

2014-2015 KSPO Sustainability Report

Supporter for the Promotion of Sports Welfare Enjoy Sports, We Suppor

KSPO

KSPO Korea Sports Promotion Foundation

www.kspo.or.kr

424 Olympic-ro. Songpa-gu, Seoul (05540)

Reliable Supporter for the Promotion of Sports Welfare **Enjoy Sports, We Support**

2014-2015 KSPO Sustainability Report

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Reliable Supporter for the Promotion of **Sports Welfare**

Enjoy Sports, We Support

This is the 7th sustainability management report published by the Korea Sports Promotion Foundation (KSPO). As a very reliable supporter for the promotion of people's sports welfare, KSPO intends to contribute to the improvement of the quality of life for all Koreans in terms of both health and livelihood. To that end, KSPO publishes its sustainability management reports in a bid to actively communicate with its stakeholders about its performance in corporate social responsibility (CSR) including its economic, social and environmental impacts.

This report has been prepared in accordance with GRI (Global Reporting Initiative) G4 Guidelines - Core. The reporting period is from January 1, 2014 to December 31, 2015. The reporting scope includes all the operating sites of KSPO in Korea. When only a part of the sites is covered,

this fact is clearly stated in relevant sections.

As for environmental performance, this report covers only KSPO's headquarters and facilities, excluding the speezons that it runs as its cycle and motorboat racing branches in leased facilities.

As for financial performance, this report has followed 'the Rules on the Settlement of Accounts for Public Companies and Quasi-governmental Institutions."

All the information in this report has been verified by the Korean Standards Association.

KSPO has reflected its diverse stakeholders' voices and the relevance of UN Sustainable Development Goals (SDGs) to its material issues in this report in an effort to create social values in a broader context. For any inquiries about this report, please contact the Ethics & Culture Team of KSPO at the following address:

Ethics & Culture Team, KSPO

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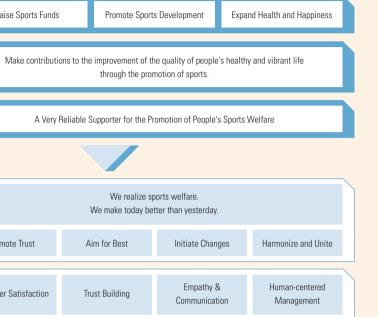
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2016년

행정자치부 민체육진희

주관

탄 정부

r 수 기 관 평가

선정

KSPO 민체육진흥공

Innovation based on **Trust and Ethics**

CEO's Message G4-1

Dear all KSPO stakeholders,

I am deeply grateful for your keen attention and support of the sustainability management efforts of KSPO. Since KSPO declared its full support of the UN Global Compact in 2007, KSPO transparently disclosed the results of the fulfillment of social responsibility in regard to the principles of human rights, labor, environment and anti-corruption in the sustainability management report. This year marks the 7th anniversary of the report.

KSPO raises competitiveness through the innovation of the organizational culture based on empathic listening and communication and makes responsible management performance through sustainability management that actively deals with changes in the economic, social and environmental paradigms.

First, KSPO raised the National Sports Promotion Fund amounted to KRW 10.6 trillion until 2015, which supported the robust field of sports. In spite of the difficult business environment in 2015, KSPO achieved the best management performance on sales of KRW 6.1 trillion since its establishment. KSPO raised the fund of KRW 1.3 trillion and provided KRW 1.1 trillion to daily sports, professional sports, international sports and disabled sports. We believe this is the result of KSPO's efforts and challenging goal setting to satisfy the demands of the national sports funding. The National Sports Promotion Fund raised through fundraising projects is fully returned to the society and used transparently to support sports activities of all citizens from children to the elderly to improve the quality of life through sports welfare.

Second, KSPO enhances organizational competitiveness through the innovative strategies. We

are innovated as a competitive organization by 3T strategies: Trust (internal trust), To do/Not to do (individual innovation), Togetherness (organizational sense of unity). Most notably, we established the Ethical Management Team in July 2014 to enhance the ethical culture of clean KSPO within the organization. We strive to establish the transparent, ethical culture by introducing 'One Strike Out' scheme since the launch of Ethical Management Committee in January 2015. In July 2016, we also declared the new core value, 'We realize sports welfare. We make better today than yesterday' claiming to the enhancement of sports welfare and self-directed innovation, in order to have employees keep it as a conduct code and law of success and thus raise empathy and power of execution.

Third, KSPO makes support performance on sports welfare tailored to citizens' level. We operate an one-stop service, 'National Physical Strength 100' project to manage physical strength of all people in 26 physical strength certification centers over the country, and we carry out 'Taxi Driver Health Promotion Project-Health Charging Bus' business by private-public collaboration. We help SMEs to grow by introducing a profit sharing system, and the participating partner companies in the profit sharing system make stable sales of KRW 2.3 billion.

We also leverage the positive functions of sports that develop youths into healthy adults to support for the self-reliance of dropouts and teenagers of multicultural households and carry out sports welfare enjoyed closely by anyone in the community.

KSPO fulfills the social responsibility of public institutions by continuously implementing the values of sustainability management. We will do our utmost to contribute to the improvement of the quality of people's healthy and vibrant life through the promotion of sports as a very reliable supporter for the promotion of people's sports welfare. We will be looking forward to the attention and encouragement from you.

Thank you.

November 2016

Lee Chang-seob Chairman, KSPO



KSPO Highlights

2014-2015





ENVIRONMENT



Gender Equality

Certification by the Ministry of Gender Equality and Family as a family-friendly company

Social Contributions

Won the Minister of Health & Welfare award at 2014 National Sharing Awards in the category of Property Sharing

Sports Welfare

Child sports participation

471,596 persons in 2015 128,780 persons in 2014

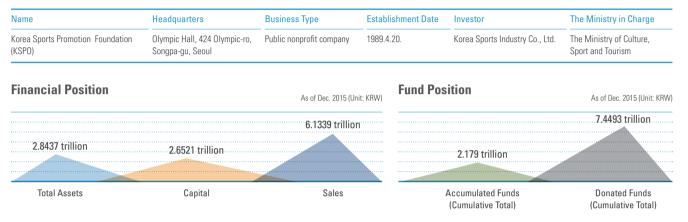
Attendants in senior coach training programs

> 9,260,640 persons in 2015 7,977,483 persons in 2014

Corporate Overview

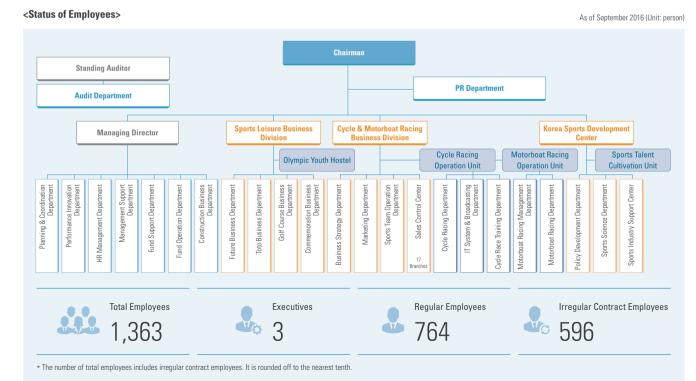
G4-3, G4-5, G4-7, G4-8, G4-9

KSPO was established on April 20, 1989 as a public nonprofit corporation to commemorate the 24th Summer Olympic Games held in Seoul and carry out business designed to promote people's sports activities according to Article 36 of National Sports Promotion Act and a license issued by the Minister of Culture, Sports and Tourism. Its major tasks include fundraising, funding support, promotion of the sports industry, and sports promotion and cultural affairs.

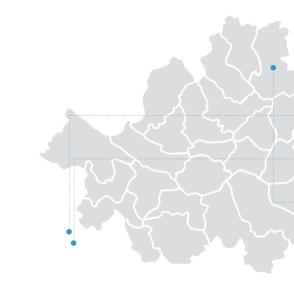


Organizational and Employment Status

KSPO is composed of a total of 124 units including 3 executives, 2 divisions, 1 institute, 4 business units, 38 departments, and 76 teams (25 divisions, 17 branches and 72 teams). KSPO employees amount to 1,363 including executives, division heads, 764 regular employees and 596 irregular contract workers. Its sustainability management is promoted by the Ethics & Culture Team under the Department of Management Support.



KSPO Organizations by District



KSPO HISTORY

1989.04	Established Korea Sports Promotion Foundation	2007.09	Launched Tour de Korea 2007
1990.07	Founded Korea Sports Industry Co., Ltd.	2008.09	Hosted the 20th anniversary of the Seoul Olympics
1993.02	Launched Division of Cycle Racing Operations	2009.04	Launched the inaugural Korea Bicycle Festival
1994.07	Opened Jamsil Velodrome	2012.11	Opened K-Art Hall (Taekwondo Martial Art Performance Hall)
2000.07	Launched Division of Motorboat Racing Operations	2013.09	Upgraded the Tour de Korea competition (to 2.1 class)
2000.11	Launched Sports Promotion Betting Ticket Business Team	2013.09	Rated highest in soundness by World Lottery Association for its sports promotion
2001.10	Launched Sports Toto (Sports Promotion Betting Tickets)	-	betting ticket business (Level 4)
		_ 2014.02	Changed the name of the Sports Science Research Center into Korea Institute of
2004.09	Launched SOMA (Seoul Olympic Museum of Art) and Share-Love Volunteer Group		Sport Science
2006.02	Opened Gwangmyeong Velodrome (Speedom)	2016.01	Integrated Sports Talent Cultivation Foundation



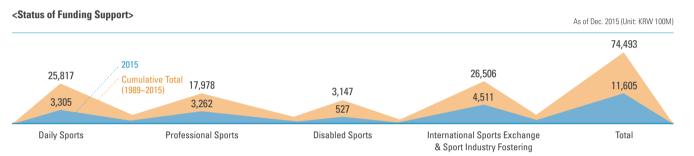




KSPO Business G4-4, G4-8

Funding Support	Sport Industry Fostering	Fundraising Projects	Sports Promotion & Culture Projects
 Fostering daily sports Fostering professional sports Fostering disabled sports Increasing international sports	 Providing loans to sport industry Technical development for sport	 Cycle racing business Motorboat racing business Sports Toto business Additional funds from the golf course based on the membership system 	 Olympic Park The Seoul Olympic Museum Misari Regatta Seoul Olympic Museum of Art
exchanges Fostering sport industry	industry Certification of sporting goods		(SOMA)

Funding Support Projects



KSPO has created the National Sports Promotion Fund and expanded it through its sports racing business such as cycle and motorboat racing and Sports Toto business. From 1989 to 2015, it has provided a total of KRW 7.4493 trillion from the fund to boost ordinary citizens' daily sports, train professional athletes, increase international sports exchanges and develop the sport industry. In 2016, KSPO plans to provide KRW 1.3243 trillion, the largest amount ever, given the citizens' growing demand for sports welfare.

Fostering Sport Industry

Technical Development for the Sport Industry

KSPO provides R&D funds for the development of new products and technologies in the area of sports science and technologies in order to create high added values by enhancing the competitiveness of the local sport industry suitable for the country's standing in professional sports by laying the groundwork for long-term development of the industry based on solid technological development in the area. KSPO provided R&D funds of KRW 8.7 billion in the development of 24 technologies in 2014 and KRW 13 billion in the development of 25 technologies in 2015.

Loan Support for the Sport Industry

KSPO carries out loan support for the sport industry from its National Sports Promotion Fund with the purposes of fostering the country's sport industry into a new high value-added industry serving as a new growth engine, and laying the foundation for self-reliance and enhancing the industrial competitiveness of outstanding sporting goods manufacturers and private sport facilities and sport service businesses. KSPO provided KRW 6.4 billion to 20 companies in 2014 and KRW 13 billion to 41 companies in 2015.

Certification of Sporting Goods

In order to secure excellence in the quality of the country's sporting goods and cultivate its flagship sporting goods brands, KSPO supports the 'KISS (Korea Institute of Sport Science) Sporting Goods Quality Assurance' program. By issuing the KISS mark only to the most outstanding sporting goods produced in Korea, KSPO contributes to boosting the values of prominent local brands. In 2015, it added 52 products to the KISS list, with a total of 102 sporting goods maintaining the KISS certification at present.



Development of sporting goods for Winter Paralympics



KSPO Quality Assurance mark









Tour de Korea 2015

Fundraising Business

KSPO raises sports funds through cycle and motorboat racing and Sports Toto business. It builds up the National Sports Promotion Fund through participatory leisure sports which involve the prediction of the scores of cycle racing, motorboat racing and other popular sports games.

* The 2014-2015 fundraising amounts include sports racing business and investment revenues.

* The support for the public finance (Culture & Arts Promotion Funds, local tax, etc.) amounted to KRW 470 billion on an annual basis.

Sports Promotion & Culture Projects

KSPO runs diverse massive sport and culture facilities such as Olympic Park, Seoul Olympic Museum, Misari Regatta, SOMA and Olympic Youth Hostel. It also plays host to large-scale international sports events like Seoul International Sports & Leisure Industry Show and Tour de Korea.



Cultural activities at Olympic Park

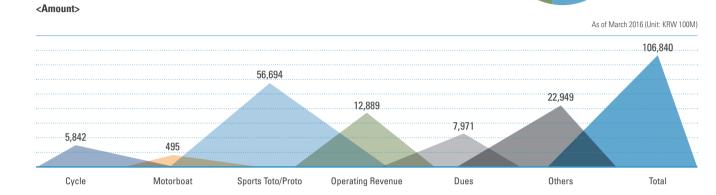
Raising Funds and Support for the National Sports Promotion Fund

The National Sports Promotion Fund started with KRW 352.1 billion, a surplus from the Seoul Olympics. The total funding amount raised until March of 2016 through various lucrative fundraising business amounted to KRW 10.6840 trillion. From 1989 to 2015, KSPO spent KRW 7.4493 trillion of the funds on daily sports, professional sports, international sports and disabled sports, contributing to boosting national competitiveness through the promotion of the country's sports and the stable management of the country's sports finance.



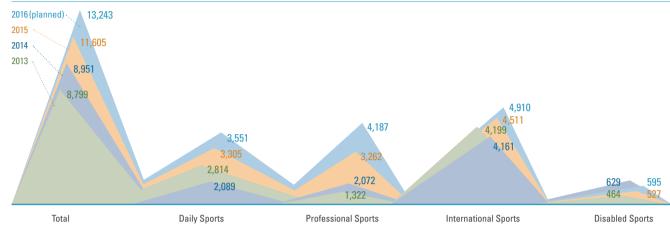
[Ratio of Revenue Distribution] Sport Promotion Funds 100%

Cumulative Total of the Funding Amount



* The transfer amount of the cycle/motorboat racing and Sports Toto business includes only the transfer amount related to racing revenues.

Records of Funding Support by Area



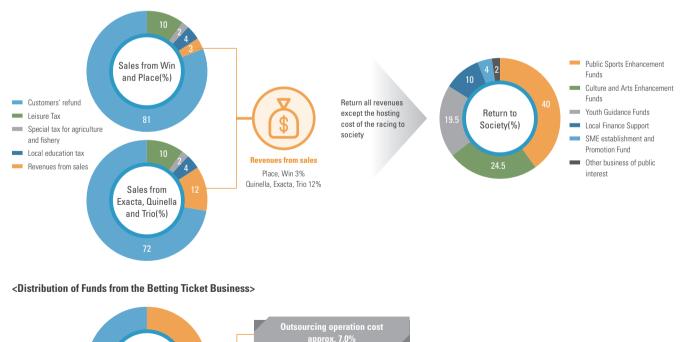


Distribution of Revenues from Fundraising Business

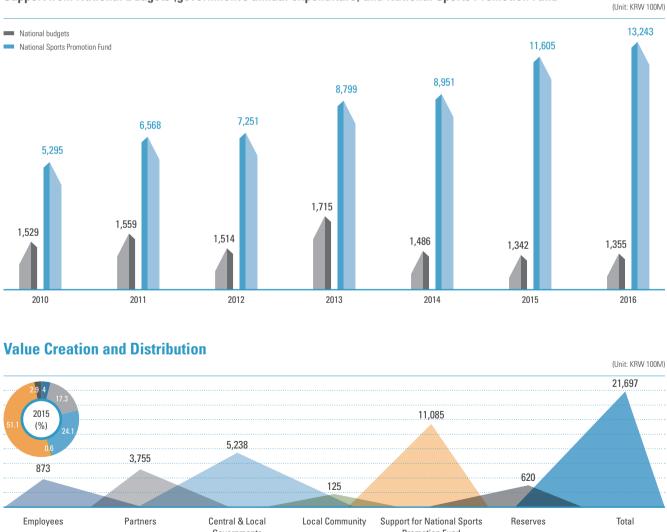
Sales

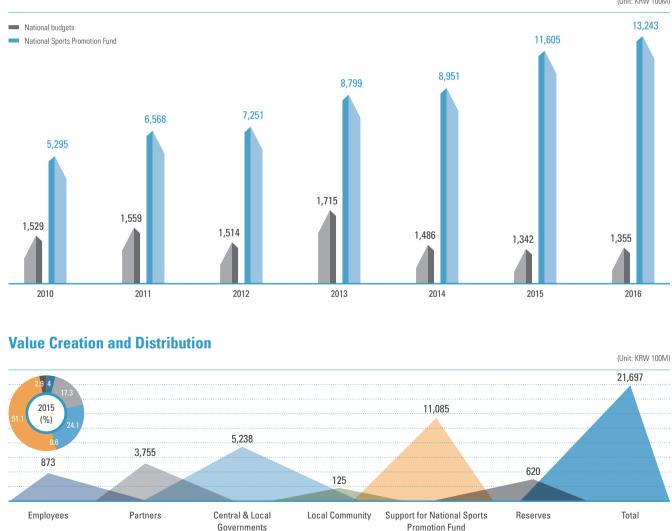
(%)

<Cycle/Motorboat Racing Business>



annrox, 33.0%





Refund

Revenues

(Unit: KBW 100M)



* Total(Created Economic Value) = Sales - Operating cost + Non-operating income - Non-operating cost - Depreciation

KSPO Sustainable Value Creation G4-12

Support Balanced Development of Daily Sports

• Korea Sports Promotion Index: 52.4 points

54.8 % in 2014 → 56.0 % in 2015

• Increase in child sports participation:

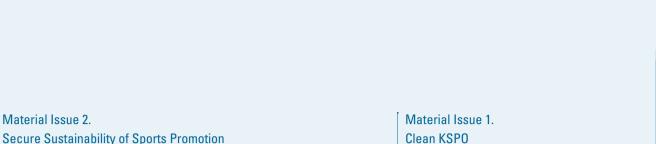
· Improvement in daily sports participation rate:

• Attendants in senior coach training programs:

128,780 persons in 2014 → 471,596 persons in 2015

7,977,483 persons in 2014 → 9,260,640 persons in 2015

Material Issue 3.



Clean KSPO

- · Improvement of Integrity Mileage System: Increased the proportion of practical activities to 39%
- General Integrity: Level 4
- Ethical education per person in 2015: 29 hours
- Self-evaluation of integrity: 80.93 points

Material Issue 4. **Customer Satisfaction** Management

• The highest rank in customer satisfaction for four straight years Ranked as 'Excellent' in the diagnosis of the personal information management level by the Ministry of Government Administration and Home Affairs Spent KRW 320 million on the enhancement of information security • Ranked 'A⁺' in the evaluation of business soundness for four years in a row

Material Issue 5. **Employee Happiness Management**

 Certification by the Ministry of Gender Equality & Family as a family-friendly enterprise for four years in a row • Employees on flextime in 2015: 503 persons | Satisfaction with flextime in 2015: 68.8 % Education & training budget increased: KRW 1.41 billion in 2013 \rightarrow KRW 1.53 billion in 2015 Labor-management communication index: 3.48 points in 2013 \rightarrow 3.64 points in 2015

Stakeholder Engagement

Sustainability Management Strategy

Material Issue 6.

Shared Growth with Partners

Material Issue 2.

Funds raised in 2015: KRW 1.3262 trillion

Renewed the ISO 20000 certificate

Commission: Grade A

International Standards for IT Service Management:

Validation of Information Security by International

Soundness Evaluation by the National Gambling Control

Standards: Renewed the ISO 27001certificate

Fundraising

- 2015 Shared Growth Implementation Level: 83.3 points
- 2015 Shared Growth Satisfaction: 92.4 points
- The highest level in Integrity in the area of 'Contract
- and Management' from ACRC, Korea: 9.56 points
- Zero illegal subcontract reporting, 100% e-bid rate for four years in a row

Material Issue 7.

Social Contributions to Local Communities

- Won the Minister of Health& Welfare award at the 2014 National Sharing Awards in the category of Property Sharing
- Won the 'general grand prize' in the area of public institutions at the 2015 Happiness Plus Social Contribution Awards
- Won the Minister of Education Award as an excellent institution in the initiative of exam-free semesters in December 2015
- 2015 social contribution mileage: 38.0 points

Sustainable Value Creation of KSPO



UN Global Compact ISO 26000 **GRI G4 Guidelines** UN Sustainable Development Goals(SDGs)



Mission Accomplished

Make contributions to the improvement of the quality of people's healthy and vibrant life through the promotion of sports.

END



Material Issue 8. **Create Green Environment for Sports Welfare**

- Eco-friendly product purchase rate in 2014: 100%
- Waste recycling rate in 2015: 40.6 %
- GHG emission reduction in 2015: KRW 167 million
- Customer satisfaction with Speedom environmental quality in 2014: 100 points



- **19** Support for UN SDGs
- 20 Governance
- 24 Stakeholder Interviews

SUSTAINABILITY DIRECTION

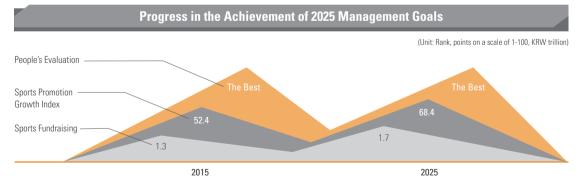
- 18 Sustainability Management Strategies
- **22** Stakeholder Engagement & Materiality Test
- **26** Customer Panelist interviews



KSPO Sustainability Management Strategies

Given the changes in business environments at home and abroad and the declaration of the new chairman's four major management policies, KSPO overhauled the existing strategic platform and announced the organization's mid- to long-term development strategies based on its sustainability management strategies in July 2016. The mid-to long-term development strategies were made through systemic analysis of policy, economy, social culture, technology environment, external environmental changes and compelling tasks within the organization. Most notably, KSPO has set up the realization of socially responsible management as one of its significant strategic tasks from the system of sustainability management.

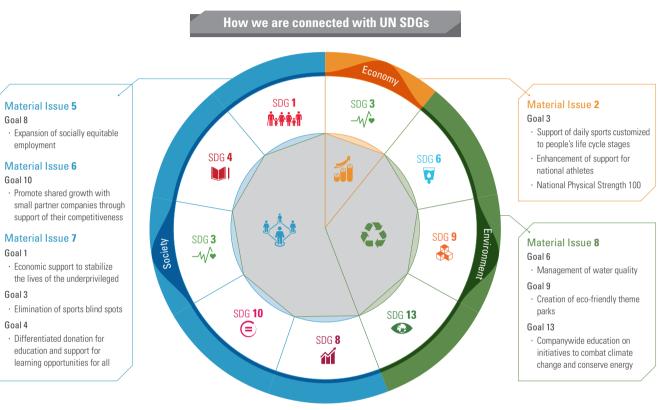
Mission	Make contributions to	Make contributions to the improvement of the quality of people's healthy and vibrant life through the promotion of sports										
Vision		A Very Reliable Supporter for the Pr	romotion of People's Sports Welfare									
Core Values		We realize sports welfare. We make better today than yesterday.										
	Promote Trust	Aim for Best	Initiate Changes	Harmonize and Unite								
2025 Management Goals	Raise KRW 1.7 trillion for the national Sports Promotion Fund (KRW 1.3 trillion in 2015)	Achieve balanced sports development (Sports Promotion Growth: 68.4) (2015 performance: 52.4)	100 leading companies in sports industry	Maintain the highest rank in the People's Evaluation (the highest rank of 'the Best' in the customer satisfaction survey of public institutions for the fourth year in a row in 2015)								
Strategic Enhance Competitivess in Directions Fundraising Business		Upgrade Citizen-Customized Sports Promotion Business	Foster Future-oriented, Creative Sports Industry	Management Innovation based on Trust and Ethics								
		 Create consumer-centered sports environment Upgrade management system for fundraising business Create new values of sports leisure 	 Create power for future growth of sports industry Publicize results of research on sports science Sports convergence for talent cultivation 	 Establish performance-centered management innovation system Enhance competitiveness of organization and human resource Realize socially responsible management 								



* '100 Leading Companies in Sports Industry' is a newly established index excluding the 2015 performance outcome.

Support for UN SDGs

very best to address other UN SDGs strategically in a bid to help expand people's well-being in a sustainable way.



Connectivity to SDGs

SDGs Goal	Contents	Relevant Page	SDGs Goal	Contents	Relevant Page
SDG 1 Mit rati	 KSPO provides economic support for the underprivileged in a bid to eliminate poverty in the country. KSPO will donate KRW 330 million in donations for the disadvantage KSPO will increase the use of Onnuri vouchers to help revitalize traditional markets run by small-sized merchants. 	63 :d.	SDG 8	· KSPO implements socially equitable employment to provide quality jobs to people with disabilities and the disadvantaged.	53
SDG 3 ₩	KSPO will implement daily sports support projects to achieve its goal of the promotion of sports for all. KSPO will provide customized support for all age groups. KSPO will provide support for the development of professional sports KSPO will open the Public Physical Strength Certification Centers (24 centers), contributing to the enhancement of people's health.	S.	SDG 9	 KSPO will create theme parks to provide eco-friendly green space to urbanites. KSPO will build a comprehensive leisure & culture space in Gwangmyeong, Gyeonggi Province to create pleasant living condition for citizens. KSPO will build a green park around Misari Motorboat Racing Park to be used as a comprehensive leisure space by citizens. 	
SDG 4	 KSPO will support so that the disadvantaged will gain access to education needed for sports engagement. KSPO will run afterschool learning support programs for 130 middle schoolers through the pilot project of 'School of Dream.' KSPO will support self-directed learning for 30 middle schoolers. 	63	SDG 10 E SDG 13	KSPO will provide preferential support to SMEs with great potential need of financial assistance KSPO will provide preference to product purchase from socially disadvantaged companies. KSPO will implement companywide education on energy conservation	
SDG 6	· KSPO will enhance the management of water in Seongnaecheon Stream, 88 Lake, and Mongchon Moat Park and actively recycle the water to secure efficiency of water use.	66		 KSPO will continue with its efforts to reduce its GHG emissions (Reduced KRW 167 million worth of emissions in 2015) 	03, 07

KSPO's mission is directly related to Goal 3 of the UN SDGs, stating "Ensure healthy lives and promote well-being for all at all ages." KSPO also does its

SUSTAINABLE GOALS



Governance

KSPO has established governance centered around the board of directors (BOD), its highest decision-making body, supported by subcommittees to reach conclusions on major decision issues placing top priority on sustainability.

BOD Composition



The BOD is composed of 13 directors including three executive directors and 10 non-executive directors. KSPO chairman plays the role of the BOD chairman according to the Act on the Management of Public Institutions.

Title	Name	Appointment Date	Key Experience
Chairman	Lee Chang-seob	Apr. 2014	Chairman of KSPO
Resident Auditor	Koh Gyung-hee	Aug. 2015	Resident auditor of KSPO
Executive Director	Kim Seong-ho	Feb. 2016	Executive director of KSPO
	Shim dong-seop	May 2015	(Current) Sports Policy Director of the Ministry of Culture, Sports and Tourism
	Jo Young-ho		(Current) Korean Olympic Committee
	Kim Gyeong-sook (F)		(Current) Dean of College of Health Sciences of Ewha Womans University
	Kim Sang- gyeom		(Current) Law professor at Dongguk University
Non-executive	Kim Seong-eung		(Current) Physical education professor at Catholic University of Daegu
Directors	Baek won-chil	Mar. 2016	(Current) Dean of College of Physical Education at Kyonggi University
	Eo Eun-sil (F)		(Current) Assistant professor at Department of Sport Rehabilitation of Woosong University
	Lee jeong-rae		(Current) Professor at Department of Leisure & Sports of Kyungpook National University
	Jeon Ik-gi		(Current) Dean of College of Physical Education at Kyung Hee University
	Jeong Hee-don		(Current) Director at Department of Sports at SBS (Seoul Broadcasting System)

(As of November 2016)

The ratio of female directors 15.4%

20

BOD's Roles and Directors' Diversity



KSPO has enhanced its management counseling functions by appointing experts in diverse fields as its non-executive directors. It has also boosted the diversity of the BOD by increasing the proportion of female directors. The external directors actively advise KSPO on a variety of issues related to sports promotion as well as the entire spectrum of the organization's tasks. They present independent points of view on the issues while helping the organization deepen its understanding about challenges associated with sports promotion. Most notably, KSPO takes into account the proportion of female directors to help improve the status of females and realize gender equality at work in the country. At present, females account for 15.4% in the BOD, a far cry from the national average of 10% in public institutions.

Subcommittee Composition

KSPO runs three subcommittees in the fields of management strategies, budget and account settlement, and sports promotion, which provide management counseling on key policies. The subcommittees continue to invigorate their roles including having more frequent meetings to deal with sustainability management, improvements in management transparency and efficiency in sports promotion, among others.

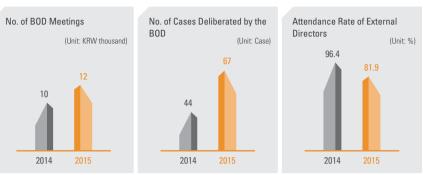
	BOD									
Management	Management	Management	Budget&Account	Budget&Account	Budget&Account	Sports	Sports			
Strategies	Strategies	Strategies	Settlement	Settlement	Settlement	Promotion	Promotion			
Museum Operation	Executive	Contract System	Asset	Asset Risk	Fund Support	Investment	Fund Operation			
Counseling	Recommendation	Improvement	Management	Management	Business Evaluation	Review	Deliberation			
Subcommittee	Subcommittee	Subcommittee	Subcommittee	Subcommittee	Subcommittee	Subcommittee	Subcommittee			

stainability	issues	addressed	by	the	BOD	

Time	Sustainability Issues	BOD Decisions
2014.2	Support for medical expenses of hospitalized athletes	Remuneration within the limit of KRW 50 million
2014.4	Sanctions on retired division heads who violated integrity obligations	Recover 100%
2014.9	Enhancement of protection of expectant employees	Extend maternity leave and shorten their work hours
2015.3	Reporting on ethical management plans	Review holding integrity campaigns
2015.6	Discussion of the creation of a disabled ski team	Review details including how to select athletes later
2015.9	Improvements in wage peak system	Review details including calculation of severance pay for the relevant personnel
2015.10	Improvements in welfare benefit regulations	Pay high school tuition fees regardless of the number of one's children
2015.11	Enhancement of personnel sanctions on violators	Limit promotion and enhance sanctions on violators

BOD Operations and Performance

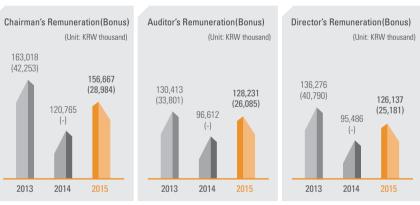
In 2015, KSPO held 12 BOD meetings. The BOD deliberates and makes decisions on a variety of issues related to not only organizational management including the reviews of budgets and management records but also corporate social responsibility including ethical management, wage peak system and employee welfare benefits.



Director Evaluation and Remuneration

KSP strives to equip itself with a transparent director evaluation and remuneration system. Directors' remuneration is composed of basic annual remuneration and government management evaluation bonuses as determined at the BOD and approved by the minister of MCST. The bonuses are paid to permanent directors according to the evaluation results of the organizational performance and directors' individual job performance in a bid to enhance performance. To raise transparency of the directors' pays, KSPO unveils their annual remuneration on the company website.





Decision-Making Considering Sustainability

The BOD deals with sustainability issues as its agenda items. It considers sustainability when making decisions. During 2014-2015, the BOD extensively addressed employees' integrity, the most important and a relatively deficient issue of KSPO for sustainability management. In 2014, the BOD decided on the return rate of the bonus paid to retirees who turned out to have violated the organization's integrity obligations. In 2015, it discussed the issue of imposing sanctions on the violators of the organization's ethical standards in terms of personnel management.









Stakeholder Engagement & Materiality Test

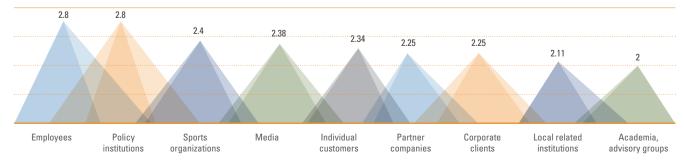
KSPO deems it critical to communicate with its stakeholders and identify their expectations in order to carry out its sustainability management effectively. Thus, it has established communication channels with the purposes of collecting their opinions, distributing the organization's management values, and identifying their individual interests and expectations that are reflected in the establishment of its management strategies

Stakeholder Identification

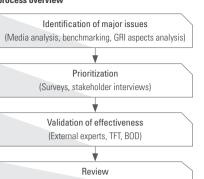
KSPO identified stakeholders and evaluated their influence through a survey conducted among sustainability management leaders according to the stakeholder identification guidelines specified in AA1000SES. The results of the survey show that policy institutions and employees are the most important stakeholder group and the mass media/local related institutions have the least importance to KSPO.

01 - 17	Internal Stakeholders				External Stakeholders				
Classifi- cation	Employees	Policy institutions	Sports organizations	Media	Individual customers	Partner companies	Corporate clients	Local related institutions	Academia, advisory groups
Division of Stakeholders	KSPO employees	National Assembly, related government ministry	Sports organizations, university	Media company	Public, fundraising business customers	Commission business, fund beneficiary organizations, affiliated compa- nies(Sports Indus- try Development)	SMEs in sports industry	Local government, NGO	Customer panelist, experts
Communica- tion Channels	BOD meetings, Workshops, Intranet, Blogs, SNS channels	Briefings, Workshops, Inspection of government offices, Management evaluation	On-site meetings, Workshops	Business briefings, Press conferences	Public-Nature Events, Ads, Media channels, Surveys on customer satisfaction	On-site meetings, Workshops	On-site visits, Meetings, Busi- ness Consulting	Homepage, VOC, CSR, Social contribution activities	Client panel meetings, academic societies, committees, conferences
Expecta- tions	Enhancement of welfare benefits and specialization	Prevention of illegal subsidy application	Enhancement of effectiveness in fundraising support	Information sharing and reflection on managements	Enhancement of information security	Activation of sports and culture business	Expansion of customized support	Job creation and start-up support	Advisory for management decisions
Reflection on Management	Early introduction of wage peak system and implementation of HR cultivation programs	Enhancement of the fund account settlement and evaluation functions	Establishment of a separate funding support office handling fund delivery, balance account and evaluation	PR on management performance and delivery of opinions	Operation of efficient personal information security system	Expansion of investment in sports and culture promotion projects	Introduction of profit sharing system and support for the sports SME companies	Operation of Employment Support Center and regular job creation in the field of sports safety management	Strategic & value system sharing

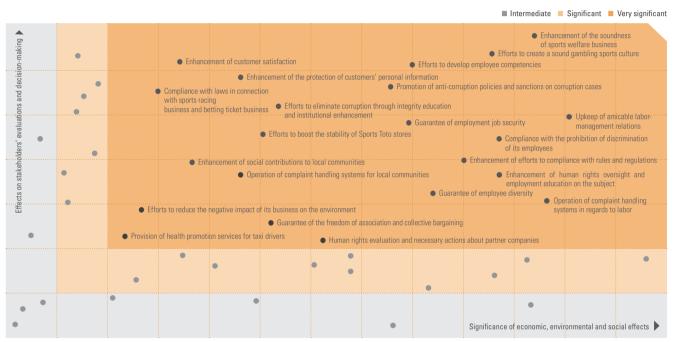
Stakeholder Materiality



Defining material Aspects and Boundaries process overview







Rank	Material Issues	Reporting Boundary	Relevant Page	Rank	Material Issues	Reporting F Boundary	lelevant Page
01	Enhancement of the soundness of sports welfare business	Internal, externa	36~39	13	Upkeep of amicable labor-management relations	Internal	55
02	Efforts to create a sound gambling sports culture	Internal	49	14	Enhancement of social contributions to local communities	Internal, external	60~63
03	Efforts to develop employee competencies	Internal	53, 54	15	Operation of complaint handling systems for local	Internal, external	66
04	Promotion of anti-corruption policies and sanctions on	Internal, externa	35		communities (management of motorboat racing noise, etc.)		
	corruption cases			16	Enhancement of human rights oversight and employment	Internal	79
05	Efforts to eliminate corruption through integrity education and institutional enhancement	Internal, externa	30~34	17	education on the subject	Internal	53
				17	Guarantee of employee diversity	Internal	
06	Guarantee of employment job security	curity Internal 54, 55 18 Operation of complaint handling systems in regards to labor		Internal	54		
07	Compliance with laws in connection with sports racing business and betting ticket business	Internal, externa	80	19	Efforts to reduce the negative impact of its business on the environment	Internal, external	66
08	Enhancement of customer satisfaction	External	46~48	20	Enhancement of employment health and safety	Internal	78
09	Enhancement of the protection of customers' personal information	External	50, 51	21	Implementation and management of human rights related complaint handling systems within itself	Internal	54
10	Efforts to boost the stability of Sports Toto stores	Internal, externa	41	22	Guarantee of the freedom of association and collective bargaining	Internal	79
11	Compliance with the prohibition of discrimination of its employees	Internal	79	23	Human rights evaluation and necessary actions about partner companies	Internal, external	79
12	Enhancement of efforts to compliance with rules and regulations	Internal	80	24	Provision of health promotion services for taxi drivers (National Physical Strength 100)	External	45

Materiality Test Process

KSPO carried out the materiality test together with THE CSR, an organization specializing in sustainability management. A total of 47 issues were identified through the analysis of media coverage, benchmarking and GRI analysis. Twenty-four (24) issues were selected through the evaluation of materiality in economic, environmental and social fields by 233 stakeholders. At the stage where reporting contents were finalized, KSPO enhanced major issues related to GRI and its reporting scheme at the recommendation of its TFT and external advisors and reinforced the credibility of this report.

Materiality Test Results

Selected issues were classified as 'Very significant,' 'Significant' and 'Intermediate' in accordance with the results of the materiality test. This report expands on 'Very significant' issues. The issue selection process itself is handled as a crucial issue in association with the company's mid- to long-term management strategies.





Stakeholder Interviews

"Socially responsible management that focuses on people"

The United Nations Global Compact's ten principles on human rights, labor, the environment and anti-corruption advocate people-centered business management. In other words, the Compact recommends making gradual but clear progress towards human-centered business management. KSPO is a public fund operator committed to the advancement of sports. Therefore, I think a high level of integrity is most important. To that end, it is crucial that KSPO's top management develops keen interest and continues to pay attention to the organization's CSR activities through the Ethical Management Committee and other councils. In addition, KSPO must help handicapped people engage in athletic activities so that they can find pleasure and happiness in their lives. I believe that it is one of the most important contributions that a sports-related organization can make to promote human rights.

> Im Hong-jae Secretary General of the UNGC Korea Network

"Enhance efforts to manage safety blind spots."

I think the biggest social responsibility of KSPO is ensuring safety and health in sports activities. Injuries occur more often than not while people are engaging in athletic activities. Thus, at the request of KSPO, KIST (Korea Institute of Science and Technology) develops sporting goods including sport rehab equipment and sports protective gear. Most notably, KIST focuses on the development of equipment that helps seniors, the disabled and children enjoy sports safely and rehabilitate from injuries in terms of the fulfillment of its social responsibilities. I hope that KSPO will push forward safety & prevention campaigns along with its efforts to develop protective gear so that people can enjoy sports more safely.

> Kim Jin-wook R&D official, KIST

"The program is effective yet sustainable subsequent programs are needed."

'National Physical Strength 100' is running well. Yet, I wish subsequent sustainable services would be more available. In 2013, when Seongdong-gu Center opened its doors, having an integrated health management program became a big issue. Unlike other centers, this center freely provides not only a physical strength test service but also nutrition counseling and blood tests in cooperation with dieticians and nurses, recording a high participation rate in the program. For those who cannot visit us during daytime including high schoolers and workers, we provide on-site services, too. More than 6,000 citizens take advantages of our services every year. One thing that we regret is that those that have completed the 8-week physical strength promotion program have nowhere to turn. I hope KSPO will come up with ways to enable them to continue to engage in sports activities.

> Park Yun-myung, officer Seongdong Physical Strength Certification Center



"Need to enhance non-financial support"

I think shared growth with local communities is KSPO's most crucial social responsibility. Recently, we launched a two-day camping program for families with disabled family members. Over 200 disabled citizens took part in it and deeply enjoyed themselves. The program was made possible thanks to the non-financial volunteer services of motorboat racers and KSPO employees in addition to the financial support of KSPO. It demonstrates that not only financial assistance but also nonfinancial service can become a great asset for local welfare centers. What I would like to ask of KSPO is that KSPO join hands with local welfare centers to launch diverse sports promotion programs including a bicycle license program at its motorboat racing park since it is equipped with great human infrastructure like diverse athlete associations in addition to the National Sports Promotion Fund. _Koh Ung-gyu, Secretary General

I hope that KSPO will come up with schemes that will bring practical benefits to the users of cycle and motorboat racing parks. _an individual customer

I think that KSPO will need to publicize its types of activities used in advanced countries that are designed to get all citizens to enjoy daily sports while developing and supporting diverse programs that can lead to citizens' health and sports-culture welfare. a corporate client

KSPO has to expand its discretionary budget, which it can spend on its own, so that it can engage in budget execution in a timely and independent manner. _the media

KSPO needs to enhance its business transparency and unveil and share information on the progress of its tasks faster and more accurately. _a sustainability management expert

"Need to work on securing product competitiveness."

The most important social responsibility of KSPO is to fulfill its economic responsibilities through shared growth with its partner companies. Presently, K Toto is commissioned to run the betting ticket business and contribute to the implementation of KSPO's economic responsibilities. The betting ticket market is divided into legal and illegal markets. The fact of the matter is that the illegal market is bigger with its benefits in the rate of return and the betting diversity.

I think that while enhancing law enforcement on illegal betting, KSPO can introduce 'a separate game betting scheme' among others to boost its product competitiveness so that it can contribute to national sports promotion - its mission - more efficiently through increased funding.

> Nam Gil-ja Team Leader, K Toto Co.,Ltd.

Gwangmyeong-si Comprehensive Disabled People Welfare Center

"We would like to ask KSPO to ... "

KSPO's support for elementary school sports coaches is highly satisfactory. I hope that KSPO will increase the relevant budget. _a local relevant institution

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I hope that KSPO will strive to enhance its oversight and evaluation of its fund support projects and boost the Fund efficiency through compensation

_a sport organization

-

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securing outstanding specialists on an ongoing basis. _academic circles and advisory groups It is important that KSPO improve its internal organizational

KSPO must place priority on enhancing professional education and

efficiency in a way that it can elevate its job expertise and achieve reforms in its personnel management. _a partner company

Customer Panelist Interviews

KSPO efforts to improve its sustainability management



"Efforts to expand the base of daily sports"

Working to expand the base of daily sports is among KSPO's biggest social responsibilities. As a public institution, it is highly trusted by people and it pursues public interests. So it has work to spread daily sports by expanding sports facilities and carrying out sports promotion business. I have taken part in 'National Physical Strength 100' since the launch of a pilot project. It drives me to regularly engage in daily sports. It is equipped with a number of good programs. Still, there are many around me who are unaware of the programs. Therefore, KSPO has to beef up the publicity of its daily sports programs.

_Joo Cheol-gyu, a panelist



"Need to improve access to complaint handling systems"

KSPO must enhance the accessibility to its customer complaint handling systems. As a member of the customer panel, I can immediately see KSPO work on VOC monitoring results. However, I think that the complaint filing procedure is a bit complex. The separation of the cycle racing and motorboat racing websites is not exactly convenient for anyone wanting to raise issues. Complaint filing requires customers to go through the 'accredited ID certification' process. KSPO needs to come up with a way to make the procedure easier and simpler for more effective communication with the public.

Seo Hyo-jeong, a panelist



"Efforts to improve benefits and enhance PR"

KSPO raises most of its funds through the betting ticketing business. I think KSPO could return part of the Fund raised through its customers and enhance their convenience. Besides, KSPO needs to increase its corporate publicity to the general public. The "National Physical Strength 100" project runs smoothly with participation steadily increasing. However, when compared to the excellence of the project, public recognition of the project and KSPO itself is still low. I hope that KSPO will continue to advertise the national project to a wider audience while imprinting its positive image in their minds.

Koh Young-mi, a panelist

KSPO runs a customer panel with the purpose of reflecting its customers' opinions in the entirety of its operations. The panelists are selected in the areas of KSPO headquarters, sports & leisure, cycle racing, motorboat racing, and KISS. Once tasks are presented, they work on them and put forward their opinions about them in a timely manner so that KSPO can review them prior to engaging in-depth discussions at panel meetings. KSPO conducted interviews with five panelists on the topic of 'KSPO's efforts to improve its sustainability management' in September 2016.



"Need to provide continuous sports promotion activities for the disadvantaged"



"Need to work to enhance internal and external communication"

KSPO seems to be communicating well overall. Although trivial, a customer raised an issue about the differing times for turning off lights inside and outside a gym. KSPO immediately addressed the problem. However, I think that communication between departments needs to be enhanced. For instance, meeting supplies can be shared by various departments through communication. I hope that KSPO will pay attention to details and succeed in establishing a better communication culture companywide.



KSPO is a public entity. I believe that its biggest social responsibility is to provide more opportunities for the underprivileged to take part in social sports activities. KSPO regularly holds Culture Day in which it actively promotes the participation of the disabled, multicultural families, and single-parent families in diverse sports activities. I hope that KSPO will launch continuous CCI activities customized for the disadvantaged in addition to its regular programs so that it can realize genuine sports welfare for all.

_Kim Kyung-ah, a panelist

Yoo Jeong-min, a panelist

"Please comment on KSPO's sustainability management practices."

erstanding of its roles 75	
KSPO has to beef up the mental and physical health of the underprivileged 77	×<
practices on fairness, transparency and morality	
ed for the entire population when selecting projects to support financially. 🤊 🕽	S



- 56 Issue 6. Shared Growth with Partners
- **60** Issue 7. Social Contributions to Local Communities

KSPO **8 MATERIAL ISSUES**

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- **36** Issue 2. Secure Sustainability of Sports Promotion Fundraising
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- 64 Issue 8. Create Green Environment for Sports Welfare

KSPO Material Issue 1 🌫

Clean KSPO

How does KSPO strive to secure integrity and transparency?

Sustainability Context

Companies are losing trust due to the Volkswagen and Oxy incidents and bribery scandals in public companies. The public as well as civil society expect companies to make ethical decisions not only in terms of finance but also across political, social and cultural contexts.

Our Strategy & Commitment

To develop into a clean public institution, KSPO set its ethical management goal - 'Korea's best sports welfare supporter leading integrity and ethics.' It has identified four promotion strategies and their implementation tasks. To further the effectiveness of its efforts, it runs separate organizations exclusive to ethical management including a promotion organization, a counseling organization, and an inspection and evaluation organization.

Our Progress & Next Step

KSPO placed top priority on the enhancement of its organizational competition to carry out ethical management throughout 2015. It expanded employees' ethical training hours. It increased the proportion of actions in its Integrity Mileage Program to boost the effectiveness of the scheme. The sports industry is also suffering from corruption scandals including match fixing in the country's professional baseball and misconduct in the hiring process of sports associations. Thus, KSPO is planning to launch clean campaigns for the entire sports industry in association with the Korean Olympic Committee in an effort to fulfill its social responsibility for ethical management. KSPO also plans to bolster its preventive education designed for local fund beneficiary organizations to use funds and enforce account settlements properly.

The Value Created in 2014~2015



Clean KSPO

KSPO supports the Ten Principles of the UNGC. Most notably, to implement Principle 10(Anti-Corruption), KSPO has set 'Kore'a best sports welfare supporter leading integrity and ethics' as its ethical management goal. It has established a mid- to long-term roadmap to accomplish the goal and has continued to implement it.

Establishment of Strategic System and Mid- to Long-term Roadmap



	Iluation & Feedback	Internal Diagnostic investigation of integrity & ethics Self-investigation of external integrity level Investigation of executives' integrity level External Integrity evaluation Evaluation of anti-corruption measures
--	---------------------	--

Organizational Chart for Ethical Management

 CEO Ethical Management Committee Ethical Risk Management Committee Ethical Leader Group Integrity & Ethics CoP
• Integrity Ombudsman
Audit Department Performance Management & Personnel Team







Workshop 'Orbarumi' of KSPO Ethical Leader Group

Establishment of Implementation Infrastructure for Systematic Ethical Management

Overhaul of Ethical Norms and Supplementation of Rules

KSPO overhauls its ethical norms and upgrades its rules and regulations on a yearly basis with a focus placed on the enhancement of vulnerable areas. In 2014, it took systematic measures to prevent unfair transactions with partner companies and expanded the application of its codes of conduct to dispatched employees. In 2015, it overhauled all the relevant norms. Most notably, it enhanced the efficiency of its whistleblower protection system by strengthening the protection of reporters' privacy and offering immunity to reporters.

Improvement and Implementation of Ethical Management Team

KSPO enhanced ethical management governance for Zero Corruption and in-house integrity. In July 2014, KSPO established the Ethical Management Team, and KSPO appointed Ethical Leader Group as a working-level organization to raise awareness on integrity and ethics in policies and systems and to find and resolve barriers. KSPO increased the staff of Integrity Ombudsman, an advisory group, to beef up on-site inspections and evaluations. In January 2015, KSPO also inaugurated the Ethical Management Committee. As the highest decision-making body in ethical management, the committee appointed new members including specialists in integrity and ethics and leaders in civic society and enhanced professionalism.

Enhancement of Commendation/Penalization in Ethical Management

KSPO enhanced the principle of commendation/penalization in order to prevent corruption and improve temperament as clean KSPO. KSPO improved its Integrity Mileage System and introduced a clause stipulating collective penalization and 'One Strike Out' scheme to reinforce sanctions on corrupt practices. In addition, KSPO launched the Clean KSPO Person Award to motivate employees by evaluating efforts of promoting integrity on an annual basis and presenting chairman's plaque and a cash prize to a most outstanding person.

Enhancement of Organizational Competitiveness through the Promotion of Systematic KSPO **Innovation Strategies**

KSPO has established a 3T (Trust, To do/Not to do, and Togetherness) innovation strategy to internalize a sustainable culture of innovation. In October 2015, KSPO unveiled a new slogan on self-esteem. To boost internal trust, it has increased the hours of employee communication by creating the Sympathy & Communication Meeting and Town Hall Meeting. In terms of individual innovation efforts, KSPO runs employees' voluntary integrity & ethics learning clubs. KSPO disseminates its integrity PR program to external stakeholders including suppliers, commission-based business undertakers, umpires, athletes and customers in a bid to boost organizational unity.

<Innovative structure of KSPO>

Innovative Goals	Today better than yesterday Sustainable growth through balanced development of individuals and the organization		
		ЗT	
	T o Do Not To Do	Trust	Togetherness
2016 Innovative Strategies	 Reminding individuals' implementation tasks 	 Innovations in internal communication 	Re-establishment of core values
	Enhancement of the task implementation support system	 Promotion of innovations participated by citizens 	Immediate compensation of oustanding achievements

KSPO launched integrity leadership education for high-ranking officials while promoting a discussion program

about integrity issues among its employees. Most notably, the chairman held a 'One-Day Town Meeting' with

30 low-ranking employees in 2015 and shared the value of integrity through in-depth discussions.

Spread of consensus on Integrity and Ethics

Integrity Education for High Officials and Enhanced Communication





Commendation of excellent bulletin board posts

Targets Partner

Compan

Commis based P

Referees athletes

Custome



Leadership in Integrity



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An anti-corruption campaign



Employees' Integrity Activities

KSPO promotes integrity efforts actively participated by its employees in four major areas such as prevention, acceleration, participation and promotion in a bid to spread its integrity and ethics culture companywide and to shore up trust among them. In 2015, KSPO launched integrity campaigns and contests participated by all its employees and boosted its integrity and ethics culture companywide through such active communication efforts.

<2015 KSPO integrity programs in 4 areas and accomplishments>

Area	Program	Outcome
Prevention	Integrity Pledge by Employees	Participated by all (746) employees
	Integrity Pledge by Executives	Participated by three new executives
Acceleration	Cheongbaji (Integrity Guard) Day	45 times
	Integrity Day	371 times (education/campaign/PR)
Participation	Ethical Management Quiz Contest	Participated by 601 employees
	Integrity Writing Contest	Twice, a total of 53 entries received
	Contest for the Title of an Ethical Management Guidebook	181 entries, the winner selected through employee votes: "Integrity YES, Ethics OK"
	Contest of Excellent Cases in Integrity and Anti-Corruption	92 entries: 19 excellence prizes, three top prizes
Promotion	Ethical Management Newsletter	10 (e-mail) newsletters
	Ethical Management Guidebook	1,000 copies distributed
	Ethical Management Bulletin Board	518 posts

Spread of Integrity & Ethics Culture among External Stakeholders

KSPO launched national integrity campaigns through its 'Transparent Society Implementation Network' based on the collaboration between the public and private sectors. In December 2015, KSPO joined the anti-corruption campaign launched on International Anti-Corruption Day. Its campaign that was also joined by its new recruits demonstrated its companywide commitment to integrity and ethics. KSPO endeavored to share its strong commitment to integrity and ethics with its partner companies, commission-based business partners, referees, athletes and customers.

;	Program	Outcome
r	Publication and distribution of the code of ethics pamphlet for partner companies	5,000 copies
nies	Distribution of 'integrity fans' to the employees of KSPO and its partner companies	2,000 fans
	Notification of a bid rigging reporting system to the public and the bidders via SMS	50 times
	Rallies and workshops by HQ and divisions to promote the integrity of service providers	9 times
ssion- Partners	Introduction of integrity obligation in the contracts with Sports Toto stores and collection of integrity pledges from them	6,400 cases
	Making on/offline integrity and ethics education mandatory to sales stores	9 times
es and s	Integrity and ethics education and workshops for referees	45 times
	Collection of integrity pledges from athletes and implementation of integrity education per session	148 cases
iers	Monthly posting of the chairman's integrity message on the website	9 cases
	Dispatch of the chairman's integrity request letter at Korean New Year Holiday and Korean Thanksgiving Day	2 cases

Ethical education hours per person



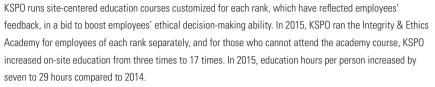
Level of satisfaction for Integrity & Ethics workshop education





Operation of Customized Ethics Education Courses

Operation of Employee Education Courses



Operation of Integrity & Ethics Study Organization

KSPO supports employees' initiative in integrity and ethics study activities. KSPO employees organized an integrity and ethics study group composed of the members of KSPO Clean Group and Cycle/Motorboat Racing Ethics Leader Group. They held discussions and workshops. They also had a mock 'integrity' trial, an integrity training course, and special integrity lectures customized for cycle racing, motorboat racing and the KISS. They introduced an integrity call system and installed anonymous bulletin boards.

Enhancement of Anti-Corruption Measures

Identification of Integrity Improvement Tasks

Following frequent corruption scandals among high officials in the country, KSPO identified 21 integrity improvement tasks in terms of three major goals (a clean organization, a healthy organization, a trustworthy organization) in an effort to prevent and control corruptive practices. During the reporting period, KSPO twice carried out special audits for contractors and external service providers, and introduced a mandatory credit system (18 credits per year) for managers' integrity education. KSPO also introduced a system designed to prevent any disadvantages from occurring to whistleblowers in personnel management as part of its efforts to prevent and control corruptive practices.

Ethical Management Monitoring

KSPO seeks to improve its integrity level and identify specific causes of corruption through the integrity level investigation results and anti-corruption policy evaluation results conducted by the Anti-Corruption and Civil Rights Commission as well as its own integrity level investigation results. In 2015, KSPO established its Ethical Management Committee as a result of the consulting on building integrity and ethics infrastructure. In 2015, KSPO improved its internal integrity level and succeeded in sustaining its general integrity level at around the same level as 2014. In 2016, KSPO commissioned the 'Consulting for Anti-Corruption Integrity Diagnosis and Improvement' initiative to determine the goals of its ethical management and the directions of its implementation efforts

<Major Integrity Level Survey Results>

Classification		2013	2014	2015
Integrity Surveys by	Overall Integrity	Level 3(8.30)	Level 4(7.94)	Level 4(7.80)
Anti-Corruption and Civil Rights Commission	External Integrity	Level 3(8.61)	Level 3(8.31)	Level 5(7.92)
5	Internal Integrity	Level 2(8.37)	Level 3(7.78)	Level 2(8.52)
KSPO Integrity Self-Survey	Results	88.70	81.43	80.93

SPECIAL ISSUE

Integrity Violation Cases

- _____
- charges of KRW 31.5 million.

in additional collection charges.

Efforts to Boost Integrity of KSPO

Sanctions on Employees for Integrity Obligation Violations

KSPO places sanctions on its employees who have been indicted and convicted. Most notably, KSPO determined to recover 100% of the bonus that it had paid to the former head of a division who was convicted of having received bribes in March 2014, placing top priority on its employees' responsibility for integrity and ethical behavior.

Announcement of New Anti-Corruption Measures



Strengthened Sanctions on Corruption	
Enhanced Corruption Criteria	•
Corruption prevention	

KSPO Anti-Corruption Actions

1. An employee embezzled KSPO money for 18 months from May 2012 to November 2013 by forging suppliers' bills and received bribes worth more than KRW 30 million from suppliers' CEOs. The person was indicted in 2014.

* The court sentenced the person to an 18-month imprisonment together with a penalty of KRW 35 million and additional collection

 \rightarrow KSPO recovered 100% of the bonus that the person received (around KRW 100 million)

2. An employee received KRW 312 million in bribes on 47 different occasions from 13 service providers in exchange for favors in the contractor selection process from Jan. 10, 2011 to Oct. 31, 2014. The person was indicted in May 2015.

3. An employee received KRW 217.5 million in bribes from an exhibition company in exchange for favors in the contractor selection process for KSPO's large-scale exhibitions held in 2010 and 2015. The person was arrested and prosecuted.

* The court sentenced the person to five years and six months in prison along with KRW 250 million in penalties and KRW 217.5 million

Concerned about a streak of irregularities committed by its employees, Chairman Lee Chang-seob of KSPO announced a reform plan to eliminate corruption from the organization and recover citizens' trust in it at Seoul Olympic Parktel on Oct. 8, 2015 in front of all its employees. The plan includes a 'One Strike Out' scheme which enables the company to discharge anyone that has received KRW 500,000 or the equivalent in addition to various measures to enhance the prevention of corruption, raise the bar and increase sanctions for far more effective handling of anti-corruption. KSPO is strictly implementing the job rotation principle for positions susceptible to irregularities including those handling contracts, services and subsidies and invigorating an outsourced, irregularity reporting center that secures anonymity.



Announcement of anti-corruption reform measures (Oct. 8, 2015)

Major New Anti-Corruption Measures

- Discharge of an employee that has received at least KRW 500,000 in bribes
- Punitive damages amounting up to five times a bribery amount in a bribery or embezzlement case
- Enhancement of the minimum amount of bribery for which to file a report to police/prosecution (KRW 2 million \rightarrow KRW 1 million)

Strict implementation of the job rotation principle for positions susceptible to irregularities including those handling contracts, services and subsidies

Invigoration of an outsourced, irregularity reporting center that secures anonymity.

Material Issue 2

Employees Policy Sports Media Individual Partner Corporate Local related

Secure Sustainability of Sports Promotion Fundraising

Are the sports promotion funds operated responsibly for the improvement of the public sports welfare?

Sustainability Context

It is important for a fund-operating institution to manage its funds in a transparent and sound way. KSPO raises funds through gambling type sports business and operates its funds to promote sports development throughout the country. As such, KSPO strives to create a sound sports betting culture and enhance the profitability and robustness of its business in order to make contributions to the sports promotion of the country.

Our Strategy & Commitment

To secure sustainability in its fundraising, KSPO has established strategic tasks to bolster the profitability and soundness of its existing fundraising business and develop new businesses leading the way for future growth. It has established the goal of achieving KRW 1.7 trillion for the 2025 sports promotion funds. It continues to strive to achieve the goal in a timely manner.

Strategic Direction	Secure Sustainability in Fundraising			
Strategic Tasks	Enhance profitability in its fundraising business	Increase soundness in its fundraising	Promote business innovations for future growth	

Our Progress & Next Step

KSPO has intensified the pleasure of watching games with the purposes of increasing profitability in its cycle/motorboat racing and betting ticket business and running all its business in a sound way. Most notably, KSPO has provided a variety of attractions for customers through improvements in athletes' competence and the introduction of cutting-edge systems. To that end, KSPO is planning to upgrade the marketing of its fundraising business further and continues to carry out intensive monitoring to prevent fraud. In addition, KSPO plans to shore up the powerful for new business through the full-fledged use of 'Big Data' in order to discover future growth engines.

The Value Created in 2014~2015





Secure Sustainability of Sport Promotion Fundraising

Reinforcement of Soundness and Profitability of Cycle and Motorboat Racing Business

KSPO has bolstered the fairness of its race management system to realize a sound race culture supported by customers. It operates the Zero System to prevent athletes from getting involved in any race fraud through strict control of their movement from the entrance of the race tracks and the actual racing to their daily lives. The system operates in three distinct stages including pre-race, race and post-race. Apart from the Zero System, KSPO seeks to increase the awareness of service providers' responsibility through increased athlete monitoring and education. KSPO will continue to ameliorate its athlete management system to bring an end to spreading negative assumptions about sports races and boost customers' trust in them.

<Race Fraud Zero System and Monitoring>

Category	Pre-Race	Race	Post-Race
Cycle and Motorboat Racing Zero Fraud System	 Complete elimination of racers' use of unauthorized sporting goods In-house education and racer management 	 Real-time monitoring of irregularities in races Operation of fair crisis management system 	 Self-efforts to prevent race fraud Enhancement of soundness education for all employees
Monitoring and Education (achievements in 2015)	 Racer identification through the use of finger vein recognition technology and prevention of the use of electronics and telecommunication devices Close inspection of parts used for races 	 Installation of cycle audio recording devices for all racers, operation of fair cameras, and real-time fraud monitoring Analysis of unfair elements in the fair crisis management system and necessary corrective measures 	 Racers' own effort to present race fraud by Racer Self-help Cleanup Committee composed of exemplary racers Introduction of one-act play participated by audience on the topic of race soundness (1,053 people have joined it.)

Cvcle/Motorboat Racing Business

KSPO is aiming to raise KRW 1.7 trillion in Sports Promotion Fund by 2015 to invest in the enhancement of people's sports welfare. In order to help secure sustainability in its fundraising efforts, it has established three service business boundaries, such as improvements in environmental services, enhancement of racing services, and expansion of public services. It will contribute to improving the soundness and profitability of its fundraising business through continuous implementation of its promotion strategies and core tasks centered around its business boundaries.

Cycle and Motorboat Racing Business for Future Growth

KSPO has refocused the direction of its cycle and motorboat racing business in the way that it can realize a customer-centered, pleasant and convenient sports and leisure space. Through the analysis of customer access routes and experience stages. KSPO has divided the customer experience stage into service access, service experience, and spread of public values. Based on that, it has derived specific promotion tasks such as the reinforcement of sportainment elements, improvement of racing quality, and expansion of contribution to public finances. KSPO will contribute to creating a customer-centered sports culture by boosting the organic link between its various businesses including race access and experience and the creation of public values through early implementation of its strategies and tasks.

Enhancement of Race Quality Management

In the midst of the growth of illegal sports gambling markets, KSPO steps up its efforts to maintain its outstanding race operation quality of a global level. It has also improved its race management system to sustain trust relations with its customers. To begin with, it has increased the proportion of field tests to motivate athletes to work on improving their skills. It has increased the number of training managers to help make gualitative improvements in the athlete management process. In addition, it has submitted a bill intended to add new betting methods to its motorboat racing and implemented a pilot project of Online Start with the purpose of increasing the business growth potential of its racing business.

Sound Racing through Zero System

Sports Promotion Betting Ticket Business

Sports Promotion Betting Ticket Business, one of KSPO's fundraising businesses, is a public undertaking implemented to raise funds for the promotion of people's leisure time and national sports. KSPO has established its business scope as being the enhancement of its business soundness and competitiveness and the completion of its social responsibilities - to improve the competitiveness of its fundraising business.

KSPO intends to make contributions to solidifying the foundation for its shared growth through sports welfare and win-win efforts for the implementation of its public roles as well as fundraising efforts.

Enhancement of Soundness and Profitability of Sports Promotion Betting Ticket Business

Invigoration of Customer Service Center

KSPO promoted its customer service to achieve stable corporate growth through enhanced competitiveness at the point of sales. It has created customer-centered store environments and revitalized the operations of its Customer Service Center. Most notably, it has launched Integrated Customer Call Center, which merged Online Batman Call Center and Sports Toto Call Center to maximize customer convenience. Through its differentiated customer-centered business operations, KSPO achieved 96.6 points in customers' satisfaction with KSPO retailers and 97.1% in UHD response rate in 2015, up 3.5% over the previous year.

Expansion of Sound Purchase Culture

Previous PR campaigns were somewhat unsatisfactory in effectiveness because they were offline advertisements /campaigns with limited exposure due to their spatial and time limitations.

As such, KSPO was requested to tap into new PR methods based on the internet and mobile devices. KSPO joined hands with multi-channel media groups to launch massive illegitimate gambling eradication campaigns while displaying ads on soundness on a total of 26 domestic and international web portals. Furthermore, it implemented eight training sessions each year for its sales store owners on the topic of sound betting ticket business to reinforce the consensus on a sound betting culture.

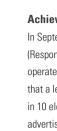
Encouragement of Sound Sales Practices and Enhanced Enforcement against Irregularities

KSPO has introduced its sales store refund information monitoring and feedback system to identify and eliminate sales disorder blind spots, and meet the government's demand for sound business development. It has finalized its monitoring operation criteria through the collection and analysis of nearly 150 million pieces of data by a DB analysis expert group. The monitoring focuses include refund locations such as banks and retailers, products, and a purchase worth more than KRW 1 million within a certain time frame. Fraud is detected through the analysis of refund information. As a result of the introduction of the monitoring system, there have been more than 109 cases of sales store alerts and eight stores have been shut down for 30 days each for violations of integrity rules.

Creation of Sound Sports Betting Culture

To eradicate illegitimate sports gambling, KSPO joins forces with relevant authorities to proactively deal with the issue. It also runs target-customized advertising on the basis of a new way of invigorating national campaigns to combat illegal sports gambling. KSPO utilizes Facebook and mobile apps for teens familiar with social media and Trueview ads for those in their twenties and thirties to illustrate the devastation of illegal sports gambling and alert them to the danger.

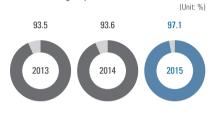




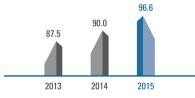
Responsible Gaming Framework The highest level (WLA)

Program	
1. Research	• Establish • Improven
2. Employee Program	• Implemer • Execution
3. Retailer Program	ImplementMonitoria
4. Game Design	 Implement products Establish Product c
5. Remote Gaming Channels	 Establish the privation Operation break plate
6. Advertising and Marketing Communication	 Implement Implement Diverse n
7. Player Education	• Provision
8. Treatment Referral	 Operation Payment Control C
9. Stakeholder Engagement	• Participa retail bus
10. Reporting & Measurement	 Regular r Major inc Continuo sustainat

UHD counseling response rate



Improvements in store environments (Unit: points) → Increased customer satisfaction



Outcome of campaigns	against illegitimate
sports gambling by age	group

Youth	No. of Exposure	11.4M
	No. of Clicks	210K
20-30	No. of Exposure	3M
All	No. of Browse	630K
	No. of Ad Exposure	5K



An event for the elimination of illegal sports gambling

Achievement of the World's Highest Level of Soundness

In September 2013, KSPO obtained Level 4 certification, the highest, of WLA (World Lottery Association) RGF (Responsible Gaming Framework), international standards for lottery and gaming industries. Since then, it has operated all its businesses in keeping with the sound business standards of the association. WLA requires that a level 4 company continues to make continuous improvements in its sustainable programs particularly in 10 elements essential for business operations including employment education, sales store programs, and advertising and marketing. KSPO joins forces with its retailers to implement such improvements.

Major Activities

hment of mid- to long-term sound business strategies for its sports promotion betting ticket business ment of customer satisfaction through regular satisfaction evaluation

entation of gambling addiction prevention education to enhance its employees' expertise on of purchase/conciliation prohibition pledge to ensure fair and transparent business operations

entation of regular sound business education for all retailers ing activities including secret inspections and guidance activities for retailers' sound business operations

entation of GAM-GaRD (Gambling Assessment Measure: Guidance about Responsible Design) about all its hauzzi z

hment of a diverse product lineup including those for unpopular sports to achieve a balanced sports development designs aimed at leading to small purchases and prevent gambling

bment of a three-stage adult/real name certification system to protect the interests of adolescents and acy of customers

on of a voluntary sound business system: self- diagnosis/evaluation, self-purchase plans, and self-imposed lans

entation of public interest campaigns to 'Eliminate Illegitimate Sports Gambling Websites' entation of stadium purchase experience promotions to expand the foundation for sports development marketing activities tapping into social media

n of product and competition information through diverse media so customers can make well-informed decisions

on of Hope Road Companion Addiction prevention and Treatment Center t of addiction treatment and prevention charges of Gambling Problem Control Center under the National Gambling Commission

ation of stakeholders including the National Gambling Control Commission, athletic associations, sinesses in policy decision-making

reporting about retailer businesses' performance and implementation of regular audits

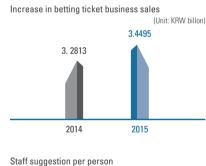
ndex management for annual management evaluation and soundness evaluation

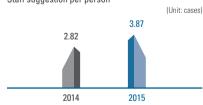
ous publicity of its business to its stakeholders and the general public through business brochures and ability management reports



Sports & Leisure safety network







Business Innovations for Sustainable Development

To cope proactively with external business management environments, KSPO is seeking to discover its future growth engines. Based on its three-stage long-term roadmap, it laid out specific plans including details of new growth engines and ways to secure manpower in 2015. KSPO will start to implement the plans in 2017. Its future growth engines include innovations of existing business, expansion of youth sports experience camps, and safety management of sports facilities. KSPO will do its utmost to successfully undertake those tasks in a bid to prepare itself for rapidly changing business environments on a global scale.

Promotion of Future Growth Engines

Sports Facility Safety Management Business

Traditionally, the sports facility management focused on external growth, resulting in a steady increase in industrial accidents. Believing that safety is no longer a personal matter but a national issue, KSPO has carried out various projects to ensure safe sports activities. KSPO has worked hard to legislate the obligation to establish a computerized safety management system and lead the way in establishing a sports & leisure safety network with all relevant agencies as part of its efforts to strive for achieving qualitative growth of the domestic sports industry.

Improvement of Commercial Values of Fundraising Business

KSPO is promoting business innovations to make improvements in its fundraising business in terms of commercial values and achieve the enhancement of its future competitiveness. To further enhance the profitability of its fundraising business, KSPO places priority on three major tasks such as the upgrade of cycle/motorboat racing marketing, relaxation of regulations on betting methods, and development of new products in betting ticket business. In the case of marketing upgrade, KSPO has striven to maximize the use of social media to develop storytelling contents for cycle/motorboat racing products and lay out IMC (Integrated Marketing Communications) strategies. As a result, it was able to raise KRW 39.2 billion in 2015, up KRW 13.7 billion over 2014. KSPO also increased its sales to KRW 3.4495 trillion in 2015 due to its betting ticket business growth.

Establishment and Operation of Customized Sports Infrastructure

Existing supplier-oriented sports infrastructure approaches face difficulty meeting citizens' ever-increasing sports demand. Thus, KSPO has engaged in building and operating its own customized sports infrastructure on its own. For instance, it has built sports experience centers tailored for youth who can spare time for sports due to the country's introduction of an exam-free semester program. It plans to construct gymnasiums for workers inside industrial complexes across the country to meet the demand of SME workers for sports and leisure

Efforts to Discover Future Growth Engines

KSPO has established an exclusive organization to enhance its efforts to discover its future growth engines. Aside from this, it has allocated KRW 1 billion and KRW 700 million, respectively, to the enhancement of its sports facilities and the construction of new sports infrastructure. During the reporting period, KSPO also enhanced its staff suggestion system by adding special compensation for key proponents, resulting in an increased number of suggestions in 2015 at 3.87 cases per person.

SPECIAL ISSUE

Issue Overview

_____ In line with the change of the contractor of KSPO's sports promotion betting ticket business from Sports Toto Co., Ltd. to K Toto Co., Ltd. since July 1, 2015, KSPO has looked into all potential problems involved with the change and discovered core issues by way of issue analysis. The risk of disruption in ticket sales arose while the transfer and ticket sales had to be carried out at the same time. The significant issue included weakened financial stability during the business due to the reduced commission revenue, combined wiith instability felt by retail stores and current distribution network following the change in the business contractor. _____

Stabilization Process for Sports Toto Business

Issue Overview

- · Replacement of a contractor during contract period
- · Reduction in commission revenue ratio, concern over weakened finance positions
- · Instability in existing retail network including stores

Issue Response

With respect to the core issues identified through analysis of pending issues, KSPO has identified four major ways of collaboration through communication between Sports Toto and K Toto and has begun to carry them out right away.

Core Issue Responses

An Efficient Succession Scheme	 Joint involvement of KSPO, K Toto and Sports Toto in the succession process Execution of a succession agreement (June 2015) Monitoring of the succession process on a daily basis 	tion and Stabilization of Distribution Securing the co	contractor replacement timing and succession If the contract process through the reements from retailers Intinuity of business management succession of sales branches
An Emergency Collaboration Operation System	 Implementation of a joint emergency operation system between KSPO and K Toto for the first 30 days (June 22-July 20, 2015) Implementation of system testing including the ticket sales system and refund system System modifications following the switchover to a different refund bank 	Enhancement ofcontractor's initofImprovement of the adjustment addiction treatr addiction treatr support for effit the monitoring	e of KRW 15 billion to enhance the ial financial stability f budget execution efficiency through of the payment timing of gambling nent subsidies cient business management through of the contractor's finances MRO and launch of a webzine)

Response Outcome

finances, and retailers' revenues.



The Strategy to Stabilize KSPO Sports Promotion **Betting Ticket Business in Transition**

	Issue Response		Response Outcome
g the ncial	 Implementation of succession to address core issues Working out an efficient succession system Cooperation for an emergency operation system Overhaul and stabilization of the retail network Improvement of contractors' management efficiency 	->	 KRW 160.2 billion in sales excess than planned KRW 56.8 billion in additional funds raised KRW 3.1 billion in contractors' extra revenues due to sales increases and management efficiency KRW 9.1 billion in stores' extra revenues due to increased sales increases

The Sports Toto business was able to be stabilized early through collaboration with stakeholders on pending issues and communication with business contractors. The efforts led KSPO to achieve better business results than planned, in terms of fundraising, sales, contractors'

Material Issue 3

Support Balanced Development of Daily Sports

Does KSPO fulfill its roles for balanced development of the sports industry?

Sustainability Context

It is critical to enhance citizens' health and improve their quality of life in terms of improvements in national competitiveness. KSPO continues to strive to build an environment of sports for all in order to contribute to not just promoting people's health but also bolstering national competitiveness.

Our Strategy & Commitment

KSPO has established three strategic directions to achieve its establishment purpose of 'Make contributions to the improvement of the quality of people's healthy and vibrant lives through the promotion of sports.' One of the three directions is 'enhancement of the support system of balanced sports development.' To that end, KSPO has developed KSPI (Korea Sports Promotion Index) and striven to reach targeted levels.

Enhancement of the Support System for Balanced Sports Development						
Build environments optimized for people's customized sports involvement	Lead the way for the growth and development of the sport industry	Support the enhancement of the competitiveness of professional sports	Enhance the evaluation and account settlement of fund support projects	Invigorate the sports and culture industries		

Our Progress & Next Step

To make improvements in the daily sports of the general public, KSPO has provided customized support for life cycle stages of children/youth, adults and seniors. It has continued to improve such lifecycle-sensitive programs in both quantity and quality along with relevant infrastructure, increasing citizens' participation in daily sports. KSPO has constructed an additional Sports Science Hub Center to enhance its support for elite sports for the country's national teams, among others. It continues to shore up its professional athlete support systems including the athletes that will compete at the 2016 Rio Olympics. KSPO plans to construct additional sports facilities in its hub areas and industrial complexes among others to raise interest in sports among the general public and improve their daily sports infrastructure. It will also help the country's national teams financially prepare for the Summer Olympics in Brazil ahead of the opening of the Games.

The value created in 2014~2015



Employees Policy Sports Media Individual Partner Corporate Local related

Enha design

Support for Sports Activities for Children/Youth

Increased participation in (Unit: persons, places) childhood sports coaching Increased dispatch of childhood sports coaches 471.596 128,780 2015



education

2014

Increased participation in daily sports programs



SPO 청소년

2016.06

KSPO



Distribution of Fun Sports Youth Programs

42

Support Balanced Development of Daily Sports

Support for Daily Sports Customized for Lifecycles

To meet citizen's demand and help implement the nation's sports policies, KSPO has established up a five-year daily sports promotion plan after reflecting people's on-site needs and the country's sports policies. Most notably, KSPO has taken into account the need to spread the culture of sports participation in all age groups given the increase in average life expectancy. It has reflected the characteristics of different age groups from children to the elderly in its sports support system designed to offer customized assistance to each group according to the national policy. KSPO plans to come up with diverse means to promote sports welfare and daily lives of happiness for all

<Promotion Strategies>

Children/Youth	Adults	Seniors
nced distribution of programs ned to promote habitual sports wolvement at early stages	Diversification of programs to boost engagement in sports activities	Establishment of sports environments customized for seniors

Development and Distribution of Childhood Sports Programs

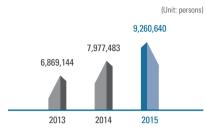
KSPO has developed and distributed childhood sports programs to help children's wholesome growth and lay the foundation for its lifecycle sports programs. Prior to the start of the development of the childhood sports program, KSPO gathered opinions of various interest groups such as childhood sports coaches and teachers and members of Child Sports Development Advisory Group to establish the directions of its policies in this regard. According to the results, KSPO increased the number of childhood sports centers to which it dispatched coaches by 91.6% over the previous year. It began to offer teachers a new type of education on coaching of childhood sports in 2015 with the participants in the education increasing by 266.2% to 471,596 persons in 2015 when compared to the traditional type of education until 2014.

KSPO has developed sports programs for the youth who lack sports activities due to the country's excessive focus on the Korean-style SAT. The programs are closely connected to current school sports curriculums so that participants can find the programs more intriguing. The programs are carried out inside and outside schools, the former of which are offered on Saturdays. All elementary/middle/high school students across the country can access the inside-school sports programs that offer coaching for diverse types of sports. Presently, more than 2.8 million students from 4,639 schools enjoy healthy daily sports offered on so-called 'Sports Saturday.'

Enhancement of Involvement in Adult Sports Activities through Daily Sports Support Programs

KSPO carries out its daily sports support activities with the purpose of having all people engage in sports activities anytime and anywhere. KSPO began with dispatching daily sports coaches to places where people frequently gather such as plazas. Then, KSPO developed its own programs after reflecting the opinions of both local residents and sports coaches and promoted the programs through diverse means including placards. Next, it launched General Sports Clubs nationwide after merging numerous sports clubs and centers. It runs a total of 30 clubs as of 2015. To improve office workers' access to daily sports, KSPO is promoting the conversion of outdated industrial complex sites into an environment suitable for daily sports.

Increased participants in senior sports programs



Increased participation in daily sports by seniors (60+) (Unit: %)



Daily Sports Environment Easily Accessible to Seniors

Customized Daily Sports Programs

KSPO has built convenient environments for the elderly to enhance daily sports participation. It has established processes that help seniors to compete in contests through diverse arrangements including physical fitness assessment, tailored coaching, physical strength enhancement and interest stimulation and steady motivation. It has succeeded in driving seniors to actively participate in sports activities. For tailored sports guidance, KSPO has deployed senior-exclusive coaches nationwide who lead 'silver flexibility stretching exercises' and 'seniorobic programs.' In 2015, the participants increased by a whopping 16.1% to more than 9.2 million.

Promotion of Seniors' Physical Strength Promotion Programs in Daily Life

KSPO has provided sports equipment to various senior facilities including community senior centers with the purpose of encouraging the elderly to bolster their physical strength in their daily lives and take part in various daily sports programs available to them. Through surveys on desired sports equipment, KSPO has identified 25 types of favored sports equipment and provided a total of 108,899 pieces of equipment so far. For those who cannot come out of their homes or have difficulty using sporting equipment, KSPO allows 'Senior Health Daily Stretching Exercises' to be broadcast on KBS 1TV on a weekly basis. As a result of its efforts to create sports environments friendly to seniors aged 60 or above, KSPO enjoyed a 3.1% increase in the number of the elderly participating in its daily sports programs in 2015 over the previous year.

Enhanced Support for National Team Athletes

In keeping with Koreans' high interest in the 2016 Rio Olympics and the country's increasing demand for sports welfare, KSPO has contributed to sports research designed for sports advancement while increasing its support for the country's elite sports. KSPO will continue to enhance its support for elite athletes including national team players by actively using its sports knowledge information service infrastructure and its solid international sports network.

Increased Support for the 2016 Rio Olympics

KSPO actively supported the national teams so that they were able to compete successfully at the Rio Olympics. It helped them lay out specific goals and strategies to improve their performance through analysis of the differences between their current and expected performance levels. KSPO issued 'Local Conditioning Guidelines' to facilitate them to establish plans to adapt to local conditions and devise performance strategies so that Korea could strive to be among the top 10 countries. Aside from this, KSPO helped them demonstrate their very best at the Olympics through full support.

Expansion of Local Sports Science Hub Centers

Given the country's decreasing population and shrinking human resources for its elite sports, KSPO has felt the need to foster top-caliber athletes more actively and thus decided to offer its sports science support benefits to around 140,000 elite athletes across the country instead of only about 1,200 members of various national sports teams. Moreover, it has selected three sports science hub centers and provided 138 athletes possessing great potential for growth with the full support needed to improve their abilities. It also offered a total of 1,742 athletes with physical strength assessment services.

SPECIAL ISSUE

Issue Overview

_____ _____

Issue Response

In 2014, KSPO upgraded its 'National Physical Strength 100' service into a comprehensive one-stop service composed of 'physical strength assessment,' 'physical exercise prescription' and 'physical strength management' to improve customer satisfaction. It also improved the efficiency of the operations of the centers by boosting user convenience through the enhancement of the online accessibility of its work support computerization system and upgrading its physical exercise centers' performance evaluation systems. As a result, customer satisfaction with the hub centers' work support has gone up since the one-stop service was launched.

In February 2016, KSPO launched the 'Taxi Driver Health Promotion Project' through an MoU with private businesses as part of its 'National Physical Strength 100' project. By helping taxi drivers who suffer from chronic fatigue to check their health and manage it, KSPO contributes to solving their health issues and reducing their traffic accidents.

Increased Users of Physical Strength Certification Centers No. of Users -

Increased Users of Physical Strength Certification Centers No. of Centers

Customer Satisfaction with 'National Physical Strength 100'



YouTube video 'National Physical Strength 100'



Launch of KSPO Taxi Driver Health Promotion Project

44

Provide 'National Physical Strength 100' Service

According to a recent national physical strength survey, only 4.6% of Koreans engage in scientific physical strength management. Major indices related to physical strength such as muscle endurance as well as obesity indicators such as body fat percentage point to negative trends. As a result, keenly aware of the necessity for the government to provide citizens with physical strength management service, KSPO implements physical strength management for all as well as special physical strength services customized for people working in certain fields.

KSPO engages in national physical strength management and seeks to improve the country's sports welfare benefits through its methodical implementation of the 'National Physical Strength 100' project. It has increased customer satisfaction through upgraded services and facility expansion. It offers taxi drivers with customized healthcare service so that they can work on their physical weaknesses due to their occupational characteristics and reduce their risk of being involved in traffic accidents.

1. Improvement of 'National Physical Strength 100' Services

2. Facility Expansion and Reflection of Customer Needs

In 2015, KSPO opened five additional physical strength certification centers and launched an exercise prescription job education system. It also enhanced the management of business sites, schools, special job groups, members of which have difficulty visiting the centers, through the expansion of on-site services. It has developed customized services through meetings and surveys. In 2015, the number of users of centers increased by 14.1%.

3. Promotion of 'Taxi Driver Health Promotion Project'



Material Issue 4

Customer Satisfaction Management

What does KSPO do to provide sports services that are satisfactory to people? Does it take sufficient measures to protect customer information?

Sustainability Context

It is crucial for KSPO to raise customer satisfaction with its sports services to achieve sustainable growth. The higher the customer satisfaction is, the more easily it can realize its establishment purpose of 'Contributing to uniting all Koreans as one and helping them live a healthy and vibrant life through daily sports.' KSPO strives to boost the country's sports welfare through the provision of sports services that meet its customers' expectations. It increases customer satisfaction through enhanced measures to protect its customers' personal information.

Our Strategy & Commitment

KSPO has defined 'achieving the top rank in the national evaluation' as its mid- to long-term management goal. It has established two strategic directions and focused on the implementation of three major tasks. It has strengthened the safety management of its various sports facilities. It continues to bolster its safety performance through constant communication with its customers. It makes continuous improvements in its operations of cycle and motorboat racing business and sports promotion betting ticket business by promptly reflecting customers' voices. To enhance its protection of personal information, it has improved its information security system through the establishment and operations of its own Cyber Security Center, among others.

Our Progress & Next Step

KSPO prevents occupational accidents through strict safety management of its sports facilities. It also continues to enhance communication with its customers as part of its customer-centered business approaches. It maintains the highest rank in customer satisfaction for the fourth year in a row since 2011. Following its selection as an excellent institution in 2014, KSPO was exempt from the customer satisfaction evaluation obligation in 2015. To improve its cycle and motorboat racing business, it has built a Comprehensive Leisure Space tailored to its customer needs and increased its customers' satisfaction. It has acquired the 'A+' rank in business soundness for four years in a row for its efforts to establish a sound betting culture. Furthermore, it has built an information security promotion system to shore up the protection of its customer information. With a budget of KRW 320 million, it has replaced its security equipment. The employees have worked hard to internalize information security. As a result, it ranked 'excellent' in personal information management by the Ministry of Government Administration and Home Affairs for two years in a row.

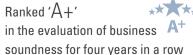
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The value created in 2014~2015



Spent KRW 320 million on the enhancement of information security

Ranked as 'Excellent' in the diagnosis of the personal information management level by the Ministry of Government Administration and Home Affairs



2025 Management Goal

The highest rank in people's evaluation

Strategic Directions

Upgrade of management system based on trust and ethics

Strategic Tasks

Participation in sports activities

54 8

45 5

- Innovations in personnel and communication systems to enhance its organizational competitiveness
- Realization of social responsible management Enhancement of communication foundation to
- boost people's trust in the organization



(Unit: %)

56.0

Customer Satisfaction Management

Customer-centered Management

The Highest Rank in People's Evaluation

KSPO has achieved the highest rank in the people's evaluation (customer satisfaction plus people's actual feeling) as its mid- to long-term management goal. It maintained the highest level of customer satisfaction for four straight years from 2011 to 2015. Following the 2014 selection as an excellent public institution, KSPO was exempted from the obligation to undergo an actual customer satisfaction assessment in 2015. In order to steadily move toward the accomplishment of its 2025 goal of getting the highest level in people's evaluation, it continues to make improvements in its CSR activities, reinforces communication with the general public to boost its credibility, and provides a scientific physical strength certification service in collaboration with reliable health and medical service providers.



Safety Management of Sports Facilities

Across the country, accidents related to sports activities such as the roof collapse at Mauna Ocean Resort in Gyeongju and cycling accidents in numerous locations are on the rise in line with the increasing sports infrastructure nationwide including National Sports Centers and multipurpose community gymnasiums combined with rises in sports population.

Thus, KSPO has established a computerized sports facility safety inspection and safety management system and engaged in R&D on sports safety and published guidelines and manuals on safety inspections. In 2015, it promoted the revision of the Enforcement Decree of Installation and Utilization of Sports Facilities Act to legalize the establishment of a computerized facility safety inspection and safety management system. To carry out the task, KSPO has secured a 2016 budget of KRW 1.5 billion and embarked on system establishment.

Enhancement of Customer Communication

KSPO runs 'Customer Plazas' for the purposes of listening to customers and meeting their compelling needs. KSPO provides information on its customer services at the 'Customer Charter' on its website. The public can post their opinions freely at 'Customer Voice' on the same website. At Customer Reference of the website, numerous data related to KSPO are available to the public as well as customers.

Expansion of Sound Sports Racing Culture

Cycle and Motorboat Racing Business

Creation of Customized Comprehensive Leisure & Culture Space

KSPO has created a comprehensive space that offers differentiated service based on the analysis of the needs of its existing customers, competitors' customers and young customers in their 20s and 30s. The comprehensive leisure space has created a pleasant betting environment, improved outdated facilities, enhanced beginners' classes, and expanded space reserved for culture & leisure activities. As a result, customer satisfaction concerning the environmental quality of cycle and motorboat racing parks jumped to 98.5% in 2015. It also maintains the Space Safety Certificate jointly issued by the Ministry of Public Safety and Security and SAFETY ZONE CERTIFICATION.

<Customized Space Improvement Directions>

Customer Groups	Customer Needs	Space Improvement Directions
Existing Customers Competitors'	Pleasant betting environment	Expansion of designated seating rooms and exclusive unmanned floors
Customers Young Customers	Improvement of outdated facilities	Improvement of outdated facilities at HQ and branches combined with enhancement of safety management
(20s - 30s)	Enhancement of beginners' class functions	Improvement of beginners' class facilities and user convenience
	Expansion of culture & leisure space	Expansion of specialized culture and leisure space and programs

Establishment of Sound Betting Culture through Prevention of Excessive Immersion

To build a sound leisure culture, KSPO strives to prevent excessive immersion as well as crack down on irregularities in cycle and motorboat racing. It stages campaigns against excessive immersion with specialized institutions and holds contests for sound betting culture contents. It completely prevents illegal betting through the operations of the Integrated Illegal Racing Reporting Center and the enhancement of its real-time online monitoring. As a result, KSPO received higher points in the 2015 Business Soundness Evaluation (3.6 points in cycle racing and 1.7 points in motorboat racing) while maintaining an 'A+' rank in overall performance for four consecutive years.

Sports Promotion Betting Ticket Business

Introduction of Monitoring and Feedback System about Retailer Refund Information

KSPO has established a new monitoring system to lead the way for sound sales practices and crack down on any irregularities detected in the sales practices. It has established monitoring criteria through three stages such as data gathering, data review, and development and application. The implementation has led to more than 109 cases of new retailer alerts and 8 cases of irregularity detection.

a certain period of time



SPECIAL ISSUE

Issue Overview

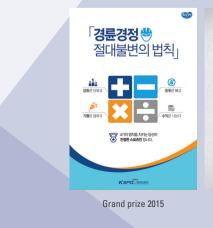
New Campaigns against Excessive Immersion with Specialized Institutions

sound ticket purchase practices.

KSPO expands the Hope Companion campaign that provides Healing Talk and on-site prevention education to customers that need to be warned of the risk of excessive immersion; counseling & treatment service to race track customers; and treatment at specialized medical institutions to high-risk customers. A total of 330 people has participated in prevention education. KSPO has acquired 94.1 points in customer satisfaction with its education.



Contest for Sound Culture Contents broadcasts and social media.



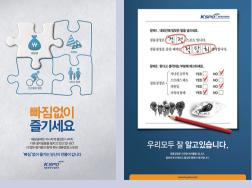
Efforts to Promote a Sound Betting Sports Culture

Cycle/motorboat racing and sports promotion betting ticket business are sound leisure sports led by KSPO with the purposes of meeting people's demand for diverse leisure activities, creating various public interest funds to be used for national sports promotion, and securing financial resources for local governments. Excessive immersion into a betting sports culture may be accompanied by psychological, social and economic difficulties and pains. KSPO strives to build a sound sports racing culture by every means possible.

To prevent customers' excessive immersion, KSPO continues to carry out campaigns and raises customers' awareness of the risk. On May 19, 2016, it launched a massive antigambling campaign in partnership with the Incheon Chapter of Korea Center on Gambling Problems. KSPO provides K-CPGI (Korea - Canadian Problem Gambling Index) diagnosis service to its customers so that they may be able to identify the level of their gambling addiction level on their own. It also offers customers with on-site counseling services to lead them to making

Invigoration of Hope Companion Cycle/Motorboat Race Addiction Prevention and Treatment Center

KSPO holds contests for sound cycle/motorboat racing culture contents. Outstanding entries are posted on the website and introduced on



First prize 2015

First prize 2015

Protection of Customer Information

Information Security Promotion System



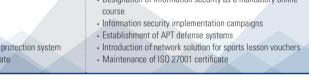
To raise its trustworthiness among the public through enhanced communication with citizens, KSPO runs a practically efficient information security management system. In 2015, it reformed its information security system and selected three promotion strategies and six implementation tasks. It runs a PDCA-based management process. Aside from this, KSPO launched a department exclusive for information security to be able to implement systematic security management. As a result of its efforts, it ranked 'excellent' in personal information management by the Ministry of the Interior for two years in a row. In 2015, KSPO committed no violations of its obligation to protect its customers' personal information.

Vision for Information Security	The Best Information Protection Institution Trusted by People							
2015 Promotion Goal	Establishment of the foundation for companywide information security promotion							
Promotion Strategies	Enhancement of Administrative Security Internalization of Information Security Enhancement of Cyber Security							
Implementation Tasks	 Security enhancement for informatization services and systems 	 Launch of campaigns advocating information security implementation Implementation of customized information security education 	 Establishment of self-cyber security control center Enhancement of cyber security system 					

<lmnlementation efforts>

2014 Inspection of information security practices by each division Designation of information security as a mandatory online course Information security implementation campaigns · Establishment of APT defense systems

2013 · Establishment of an information protection system Acquisition of ISO 27001 certificate



전자결재 전자문서 내 개인정보파일 등록여부 점검 1원 하 닼?

Activities about information security



Information security control center

Internalization of Information Security

Information security is essential to eliminate people's worries over the risk of information leakage and create safe cyber security environments. As such, KPO puts forward differentiated organizational efforts for information security and the internalization of information security among its employees. It has defined 31 information security rules which have been disseminated through intranet as well as publications. It promotes its employees' active participation through diverse events during the Month of Information Security, among others. It offers its employees customized information security training for information personnel, new recruits, and other employees. In 2015, the number of employees that received the training amounted to 937.

2015

system

security control center

· Establishment of password management security

Establishment and operations of an autonomous

Introduction of a commercial version of My PC Guard

 Introduction of web shell detection solutions Operations of Month of Information Security

Improvements in DB access restrictions

Establishment of Self Cyber Security Control Center and Enhancement of Security System

In order to create safety cyber security environments, KSPO has established an autonomous cyber security control center and further enhanced its security system. Equipped with 14 servers, 1 telecommunication device, and 5 security devices, the security center has a complete full-time security control system. As a result of the enhancement of its collaboration with the National Cyber Security Center, it has increased the return rate at a security detection event from 66% to 95%. In addition, KSPO invested the 2015 budget of KRW 320 million in the purchase of new cyber security equipment. As a result, it now runs accident- and disruption-free operations of its information system.

SPECIAL ISSUE

Issue Overview

security system and web shell detection solutions.

- Occurrence of the March 20th hacking · Difficulties with regular password of
- · Necessity to counter increasing web
- · Raising awareness of information se · Necessity to internalize information
- · Necessity to detect and respond to
- · Difficulties making statistics about i free My PC Guard version
- · Protection of critical DB information · Access prohibition for unauthorized users' authority differently

Issue Response and Response Outcomes

Establishment of a password management security system One-time password and regular automatic password change	Prevention of password leakage through the issuance of one-time passwords	Automated regular password change management	Prohibition of external password exposure and reuse	Internal control through password usage history management
Introduction of web shell detection solutions Effective response to the latest hacking techniques	Before system introduction • Web shell implementation attempts and frequent attacks • Poor quarantine environment due to a lack of institution exclusive detection system	After system introduction - Real-time forgery detection - Detection of web shell suspicious actions, Real-time interaction with website personnel - Inspection of malignant codes	Web shell detention solution in operation	
Operations of the Month of Information Security Boosting employee security awareness and prevention of security accidents	2015 second half My PC Guard evaluation score 95 (87 in 1H2015)	Rate of attendance in 2H2015 anti-email hacking exercise 81% (31% in 1H2015)	Attendants in 2H2015 information security rule quiz 448 (350 in 1H2015)	Information Security Pledge
KSPO Integrated Security Control Center Response to incursion threats through the establishment of Auton- omous Security Control Center	24/7 monitoring of network information system	Deployment of a security expert for real-time monitoring		Installation of 20 devices subject to control (14 servers, 1 telecommunication device, 5 security devices)
Paid version of 'My PC Guard' Enhancement of PC security implementation ability through the introduction of a paid version	Improved inspection accuracy through PC links to users	Easy detection of threats through status window changes in the event of vulnerabilities	Companywide KSPO PC terminal security	Possible confirmation of security USB program installation
Improvements in DB access restrictions	Before (Changes	nges After (
Access restrictions by user and prevention of unauthorized access through diverse means	Blocked password leakage by one-time issued password	Slower speed in the event of login searches	Access control possible by table/user	Enhanced monitoring through search speed upgrades
			L	

Response to Information Security Needs

In line with rapid advances in internet distribution and mobile devices, information security issues such as hacking and phishing are on the rise. KSPO has selected six key security issues and come up with respective countermeasures. It has been able to prevent incursions while raising employee awareness through the implementation of six countermeasures such as the introduction of a password management

Overview of Information Security Related Issues				
ng case nange		Introduction of security system enabling password management		
shell attacks		Preparation of programs to combat web shell attacks		
ecurity and prevention efforts security culture	-	 Raising security awareness through employee information security education 		
cyber-attacks early		Establishment of an autonomous security center within KSPO		
ndividual PC diagnoses through		Installation of paid My PC Guard version		
from access from diverse means users and the need to manage		Preparation of a system that can block access to DB		

Material Issue 5

Employee Happiness Management

What kind of efforts does KSPO make to guarantee the values of its employees?

Sustainability Context

In the growth of an organization, individuals constituting the organization are an important variable. In fact, if an organization strives to hire people with great potential and create an environment where they can perform their best, it can expect to achieve shared growth between itself and its employees. KSPO takes measures designed to continue to upgrade its employees' values in a variety of areas such as employment, education and training, and communication.

Our Strategy & Commitment

KSPO cherishes the diversity of its employees, which is why it carries out 'open' employment placing emphasis only on candidate's caliber. It has made improvements in the realization of socially equitable employment. To facilitate employees' competency development, it has established new HR development goals and increased budgets and improved relevant infrastructure. To enable its employees to achieve a work-life balance, it implements family-friendly policies and promotes an increased use of flextime. It has concluded collective bargaining agreements with its unions through active dialogue. For active communication and grievance settlements in multiple ways, it runs joint labor-management programs.

Our Progress & Next Step

To make advances in the realization of socially equitable employment, it has established specific goals and achieved them in all the targeted areas. KSPO increased its budget for employee education and training from KRW 1.41 billion in 2013 to KRW 1.53 billion in 2015. The number of trainees also increased, largely due to the operation of a particular HRD system. It runs a variety of family-friendly programs so its employees can strike a balance between work and life. It has invigorated the use of flextime. It has continued to be selected by the Ministry of Gender Equality & Family as a family-friendly enterprise for four years in a row. As a result of its efforts to increase labor-management communication and settle employees' grievances more effectively, its labor-management communication index as well as its employees' satisfaction with its joint labor-management programs has increased.

The value created in 2014~2015



Education & training budget **SSS** increased KRW 1.41 billion in 2013 KRW 1.53 billion in 2015

Employees on flextime in 2015 503 persons (**▲**44.1% over 2014) Satisfaction with flextime in 2015 68.8 % (🔺 16.8% over 2014)





3.48 points in 2013 3.64 points in 2015



Partner Corporate Local related

Successful candidates' lowest academic credit
4.08 points in 2014
3.44 points in 2015 (v 0.64 points)
Successful candidates' lowest TOEIC score



cilipioy
specific
exceed
three w
program

Category	Social Equitable Employment						
	Women	High school graduates	Local talents	Engineering graduates	Children of patriots&veterans	The disabled	
Goal (%)	40% of new hires	20% of new hires	30% of new hires	8% of new hires	6% at present	3% at present	
Goal (person)	8	4	6	2	55	46	
Employment (person)	10	4	6	4	56	52	
Employment/Goal (%)	125	100	100	200	102	113	

HRD Goal	Cultivation of Future Talents that Realizes Public Values and Specialized Competency					
Desirable Personnel Model	Self-Leader	Challenger Collaborator			Professional	
Strategic Directions	Support for self-directed personal g	growth Internalization of management values		anagement values	Support for cultivation of future-oriented talents	
Strategic Tasks	Customized education by job and career Personal coaching for performance improvements Enhancement of job transfer training for prospective retirees		Self-value improvement courses Creation of creativity & character courses Communication/cooperation-based organizational culture		• (Cultivation of job specialists Dutside expert training courses Cultivation of global talents

Employee Happiness Management

Respect for Employee Diversity

Caliber-centered Open Employment

KSPO has introduced competency- and job-centered NCS (National Competency Standards)-based employment to meet the increasing social demand for the establishment of a hiring system focused on the verification of candidates' job performance potential and help spread an employment culture that brings an end to the overemphasis on candidates' academic performance as advocated by the government. Through the introduction of NCS, KSPO improved a hiring system by making evaluation not based on academic credits and foreign language fluency combined with character-centered job interviews but on job-related studies and job experiences coupled with job-centered interviews. In 2015, KSPO hired 16 persons through its new NCS-based employment procedures instead of candidates' academic performance.

Expansion of Socially Equitable Employment

As part of its efforts to meet its social responsibilities, KSPO strives to form a culture of socially equitable employment take root throughout the organization. It continues to increase its organizational diversity. It defines employment goals for all minority groups such as women, high school graduates and local talents. It has led its goals for women, engineering graduates, children of patriots and veterans, and the disabled. It has hired vomen who suffered career disruption due to childbearing and childcare through a specialized re-employment program of such women in the areas of record management, information desks, and cooking assistants.

Efforts to Develop Employee Competency

HR Development Goals

To realize its vision "A Very Reliable Supporter for the Promotion of People's Sports Welfare," KSPO has established its HR development goals and its desirable personnel model. It has chosen 'Cultivation of Future Talents that Realizes Public Values and Specialized Competency' as its HR development goal. It has established three strategic directions: support for self-directed personal growth, internalization of management values, and support for the cultivation of future-oriented talents. It has devised nine strategic tasks. It does its utmost to foster future talents.







KSPO Synergy Workshop (Nov. 2015)

Enhancement of Educational Support and Management System

To boost the efficiency of its educational support, KSPO has established an exclusive organizational and KSPO Academy to offer its employees higher quality education and training. Most notably, it held a 'synergy workshop' in 2015 for the purposes of raising awareness of the importance of education and expanding its HRD infrastructure. In addition, it increased its education budget to KRW 1.53 billion in 2015 to improve its employees' caliber. Through the operations of a systematic HRD system, the education hours and attendance both increased during the year as well.



Enhancement of Employees' Work-Life Balance

Systematic Establishment to Promote Work-Family Balance

To improve its employees' quality of life, KSPO engaged in the analysis of its working conditions, human conditions, social conditions, policy conditions and internal and external environments. Based on the analysis results, it established a system designed to promote work-family balance. As a promotion strategy, it has chosen the support for work-family balance through family-friendly management based on labor and management collaboration. It has also derived two core promotion tasks: The elimination of extended workdays and stress, and the operation of family-friendly programs.

Promotion Strategy	Support for work-family balance through family-friendly management based on labor-management collaboration							
Promotion Directions	 Boost efficiency through the identification of employees' flextime preferences and the elimination of barriers to the system implementation Spread the work-family balance culture through emails and the company website. 							
	Elimination of extended workdays and stress	Operation of family-friendly programs						
Core Promotion Tasks	 Active recommendation of flextime Improvements in employee vacation system including the introduction 'Refresh Vacation' Improvements in work efficiency through upgrades in work environments 	 Implementation of family-friendly education customized to employees' lifecycles Expansion of leaves and operation of health management programs Prevention of career disruption through the creation of a childcare -friendly environment 						

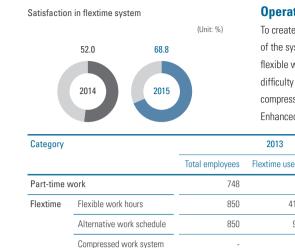


Realization of a Great Workplace



G4-I A9

KSPO runs diverse family-friendly systems to help improve employees' work-family balance. It provides baby nursing products to employees with new babies along with Korean-style parenting education customized to employees' lifecycle. It also runs employee health support programs including discounts on health club memberships and regular medical checkups. It also operates employee grievance mechanism with the purpose of making it a great workplace.



* The compressed work system was introduced in 2015.

Labor-management communication

3.48

(Unit: points)

3.64

Execution of CBA through Labor-Management Communication

KSP runs labor-management joint programs in a bid to facilitate the settlement of employees' grievances. It has expanded customized employee support programs to include employees' family members in the company's counseling services. As a result, the relevant employee satisfaction level rose from 3.9 points in 2013 to 4.5 points in 2015. It has launched its Happy Workplace Creation Campaign to maximize the companywide efforts to create a great workplace as well as promptly resolve employees' grievances. <Customized Employee Support Programs>





2014 2015 2013

42



3.59



Labor-Management One-Mind Workshop

Satisfaction

3.9

(Unit: noints)

45



54

Operation of Flextime

To create self-directed working conditions, KSPO implements flextime after taking a survey on the preference of the system and analyzing barriers to the introduction of the system. As shown in the survey, barriers to flexible working included an overemphasis on different commuting time, managers' negative perceptions, and difficulty applying to the company due to its work characteristics. As a compromise, KSPO introduced the compressed work system and the core time work system through companywide information sessions on flextime. Enhanced knowledge about flextime has led to growing satisfaction with the arrangement.

		2014			2015		
ers	Ratio (%)	Total employees	Flextime users	Ratio (%)	Total employees	Flextime users	Ratio (%)
2	0.2	749	4	0.2	746	4	0.5
419	49.3	749	414	55.2	746	381	51.0
98	11.5	749	110	14.6	746	112	15.0
-	-	-	-	-	746	6	0.8

Labor-Management Communication and Grievance Settlement

KSPO newly adjusted its wage and CBA negotiation approaches in line with the government's demand for the implementation of the second plan for public agencies' normalization of their lax management practices and changes in labor environments including conflicts of interest between labor and management as well as labor-labor disputes that were hard to mediate. First off, it diversified the communication channels between the chairman and employees in an effort to overcome differences in perspectives. It held numerous briefings and workshops on the topic of the state of the company operations. As a result, KSPO has concluded its wage and collective bargaining agreements through proper dialogue and compromises over the years.

Operations of Labor-management Joint Programs

Material Issue 6

Sports Media Individual Partner Corporate Local related

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111

Shared Growth with Partners

How does KSPO Create a Sustainable Ecology for the Sports Industry?

Sustainability Context

It is necessary to create a sustainable ecology to lay the foundation for future growth of the sports industry. The creation of a sustainable ecology largely depends on the growth of SMEs. KSPO strives to achieve shared growth with its numerous partner companies. Under the belief that KSPO absolutely needs its partner companies' cooperation to ensure its 🛷 sustainable growth, it actively promotes its shared growth strategies on the basis of its strict compliance with the principle of fair transactions.

Our Strategy & Commitment

To achieve its vision to develop its partner companies to grow into 'Reliable Partners that Grow Together,' KSPO has put forth four promotion strategies: the establishment of fair transactions, the establishment of the foundation for win-win management innovations, the support for the enhancement of SME competitiveness, and the establishment of a shared growth implementation culture. It has derived 15 tasks needed to realize the four strategies and four performance indices designed to encourage the enhancement of the competitiveness of its partner companies. KSPO has also expanded its shared growth organization to support its sports SMEs more effectively.

Our Progress & Next Step

With the spread of its shared growth implementation culture, KSPO has increased its performance in Employees' Shared Growth Implementation Level and SME Partner Companies' Shared Growth Satisfaction. It was able to establish a system of fair transaction with its SME partner companies through improvements in the transparency and fairness of its contract-related administration and the purchase of product purchasing from companies run by the socially disadvantaged. As a result, it achieved the highest level (9.56 points) in Integrity in the area of 'Contract and Management' from the Anti-Corruption & Civil Rights Commission, Korea in 2015. It had zero reporting of illegal subcontracts and a 100% electronic bid rate. Through its various efforts to improve the competitiveness of its sports SMEs, KSPO increased its sales in the R&D commercialization area and the number of meetings with potential buyers for exports by its SME partner companies.

The value created in 2014~2015



Vision	
4121011	
Dramatian Stratania	Tru:
Promotion Strategies	Establishment of f

Vision	Reliable Partners that Grow Together (Shared Growth Together, Sports Promotion Together)				
	Trust	To Do/N	To Do/Not To Do		
Promotion Strategies	Establishment of fair transactions	Establishment of a foundation for win-win management innovations	Support for the enhancement of SME competitiveness	Establishment of shared growth implementation culture	
Strategic Tasks	 Enhancement of oversight of payment settlements Creation of a fair contract culture Expansion of product purchasing Expansion of a fair transaction system 	 Introduction of a profit sharing system Promotion of profit sharing tasks Promotion of shared growth with local communities 	 Support for management improvement funds Support for technological enhancement Support for the development of growth-oriented sales routes Support for the establishment of the foundation for future growth 	 Enhancement of shared growth leadership Enhancement of promotion systems Spread of internal and external implementation culture Expansion of communication channels with partners 	
Performance Indices	Purchase implementation performance according to government policies	Introduction, discovery and promotion of profit sharing system	Export increase rate of sports SMEs	Shared growth implementation and satisfaction of employees and partner companies	
Monitoring	Strategy Leadership Meeting(monthly)	Win-win Management Committee(twice a year)	Committees and meetings for each project	Working-level employee workshops, etc.	

Spread of Shared Growth Implementation Culture



anies

SMEs' satisfaction	(Unit: points)
Employees' shared growth implementation level 89.6 80.1	92.4 83.3
2014	2015

Profit sharing promotion foundations					
Enactment of operation guidelines on profit sharing system	Publication and companywide distribution of operation guideline between KSPO and partner companies				
Establishment of profit sharing deliberation committee	Establishment of Deliberation Committee for fair evaluation and efficient implementation				
Completion of standard contract for profit sharing system	Establishment of fair profit sharing foundation through standardization of general matters related to profit sharing				

Shared Growth with Partner Companies

Promotion of Shared Growth through Support of Competitiveness of SME Partner Companies



Shared Growth Promotion Strategies and Implementation Tasks

KSPO has established its shared growth promotion strategies to help its SME partner companies to enhance their competitiveness after having reflected on the government's major policies such as the expansion of corporations applying the profit sharing system and the increase in the product purchasing from SME companies together with its own 3T innovation strategies - Trust, ToDo/NotToDo, and Togetherness. Under its vision of 'Reliable Partners that Grow Together (Shared Growth Together, Sports Promotion Together),' KSPO has put forth 4 promotion strategies such as the establishment of fair transactions, the establishment of the foundation for win-win management innovations, the support for the enhancement of SME competitiveness, and the establishment of a shared growth implementation culture. It has mapped out 15 strategic tasks.

KSPO spreads a shared growth implementation culture among its employees and partner companies. To raise its employees' awareness, KSPO has created an online education course, implemented mandatory education for all its employees and displayed a slogan indicating the corporate commitment to shared growth on its electronic documents. KSPO has enhanced communication with its partner companies and their involvement in shared growth through the execution of shared growth pledges, meetings with its partners, and the launch of Sinmungo (a traditional Korean grievance mechanism) on its website. It has secured the driving force for shared growth through the enhancement of awareness of shared growth, accomplishing increases in its employees' shared growth implementation level and SMEs' satisfaction with the company's efforts for shared growth.

KSPO Type Profit Sharing System

Introduction of KSPO Type Profit Sharing System

KSPO has introduced a KSPO type profit sharing system with the purpose of laying the foundation for win-win management innovations. The KSPO type profit sharing system is aimed at the creation of shared values through joint technological development and mutual profit sharing to expand KSPO's business ecology and join hands with partner companies to further develop necessary technologies. To further its profit sharing system, KSPO has devised three institutional preparations and offered its employees customized education

Task Discovery and Promotion for the Profit Sharing System

KSPO has uncovered profit sharing tasks in business areas where it can maximize its infrastructure and expertise. In the 'private sector expansion' area, KSPO has selected bicycles and motorboats as task areas and engaged in the joint development of a Korean carbon composite materials cycle for cycle racing and a racing motor boat featuring reduced noise emissions. In the 'technological self-reliance' area, KSPO has upgraded a referee system and a ticket vending machine in terms of features and services. It has shared the outcome with relevant parties. KSPO has laid the foundation for sustainable development through the profit sharing system while increasing its sales and customer convenience. In 2015, its partner companies generated KRW 2.3 billion in sales, securing stability in their business in terms of supply and demand.

<Outcomes of Profit Sharing System>

Category		Task	Sharing Method	Partner
Private Expansion	Cycle	Development of a Korean carbon composite materials cycle for cycle racing	Support for marketing (parts registration), purchase of trial products, and brand publicity	Win&Win Corp.
Type Motorboat		Development of a reduced exhaust noise race motorboat	Product introduction through no-bid contracts, joint acquisition of patent rights	FORCEM, Inc.
Technological Self-Reliance	Referee System	Development of additional features of motorboat referee equipment	Introduction of the system to race and training tracks	VISOL, Inc
	Ticket Sales System	Enhancement of ticketing service through the development of comprehensive ticket vending machines	Introduction of the system through no-bid contracts, joint acquisition of intellectual property rights, and revenue sharing in the event of a third party's sales	KCT, Inc.

Invigoration of Product Purchasing from Socially Vulnerable Companies

KSPO has established female-led enterprise products and social enterprise goods as its concentrated management areas in line with the need to follow the government's recommendation for product purchasing from minority companies and enhance its management efforts to improve its performance in the areas of relative vulnerability in product purchasing.

KSPO has striven to increase purchasing from socially vulnerable enterprises through efforts to comply with special provisions about preferential purchasing from social enterprises and expand the scope of no-bid contracts with female-led enterprises. In 2015, KSPO increased its purchasing from female-led enterprises by KRW 320 million over 2014 and boosted its purchasing from social companies by KRW 610 million over 2014.



Thanks for Support through the Profit-Sharing System

I think that the profit-sharing system is the greatest achievement of KSPO in terms of profit sharing and mutual growth between KSPO and its suppliers. Most notably, KSPO grant suppliers that effectively implemented the profit-sharing system with the right to execute no-bid contracts for multiple years. The suppliers are now able to undertake KSPO's contracts efficiently under long-term plans. They have also made some progress in cost efficiency as they no longer have to spend considerable amounts on bids. I hope that KSPO and its suppliers will join forces to work out institutional arrangements to further empower shared growth.

- Park Jae Wook, Senior Advisor, Forcm Company Co.





SME support overseas - Cologne, Germany

Support for Competitiveness Enhancement of Sports SMEs



For sports SMEs standing at the introduction stage, improvements in business management conditions are critical for their early stabilization. KSPO has increased its budget for the support of sports SMEs from KRW 7.3 billion to KRW 18 billion. It has created KRW 38.5 billion worth of its Specialized Investment Fund. It strives for sports industry funding support, investments in sports venture businesses, and cultivation of sports social enterprises. The beneficiary businesses have increased their sales. KSPO contributes to laying the foundation for the stable business growth of sports SMEs.

Support for the Enhancement of Technological Competitiveness of Sports SMEs

Corporate growth must be backed up by technological competitiveness. To enhance the technological competitiveness of the country's sports SMEs, KSPO undertakes various support measures such as the operation of a sporting goods laboratory, quality accreditation, the acquisition of overseas certification, and support for R&D. The number of laboratory tests rose from 1,669 cases in 2013 to 3,334 cases in 2015. The sports SMEs' increased sales, due to commercialization of R&D results, realized through KSPO's R&D support, amounting to KRW 3.71 billion in 2015, up by 173% from KRW 1.36 billion in 2014.

Expanded Support for Overseas Marketing of Sports SMEs (KOTRA Cooperation **Business**)





Enhancement of Support Roles for Sports SMEs by Growth Stage

To KSPO, the invigoration of the sports is critical. 95 percent of Korea's sports goods businesses are small businesses employing 10 employees or less. Many of them are equipped with growth potential through technological convergence. As a sports public institution, KSPO provides differentiated support to local sports companies according to their growth stages.

Introduction		Growth		Stability
Financial support for ovements in management conditions	-	Support for the enhancement of technological competitiveness	-	Expanded support for overseas marketing

Financial Support for Improvements in Management Conditions of Sports SMEs

When companies standing at a stabilization stage succeed in making inroads into overseas markets, they have an opportunity to make great strides in their corporate growth. KSPO provides a 3-stage support package composed of support for export starters, support for global enterprises, and support for the enhancement of global competency. Moreover, it helps the SMEs participate in overseas trade shows and engage in overseas road shows, while assisting them in their globalization so that they can improve their business competitiveness and succeed in global export markets. In 2015, the SMEs' export consultation meetings increased to 112, 10 cases more compared to 2014.

	Stage 1	Stage 2	Stage 3
	Support for	Support for the cultivation of	Support for the enhancement
	export starters	global enterprises	of global competency
ibility	Less than USD 100,000	More than USD 100,000	More than USD 500,000
	in exports	in exports	in exports
	during the previous year	during the previous year	during the previous year
ection	6 new companies	9 existing companies plus 3 new companies	5 existing companies plus 4 new companies

Material Issue 7



Social Contributions to Local Communities

In what way does KSPO create values for local communities as a national sports sponsor? Does it listen to grievances of local communities and deal with them actively?

Sustainability Context

An organization has to make social contributions by leveraging its strengths and resources in order to help the sustainability of not just society but also itself. KSPO intends to share happiness through sports with all those in need of sports welfare through its social contribution activities that tap into its strengths with the participation of all its employees. It will continue to strive to eliminate blind spots in sports welfare and expand sports services to the underprivileged through the active participation of its employees.

Our Strategy & Commitment

Under its social contribution vision of 'Korea's 360-degree sports sponsor that creates social values through sports,' KSPO has established three strategic directions of daily sports support competency, Olympic commemoration sports & culture infrastructure, and human and physical infrastructure. It has put forth six strategic tasks to complete. Based on its social contribution promotion system, KSPO maps out plans for social contributions and implements its diverse programs through its social contribution implementation organizations including its Social Contribution Council and Share-Love Volunteer Service Corps with the aim of delivering sports welfare to all Koreans without any blind spots.

Our Progress & Next Step

KSPO provides a hands-on sports experience class and mentoring services to youth who had to drop out of school for any particular reason and the teenagers from multicultural households to help them grow strong, physically and mentally. It has laid the foundation for its employees' active participation in its social contribution activities including diverse programs. KSPO will build up its knowhow and expertise in various sports and culture promotion activities to enhance its social contributions in various areas including the guidance of youth in need of help.

The value created in 2014~2015

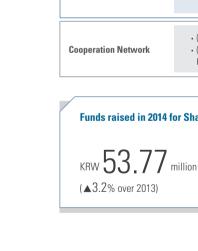
Won the Minister of Health & T III F Welfare award at the 2014 National Sharing Awards in the category of property sharing

Won the Minister of Education Award as an excellent institution 🔥 in the initiative of exam-free semesters in December 2015

222 Won the 'general grand prize' in the area of public institutions at the 2015 Happiness Plus Social Contribution Awards

2015 Social contribution mileage 2*2 38.0 points (▲4.2 points over 2014)





Social Contribution Visio

Strategic Directions

(competency-based)

Strategic Tasks

Monitoring and Feedback

Funds raised in 2014 for Sharing Fund

<Social Contribution Implementation Organization>

Social Contribution Council	+	Share-Love Volunteer Corps
Social contribution planning and programming	Activities	Creation of Share-Love Fund and engagement in volunteer services
13 internal members and 2 external experts	Composition	All employees in five administrative departments

Social Contributions to Local Communities

Social Contribution Promotion System



Preparation of Social Contribution Promotion System

KSPO has devised its social contribution promotion system after analyzing its internal competency and external requirements such as the need to get rid of welfare blind sports for youth and carry out national endeavors to normalize the country's public education. In 2015, under its social contribution vision of 'Korea's 360-degree sports sponsor that creates social values through sports,' KSPO has mapped out three strategic directions and six strategic tasks linked to the companywide strategies.

2015 Social Contribution Strategic System

Korea's 360-degree sports sponsor that creates social values through sports					
Daily sports support competency	Olympics commemorative sports & culture infrastructure	Human & physical infrastructure			
① Elimination of sports welfare blind spots and support for the youth's self-reliance and growth	② Differentiated educational donation and learning support	③ Social contributions based on sharing and win-win approaches			
 Support for the growth of dropouts Support for self-reliance of youth from multicultural households 	 Operation of specialized education for exam-free students Operation of learning support programs 	 Improvement of the quality of life in local communities Support for the stabilization of the lives of the disadvantaged 			
Planning and performance management	Performance measurement	Sharing & feedback			
 Social Contribution Council Executive meetings Strategic Leadership Meeting 	Average volunteer service hours per person Social contribution mileage points	 Sharing and dissemination of outstanding cases Commendation and improvements Planning of the following year's improvements 			

- (Government Agencies) the Ministry of Education, the Ministry of Gender Equality & Family, the Ministry of Justice, and the National Police Agency • (Public Institutions) the Korea Foundation for the Advancement of Science and Creativity, Korea Youth Counseling & Welfare Institute, Korea National Council on Social Welfare, etc.

Expansion of Social Contribution Promotion Foundation

KSPO has expanded the foundation for its employees' active participation in its diverse social contribution efforts. It has defined its employees' mandatory volunteer service hours. It has expanded plans to increase its Sharing Fund through a rise in participation. Since 2014, KSPO has conducted a survey on its employees' awareness of socially responsible management and put forth 10 core improvement tasks based on the survey results.

Enhancement of Social Contribution Implementation Organization

KSPO has reinforced its abilities to implement its social contribution activities through reorganization of its social contribution organization.

Presently, its Share-Love Volunteer Corps and Social Contribution Council take the initiative in the company's social contributions. The organizations form partnerships with various private and public institutions such as SK Sports, Child Fund Korea, and Arts Council Korea to be able to promote their causes more powerfully.

Creation of Social Values through Support for Youth Sports

Solution of Youth Problems through Sports

KSPO strives to solve youth issues by leveraging the positive functions of sports for harmonious physical and mental development and allow youth to grow into healthy adults. In 2014, it launched a bicycle healing project for a total of 246 young people from multicultural families who learned about sportsmanship and formed camaraderie amongst themselves. KSPO carried out a group cycling event with 60 school violence victims and bullies in order to prevent recurrence of juvenile delinguency.

Fostering Rising Sports Stars

KSPO runs its Talent Sharing Class to help with youth aspiring to become professional athletes. Its professional athletes teach about fencing, cycling, marathons, soccer (girls) and diving to promising young athletes. In 2014, a total of 795 persons benefited from the Talent Sharing Class, up 4.3% over the previous year. It provided training opportunities to blind cyclists, one of whom won a gold medal at the 2014 Asian Para Games held in Incheon, Korea.

Support for Sports Activities to Help Dropouts' Growth and Development



Among emerging social issues are school dropouts' lack of exercise, youth detention centers' overcrowding, and a shortage of probation officers. Thus, KSPO has carried out an in-depth analysis of the youth and developed its new social contribution programs through collaboration with relevant government agencies. In 2015, it provided 1,381 sporting goods to 70 youth support centers outside of schools. It ran mountain bike and water sports experience classes for 53 inmates of youth detention centers across the country.

Support for the Self-Reliance of Children from Disadvantaged Families through Sports

KSPO supports the adaptation of children from multicultural and North Korean refugee families to South Korean society through sports & culture camps and sports activity support. In 2015, it helped a total of 15 arts clubs of Nanta (South Korean non-verbal comedy show), music boxing and chorus, among others, in an effort to enable the youth from disadvantaged families make improvements in their social skills as well as self-esteem. It also provided the children with a school violence prevention class and adaptation support camps to keep them from becoming victims to violence and enhance their ability to better adjust to Korean society. KSPO continues to implement economic support for young North Korean refugees through employees' donations and matching fund scholarships so that they can continue to thrive in society through regular sports, among others.



Supply of sporting goods to a child care center in Eunchong, Gwangju



"Do.統.Dal" 'Do.Tong.Dal,' a social integration program for young North Korean refugees and children from multicultural families



Pursuit of Social Contribution Directions based on Practical Effectiveness

Of late, KSPO has readjusted the direction of its social contributions from the support for indirect sports experiences, such as watching sporting events together to support for the beneficiaries' direct involvement in sports activities by school dropouts, among others, with the purpose of recovering their self-esteem and courage. It is promising that KSPO has been able to promote social contributions through companywide efforts since 2014 so that all employees can help a much broader array of people in need. KSPO will continue to develop new social contribution projects that will be of practical assistance by taking full advantage of the KSPO's strong internal and external infrastructure in compliance with the government's policy directions.

- Park Beom-jin, Assistant Manager, Department of Performance Innovations



2015 Social contribution mileage 38 points (**▲**12.4% over 2014)





Employees' Delivery of 'Love Briquettes' to the Underprivileged

2014 Employee involvement in social contributions

Employee participation in social contributions

87.8% Employee participation in social contribution education

758 persons



Donations for Youth Education and Learning Support



Operations of Educational Programs Specialized in Sports & Culture

In line with the government's decision to implement exam-free semesters. KSPO mapped out exam-free semester programs after gathering on-site opinions in accordance with an MoU agreement between the Ministry of Education and the Korean Foundation for the Advancement of Science and Creativity. At present, it runs career exploration programs in three areas such as culture, arts and sports, leveraging its infrastructure. In 2015, a total of 2,798 middle and high school students from 85 schools participated in its career exploration program. KSPO was honored with a Minister of Education award for its contributions in this regard.

Learning Support for the Invigoration of Public Education

In 2015, KSPO launched an after-school, self-directed learning support program to support the youth career exploration and help young citizens to recover self-esteem. KSPO was designated by the Gyeonggi Provincial Office of Education as a demo project institution for 'Dream School,' the provinces' public education model. It provided classrooms and KRW 10 million in education expenses for the project. KSPO also provided KRW 15 million in educational expenses for the self-directed learning of 30 middle school students from low-income households.

Employee-initiated Social Contributions

Planning for Employee Involvement

To promote employee-initiated social contributions, KSPO has enhanced its institutional arrangements, promoted a participatory culture, enhanced employees' competency, and reinforced communication. In 2014, KSPO increased employees' voluntary service hours to ten. It expanded the period of intensive social contributions from a week to four weeks. In 2014, it held a contest for promotional ideas of the organization's social contributions and received 42 entries. It also offered education and training to the persons in charge of socially responsible management. In 2014, 708 more employees completed the education and training compared to 2013.

Employee Support for the Livelihood of the Disadvantaged

KSPO promotes its employees' involvement in diverse volunteer services by tapping into its infrastructure. In 2014, KSPO delivered KRW 64.235 million in employee donations on the occasion of 'Share-Love Day' prior to Chuseok (Korean Thanksgiving Day). The employees also presented 1,600 disadvantaged households with briquettes so that they could stay warm throughout the winter. More than 1,000 volunteers including employees of the Division of Cycle and Motorboat Racing took part in kimchi(Fermented Korean dish made of vegetables) -making worth KRW 20 million and offered it to low-income households. As a result of its employees' active involvement in social contributions, its mileage increased by 12.4% in 2015 over 2014.

Material Issue 8

Create Green Environment for Sports Welfare

What efforts does KSPO make for the environment it will pass down to future generations?

Sustainability Context

Environmental issues such as climate change, resource depletion and environmental pollution are emerging as gripping issues the world over. Nations keep enhancing their environmental restrictions. In Korea, organizations are required to not just reduce GHG emissions but also create eco-friendly spaces including ecology parks in accordance with the government policies. Keeping with such trends at home and abroad, KSPO has established its own environmental management system and does its very best to contribute to environmental preservation.

Our Strategy & Commitment

Based on its environmental management system, KSPO has endeavored to boost environmental management at its HQ and operating sites. It has reduced its GHG emissions and created eco-friendly green space to help combat climate change. To maximize the efficiency of its environmental preservation efforts, it runs the GHG Emissions Reduction and Energy Conservation Committee. In 2014, it achieved 100% in its environmental product purchase rate as a result of its efforts to place top priority on the purchase of environmentally friendly products and minimize the environmental impact of its business operations.

Our Progress & Next Step

It built a comprehensive leisure theme park in a bid to create eco-friendly ecology within its premises. It has mapped out a three-stage park completion plan to build a green park at its Misari Motorboat Racing Park by 2020 under three themes, such as relaxation, adventure and healing. It will continue to make progress in the creation of green environments through the implementation of its energy management system and the eco-friendly management of its operating sites.

The value created in 2014~2015







KSPO maintains the indoor temperature of its headquarters and other buildings at the temperature recommended by the government for the purposes of helping the country contend with looming energy crises and cut down on its energy bills. In addition, it allows its employees to wear casual clothing in the summer and encourages its employees to wear long underwear in the winter.



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Create Green Environment for Sports Welfare

Environmental Management System

KSPO implements an integrated management of its environmental management promotion systems with the aim of realizing GREEN KSPO through upgrades to its eco-friendly management. It has appointed an Energy Conservation Guard for each of its organizations to control the temperatures and lighting of their offices and has derived energy conservation ideas. It has designated the energy officers of each of its operating sites as Energy Guards as part of its efforts to enhance its energy management system.

Committee Operations

KSPO launched its 'GHG Emission Reduction & Energy Conservation Promotion Committee' in 2012 to contend with the global paradigm shift towards green growth. In 2015, the committee held two regular meetings and involved itself in the establishment of the KSPO environmental management strategies and the monitoring of energy management goals and performance.

Purchase of Eco-friendly Products

KSPO places top priority in its product purchase decisions. It aims to conserve energy and protect the environment through the purchase of eco-friendly products. It increased its ratio of eco-friendly product purchase from 80% in 2010 to 100% in 2014.

HQ Energy management

Setting Cooling/Heating Temperatures

Companywide Energy Conservation

KSPO focuses on energy education so that its employees can internalize energy conservation. It offers energy education to all its employees more than once a year to discuss how to improve the operations of its facilities and implement energy conservation in their daily lives. It also actively publicizes the government's energy conservation policies through its website and on/offline communication channels as part of its endeavors to maximize energy conservation.





Implementation of GHG Target Management

13.8%↓

Establis plan and

Management of Eco-friendly Operating Sites

Noise Control

KSPO strives to minimize noise emissions to the neighborhoods of its Misari Motorboat Racing Park and to immediately settle grievances. It was awarded a research contract for 'the Establishment of a Comprehensive Plan for the Reduction of Noise from KSPO Motorboat Racing Park.' According to the research results, KSPO is making improvements in its soundproof walls and reinforcement of its sound insulation. It is also promoting noise reduction through improvements in racing operations such as the introduction of the 'online start.' KSPO plans to further reduce its noise emissions through the development of noise suppression type motorboats over the mid- to long-term.

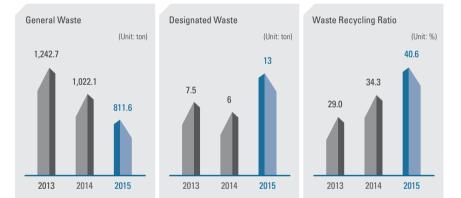
Waste Management

G4-EN23, G4-EN27

G4-S011

To minimize the environmental impact of its waste, KSPO methodically manages its waste including the promotion of recycling. Its waste generation and treatment records are reported to the corresponding government agency and disclosed transparently on the online waste management system (www.allbaro.or.kr). Its waste is handled by a licensed business in accordance with relevant rules and regulations. In 2015, it reduced the quantity of its general waste generation, increasing its recycling rate by 6.3% over the previous year.

<Waste Collection Quantity>



KSPO Park water quality management

Seongnaecheon Stream, Lake 88, and Mongchon Moat

Water Quality Management

KSPO enhances the management of freshwater in its parks including 18,000 tons of Seongnaecheon Stream, 500 tons of Lake 88, and 2,500 tons of Mongchon Moat. It strives to increase the recycling of the water. Regarding the water of Mongchon Moat and Lake 88, it attempts to maintain the water guality through the 24-hour overflow management of the raw water of the Hangang River. It now recycles the tap water used in the ozone generators of the water treatment facilities at Olympic Park Indoor Swimming Pool as the pool water to actively manage its water quality.

Soil Management

KSPO closely monitors the amount of pesticides used in Olympic Park, Misari Regatta and its eco-friendly golf course. It has changed its pest control for big trees from pesticide spray to trunk injection. It strives to maintain the health of soil.







Customer satisfaction with environmental quality of Misari Motorboat Racing Park 2014

96.7 points (**▲**2.3 points over 2013)



66

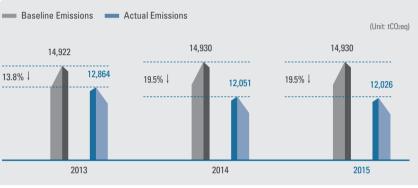


Response to Climate Change

G4-EN15,G4-EN16

KSPO has implemented the GHG & Energy Target Management System since 2010. It defines its target figures each year through consultation with the government. To encourage more active energy conservation efforts companywide, it reflects the performance of the energy organizations of each operating site in their BSC (Balanced Scorecard). During 2014-2015, KSPO reduced its GHG emissions by 19.5%, up 5.7% over the figure (13.8%) in 2013. In 2015, its GHG emission reductions amounted to KRW 167 million, up 8.3% over the annual target (KRW 154 million).

<GHG Emissions and Reduction Rates</p>



Creation of Eco-friendly Theme Park



Creation of a Comprehensive Eco-friendly Leisure Park at Speedom

KSPO has built a comprehensive leisure & culture space in Gwangmyeong-si, Gyeonggi-do with the purpose of creating eco-friendly green space at its Speedom. It began with the creation of an ecology park in an urban setting in 2012 followed by the construction of ecology-centered streets, such as Cherry Street and Lotus Street, and picnic lawn spots. KSPO completed the creation of an eco-friendly family theme park in 2014. During the year, visitors to Speedom increased and so did customers' satisfaction with regards to the Speedom Comprehensive Leisure Park in terms of environmental quality, which reached 100 points, up 7.1 points over 2014.

Phase 1 (2011-2012)	Phase 2 (2012-2013)	Phase 3 (2013-2014)
Ecology Park	Bicycle Park	Family Park

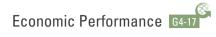
Establishment of the Green Park Plan for Misari Motorboat Park

To provide citizens with a healthy leisure space, KSPO has mapped out a plan to build a comprehensive leisure and green park at Misari Motorboat Park. It aims to complete the green park by 2020 through a three-stage construction plan under three themes such as relaxation, adventures and healing. So far, it has improved the footpaths around the motorboat racing park and the outdoor multipurpose cultural performance facility, and created urban farms (6,000m2) where kids can learn about agriculture. As a result, customers' satisfaction with the environmental guality of Misari Motorboat Racing Park rose by 2.3 points in 2014 compared to that of 2013.

Phase 1 (2014)		Phase 2 (2015-2016)		Phase 3 (2017-2020)
ishment of a park creation I expansion of infrastructure	-	Finalization of park creation plan and approval by relevant agencies	-	Promotion and completion of the construction of the theme park



Data Center



FY2015 (Jan. 1, 2015 - Dec. 31. 2015) FY2014 (Jan. 1, 2014 - Dec. 31. 2014) FY2013 (Jan. 1, 2013 - Dec. 31. 2013)

Description		FY 2015	FY 2014	FY 2013
Assets in total		2,843,651,873,439 2,791,516,881,594 2,717,268, 1,547,093,708,118 1,528,868,797,103 1,479,715 128,861,131,290 142,076,347,873 163,211, 1,283,904,041,037 1,280,421,407,241 1,213,629, bonds 127,556,657,208 99,992,811,033 95,649, 1,801,356,365 1,561,264,496 1,741, 3,959,649,195 4,075,667,850 4,394, 1,1030,873,023 1,041,218,610 10,014, 1,1296,558,165,321 1,262,648,084,491 1,237,552, 6,057,208,170,740 522,165,437,404 461,131, e and other bonds 47,850,028,042 46,279,079,400 53,797, 6,050,200,030,223 614,656,229,899 650,619,99,468,451 9,832,891,402 7,783,485,402 4,283,493,492,402 7,783,485,402 4,283,493,492,402 7,783,485,402 4,283,493,492,402 7,783,485,402 4,283,493,493,492,402 4,283,493,492,402 7,783,485,402 4,283,493,492,402 4,283,493,492,402 7,783,485,402 4,283,493,492,403 1,212,055,112 31,20,055,112 31,20,055,112 31,20,055,112 31,20,055,	2,717,268,062,232	
Current assets		1,547,093,708,118	1,528,868,797,103	1,479,715,531,809
	Cash and cash equivalents	128,861,131,290	142,076,347,873	163,211,278,921
	Current financial assets	1,283,904,041,037	1,280,421,407,241	1,213,629,879,963
	Trade receivables and other bonds	127,536,657,208	99,692,891,033	95,696,728,142
	Inventories	1,801,356,365	1,561,264,496	1,741,490,431
	Short-term taxable assets	3,959,649,195	4,075,667,850	4,394,616,570
	Liquid non-financial assets	1,030,873,023	1,041,218,610	1,041,537,782
Non-liquid asse		1,296,558,165,321	1,262,648,084,491	1,237,552,530,423
	Non-liquid financial assets	572,688,170,740		461,131,731,037
	Long-term account receivable and other bonds			53,797,965,515
	Tangible assets			650,619,477,17
	Other intangible assets			58,658,842,963
	Investment share of subsidiary companies			4,283,485,402
	Deferred taxable assets	-	-	1,200,100,10
	Non-current and non-financial assets	6 030 838 007	8 362 805 475	9,061,028,33
	Defined benefit assets	0,330,030,307	0,302,033,473	3,001,020,33
Liabilities in total	Deminen Dement 922672	101 E00 E00 250	101 160 240 901	207 E00 260 02
Current liabilitie				397,588,369,82
Guitein nabiinte	Purchase debt and others			
			100,414,301,124	312,003,713,13
	Current short-term tax liabilities		41 700 000 700	
	Current non-financial liabilities			57,009,595,48
	Current Provision			2,865,046,93
Non-current lia				25,708,012,26
	Long-term trade payable and other liabilities	5,998,965,532	10,780,639,666	9,926,451,15
	Non-current financial liabilities	-	-	
	Employees salary debt	29,310,897,375	27,661,099,710	15,781,561,108
	Current Provisions	•		
Equity in total		2,652,142,364,081	2,600,347,532,713	2,319,679,692,407
Contributed cap				2,079,460,135,93
	National Sports Promotion Fund	2,017,949,609,349	1,722,356,067,521	1,732,387,321,88
	Capital stock			347,072,814,05
Earned Surplus		293,787,993,771	537,366,207,759	231,826,773,97
	Earned surplus reserves	-	-	
	Other legal reserves			121,379,880,92
	Voluntary reserves			51,850,404,62
	Retained earned surplus	95,544,075,352	350,792,981,332	58,596,488,42
Other compone		(6,668,053,091)	(6,447,556,619)	8,392,782,49
	Other comprehensive income/loss accumulated amount	(6,668,053,091)	(6,447,556,619)	8,392,782,49
Liabilities and Equity in total		2,843,651,873,439	2,791,516,881,594	2,717,268,062,23

Environmental Performance

		Unit	2013	2014	2015
Purchase Rate of Eco-frien	ndly Products	%	86.1	100	99.9
Waste Generation	General Waste	ton	1242.7	1022.1	811.6
	Designated Waste	ton	7.5	6	13
	Waste Recycling	%	29.0	34.3	40.6
GHG	Baseline Emissions	tCO2eq	14,922.361	14,929.951	14,929.951
	Target Reduction Rate	%	15	20	20
	Emission Target	tCO2eq	12,684.006	11,943,960	11,943,960
	Actual Emissions	tCO2eq	12,863.671	12,051.097	12,026.002
	Reduction Rate	%	13.8	19.5	19.5

Social Performance G4-10

		Unit	2013	2014	2015
Quota		People	761	763	765
Current No. of Emp	loyees	People	748	749	746
Retirees		People	3	2	3
Early Retirees		People	13	14	8
Indefinite-term Con	ntract Workers	People	792	768	749
(Direct) Irregular W	/orkers	People	343	311	366
(Indirect) Irregular	Workers	People	734	620	933
New Fulltime	Females	People	6	10	10
Recruits	Disabled	People	-	1	-
Current No. of Emplo Retirees Early Retirees Indefinite-term Cont (Direct) Irregular Wo (Indirect) Irregular Wo New Fulltime Recruits Irregular Workers Females (ratio) Female Team Leader Disabled Employee F Education Budget No. of Trainees Training Hours per p Satisfaction with Fle Labor-Management Satisfaction with Em Implementation Rate Satisfaction Rate of No. of Lab Tests	Local Talents (out of Seoul metropolitan area)	People	4	6	6
	Local Talents (HQ relocation area)	People	-	-	•
	High School Graduates	People	3	3	4
	Vocational School Graduates	People	2	1	4
	Engineering Graduates	People	-	6	4
	Total	People	13	24	20
Irregular Workers	Interns	People	46	41	39
	Administration Assistants	People	8	7	6
	Athletes	People	16	15	23
Females (ratio)		%	191(25.5)	196(26.2)	204(27.3)
Female Team Lead	ers or above (ratio)	%	4(0.53)	5(0.67)	7(0.94)
Disabled Employee	Ratio	%	3.24	3.19	3.27
Education Budget		KRW 100M	14.1	15.1	15.3
No. of Trainees		People	446	469	503
Training Hours per	person	Hours	-	125	130
Satisfaction with Fl	extime	%	-	52	68.8
Labor-Managemen	t Communication Index	Points (out of 10)	3.48	3.59	3.64
Satisfaction with E	mployee Support Programs	Points (out of 10)	3.9	4.2	4.5
Implementation Ra	te of Shared Growth with Employees	Points (out of 100)	-	80.1	83.3
Satisfaction Rate o	f Shared Growth with SME Partners	Points (out of 100)	-	89.6	92.4
No. of Lab Tests		Cases	1,669	2,734	3,334
No. of Companies'	Meetings with Potential Buyers	Cases	90	102	112
Social Contribution	Mileage	Points	-	33.8	38
Customer Satisfact	ion (%)	Points	94.2	97.8	-
People's Gut Feelin	g about KSPO Services (%)	Points	50.6	46.6	49.5
People's Involveme	ent in Sports Activities	%	45.5	54.8	56.0

Third-Party Verification Report

To the Management and Stakeholders of Korea Sports Promotion Foundation

Introduction

The Korean Standards Association (KSA) was commissioned by the Korea Sports Promotion Foundation (hereafter, "KSPO") to provide independent third party assurance of the KSPO Sustainability Report 2014-2015 (hereafter, "the Report"). KSA reviewed the evidence of the data and achievements contained in this Report to present the independent assurance report. KSPO is responsible for the collection and presentation of all claims and accomplishments within the Report.

Independence

As an independent assurance institution, KSA provides independent assurance service. Other than the third-party assurance engagement, we do not have any business ties with KSPO across the whole business spectrum of KSPO, have no conflict of interest and have no connections with KSPO that could compromise the independence or make profits.

Assurance Standards and Credibility

The assurance engagement was performed in accordance with the AccountAbility 1000 Assurance Standards 2008 (AA1000AS 2008) principles - Inclusivity, Materiality, Responsiveness of Reliability of performance data and processes defined in the Report - at a moderate level of assurance. The assurance procedure also uses GRI G4 Guidelines, and ISO 26000 as well.

Assurance Type and Scope

The assurance engagement is a Type 2 assurance as defined in the AA1000AS 2008. It means that we verified the accuracy with respect to the sustainability management achievements described in the statements of KSPO and the Report. KSA's assurance covers the entire content of this Report including activities carried out to create this Report between January 1, 2014 and December 31, 2015. In the reporting period, we conducted our engagement focusing on the related system and its activities, including KSPO's sustainability management policy, goals, businesses, standards, and accomplishments. In addition, we assured not only the environmental and social information but also the financial information on economic accomplishments in a broad sense. With regard to the stakeholders' participation, the assurance procedures were limited to the review of materiality assessment process.

Assurance Method

KSA used the following methods to collect the necessary information, materials and evidence with regard to the assurance scope.

- Reviewing the improvements of sustainability management performance and the management systems and processes used for presented in this Report
- Reviewing KSPO's financial performance data, the audited financial statements and the consistency of KSPO's public announcement date
- · Interviewing KSPO employees in charge of sustainability management and managers responsible for respective issues
- · Reviewing follow-up details of the internal documents and basic data

Conclusions and Opinion [Assurance Principle/ Process Aspect]

KSA reviewed the contents presented in the Report to provide opinions, based on which the corrections of the Report were made. In addition, we are not aware of any material errors or biases in the content of the Report. With respect to KSPO's sustainability management, we present the following opinions.

Inclusivity	Does KSPO include stakeholders in making strategic responses with regard to sustainability?	KSPO is dedicated to the stakeholder engagement process in an attempt to promote the sustainability management, and operates various communication channels. KSA is not aware of any key stakeholder group which has been excluded from this process.
Materiality	Does KSPO include material information in the Report to enable stakeholders to make informed judgment and decision?	KSA confirmed that KSPO does not omit nor exclude any material information to stakeholders. In addition, KSA assured that KSPO conducted material assessment by means of the related issues deriving from the internal/external environmental analysis, and based on the results, KSPO reported the material issues.
Responsive- ness	Does KSPO properly respond to demands and concerns of stakeholders?	KSA confirmed that KSPO incorporates major concerns of stakeholders into its report and also responds to demands and concerns of stakeholders. In addition, we are not aware of any evidence that KSPO does not properly respond to material issues of stakeholders.

Review of GRI G4 Application Standards

KSA confirmed that this Report is prepared in accordance with the Core Option of the GRI G4. Based on the data provided by KSPO, we confirmed that the content regarding the following General Standard Disclosures and Specific Standard Disclosures is correct.

General Standard Disclosures

KSA verified that this Report is in conformity with the requirements of General Standard Disclosures under the core option. The review of the following indexes was made. 64-1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 39, 40, 45, 47, 51, 52, 56

Specific Standard Disclosures

aspects and indicators was conducted.

Category		Aspect (Indicators)	
Economy	Economic Performance (EC1)		
Environment	Emissions (EN15, EN16)	Products and Services (EN27)	Effluents and Waste (EN23)
Society	• Employment (LA1)	Anti-corruption (SO4)	Non-discrimination (HR3)
	Occupational Health and Safety (LA6)	Grievance Mechanisms for Impacts on Society (S011)	Supplier Human Rights Assessment (HR10)
	Diversity and Equal Opportunity (LA12)	Customer Privacy (PR8)	Local Communities (SO1)
	Investment (HR2)	Labor/Management Relations (LA4)	Compliance (SO8)
	Freedom of Association and Collective Bargaining (HR4)	Training and Education (LA9)	Product and Service Labeling (PR5)
	Human Rights Grievance Mechanisms (HR12)	Labor Practices Grievance Mechanisms (LA16)	• Compliance (PR9)

Opinion and Recommendations [Implementation Performance/ Issue Aspect]

KSA presents the following recommendations for KSPO to build company-wide sustainability management strategies and lay the basis to respond to relevant issues continuously. This report is superior in that it faithfully follows global guideline such as GRI G4, UNGC Advance Level and presents connectivity between KSPO's activities in social

- responsibility and Sustainable Development Goals (SDGs)
- set a strategic task and select core indicators.
- process to the entire organization, rather than a one-off process.

November 2016

Baek Soo-hyun Chairman of Korean Standards Association

The Korean Standards Association (KSA), as a special corporation found in 1962 under the Industrial Standardization Act, is a knowledge service entity that provides and disseminates industrial standardization, guality management, sustainability management, KS and ISO certifications that are necessary for companies. In particular, serving as ISO 26000 national secretary entity, GRI-designated education entity, AA1000 Assurance provider, Korean Sustainability Index (KSI) management entity, UN CDM operation institution and the assurance provider of Korea's Greenhouse Gas Target Management System, KSA contributes to society's sustainable development.

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The assurance engagement was performed to identify DMA with regard to material aspects through the decision process of reporting items. The review of the below

• We recommend that KSPO establish a strategy for sustainability management to actively respond to the demands of stakeholders in the future, and that to this end, KSPO

• We recommend that KSPO specifically report the content that contains the stakeholders' opinions in making material decision, and that KSPO consistently apply this

• It is recommended that KSPO continuously contribute to promote transparency and fairness throughout whole value chain of Sports industry.



General Standard Disclosures

GRI Index	Indicators	KSPO Report Contents	Page	ISO 26000	Verificatio
Strategy and a	nalysis				
<u>3</u> 4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior posi- tion) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	In keeping with the government's efforts to promote people's sports activities and develop the local sports industry, KSPO strives to improve the quality of life for all through sports welfare, fulfill its social responsibilities as a public institution, and implement sustainable business management. It completely supports the UN Global Compact.	4, 5	7.4.2	V
Organizational	l Profile				
64-3	Report the name of the organization	KSPO (Korea Sports Promotion Foundation)	8	-	V
34-4	Report the primary brands, products, and services	Funding business, cultivation of the sports industry, sports promotion & culture projects, and fundraising	10	-	V
34-5	Report the location of the organization's headquarters	Olympic Hall, 42, Olympic-ro, Songpa-gu, Seoul	8, 9	-	V
64-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Republic of Korea	9, 74	-	V
4-7	Report the nature of ownership and legal form	A public service corporation	8	6.2.1	V
4-8	Report the markets served	Korea (Songpa-gu and Nowon-gu, Seoul and Gwangmyeong-si, Gyeonggi-do)	8, 10	-	V
4-9	Report the scale of the organization	Employees: 1,363 persons (as of September 2016)	8, 9	-	V
		No. of business units: 6 (As of December 2015, Unit: KRW million)			
		Total assets Sales Capital Liabilities Funds Raised 1,916,204 6,133,904 498,657 1,417,547 1,326,200			
34-10	 A. Report the total number of employees by employment contract and gender B. Report the total number of permanent employees by employment type and gender C. Report the total workforce by employees and supervised workers and by gender D. Report the total workforce by region and gender. E. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. F. Report any significant variations in employment numbers 	Refer to page 71 for details on social performance. K-toto operates sports promotion betting ticket business as a contractor	41, 71, 78, 79	6.3.7	V
4-11	Report the percentage of total employees	Union Membership	74	6.4, 6.4.3. 6.4.4,	V
	covered by collective bargaining agreements	2013 2014 2015		6.4.5, 6.3.10	
		Seoul Olympic Sports Promotion Foundation Labor Union 67.3% 70.8% 66.9% (union members/employees eligible for membership) (345/513) (356/503) (335/501)			
		KSPO General Labor Union (union members/employees 40.8% 38.4% 35.6% eligible for membership) (560/1,373) (507/1,319) (484,1,361)			
		KSPO Labor Union 31.2% 33.5% 16.1% (248/794) (264/788) (300/1,862)			
		National Public Transport Social Service Union 5.5% 6.2% 6.4% (38/695) (41/637) (41/639)			
		Integrated KSPO Labor Union (union members) 20 persons 20 persons			
34-12	Describe the organization's supply chain	KSPO has created the National Sports Promotion Fund and expands it through its sports racing business such as cycle and motorboat racing and Sports Toto business Operating a retail business for its sports promotion betting ticket business	14, 15	6.6.6	V

GRI Index	Indicators	KSPO Report Contents		Page	ISO 26000	Verification
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	No significant changes during th	e reporting period	70	-	V
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization		parency in its fundraising and operations, KSPO runs a companywide risk all the necessary preventive measures.	75	-	V
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	The UN Global Compact, ISO 266	000, and other global CSR initiatives	19, 81, 82	7.8	V
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	13 associations		82	-	V
Deduction of I	Material Aspects and Aspect Boundary					
G4-17	 A. List all entities included in the organization's consolidated financial statements or equivalent documents. B. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. 	Refer to financial statements		70	6.2	V
G4-18	A. Explain the process for defining the report content and the Aspect Boundaries.B. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Compliance with the Reporting F identification of report contents	23	-	V	
G4-19	List all the material Aspects identified in the process for defining report content		Its and Independent Assurance Statement issued by the Business Institute the Korea Chamber of Commerce & Industry	e 23, 72, 73	-	V
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Aspect boundaries are specified	at the top of the DMA page of each chapter	18, 20, 22, 30, 36, 42, 46, 52, 56, 60, 64	-	V
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Refer to Aspect Boundary indice	S	23	-	V
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	N/A		75	-	V
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	No significant changes in Aspect	t Boundaries	75	-	V
Stakeholder E	- Engagement					
G4-24	Provide a list of stakeholder groups engaged by the organization		and relevant authorities, partner companies, corporate clients, individual I Assembly/policy institutions, media/related local organizations,	22	-	V
G4-25	Report the basis for identification and selection of stakeholders with whom to engage		d evaluation of their influences through a survey among sustainability is of the stakeholder identification criteria set forth in AA1000SES	22	-	V
G4-26	Report the organization's approach to	Category	Communication Channels	22	6.8.3	V
	stakeholder engagement, including frequency of engagement by type and	Employees	BOD, workshops, intranet, blogs, social media channels	-		
	by stakeholder group, and an indication	Policy Institutions	Business report meetings, workshops, National Assembly's inspections,			
	of whether any of the engagement was undertaken specifically as part of the report	Sports Organizations	management evaluations	-		
	preparation process	Media	On-site meetings and workshops Business briefings and press conferences	-		
		Individual Customers	Public interest events, advertisements, mass media outlets, customer satisfaction surveys	-		
		Partners	Business report meetings, workshops	-		
		Corporate Clients	On-site visits, meetings, business consulting	-		
		Local Organizations	Homepage, VOC, Social contribution activities	-		
		Academia & Advisory Groups	Client panel meeting, academic societies, committees			

Specific Standard Disclosures

GRI Index	Indicators	KSPO Report Contents				Page	ISO 26000	Verificatio
G4-27	Report key topics and concerns that	Category	Expectations			22, 23	-	V
	have been raised through stakeholder engagement, and how the organization	Employees	Enhancement of welfare I	penefits and expertise				
	has responded to those key topics and	Policy Institutions						
	concerns, including through its reporting.	Sports Organizations	Boosting effectiveness of	its funding business				
	Report the stakeholder groups that raised each of the key topics and concerns.	Media	Information sharing and r	eflecting on manageme	ent			
	each of the key topics and concerns.	Individual Customers	Enhancement of informati	ion security				
		Partners	Activation of sports and c	ulture business				
		Corporate Clients	Support for the growth of					
		Local Organizations	Job creation and start-up					
		Academia & Advisory Grou	, 0					
		Refer to page 22 for details	on communication channels and	reflection on manager	nent.			
Report Profile								
G4-28	Reporting period (such as fiscal or calendar year) for information provided	January 1, 2014 - December	31, 2015			About This Report	-	V
G4-29	Date of most recent previous report (if any)	September 2014				About This Report	-	V
G4-30	Reporting cycle (such as annual, biennial	Annually (every two years w	hen necessary)			About This Report	-	V
G4-31	Provide the contact point for questions regarding the report or its contents	Tel: 82-2-410-1241 E-mail: ehkim02@kspo.or.kr				About This Report	-	V
G4-32	Report the 'in accordance' option the organization has chosen	In accordance with GRI G4 - Material Aspect of Specific	Core. All General Standards Dis Disclosures	closures indices and a	t least one index in each	About This Report	-	V
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report		tute for Sustainable Developme ssurance for this report to ensur			About This Report	7.5.3	V
Governance								
G4-34	Report the governance structure of the organization, including committees of the highest governance body, Identify any committees responsible for decision- making on economic, environmental and social impacts		The BOD, the highest governing body, is assisted by three subcommittees in the areas of management strategies, budget & account settlement, and sports promotion in terms of management counseling on key policy matters.					V
G4-39	Report whether the Chair of the highest governance body is also an executive officer	KSPO chairman heads BOD	KSPO chairman heads BOD meetings in accordance with Act on the Management of Public Institutions.					V
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members		KSPO nominates experts in various fields as its non-executive directors to invigorate the management advisory functions of the BOD. It strives to increase the promotion of female directors in terms of gender equality.					V
G4-45	Report the highest governance body's	(1) The BOD held 12 meeting	s in 2015. It identified the organ	nization's economic, en	vironmental and social	21	-	V
	role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	impacts, risks and opport (2) Based on the findings, th management but also so	e BOD deliberated and resolved	about matters related	to not only business			
G4-47	Report the frequency of the highest		BOD Meeting Frequency	y No.	of BOD Agenda Items	21	-	V
	governance body's review of economic, environmental and social impacts, risks,	2015	12 times		67 times			
	and opportunities	2013	10 times		44 times			
			10 111103		44 unies			
G4-51	A. Report the remuneration policies for	Each BOD Member's Total R	emuneration per Person		(Unit: KRW 1,000)	21	7.7.5	V
	the highest governance body and senior executives for the below types of		2013	2014	2015			
	remuneration	Chairman (bonus)	163,018(42,253)	120,765(-)	156,667(28,984)			
	B. Report how performance criteria in the remuneration policy relate to the	Auditor (bonus)	130,413(33,801)	96,612(-)	128,231(26,085)			
	highest governance body's and senior		136,276(40,790)	95,486(-)	126,137(25,181)			
	executives' economic, environmental	Director (bonus)	130,270(40,790)	33,400(-)	120,137(23,101)			
G4-52	and social objectives Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management	evaluation results is determ	nsisting of basic pay and bonus ned at the BOD. Bonuses are pa nent evaluation and job perform	aid only to executive di		21	-	V
Ehhics and Int	egrity							
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	the mid- to long-term roadm	ments it ethical management pr ap for integrity and ethics. It ha tleblowers and the indemnity c	s overhauled its codes	of ethics including the	31	4.4	V

GRI Index	Indicators	KSPO Report Conte	nts				Page	ISO 26000	Verifica
Category : Ecor	nomic								
Economic Performance	Disclosures on Management Approach	of profitability and so	undness of its fundra le goal of raising KR ¹	its strategic tasks by plac ising business and the pr W 1.7 trillion in sports fur	omotion of its future-o	priented new	77		
G4-EC1	DIRECT ECONOMIC VALUE GENERATED	* Refer to the KSPO e	conomic performanc	e in this report.			13, 70, 77	6.8.1, 6.8.2,	V
	AND DISTRIBUTED	Distribution of Econor	nic Values		(Unit:	KRW 100 million (%))		6.8.3, 6.8.7, 6.8.9	
				201	3 2014	2015			
		Employees		863(4.	2) 846(3.9)	873(4.0)	1.0)		
		Partner Companies		3,909(18.	9) 3,974(18.5)	3,755(17.3)			
		Central and Local Go	overnments	6,920(33.	4) 4,923(23.0)	5,238(24.1)			
		Local Communities		23(0.	1) 5,489(25.6)	125(0.6)			
		Funds from the Nati	ional Sports Promoti	on Fund 8,799(42.	5) 3,124(14.6)	11,085(51.1)			
		Reserves		215(1.	3,071(14.3)	620(2.9)			
		Total		20,72	9 21,427	21,697			
		*Total(Created Economic	c value) = Sales — Ope	rating cost + Non-operating	income – Non-operating	g cost -Depreciation			
Category : Envi	ronment								
Emissions	Disclosures on Management Approach			Nanagement System in 20 nent of each operating sit			64, 67, 77		
G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)		Unit	2013	2014	2015	67	6.5.5	V
G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	GHG Emissions (SCOPE 1, SCOPE 2)	tCO2eq	12,864.671	12,051.097	12,026.002	67	6.5.5	V
Effluents and Waste	Disclosures on Management Approach			ts waste, it enhances its ndled by a licensed busin			64, 66		
G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND	Waste Treatment by (Operating Site			(Unit: ton)	66, 77	6.5.3	V
	DISPOSAL METHOD		Category	2013	2014	2015			
		Total	General Waste	1242.7	1022.1	812			
		iotai	Designated Waste		6	13			
			Waste Recycling *	362	353	335			
		ΗQ	General Waste	116	120	67			
			Designated Waste	5.1	5	0			
			Waste Recycling	0	0	14			
		Cycle	General Waste	159	162	146			
			Designated Waste	0	0	0			
			Waste Recycling	144	148	129			
		Motorboat	General Waste	249	148	148			
			Designated Waste	2.4	1	1			
			Waste Recycling	0	0	0			
		Division of Sports	General Waste	662	536	394			
		& Leisure Business	Designated Waste	0	0	0			
			Waste Recycling	219	204	192			
		KISS	General Waste	56	56	57			
			Designated Waste	0	0	12			
			Waste Recycling	0	0	0			
			* The figures of ge	neral waste and waste recycli	ng are rounded off to the n	earest whole number.			
Products and Services	Disclosures on Management Approach	KSPO continues to str	ive to reduce the wa	iste from its motorboat ra	cing business.		64, 66		
G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF	Status of Waste Man	agement			(Unit: ton)	66	6.5.3, 6.5.4, 6.5.5, 6.7.5	V
	PRODUCTS AND SERVICES		Category	2013	2014	2015			
		Motorboat	General Waste	249	148	148			
			Designated Waste	2.4	1	1			

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GRI Index	Indicators	KSPO Report Co	ontents				Page	ISO 26000	Verificatio
Category : Soci	al								
Sub-category :	Labor Practices and Decent Work								
Employment	Disclosures on Management Approach	KSPO has introduced competency- and job-centered NCS (National Competency Standards)-based employment to meet the increasing social demand for the establishment of a hiring system focused on the verification of candidates' job performance potential and helps spread an employment culture that brings an end to the overemphasis on candidates' academic performance as advocated by the government. KSPO has low turnover rate with excellent employee, introducing this system.			52, 53				
G4-LA1	TOTAL NUMBER AND RATES OF NEW	New Employee H	ires and Turnover				53	6.4.3	V
	EMPLOYEE HIRES AND EMPLOYEE	2013 2014 2015							
	TURNOVER BY AGE GROUP, GENDER AND REGION	No. of New Hire	IS	13	24	20			
		No. of Turnover		5	9	4			
		Turnover Rate (9	6)	0.7	1.2	0.5			
Labor/ Management Relations	Disclosures on Management Approach	between Chairma management. It h	rences between labor and management in and employees and succeeded in form olds briefings on the management statu the gap between staff and executives or	iing a consensus b s for both labor an	etween labor and d management as	part of its	52, 55, 78		
G4-LA4	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS		KSPO immediately informs its employees of its operational changes on the website and ALIO, the country's public institution management information system, in addition to prompt written notice to the persons			78	6.4.3, 6.4.5	V	
Occupational Health and Safety	Disclosures on Management Approach		KSPO eliminates risk factors related to its employees' health and ensures the establishment and operation of a stable management system.				78		
G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES,	When a national health crisis was triggered in 2015 due to the spread of MERS throughout the country, KSPO established a response control tower led by its executive director and carried out close monitoring. It reinforced its quarantine measures including customers' body temperature check. It also canceled non-essential events. It succeeded in preventing the MERS from spreading into the workplace.					78	6.4.6, 6.8.8	V
	BY REGION AND BY GENDER			2013	2014	2015			
			sease occurrence rate (total days of sick rk days x total number of employees)	0.75	0.96	0.66			
		Leave of absence	e ratio	0.24	0.45	0.65			
		Absenteeism ra x total number o	tio (total absent days / total work days f employees)	0	0	0			
Training and Education	Disclosures on Management Approach	has established in It has chosen 'Cu its HR developme growth, internaliz	To accomplish its vision 'A Very Reliable Supporter for the Promotion of People's Sports Welfare,' KSPO has established its HR development plan and its model talent. It has chosen 'Cultivation of Future Talents that Realizes Public Values and Specialized Competency' as its HR development goal. It has established three strategic directions: support for self-directed personal growth, internalization of management values, and support for the cultivation of future-oriented talents. It has derived nine strategic tasks. It does its utmost to foster future talents.			52, 54			
G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR	Average hours of	training per employee				54	6.4.7	V
	PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY			2013	2014	2015			
		Average hours of	f training per employee	-	125 hours	130 hours			
Diversity and Equal Opportunity	Disclosures on Management Approach		KSPO cherishes the diversity of its employees so it carries out 'open' employment placing emphasis only on the candidate's caliber. It has made improvements in the realization of socially equitable employment.				52, 53		
G4-LA12	COMPOSITION OF GOVERNANCE BODIES					(Unit: People)	52, 53	6.2.3, 6.3.7,	V
	AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY	Category		2013	2014	2015	78, 79	6.3.10, 6.4.3	
		Total number of		748	749	746			
		Age	Teens 20s	3 47	0	4			
			20s 30s	244	217	58 191			
			40s	312	325	322			
			Over 50 years old	142	155	171			
		Gender	Male	557	553	542			
			Female	191	196	204			
		Region	Metropolitan	314	313	308			
			Non-metropolitan	434	436	438			
		New regular	Total new employees	13	24	20			
		employees	Female	6	10	10			

GRI Index	Indicators	KSPO Report Co					Page	ISO 26000	V
						(Unit: People, %)			
			Category	2013	2014	2015			
		New regular	Local	4	6	6			
		employees	High school graduates	3	3	4			
			Vocational high school graduates	2	1	4			
			Engineering graduates	-	6	4			
			Children of patriots & veterans	1	-	1			
		New irregular	Youth interns	46	41	39			
		employees	General administrative assistants	8	7	6			
			Athletes	16	15	23			
		New socially	Disabled persons (%)	3.24	3.22	3.26			
		equitable	Children of patriots & veterans (%)	6.24	6.07	6.0			
		employment	Engineering graduates (%)	-	25.0	20.0			
			* Total number	of employees here exc	ludes indefinite-ter	m contract workers.			
Labor Practices	Disclosures on Management Approach	KSPO runs grieva	nce mechanisms designed to immediat	elv resolve employ	ees' arievances	In 2015	52, 54		
Grievance Mechanisms See	Disclosures on management Approach	-	ite-centered 'four-dimensional commun		-		02, 0 4		
G4-LA16	NUMBER OF GRIEVANCES ABOUT LABOR	Employee Grievar	nce Mechanisms				54	6.3.6	
	PRACTICES FILED, ADDRESSED,			2013	2014	2015			
	AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	No. of poreoppo	Lariovanaca received	17	23	95			
		No. of personnel grievances received							
		No. of resolved grievances 17 19 75				/5			
Sub-Category : H	luman Rights								
Investment	Disclosures on Management Approach		o make investments in the protection o aining, it has introduced diverse approa			improve the	79		
G4-HR2	TOTAL HOURS OF EMPLOYEE TRAINING	Training on Human Rights					79	6.3.5	
	ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED	2013 2014 2015							
		Education on se harassment pre			ersons 1 time)	357 persons (1 time)			
		Education on vio	olence		ersons 1 time)	1,320 persons (2 times)			
Non- discrimination	Disclosures on Management Approach		nvolved in incidents of discrimination o extraction, or social origin in the proces	-	-	, political	79		
G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	No incidents of d	iscrimination				79	6.3.6, 6.3.7, 6.3.10, 6.4.3	
Freedom of Association and Collective Bargaining	Disclosures on Management Approach	without prior con	oloyees and the employer can establish sent. ed KSPO Labor Union was launched with		eir choosing or ju	pin them	74, 79		
G4-HR4	OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS	collective barga • To promote the	 KSPO does not have any operating sites or suppliers that have violated the freedom of association and collective bargaining or possess risks of violating the rights. To promote the freedom of association and collective bargaining, it continues to enhance labor-management communication through labor-management joint briefing sessions, among others. 			9	55, 79	6.3.3,6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.5, 6.6.6	,
Supplier	Disclosures on Management Approach	KSPO reflects hur	nan rights criteria for the execution of r	new contracts.			79		
Human Rights Assessment									

UN Global Compact Advanced Level

GRI Index	Indicators	KSPO Report Contents	Page	ISO 26000	Verification
Human Rights Grievance Mechanisms	Disclosures on Management Approach	KSPO runs a human rights grievance system. In 2015, two cases of sexual harassment grievances were filed, for the first time in three years, and were resolved in due course.	52, 54, 55		
G4-HR12	NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED,	2013 2014 2015	54	6.3.6	V
	AND RESOLVED THROUGH FORMAL	Sexual harassment filed (cases) 0 0 2			
	GRIEVANCE MECHANISMS	Sexual harassment resolved (cases) 0 0 2			
Sub-Category : S	ociety				
Local Communities	Disclosures on Management Approach	Under its social contribution vision of 'Korea's 360-degree sports sponsor that creates social values through sports,' KSPO has mapped out three strategic directions and six strategic tasks to practice social contribution activities.	60, 61		
G4-S01	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	All KSPO operating sites implement local community engagement. Its community engagement ranges from the elimination of sports welfare blind spots, differentiated education donation and learning support, and social contribution activities based on the principle of sharing and win-win.	61	6.3.9, 6.5.1, 6.5.2, 6.5.3, 6.8	V
Anti-corruption	Disclosures on Management Approach	KSPO enhances its training on anti-corruption policies and procedures to combat corruption.	30, 32, 34		
G4-S04	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	A total of 746 employees has signed pledges after being fully trained on the organization's anti-corruption policies and procedures. 241 employees have participated in integrity and leadership education. KSPO employees have been trained on integrity at a rate of 29 hours per person.	32, 34	6.6.1, 6.6.2, 6.6.3, 6.6.6	V
Compliance	Disclosures on Management Approach	KSPO preventing compliance issues by managing Ethics & Culture Team and Ethics Committee.	80		
G4-S08	MONETARY VALUE OF SIGNIFICANT	Presiding at Present Incident Amount at Issue (KRW) Progress	80	4.6	V
	FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS	Seoul High Court Request for wages on the grounds of 99,625,902 In Progress unfair discharge			
		Seoul Eastern District Request for damages regarding 283,700,000 In Progress Court tree purchasing and landscaping costs at Yeonggwang Golf Course 283,700,000 In Progress			
		Seoul Eastern District Request for severance pay for motorboat racers 20,000,100 In Progress			
		Other Request for the payment of 264,250,570 In Progress construction costs, etc.			
Supplier Assessment for Impacts on Society	Disclosures on Management Approach	KSPO strives to minimize noise emissions to the neighborhoods of its Misari Motorboat Racing Park and to settle grievances immediately.	66		
G4-S011	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	It has awarded a research contract for 'the Establishment of a Comprehensive Plan for the Reduction of Noise from KSPO Motorboat Racing Park.' According to the research results, KSPO is making improvements in its soundproof walls and reinforcement of its sound insulation. It is also promoting noise reduction through improvements in racing operations such as the introduction of the 'online start' pattern. KSPO plans to further reduce its noise through the development of noise suppression type motorboats over the mid- to long-term.	66, 80	6.3.6, 6.6.1, 6.6.2, 6.8.1, 6.8.2	V
Sub-category : P	roduct Responsibility				
Product and Service Labeling	Disclosures on Management Approach	In order to steadily move toward the accomplishment of its 2025 goal of attaining the highest level in people's evaluation, it continues to make improvements in its CSR activities, reinforces communication with the general public to boost its credibility, and provides a scientific physical strength certification service in collaboration with reliable health and medical service providers. It continues to improve its customer satisfaction.	46, 47		
G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	It maintains the highest rank in customer satisfaction for the fourth year in a row since 2011. Following its selection as an excellent institution in 2014, KSPO was exempt from the customer satisfaction evaluation obligation in 2015.	47	6.7.1, 6.7.2, 6.7.6	V
Customer Privacy	Disclosures on Management Approach	To make improvements in citizen's trust through the enhancement of communication infrastructure, KSPO reformed its information security system in 2015 and selected three promotion strategies and six implementation tasks. It runs a PDCA-based management process.	46, 50		
G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	KSPO does not have any breaches of customer privacy or losses of customer data.	50	6.7.1, 6.7.2, 6.7.7	V
Compliance	Disclosures on Management Approach	KSPO complies with laws and regulations concerning its business. It prevents non-compliance through close monitoring.	80		
G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES	No breaches of laws and regulations concerning its business	80	4.6, 6.7.1, 6.7.2, 6.7.6	V

Categ	ory	Principle	Page	GRI G4 Index
1	Governance	This integrated report(the Report) describes the discussions at the level of the CEO and the BOD regarding the strategic aspects of the implementation of the UNGC.	4	G4-1
2		The Report explains the company's decision-making processes and corporate governance to achieve its sustainability.	20, 21	G4-34
3		The Report describes the engagement of all of the company's major stakeholders.	22, 23	G4-24~2
4	UN Goals and Issues	The Report describes activities designed to support comprehensive goals and issue of the United Nations.	19, 81	G4-15,1
5	Human Rights	The Report describes the company's strong commitment, strategies and policies in the area of human rights.	19, 81	G4-15,1
6		The Report describes and effective management system designed to integrate its human rights principles.	52, 54	
7		The Report describes effective monitoring and evaluation mechanisms about human rights principles.	54, 55	
8		The Report applies standardized performance indices(including GRI) about human right.	54, 55, 74	G4-1
9	Labor	The Report describes the company's strong commitment, strategies and policies in the area of labor.	52	
10		The Report describes an effective management system designed to integrate its labor principles.	53, 54	
11		The Report describes effective monitoring and evaluation mechanisms about labor principles.	54	
12		The Report applies standardized performance indices(including GRI)about labor.	53, 54, 55	G4-1
13	Environment	The Report describes the company's strong commitment, strategies and policies in the area of environmental management.	64	
14		The Report describe an effective management system designed to integrate its environmental principles.	66	
15		The Report describes effective monitoring and evaluation mechanisms about environmental management.	65, 66	
16		The Report applies standardized performance indices about environmental management.	64, 65, 66	
17	Anti-Corruption	The Report describes the company's strong commitment, strategies and policies in the area of anti-corruption efforts.	31	G4-5
18		The Report describes an effective management system designed to integrate its anti-corruption principles.	32, 33	
19		The Report describes effective monitoring and evaluation mechanisms in the area of anti-corruption efforts.	34	
20		The Report applies standardized performance indices about anti-corruption efforts.	34	
21	Strategies, Governance and Engagement	The Reports explains about the implementation of Global Compact Principles within the company's value chain.	14, 15	G4-1
22	External Assurance and	The Report offers information on the corporate profile and operational environments.	About This Report, 8~13	G4-3~1
23	Transparency	The Report includes a high level of transparency and disclosure.	About This Report	G4-28~3

Awards and Memberships

Time	Awards	Host
2013.02	Ranked first in the most respected company ranking in Korea (the culture & leisure sector)	Korean Management Association Consulting (KMAC)
2013.03	Won the grand prize at the Creative Business Management Award of Korea in the category of management transparency	Joongang Ilbo
2013.07	Won the grand prize at the Korea Management Award in the category of customer value management	Korean Society of Consumer Studies, the Dong-A Ilbo
2013.09	Ranked first in Great Places to Work (tourism & leisure sector)	Korean Management Association Consulting (KMAC)
2013.09	Ranked highest in Responsible Gaming Framework Certification	WLA (World Lottery Association)
2013.11	Won the Minister of Interior Award at the Korea Safety Awards	Safety Zone Certi, Korea Fire Institute
2013.11	Won the grand prize at Korea Internet Communication Awards in the category of social marketing	Korea Internet Communication Association
2013.12	Won a special grand prize at Web Award Korea	Korea Internet Professional Association
2013.12	Won the Prime Minister prize at Korea Records Management Evaluation	The Ministry of Interior
2013.12	Selected as the best performing institution in the nationally certified youth training program (won the Minister's Award)	The Ministry of Gender Equality & Family
2014.01	Acquired Barrier-free Living Environment Certificate (Olympic Hall)	The Ministry of Land, Infrastructure and Transport; and the Ministry of Health & Welfare
2014.02	Ranked first in the most respected company ranking in Korea (the culture & leisure sector) for three years in a row	Korean Management Association Consulting (KMAC)
2014.07	Selected as the best youth training facility in Korea	The Ministry of Gender Equality & Family
2014.10	Won the Minister of Health & Welfare award at the 2014 Sharing Korea Awards	The Ministry of Health & Welfare, KBS, and Community Chest of Korea
2014.11	Won the Minister of Interior prize at the Korea Safety Awards	The Ministry of Public Safety and Security
2014.11	Won the grand prize at the 2014 Korea Social Media Awards in the category of social marketing (Division of Cycle & Motorboat Racing Business)	Korea Internet Communication Association (KICOA)
2015.03	Won the grand prize at Adding Happy Social, Contributions Awards in the public service sector	Korea Employers' Federation, Association of Korean Journalists
2015.10	Selected as an excellent case study in 2015 Government 3.0 (one of Korea's top-5 public institution collaboration tasks)	The Ministry of Interior
2015.12	Won the Minister's Award in the promotion of exam-free semesters in public schools	The Ministry of Education



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Memberships of Associations

The UN Global Compact The UNESCO Chairs Programme The Olympic Museums Network (OMN) The Korean Museum Association The Korean Art Museum Association Korea Cycling Federation Union Cycliste Internationale (UCI) Korea Youth Hostel Association International Youth Hostel Federation The World Federation of the Sporting Goods Industry (WFSGI) The World Lottery Association Korean Society of Public Enterprise

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Asia Pacific Lottery Association (APLA)



KSPO has joined 'the UN Global Compact,' the world's largest corporate sustainability initiative of the United Nations. KSPO complies with all of the ten principles of the Compact in four categories of human rights, labor, the environment, and anti-corruption.

Principle U 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 02	make sure that they are not complicit in human rights abuses.
Principle 03	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 04	the elimination of all forms of forced and compulsory labour;
Principle05	the effective abolition of child labour; and
Principle06	the elimination of discrimination in respect of employment and occupation.
Principle 07	Businesses should support a precautionary approach to environmental challenges;
Principle 08	undertake initiatives to promote greater environmental responsibility; and
Principle ()9	encourage the development and diffusion of environmentally friendly technologies.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

Reliable Supporter for the Promotion of Sports Welfare

Enjoy Sports, We Support

2014-2015 KSPO SUSTAINABILITY REPORT

KSPO will contribute to the improvement of the quality of life by uniting all Koreans as one and helping them live a healthy and vibrant life through daily sports.

KSPO created a place of communication and built trustworthy relationship in order to listen to the voice of our stakeholders. We will make better today than yesterday through the realization of sports welfare.

Publisher: Lee, Chang-seob Publishing office: Korea Sports Promotion Foundation (KSPO) Date of publication: 2016. 11



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