

2015

**United Nations
Global
Compact
Communication
on Progress**

LEE INTERNATIONAL

Statement of Continued Support by the Chief Executive Officer

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

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

From the beginning our firm has assisted primarily foreign clients with their legal needs, recognizing the importance of globalization and its value for the future. Likewise, our firm has fostered a culture that promotes adherence to ethical standards and transparency in management.

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

March, 2015

Terry Taehong Kim, Chief Attorney at Lee International IP & Law Group



1. Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Our Commitment or Policy

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

Implementation

The following measures are implemented for the improvement of rights within our office.

1. We provide free counselling services to our employees and their immediate family members, sponsored by a world-renowned human resource management group: Market Place Asia Pacific Limited. The service includes counselling on personal issues like education, health, marital problems and also intra-company matters such as work duties, human relations at work, and stress management.
2. For female employees working late, we liaise with a taxi company to provide a safe means of returning home.
3. We serve light meals for employees in the morning on a first-come first-served basis.
4. We created a "Comment Box" to collect anonymous opinions as to work environment improvements. Those opinions are actively reviewed by management and reflected in our policies.
5. To protect the rights of female workers, we guarantee maternity leave for up to 1 year.
6. We have established in-house nurseries, have initiated a limit on pregnant workers' hours, and have designated a person to address sexual harassment incidents and provide education to prevent such incidents from occurring.
7. To promote member relations, we support the Alpine Club, bowling clubs, a social fraternity, and a company soccer team, both financially and socially.
8. To encourage teamwork among members of departments and to boost synergistic engagements, we provide fraternity funds to support private meetings.
9. To help each employee with personal development to improve their lifestyle, we conduct English, Japanese and Chinese language classes, flower arrangement classes, and reading clubs. We reward class progress with vouchers as a further incentive.

10. To improve work efficiency and quality of personal break time, we have provided an employees' lounge on each floor, equipped with a refrigerator, sofa, dining table, and heating equipment.

Members of our company have also been actively seeking opportunities to contribute to our community and have so far preformed the following activities:

1. On December 10, 2014, Lee International IP & Law Group held the "Santa Cloth" charity bazaar. ("Santa Cloth" was chosen as the name of the event to recognize the Christmas holiday and the clothing being sold at the bazaar.)



2. Lee International IP & Law Group, along with Siemens Healthcare, co-hosted a blood drive on April 18, 2014.



3. Talent donation: Our attorneys who are members of the KPAA (Korean Patent Attorneys Association) have done pro-bono work, representing inventors without charge, to promote small to mid-sized businesses and to support youth enterprises.
4. Periodically we hold a bazaar to raise funds for the construction of clean wells in Cambodia.
5. Many of our members make private donations which are gathered bi-monthly and delivered to three public charities, including an orphanage and a sanatorium.

Assessment of outcomes

The counselling service was used by more than 200 affiliated members as of March 2015. Most members responded that the counselling they received was beneficial.

Hundreds of executives and staff members from Lee International, Poongsan Group, and SIEMENS actively participated in the "Santa Cloth" charity bazaar. Also, a dozen local business owners (restaurants, convenience stores, coffee shops) supported this meaningful event by donating various services and products. The bazaar was a great success and all proceeds were donated to a local social welfare organization.

At the blood drive we co-hosted on April 18, 2014, more than 80 people participated, stepping forward to save lives by donating blood. Because there was such an enthusiastic response, another blood drive is currently planned for April, 2015.

2. Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Our Commitment or Policy

Our company established a strict, in-writing policy against discrimination in employment. All employees' rights, responsibilities, compensation, and benefits are clearly outlined in detail in our management system.

Implementation

Our management is practicing the following activities to prevent unreasonable or unfair practices and labor rights violations throughout the workplace:

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

Assessment of outcome

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

3. Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Our Commitment or Policy

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

Implementation

1. We have implemented an electronic library system in order to most efficiently utilize space and conserve resources. In accordance with this goal, our firm has digitized our archive dating back to the firm's inception. This has achieved much greater management effectiveness and hugely impacted our environmental footprint.
2. Concurrent with our digital archive, we have further initiated an E-documentation system throughout the administration and management to eliminate waste and allow for faster and more efficient company-wide communication.
3. Energy saving program: we regulate our environment so that it is kept to an appropriate temperature throughout the year. As an added bonus, in the warmer summer months male employees may elect not to wear ties if so inclined. Overtime or emergency workers are obligated to turn off all equipment that is not being used on current time.
4. We initiated a program to deter unnecessary printing and use recycled paper whenever possible.

Assessment of outcome

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

4. Anti-Corruption Principles

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

Our Commitment or Policy

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

Implementation

1. Disciplinary measures are in place for any act to offer and/or receive any bribes or favors.
2. When a supervisor gives instructions that are unfair or interfere with the purpose of a job (with or without the intention to interfere with a subordinate's duty), initially the subject supervisor will be required to discuss this with his/her supervisors or by firm management and required to correct the inappropriate action. However, if the firm discovers that such behavior is repeated, a penalty/punishment will be imposed on such supervisor.
3. Any team member found to be issuing repeated instructions or engaging in any behavior that may impair or impede the duties of another employee will be subject to disciplinary action from consultation up to and including termination.
4. No team member shall engage in any conduct or work on any cases with either a direct or indirect financial link to any relatives including spouses or lineal descendants so as to avoid any potential conflict of interest or perception thereof.

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

As noted above, if any conduct in violation of this anti-corruption policy is discovered, it will be reflected in the employees' performance evaluation.

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