



Enjoy Sports, **We Support**

About This Report

Enjoy Sports, We Support

KSPO has been sharing its accomplishments with our stakeholders through this sustainability report released every year. This is the sixth sustainability report. We are carrying out efforts for sustainable development through active communication with our stakeholders.

Reporting Principles

KSPO prepared this report in accordance with the GRI(Global Reporting Initiative) Guidelines. This report is in compliance with GRI G3.1 Guidelines.

Reporting Period

This report details KSPO's activities and key performances related to sustainability carried out and obtained between January 1st 2013 and December 31st 2013. Material performances from first half of 2014 were also included.

Reporting Scope and Boundary

Data from all worksites were included in principle, and the worksite was specified when reporting on the performance of a specific worksite. For environmental data, due to hardship of acquiring them, standard for headquarter equipments has been applied. The speezons(cycle and motorboat racing branches in rental buildings) were excluded when compiling environmental data. Financial information was based on the Accounting Standards for Public Enterprises and Government Entities.

Assurance

This report received independent third party assurance to enhance accuracy and credibility. This report is eligible for "A+" status under GRI G3.1 Guidelines. The assurance statement is included in the Appendix

This report can be downloaded from KSPO website. If you have any questions or require additional information on this report or the activities and performance of KSPO, please contact below.

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The 2013 KSPO Sustainability Report uses FSC™ (Forest Stewardship Council™)—certified paper, bearing the logo carried only by products made using timber from environmentally developed and managed forests. The report was printed at a FSC—certified print shop using soy oil ink which drastically reduces the emissions of air pollutants.

Message from the CEO



“ KSPO is trying to create future value that will make all of us healthy and happy. ”

Dear Stakeholders,

I am very glad to issue the sixth Sustainability Report to share with you the performance of KSPO's sustainable management of the last year. As a public organization we will lead to execute social responsibility and practice sustainable management to become the best public organization to be loved by all of citizens and do our best.

National Sports Promotion Fund raised by Fund Raising Businesses such as Cycle Racing, Motorboat Racing, SportsToto will be returned entirely to society and being used to promote national welfare benefit and to enhance quality of life through sports.

As a nation's only self-sufficient fund raising organization, we performed SportsToto, bicycle racing, motorboat racing business to raise National Sports Promotion Fund of approximately KRW 6.7 trillion by 2013. The Fund that has been raised by transparent business management is being supported to all directions to expand sports-for-all infrastructure, to host major international events such as Pyeongchang Winter Olympics, to promote sports for the disabled, welfare for athletes business, to foster sports industry and sports science research.

Moreover, to fulfill the role of a central organization of national sports finance continuously developing a new fund raising business and carrying out the sports welfare business for the social vulnerable class and national fitness management program to meet the new sports welfare demand.

We will accomplish shared growth with stakeholders on a foundation of transparent and clean management and practice social contribution activities to lead social responsibility as a sports public organization.

As a leading sports public organization, KSPO will carry out with definite ethics and transparent management stable fund raising and effective fund supporting business to make every people can enjoy fair sport welfare benefit environment.

Also with a vision for shared growth of 'Smile Together, we will be your trustworthy partner growing together', sharing values of 'fair', 'trust', 'understanding' with stakeholders to grow and to accomplish the coexistence management to strengthen competitiveness of all our country we will put the practical efforts. Also we will continue 'sports sharing', the sports specialized social contribution activity and by doing what we can do the best we will find the way to contribute to society the most.

KSPO will actively continue to share the result of sustainable management activities and future strategy with people and make tomorrow of Korea that every people can enjoy a healthy and happy life through sports. I wish your interest and support.

Thank you.

Chairman / Korea Sports Promotion Foundation (KSPO) Lee Chang Sup



2013 KSPo Highlights



3 consecutive winner of 'Most Admired Company in Korea'

KSPo ranked top in the culture and leisure section in the "Most Admired Companies in Korea" for 3 consecutive years, receiving high scores in the executive management, innovative activities, customer satisfaction, social contribution, and HR development.



WLA Responsible Gaming Framework Accreditation

First from Korea, 3rd from Asia, KSPo has been granted accreditation by the World Lottery Association for the WLA Responsible Gaming Framework, of the 4th grade, which is top level and in shortest time ever. Also KSPo has acquired 1st to 3rd place for 2 consecutive years by the Korean Government for Responsible Gambling in sports betting industry.



Highest Grade for 3 Consecutive Years in PCSI

KSPo earned 94.2 points in the PCSI hosted by the Ministry of Strategy and Finance, putting KSPo as No. 1 for three consecutive years.



Received Best-HRD Certification for 2 consecutive years

Received Best Human Resource Developer (Best-HRD) Certification for 2 consecutive years by the Ministry of Security and Public Administration and Ministry of Education.



Received Best Family Friendly Management Certification and Best Workplace for 2 year in a row

Received Best Family Friendly Management Company Certification from the Ministry of Gender Equality and Family and selected as the best place to work in Korea by the KMAC.



Supported Largest Ever Fund Amount of KRW 879.9Billion

KSPO raised the largest fund ever in 2013 with KRW 879.9billion(accumulated amount of KRW 5.40 trillion)

Corporate Overview

Profile

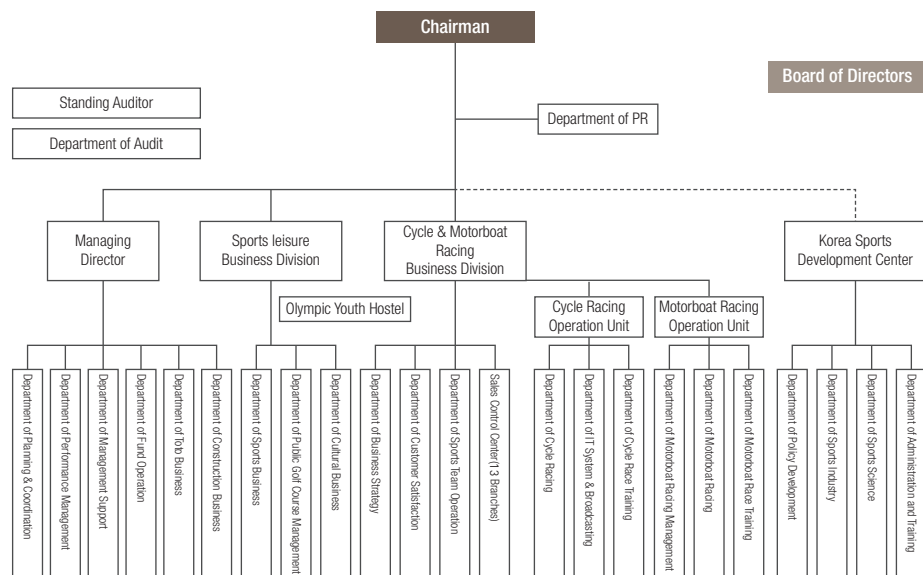
KSPo was established under the National Sports Promotion Act Article 36, with aims to raise, manage and allocate National Sports Promotion Fund, to research sports science and to execute commemoration projects for the Seoul Olympic.



Company name	Korea Sports Promotion Foundation
Headquarter	Olympic Center, 424 Olympic-ro, Songpa-gu, Seoul, Korea
Number of employees	913
Financial Status	Total Assets KRW 2.71 trillion Equity Capital KRW 2.32 trillion Sales KRW 5.75 trillion
Fund	Accumulated fund KRW 1.73 trillion Support fund KRW 5.40 trillion
Subsidiary	KSPo & Co., Ltd.

Organization

KSPo has three executive directors, two division heads, and one center director, and is organized into three business units, 38 departments (including 13 branches), 70 teams (including 5 branches), totalling 117 units. As of December 2013, KSPo has 913 people, 748 full-time including executive directors and division heads and 165 contract-based workers. KSPo also has 970 staff members in racing course ticket offices. Most of part-timers work in ticket offices in Bicycle racing course, Motor boat racing and 17 branches for the nature of the tasks. However, the percentage of transfer to unlimited contract worker is higher compared to that of other agencies.



Management Value

Mission

Realizing Healthy and Active Sports Welfare Society Through Promoting National Sports



Vision

Sports Public Welfare Organization Promoting health and Happiness to Korean People | Enjoy Sports, We Support

Core Values



Fair Play



Team Play



Dynamic Play

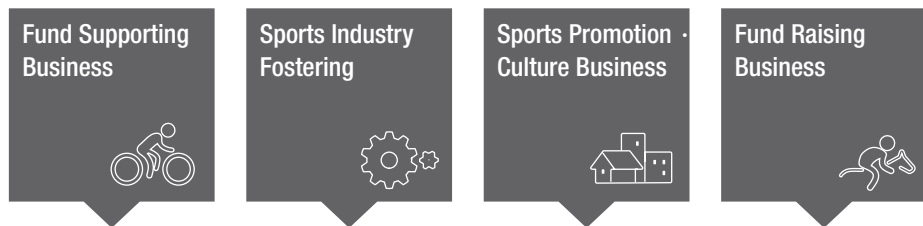
External Evaluation Results

Evaluating Entity	Evaluation	Object	Result		
			2011	2012	2013
Ministry of Strategy and Finance	Public Institutions' Performance Evaluation	Institution	Grade B 82.1	Grade B 85.2	Grade D 77.6
		Chairman	Good(B)	Good(B)	—
	Fund Management Evaluation	Business Operation	65.0 (9/21)	66.8 (5/15)	58.9 (29/39)
		Asset Management	74.15 Excellent	76.57 Excellent	73.27 Excellent
	PCSI (Public Service Customer Satisfaction Index)	Institution	90.1	95.0	94.2
	National Perception Survey	Institution	Mid—low 51.2	Mid—low 53.3	Low 50.6
		Cycle Racing	A 84.9	S 94.0	A+ 85.1
National Gambling Control Commission	Gambling Industry Healthiness Evaluation	Motorboat Racing	A 81.1	A 89.6	A+ 85.0
		SportsToto	S 93.6	A 88.4	A 81.5
		Integrity Evaluation	2nd 8.95	3rd 8.50	3rd 8.30
		Anti—Corruption Policy Evaluation	Excellent 84.5	Excellent 88.3	Excellent 90.1
Ministry of Trade, Industry and Energy	Shared Growth Performance Evaluation	Institution	Excellent 81.07	Good —	Excellent —

* 2013 Evaluation on the chairman is not provided due to recent appointment

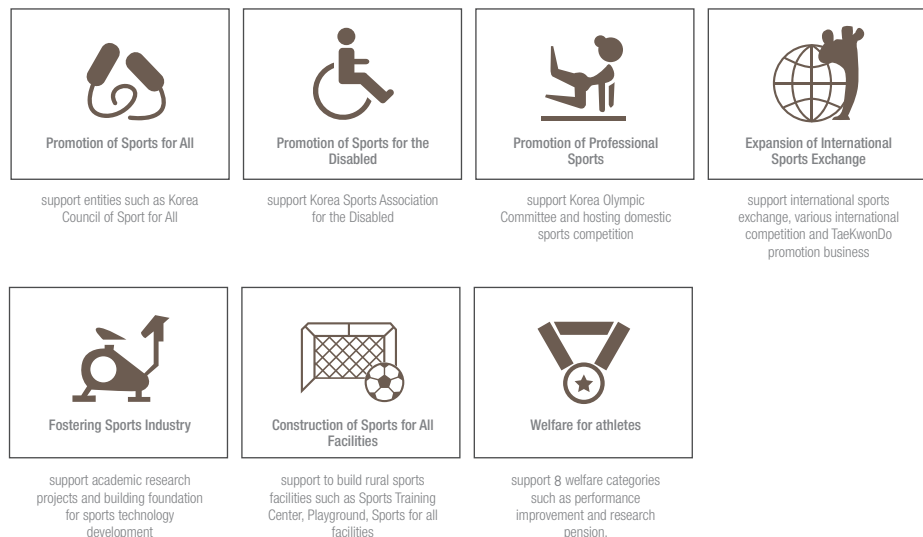
Major Business

KSPo is an institution equipped with the world's only comprehensive financial support system for sports that raising National Sports Promotion Fund with cycle racing, motorboat racing and SportsToto and carrying forward fund supporting business, sports industry fostering, sports promotion and culture business and fund raising businesses. Also we are engaged in various cultural events and art exhibits utilizing olympic commemorative facilities.



Fund Supporting Business

KSPo raised National Sports Promotional Fund with cycle racing, boat racing, and SportsToto even under difficult circumstances at home and abroad. With the fund, KSPo supported various businesses such as promoting sport for all, professional sports, sports for the disabled ; expanding international sports exchange ; fostering sports industry ; construction of sports for all facilities and welfare for athletes.



Sports Industry Fostering

Sports Industry Loan: KSPo is offering long term financing at low interest to manufacturers of sports items and sports service providers for purchasing raw materials, R&D and equipment fund as well as facility fund for private sports facilities companies. Since 2006, the business expanded its target to sports service providers.

Sports Industry Technology Development Business : KSPO is supporting R&D funds for the development of new products and technologies for sports science to create high values and to build a foundation for the advancement of the sports industry.

Certification Business for Sports Equipment : KSPO's Sports Equipment Testing Lab (located in Singal-dong, YongIn city) is carrying out testing for various sports equipments and facilities produced in Korea and issues quality certification of KISS(Korea Industrial Standard of Sporting Goods).

Sports Promotion · Culture Business

KSPO operates big facilities such as Olympic Park, Seoul Olympic Museum, MISARI Regatta Course, Seoul Olympic Museum of Art (SOMA), Olympic Youth Hostel and hosts international events such as Seoul International Sports & Leisure Industry Show (SPOEX) and Tour de Korea.

Fund Raising Businesses

Cycle Racing Business : It is participating leisure sports that 7 competitors race with bicycles and customers bet for the winner to be rewarded in certain rate. The business started in 1994 with aims to raise various public funds to promote national sports and provincial finance, to enhance performance relating bicycle and development of the industry.

Motorboat Racing Business : 6 competitors race with motorboat to decide winner. It started in 2002, the motorboat racing contributes to raise national sports promotion fund, provincial finance.

SportsToto : SportsToto, in which customers can predict the outcomes of a sports game and buy tickets, and receive rewards when their prediction is correct, is a type of sports leisure game. It was first introduced to Korea with aims to raise fund for 2002 Korea-Japan Worldcup Soccer Games, and National Sports Promotion Fund. The profits from SportsToto are transferred to the National Sports Promotional Fund to support building grass urethane playgrounds and National training centers, promoting sports for all such as support sports activities of neglected class and aiding various sports entities and international sports events.

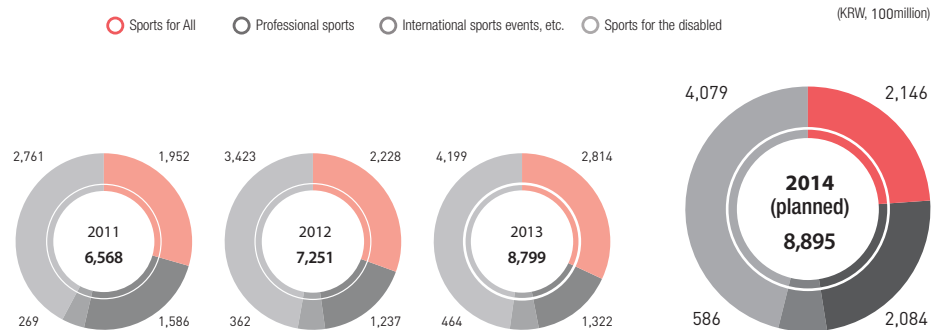


Value Creation and Distribution

Raise and support of National Sports Promotion Fund

KSPO raised KRW 6.7 trillion in total until 2013 with cycle racing, motorboat racing and SportsToto and has been using in promotion of sports for all, professional sports, and sports for the disabled and international sports. The fund support was KRW 879.9 billion in 2013 which is 21.3% increase compared to that of previous year and the most amount since the foundation of KSPO. We are planning to support KRW 889.5 billion in 2014, 1.09% increase than 2013.

Support for each area



Accumulated fund

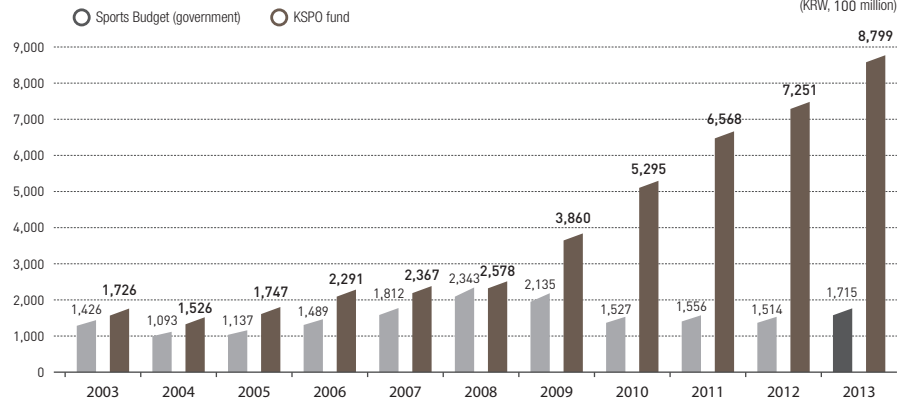
(KRW, 100million)

	Cycle racing	Motorboat racing	SportsToto	Income from fund operation	Additional Income	Miscellaneous	Total
Fund	5,370	394	35,448	12,516	7,134	5,989	66,851
Percentage (%)	8.0%	0.6%	53.0%	18.7%	10.7%	9.0%	100%

*Input of cycle, motorboat racing business and Sports Toto are related and summed only to funding by racing business.

Government sports budget and National Sports Promotional Fund

(KRW, 100 million)



Creation of Economic Value

Economic value created by KSPO is calculated by excluding cost and depreciation costs from KSPO's business profits and non-business profits. KSPO earned KRW 2.07 trillion in 2013, which is a decrease by KRW 41.9billion compared to the KRW 2.11 trillion of 2012. Cost overgrew the increase in business profit and non-business profit resulting decreased economic value of KRW 41.9billion(△2%).

Meanwhile, created economic value to business profit is 36.03% and was distributed to various stakeholders including our staff, partners, government and local government, local community, and beneficiaries of the National Sports Promotional Fund. The distribution rate of economic value for each stakeholder in 2013 were 33.38% for government and local governments, 42.45% for the National Sports Promotional Fund, 18.86% for our partners, 4.16% for our staff, and 1.03% for KSPO's reserve. The distributed economic value equals the economic value created.

Creation of economic values

(KRW, 100million)

	2011	2012	2013
Business profit	48,690	57,606	57,527
Business cost*	32,209	37,217	37,791
Non-business profit**	5,386	8,340	8,994
Non-business cost***	4,549	7,054	7,493
Depreciation cost	441	527	508
Created Economic Value	16,877	21,148	20,729

* Business cost does not include depreciation cost, wages and transferred amount to reserve

** Non-business profit does not include refunds of corporate tax and various reserves

*** Non-business costs does not include transferred reserve fund for proper purpose businesses, staff welfare fund, etc.

Creation of economic values from each business

(KRW, thousand)

Category	Cycle racing	Motorboat racing	SportsToto	Miscellaneous	Total
Business profit	18,939	6,950	30,782	856	57,527
Business cost*	14,220	5,128	18,202	241	37,791
Non-business profit**	98	24	443	8,429	8,994
Non-business cost***	15	8	119	7,351	7,493
Depreciation cost	113	75	68	252	508
Created Economic Value	4,689	1,763	12,836	1,441	20,729

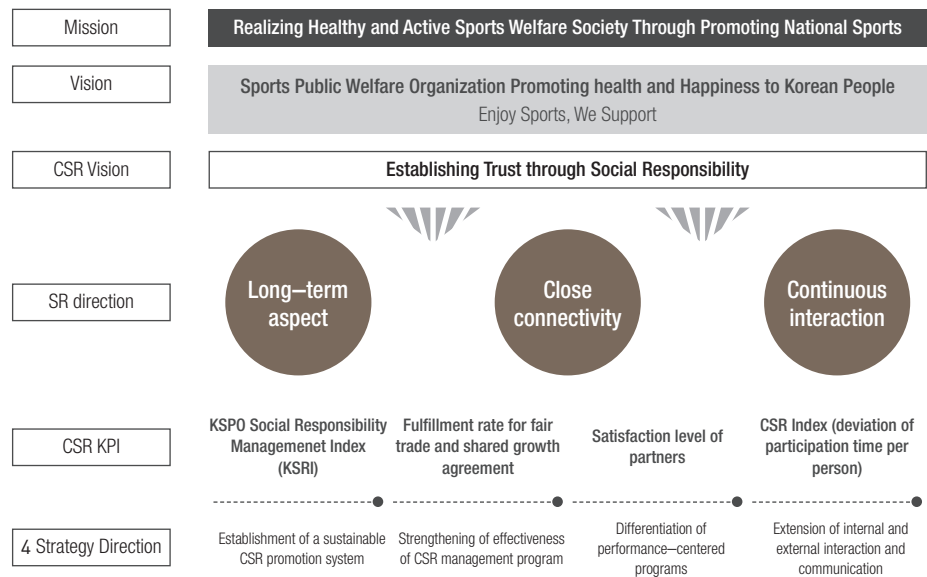
Details of distributed economic values

Stakeholder	Staff	Partners	Government, local governments, etc.	Local community	National Sports Promotional Fund	KSPO reserve
100million	863	3,909	6,920	23	8,799	215
%	4.16	18.86	33.38	0.11	42.45	1.04
distributed economic values in 2013						20,729

Sustainable Management System

Sustainable Management Structure

KSPo introduced our vision of "Public Sports Organization, Making Everyone Healthy and Happy" in order to reinforce our identity of the pursuit of public benefit, we adopted separate CSR vision of "Establishing Trust through Social Responsibility" for responsible activities.



Efforts towards Sustainable Growth

legislation of 'National Fitness 100'

Fitness Certification Project, began in 2012, is a new fund business to encourage voluntary participation and to fulfill the needs of daily sports of the people. In 2013, KSPo is operating 14 Fitness Certification Centers and a total of 56,104 people received the certification which is 4.6 times more than those of previous year. To lay a systematic foundation of the project, we proposed to amend National Sports Promotion Act and setup a strategic promotion plan. As KSPo's fund support is indirect support structure, due to its characteristics,

KSPo's role is open to risk of reduction from various internal and external factors. While KSPo is aiming to promote sports by raising and supporting National Sports Promotion Fund, we are reinforcing our role and status to beyond simple granting and settling of the fund but a main agent of business with direct fund supporting business.



Construction Project of Olympic Sports Complex

KSPo is currently promoting a construction project of the Olympic Sports Complex, by remodeling the Olympic Center and Olympic Parktel. The complex will be constructed on a 173,747m² site near the Peace Square of the Olympic Park in Bangi—dong, Songpa—gu and is scheduled to be completed in 2016, and start operating in 2017. The Olympic Sports Complex will integrate all sports—related organizations that will enhance efficiency in sports administration is going to be higher value creating complex that can provide work, lodging, meetings, exhibitions, and shows. The project was acknowledged of its importance and was included in the government task for the year 2013. For flawless execution of the government task first step was the preliminary feasibility analysis and we were able to lay foundation for the project.



Risk Management

Enterprise Risk Management System

KSPO is periodically managing the 41 key risks, set by our risk management system, the factors such as the impact on business operations, frequency, and risk limit according to priorities. 261 risks in total (9 enterprise risks and 252 specific risks) are additionally identified, expanded and reorganized so that all departments could manage their own risks. Also reinforced risk management by expanding main controlling entity from audit committee to triple management system. Enhanced enterprise risk management(ERM) system will respond to future risk preemptively. We expanded monitoring area by extending checklist on reckless management and management guide so that we can check realtime on reckless management and management guideline vulnerable area. Also reinforced monitoring by work—site autonomous check and audit committee specific inspection. We also implemented autonomous control for key risks that allows the RM (Risk Management) Council to self—diagnose key risk factors and discuss management options for the risks.

Key risks subject to priority management in 2013

No	Risk	No	Risk
1	Business Effectiveness	14	Labor management conflict
2	Return on sales	15	Olympic park safety accident
3	Debt ratio	16	Event safety accident i.e TDK
4	Current ratio	17	Poor construction management
5	Ratio of value added to total liabilities and net worth	18	IT system failure
6	Total assets turnover rate	19	SportsToto system failure
7	Budget efficiency	20	Cycle racing, motorboat racing system failure
8	Sales from cycle racing	21	Fairness in cycle racing
9	Sales from motorboat racing	22	Fairness in motorboat racing
10	Sales from SportsToto	23	Safety accident occurring in cycle racing
11	Sales from Youth Hostel	24	Safety accident occurring in motorboat racing
12	Loss from fund operation	25	Cycle racing competitors group action
13	Negative media report	26	Motorboat competitors group action

Constant monitoring system

KSPO is enacting efforts to minimize risks by monitoring risks in real—time with a constant monitoring system. We have added items in our checklist of financial accounting and fund and executing constant monitoring system for 59 risks in 7 areas: financial accounting, fund, corporate credit card, human resource, purchase and contract, business management, profits and sales.

Zero—Accident, Zero—Failure operation of sports racing business

KSPO is carrying out systematic quality control to ensure stable operations of our sports racing business : cycle racing, motorboat racing and SportsToto. For the cycle and motorboat racing business, we checked broadcasting system 105 times and were able to host 3,465 races in 2013 without any accidents thanks to our efforts to strengthen the stability of the three factors of race operation: referee judgment, broadcasting and ticketing system. For SportsToto, we were able to accomplish zero—suspension and zero—failure through a performance evaluation covering issues including monthly and on—demand inspections

on our network and ticketing system. We are also maintaining stability and improving credibility of our operations by obtaining international accreditation related to quality control and security management.

Maintenance of quality management system accreditation for sports racing business in 2013

	Maintenance of international standards
Cycle and motorboat racing	<ul style="list-style-type: none"> ·Ticketing IT service: ISO 20000 (2009~) ·Racing quality: ISO 9001 (2008~)
SportsToto	<ul style="list-style-type: none"> ·IT service management: ISO 20000 (2010~) ·IT security management: ISO 27001 (2010~)

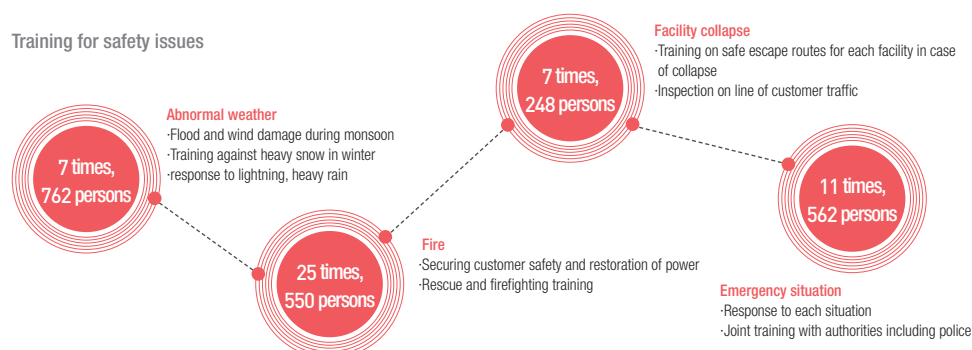
SportsToto, 13 consecutive years of zero—suspension, zero—failure

We are maintaining best condition by periodic checking of system management status and eliminating abnormal factors in advance. In order to improve stability of operating system, we are checking in real—time and monthly performance test on central process center and backup center. We implemented exercise against each disorder scenario for 4 times and setup 4 tier defense system to reinforce data protection stability so that achieved 13 consecutive years of zero—suspension, zero—failure.

Strengthening of facilities and crisis management

KSP0 has a systematic safety management system for each of its operations including the Olympic Park and Gwangmyeong Speedom. We regularly inspect worn—out facilities and reinforced the competency of safety inspecting staff to conduct regular self checkup. For special facilities, we reconstructed the realtime checkup system and installed portable digital measuring instrument which enables us to detect abnormality in advance and deal with facility disaster safety. We are also carrying out safety education to facility manager and staffs and through various efforts including upgrading our online safety management system, we are maintaining Grade B and above for facility safety in 2013. Gwangmyeong Speedom underwent setting up of safety management system such as facility safety reinforcement, firefighting and disaster prevention system improvement, special facility safety management specialization, emergency situation response ability intensification and was able to bring down safety accidents to zero. Moreover, in 2013, it acquired ‘Safety Zone—Certi’ for large scale dome facility for the first time in Korea and was awarded with ‘Korea Security Award.’ Also, MISARI Regatta Course Park made alteration on its facility structures and installation of assistant equipments for the disabled and the old so that it complete field inspection for barrier free living environment to acquire certification in 2014.

Training for safety issues



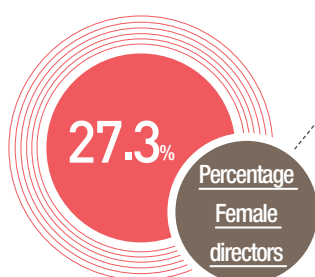
Corporate Governance

BOD Organization

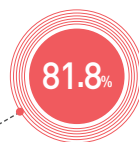
The BOD is comprised of 11 directors, of which 2 executive and 9 Independent, and in accordance with the Act on the Management of Public Institutions, KSPO Chairman also chairs the BOD.

Composition of Board of Directions (based on December 31st, 2013)

		Name	Company and title
Executive Directors		Chung Jung-Taek	Chairman
		Seong Nam-Gi	Managing Director
Independent directors	Official members	Park Wi-Jin	Sports Bureau, Ministry of Culture, Sports Tourism (Sports policies)
		Yang Jai-Wan	Secretary General, KOC (Professional sports)
	Appointed members	Kim Dong-Geon	Attorney, Barun Law LLC
		Kim Jong-Su	Professor, Seoul National University
		Im Oh-Gyeong	Coach, Seoul-si handball team
		Kim Deok-Sang	Athletes' Commission, KOC
		Shin Jeong-Hee	Athletes' Commission, KOC
		Kim Seol-Hyang	Professor, Univ. of Seoul
		Mun Seong-Ho	Chairman, Plus Logistics



KSPO's BOD is composed of 27.3% of female directors. The rate is not low considering many companies around the world are trying to increase the percentage of female board members and various movements made in countries : US's campaign '30% female board member for American company', Germany's quota system '30% female director for public companies' and UK's bill '30% female director for public company.' According to 'Alto', a management information disclosure system for public entities, the percentage of female directors at public entities is 11.3% and 47.5% even does not have any.



Percentage of Independent directors

KSPO appointed experts from diverse fields and facilitating management advisory. Thanks to the high percentage of independent directors of the BOD (81.8%), the BOD has an actual decision-making authority, and an independent directors' meeting is held before the BOD meets where 100% of the items are reviewed in advance to ensure the operation of the BOD is carried out in a fair and efficient manner.

Operation of Board of Directors

A total of 13 meetings of the BOD were held in 2013 in which 40 items including the construction of youth soccer center, expansion of exhibit area for SOMA were reviewed and resolved, and the BOD received reports on 14 items including brief of the construction project for the Olympic Complex. The average participation rate of the BOD during this period was 95.1%. Independent directors' meeting is held before the BOD meets, allowing the BOD to mark 100% in preliminary review rate for three consecutive years

Operation of KSP0's BOD

		2011	2012	2013
BOD Meetings	BOD meetings	9	11	13
	Non-regular BOD meetings	9	12	13
	Subcommittee	3	6	10
BOD Operations	Attendance of BOD(%)	95.2	95.1	95.1
	Attendance of Independent directors(%)	93.8	94.2	94.4
	Resolved items	46	30	40
	Reported items	6	11	14
	Percentage of preliminary reviews(%)	100	100	100
	Percentage of modified resolutions(%)	8.7(4items)	10(3items)	12.5(5items)
	Proportion of remarks made by independent directors(%)	89.8	89.2	92.2

Strengthened Operation of Expert Subcommittees

KSP0 is currently operating 3 subcommittees — management strategy, budget and accounts and sports promotion, and the subcommittees are providing expert advice for major policies. The subcommittee met 10 times in 2013, which is 66.7% increase compared to the previous year, and is expanding its target for consideration from annual limited subjects to major management issues such as sustainable management, enhancement of management transparency, efficiency of sports promotion.

Strengthened Advisory Function of Independent Directors

In 2013, 10 times of management consultation were made and 31 times of management suggestions of which 30 items were adopted. Also, introduced 'major agenda intensive review system' that with more than 3 outside directors' request during preliminary review, an intensive review item may be adopted so that the item can be separately administrated the consideration process.

	2011	2012	2013
Management consultation by Independent director	3	6	10
Management suggestion by Independent director	27	30	31
Management suggestion adopted	25(92.6%)	28(93.3%)	30(96.8%)

Reinforcement in Balanced Agenda

There was a concern that agenda for BOD come from KSP0 headquarters and making BOD participation to management low, we started each business unit presents 1 item, so called 1 unit 1+(item). By making atmosphere that every unit freely present item to consider, reporting items became vitalized thus balanced presentation of agenda for each unit has been achieved.

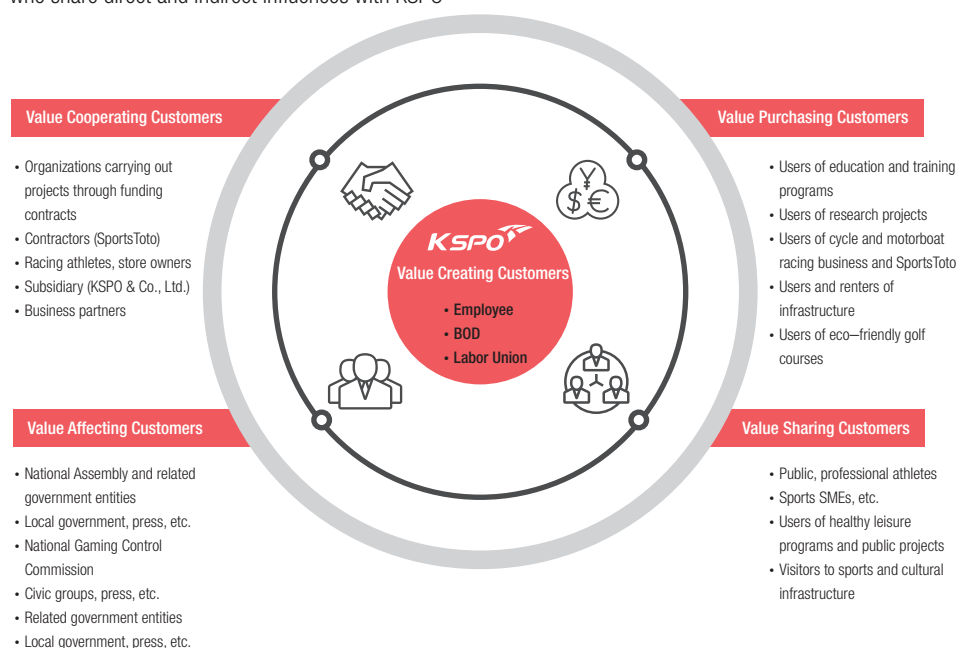
Evaluation and Reward

A director is appointed, in accordance with The Law on Management of Public Bodies and internal rules, by director recommendation committee. Director's qualification and screening criteria are arranged and operated transparently. The evaluation on BOD activity is decided in accordance with government's performance evaluation result and for executive director's incentive is differentiated by the result of government's management evaluation.





Stakeholder Communication

Definition of stakeholder group

KSPO categorizes internal and external stakeholders according to the values created by our organization as Value Creating Customers (staff, labor union), Value Sharing Customers (public, users of our public businesses), Value Cooperating Customers (partners, contractors, professional athletes), Value Purchasing Customers (customers of our cycle and motorboat racing business, SportsToto and eco-friendly golf courses) and Value Affecting Customers (government, local governments, press) to define key stakeholders who share direct and indirect influences with KSPO



Stakeholder Communication Channel

Value Cooperating Customers 	Value Affecting Customers 	Value Purchasing Customers 	Value Sharing Customers 
Communication channel _ Online			
<ul style="list-style-type: none"> • KSPO website • E-mailing system • SNS channels — blog, twitter • KSPO Webzine (electronic in-house newsletter) • Sports information network service • Voice of Customers (VOC) • Management public notification, etc. 	<ul style="list-style-type: none"> • KSPO website • E-mailing system • SNS channels — blog, twitter • KSPO Webzine (electronic in-house newsletter) • Sports information network service • Voice of Customers (VOC) • Management public notification, etc. 	<ul style="list-style-type: none"> • KSPO website • E-mailing system • SNS channels — blog, twitter • KSPO Webzine (electronic in-house newsletter) • Sports information network service • Voice of Customers (VOC) • Management public notification, etc. 	<ul style="list-style-type: none"> • KSPO website • E-mailing system • SNS channels — blog, twitter • KSPO Webzine (electronic in-house newsletter) • Sports information network service • Voice of Customers (VOC) • Management public notification, etc.
Communication channel _ Offline			
<ul style="list-style-type: none"> • On-site meetings, workshops • Education, events, etc. 	<ul style="list-style-type: none"> • Work report sessions, workshops • Business presentation 	<ul style="list-style-type: none"> • Customer Advisor Committee • Events, on-site bulletins 	<ul style="list-style-type: none"> • Public events, advertisements (on-demand) • Mass media channels
Communication message			
<ul style="list-style-type: none"> • Purpose of establishment, vision, core value • Related strategy direction and execution mission etc. 	<ul style="list-style-type: none"> • Purpose of establishment, vision, general strategy structure • policy task, progress of present tasks 	<ul style="list-style-type: none"> • Purpose of establishment, vision, major strategy direction • Public value of sports racing business 	<ul style="list-style-type: none"> • Purpose of establishment, vision, core value • Major management performance, public contribution

Stakeholders' Opinion Reflected to Management

	Communication Channel	Opinion	Reflected to Management	Report
Our People	Union Management Dialogue	Closure of Olympic Park branch of cycle racing and motorboat racing	<ul style="list-style-type: none"> Preparation of union—management mutual plan for Olympic Park branch closure Minimize trouble in fund raising with rational alternative such as turning main to branch 	—
	Contest	enhance the role of KSPO by developing direct fund support business	<ul style="list-style-type: none"> new direct fund support project : youth soccer center construction 	18
	Internal opinion gathering	various management agenda for BOD meeting (biased to HQ with 46.3%)	<ul style="list-style-type: none"> 1 division, 1+ item submission system 	19
Customer	Customer monitoring group	customer friendly information disclosure is required(decision making process, government policy fulfillment, social contribution activity, KSPO business related etc)	<ul style="list-style-type: none"> reflect the opinion and benchmarking other organization case, 10 new items disclosed 	33
	VOC(Voice of Customers)	fresh racing spectating required (uneasy from smoking and indirect smoking, appropriate cool temperature request etc.)	<ul style="list-style-type: none"> smoking complaint area to be separated and improve ventilation weak cooling floor, heat shelter etc. differentiated indoor temperature management 	64
		Minimization of customer chaos is required (1~2min. before bet closing chaotic counter)	<ul style="list-style-type: none"> dispatch quick counter helper increase visiting counter (1→3) 	48
		Minimization of customer confusion is required (confusing terminology of branch, use standard term)	<ul style="list-style-type: none"> make standard terminology for branch and change utilize leaflet, info desk to spread 	48
		more convenient facility required (insufficient balanced T—money card, various food at kiosk requested)	<ul style="list-style-type: none"> T—money card recharger placed by season, by branch differentiate menu 	—
	Customer Suggestion	no smoking area direction for branch and basic order to be announced on screen	<ul style="list-style-type: none"> 2013 no smoking, basic order notice 2014 safety accident prevention notice 	51
		priority purchasing for social enterprise product	<ul style="list-style-type: none"> fulfilled the purchase request 	45
		improvement required for car exit at Misari course	<ul style="list-style-type: none"> traffic island, more direction for exit installed 	—
Fund supporting organization	Sports lesson voucher Short—term sports experience	simpler process	<ul style="list-style-type: none"> letter → system input 	30
		increase supporting amount per individual	<ul style="list-style-type: none"> 150,000 → 200,000 per person 	30
		extend period for winter experience	<ul style="list-style-type: none"> extended : Jul—Nov → Jul—Dec 	—
	Contest project	objectivity for contest evaluation	<ul style="list-style-type: none"> improved evaluation criteria for contest (added metrical items, strengthened qualification to non—profit corporation) 	—
	Infrastructure support	support improve wornout facility	<ul style="list-style-type: none"> ground sports—for—all facility repair(50 sites, support for repair) 	59
		youth soccer stadium construction	<ul style="list-style-type: none"> change fund operation plan and reflect opinion — 3 selected, support 	18
		detailed explanation required for work, settlement	<ul style="list-style-type: none"> detailed technology adviceaccompany accountant and settlement education distribute sports—for—all facility promotion booklet 	—

	Communication Channel	Opinion	Reflected to Management	Report
Partner company	Coexistence conference group	reinforce staff education	• diversify staff education	53
		reinforce subsidiary ethics management	• ethics evaluation for subsidiary	—
		specific ethics program required for bicycle motorboat racing	• bicycle motorboat racing staff education material etc. special education fulfilled	—
Government and assembly	Government task	stable promotion of new government task – national fitness certificate business	<ul style="list-style-type: none"> • stable operation of national fitness certification business, government task promotion(expand certificate center to 14, 56,104 people participated 4.6times increase than previous year) • develop fitness measure standard for the olds. and youth fitness certificate project quality enhance • strengthen PR increase people's recognition business activation : media (10times), recognition rate (2012 19.4% → 2013 44.4%) 	29
Local community	civil complaint	fish dies of noise vibration at fish farm near YeongGwang golf course	<ul style="list-style-type: none"> • cooperative structure among gun office— KSPO— supervisor— construction company and overcoming difficulty • job creation of 30 people after opening of golf course (2014) 	—

Stakeholder Interview

“sports IT convergence technology will boost status of Korea”



As one of KSPO sports industry technology development business I proceeded a project 'IT converged curling system development to enhance performance' Through this, we were able to have performances of teams and athletes of all over the world and data of games, analyzed each team's strategy and characteristics to have positive result by applying it to female curling national team for Sochi Olympics. As you see, sports IT convergence technology is expected to enhance the status of IT strong Korea in Pyeongchang and the growth potential is very high following research is essential. Research and development is base for all industry, if KSPO can invest and support more, you can greatly contribute to development of Korea sports.

Professor Yoon Hyung Gi, Department of Sports for All, Soongsil University

“New contribution business is required to bicycle racing and motorboat racing be perceived as leisure industry”



KSPO's bicycle racing and motorboat racing businesses are the parts people can dislike, thus it is very important to manage customers of bicycle racing and motorboat racing in psychologically and emotionally. At present there is program to prevent addiction as a part of a social contribution but it could be rather heavy topic, so there should be change in direction to solve it interestingly in daily life. For example, you need to make image of bicycle racing and motorboat racing not a gambling but family can come and do experience, service and game, so it requires a social contribution project that can raise the perception as a leisure industry. Also I hope there should be linkage among the social contribution partner of the KSPO. Once various partners gather together and share information, bigger synergy can be created.

An Jun Sang, Head of PR Department, Social Solidarity Bank

“Sports—for—all directly related to people’s health”



KSPO is executing various sports—for—all area businesses with Korea Council of Sport for All such as sports—for—all participation program for each generation, support for neglected class sports activity, national sport—for—all coach placement, that helping people’s healthy and happy life. Especially, from now on we need to expand program to children and youth so that they can have habit to enjoy sports, and by realizing sport—for—all has effect of reducing national medical expenses, government need to increase the budget for sport—for—all. Also due to the business structure that the fund raising is done through gambling, people tend to think KSPO’s business as negative, to change this perception, KSPO and sports organizations should work together. **Nam Il Ho, Head of Strategy and Planning team, Korea Council of Sport for All**

“Convergence of Health, Tour, Leisure are KSPO’s new value”



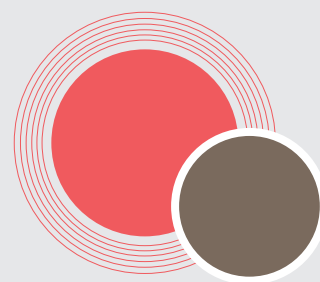
Recently interest for sports you can directly experience is increasing than simply watching sports. KSPO has vision of ‘enhance people’s happiness through convergence of sports and health, local tour, leisure sports’ and needs to redefine the business. Of course the revenue from this cannot be compare to that of betting business, I think it as future value and direction that KSPO should pursue. Especially together with increase of national income the consumption of sports also changes thus KSPO’s new business should be priming water sports leisure industry of our country. **Kim Hyung Seok, Team leader of Creation and Innovation team, KSPO**

“Internal trust of organization should be the base”



In rapidly changing management activity national and social demand for integrity and ethical management is growing bigger. Without continuous and systematic integrity and ethical management practice, it is hard to get people’s trust and impossible to keep grow. To KSPO to develop, trust among members of the organization should be the base. Once internal trust is made, then outside recognizes the value of KSPO. It is important to all stakeholders of the organization, especially to inside members, for the trust creation of continuous and systematic ethical management infrastructure and get members’ appreciation. **Shin Kwang Yi, Team leader of Ethical management team, KSPO**

The Insights of Stakeholders



Stakeholders' Opinion Reflected to Management

Effective Solutions for activating participation of 20~30s



▶ **Kim Mi Sook Team leader(KSPQ social contribution team)** Today you provided various opinion for KSPQ's to increase the profit participation of the young should be promoted. KSPQ to be sustainable, profit generation is the basic thing to do. However since KSPQ is a public organization, focusing only to profit like private company cannot be accounted for it did the role. In this perspective what kind of social responsibility should KSPQ pay attention is required from you.

▶ **Lee Sang Ong (motorboat racing)** Motorboat racing and bicycle racing are enjoyed by those who are relaxed however those 20s and 30s who are in their time to work hard, I wonder if it's possible for them to come. If they are not in a position to manage the risk in terms of ability or

income, they would face problem with finance and credit to make socially adverse effects. So KSPQ should concentrate on the olds who can enjoy relaxation.

▶ **Yoon Hyung Jin (HQ)** However we cannot ignore 2-30s' economic power. Not for bicycle racing and motorboat racing, they purchase SportsToto and if you see them paying for coffee, they do have buying power. So we need to make them feel comfortable and close to the races. Promotion would play a big role and not many people know how National Sports Fund is used. We need to let them know its utilized as Sports Promotion Fund.



▶ **Lee Sang Ong (motorboat racing)** Entrance fee for bicycle racing and motorboat racing is revenue for Sports Promotion Fund and eventually going to contribute helping our society. In some way,



the entrance ticket is a donation channel so finding time and coming to motorboat race course to enjoy itself is a kind of service. But nobody perceives this way is the problem. For lottery ticket, even if you don't win, you perceive you helped the poor so don't feel too much of loss. On the other hand, bicycle racing and motorboat racing make you think how much I have put in this and feel bad. This is because focusing too much on betting itself and reverse effect. We need to tell thanks to you who bet, Sports Promotion Fund is to be used.

▶ **Lee Sang Ong (motorboat racing)** One step further, how about utilizing entrance ticket as donation? If not always, how about in May when there is Children's day or end of the year, for those who wishes to donate can add one thousand won to one thousand won to buy and donate to Unicef

KSPO is operating customer panel to reflect customers' practical opinion. Panels are from specific area of headquarter, sports industry, bicycle racing, motorboat racing and once assignment is presented, panels should submit their opinion and KSPO reviews in advance to have in depth discussion during the meeting. 2014 customer panel group was held on July 29 and assignment was 'to suggest effective ways to activate participation on bicycle racing and motorboat racing of 20–30 year olds'. Yoon Hyung Jin, Kim Young Eun, Song Ho Gwun, Yoon Gun Ja, Lee Sang Ong, Lee Eun Hee, Park Gil Su panel attended for the meeting and KSPO Kim Mi Sook team leader of social contribution team run the meeting.



or anywhere would be nice. There could be reluctance however, it can help inscribing the social meaning of this business and reduce little bit of complaint from those who bet. We need to give satisfaction that even if you've lost, you helped someone.

▶ **Lee Eun Hee (researcher)** I think the bicycle racing and motorboat racing are enjoyable sports. The young people don't do this since they don't know. After all, we need inducement and if you come to Speedom, it's huge but nothing to do. No place to enjoy with children leisurely. We need to provide programs for children, teachers could be volunteers linked with Gwangmyeong-si. Leave children with teacher and parents can enjoy betting.

▶ **Park Gil Su (sports industry)** It takes too long to change perception. People

around me still have negative perception. Even if you say bicycle racing and motorboat racing are sound sports, they don't get it



that way. I hope to find out star from bicycle racing and motorboat racing and let them promote the sports spirit. Also do not let them just watch the athlete play and do the betting but let them enjoy with simulation game to have indirect experience.

▶ **Song Ho Gwun(bicycle racing)** KSPO is renting mats and shades and running shuttle buses to various routes for customers convenience. However the leisure activity of the olds have increased and we have more visits and not many but the disabled do visit bicycle racing. When we see them they themselves have to move the electric wheelchair and look for information desk which must not be easy for the olds, blinds,



or the deafs. To improve to let them use conveniently and many cases they don't find the facility easy so we need to reinforce the information

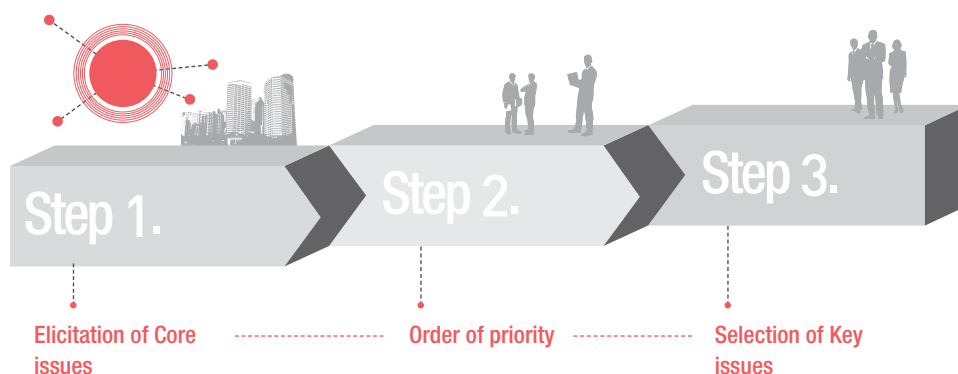
▶ **Kim Young Eun (sports industry)** To let young people come there should be reason and Speedom lacks food the youngs like. Like Shinsegye Department Store in Gangnam, we need to try to develop good menu they can think of when heard Speedom. But actually there could be restraints to develop special partner. Even spreading a parasol faces restraint, this is not easy to have industry's attention for shared growth or local community industry support. We need to loosen restraints some degree to coexist.



Materiality Evaluation and Key Issues

KSPO Materiality Evaluation

In preparing a sustainability report, it is very important to understand the interested matter of stakeholders and materiality of inside the organization of issues related to sustainability of KSPO. We have executed an internal and external environmental analysis in accordance with KSPO's self developed materiality decision making process and selected the most important issues for KSPO and stakeholders and reflected them in our report and sustainable management strategy.



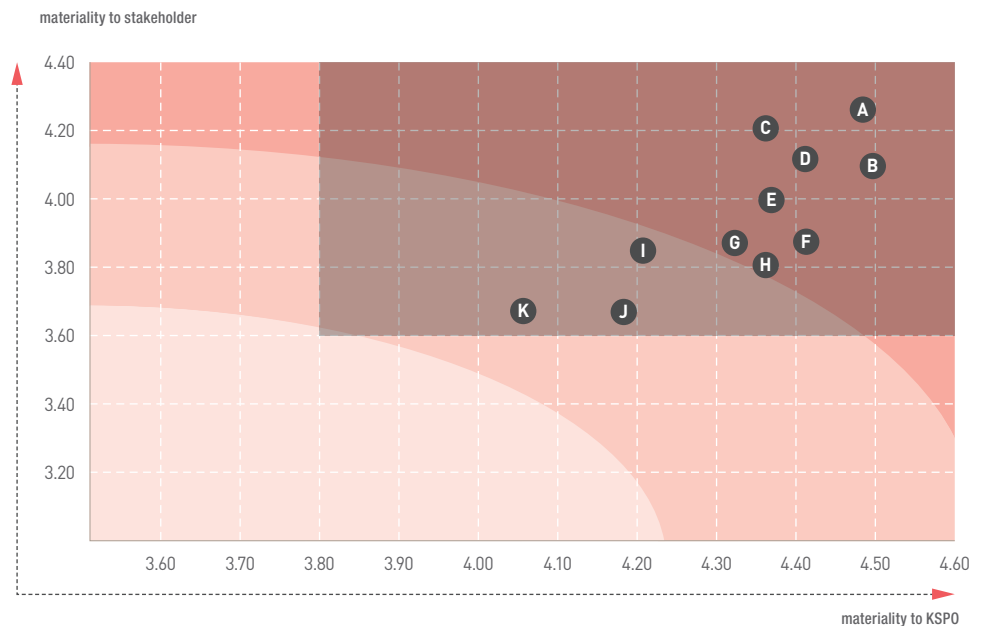
| Step 1. Elicitation of Core issues |

We have elicited 138 Core issues from internal and external environmental analysis that are important to KSPO.

	Implemented methods	Issues elicited
Media analysis	Analyzed 243 media reports between January 1 and December 31 of 2013 to understand outside cognition on KSPO's sustainability Methodology : SPCRM analysis	12
Similar corporation analysis	Analyzed the sustainability reports of similar organization or excellent sustainability management corporation of issues related to KSPO	19
Trend & Impact analysis	Analyzed major controversial issues related to sustainability management from media, academic journals and research papers in 2012 and 2013	8
Public organizations performance evaluation index analysis	Analyze social responsibility related indexes from public organizations performance evaluation of 2013	10
Government task analysis	Analyze social responsibility related issues from Pres. Park, Geun Hye administration's tasks	47
Sustainability management issues and status analysis	Mid to long-term strategy direction and assignments to implement, advisory group opinion	22
Outside related indexes fulfillment level analysis	Customer satisfaction, Integrity evaluation	
Issues from past report	Key issues from sustainability report of 2011 and 2012	13
KSRI analysis	Analyze KSRI (KSPO Social Responsibility Index) of 2013 for issues that need supplement	7

| Step 2. Order of priority |

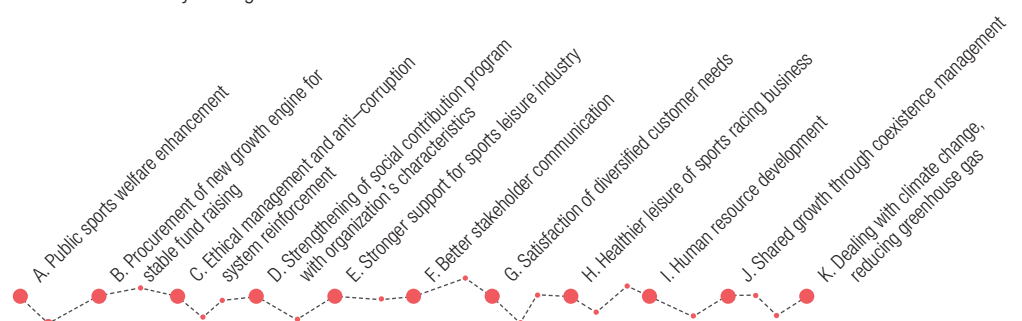
From 138 core issues, we have screened for 12 economic issues, 12 social issues, 4 environmental issues and 4 general sustainability, totalling 32 for the first. Then according to analysis of materiality of stakeholder and KSPO's business perspective, order of priority by issues has been set. In this process, we conducted a survey to our major stakeholders, value creating customers, value sharing customers, value cooperating customers, value purchasing customers and value affecting customers. A total of 4,341 questionnaires have been sent and 52.7%, that are 2,289 have responded. Number of questions were 10 (11 for our people) and the results were analyzed with 7 point scale.



KSPO Sustainability Management Key Issues

| Step 3. Selection of Key issue |

Followed by outside experts' review and management's examination, 11 Key issues that are material to KSPO's sustainability management are selected.



KEY ISSUE 01. Improving Public Sports Welfare

Healthy sports welfare society through public sport promotion

Though various changes in circumstance such as implementation of 5 day workweek, aging society, increase in desire for leisure increase demand for sports finance, government budget for sports is tend to decrease. Considering the difficulty in increase of government's sports budget, National Sports Promotion Fund continuously expanding its portion, and in 2013 it took up 83.7% of total sports budget, playing a big role in country's sports finance. To enhance the quality of life through sports, KSPo will contribute to bring sports welfare society so that anybody can enjoy sports.



KRW **59.1** billion
Sports support fund for neglected class



KRW **154** billion
Fund for sports for all facility construction

Construction of sports—for—all infrastructure

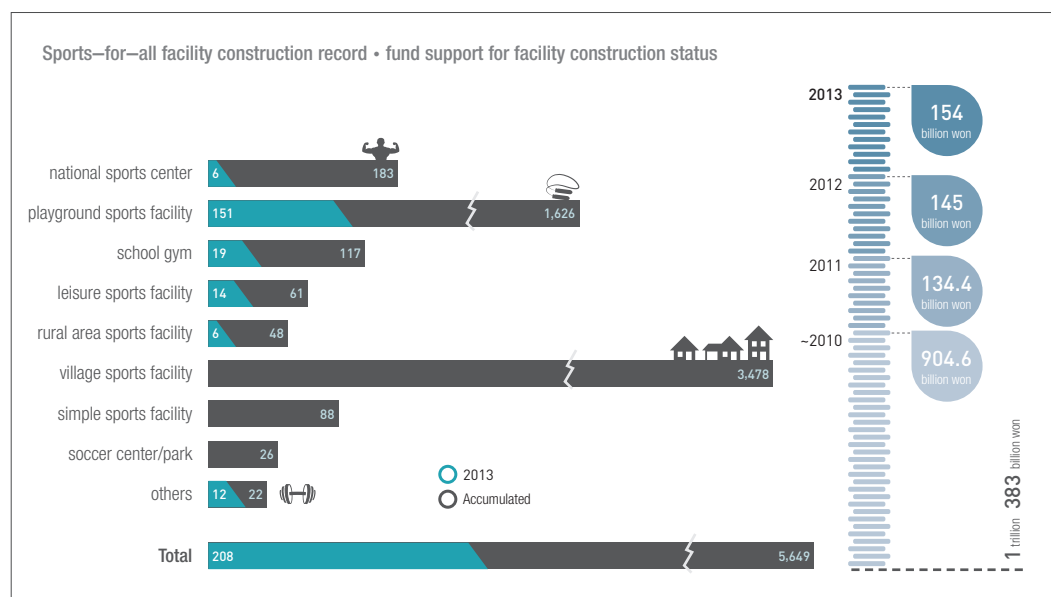
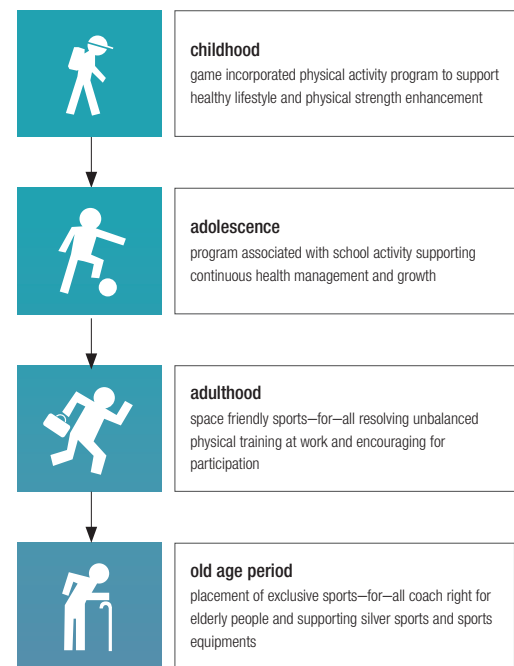
With an aim to provide national per capita sports facility area of 5.7m² by 2025, so that people can enjoy sports within 15 minutes from their doorstep, we are constructing infrastructure. We spent KRW 154billion to put various efforts such as building complex sports center, school gym and sports facilities for rural area. In result, per capita sports area grew to 3.79m², 0.48 increase from previous year's 3.31m², and achieved 5.8% of public sports facility usage and 5.1point increase in user satisfaction.

Operation of "National Fitness 100" project

"National Fitness 100" project is to measure the fitness level of the people in scientific way and to offer exercise counseling and prescription with the result of measurement. KSPO has setup basic plan for the project, pushed for legislation, and operating fitness classes to invigorate the project. In 2013, 56,104 people participated for the national fitness certification, exceeded the initial goal by 25.2%, and we increased certification center to 14 which was 4. As a result, participation rate for sports—for—all increase to 45.45% in 2013 from 43.3% of 2012, and satisfaction of fitness certification participant also increased to 90.4 which was 79.4 in 2012.

Support for sports—for—all customized to life cycle

For era of 100—year—old age, we are supporting sports—for—all customized to life cycle. Children, adolescents, adults and the olds require different support as they differs in space, time and purpose of sports depending on their life cycle. KSPO introduced 'Smile 100(enjoying sports to 100 years old), comprehensive plan for national sports—for—all promotion and supporting people's sports—for—all.



Fostering of advanced country style sports club

KSPO is aware of the present problem from elite sports focused athlete training system that divided sports into sports—for—all and elite sports. We empathized the need to expand the base of sports through sports—for—all foundation like advanced countries. In 2013, we conducted a research study for fostering sports clubs and come up with a mid to long-term roadmap for fostering sports clubs. As a result, in 2013, number of sports clubs increased 8.8% and registered club members increased 9.6%.

Expansion of support for sports of the socially neglected class

KSPO is putting various efforts to eliminate any blind spot for sports with declaration of 'No blind spot in sports.' In 2013, we supported a total of KRW 59.1 billion, 25% increase from previous year so that low-income people, multicultural families, the elderly, and the disabled are not excluded from sports activities.

Amount supported to neglected class

(Unit : KRW 100 million)

	2013
sports lesson voucher	106
happiness sharing sports class	21
sports for the disabled	464
Total	591

No Blind Spot in Sports

economic blind spot(low income)

- no participation for sports activities because of economic burden
- living first, bi-polarization

social blind spot(welfare facility)

- housed at social welfare facilities such as orphanage, local child center
- excluded by social prejudice

physical blind spot(disabled person)

- difficulty in sports activity due to physical discomforts
- guardian aided activity

Improvement in sports lesson voucher system

We supported a total of KRW 10.6billion of for the sport lesson voucher project(previously sports voucher), a major support program for low-income people. The project is a welfare project that provide sports voucher cards(credit card or check card) to children and adolescent of recipient families of 'national basic livelihood' and when they attend to designated sports facilities in the country, they get support for some part of the lesson fees. To make the benefit available to more people, we adjusted the beneficiary age lower and broadened the scope to near poverty group. Also adopted incentive system to motivate local government participation and opened short-term sports experience programs for areas that lack facilities.

- Beneficiary : children and adolescents of age between 5 to 19, who are recipients according to 'National Basic Livelihood Security Act.'(in case of not enough applicants, expand to near poverty group)
- Supporting amount : Max. KRW 70,000 per month for sports lesson(lesson limit on card)
- Supporting period : Period granted by city, county, gu(max 12 month)
- home page: <http://www.svoucher.or.kr>

Status of Sports Voucher Program

	2011	2012	2013
project budget	KRW 8.6billion	KRW 10.6billion	KRW 10.6billion
supporting amount	60,000 per month	70,000 per month	70,000 per month
number of users	195,506	203,036	212,781
user satisfaction	87.4	89.4	90.1

Expansion of Happiness Sharing Sports

ClassExpansion of Happiness Sharing Sports Class

The Program is set to be participated with the famous athletes by teaching children and teenagers sports at child welfare institution, region child center etc. Though reaction from beneficiaries was good, we had limited budget to run. To solve this, we supported KRW 2.1billion in 2013, which is 4.4times increase, and greatly expanded to 20 events at 269 places from 12 events, 40 places in previous year. As a result, the participant increased from 1,431 of year 2012 to 68,063 in year 2013, and turned out to having great effect on emotion cultivation of children from vulnerable social group.

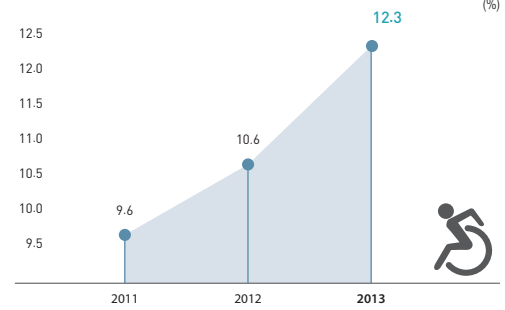
Expansion of sports equipment support and sports spectating experience

In 2013, KSPO supported 170 facilities for the disabled with 3,060 items of sports equipments and 100 welfare facilities with 1,770 equipments. Also, we held trip to stadium with KSPO and watched 6 sports items such as soccer, basketball and handball for 7 times.

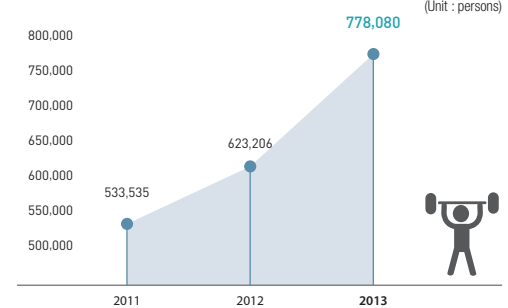
Support for sports activities of the disabled

KSPO is supporting diverse sports activities of the disabled by increasing 21% of sports—for—all coach placement and by executing disability type specific and age specific programs and by constructing national sports center for the disabled so that no blind spot arises due to the disability. As a result, participation rate for sports—for—all of the disabled increase from 10.6% in previous year to 12.3% in 2013 and number of the disabled taking lessons also increased 24.9%.

Participation rate for sports—for—all of the disabled (%)



Number of the disabled taking lessons (Unit : persons)



KEY ISSUE 02. Ethical management and anti-corruption system

Transparent and Clean KSPO

that you can trust

KSPO raised KRW 879.9 billion of National Sports Promotion Fund in the year 2013, the most since our establishment. As an organization that is in charge of up to 90% of sports finance of Korea, trust from people is very important to manage such an enormous amount of money. Thus all our people of KSPO is doing the most for transparent management and ethical management for the reliability improvement of fund management, thus we are acquiring external acknowledgements by '3 consecutive winner of 'Most Admired Company in Korea' and '4 consecutive year selection of excellence in anti-corruption competitiveness evaluation.'



Excellent

Anti-corruption competitiveness evaluation of the Anti-corruption and Civil Rights Commission



Establishment of ethical management plan in link with enterprise management strategy

We have set "Clean and Trustworthy Global Ethical Management Leader" as our goal for ethical management in link with CEO's management direction and enterprise strategy, and we are internalizing our vision in ethics by actively utilizing our brand for ethical management, "Be Right". We are enacting efforts to establish a firm promotion system for ethical management by establishing an advanced ethical management system, spreading the culture of ethics, and promoting the use of monitoring and feedback systems.

Operation of executive ability oriented dedicated organization

We are operating a dedicated organization to strengthen executive ability and to monitor execution of ethical management. Our Social Responsibility Team is handling ethical management affairs while the Audit Department is responsible for affairs related to integrity and anti-corruption, and the Soundness Responsibility Team is responsible for affairs related to the soundness of our operations. We enforced the "Task Force Team for Integrity", an integrated organization of personnel in charge of ethics and integrity activities and healthiness, to promote efficient ethical management and we are putting our efforts for examining integrity comprehensive plan and promoting tasks to prevent factors that can cause corruption. We also expanded and reorganized RM (Risk Management) Council, an integrated organization of ethics and integrity related team leaders, to draw action plans by assigned task.

Promoting system for preventive ethical management

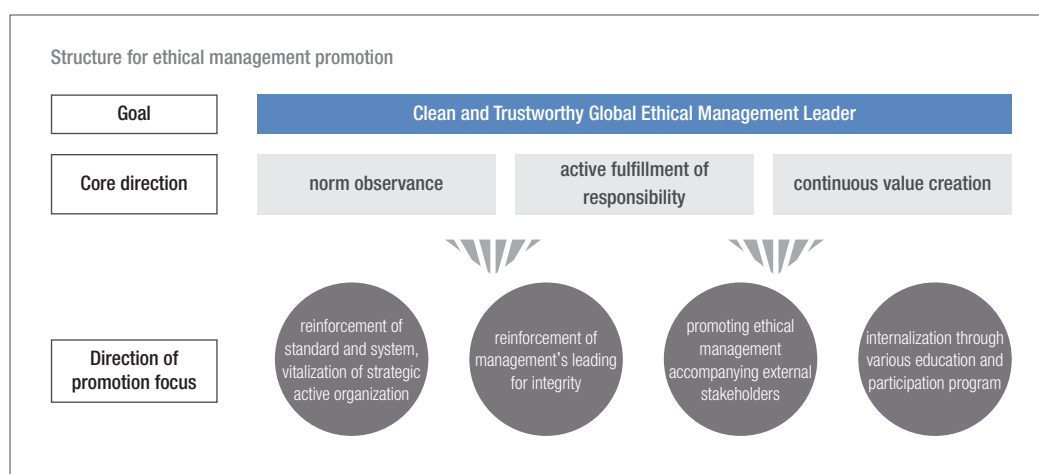
KSPQ is promoting various system for preventive ethical management environment. Our people sincerely following ethics charter, code of ethics, code of conducts and guideline for reporting irrationality and strengthening effectiveness through continuous revision. Also we adopted integrity mileage system to be reflected in performance evaluation to promote autonomous integrity movement.

Operation of customer participating management disclosure system

With aims to strengthen the right to know of people and to improve negative perception on public organization's transparency, we are operating management disclosure system. By collecting customers' opinion and benchmarking other organization's good practices, we created 10 disclosure items and with voluntary participation and induced improvement of internal customers the quality of disclosure has been greatly advanced. Also established 'working committee for disclosure examination', and have it do periodic management of disclosing information and inspection, we achieved zero defect in disclosure for 4 consecutive years.

International information security standards ISO27001 accreditation

At a time when incidents such as personal information leakage occurs, with emphasis on the security importance of personal information, KSPQ promoted integrated management of information protection regulations and aligned organization, global standard security inspection



and improvement to strengthen security of management information and was accredited with International information security standards ISO27001 accreditation for the first in fund management type organization. Also we enhanced security consciousness of our people and setup additional personal information security system to block leakage of customer information from the root. As a result, we acquired 82.1 point, 17.3 point increase from previous year, in 'information security management status evaluation' of the National Intelligence Service.

'Excellent' for 4 consecutive years of anti-corruption competitiveness evaluation from ACRC

In accordance with Article 12 of 'Act on Anti-Corruption and the Foundation of the Anti-Corruption & Civil Rights Commission(ACRC)', KSPo participates the integrity inspection and anti-corruption competitiveness evaluation. We are maintaining 'excellent' level for 4 consecutive years and recorded '8.3' for integrity point, which is measured by internal - external survey, slightly dropped from that of 2012. We analyzed this point and came up with plan for improvement which is being executed in 2014.

	2011	2012	2013
Comprehensive integrity by ACRC	8.95	8.50	8.30
anti-corruption competitiveness evaluation from ACRC	84.5 (II level, excellent)	88.3 (II level, excellent)	90.16 (II level, excellent)

Plan for improvement in 2014 following analysis of the result

External evaluation	Internal evaluation
Result analysis <ul style="list-style-type: none"> • reinforcement of integrity monitoring for transparent administration • requires reinforcement for discipline and punishment system 	Result analysis <ul style="list-style-type: none"> • requires reinforcement of autonomous executive ability for team member ethics • requires clearer ethical standard for cooperative companies
'14 key improvements <ul style="list-style-type: none"> • adopted clean call system for external civilian • adopted fine system for corrupt practice 	'14 key improvements <ul style="list-style-type: none"> • founded and operating KSPo ethical leader group • prepared and executing cooperative company code of conduct

Transparent information disclosure

KSPo is disclosing various management information through our website and integrated disclosure system(Allo).

We have been expanding the items for disclosure from 10units 77items in 2011, 9units 86 items in 2012 to 9units 96items to provide more information and to provide accurate information we introduced "Self Checklist" system for the person in charge of information disclosure to block errors from data gathering. We were able to achieve zero errors in our information disclosure through such efforts, and we are continuously improving customer satisfaction regarding the disclosure for our management information. We are also operating an information disclosure system to guarantee the public's right to know, and we completed the disclosure process for 47 requests made in 2013. The average time it took for information to be disclosed was 4.6 days, which has been shortened over 0.6 day compared to that of previous year.

	2011	2012	2013
Request for information disclosure	18	20	47
Determined to disclose information	18	20	47
Percentage of information disclosure	100%	100%	100%
Days to determined to disclose information(average)	7.4	5.2	4.6
Exceeded legal deadline	0	1	1

Active implementation of Government 3.0 with strengthened information disclosure

KSPo is leading the government 3.0 with active information disclosure and data sharing. To create new growth engine thought activation of utilization of public data by private sector, we formed a 'government 3.0 promotion committee' and have it prepare the promotion structure for public data opening. By establishing guideline for information disclosure, disciplinary standards has been prepared for delay or evasion in information disclosure and formed organization and appointed people dedicated for information disclosure that the process without any evasion is in place. As a result, the process time reduced from 5.2days in 2012 to 4.6days in 2013. Also to promote private use of sports related public data disclosure and share, we renovated sports portal site and are providing comprehensive sports related information.

Ethics education averages 34 hours

The average hours spent by our people for ethics education including offline education on core values internalization, anti-corruption and integrity in 2013 was 34 hours. We are making participating ethics culture by holding

ethics and integrity contest, ethical management quiz contest, integrity oath, integrity name plate, integrity resolution meeting.

Average education time



Launched visiting ethics academy by the division

We launched visiting ethics academy to reinforce ethics competency customized to business division. Ethics experts who have deep understanding in us have been invited and with our internal lecturers gave 4 times of session and 643 people completed the education. Also we diversified the online contents of integrity compulsory course, the number of class to take increase to 1.8 from 1.1 per person.

Strengthening of ethics education focused on weak point improvement

We are implementing customized ethics education from new recruit to management by target, by step for the purpose of strengthening of ethics competency. Also for 3 weak points(business process of related person, execution of budget, indirect experience of bribe or entertainment), we made short movie with case studies in relation with our code of conduct and showed big increase in integrity point of the corresponding area.

Strengthened protection of whistleblower by outsourcing report center

KSPO is operating irrationality reporting system in various channels to monitor and identify violations. By operating the Clean Reporting Center, an autonomous reporting channel through which our people report any money or present they receive, we donated a total of 3 reported items(reported items that received electronic approval were 2) to a welfare organization in 2013. By outsourcing the report center and through guarantee of anonymity to protect whistleblower and to promoted report activation, monthly average of report increased 53.8%, cases increased from 1.3 to 2.0 compared to previous year.

To improve the convenience of the reporting of external stakeholders, we implemented the Integrity Opinion Box, which is an offline reporting channel and mobile reporting center. A total of 20 reports were filed in 2013 at irrationality report center : 18 of these reports were related to irrationality 2 were given penalty, 4 warnings and 3 orders for correction.



Self-monitoring activities for ethical management

KSPO is carrying out self-monitoring efforts to improve the level of ethics and practice of our people. Through the KEPI (KSPO Ethics Management Practice Index) evaluation composed of diagnostic questionnaires on 3 areas and 22 detailed practices we are monitoring the level of ethical practice of our people. We carried out an inspection in 2013 for our external customers to improve the objectivity of the evaluation. KSPO scored 88.9 points in the evaluation for 2013 while external customers scored 88.3 points, and we have reflected key weaknesses identified from the evaluation in our plans for 2014 and continuing our efforts to improve our performance.

(unit : point)

	Key items	2011	2012	2013
KSPO Ethics Management Practice Index (KEPI)	our people	87.2	88.3	88.9
	partner	—	88.5	88.3



1,527 event
Social contribution activities



36.1 hours
Volunteer hours per employee

KEY ISSUE 03. Corporate Social Responsibility

Contributing to local community

Various ways exist for a corporate can contribute to society for example donation and volunteer. Especially so for such an influential public institution like KSPo, it becomes even greater that any other when the institution utilizes its power and characteristics. KSPo has been concerned about the best way we can contribute to society from the very beginning of social contribution, and as a result, concentrating on expansion of sports service to vulnerable social group so that nobody left out from sports activities.

Sports Specialized Social Contribution Strategy

KSPo is practicing the sharing of sports, culture, neighbor and jobs under the CSR vision of "Public Sports institution Sharing the Value of Love and Happiness".

Construction of network type social contribution structure

KSPo is comprising a partnership network with the private sector and local governments to promote effective and systematic CSR activities. KSPo headquarter is actively collecting opinions aimed at the advancement of the local communities through a consultative body with local governments where our cycle and motorboat racing business are located. We are able to generate synergic effects by forming a partnership network, using the knowhow of welfare and public institutions together with the education networks of the academia.

Volunteering of 36.1 hours per people

We are carrying out social contribution activities around the 'Love Sharing Volunteers', that started in September 2004, with voluntary participation of our people. In 2013, it recorded 1,527 times of social contribution activities, 910,210 people of beneficiaries, 41,486 hours of volunteering and 36.1 point per person for love sharing mileage. KSPo approves 8 hours per month for volunteering during the working hour and fully support and encourage participation our people by deploying 'Love Sharing Campaign' and awarding 'Social Contribution Mileage.' For 'KSPo love sharing fund' that is voluntarily

raised with amount people applied beforehand from their monthly salary, KSPo is also supporting with matching amount to the fund. For 2013, KRW 200 million of love sharing fund has been raised and being used for neglected neighbors.

※ As mileage for 2013 is 36.1 points, applied 1 point = 1 hour exchange rate

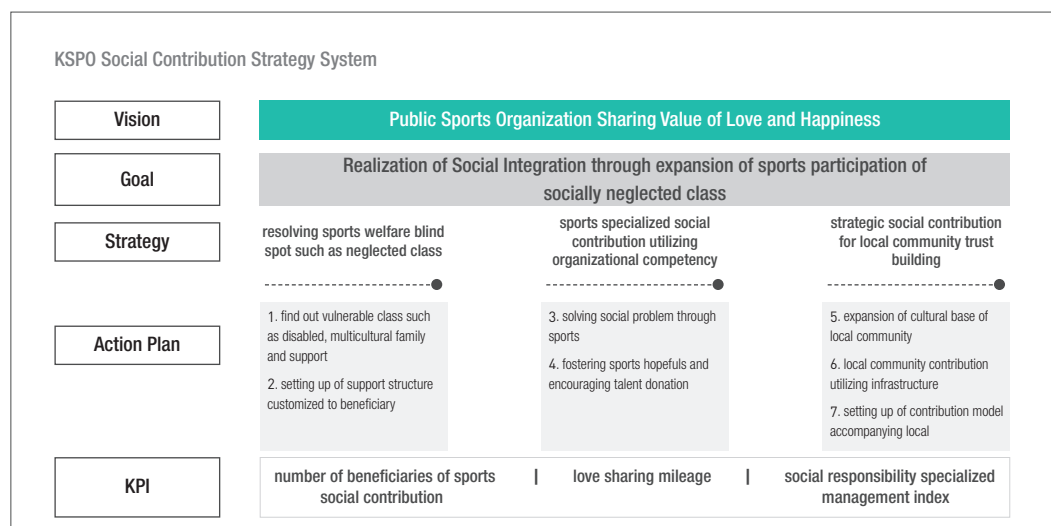
KSPo sports sharing

Sports spectating, sports equipment support improvement and concentration

To realize sports welfare without discrimination, KSPo is supporting with chances to spectate sports games and with sports equipments. In 2013, we diversified spectating sports types and concentrated our sharing love package project to disabled children. Our 'Sharing Love Package' was delivered to 8,419 children of 170 welfare facilities for disabled children with 7 kinds 3,060 pieces of sports equipments. Also we launched 'Hope with sports to friend in island village' project to send 306 pieces of sports equipments to island village school branches of very west end and very south end of Korea where lacks sports infrastructure.

Global sports sharing

We have been supporting sports equipment supporting project to neglected class in overseas every year since 2010. We provided necessary equipments when operated sports classes of Taekwondo, basketball and soccer in Ulaanbaatar, Mongolia and KRW 20 million worth of equipments to Eastern child center in Angeles, the Philippines.



Offering opportunity to experience sports

KSP0 held a Love Sharing Sports Class as a summer sports experience for 12 times at the Misari Regatta Racing Course warming-up area. Invited were 821 children from welfare facilities and they learned and experienced various watersports such as leisure kayak, rafting, banana boat, which they cannot experience normally. Also held rowing and canoe experience class that is not easily accessible by citizens for 33 times to be participated by 4,646 people in total. Winter sports experience with sports stars took place at the Olympic Park Ice Rink, with 320 children from 14 welfare facilities in Seoul, 23 of our people and winter sports stars of Chun Lee-Kyung, Jaegal Sung-yeol, Seong Si-Baek, Choi Jin-Joo.

Talent donations from sports teams

From July to November 2013, there were talent donation activities of sports teams, returning professional knowledge to society. Beneficiaries expanded to neglected classes

July	Diving hopeful class to 40 primary school students living in Seoul capital area, Girls' soccer class to 67 female soccer players of Jeonbuk area
August	Cycle class to 100 amateur cyclists of Yeongju area, canoe experience class to 240 multicultural family of Gwangmyeong-si
September	Held fencing class with multicultural family to 80 primary and middle school students of multicultural family near Gwangmyeong-si
November	Marathon class with Hwang Yeong-jo to 162 multicultural family of Seoul capital area

including Multicultural families and Saeteomin(North Korean defectors), the number increase to 689 from 420.

KSP0 culture sharing

Culture experience at Olympic Museum, Seoul Olympic Museum of Art(SOMA)

KSP0 held culture and art experience program 'Kkumdarak Saturday Culture School' for 54 times for 9 months from March to November and 90 primary and middle school students have participated. In July, bike-typographic & emotional dictionary making experience took place for 120 primary school students and in October, silk screen eco-bag lecture was held for 100 primary school students.

Olympic Parktel 'Seoul Culture Outing'

To provide diverse chances of cultural experience to adolescents of islands and remote areas we have been operating camp since the opening of Olympic Parktel. In May and June of 2013, we invited 340 students and teachers from 6 islands in Boryeong area and 160 students and teacher of Docho Island, Shinan-gun, South Jeolla Province and proceeded history experience(Olympic Museum, Hanseong Baekje Museum), culture experience(Nanta performance, magic show), field trip(Energy World, KBS, Gwacheon National Science Museum, N Seoul Tower) and experience activities(recreation, Lotte World, Flying disk).



Performances for the neglected class

In March 2013, we invited 300 children and teachers from welfare facilities to the "TAL" Taekwondo performance, which took place at the K—Art Hall in Olympic Park. In December, 200 children and teachers from 8 welfare facilities were invited to the 'B—Boy Musical Marionette' performed at Hanwha 63 Art Hall.

Speedom and Speezon culture class : KSPO's Gwangmyeong Speedom and 17 speezons are offering various culture classes and opportunities to local residents to enjoy. The program offers classes on yoga, singing, calligraphy, sports dance, and Korean traditional music that people regardless of age and gender can enjoy and 1,901 people participated in the program in 2013.

KSPO Sharing with neighbors

Volunteering, filling the needs of neighbors

We visit traditional market every month to purchase items needed by welfare facilities and deliver to 7 welfare facilities in Songpa—gu and Gangdon—gu. Each division of KSPO signed sisterhoods with farming villages for the one—city one—village program, and we are carrying out the most needed services. We assist work during farming season in turn and hold events where there are many elderly people. In December, 60 of us visited the Baeksa Village in Junggye—bon—dong, Nowon—gu to deliver

20,000 pieces of coal briquettes and as per request of the local community we distributed food to the homeless, supported wedding ceremony for multicultural family and the disabled and promoted love sharing group blood donation and supported school supplies to overseas poor children.

Talent donation activities of our people

People at KSPO who is equipped with expert knowledge are engaged in various talent donation activities. In October 2013, our volunteers participated in activity to make an 300 page e—book of 'Psychology — Changed habit of putting off' by inputting the contents utilizing their spare time during lunch break and two days later, they donated the e—book to Siloam Welfare Center for the Blind in Gwanak—gu, Seoul. Also, facility team of KSPO & CO visited its sisterhood welfare facility of Lydia House in Gapyeong to checkup and repair installations. By utilizing talents of our people we tried to prevent safety accidents on weak facilities and to improve environment of housing facilities so that we could provide substantial aid to life of neglected class.

Bicycle healing project

'Bicycle healing project' is specialized social contribution activity utilizing our sports infrastructure. At the beginning, it started as a rehabilitation for the disabled, gradually expanded to children with depression, anxiety disorders



and attention deficit hyperactivity disorder(ADHD) and attacker and victim of school violence rode bicycle with policeman and proceeded with mentoring program to have emotional therapy. In 2013, in total 29 times 108 people participated and it has been selected as good case of Gyeonggi-do Province in 2014 in an assessment for activating the use of bicycle, supervised by Ministry of Security and Public Administration.



Sharing jobs

"Hope ReSTART Project" Project

KSPO is carrying out the "Hope ReStart Project" since 2009 to support the neglected class to make new starts. In 2013, we invested KRW 180 million support for start-up of low-income family heads to open 70th by February 2014. Also 91 people have participated for job creating educational program such as bicycle fixing, barista, soap craft, cook license in Korean cuisine and we invested KRW 150 million to 6 social enterprise incubating to creat 20 jobs.

	people	total
sports area	sports instructors	15,200
	loans	164
	National fitness 100	56
Outsourcing	frost protection	14
	security, cleaning	1,625
Investment projects	construction	1,117
	IT	91
Partnerships with private sector	social corporations	20
	part-time youth	21
	disabled	55
	other(job fair, research etc)	272
Total		18,665

Creating jobs in the private sector

KSPO is contributing to increasing the employment rate by creating new jobs which is essential in the economic recession. Our effort to create more jobs are promoted in four different areas: sports area supporting, outsourcing, investment projects, and partnerships with the private sector, and we created 18,665 jobs in the private sector in 2013. We are also enacting efforts to create more jobs in the public sector through flexible employment and internship programs.

	2011	2012	2013
private sector jobs	7,812	10,073	18,665



Contribute to resolve problem of adolescent and to unite society with sports specialized social contribution



Realization of sports welfare without discrimination by discovering welfare blind spot

‘Sharing Love Package’ is a social contribution activity delivering sports equipments with our heart that any future generation should not let go of the hope and grow up as a healthy member of the society. In 2013, to discover the welfare blind spot and to realize sports welfare without discrimination we expanded the subject for support from ordinary welfare facilities for children to the disabled, multicultural family and people living in islands so that they can equally enjoy sports activities.

Sports equipment sharing to branch schools in island area	Sports equipment sharing to welfare facilities for disabled children	sports class for multicultural family
17 places, 306 items	170 places, 3060 items	3 times, 500 people



Promoting beneficiary demand customized social contribution

KSPO avoid one way type business and try to establish contribution channel that meets beneficiary’s needs implemented ‘Share your Dream’ and ‘Go! Dreamers!’ ‘Share your Dream’ is a sports equipment supporting project for welfare facilities utilizing sharing love fund. The project is to receive application through KSPO homepage from regional welfare facilities all over the country who need sports equipments and then go through screening process to support sports equipments utilizing sharing love fund donated by our staffs. ‘Go! Dreamers!’ is an activity of collecting stories of sports hopefuls and supporting by using Naver HappyBean, the online donation portal that connects internet users who are willing to donate with public organizations who are in need for aid and 1,205 internet users participated.

	region	number of beneficiary welfare facilities	number of supported equipments
1st	Seoul, Gyeonggi	40	615
2nd	Gangwon Chungcheong	20	243
3rd	Gyeongsang , Ulsan, Daegu, Busan	20	454
4th	Jeolla, Jeju	20	458



Contribution model of social problem resolving through sports : bicycle healing project

KSPO is operating sports healing project to eradicate school violence and psychological healing of adolescent. Out of many projects, ‘Bicycle healing project’ is specialized social contribution activity utilizing our sports infrastructure. It started to help rehabilitate the disabled, gradually expanded to children with depression, anxiety disorders and attention deficit hyperactivity disorder(ADHD). Also, attacker and victim of school violence rode bicycle with policeman and proceeded with 1 to 1 mentoring program to have emotional therapy. As a result it has been selected as good case of Gyeonggi-do Province in 2014 in an assessment for activating the use of bicycle, supervised by Ministry of Security and Public Administration.

Smile Together, we will be your trustworthy partner growing together

Numerous partner companies who have visible or invisible trading relationship with us are reliable helpers of our growth in one hand, subject to support on the other. We see partner companies as the ones to grow together, actively promoting shared growth strategy and doing our best to practice fair trade.



Excellent

2013 Public organization shared growth
support performance evaluation Top grade

excellent grade from 19 quasi-government type organization : 2



Promotion system for shared growth

KSPo is carrying out 12 execution tasks and 4 key promotion directions under the vision, "Smile Together Trustworthy Partner of Shared Growth". KSPo's works related to shared growth are handled by the general affairs departments (purchasing goods and services of SMEs, Small and Medium Enterprises) of each division and the sports industry department (support for sports SMEs) centered on the shared growth management team. We are identifying and inspecting execution tasks through the Coexistence Management Council.

Protection of rights of SME partners by 3 NOs

KSPo is trying to setup the fair trade system and protection of rights through 3 NOs – NO delay in payment, NO unpayment, NO unfairness. In November 2013, we adopted online payment monitoring system. We can monitor in realtime and managing not to delay any payments. Also with the consent of successful bidder, we are implementing direct payment to subcontractor system so that wages of subcontractors should not be unpaid. For more effective subcontractor management, we revised guideline for subcontractor management and holding preliminary review council.

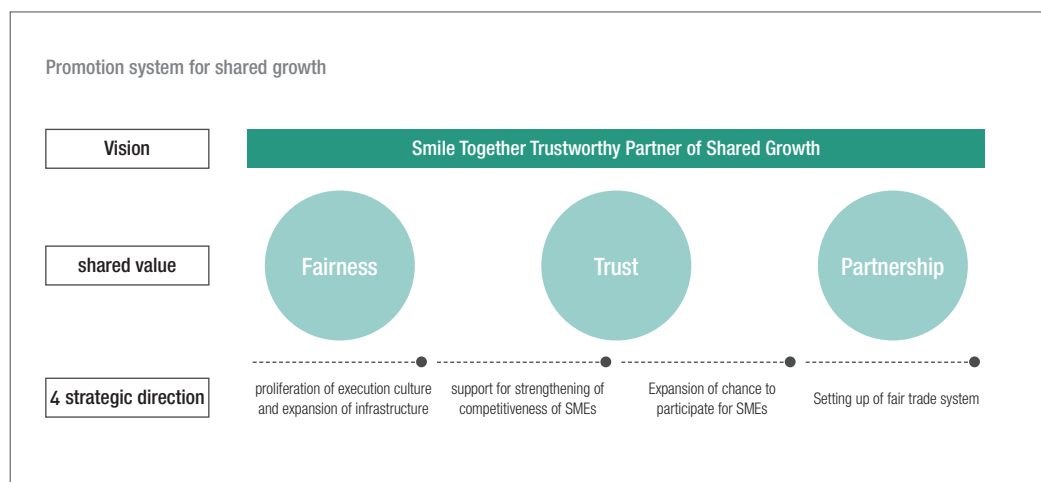
Strengthening communication channels with partners and CEO participation

KSPo is enacting efforts to spread the CEO's resolution to promote shared growth, and is improving related systems through our communication channels. Our CEO

is sending out integrity letters twice every year, requesting the heads of our partners to carry out fair affairs and prevent corruption, and we are continuously exchanging our resolutions towards shared growth and cooperation through workshops and visits to our partners(3 companies in 2013).

We also held a conference with the heads of our partners, collecting their feedback on difficulties and proposals, and we are enacting efforts to improve our system by listening to the opinions of our partners and strengthening our support process aimed at strengthening the global competitiveness of SMEs of the sports industry. Also we established shared growth support center(on-line) and shared growth difficulties treatment center to provide prompt treatment of the partner's difficulties.

		major performances
will to promote and spreading philosophy	internal	instructions(6), speech(4), CEO message and integrity letter(4) etc.
	external	media interview(2), speech(4), partner letter(2) etc.
running in the field management	meeting	SME support outcome meeting, SME head meeting
	visit	'contract on shared growth and fair trade' signing partner company visit(3)
	attendance	SPOEX AND SME SUPPORTING BUSINESS EVENTS
linkage with management strategy		3 strategic tasks including 'promoting shared growth through coexistence'
leading execution culture		completed integrity education, integrity oath and unfair job instruction self diagnosis etc.



Supporting small and medium size sports enterprises

Financial support for business environment improvement

KSPO is providing loans to sports equipment manufacturer, sports facility companies, sports service companies that have financial difficulties, even though they have excellent technologies in fund contribution, loan, profit distribution, donation support and supported with KRW 54.75 billion.

financial support utilizing organization core competency(self sufficient fund raising)

fund contribution	
fund contribution to give financial support utilizing surplus fund (KRW 45.5billion)	
profit distribution	
support SMEs promotion business with part of profits from cycle racing and motorboat racing (KRW 3.5billion)	
loan	
utilizing fund, loan to sports SME (KRW 5.6billion)	
donation support	
donation support to support fostering of social enterprise (KRW 0.15billion)	

Support for strengthening technical competitiveness

KSPO is supporting SMEs by providing funds for R&D so that they can secure technical competitiveness. In 2013, we provided 6.9% increased KRW 7.7 billion to support R&D of SMEs and scouted external expert as technical planning officer and expanded expert pool to 100 people. We are also offering an evaluation and certification(KISS mark) to promote the competitiveness of the sports industry. In 2013, 1,669 items took the sports equipment test and supported cost of overseas certification acquiring of sports equipments, and supported 27 overseas certification. As a result, the patent applying cases per

Support for certifications

	2011	2012	2013
Number of companies that received domestic certifications(KISS)	29	32	50
Number of companies that received overseas certifications	15	24	27
Number of testing for sports products	757	768	1,669

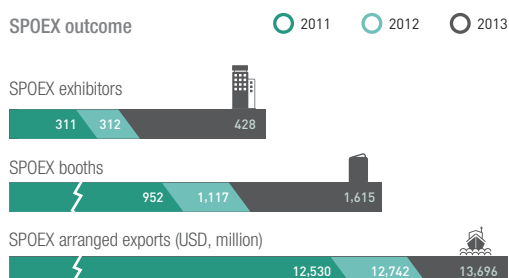


KRW 1 billion budget support are 2.9 cases, which is higher than government R&D support business's average 1.4.

Support for overseas marketing

We gave KRW 450 million in support for SEMs to participate in the world's 4 largest exhibits for sports products to assist in promoting sales channels, and we sponsored KRW 150 million for overseas road show to assist SMEs in connecting with foreign buyers from Germany, UK, and Italia. We improved the brand competitiveness of SMEs through the SPOEX(Seoul International Sports & Leisure Industry Show), which is Korea's largest exhibit for the sports and leisure industry that has been held since 2000. In 2013, through 35.7% increased budget, 428 companies participated with 1,615 booths, which is the largest ever, 41,942 buyers have visited and meetings were 5,535. From supports of other overseas exhibits and overseas roadshow, we successfully assisted SMEs in signing 388 export contracts worth USD 118 million, 58.4% increase from previous year.

SPOEX outcome



Export performance

	2011	2012	2013
Number of companies participating in overseas exhibits	37	36	31
Exports through overseas exhibits (USD million)	76	109	118
Exports through overseas road shows (USD million)	14	10	15

Expansion of purchasing from socially disadvantaged companies

KSPo is operating separate task force team to increase purchasing from socially disadvantaged companies. Also holding workshop of persons in charge 3 times per year and CEO himself is checking on the monthly performance through strategic leadership conference(SLC). For successful bidders' work(service), there is mandatory clause of 'special condition for priority purchasing the product or service of social enterprise' so that the product or service of social enterprise should be purchased first, and launched 'KSPo coexistence market', a bulletin for socially disadvantaged company purchase information on intranet. As a result, we recorded perfect score for government recommendation purchase performance. For 2013, the percentage of SMEs product is 94.3%, which

is 4 consecutive years exceeding 90%, percentage of female-owned company product is 13.7% and increasing every year. Also from July 2014, we will support SMEs with sales channel by installing sports SME product promotion center within Olympic Park.

Government recommend policy performance result

	government recommendation percentage	2012	2013
SME product	more than 90%	93.7%	94.3%
female-owned company product	more than 4%	11.4%	13.7%
social enterprise product	more than 1%	9.6%	17.0%
severely disabled person company product	more than 3%	1.7%	2.2%
self-support veteran village product	—	13.1%	20.3%

Best Practice

Stepping stone of sports small hidden champion, supporting sales channel development and technical competitiveness strengthening

95.7% of sports small and medium sized enterprises(SMEs) are small business with less than 10 employees who require public sector's support and KSPo is to promote coexisting management to foster sports small hidden champions who are to lead the development of sports industry that is the core contents of creative economy.



Supporting domestic and global sales channel development

To develop SME's overseas market through holding Seoul International Sports & Leisure Industry Show(SPOEX), the showcase of SMEs' products, we reflected SMEs' needs and promoted in 3 improvement directions. First, we expanded exhibiting scale to open with the largest ever in terms of area and number of booths, exhibiting SMEs increased 32.7% compared to previous year. We reinforced marketing supporting activities toward overseas buyers the number of meetings of participants with domestic and overseas buyers recorded 5,535. Also we supported participation of overseas exhibitions and held overseas roadshows and performed analysis on export performance and executed select and concentrate strategy based on company needs, the number of contract signed increased 58.4% compared to previous year.



Supporting technical competitiveness strengthening

To activate operation of Sports Equipment Testing lab, KSPo expanded supporting infrastructure, as well as manpower, visiting test service, supporting of acquisition of certification. Also to foster sports small hidden champion, we increased 6.9% for sports industry R&D supporting budget and provided reduction in license fee and 65 cases of R&D competency strengthening technique consulting.

	2011	2012	2013
export contract amount (USD million)	79	109	118
export contract cases	168	245	388
number of testing for sports products	757	768	1,669
number of support for certificate acquisition	43	56	77

Key Accomplishments in Sustainability Management

KSPO developed the KSRI (KSPO Social Responsibility Index) in 2008 and diagnose performance every year and make improvements on weak points. The KSRI is composed of 7 areas 30 evaluation indicators. 7 areas are : ① Customer values, ② KSPO employee, ③ Social Contribution, ④ Ethical Management, ⑤ Shared Growth and Fair Trade, ⑥ Environment, and ⑦ Responsible leisure culture. The total KSRI score for 2013 was 89.1, which is 3.0 higher compared to that of 2012, increasing every year to mark above 85 since 2011.

(unit: points)

	Detailed Evaluation Indicators	2011	2012	2013
Customer values 85.0 points				
Customer information protection	degree of customer information protection system	4.8	7.2	8.0
Increased customer participation	Adoption rate for customer proposals(%)	19.2	28.0	16.8
Spreading culture of customer satisfaction	Internal customer satisfaction*	23.6	—	—
Increased users	Outcomes for activation of cultural facilities	21.0	27.5	27.0
Increase information disclosure to customers	number of items on management disclosure	—	—	8.0
	satisfaction survey result of management disclosure	—	—	6.8
Communication & monitoring	Level of customer satisfaction	8.1	12.4	8.9
	VOC processing time	9.0	13.0	9.5
total		85.7	88.1	85.0
KSPO Employee 87.9 points				
Development of employees talents	Performance course credits	8.0	8.0	8.0
	Education investments per staff	6.4	4.8	6.4
Balance between work and life	Level of satisfaction for welfare	10.9	11.1	11.1
	Level of maturity of family-friendly management	10.8	10.8	10.8
Human rights protection of employees	Level of system maturity to prevent discrimination of employees	8.0	8.0	8.0
	Balanced personnel affairs index	3.2	8.0	8.0
Health of safety of employees	Number of accidents in athletes	2.5	2.5	2.5
	Number of disasters involving staff	2.5	2.0	2.3
Communication	Employees satisfaction index	30.6	30.8	30.8
total		82.9	86.0	87.9
Social contribution 87.0 points				
Spreading culture of social contribution	Ratio of staff participating in Sharing Love Fund	9.4	9.3	8.3
	Fund raising for Sharing Love Fund	7.0	4.7	6.0
	Average volunteer hours of staff	7.0	7.0	6.0
Spreading social contribution program	Social contribution activities related to sports	22.4	22.4	24.0
Improvement of performance evaluation system for social contribution	Social contribution index	11.5	11.5	9.5
	Level of satisfaction of beneficiaries of social contribution activities	9.7	9.8	8.6
Job creation in private sector	Number of jobs created (weighted average)	—	—	15.0
Communication with local society	Level of promotion of communication channels with local society	8.4	8.4	9.6
total		75.4	73.1	87.0

	Detailed Evaluation Indicators	2011	2012	2013
Ethical management 91.9 points				
Spreading of understanding on ethical management	Education performance related to ethical management	10.9	12.3	14.9
	Promotion of operations of internal whistleblowing system	9.9	9.9	15.5
Ethical management monitoring	staff integrity activity performance	11.0	10.5	9.1
	integrity evaluation result	—	—	11.0
Soundness of corporate governance	Independence index for BOD	16.2	17.0	19.0
Compliance	Efforts to comply with domestic and foreign laws	38.0	38.0	22.4
total		92.4	95.7	91.9
Shared Growth and Fair Trade 91.8 points				
shared growth promotion system reinforcement	shared growth operation system maturity	—	—	24.0
Spreading fair trade	Increase rate for electronic tenders	—	—	21.0
shared growth practice reinforcement	priority purchase of SMEs product	—	—	22.0
expansion of sport SMEs support	number of sports SMEs supported	—	—	24.8
total		—	—	91.8
Environment 89.2 points				
Increased resource efficiency	CO ₂ emission score	14.4	18.0	18.0
	Water usage score	13.1	11.7	15.6
	Amount of paper used per person	12.6	9.8	—
	LED lighting percentage	—	—	18.0
Reduced emission of pollutants	Ratio of purchase of eco-friendly products	6.8	7.2	4.8
	Level of maturity of management of waste materials	4.5	4.5	3.0
	environment effect evaluation implementation rate	—	—	5.0
Improved understanding on environmental management	Level of maturity of environmental management system	24.8	24.8	24.8
total		76.2	76.0	89.2
Responsible leisure culture 90.6 points				
Entertainment Pleasure	Joy through leisure activities	9.1	9.8	6.6
	Efforts to establish culture complex	11.5	11.5	—
	Participants of 'Sound Leisure Program'	—	—	7.7
	Sales ratio of 'Green Card'	—	—	7.7
Social effects Management	Level of stimulation of usage of clinics aimed at prevention	10.8	10.8	—
	Satisfaction on gambling addicts clinic	—	—	8.3
	Performance of supervision on cheating	13.5	13.5	9.0
	Performance of prevention and arrest of illegal act	—	—	9.0
Spreading of understanding on responsible leisure culture	Level of maturity of management system related to soundness	10.0	10.0	10.0
	Level of education related to soundness	10.0	10.0	10.0
Creation of values for local society	Job-creation index	15.0	14.4	13.3
	Sports activation index	12.0	12.0	9.0
total		91.9	92.0	90.6
grand total		85.1	86.1	89.1

Customer Satisfaction Management

Strengthening communication with customers

KSPO is paying close attention to the voices from the field and satisfy the needs of our customers. By collecting the feedback of our internal and external customers, we have standardized terminology used for leaflets and information desk and shortened the waiting time for our call center. We are carrying out various efforts to improve the contact services, and we are strengthening customer communication with briefing at the branch, increasing visiting counter, operating all-in-one service. Also, customers can give us opinion anytime using 'Voice of Customer(VOC)' prepared in homepages of each division. Opinions received are delivered via 'KSPO echo', comprehensive customer management system, to appropriate team and treated with a goal to be answered within 3 hours. In 2013, total of 847 VOCs arrived and average processing time was 16 minutes, 11% better than 18% of previous year.

Expansion of participation in management

We are enacting efforts to establish a relationship of trust and respect with our customers by supporting various activities to enable our customers to participate in our management. Our operations reflect customer opinions submitted through various channels, such as the customer panel that regularly monitors the status of customers' opinions, the customer advisory board and customer monitoring group that submits opinions related to our cycle and motorboat racing business and customer service department, and a panel that collects opinions related to the improvement of the quality of Sports Toto products.

Customer satisfaction management

KSPO is participating in the PSCI survey carried out by the Ministry of Strategy and Finance on all public institutions. In 2013, we were able to receive excellent grade for 3 consecutive years thanks to our endless efforts given to improve the quality of customer services. Also we execute our own survey of service quality to better understand the level of customer satisfaction. Our service quality survey composed of check on satisfaction by 1 to 1 customer survey(KCSI), key customer contact point service monitoring, detailed interview with customer and our people, kindness of telephone answering, and we are trying to find out weak points and improving.



Expansion of smartphone using customers through mobile electronic card

KSPO launched mobile electronic card to increase usage of electronic card and to strengthen promotion to young customers. Adding android operating application to existing iOS base and set up service network to all mobile carriers. Also expanded the cycle racing business and Speedom limited operation to motorboat racing and have setup at 5 branches to promote usage of mobile electronic card.

Customer information protection

KSPO was accredited with international information security standards ISO27001 accreditation for the first in fund management type organization. ISO27001 is international information security standards set by International Organization for Standardization(ISO) to inspect setting up and operation of information protection management structure. KSPO demonstrated the stability of cyber security system by acquiring international information security management system accreditation and enhanced work effectiveness and work process applicability by arranging information protection rules and guidelines. Also strengthened personal information protection system from level 1 to level 2 to prevent personal information leakage risk in advance. As a result, we acquired 82.1 point, 17.3 point increase from previous year, in 'information security management status evaluation' of the National Intelligence Service.

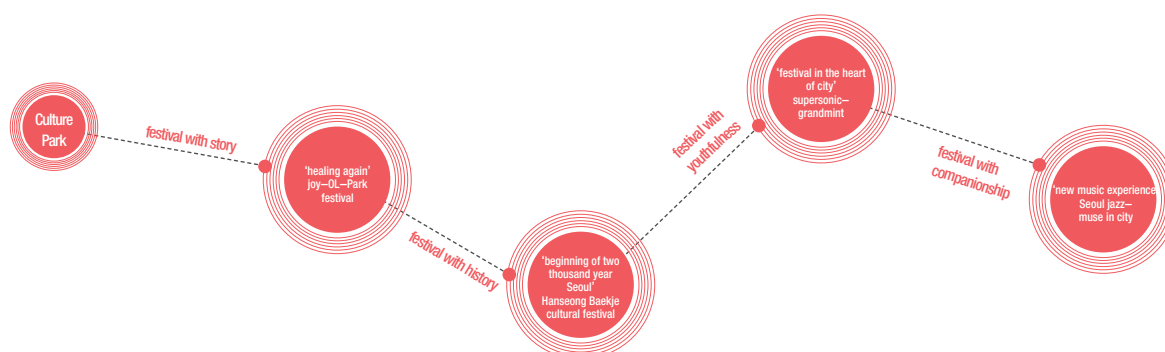
Score for information security management status evaluation on key area

	management of cyber risk	electronic information security	information system security	total
quasi-government organization	79.3	74.1	73.2	76.6
KSPO	92.8	87.4	80.2	82.1

Establishing Culture—Park with various culture

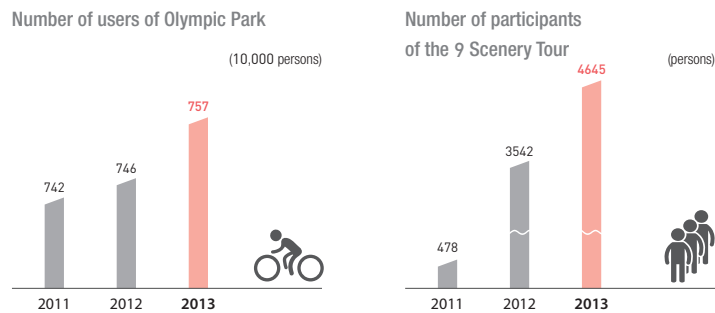
Culture brand of Olympic Park 'in joy OL—Park, enjoy festival' launching

KSPO launched Olympic Park's own integrated culture brand 'In joy OL—Park, Enjoy Festival' to provide diverse cultural experience program, to reflect government's policy of promoting culture and art so that become center of new—Korean wave(hallyu) and heart of performing arts. In 2013, 'in joy OL—Park, enjoy festival' was reorganized as experiencing healing festival and had visitors totalling 132,000 people. Also awarded of Pinnacle Awards from IFEA(International Festivals and Events Association) in winning 6 parts for 2 consecutive years.



Strengthening of Olympic Park customer experience programs

KSPO is expanding customer experience programs utilizing the Olympic Park's infrastructure. Started in July 2011, the '9 Scenery Tour', a program that participants tour 9 famous sceneries of the Olympic Park is becoming major customer experiencing program thanks to active promotion and program vitalization. '9 Scenery Tour' had participants of 4,645 in 2013 which is 31% increase from 3,542 in 2012, took its position as a eco, history, culture course that represents Olympic Park.



Realization of Sports Park that everyone can enjoy sports

KSPO is operating the Olympic Museum inside the Olympic Park to cherish the glory and accomplishments of the 1988 Seoul Olympics and to promote the Olympic spirit. The Olympic Museum has been free for visitors since 2009. In 2013, we developed Olympic Park specific exhibition and program and by benchmarking IOC Museum experience program to reenforce experiencing program and youth centered education program. Number of visitors to the museum was 227,000, a 8.5% increase from 200,000 of previous year and received 97.4 points in PCSI, 2 consecutive years of highest grade.

Olympic Museum customer satisfaction

	2011	2012	2013
Olympic Museum customer satisfaction	87.6	95.0	97.4

Building a convenient and refreshing Green Park

Improved park accessibility

KSPO is improving our environment of the Olympic Park so that citizens can enjoy more conveniently. In 2013, we replaced to raised block for the blind and permeable blocks, improved facilities such as wheelchair lifts and slope entrance for the disabled in our stadiums, and we modified the structure of facilities and installed accessory facilities so that people with disabilities can comfortably use our park and recognized with 4 'Barrier-Free Certification' of the Ministry of Land, Infrastructure, and Transport and Ministry of Health and Welfare and 'Certificate of Toilet Culture Quality(TCQ8000)' by Ministry of Security and Public Administration for all 9 of Olympic Park's field toilets. Also we reorganized our direction boards to find the way more easy for Park visitors, and are operating a smart parking control system, increased

shuttle bus to sports center, found out idle parking spaces to achieve 'zero' car accident within the park and 93.5 points from Olympic Park customer satisfaction(environment quality).

Establishment of refreshing environment

KSPO declared Olympic Park as a non-smoking park since 2009 to make the park even fresher environment and has been operating the non-smoking park around the green area. From 2012, expanded non-smoking area to all over the park. In 2013, installed smoking alarm to indoor stadium and composed no-smoking promotion team.

Speedom for park

In accordance with comprehensive development plan of cycle racing and related Speedom complex leisure park masterplan, making Speedom a park is under progress. 1st step of masterplan to make natural type artificial waterfall, to install bicycle rental shop, setting up multipurpose square and bicycle theme children's playground and 2nd step to make 1.7km of bicycle road and all-weather bicycle rideable square, bicycle station have been completed. Once bicycle mogul stadium that unusual bicycle experience is possible and Speedom bicycle circular road completed in 2014, Gwangmyeong Speedom is going to be one and only bicycle theme park in Korea.

Bicycle racing, Motorboat racing customer culture project

KSPO is expanding customer experience programs to satisfy cultural needs of the local people and fans of bicycle racing and motorboat racing, enjoyable all year round. Bicycle racing and motorboat racing 2013 jazz band, popera, totalling 446 times of indoor and outdoor performances have been held and culture festivals by season and by place were autumn culture festival, ice sled field, water bicycle. On top of those, culture programs such as silver art festival, chrysanthemum exhibition festival, Speedom theater were provided with participants totalling 862,876.

Kiosk environment quality improvement

KSPO is upgrading customer convenience with kiosk facility environment which is the most customer contact point. We prepared standard model to unify interior of the kiosk and provided KRW 350 million for kiosk facility improvement to install air-purifier, satellite TV monitor for broadcasting. Also for improvement of product delivery service, we provide on/offline customized education.

Reinforcing customer customized information providing service

KSPO is reinforcing customer customized information providing service utilizing multi channel. By providing race result prediction, dividend rate change, correct results via online, mobile, SMS to increase customers' chances to acquire information and the number of members recorded 1.93 million people which is 8.34% increase from the previous year and customer satisfaction was 74.6 point, a 7.7% increase.

Enhancing values of Staff

Strengthening of open employment

KSPO is implementing fair and transparent employment process. Even before 2010, we abolished qualification limit on academic background and age, from 2012, we expanded opportunities for high school graduates. From 2013, we are trying to establish transparent organization structure by continuous looking for appropriate job and by abolishing customs.

We are also entirely commissioning our document screening process and written examinations to outside contractors, and we are enacting efforts for fair employment using systems such as an external interviewer system and blind interviews.

Employment Status

Regular	2011	2012	2013
Years in duty (year)	12.0	12.2	12.9
Turnover rate (%)	3.9	1.2	3.2

※ 2013 Parttime employee : 2 persons

	Regular employee			Non-regular employee		
	Total	Male	Female	Total	Male	Female
2011	886	652	234	1,049		
2012	940	684	256	1,005		
2013	913	660	253	970	192	778

Distribution of employees for each grade (General Business Status, 466 people, 2013)

(%)

	2011	2012	2013
Grade 1	2.3	2.5	1.9
Grade 2	4.9	6.1	5.6
Grade 3	16.6	14.4	13.5
Grade 4	21.4	19.9	19.9
Grade 5	24.0	22.5	22.5
Grade 6	20.5	18.4	18.2
Grade 7	10.0	16.1	18.4

Distribution of employees for each age group

(%)

	20s	30s	40s	50s
2011	2.6	40.6	37.8	19.0
2012	5.7	39.5	36.6	18.2
2013	6.7	32.6	41.7	18.9

Social equity employment

KSPO is operating a quota system at least 60% of our new recruits are high school graduates, female, persons from non-Seoul capital area, persons with science and engineering majors, veterans and persons with disabilities that is social equity employment.

We converted 6 youth intern completes to regular employee, hired 3 high school graduates through various channels such as youth internship program and contract workers including regular workers. We also

guarantees that high school graduate can receive same payment as that of a college graduate after four years with KSPO.

		2010	2011	2012	2013
Number of regular employments	Total number of employed	4	27	25	15
	Female	—	10	8	6
	Disabled	—	5	—	—
	Regional hopeful	3	4	2	4
	High school graduate	—	2	4	3
	Specialized high school graduate	—	1	3	—
	Science and engineering background graduate	—	4	8	—
	Turnover				1 (male)
Number of non-regular employments	Internship	50	47	46	46
	General administrative support	32	39	48	19
	Athlete	9	50	22	16
Percentage of social equity employment	Percentage of disabled employed	2.8	3.0	3.5	3.0
	Percentage of national merit (%)	6.0	6.0	6.0	6.0
	Percentage Science and engineering graduate employed (%)	25.6	13.8	29.0	—

Human resource development and education program

KSPO has set 4 human resource development directions of establishing a challenging and cooperative organization culture, driving improvement in performance for core businesses, strengthening of work expertise, and strengthening of HRD infrastructure and mid to long-term human resource development strategy. By carrying out a systematic development for HR reflecting educational needs, we were selected as the Best-HRD institution by the Ministry of Employment and Labor in 2013 for 2 consecutive years. Our people spent average of 151 hours in participating in education in 2013, 2 hours(1.3%) increase from previous year. 82.7% of male employees and 69.2% of female employees are trained this year.

	2011	2012	2013	Note
Education hour per person	135	149	151	1.3% ↑
Education satisfaction	80.0	83.0	84.8	2.2% ↑
Competency increase	72.6	76.4	76.7	0.4% ↑
Applicable at work	86.0	86.2	87.4	1.4% ↑
Total education investments (KRW 100 million)	13.7	13.1	13.5	3.1% ↑

Retirement support program

KSPO is operating a retirement pension system since 2011 to help our people's security for the aged and we are operating an education program for those who wish to retire and enjoy a stable life. Also in order to minimize fatigue after retirement caused by the significant changes in environment, we are providing support so that retirees can continue to work as contract workers in areas that are less stressful.

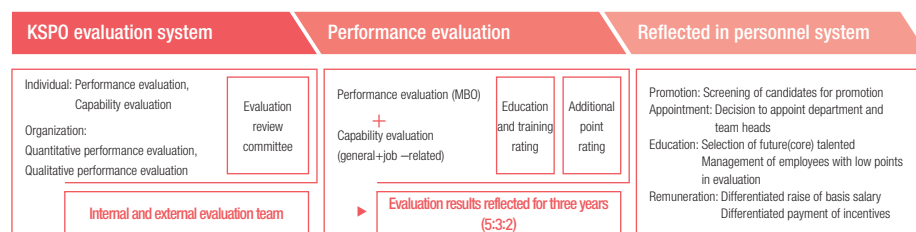
Retirement Pension System

Type	Defined Benefit	Defined Contribution
Operator	Company (Same as conventional pension system)	The employee can choose plan and operator
Amount of pension	Length of service x Average wage of the three months immediate from retirement	Variable based on operation profit
How to calculate pension	Length of service x Average wage	1/12 of total annual wage
Interim payment	No (Only as security)	Yes (Reason : Buying house, illness of family member, etc)

Fair and rational HR system

KSPO is operating a fair human resource management system based on a rational and systematic performance evaluation system. Promotions, positions, and incentives are determined by performance and ability. We are offering education programs for employees with low performance and enforcing measures such as demotions for workers. In 2013, by allocating fair personal target to increase appropriateness and by work related communication and sharing between team members enhanced job satisfaction. We clarified the condition for conversion of contract workers to raise fairness in conversion, and by converted 37 people, 185% increase from 13 of 2012, we secured employment stability. The basic pay for new recruit is approximately 250% of the legal minimum wage, and there is no wage discrimination for gender.

Fair performance evaluation system



Balanced human resource management

KSPO is trying to improve the rights of female, high school graduates, and non-regular workers. Non-regular workers consist of annual salary contract workers who support office work and daily/supporting workers who handle ticketing and guide works, and we are gradually improving discriminating factors between non-regular and regular workers. We expanded the range of beneficiaries of the company welfare fund to all non-regular workers in 2012, and we are paying temporal contract workers performance incentives, extra pay for long-serving employees, and family benefits. In 2013, expanded beneficiary of selective welfare system to daily workers to increase non-regular workers' esprit de corps. To realize equality in both genders, we introduced female leadership education and are actively putting female employees in key positions so that reinforcing female human resource growth base to future female manager fostering. Thanks to these efforts, the percentage of female advanced has been increasing every year, and 25.5% of our executives are female, one of the highest rate among public institutions.

Status of female employees

(unit: %)

	2011	2012	2013
Percentage of total female	26.3	27.2	25.5
Percentage of female executives	3.4	4.6	5
Percentage of female among new recruits	34.4	25.8	46

Rational welfare system

In order to operate people oriented welfare program, KSPO is collecting opinions through various channels such as the satisfaction survey, intranet bulletin board, small group meetings, and labor–management council, and these opinions are reflected in our program. KSPO is operating an Industrial Safety and Health Committee comprised of 5 members from the labor and management. This committee carries out regular inspections on workplace safety. We support annual health checkups of all staff, and offer special checkup program for staff over the age of 40. In 2013, with the aid of Employee Assistance Program (EAP) introduced in 2011, we provided special counseling of 58 cases on various difficulties and level of stress and combined with counseling on personal matters on psychology, law, health to upgrade the quality of program.

Expansion of family–friendly system

KSPO is operating life–cycle family friendly system so that our people can happy at both work and home from the time of recruit to at service, leave and retirement. To encourage childbirth, we operate paternity leave and nursery room in each of 4 divisions. In 2013, the percentage of people subject to maternity leave (employee with a child aged 8 or below) to who actually used are female 34.3%, male 2.3%. We are also supporting childcare through the operation of an in–house daycare center and family happy school(online), and supporting happiness of family with ‘family day’ an on–time leaving the office day and Employee Assistance Program (EAP) for counseling people’s difficulties and psychological stability. In 2013, with the success of the flexible hour system, two employees chose short hours, 419 chose staggered office hours, and 98 chose selective working hours, meaning that a total of 519 workers benefited from the flexible working hours system. Thanks to our various efforts, we were selected as "Best Place to Work" in 2013 for 2 consecutive years.

	2011	2012	2013
Usage of maternity leave	100	100	100
Users of maternity leave	19	11	17
Returned after using maternity leave	2	1	3
Female users of parental leave	27	29	23
Male users of parental leave	2	5	5
Usage of paternity leave	100	100	100
Users of paternity leave	10	21	19

Promotion of communications between labor and management

KSPO has 4 labor unions of foundation union of general and research staff and general union of operations, contract workers, supporting, daily workers. To induce harmony among the many unions KSPO improved communication channel by establishing communication system internal diagnosis process. Also, due to low participation of people on some channel, with recognition to check the operation status and improve, after checking the effectiveness, closed 2 channels(KSPO family culture gathering, Generation appreciation

channel) and opened 3 new(CEO direct—day, 1 team 1 challenge task, Haha project). Also strengthened channel classification standard, from simple classification of formal and informal to reorganized by type of emotional, job—related, creative. Besides, promoted interest and communication culture with contest for new channel idea and grievance system.

Active efforts to solve difficulties

KSPO is operating the grievance committee to let our people maintain a stable work life by immediately solving the difficulties. Also we operate 'personnel talktalk', which is a all time counseling channel and though this we collected 19 opinions related to personnel difficulties.

Environment

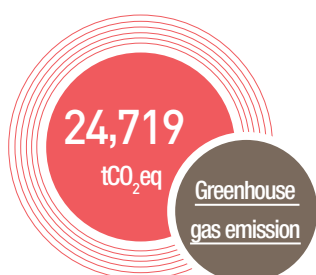
Environment friendly management system

KSPO is to realize Green KSPO through environment friendly management upgrade and implemented integrated management for environment management promotion system. Each department designated 1 person as energy saving keeper who has clear mission to manage office temperature and lighting, search for energy saving idea, and reinforced management system by selecting integrator of energy saver. In 2014, we are planning to install 'Green Touch', an energy saving software developed by the Ministry of Environment to all PCs at work.

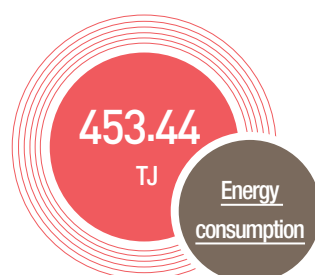
Operation of council

KSPO established in 2012 a 'council for reduction of greenhouse gas and energy saving promotion' to answer to green growth paradigm and managing. Regular meeting is held twice a year to monitor our environment management strategy and energy management goal and result.

Greenhouse gas target management system



KSPO implemented target management system for greenhouse gas and energy since 2010. Every year reduction target is set from discussion with the government and trying to reduce greenhouse gas and energy. However, due to increase in facilities, greenhouse gas emission for 2013 was 12,863.68tCO₂eq, 13.8%, less that target of 15%. Hence, we set the target for 2014 at 20%, even higher by 5% and aggressively pushing for it. Especially, those who have been insufficient, the headquarter, motorboat racing, youth hostel have set intensive reduction plan and executing it. Energy management performance is reflected at BSC of each business division energy related team and clarified of the site in charge for each team.



Energy usage in 2013

KSPO is minimizing the energy usage by target management system for greenhouse gas and energy and various energy saving projects. Energy usage in 2013 was 453.43TJ, to look into each energy source, electricity was 353.39TJ(77.9%), the highest percentage, next was city gas, with usage of 75.29TJ(16.6%).

Greenhouse gas emission

(unit: tCO₂eq)

	Direct	Indirect	Total
2011	4,148	28,247	32,395
2012	4,692	25,845	30,537
2013	12,864	11,855	24,719

Energy Usage

(unit: TJ)

	Electricity	City Gas	Other	Total
2011	431.21	77.38	28.88	537.47
2012	390.85	72.93	26.88	490.66
2013	353.39	75.29	24.76	453.44

Direct and indirect energy usage

		unit	2011	2012	2013
Direct energy usage	city gas	m ³	1,727,571	1,650,092	1,703,344
	oil	ℓ	227,338	208,665	189,686
Indirect energy usage	electricity	kWh	47,912,009	43,427,225	39,265,296
	district heating	GJ	20,716	19,568	17,998

※ oil used for business purposes vehicles

※ greenhouse gas emission, energy usage, direct and indirect energy usage is from National Greenhouse Gas Management System(KSPO, KSPO&CO) registered standard

Cooling and heating temperature for summer and winter

KSPO is keeping the in door temperature of headquarter and other buildings at government recommended cooling and heating temperature to cope with national power shortage and to reduce our own energy usage. In summer, we wear simpler so that we refrain from using electric fan or air conditioner. In winter, we don't use personal electric heating equipment and wear innerwear, and during the electric peak time, we are with government's policy by turning off cooling or heating system. KSPO met with electric power regulation day of 34 and electricity reduction rate for summer(June to August) of 5.6%(compare to same period of previous year) which satisfying government suggested 5.0%.

Energy saving enterprise education

To enculturate our people of energy saving, we are providing energy education for all our people more than once a year utilizing morning gathering and supporting education activities such as promotion of education related contents, improvement in facility and installment operation, energy saving familiarize. Also we utilize homepage or on/offline channel to promote government energy saving policy. We designated every Wednesday as 'Green Day' and concentrating to save energy.

Energy saving month event

KSPO implemented 'campaign for public organization winter season energy saving movement' in January 2013 and encouraged our people to save energy during winter peak season.

	detail
winter heating	<ul style="list-style-type: none"> • cooperate to stop using heater during peak—hours in winter • keep appropriate indoor temperature(below 18℃ for heating) • no personal electric heating equipment during business hours(9 am ~ 6pm) • encourage to wear innerwear
office saving electricity	<ul style="list-style-type: none"> • turn off lights, PCs, unplug when lunch break, leaving the office • rational operation of elevators • leave the car at home for one day of the week • turn off outdoor advertisement at midnight

Environment friendly workplace management

KSPO is continuously monitoring pesticide usage at Olympic Park and regatta course to maintain healthy soil status and from 2011, monitoring soil of environment friendly golf course. Also we proceeded with harmfulness investigation on artificial grass stadiums that KSPO supported the construction and confirmed the harmfulness and stability. In 2013, through the local government contest we selected 50 places to support for improvement or repair even for those we did not support for building them. By operating environment friendly business, we renewed our accreditation for environment management structure ISO 14001 and keep monitoring. For Olympic Park the accreditation has been renewed and for environment friendly golf course in Jecheon, we took posterior judgement.

		unit	2011	2012	2013
pesticide management	Olympic Park usage	ℓ	936	863	1,029
	Regatta course usage	ℓ	753	682	1,067
	environment friendly golfcourse usage(Ecolian Gwangsan, Jeongseon, Jecheon)	ℓ	451 (2 sites)	830 (3 sites)	1,425 (3 sites)
water quality management	Regatta course water treatment facility operation hours	hour	962	592	423.5
	waste collected from Regatta course	ton	33.7	14.8	8.6

Harmfulness investigation on 100 sports—for—all facilities in 2013

	artificial grass pile(place)				filler(place)			
	total	not found	below standard	above standard	total	not found	below standard	above standard
total(%)	100%	86%	10%	4%*	100%	81%	16%	3%*
heavy metal	100	87	9	4	100	84	14	2
T-VOC	100	99	1	0	100	99	1	0
PAHS	100	100	0	0	100	98	1	1

* T-VOC(total volatile organic compounds), PAHS(polycyclic aromatic hydrocarbons)

* For ground detected with harmful material, after compilation of a government budget and as a fund business, planning to support. going to supply 'artificial grass safety management manual' and strengthen management

Noise management of Misari Regatta course

KSPO is trying to prevent the damages to neighboring area due to the noise from the race and to prepare action when damage is happened. For the management of noise of Misari Regatta course, planted noise barrier trees and finished task for improvement of performance of the noise barrier, and in the mid to long-term making neighboring park. Separate as short-term and mid to long-term task completed short-term task by 2012 and from 2013 mid to long term task of noise barrier extension work will be implemented by 2025. Also to reflect the opinion of local and to strengthen the communication, we are holding meeting with representative of the region(Misa-dong residents) quarterly bases and support them with scholarship, farming equipments and rice.

	short term task (2010~2012)	mid to long term task (2013~2025)
race facility	noise barrier trees (completed) performance improvement for noise absorption (completed)	expansion of noise barrier(partly improve) green park (promoting)
race equipment	noise reducing air intake cover development and install (completed)	develop noise reducing motorboat parts (testing)
race operation	introduction, starting method, returning way, time change (completed)	shorten racing distance and reducing racers (promoting)

Waste management

KSPO encourages the use of recycled materials and has a strict and thorough management system for waste to minimize environmental effects. We are reporting all process outcomes for waste materials to related authorities and the waste management system (www.allbaro.or.kr) in a transparent way, and we commissioned a specialized contractor to process our waste in accordance with related laws. 8.6 tons of general waste materials(water treated waster) in 2013 which is 42% less than that of 2012.

Water management

In 2013, we saved water by reusing fresh water that has been used as cooling water for ozonizer of water treatment at Olympic swimming pool that used to be wasted as swimming water, that saved totalling 11,347 m³* and handball stadium and tennis used underground water of 1,311 m³.

	unit	2011	2012	2013
water usage	m ³	613,314	621,715	630,337

※ excluding rowing lake using Han river water

Management of soil and water

KSPO is enacting efforts to prevent pollution of the 18,000 tons of water of Seongnaecheon and 500 tons of water of the 88 Lake and the 2,500 tons of water of the Mongchon moat. The Mongchon moat and 88 Lake are always maintained clean through a 24-hour over-flow management on the water pumped from Han River. From 2013, we changed big tree control from traditional pesticide to environment friendly trunk injection to prevent disease and insect.

Operation of designated team

KSPO launched soundness team to make bicycle racing, motorboat racing and SportsToto business sound. sound operation team takes overall control of bicycle racing, motorboat racing and SportsToto, sports fairness team deals with blocking illegal sports gambling, preventing illegality. Also through the council composed of related team leaders, we look for soundness item and promoting it and by operating advisory group composed of external experts and let them check our organization and performance with objective eyes and improving.

Management of biological diversity and promoting eco park

By enacting efforts and concentrated management on restoring the environment, we were able to complete a natural habitat for wild animals such as herons, little egrets, white herons, and pheasants. We installed homes for wild life such as the shelter for endangered animals around the Gommal Bridge across Seongnaecheon and a spawning ground at Mongchon. We also formed a 1,200m² habitat of wild flowers by planting native plants within the park, and we are offering ecological experiences to citizens through the operation of the Rose Square (13,260m²) and the construction of the Dulle—gil for the Olympic Park (13km). We are also carrying out real—time monitoring efforts by establishing a tree management system to check changes and transplants. Also we provide with Olympic Park and Misari Regatta course as resting place, by improving ecological environment providing eco space that nature and human coexist.



Status of Park

• Status of Olympic Park

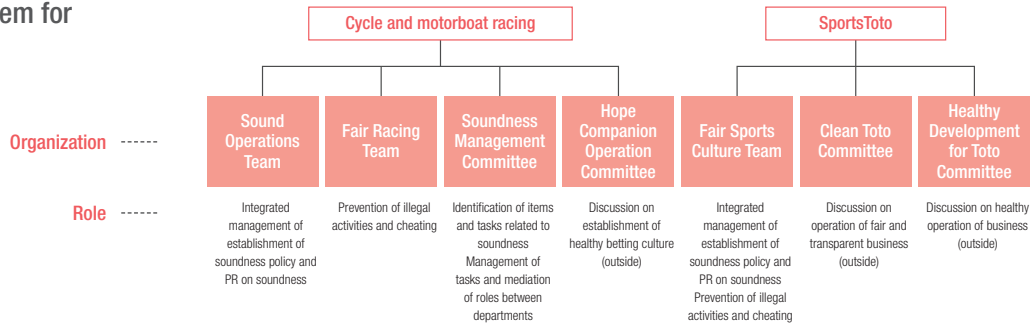
- Area: 1,447,122m²
- Trees: 340,000 trees (320,000 trees of 50 shrub species including azalea and forsythia, 150,000 trees of 119 tree species including pine and zelkova)
- Operation of eco—friendly bio—space: Rose Square (13,367 stems of roses of 129 species), Wild flower education site (pasqueflower, lyreflower), Deulggotmaru (corn rose, cosmos, etc.), Mongchonteul (sunflower, gaura, etc.), Naeseong Farm (barley, wheat, etc.)
- Major ecological resources: 404 species of wild life such as white heron, raccoon, red—eared slider
- Sculptures: 219 pieces (8 installations)
- Annual number of visitors: 7.57 million

• Status of Misari Regatta Course

- Area: 1,329,933m²
- Trees: 130,000 trees (125,000 shrubs including four—season rose, 7,000 trees such as pine, cedar, yew, etc.)
- Sculptures: 30 pieces

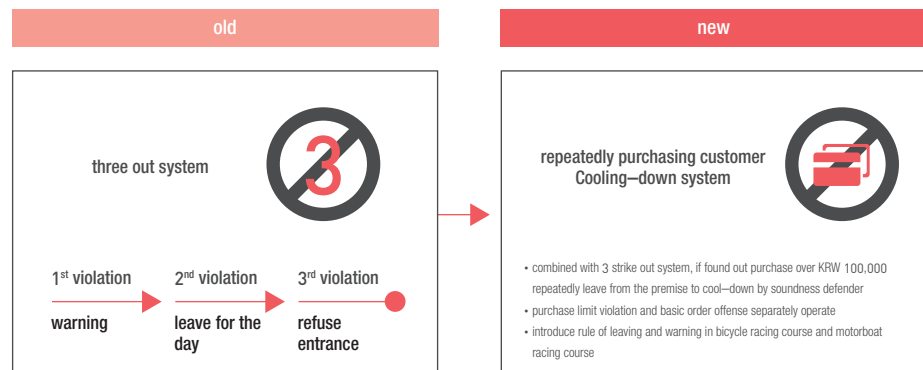
Responsible Leisure Culture

Promotion System for Healthiness



Purchase cap for cycle and motorboat races and Sports Toto and Cooling-down system

In order to establish a healthy environment for sports racing, KSPo limits purchases for cycle and motorboat race tickets and Sports Toto tickets to KRW 100,000 per race. We are preventing purchases that exceed this cap through monitoring activities such as the Soundness Defender and Secret Patrol. Customers of cycle and motorboat races who violate the cap three times in a single year are refused entrance for a specific period of time, and stores that sell Sports Toto tickets above the cap are suspended from sales and required to attend mandatory courses on soundness that cover topics such as the importance of soundness and related laws. Also from 2013, introduced cooling-down system to prevent betting indulgence, if anybody purchases exceeding KRW 100,000 repeatedly, Soundness Defender lets him/her to have cool down period from the premise.



Leading healthy betting culture

KSPo introduced an electronic card system for the first time in the industry in 2010 to spread a healthy betting culture for cycle and motorboat racing. Customers who use electronic cards can't make purchases of tickets above the cap, and a customer can set a cap for him/herself, allowing customers to prevent addiction. KSPo expanded the electronic card system which was in pilot operation for some branches to our mobile ticketing service, and our first branch dedicated to electronic cards (Dongdaemun branch) was established in 2012, and the Green Card Zone (reserved seat system) offered only for electronic cards. In 2013 we expanded to Euijeongbu branch and installed new server, increased lines, dedicated promotion system, electronic card application through electronic card and healthy purchase we are leading healthy betting culture. As a result, electronic card sales rose 98.% compared to the previous year, usage 46.7% increase, purchase amount per person dropped which is strengthening of healthiness.

Strengthening response against illegal activities and cheating

KSPO has strengthened punishments and established related systems for illegal activities and cheating to eliminate illegal sports betting activities. In 2013, established the "Clean Sports Call Center", which is an integrated report center for illegal activities, and received 2,773 cases of illegal activities and recruited 20 people of college student, office worker, teacher and those who have history of being involved in similar incidents to operate 'illegal site monitoring civil monitoring team' and blocked illegal site promoting messages of 34,049. In 2013, there were reports of 46,527 cases, 96.3% increased than before implementing the rewards, and paid 425,040 thousands as reward for 42,504 cases. Offenders for 'National Sports Promotion Act' were 33 cases and reporters were rewarded of KRW 96 million.

2013 illegal activities caught

	2012	2013	change
reported	1,150	2,773	141%
blocked promotion	17,758	34,406	93%
report of illegal gambling sites	23,708	46,527	96.3%
blocked site	20,042	42,504	112%
arrested cases	12	20	66%
arrested number of people	101	212	109%

Operation of program aimed at reducing indulgence

KSPO is operating a systematic program aimed at healthy culture of racing using its infrastructure for cycle and motorboat racing to upgrade the level of sports racing industry to a culture of healthy leisure that allows the sharing of various cultures as well as the joy of making bets. We introduced various new programs in 2013 such as the RC car racing, Female bicycle racing, Spectator camera event, Bicycle & motorbike racing of spectating and participating programs so reduce indulgence of our customers in games and enhance the participation of our customers and expanding the soundness of our business.

	detail
Spectating unusual race	<ul style="list-style-type: none"> RC car racing <ul style="list-style-type: none"> 2,025m(pistard 6 round), club member 8(including 1 leader)
	<ul style="list-style-type: none"> Cycle normal racing <ul style="list-style-type: none"> 9 people starts at the same time, first to arrive certain distance
	<ul style="list-style-type: none"> Cycle excluding racing <ul style="list-style-type: none"> start at the same time, last eliminated each round
	<ul style="list-style-type: none"> Cycling athlete entertaining Performance event <ul style="list-style-type: none"> Flash mob of 70 athletes admitting training camp(1~10 racing players)
	<ul style="list-style-type: none"> Female bicycle racing <ul style="list-style-type: none"> invite female cyclist active in company team in Korea
	<ul style="list-style-type: none"> Olympic medalist vs cyclist <ul style="list-style-type: none"> Hwang, Yeong—jo, Kim, Won—gi etc. medalists
participating event	<ul style="list-style-type: none"> Pistard customer invitation spectating event <ul style="list-style-type: none"> chance to spectate near the finishing line
	<ul style="list-style-type: none"> Spectator camera event <ul style="list-style-type: none"> racing camera zoom—in(big screen) select event participant
different game match	<ul style="list-style-type: none"> Bicycle & motorbike racing <ul style="list-style-type: none"> 2,025m (Pistard 6 round), 3 bicycle vs 2 motor bike
	<ul style="list-style-type: none"> Bicycle & motorboat racing <ul style="list-style-type: none"> 300m (rowing course 1~2 round) 3 bicycle vs 1 motorboat

Healthy betting recommending amount

KSPO prepared in 2013 'healthy betting recommending amount standard' to prevent customers indulgence. By providing amount standard compared to income, inducing healthy game spending according to economic level and by detailing purchasing mount from ten thousand in the past to hundred, and recommending to bet right amount.

Government soundness evaluation, top position for 2 consecutive years

KSPO is systematically managing its soundness through the government soundness evaluation. Through efforts to strengthen soundness such as prevention of addiction, enhancement of soundness in purchases and promotion of leisure culture, our cycle racing business ranked 1st, motorboat racing ranked 2nd, and Sports Toto ranked 3rd took all 3 positions for 2 consecutive years, and we are the only organization out of 9 subject to evaluate, acquired A+ grade. Accordingly our sales total gets increase and addict prevent share would be decreased.

WLA Responsible Gaming Framework Accreditation of top level(4th grade)

First from Korea, 3rd from Asia, KSPO has been granted accreditation by the World Lottery Association for the WLA Responsible Gaming Framework, of the 4th grade, which is top level. 1st grade in 2009, 3rd grade in 2010 and in shortest time ever, we acquired top grade to place us with same level as sports betting advanced countries in terms of speciality in business and operating technique. The reason for top grade is though execution of 10 factor principle of research study, education of people, education of seller, product development, advertisement and marketing activity, online channel, customer education, addition prevention and soundness, and continuous education of soundness of seller and self diagnosis evaluation autonomous soundness program of online channel, purchase rest plan by creating environment to protect customer were highly evaluated.

Improvement in outside stadium environment

To provide healthy experience space creating leisure culture value, we tried to make fresh and comfortable environment at outside branches. To meet the customer needs, we installed health check service and health equipment, and to lead non-smoking culture, we separated non-smoking zone for branches with more than 2 story and installed non-smoking bell to the toilet to speak about the damage of indirect smoking. Also according to the branches characteristics, rearranged space to family hall, female only hall, couple hall, disabled only hall and providing premium service with designated seats standard model.

APPENDIX

Third Party's Assurance Statement

GRI G3.1 / ISO 26000 Index

Awards & Associations

GRI Application Level Check Statement

Feedback Questionnaire

Third Party's Assurance Statement

Foreword

The Korea Management Association Registration and Assessments (KMAR) has been requested by Korea Sports Promotion Foundation (KSPO) verify the contents of its Sustainability Report 2013 (the Report). KSPO is responsible for the collection and presentation of information included in the Report. Our responsibility is to carry out assurance engagement on specific information in the assurance scope stipulated below.

Assurance scope and standard

KSPO describes its efforts and achievements of the sustainability activities in the Report. KMAR performed a type 2, moderate level of assurance using AA1000AS (2008) as an assurance standard. That is, the assurance team assessed whether inclusivity, materiality, and responsiveness were observed, and verified the followings to assess the reliability of the data and information specified in the Report where professional judgement of the practitioners of KMAR's assurance team was exercised as materiality criteria.

- Assurance of the economic section:

Reviews whether the financial data and information have been extracted appropriately from KSPO's 2013 financial statements and public notification data

- Assurance of the environmental and social section:

Reviews whether the environmental and social data and information included in the Report are presented appropriately

"Presented appropriately" means that the original data and information are reported in the Report with consistency and reliability.

The confirmation of the application level of GRI G3.1 utilized as the report criteria was included in the scope of assurance.

Assurance process

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, KMAR's assurance team has carried out an assurance engagement as follows:

- Assessed internal documents and materials
- Reviewed the GRI G3.1 application level which was used as a reporting framework

Conclusion

Based on the results we have obtained from material reviews, we had several discussions with KSPO on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data and information are not presented appropriately.

• Inclusivity

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

- KSPO is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team did not find any critical stakeholder group left out during this procedure.

• Materiality

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

- KSPO is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team did not find any critical issues left out in this process.

• Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

- The assurance team did not find any evidence that KSPO's counter measures to critical stakeholder issues were inappropriately recorded in the Report.

In addition, the assurance team checked that the KSPO complied with the GRI G3.1 in preparing the Report, and that the Report fulfills the requirements of GRI application level 'A+'.

Our independence

With the exception of providing third party assurance services, KMAR is not involved in any other KSPO business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

Sept. 15, 2014

KMAR

Korea Management Association
Registrations & Assessments Inc.

K. H. Park

CEO Ki Ho Park

GRI G3.1

ISO 26000 Index

● Reported ● Partially Reported ○ Not Reported ◇ Not Applicable(N/A)

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
	Stakeholder Engagement Principle	6.8.2	Engagement of community	20–21	●
	Border Protocol	6.6.5	Promotion of social responsibility in value chain	About this report	●
1. Vision and Strategy					
1.1	CEO statement	6.2	Organizational governance	4–5	●
1.2	Risks and opportunities	6.2		4–5, 16	●
2. Organizational Profile					
2.1	Name of organization			8	●
2.2	Primary brands and products			10~11	●
2.3	Operational structure	6.2	Organizational governance	8–9	●
2.4	Location of head office			8	●
2.5	Country where the organization operates			8–9	●
2.6	Nature of ownership and legal form			8–9	●
2.7	Markets served			10~11	●
2.8	Size of organization			8,12~13	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership			8–9	●
2.10	Awards received			6~7, 73	●
3. Report Scope					
3.1	Reporting period			About this report	●
3.2	Date of most recent previous report			About this report	●
3.3	Reporting cycle			About this report	●
3.4	Contact point for questions regarding the report or its contents	6.2		About this report	●
3.5	Process for defining report content			26~27	●
3.6	Boundary of the report			About this report	●
3.7	Limitations on the scope or boundary of the report			About this report	●
3.8	Basis for reporting that can significantly affect comparability			About this report	●
3.9	Data measurement techniques and the bases of calculations			About this report	●
3.10	Re-statements of information provided in earlier reports			About this report	●
3.11	Significant changes in the scope, boundary, or measurement methods			About this report	●
3.12	GRI Content Index			68~72	●
3.13	Policy and current practice with regard to seeking external assurance	7.5.3	Investigation	68~72	●
4. Governance					
4.1	Governance structure of the organization	6.2	Organizational governance	18~19	●
4.2	Indication of whether the Chair of the Board of Directors is also the CEO	6.2		18	●
4.3	Structure of Board of Directors	6.2		18	●
4.4	Mechanisms for shareholders and employees to provide recommendations to the Board of Directors	6.2		19	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
4. Governance					
4.5	Linkage between compensation for members of the Board of Directors and senior managers, and the organization's performance	6.2	Organizational governance	19	●
4.6	Processes in place for the Board of Directors to ensure conflicts of interest are avoided	6.2		19	●
4.7	Process for determining the qualifications and expertise of the members of the Board of Directors for guiding the organization's strategy on economic, environmental, and social topics	6.2		19	●
4.8	Principles of management	6.2		14~15, 43, 37, 56	●
4.9	Procedures for the Board of Directors for overseeing the organization's identification and management of economic, environmental, and social performance	6.2		19	●
4.10	Processes for evaluating the Board of Director's own performance, particularly with respect to economic, environmental, and social performance	6.2		18~19	●
4.11	Explanation of how the precautionary approach or principle is addressed by the organization	6.2		16~17	●
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes	6.2		73	●
4.13	Memberships in associations and national/international organizations	6.2		73	●
4.14	List of stakeholder groups	6.2		20~21	●
4.15	Basis for identification and selection of stakeholders	6.2		20~21	●
4.16	Approaches to stakeholder engagement	6.2		20~21	●
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	6.2		20~25, 46~47	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
Economic Performance Indicators (Disclosure on Management Approach)					
DMA EC Aspects	Economic performance			12~13, 53, 57~59	●
	Market presence			52~54	●
	Indirect economic impacts			28~31, 38~41, 40	●
EC1	Direct economic value generated and distributed	6.8/6.8.3/ 6.8.7/6.8.9	Community involvement and development/ Community involvement/Wealth and income creation/Social investment	13	●
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	6.5.5	Climate change mitigation and adaptation	57~59	●
EC3	Coverage of the organization's defined benefit plan obligations	6.4.4/6.8		53 (level of participation, coverage of defined benefit plan) We do not report this disclosure item as the information is proprietary	●
EC4	Financial assistance received from government			12~13	●
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	6.4.4/6.8	Conditions of work and social protection/Community involvement and development	54	●
EC6	Policy, practices, and proportion of spending on locallybased suppliers at significant locations of operation	6.6.6/6.8/ 6.8.5/6.8.7	Promoting social responsibility in the value chain/ Community involvement and development/Employment creation and skills development/Wealth and income creation	52~53 (Expansion of purchasing from socially disadvantaged companies) N/A—we only calculated by headquarter	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	6.8/6.8.5/6.8.7	Community involvement and development/ Employment creation and skills development/ Wealth and income creation	52–53 (Number of regional hopeful employment) N/A—we only calculated by headquarter	◻
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	6.3.9/6.8/6.8.3/ 6.8.4/6.8.5/6.8.6/ 6.8.7/6.8.9	Economic, social and cultural rights/ Community involvement and development/Community involvement/ Education and culture/Technology development and access/Wealth and income creation/Social investment	28–31, 38–41	●
EC9	Understanding and describing significant indirect economic impacts, including the extent of 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	Economic, social and cultural rights/ Promoting social responsibility in the value chain/Respect for property rights/Access to essential services/Community involvement and development/Employment creation and skills development/Technology development and access/Wealth and income creation/ Social investment	44, 40	●
Environment Performance Indicators (Disclosure on Management Approach)					
DMA EN Aspects	Materials			Not our key issue, planning to investigate	◻
	Energy			57–58	●
	Water			60	●
	Biodiversity			60–61	●
	Emissions, effluents and waste			57, 60–61	●
	Products and services			49–51, 60–61	●
	Compliance			60	●
	Transport			58–60	●
	Overall			57–61	●
EN1	Materials used by weight or volume			Not applicable due to business characteristics	◻
EN2	Percentage of use of recycled materials	6.5/6.5.4	The environment/Sustainable resource use	Not applicable due to business characteristics	◻
EN3	Direct energy consumption by primary energy source			58	●
EN4	Indirect energy consumption by primary source			58	●
EN5	Energy saved due to conservation and efficiency improvements			57–58, 60	●
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives			57–58, 60	●
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	6.5/6.5.4	The environment/Sustainable resource use	57–58, 60	●
EN8	Total water withdrawal by source			60	●
EN9	Water sources significantly affected by withdrawal of water			60	●
EN10	Percentage and total volume of water recycled and reused			60	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5/6.5.6	The environment/Protection of the environment, biodiversity and restoration of natural habitats	60–61	●
EN12	Impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas			61	●
EN13	Habitats protected or restored			61	●
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity			61	●
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk			61	●
EN16	Total direct and indirect greenhouse gas emissions by weight	6.5/6.5.5	The environment/Climate change mitigation and adaptation	57–58	●
EN17	Other relevant indirect greenhouse gas emissions			No emission	●
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved			57	●
EN19	Emissions of ozone-depleting substances	6.5/6.5.3	The environment/Prevention of pollution	Not our key issue, planning to investigate	○
EN20	NOx, SOx, and other significant air emissions			No emission	●
EN21	Total water discharge by quality and destination			No emission	●
EN22	Total weight of waste by type and disposal method			60	●
EN23	Total number and volume of significant spills			N/A	●
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			—	◇
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff			60–61	●
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	The environment/Sustainable resource use/ Promoting social responsibility in the value chain/Sustainable consumption	49–51, 60–61	●
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5/6.5.4/6.7.5	The environment/Sustainable resource use/ Sustainable consumption	Not applicable due to business characteristics	◇
EN28	Monetary value of fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5	The environment	No occurrence	●
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	The environment/Sustainable resource use/ Promoting social responsibility in the value chain	58–60	●
EN30	Total environmental protection expenditures and investments	6.5	The environment	57–61 (Although the administration is not calculated into the amount)	●
Labor conditions and its current status (Disclosure on Management Approach)					
DMA LA Aspects	Employment			52–53	●
	Labor/management relations			55–56	●
	Occupational health and safety			55–56	●
	Training and education			53–54	●
	Diversity and equal opportunity			52–53	●
	Equal remuneration for women and men			53–54	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
LA1	Total workforce by employment type, employment contract, and region			52~53	●
LA2	Total number and rate of employee turnover by age group, gender, and region	6.4/6.4.3	Labour practices/Employment and employment relationships	52~53 (Total number of new hire by age group) N/A—no breakdown by age	●
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4/6.4.3/6.4.4	Labour practices/Employment and employment relationships/Conditions of work and social protection	55~56	●
LA4	Percentage of employees covered by collective bargaining agreements	6.4/6.4.3/6.4.4/ 6.4.5/6.3.10	Labour practices/Employment and employment relationships/Conditions of work and social protection/Social dialogue/Fundamental principles and rights at work	55~56	●
LA5	Minimum notice period regarding operation changes	6.4/6.4.3/ 6.4.4/6.4.5	Labour practices/Employment and employment relationships/Conditions of work and social protection/Social dialogue	55~56	●
LA6	Percentage of total workforce represented by joint management-labor health and safety committees	6.4/6.4.6	Labour practices/Health and safety at work	55~56	●
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities			55	●
LA8	Programs in place to assist workforce members and community members regarding serious diseases	6.4/6.4.6/6.8/ 6.8.3/6.8.4/6.8.8	Labour practices/Health and safety at work/Community involvement and development/Community involvement/ Education and culture/Health	55	●
LA9	Health and safety topics covered in agreements with trade unions	6.4/6.4.6	Labour practices/Health and safety at work	55~56	●
LA10	Average hours of training per year per employee by employee category	6.4/6.4.7	Labour practices/Human development and training in the workplace	53 (the average hours of training per year per employee by gender, and by employee) N/A— we do not calculate by the category	●
LA11	Programs for lifelong learning that support the continued employability of employees and assist them in managing career endings	6.4/6.4.7/6.8.5	Labour practices/Human development and training in the workplace/Employment creation and skills development	53	●
LA12	Percentage of employees receiving regular performance and career development reviews	6.4/6.4.7	Labour practices/Human development and training in the workplace	54	●
LA13	Composition of governance bodies and breakdown of employees	6.3.7/6.3.10/ 6.4/6.4.3	Discrimination and vulnerable groups/ Fundamental principles and rights at work/Labour practices/Employment and employment relationships	52~53	●
LA14	Ratio of basic salary of men to women by employee category	6.3.7/6.3.10/ 6.4/6.4.3/6.4.4	Discrimination and vulnerable groups/ Fundamental principles and rights at work/Labour practices/Employment and employment relationships/Conditions of work and social protection	53~54, 18	●
LA15	Return to work and retention rates after parental leave			55	●
Human Rights (Disclosure on Management Approach)					
DMA HR Aspects	Investment and procurement practices			34~35	●
	Non-discrimination			52	●
	Freedom of association and collective bargaining			56	●
	Child labor			73	●
	Prevention of forced and compulsory labor			52	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
DMA HR Aspects	Security practices			planned to implement	◇
	Indigenous rights			Not applicable to business area, no the indigenous rights involved	◇
	Assessment			45,47	●
	Remediation			56	●
HR1	Percentage of significant investment agreements that include human rights clauses or that have undergone human rights screening	6.3/6.3.3/6.3.5/6.6.6	Human rights/Due diligence/Avoidance of complicity/Promoting social responsibility in the value chain	0%	●
HR2	Percentage of suppliers and contractors that have undergone screening and human rights	6.3/6.3.3/6.3.5/6.4.3/6.6.6	Human rights/Due diligence/Avoidance of complicity/Employment and employment relationships/Promoting social responsibility in the value chain	0%	●
HR3	Total hours of employee training on policies and procedures concerning human rights	6.3/6.3.5	Human rights/Avoidance of complicity	34~35	●
HR4	Total number of incidents of discrimination and actions taken	6.3/6.3.6/6.3.7/6.3.10/6.4.3	Human rights/Resolving grievances/Discrimination and vulnerable groups/Fundamental principles and rights at work/Employment and employment relationships	No occurrence	●
HR5	The right to exercise freedom of association and collective bargaining	6.3/6.3.3/6.3.4/6.3.5/6.3.8/6.3.10/6.4.3/6.4.5	Human rights/Due diligence/Human rights risk situations/Avoidance of complicity/Civil and political rights/Fundamental principles and rights at work/Employment and employment relationships/Social dialogue	56	●
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	6.3/6.3.3/6.3.4/6.3.5/6.3.7/6.3.10	Human rights/Due diligence/Human rights risk situations/Avoidance of complicity/Discrimination and vulnerable groups/Fundamental principles and rights at work	73	●
HR7	Operations identified as having significant risks for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor			73	●
HR8	Percentage of security personnel trained regarding human rights	6.3/6.3.5/6.4.3/6.6.6	Human rights/Avoidance of complicity/Discrimination and vulnerable groups/Employment and employment relationships/Promoting social responsibility in the value chain	Security training soon implemented	○
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	6.3/6.3.6/6.3.7/6.3.8/6.6.7	Human rights/Resolving grievances/Discrimination and vulnerable groups/Civil and political rights/Respect for property rights	—	◇
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments			45,47 (number of operations that have been subject to human rights review) NA—we assess, but not calculated the rate and number	●
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms			No occurrence	●
Society (Disclosure on Management Approach)					
DMA SO Aspects	Local communities			28~31, 38~41	●
	Corruption			33~35, 62~64	●
	Public policy			29~30, 43~44, 40, 52~53, 56	●
	Anti-competitive behavior			33~35, 62~64	●
	Compliance			33~35, 62~64	●

GRI G3.1	Description	ISO 26000	ISO 26000 topic and key issues	Page	Level of Disclosure
S01	Nature, scope, and effectiveness of any programs that assess and manage the impacts of operations on communities, including entering, operating and exiting	6.3.9/6.8/6.8.5/ 6.8.7*/6.6.7	Economic, social and cultural rights/ Community involvement and development/ Employment creation and skills development/Wealth and income creation/Respect for property rights	28–31, 38–41	●
S02	Percentage and total number of business units analyzed for risks related to corruption			33–35, 62–64	●
S03	Percentage of employees trained in organization's anticorruption policies and procedures	6.6/6.6.3	Fair operating practices/Anti-corruption	33–35, 62–64	●
S04	Actions taken in response to incidents of corruption			33–35, 62–63	●
S05	Public policy positions and participation in public policy development and lobbying	6.6/6.6.4/6.8.3		29–30, 43–44, 40, 52–53, 56	●
S06	Total value of financial contributions to political parties and politicians			—	◇
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	6.6/6.6.5/6.6.7		—	◇
S08	Monetary value of fines and total number of non-monetary sanctions for noncompliance with laws and regulations	6.6/6.6.7/6.8.7		No occurrence	●
S09	Operations with significant potential or actual negative impacts on local communities			62–64, 58–60	●
S010	Prevention and mitigation measures implemented in operations with negative impacts on local communities			62–64, 57–61	●
Product Responsibility (Disclosure on Management Approach)					
DMA PR Aspects	Customer health and safety			62–64	●
	Product and service labelling			48–51	●
	Marketing communications			64	●
	Customer privacy			51	●
	Compliance			51	●
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	6.3.9/6.6.6/6.7/ 6.7.4/6.7.5	Economic, social and cultural rights/Promoting social responsibility in the value chain/ Consumer issues/Protecting consumers' health and safety/Sustainable consumption	62–64, 60–61	●
PR2	Total number of incidents of non-compliance with regulations concerning health and safety impacts of products and services			62–64	●
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	Consumer issues/Fair marketing, factual and unbiased information and fair contractual practices/Protecting consumers' health and safety/Sustainable consumption/Consumer service, support, and complaint and dispute resolution/Education and awareness	49, 51	●
PR4	Total number of incidents of non-compliance with regulations concerning product and service information and labeling			No occurrence	●
PR5	Policies and practices related to customer satisfaction	6.7/6.7.4/ 6.7.5/6.7.6/ 6.7.8/6.7.9		48–51	●
PR6	Policies and programs for marketing communications, including advertising, promotion, and sponsorships	6.7/6.7.3/ 6.7.6/6.7.9	Consumer issues/Fair marketing, factual and unbiased information and fair contractual practices/Consumer service, support, and complaint and dispute resolution/ Education and awareness	64	●
PR7	Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising and sponsorship			No occurrence	●
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7/6.7.7	Consumer issues/Consumer data protection and privacy	51	●
PR9	Monetary value of fines for noncompliance with laws and regulations concerning the provision and use of products and services	6.7/6.7.6	Consumer issues/Consumer service, support, and complaint and dispute resolution	No occurrence	●

Awards & Associations

| Awards |

Date	Awards	
2013.02	No. 1 Most Admired Company in Korea(Culture and Leisure Section)	KMAC
2013.03	The Greatest Executive Leadership of the Year	JoonAng Ilbo
2013.07	Korea Management Awards Customer Value Management	Korean Society of Consumer Studies, Dong-a Ilbo
2013.09	No.1 Best Company to work in Korea(Tourism and Leisure Section)	KMAC
2013.09	WLA Responsible Gaming Framework Accreditation	World Lottery Association
2013.11	MoSPA Minister Award of Korea Safety Award	Korea Safety Certification Institute, National Emergency Management Agency
2013.11	Korea Internet Communication Satisfaction Index award on social marketing	Korea Internet Communication Association
2013.12	Web award Korea Special Award	Korea internet Professional Association
2013.12	Prime Minister Award on Record Management Evaluation	Ministry of Public Administration and Security
2013.12	MoGEF Minister Award on Best Youth Training Facility	Ministry of Gender Equality&Family
2014.01	Barrier-Free Certification(Olympic Hall)	Ministry of Land, Infrastructure & Transport, Ministry of Health and Welfare & Family
2014.02	No.1 Most Admired Company in Korea(Culture and Leisure Section)	KMAC

| Associations & UN Global Compact |

| Associations |

[Status of memberships](#)
[UN Global Compact](#)
[UNESCO Chair program](#)
[IOC Olympic Museum Network \(OMN\)](#)
[Korean Museum Association](#)
[The Korean Art Museum Association](#)
[Korea Cycle Federation](#)
[Union Cyclists Internationale \(UCI\)](#)
[Korea Youth Hostel Association](#)
[International Youth Hostel Federation](#)
[World Federation of the Sporting](#)
[Goodsindustry \(WFSGI\)](#)
[World Lottery Association \(WLA\)](#)
[Korean Society of Public Enterprise](#)



KSPO became a member of the United Nations Global Compact (UNGC), a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labor, environment, and anti-corruption.



Principle 1 Business should support and respect the protection of internationally proclaimed human rights.

Principle 2 Business should ensure that they are not complicit in human rights abuses.



Principle 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 Business should support the elimination of all forms of forced and compulsory labour.

Principle 5 Business should support the effective abolition of child labour.

Principle 6 Business should support the elimination of discrimination in respect of employment and occupation.



Principle 7 Business should support a precautionary approach to environmental challenges.

Principle 8 Business should undertake initiatives to promote greater environmental responsibility.

Principle 9 Business should encourage the development and diffusion of environmentally friendly technologies.



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

GRI Application Level Check Statement



Statement GRI Application Level Check

GRI hereby states that **Korea Sports Promotion Foundation** has presented its report “Enjoy Sports We Support” (2014) to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 22 September 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The “+” has been added to this Application Level because **Korea Sports Promotion Foundation** has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 September 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Feedback Questionnaire



The KSPo intends to listen to the various voices of stakeholders in response to our 2013 Sustainability Report to improve our future reports. Please complete the following questionnaire and send it to the address below through mail or fax.

Social Contribution Team, Performance Management Department

Tel: 82-2-410-1203 **Website:** www.kspo.or.kr

Fax: 82-2-410-1199 **E-mail:** oasis@kspo.or.kr

Address: Olympic Center, 424, Olympic-ro, Songpa-gu, Seoul, Korea

1. Which of the following groups do you belong to?
- ☐ Customer ☐ KSPo employee ☐ Government ☐ Local resident
- ☐ Business partner ☐ NGO and civic group ☐ Special institution
- ☐ Others :

2. How did you know about this report?
- ☐ KSPo website ☐ Newspaper and press ☐ Web surfing
- ☐ KSPo employee ☐ Seminar /lecture
- ☐ Others :

3. For what purpose are you using this report? (Multiple answers possible)
- ☐ To obtain information on KSPo
- ☐ To understand KSPo's sustainability activities
- ☐ To compare and analyze the characteristics of KSPo's business area
- ☐ To use for research and education
- ☐ Other :

4. Which part of this report did you find most interesting? (Multiple answers possible)
- ☐ Sustainable Business
- ☐ Key issues
- ☐ Sustainable Performances
- ☐ Other :

5. Which part (s) of this report needs supplementation? (Multiple answers possible)
- ☐ Sustainable Business
- ☐ Key issues
- ☐ Sustainable Performances
- ☐ Other :

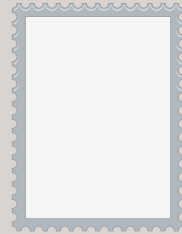
6. Did this report assist you in understanding the sustainability activities of KSPo?
- ☐ Yes, very much ☐ Yes ☐ Not much
- ☐ No ☐ Not at all

7. What would be your assessment for this report?

	Very satisfied	Satisfie	No idea	Unsatisfied	Very unsatisfied
Comprehensiveness of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accuracy of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desig	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

KSPO Sustainability Report 2013

Feedback Questionnaire



Address: Social Contribution Team, Performance Management Department
Olympic Center, 424, Olympic-ro, Songpa-gu, Seoul, Korea

E-mail: oasis@kspo.or.kr

Tel: 82-2-410-1203 Fax: 82-2-410-1199

Enjoy Sports, We Support

KSP0

SUSTAINABILITY REPORT 2013

www.kspo.or.kr



This report was printed on eco—friendly paper with soybean oil ink.