its core competence and innovativeness, and grow into a company that contributes to society.

Second, ATUS pledges its commitment to social responsibility and will strive to achieve maximum growth by promoting the mutual advancement of all parties concerned.

Third, ATUS will strive to meet the global standard of transparency and integrity.

Fourth, ATUS will actively work towards a people-oriented management style in order to raise the quality of life of the executives and staff members, and thereby create a desirable working environment.

ATUS will strive to further its ethical, environmental, creative, and innovative efforts, as well as effectively execute sustainability management to become a trusted and respected company. Thank you.

April 1, 2014

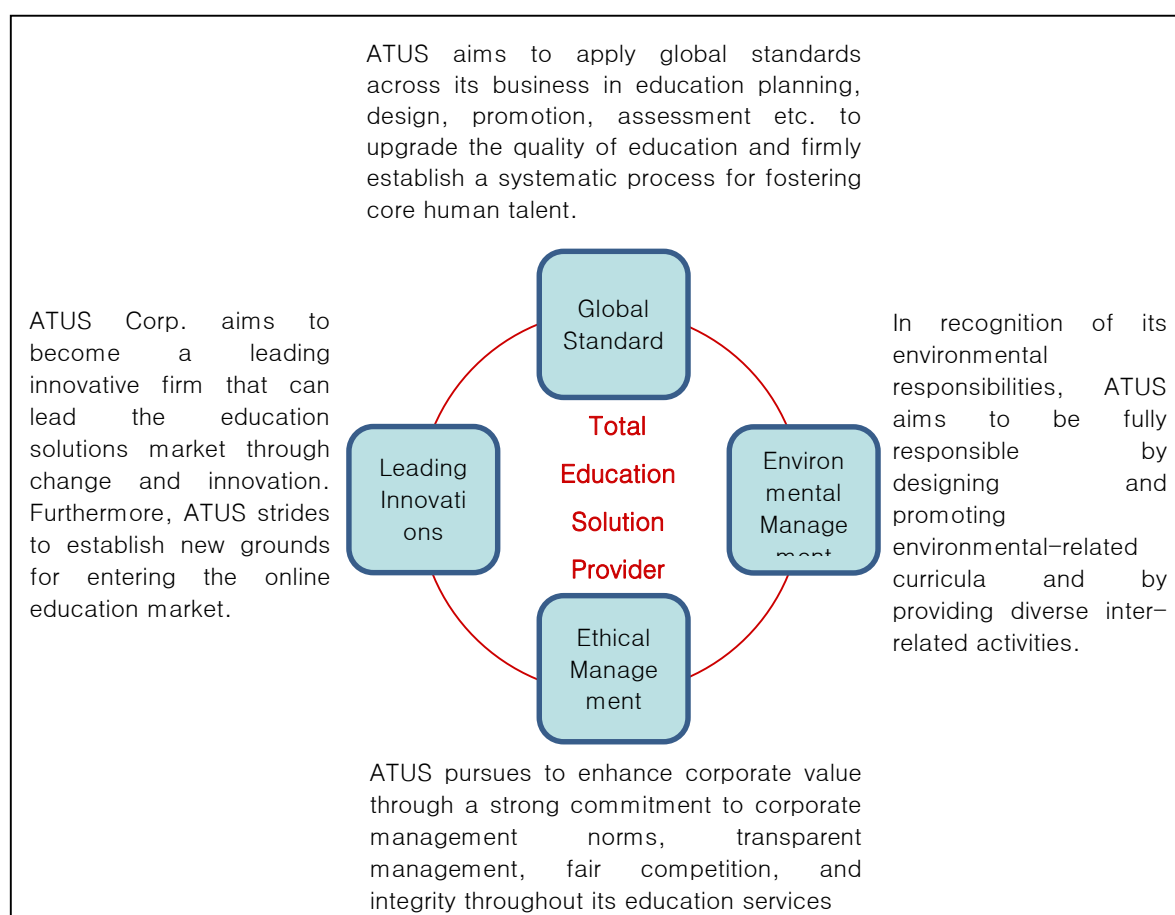
Hae-Kwang Lee
CEO, ATUS Corporation

Vision and Values of ATUS

Since its establishment in 2004, ATUS has been working hard under the overriding banner of sustainability management. To this day, the company remains committed, toward not only the continued survival as a business, but also toward becoming a company that fulfills corporate social responsibilities.

■ Vision

Offering a wide range of services from education program design, program management, and business management consulting, ATUS aims to provide a comprehensive education that champions global standards, leading innovations, environmental management, and ethical management. ATUS also intends to set the future standards in Total Education Solutions among educational providers.

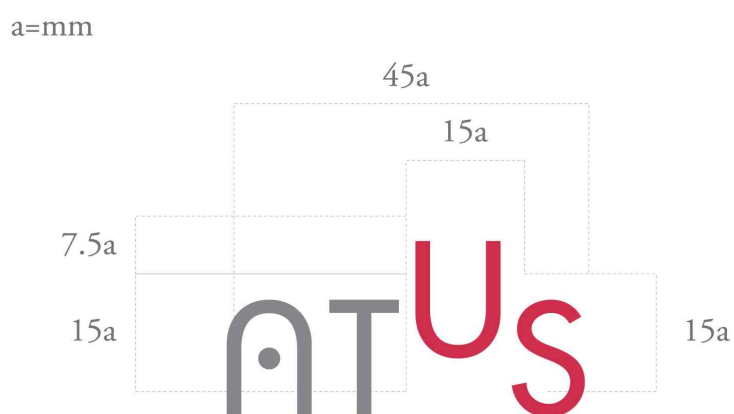


Overview of ATUS

Corporate Name	ATUS Corporation
CEO	Hae-Kwang Lee
Date of Establishment	May 29, 2004
Business Type	Business Education Consulting and Online Education Services
Gross Revenue	KRW 1.48 billion (2013)
Corporate Address	203 Shincho-ro, Seodaemun-gu, Seoul, South Korea

■ ATUS' Corporate Image: CI

ATUS, a synthesis of “At” and “Us,” implies the notion of “together,” refers to the intent to advance together with clients and customers. The idea came about through public participation, which involved an open contest and open vote amongst the entire management and staff of ATUS.



Global Compact: Ten Principles to Practice

On January 8, 2008, ATUS became the 94th organization in South Korea to join the UN Global Compact and is working to practice the 10 Global Compact principles.



Category	Principle	Practice
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	Code of Conduct
	2. Make sure that they are not complicit in human rights abuses.	Code of Conduct
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Arbeitsordnung
	4. The elimination of all forms of forced and compulsory labour.	Arbeitsordnung
	5. The effective abolition of child labour.	Arbeitsordnung
	6. The elimination of discrimination in respect of employment and occupation.	Arbeitsordnung
Environment	7. Businesses should support a precautionary approach to environmental challenges.	Introduction of Smart Work
	8. Undertake initiatives to promote greater environmental responsibility.	River Improvement Campaign
	9. Encourage the development and diffusion of environmentally friendly technologies.	Education Projects
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	The Code of Gift Exchange

Corporate Governance

ATUS Corporation is an affiliate organization of the Institute of Industrial Policy Studies (IPS) that was established on May 29, 2004 by Seoul Academy, Inc. as a major stakeholder. Built on a decade of expertise that began at IPS, ATUS has seen continuous growth as a professional organization that provides Total Education Solutions, which further out into business consulting activities.

■ Corporate Governance

ATUS is a corporation consisting of 18 stakeholders and 4 board of directors, and adheres to the rights of shareholders and board of directors as stated by commercial law. The 4-member Board of Directors is not influenced by the corporation's shareholders and is run independently.

■ Board of Directors' Actions

In August 2013, executive director Hae-Kwang Lee was named CEO of ATUS by the Board of Directors. His wealth of knowledge and experience in business management is expected to contribute widely to the development of ATUS. The Board is composed of three executive directors and one auditor. This Board of Directors is working toward enhancing the corporation's value and shareholders' interests by utilizing broad understanding of the industry and diverse experience.

Board of Directors Meeting (April 2014)	
Name	Title
Hae-Kwang LEE	CEO, ATUS Corporation
Jae-Hyeon DO	Non-executive Director (aSSIST)
Yong-Joo CHOI	Non-executive Director (aSSIST)
Eun-Joong KIM	Auditor (서울경제경영)

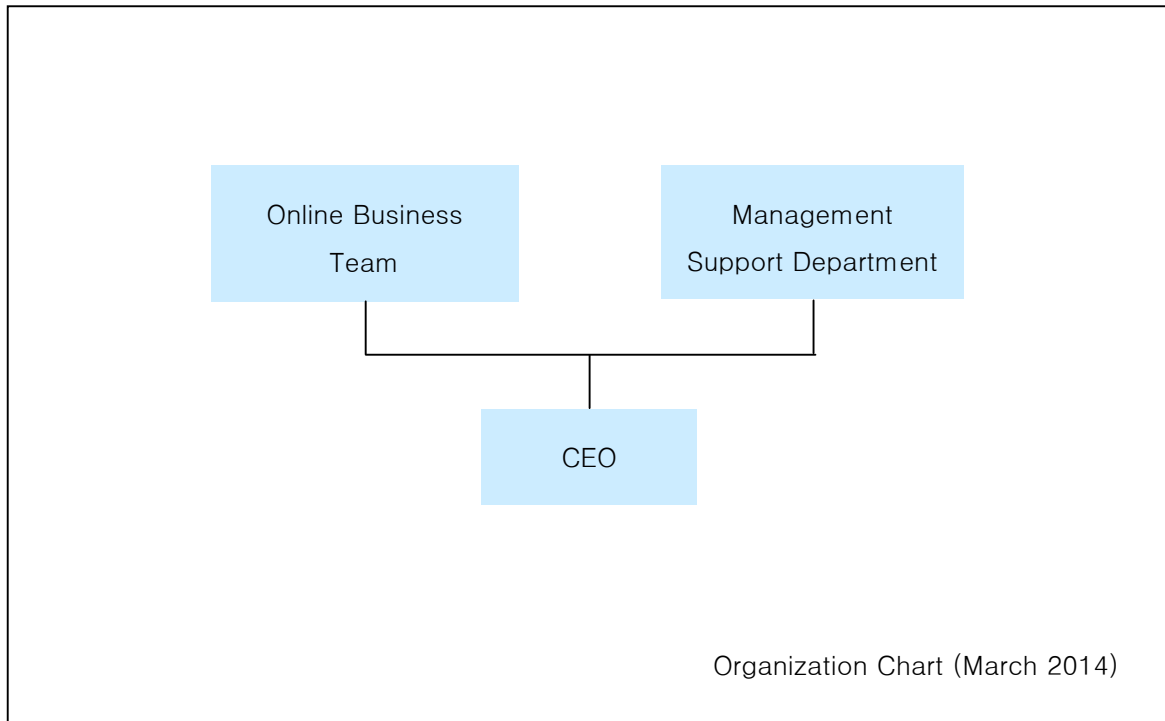
■ General Meetings of Shareholders

The General Meetings of Shareholders are classified into provisional meetings and regular meetings.

General Meetings of Stakeholders History (March 2011 – March 2014)

Date	Agenda
March 2014	Addition of Business Area: Software Development, e-learning
March 2014	Financial Statement and Budget Approval
August 2013	Inauguration Approval of Hae-Kwang LEE as CEO
March 2013	2012 Financial Statement Approval
February 2013	Amendment in the Articles of Association: Company Name Change
January 2013	Report on Supporting the Institute of Seoul Fashion & Art (ISFA)
January 2013	Inauguration Approval of Chae-Yoon LEE as CEO
March 2012	2011 Financial Statement Approval and Sole Representative Inauguration Approval
December 2011	Incorporation for Institute of Seoul Fashion and Arts
March 2011	2010 Financial Statement Approval

Organization Chart



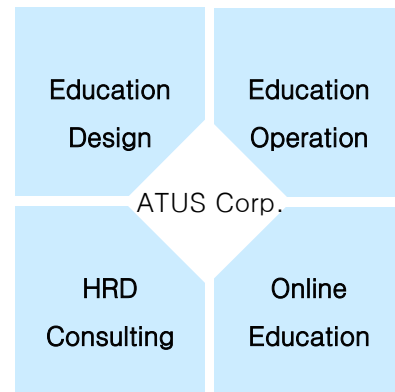
The total number of executives and staff as of the end of 2013 is by average 11, which is mostly comprised of a clerical workforce. The total number of staff has reduced by approximately 56% since last year (2012) due to the business restructuring, and the activities regarding sustainability management are run by the Management Support Department.

Services at ATUS

Launched in 2004 with the goal of serving as a Total Education Solution Provider, ATUS not only provides the education necessary for developing the core human resources of business partners, but offers diversified education services to cultivate competent members of society. Through connections with renowned universities abroad established from extensive experiences in education operation by management and employees ATUS is

responding the needs of relevant businesses by offering customized education programs, short-term programs for professional human resource training, diverse forms of curriculum planning and design to accommodate the challenges of start-up companies, as well as meeting other customer needs.

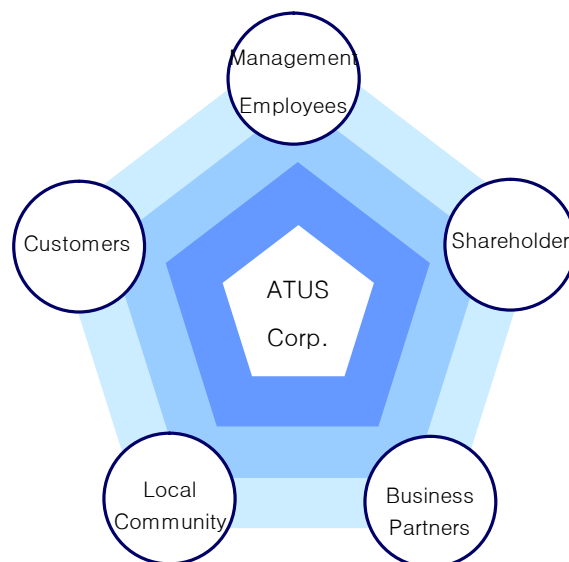
Not only operating education programs, but by entering into new areas of HRD consulting and online education contents, ATUS is planning to expand into a business for total business education consulting.



**Comprehensive Business
Provider**

Stakeholders

A stakeholder is defined as any individual or group that influences or is influenced by ATUS' management activities. It is the company's policy to respond proactively to each and every stakeholder group. This report uses value chain and influence as standards to conduct a stakeholder analysis. As shown in the diagram, we have five main interested parties: management and employees, customers, shareholders, business partners, and the local community. ATUS is committed to collecting the diverse views of all stakeholders and is highly receptive to all feedback and critique.



■ Management & Employees

All management and employees that serve at ATUS represent internal stakeholders. ATUS adopts an impartial hiring system to shape its management and employee structure, and continues to provide ongoing opportunities for life-long development and growth for its employees. Moreover, through a fair wage and benefits system, ATUS strives to provide adequate compensation as well as stable and sound working conditions for all.

■ Customers

Customers include both corporate and individual consumers that use ATUS' services. ATUS is committed to providing the best services possible to boost the competency level of core human resources in corporations as well as in society at large and its constituents. To this end, ATUS conducts regular customer satisfaction surveys and ensures the application of customer feedback in future services.

■ Shareholders

Shareholders are institutional and individual investors holding shares at ATUS. We advocate the creation of sound shareholder wealth through business performance

distribution and payout, and are working hard to enhance long-term shareholder returns by maximizing enterprise value.

■ **Business Partners**

Our business partners include financial institutions, distributors, online companies, ad agencies, etc., that engage in various forms of transactions with ATUS. We view all such parties as valued business partners, and are dedicated to ensuring fair and equitable business with all of them. ATUS offers all qualified companies equal business opportunities based on the principle of free competition. ATUS also provides all partners with equal access to any necessary business information.

■ **Local Community**

ATUS wishes to contribute to competence building and life-long learning through diverse high quality education services. A diligent tax payer, ATUS upholds all laws and regulations including those concerning environmental protection, and is making every effort to reduce its water and energy usage by adopting a rigorous system of resource management. ATUS recognizes that it is a part of the local community and intends to become leading social contributors by helping create sound personal wealth and corporate value.

Report Information

Since establishment, ATUS has dedicated itself to sustainability management. ATUS published its 2013 Sustainability Report to review and build on its past and to be able to better advance toward the future.

■ Reporting Scope and Time Period

This report uses data collected as of the end of 2013. The economic productivity section consists of data collected from the last 3 years from January 2011 to December 2013. ATUS produced a comprehensive report of all business activities in terms of their economic, social, and environmental dimensions.

■ Reporting Guidelines

ATUS' Sustainability Report adheres to the BEST Sustainability Reporting Guideline, which was jointly developed by the Ministry of Trade, Industry and Energy, the Korean Chamber of Commerce, and IPS. All figures quoted in the report are based on the Korean Won. The BEST guideline supplements the weak points of the "Global Reporting Initiative" (GRI), which is widely used in the Western hemisphere, and is more applicable for the Korean business environment. The guideline includes social responsibility and innovation management, and allows companies to select a standard based on company size.

■ Report Content

Economic Performance ATUS provides key financial highlights and performance outcome and reports on the performance of its innovation and creativity management initiatives.

SR Performance ATUS reports on its business ethics practices regarding the treatment of its management and employees; its internal control system to prevent unethical behavior; system for supporting win-win with its business partners; and customer satisfaction and service related policies. It also reports on contribution to society and related issues.

Environmental Performance ATUS reports on its stated environmental policies and environmental monitoring outcome.

01. Economic Achievements

This section highlights ATUS' financial performance and current status in order to report on economic outcomes, as well as the innovation and creativity management methods required for these outcomes.

Highlights on Financial Performance

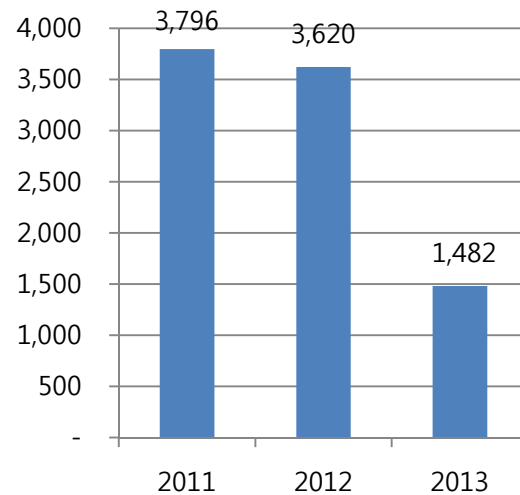
Innovation Management

Creativity Management

Highlights on Financial Performance

■ Revenue

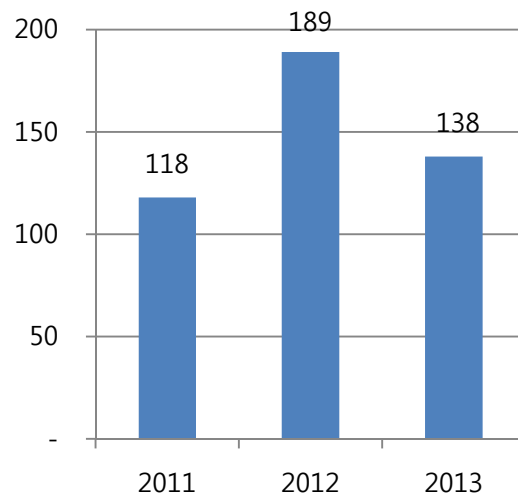
Revenue recorded KRW 3.79 billion in 2011, KRW 3.62 billion in 2012, and KRW 1.48 billion in 2013.



Revenue (KRW million)

■ Current Status of Tax Payment

The 2013 year-end corporate tax payment amounted to KRW 138 million, an amount decreased by 26% from last year's figures. ATUS fulfills all tax payment obligations so as to contribute to both nation and society.



Corporate Tax (KRW million)

■ Key Financial Records

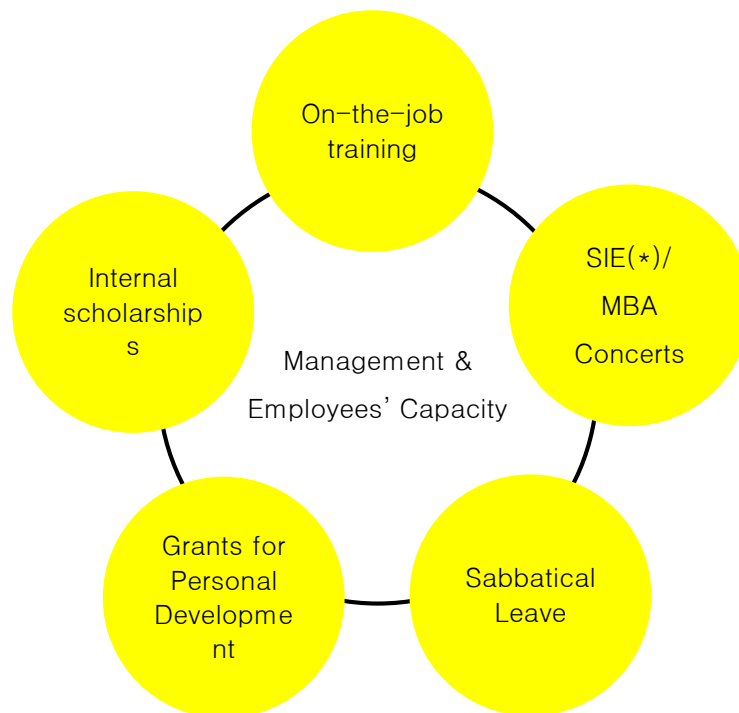
(KRW million)

Year	Revenue	Corporate Tax	Net Profit	Asset	Capital
2011	3,796	118	470	4,364	3,000
2012	3,620	189	772	4,541	3,773
2013	1,482	138	591	4,550	4,365

Innovation Management

■ Education and Training Systems to Promote Continuous Education

ATUS firmly believes that having superior human resources determines a company's competitiveness. ATUS employs an innovative education system other than the yearlong on-the-job-training programs in order to encourage management and employees to pursue continuing education. As a result, in 2013, each employee by average had 161.92 hours of education and training.



ATUS' Management and Employee Education and Training System

*SIE (Seminar for Intellectual Exchange): Monday Seminars for intellectual exchange among employees

Creativity Management



Personal Sustainability Report Since last year, in accordance with new HR policies, the sustainability report normally devised for businesses and corporations were applied on personal life aspects and imported as a part of measuring the performance of employees.

This new attempt will encourage employees to practice sustainability not

only on the corporate level, but also on individual levels. Such personal sustainability reports were written based on the model developed by the Institute for Industrial Policy Studies, a leading research institute regarding sustainability.

River Improvement Campaign Last October 12th, our organization participated the “EM mud ball throwing for river revival” campaign hosted by the Environment Action Association” as a means to participate in protecting the environment. EM is an acronym for effective microorganisms, which is an environment-friendly organic substance containing various microorganisms capable of water



purification, removing contaminants, preventing the ionization of harmful heavy metals, odor removal etc. EM mud balls are a mixture of EM and red clay which is later fermented and then slowly absorbed into the river, degrading and absorbing the river’s contaminants therefore purifying its contents.

02. CSR Achievements

This section introduces an internal control mechanism for applying ethical management and preventing unethical acts in relation to employee treatment. This section also reports on a support system for facilitating good corporate partnership relations and service related policy for customer satisfaction. It also reports on social contribution activities and results of related issues concerning the local community.

Ethical Management

Management and Employees

Customer Service

Local Community

Business Partners

Ethical Management

ATUS observes ethical policies and believes that a company's sustainable growth is possible when it offers health value to stakeholders. Under this principle, ATUS implements a company-wide ethical management system that consists of a code of ethical conduct and policies regarding gifts exchange and integrity contracts.

■ Code of Ethics

Who This Applies to

All ATUS management and employees

Management and Employee Responsibilities

To know and comply with work-related guidelines

If questions arise when the code is applied, one must receive assistance from the person in charge.

If involved parties or another employee violates the code of conduct, or are asked to perform an act with the risk of violating it, one must bring up the issue immediately.

Penalty for a Breach of Conduct

Management and employees that violate the code may face disciplinary action.

Legal Compliance and Corruption Prevention

(Legal Compliance) Management and employees must adhere to the law and regulations of the country in which they are working in.

(Corporate Regulation Compliance) Management and employees must adhere to corporate regulations

(Conflict Avoidance) Management and employees must avoid all acts or relations that present a conflict between the interest of the company and the interest of the individual.

(Prohibition of False Documentation) Management and staff must not write false documents under any circumstances

The Attitude of Management and Employees

(Self-Development) Management and employees should establish an appropriate role-model goal, continuously work toward self-development

(Innovation Leadership) Management and employees should constantly strive for best practice.

(Trust and Respect) Management and employees should have mutual respect and

implement trust as an underlying principle of work

Responsibility toward Management and Employees

(Equal Opportunity Employment) ATUS recruits, employs, trains, compensates, and promotes new employees regardless of race, religion, nationality, gender, age, and physical disabilities and also provides other employment conditions.

(Equal Personnel Assessment) ATUS adopted an objective personnel assessment system with the participation of all management and staff for rational and appropriate promotion and allocation of assignments, by which corporate outcomes are altogether achieved

(Impartial Regulation) ATUS considers fairness and rationality when corporate regulations are newly implemented, and publicizes those minutes transparently.

(Privacy Protection) ATUS respects individual privacy and protects personal information of all employees.

(Human Resource Development) ATUS provides an opportunity for all management and employees to attain the education training required for their work responsibilities.

(Health and Safety Measures) ATUS creates and maintains a safe and healthy work environment and strives to prevent workplace injury.

Customer Satisfaction

(Prevention of Invasion of Privacy) ATUS does not disclose client information to third parties without client consent.

(Customer Satisfaction) ATUS always respects all clients' opinions and provides services and benefits from the client's perspective and gains trust by endlessly creating value that benefits the customer.

(Customer Loyalty) ATUS not only presents optimum quality to all clients, but also works to continue the relationship after the term of service is terminated, in order to increase clients' trust.

Fair Trade

(Improper Payment) When offering services or during business dealings, ATUS representatives are prohibited from presenting money or other valuables, or providing services for the purpose of securing an improper position of advantage.

(Fair Trade Rule Compliance) In all business transactions, including pricing, purchasing, selling and sales promotion, ATUS complies with fair trade policies and law.

(Fair Trade) In order to fulfill the rights of all businesses and to abide by the principle of free competition, ATUS assures equal opportunities and impartially distributes information

necessary for creating business deals to all companies qualifying each criteria.

(Intellectual Property Protection) ATUS not only protects its own intellectual property rights, but also that of other organizations. This requires proper understanding of the registration and use of word processing, printing, web postings and all other forms of asset.

Environmental Protection and Social Contribution

(Environmental Protection) ATUS exerts its best efforts to protect nature and to preserve a clear environment, and complies with environmental protection related laws

(Energy Conservation) ATUS exerts its best efforts to eliminate wasteful consumption of resources

(Social Contribution) ATUS recognizes its role in the local community and is a leader in social contribution through its ethical gains and corporate value

■ Integrity Contract

ATUS implements the Integrity Contract in efforts to eradicate acts of corruption during business transactions with subcontractors and to establish transparency during the contract process. Under the integrity contract, during the process of purchase biddings, closing of contracts, and fulfilling contracts, etc., bribes are neither accepted nor offered from participating companies. In the case of violating this bribery policy, both sides agree to a restriction penalty, which serves as a measure to prevent corruption. The main aspects of the Integrity Contract are the following:

-
- Upon signing and conducting the contract, any party must not directly or indirectly present material goods, special treatment, or unjustified profit to the other party's executives and employees related to the contract
 - If the above situation occurs, responsible parties will be subject to limited biddings, cancellation of contract, halt in transaction, or other forms of disadvantages.
 - If the above case is proven true, responsible parties cannot raise any civil or criminal objections against the cancellation of the contract and against other occurring disadvantages
-

■ Bribery: Guidelines for Gift Exchange with Transaction Companies

In order to properly apply ethical management, ATUS sets up a guideline for bribery and related gift exchange acts that is clearly stated as a standard for ethical value discernment during the active duties of management and employees.

Providing gifts to a transaction	Cash prohibited unless in a major family event (In the case of a family event, such as weddings or funerals, maximum of KRW 100,000)
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company	Gift certificates and coupons prohibited Gifts below KRW 50,000 market price
Receiving gifts from a transaction company	Cash, gift certificates, and coupons must be returned and reported Must report gifts worth more than KRW 100,000 Items such as alcoholic beverages must be reported and should be shared in company events Celebration or consolation gifts exceeding KRW 100,000 must be returned and reported
Other situations	In the case of situations that are not included in the guideline or are difficult to judge, employees must consult with the manager to solve the problem.

Code of Conduct

In order to apply ethical management, a code of conduct was established for management and employees. Enacted to protect the honor and dignity of management and employees, pledges are made during the orientations for new employees.

1. We pledge to respect our colleagues and adhere to our roles and positions and work cooperatively.
2. We take careful observation of our oral representations and demeanor in order not to damage our dignity, and exhibit our attractiveness through formal attire.
3. We treat our clients with all sincerity and retain our smiles even when our clients make unacceptable requests.
4. When clients present us with gifts as a sign of friendship, we pledge to politely reject them without damaging the relationship. If we accept gifts due to unavoidable circumstances, we immediately report to the head of the department.
5. By regulation, we consider informal dinner meetings with clients as part of work and must adhere to the main purpose of attending such meetings and never make our clients feel burdensome.
6. We properly show our gratitude to our clients and all others who have supported our work.
7. If we are sexually harassed during interactions with our clients, colleagues, or other work-related parties, we pledge to not hide the matter and report to the head of the department to make sure that no damage is done.
8. We protect our own safety and integrity at all times and places.
9. We speak with prudence so that we can take responsibility for our words.

■ CEO's Will

ATUS adheres to the principle that in order to instill corporate ethical management, the CEO must have a strong will and act first. To do this, ATUS joined the IPS Ethical Management CEO Club and pleaded our commitment to ethical management to both internal and external audiences. The Ethical Management CEO Club is a national forerunner in ethical management and seeks methods to implement ethical management at the CEO level, shares information related to ethical management strategy, and seeks to contribute to the environment and the local community.

Since joining the UN Global Compact in 2008, ATUS also joined the UN Global Compact Korea Network and has remained an active member to disseminate sustainable management over Korean society.

■ Prevention of Sexual Harassment

To build a workplace culture where people work together, ATUS implemented an education program for sexual harassment prevention for management and employees since 2004, based on the law on sexual harassment prevention. This program provides a basic understanding of sexual harassment and behavioral methods to prevent victimization of sexual harassment, measures after becoming a victim, behavioral guidelines to avoid becoming an harasser, and measures for when being suspected of a harasser. Since implementing this program, no case of sexual harassment has been found since ATUS' establishment. ATUS will continue to provide education in this area to create a harassment-free, enjoyable workplace environment.

List of Preventive Education Dates

8th Sexual Harassment Preventive Education	May 23, 2011
9th Sex Trafficking Preventive Education	Sep 5, 2011
10th Sexual Harassment Preventive Education	Apr 30, 2012
11th Sex Trafficking Preventive Education	Oct 29, 2012
12th Sexual Harassment Preventive Education	April 29, 2013
13th Sex Trafficking Preventive Education	October 21, 2013

Regulation for the Prohibition of Workplace Sexual Harassment

(Prohibiting Workplace Sexual Harassment) The company ensures that business owners, superiors, or employees do not abuse their position and that they do not use sexual language or behavior to other employees related to work, or utilize this as a disadvantage over an individual's employment, or cause sexual humiliation and worsen the workplace

environment.

(Preventing Workplace Sexual Harassment) The company implements education for preventing workplace sexual harassment at least once a year in order to prevent workplace sexual harassment and construct conditions where employees can work in a safe work environment. The company takes action toward department transfers, disciplinary action, and other actions that apply for sexual harassers. The company must not place measures that disadvantage the victimized employee.

(Workplace Sexual Harassment Prevention Education) Workplace Sexual Harassment Prevention Education must include each of the following details:

1. Laws related to workplace sexual harassment
2. Procedures and actions for workplace sexual harassment occurrence
3. Distress counseling and help procedures for employees victimized of workplace sexual harassment
4. Other steps needed for workplace sexual harassment

(Examples of Standards Identifying Workplace Sexual Harassment)

1. Examples of sexual language and behavior
2. Examples of employment related disadvantage
3. Examples of worsened workplace environment

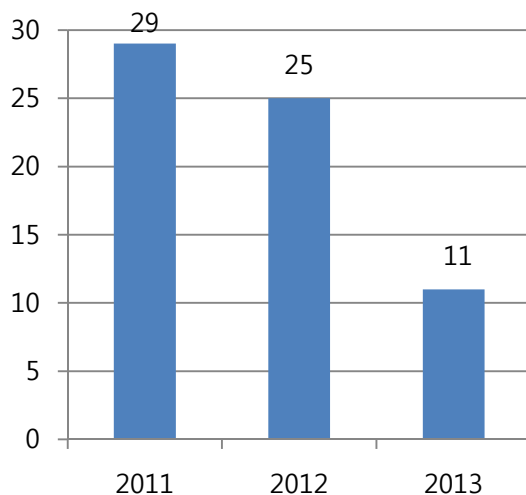
(Workplace Environment Related Action) The company must autonomously work toward solutions for employees victimized of workplace sexual harassment that report distress by, for example, entrusting the case to the grievance committee.

Management and Employees

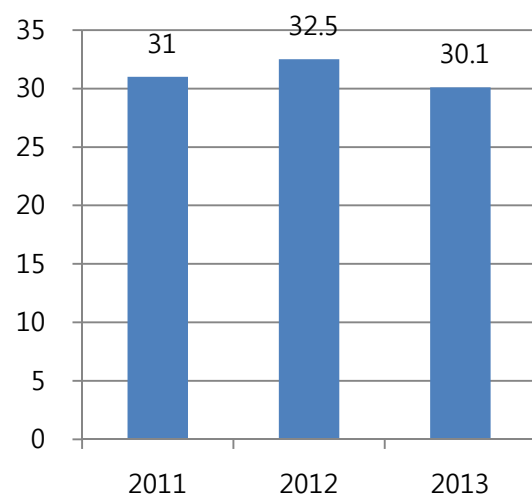
■ Employment Figures

ATUS has contributed to the local community's job creation by employing the youth internship initiative, and the average length of service is 5.75 years.

(*Average length of service=All employees' length of service/N)



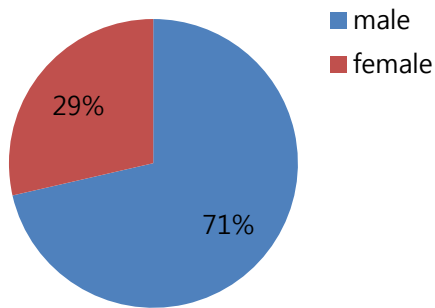
Number of Management and Employees



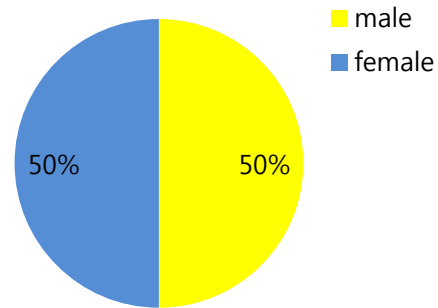
Salary per Person (KRW million)

■ Employment Policy

(Equal Opportunity Employment) ATUS recruits, employs, trains, compensates, and promotes new employees regardless of race, religion, nationality, gender, age, and physical disabilities and also provides other employment conditions. ATUS also enforces policies for gender equality and is putting effort to expand the diversity in management and employees. As of December 2013, management and employees consisted of 29% women and 71% men. Female employees are evenly distributed across employee and management levels.



Gender Ratio of Management and Employees



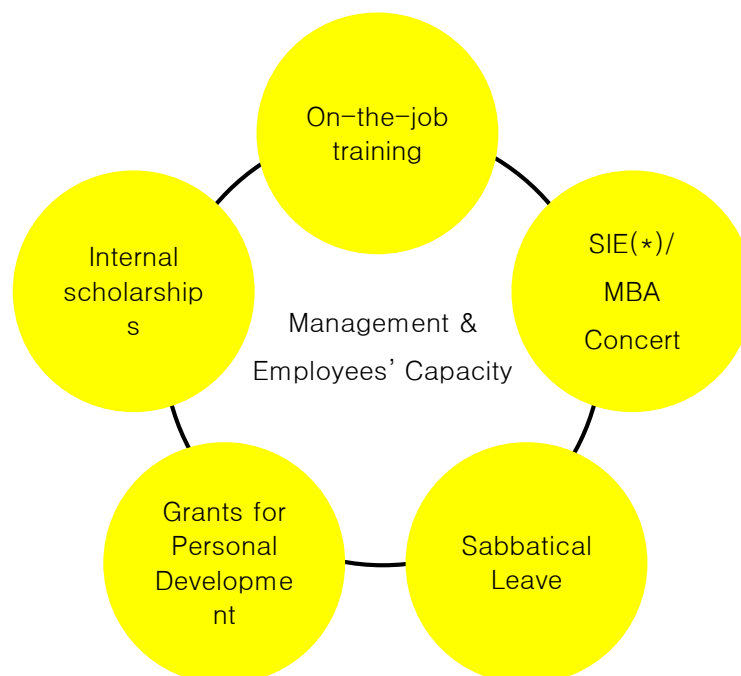
Middle Manager Ratio

■ Flexible Off Hours Policy

Since 2013 and as a part of the Smart Work policy, ATUS allowed employees to release themselves from work one hour early on every Friday. The Flexible Off Hours policy has improved the standard of living of employees through their increased personal time. The policy also suggests a transition from a job-centered drinking culture to a family-oriented leisure culture.

■ Education Training System for Management and Employees

Based on the conviction that the overall quality of service is determined by the competency of management and employees, ATUS established an education training system to promote lifelong education for management and employees.



ATUS' Management and Employee Education and Training System

Corporate Sponsorship System ATUS offers corporate sponsorship opportunities to its management and employees who choose to enroll in an education program organized or hosted by aSSIST and other affiliated institutions. This internal scholarship program is designed to help its employees develop their competency and abilities, as well as enhance the knowledge and skills they need to perform their respective jobs. ATUS aims to create an environment that encourages all employees to strive for self-realization and growth.

Category	Degree Programs		Non-degree Programs
	Internal Programs		
	Master's Programs	Ph.D. Programs	Non-degree Programs
Requirement for Application	Individuals with more than 2 full years of continued service that meet matriculation requirements	Individuals with more than 3 full years of continued service that meet matriculation requirements	Individuals with more than 1 full year of continued service

* Degree Programs: programs acquiring Master's or Ph.D degrees

* Non-degree Programs: certificate program, job training program etc.

* Internal Programs: operated or hosted by ATUS and other affiliate organizations

Grants for Personal Development All management and employees are entitled to a total of KRW 500,000 per year (KRW 250,000 per term) for their individual development. In the first and second half of each year, management and employees decide on objectives in which they need development and then individually plan and execute educational measures suitable to their area of need.

Sabbatical Leave Since the latter half of 2005, ATUS implemented a sabbatical program for the purpose of recharging employees. The program is available to

Applicants for Sabbatical Leave

2011	2012	2013
9	4	0

anyone who has served over 2 or 3 years at ATUS and the selection process is based on years of consecutive service and work contribution. Selected employees are provided with either a 4 week or 8 week fully-paid vacation days in addition to a separate research grant, and are given an opportunity for self-development and revitalization during their sabbatical period. This policy was later expanded and reformed in 2008 to become an effective system for self-development and employee training. However, the year of 2013 lacks

individuals going on sabbatical leave due to the fact that most of the employees had already taken theirs in recent years, thus waiting for the next opportunity cycle.

Job Specific Education All management and staff receive an opportunity for job specific education in order to increase their job specific capacity. Every year, employees select for themselves and participate in education programs most suitable to their job specifications, which guarantees the autonomy on choice of contents.

Chinese Language Education Since October 2010 until now, we have initiated Chinese language education for our employees divided into beginner and beginner-intermediate groups, for over 3 terms. In order to understand China, from which a communist state is now growing to become one of the world's most powerful countries, and as the company seeks to establish a foundation to enter the Chinese market, learning Chinese is not only an improvement of individual foreign language capabilities, but also an opportunity leading to new business opportunities.

SIE (Seminar for Intellectual Exchange) SIE is a knowledge and culture sharing forum for management and employees, which was established in June 2004 as a regular seminar held for about an hour every Monday starting 7:50AM.

SIE Activities (Jan 2013 – Dec 2013)

No.	Date	Theme	No.	Date	Theme
416	2013.01.07	aSSIST 2.0	440	2013.07.01	A worker's life through webtunes
417	2013.01.14	About an individual's sustainable life	441	2013.07.08	Who controls the world? / Perspective is everything.
418	2013.01.21	"Have more confidence Mr. Kim!" (Subtitle: handling failures)	442	2013.07.15	Two kinds of Insights on Innovation
419	2013.01.28	1 Meal per Day	443	2013.07.22	When you need Concentration
420	2013.02.04	About Official Development Assistance (ODA): Case of Azerbaijan	444	2013.07.29	Introduction and Implementation of "Smartwork"
421	2013.02.18	Current and Future of Privacy Policy	445	2013.08.05	Impact Era, Impact Investment
422	2013.02.25	Not just someone else's story: cerebral	446	2013.08.19	Hankyung TV Creative Economy

		infarction			INSIGHT
423	2013.03.04	Let's go Camping!	447	2013.08.26	100 year old Business
424	2013.03.11	The Prime Minister and the Dog	448	2013.09.02	How to Read and Write Digital Books
425	2013.03.18	Know-hows about English Editing	449	2013.09.09	Digital Detox
426	2013.03.25	What is your Character?	450	2013.09.23	How is the country of Cameroon like?
427	2013.04.01	Finding Happiness	451	2013.09.30	The New "Survival of the Fittest." Memo-taking that Trains the Brain
428	2013.04.08	Changing a 'Shared' Economy	452	2013.10.07	The Carrot and Stick?
429	2013.04.15	Environment Management 3.0	453	2013.10.14	Question when there is Pain
430	2013.04.22	Indian Tata Group's Trust Management	454	2013.10.21	Sex Trafficking Preventive Education
431	2013.04.29	Sexual Harassment Preventive Education	455	2013.10.28	Creative Corporate Culture and Happy Employees
432	2013.05.06	What makes us feel good about our work? / One second every day.	456	2013.11.04	Social Media? What is this?
433	2013.05.13	Brand, Brand, Brand!	457	2013.11.11	Are You Happy?
434	2013.05.20	Marketing, Brand and SNS	458	2013.11.18	Mr. Kim and Mr. Lee, reconcile Mr. Hong!!
435	2013.05.27	Stress	459	2013.11.25	I can also be a God of Workplace
436	2013.06.03	Do you have a Plan B?	460	2013.12.02	Stories of Convergence
437	2013.06.10	The Force of Negativity Preventing an Organization's Failure	461	2013.12.09	Education & Development
438	2013.06.17	Cases of Creative Advertisement	462	2013.12.16	The Stepping Stones of aSSIST

439	2013.06.24	The Necessity of Un-Leadership in the Smart Era / Future Changes with different Insight	463	2013.12.23	The Muscle, stronger than the Bone
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Establishment of the Seminar for Intellectual Exchange (SIE) Funds Since July 2007, ATUS established a year-based funding system for SIE. Established to promote lifelong education for employees, it serves as a feedback system that compensates for the participation outcomes based on the number of management and employees and amount of participation in education training. The funds will likely instill interest and anticipation regarding the employee education system. In 2013, total SIE funds distributed to all management and staff amounted KRW 529 million.

■ Education Training Fees

ATUS education and training funds are invested for professional job specific education and self-development activities for management and employees.

(Unit: KRW)

	2011	2012	2013
Total Training Funds	12,215,000	29,920,000	17,500,000
Training Costs per person	421,206	1,196,800	1,555,555

■ Number of Lost Working Days

Since 2004, there has been no case of strike or working days lost. ATUS will continue its efforts to maintain a constructive relationship with its management and employees.

■ Health and Safety Regulation

In order to protect employees, ATUS establishes employees' safety and health protection provisions under the ethics code.

(ATUS' Liability) ATUS established a safety standard of facilities and machinery as required by law and the necessary health measures to protect employees

(Education and Welfare Facilities)

1. ATUS educates employees for their qualification improvement, safety and health, etc., if necessary

2. ATUS covers costs for internal or general training programs and recognizes training

hours as working hours

3. Other means of support dealing education & training and benefits are specified separately

(Employees' Liability) Employees must abide by the following for risk prevention and health sanitation.

1. Obey regulations related to workplace safety and health care.
 2. Keep the workplace clean at all times in efforts to prevent accident
 3. Do not remove or alter security equipment, fire facilities, sanitation facilities, and any other related installations without permission.
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▪ Benefits Program

ATUS does its best to support welfare benefits in order to improve employees' quality of life. National Health Insurance, National Pension System, Industrial Accident Compensation Insurance and Employment Insurance are implemented under the legal benefits program. Retirement Pension, Schooling Expense Support, Medical Expense Support are also provided apart from the legal program.

Retirement Pension Plan The Retirement Pension Plan is a corporate welfare system designed to help employees carry on stable post-retirement lives by setting aside severance payments in an external financial organization. On December 1, 2005, the Ministry of Employment and Labor set up a Laborers' Retirement Allowance Security act to grant the autonomy of the labor-management union. Since September 2006, ATUS implemented a pension system and 5 employees have obtained the benefits of this system.

Schooling Expense Support ATUS aids tuition fees for employees and their families for the purpose of employee' benefits when they have completed more than 3 full years of service.

TYPE	Employee/One Child(includes Spouse)	
	Limited Amount	Note
Middle School	KRW1,000,000/1year	Less than 50% per semester
High School	KRW2,000,000/1year	Less than 50% per semester
Community College	KRW6,000,000/1year	Less than 50% per semester
University	KRW8,000,000/1year	Less than 50% per semester
Master's/Doctoral Degree	—	Abovementioned Education & Training Policy applies for employees, and Scholarship Opportunities for Partner Organizations apply for the child (including spouse)

Medical Expense Support ATUS establishes and conducts the following health and safety regulations in order to improve the health and safety of its employees.

1. We have a contract with a designated hospital for employees and their families' health care management.
2. We conduct medical inspections for new employees at our designated hospital.
3. Based on the doctor's diagnosis, we prohibit or restrict the working of the employees with infectious disease, mental illness, or work related disease.
4. Each department is equipped with a first-aid kit for use in emergency treatment response to accidents.
5. We provide safety measures on providing first aid for persons with accidental injury or disease, and preventing subsequent accidents and accident expansion.
6. We inspect and improve the workplace through qualified experts in the case of health-hazardous activities in the workplace.

Medical Examination Regular medical examination for employees' health and safety, medical inspection for new employees, standard medical examinations, and special medical examination are provided. Regular medical examinations are subcategorized for new employees and regular employees, and are each scheduled as shown in the table on the right. In accordance with other ordinances, we conduct regular medical examinations regardless of the schedule when necessary.

Type	Examination Period
Existing Employee	Once per year (National Health Insurance, ATUS)
New Employee	At least once within one month prior to employment

Under the Enforcement Decree of the Industrial Safety and Health Act Article 98 Clause 3, when employees are hired or transferred to a risk-prone department, employees are given special medical examinations every 6 months or annually. Employees are given specific medical examinations when deemed necessary. The regulations of medical examination fees are shown below:

1. The primary examination fees are charged to the company, and secondary examination fees are charged to the individual.
2. Medical fees for work injury or work-related disease is entirely charged to the company.
3. Regulations for general medical fees of employees and their families follow a separate

guideline.

4. Medical compensation is unavailable in the case of neurasthenia, dental disease that does not directly affect physical health, when employees are working in mandatory military service, when being covered by the Industrial Accident Compensation Insurance, or when other medical fees are deemed inappropriate for compensation.

Female Employment Support Policy As a policy aimed at supporting female management and employees, maternity protection regulations were implemented. This is an important matter considering that 29% of all ATUS employees are female. Based on the notion that family-oriented management is a major aspect of the company, we are striving to implement more diverse benefit policies accommodating female employees.

Regulations regarding maternity protection are the following:

Article 65 (Feeding Time and Parental Leave)

1. A working mother having an infant less than 1 year old, may request and be granted breast feeding time up to 2 times a day for more than 30 minutes each.

2. A working mother or a working spouse on behalf of the mother with preschool children under 6 years of age is granted a 1 year or less parental leave for raising the child. However, it shall not be granted to workers who have not fulfilled a complete year before the parental leave.

3. Workers applying for parental leave should submit the application including the infant name, date of birth, commencement date of leave, termination date of leave, application date of leave, the applicant name, etc., 30 days prior to the expected date of parental leave. However, according to the following provisions, one may apply for parental leave 7 days prior to the commencement date:

- 1) In case the child's birth occurs before the expected due
 - 2) In case any difficulties such as the spouse's death, injury, disease, physical or mental disability or a divorce with the spouse occurs
4. Any workers should not be given disadvantageous treatment by the company for taking parenting leave, and the period of leave is to be included as a term of continued work.

Article 66 (Working Hour Shorten for Workers under Infant Care)

1. Workers eligible to apply for parental leave according to Article 65 Clause 2, can be allowed to shorten their weekly working hours within the range of 15 to 30 hours if they apply for shortened working hours.

2. If shortened working hours cannot be allowed inevitably due to situations where it is impossible to find a replacement, significantly encumbering normal business activities and so forth, standing as one of the situations stated in relevant laws, the company must

provide a written notification including those reasons, and allow the worker to use a parental leave or settle an alternative with the worker.

Hotline System Since January 2009, a hotline system was introduced to allow management and employees to discuss problems or give suggestions regarding issues related to sustainability management in the realm of transparency and fairness related to ethical management, environment management and social responsibility.

Establishment of a Joint Labor–Management Conference In July 2009, a joint labor–management conference was established by a six–member committee. This allows employers and employees to reach a mutual consensus on business related matters, management, and other relevant matters, and thereby grow as a developing organization.

Customers

ATUS' vision is to continuously endeavor to provide the most enjoyable, forefront, and leading services to our customers "when with us." We offer diverse business activities for customer satisfaction.

(Customer Satisfaction) ATUS always respects all clients' opinions, provides services and benefits from the client's point of view, and gains trust by endlessly creating value that benefits the client.

Responding to Client Opinions We conduct lecture evaluations, operation evaluations, satisfaction surveys and other surveys on each education program and seminar in order to respond and provide feedback to client opinions. Response to client opinions is discussed at regular meetings and is reflected in the improvement of teaching environments, educational welfare, selection of lecturers, curriculum planning, and class scheduling.

Customer Support We organize meetings and family events for alumni members and also publish regular newsletters. To foster continuing education for clients, we provide useful information about our other education programs and seminars, and also provide discounts on a case by case basis.

Client's Privacy We set forth the principle not to disclose any private information of clients. In the case where disclosure of private information is deemed necessary, we are subject to release the information upon clearly stating the intent of use and matter, after receipt of full consent from the client and under the supervision of the person dedicated to such processes.

Client Information Protection To protect personal information of our clients, we do not require them to present their social security numbers and we follow the laws involved in the Privacy Act. To prevent the accidental disclosure of personal information, we regularly conduct education for proper practice.

(Prevention of Privacy Invasion) ATUS does not disclose client information to third parties without the client's consent.

Local Community

Interchange and Sharing through the “MBA Concert at aSSIST” – Wednesday Concert



Every Wednesday, we provide our employees a time for creative inspiration and refreshment through a 30 minute music concert from 12:30 PM. This weekly event exercises sharing as it is even open to the general public and stands as a donation of talent by the violist Won Jin Song and the pianist Se Jin Song, professors at aSSIST, who were the actual performers behind the scenes for the famous Korean drama, “Beethoven Virus,” in addition to a number of employees. A total of 144 “Immortal Love Story” concerts were performed since January 2011, and since last year, recorded highlights of each concert became available to the public through aSSIST’s website.

Business Partners

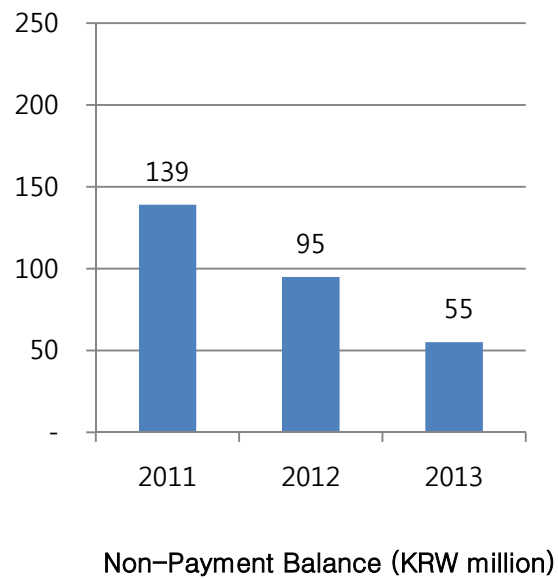
ATUS recognizes the importance of transparent relations with our business partners and strives to establish transparent business relationships under the non-payment/payment regulation shown below. It was reduced by KRW 40 million compared to the previous year in 2013.

Non-Payment/Payment Regulation

Regular monthly payments are paid on the 20th day of the month according to the previous month's tax invoice.

Month-end-payments are paid at the end of the month according to the invoice.

Other payments are paid within 1-5 days after internally claiming the expense.



03. Environmental Achievements

The Environmental Management Achievement section reports on ATUS' environmental policies and monitoring results.

Environmental Achievements

Environmental Management Policy

ATUS will protect nature and sustain efforts to conserve a clean environment, and abide by laws related to environmental protection

ATUS endeavors to avoid dissipation of resources

Environmental Management Activities

River Improvement Campaign As a means to participate in protecting the environment, ATUS participated the “EM mud ball throwing for river revival” campaign hosted by the Environment Action Association.” By making mud balls and throwing them into the Yangjae river, it was a cherished moment of learning about saving the environment.

Recycling Shelf In order to conserve energy and resources, ATUS operates a public recycling shelf which shares office stationary that are not used very often. This is an extension of the previous A-NA-BA-DA Campaign which is an executable objective for all members of the organization so that they may take participation in conserving resources and reducing costs.

Reducing Disposable Items ATUS employees prohibit the use of disposable items to protect the earth and humans. We implemented various campaigns, such as using personal mug cups, handkerchiefs, and green shopping bags for environmental protection and cost saving.

04. Appendix

BEST Index

Contact Information

BEST Index

	No	Details of BEST index
Corporate Overview	A	Corporate Overview
	A_1	Corporate vision about sustainable management and CEO's statement
	A_2	Key risk and opportunity factors
	A_3	Corporate name
	A_4	Key products and services
	A_5	Organization map and list of affiliates and subsidiaries
	A_6	List of joint ventures, partly-owned affiliate, leased facilities and vendors
	A_7	List of overseas business sites
	A_8	Legal ownership structure of the organization
	A_9	Characteristics of market where one operates
	A_10	Size of organization (total number of employees, product and service, liabilities and assets)
	A_11	List of international and domestic industrial & business associations
	B	Contents of Report
	B_1	Scope of report
	B_2	Limits to the scope of report
	B_3	Reporting period
	B_4	Cost of economic, environmental and social performances, the definition and standard of calculating the cost efficiency
	B_5	Changes in the method of measuring economic, environmental and social performance
	B_6	Reporting cycle
	B_7	Efforts to improve credibility of the report
	B_8	Changes since the previous report
	B_9	Contact information of the person in charge of the report
	B_10	BEST Matrix
	C	Stakeholder Engagement
	C_1	Criteria and selection of key stakeholders

	C_2	Method of stakeholder engagement
	C_3	Stakeholder engagement and the result of their engagement
	D	Sustainability
	D_1	Economic, environmental and social goal
	D_2	Economic, environmental and social performance
	D_3	Sustainable management strategy and goal of the future
Economic performance	E	Economy
	EC1	Creation and distribution of economic value produced and distributed
	EC2	Financial impact by climate changes
	EC3	Scope of benefits by organization's fixed rate pension system
	EC4	Human resource supply in key business areas
	EC5	Government subsidy
	EC6	Construction of non-core business infra
	EC7	Indirect economic effect
	EC8	Brand value
	EC9	Innovative Performance
	EC10	Creative Performance
	EC_DMA	Public announcement of management principle _economy
Social performance	GR	Corporate Governance and Risk Management
	GR1	Corporate governance structure
	GR2	Ratio of outside directors
	GR3	Composition of board of directors
	GR4	Process that shows the professionalism of the board of directors
	GR5	Process of managing and evaluating economic, social and environmental performance of the board of directors
	GR6	Organization structure that establishes, executes and supervises the economic, social and environmental policy
	GR7	Connection between management compensation and economic/social/environmental performance
	GR8	Activities and decisions by the board of directors
	GR9	Compliance with laws and regulations related to corporate governance structure
	GR10	Company's charter related to economic/social/environmental

	activities
GR11	Compliance to corporate prevention principle
GR12	Process to submit recommendation and suggestions to the board of directors by shareholders
GR13	Process to prevent the conflict of interest by highest governance body?
GR14	Policies and System considering the social influence to build investment and cooperation
EM	Employees
EM1	Employee status
EM2	Composition of executives and employees
EM3	Average wage of employees by gender
EM4	Level of income and welfare against other companies in the same business region and similar industry
EM5	Job creation rate and turnover rate
EM6	Average years of continuous service
EM7	Preventive policies of discrimination and the result of monitoring
EM8	Policy related to freedom of association
EM9	Policy related to prevention of child labor and the result of monitoring
EM10	Policy related to prevention of forced labor and the result of monitoring
EM11	Overview of organizations of Labor associations
EM12	Signing-in of labor union and the number of unionized employees
EM13	Policy and process about providing and discussing employee information when corporate operation changes
EM14	About Safety and health committee
EM15	Industrial safety and health agreement between labor and the management
EM16	Compliance with the employee-related international regulation and standard
EM17	Compliance with industrial health and safety issues among ILO Conventions
EM18	Disease prevention and health improvement programs and

	policies
EM19	Number of employees who suffer from injury or disease and absence rate
EM20	Employee welfare and benefits
EM21	Efforts to improve working conditions of employees
EM22	Level of compliance with related laws by employees
EM23	Reporting process of unfair labor practice and operation status
EM24	Labor disputes
EM25	Ethical management department, investment size, reporting structure
EM26	Regular training and guideline about ethical training
EM27	Average time for employee training and education
EM28	Programs for employee training and education
EM29	Advisory service to employees about performance and career development
EM30	Ratio of employees who had human rights-related training
EM31	Ratio of employees who had human rights-related training among those involved in security, guard and patrolling
EM32	Policy and support system for family-friendly management
EM33	Women leadership development programs
EM34	Women-friendly working conditions
EM_DMA 1	Public announcement of management principle _human rights
EM_DMA 2	Public announcement of management principle _labor
PN	Partner
PN1	Characteristics of the business partners and sustainable management issue
PN2	Consideration of social and environmental performances among other reasons of selecting the business partners
PN3	Process of evaluating the social and environmental performance of the business partners
PN4	Process of supporting and auditing the social and environmental performance of the business partners
PN5	Business partner complaint handling system and handling result

CS	Consumer
CS1	Characteristics of products and consumers and sustainable management issues
CS2	Level of compliance with the consumer-related laws
CS3	Policies related to fair competition and anti-trust
CS4	Consumer health policies during the product and service cycle
CS5	Policies related to product information
CS6	Key opinions of consumers and the result of the handling of their opinions
CS7	Products and services innovated in consideration of social and environmental issues
CS8	Efforts to reduce product impact
CS9	Policies and management of customer satisfaction
CS10	Voluntary or involuntary product recall cases and reasons for recall
CS11	Violations of customer safety and health regulations and customer complaints
CS12	Violations of laws related to provision of product information
CS13	Advertisement-related standard and compliance with voluntary regulation
CS14	Violations related to laws on advertisement and marketing
CS15	Complaints related to consumer privacy invention
CS_DMA	Public announcement of management principle _product liability
CO	Local community
CO1	Characteristics of the local community where one operates and sustainable management issues
CO2	Internal policy and process of handling requirements of the local community where one operates
CO3	The time invested by the company staffs and the cost for local community programs
CO4	Performance of the local community programs
CO5	Policy and management related to bribery and corruption
CO6	Policy and management related to political lobby and donation
CO7	Donation and contribution to parties and supporting organization of political parties

	CO8	Sociality-related award achievements
	CO9	Sanctions due to violations
	CO10	Social responsibility policy and performance for women, children, and elderly persons
	CO_DMA	Public announcement of management principle _society
Environmental performance	EV01	Environment policy and investment
	EV1	Environment-related investment and cost
	EV2	Policies to reduce environmental impact
	EV3	Quantified goal and performance for environment
	EV4	Initiative to reduce greenhouse gas consumption and reduction achieved
	EV5	Initiative to provide energy-efficient or renewable energy
	EV6	Goals and programs to prevent and restore ecosystem
	EV02	Source material and energy
	EV7	Direct energy consumption (operation, product production, transportation)
	EV8	Indirect energy consumption
	EV9	Total amount of water resource
	EV10	Total amount of resources by type (excluded water)
	EV11	Ratio of recyclable resource use
	EV03	Environmental impact
	EV12	Amount of green house gas emission
	EV13	Amount of indirect green house gas emission (CO ₂ ,CH ₄ ,N ₂ O,HFCs,PFCs,SF ₆)
	EV14	Amount of emission of ozone depletion material
	EV15	Amount of emission of air polluting materials such as NO _x , SO _x
	EV16	Total weight of water by type and disposal method
	EV17	Total water withdrawal
	EV18	Water recycled and reused
	EV19	Impact on water and ecosystem affected by the organization's withdrawal of water
	EV20	Impact by the organization's collection of water on the stability of water resources and biodiversity
	EV21	Impact of chemicals, oil and fuel leaks on the neighboring environment

	EV22	Impact on the business site location, size and biodiversity in the region which has high value of biodiversity
	EV23	Environmental impact caused by key products and services
	EV24	Ratio of the weight of actual product to the weight of recyclable product among products
	EV25	Indirect energy reduction performance
	EV26	Business activities and operations in the region which has high value of biodiversity and the impact of its activities and operations on biodiversity
	EV27	Changes of natural habitats by the organization's activities and examples of prevention and restoration of natural habitat by the organization
	EV28	Number of species listed in endangered animals and plants among animals and plants living in the business area
	EV29	Generation, delivery, import, export and handling of risky waste according to Attachment I, II, III and VIII of Basel Convention
	EV30	Key environmental impact of transportation among logistics process
	EV31	Compliance with environment-related laws(by region, by industry) and cases of violations and penalties
	EV_DMA	Public announcement of management principle _environment

Contact Information

This Sustainability Report was completed using BEST Guideline, and ATUS Corporation believes that the resulting self-reflection and introspection of management and staff will serve as an invaluable foundation for ATUS's sustainability management henceforth. For readers that to obtain more detailed information regarding this report, please contact the following:

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