

**aT** 한국농수산물유통공사  
Korea Agro-Fisheries & Food Trade Corporation



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CEO Message

aT will make every effort to upgrade the Agro-Fishery Industry with future-potential and growth dynamism, and contribute to the balanced development of the national economy through increased income of agro- fishery workers and development of the industry



Dear Our Clients and Stakeholders,

The Korea Agro-Fisheries & Food Trade Corporation (aT) was founded as the Agriculture & Fishery Development Corporation in 1967, and it changed name to the Agricultural and Fishery Marketing Corporation. Since January 2012, the aT has been renamed, aiming at expanding exports and developing food industry.

Since its foundation, we have made efforts to enhance the income of agro-fishery households and develop the national balanced economy by implementing the stabilization of supply & demand and improvement of distribution channels of agro-fishery products, as well as support of their overseas exports and cultivation of food industry, keeping our mission to take full care of all foods of national people in mind.

With relocating our headquarters to Naju, Jeonnam Province since 2014, the Corporation has pursued the local based management that allow us to perform the balanced development of regions and to implement the various activities for the social contribution to recover the local community. As you are aware, it’s increasingly important nowadays that public corporations should enhance their social values and meet the heightened expectations of peoples. To this end, we set the cornerstone (or

central axis) recovery of publicity, and tried to create the social values through “commitment ourselves to our mission”. Also based on the social value, we coordinated the various opinions of stakeholders by reflecting their needs and strengthening the regular communication channels in order to perform our businesses successfully.

By focusing on human rights management, along with ethical management, recruitment of competent manpower, pro-environmental management and advanced customer satisfaction, we were awarded by renowned institutions in its performance. Also, we played a significant role in balanced labor activities, fairer policy of recruitment, creation of job opportunity and expansion of growing together movement.

Based on this management philosophy, the Corporation contributed to enhance the nation’s position by successfully performing foreign aids of rice totaling 750 tons given to Myanmar and Cambodia, first ever in the country, pertaining to the APTERR (a foreign aid). We supported the direct transaction center (between farmers and consumers) for local food as new-type distribution channel and its numbers dramatically increased from three centers in 2012 to 188 centers in 2017. In particular,

Electronic Procurement System for School Food, being operated by the Cyber Exchange in cooperation with the National Police Agency, has been utilizing by 88 percent of all schools in the country.

Dear Clients and Stakeholders,

Our agricultural products have developed remarkably in many respects in the field of production management, distribution and exports, etc., that have been well received by a number of countries in the world. We well recognized our new mission in leading the world in the area of agricultural food industry by realizing public value of agriculture and human based agricultural development.

Reiterating our promise in leading the way to grow together with all stakeholders with sustainable agricultural development, we, Korea Agro-Fisheries & Food Trade Corporation, look forward to your continued support and patronage in the days ahead.

Sincerely yours,

President & CEO  
Byung Ho Lee

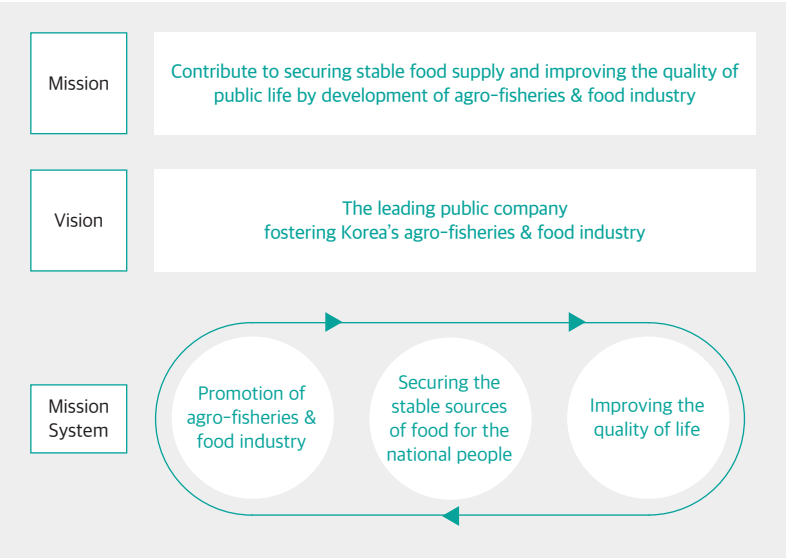
LEE, Byungho

# Corporation Profile

### Overview

Name of Institution	Korea Agro-Fisheries & Food Trade Corporation (aT)
President & CEO	Byung Ho Lee
Purpose of Foundation	Contribution to the growth of income for agro-fishery households and balanced development of the national economy
Type of Institution	Quasi-Government Institution by mandatory execution type
Date of Foundation	December 1, 1967
Product & Services	Stabilizing supply & demand, Improving the distribution channels, Promoting exports, Fostering food industry
Total Asset	KRW1,190 billion (FY2017)
Total Sales	KRW 301.8 billion (FY2017)
Net Income	KRW 7.7billion (FY 2017)
Number of Employees	779.5 (As of the end of 2017)
Address of Headquarters	227, Munhwa-ro, Naju-si, Jeollanam-do, Korea

### Vision



### Core Values

Yes aT

Yes	Excellence	Surprise	Action	Trust
Positive thinking that 'Everything is possible'	Professional attitude excellence that strives to realize the best quality	Attitude desire and the matching attitude to impress delight customers and internal and external interested parties stakeholders	Proactive attitude to practice work with a sense of ownership	Establishing trust based relationships among customers and internal and external interested parties stakeholders

### Mid-and Long Term Management Strategy

#### Strategic Goal by Year (2018-2022)

Core Businesses	Strategic Goal	Contents of Indicators	2018	2019	2020	2021	2022
Supply & Demand	I . Stabilization of Supply & Demand of Agricultural Food through Reinforcing the Domestic Production Base	Deviation of Consumer price index on the Products under aT management (Within percent)	79	78	77	76	75
Distribution	II . Advanced Efficiency for the Distribution of Agricultural Food and Enhancement of Competitiveness in the Place of Production	Reduction Amount of new Distribution Expenses (In KRW Billion)	488	583	682	780	879
Exports	III . Creation of Overseas Demand to the Domestic Agro-fishery Food	Export performance of Supported Agro-Fishery Food SMEs (In USD Million)	2,420	2,660	2,930	3,220	3,540
Food	IV . Linkage of Food Companies to the Agro-fishery Industry and their Reinforcement of Competitiveness	Use of Domestic Raw Materials Agricultural Products (percent)	31.8	32.0	32.2	32.4	32.6
Management	V . Strengthening the Sustainable Management Base	aT Sustainable Management Index* (Above scores)	87	90	92	95	97

\* aT sustainability management index represents such goal achievement ratio as KoBEX SM index (30%), GWP satisfaction index (30%) and strategic goal index of operating innovative system (40%).

# Corporate Governance

## Board of Directors and Operation

### Board of Directors

Classification	Name	Responsibility
Executive Directors	Byung Ho Lee	President & CEO
	Yu Sung Lee	Deputy President (Planning)
	Ki Woo Lee	Supply & Demand
	James Baek	Export of Food
	Hae Young Cho	Marketing Support

Classification	Name	Area of Expertise
Non-executive Directors	Seong Woo Wang	Agricultural Economy & Management
	Su Hwa Lee	Agricultural Economy & Food safety
	Se Il Jang	Agricultural Production & Management
	Ju Dong Kim	Agricultural Distribution, Social Welfare
	Hak Su Jung	Agricultural Economy & Management

※ as of April 23, 2018

### Composition of Board of Directors and Respective Roles

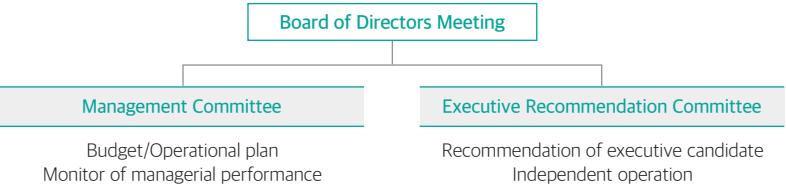
The board of directors is the supreme decision-making body of the corporation, consisting of four standing directors, including the president, and five non-executive directors. The proportion of non-executive directors is kept at 50% or above in order to monitor and check management functions.

The president is appointed by the national president, following the recommendation of executive recommendation committee and resolution of the steering committee of public institutions, and executive director is appointed by the corporation's president through fair and objective nomination process based on the related law. The non-executive directors are appointed by the minister of agriculture, food and rural affairs, after recommendation by the executive recommendation committee through open recruitment.

### Operation System of Board of Directors

In order to enhance the efficiency of decision-making, the corporation will set up a regular meeting schedule for the fourth week of each month to increase the participation rate and facilitate the overall management advice and supervision function. In addition, we have two sub committees under the board of directors. Those are management committee, which serves as an advisory role for the corporation's overall management, and executive recommendation committee, which recommends candidates for executives. In addition, we operate the on-site board of directors in order to enhance the understanding of business sites and conduct in-depth support in each site.

#### Sub Committees under the Board of Directors



## Operation of Sustainability Management Advisory Group

### Advisory Group of Sustainable Management

Classification	Name	Incumbency
Social Contribution	Jin Young Noh	Jeonnam social welfare council
	Min Chang Lee	Chosun University
	Nam Guk Kim	Dong-A business review
Ethical Management	Jae Eun Kim	Seoul school of integrated sciences & technologies
	Young Kyun Chang	Sogang University
	Jiny Hong	Jandari village community
Customer Satisfaction	Yong Kang	Haksa Farm
	Se Jong Oh	KMAC
	Seong Jin Oh	Elim Trade

In order to recognize the importance of corporate social responsibility such as social contribution and ethics management, aT integrated 'Sustainable Management Advisory Group' that was established in June 2013 with sustainable management advisory committee, designed to establish basis for gathering various opinions and enhance feedback function on the overall sustainable management for customer satisfaction, ethical management and social contribution. We discuss matters related to basic planning and implementation and decision on other important issues concerning sustainable management, hold meetings quarterly, and advise on major issues via online and in writing.

# Risk Management

## Corporate Risk Management System

Risk Management by phases

Common	
1. Risk/Derive of threat types 2. List/Operation of interest period 3. Evaluation of level/Issue of alert 4. Guideline of Operation (Manual)	
Prevention	Removal in advance & problem solving
Precaution	Preparation, training, monitoring input resources at crisis
Response	Interest-attention-vigilance-respond crisis by phases
Recovery	Input resources for recovery, feedback, consideration of improvements

## Organization of Risk Management

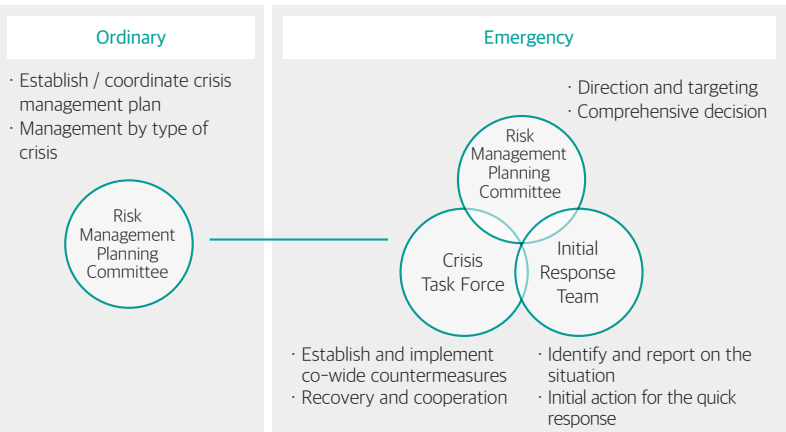
Control Departments

Emergency Planning Division	Information Security T/F
· Perform duties as control department · Assume responsibilities for natural disaster and human casualties (Explosive terror) · Against cyber terror and IT system failure	

## Risk Management for the Supply & Demand of Major Agro-Fishery Products and Future Plans

We have prepared “Crisis Management Guideline” in the form of Enterprise Risk Management (ERM) since 2008, and could cope with various risks by recognizing the contingent risks and operating specific risks systematically. At ordinary times, we install the risk management planning committee initiated by one deputy president to manage the general risks, and at crisis, we’re operating the risk management committee and crisis counteraction Unit comprise of president, member of the board and control departments/ departments in charge.

Risk Management System



aT has been managing risks in advance concerned to be taking place, including the unstable supply of agricultural products both at home and overseas triggered by change of climates, etc. At crisis, we take prompt and systematic actions by specifying the job description and related missions, that allow us to contribute to the stability of national peoples’ lives and the promotion of income for the agro-fishery households.

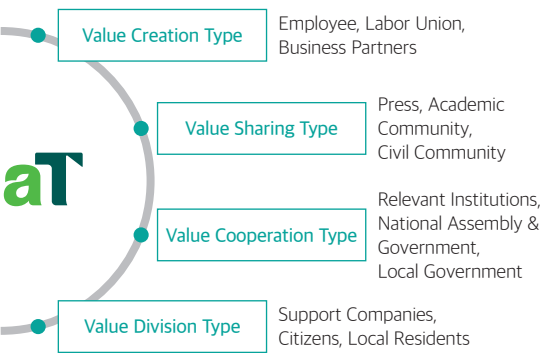
Departments in Charge

Planning and Coordination Department	Management Support Division	Finance Division	Public Relations Department	Stockpile Division	Food Management Division
Export Business Division	Information Strategy Department	Export Strategy Division	Agro-Fisheries & Food Industry Support Center	Flower Business Center	

aT has been focusing on the related risk management on an annual basis, taking the instability of agricultural products being increased into consideration. In particular, we took preemptive actions by analyzing the various information of supply & demand in the area of agricultural products, and holding supply & demand coordination committee on a regular basis in 2017. As a result, we achieved the price stabilization amounting to KRW151.8 billion to such key 5 products as dried red pepper, cabbage, radish, onion and garlic. In the future, aT plan to upgrade the information of supply & demand on the agro-Fishery products by building up the integrated distribution system and integrated platform of export infrastructure in an effort of integration strategy of relevant information on the agricultural products. By taking these measures, we will be able to continually reduce the risks of supply & demand for the national people and agricultural households.

# Stakeholder Engagement

## Creation of Stakeholders’ Value



### Method of Value Creation










**Value Creation Type\_** aTM Self Innovation Group: it created the T/F for job creation and full-time staff workers in order to create the vision of organization and develop organizational culture, as well as made effort to build up the basis of management structure based on mutual trust among aT executives and staff in order to achieve set up its management goal strategy and develop future tasks (7 cases)

**Value Sharing Type\_** aT gathered various opinions (275 cases) about the pending issues (68 cases) including 2017 eggs supply crisis, safety food, price stability and expansion of consumption, etc., through strengthening the communication with Management Advisory Committee, Fair Trade Commission, and associations of producers and consumers, that allow us to achieve good performance on the reduction of violation cases of the distribution industry law.

**Value Cooperation Type\_** We created the public interests, in collaboration with government institutions, aT Business Council as well as through MOU with related institutions. In particular, aT tightened control to the meal companies through establishment of MOU with the National Police Agency to prevent the unprecedented safety food accident, and we strengthened the control to meal companies on sanitary and safety aspects through safety food arrangement with 7 government institutions including the Ministry of Food and Drug Safety.

**Value Division Type\_** We had a good performance in job creation and support to start-up companies by operating the customer consulting center, happy call, aT love sharing group and youth program (YAFF, AFLO). As a result, we supported the youth to identify jobs in food companies both at home and overseas (14 people) and to establish start-up companies (31 people). In the assistance of social weakness, we donated through aT food dream happiness sharing team and supported the family under crisis through aT good neighbors business (737 families).

Communication Channel by Stakeholders

	Employee 	Labor Union 	Business Clients 	Citizens & Youth 	
Interests of Stakeholders	General management activities	Improvement of working conditions	Expansion of safety food	Creation of job opportunity, social contribution	
Communication Channel	aTM self innovation group	Labor management committee, Sub committee	Conference, MOU	Youth program including job opportunity, etc	
Performance of Communication	Development of future tasks	Enhancement of employee satisfaction, Expertise in labor business	Strengthening meal company, sharing information of safety food	Creation of 715 jobs	
	National Assembly & Government 	Press 	Relevant Institutions 	Experts & Academic Community 	Local Community 
Interests of Stakeholders	Realization of public interest	Price information	Strengthening cooperation	Participation of management	Social contribution, regional development
Communication Channel	Business council	Report, meeting, press briefing	Council, MOU	Advisory committee	aT love sharing group
Performance of Communication	Upgrade policy	Increase of PR performance (20 thousand cases)	Strengthening safety food, expansion of integrated distribution information	Strengthen management expertise	Increase of donation, support to family under crisis

## Result of Questionnaire to Stakeholders

aT implemented the questionnaire to a number of stakeholders in order to gather their various opinions, prior to issue of the sustainability report, that was performed from March 23, 2018 being done for 7days, conducted to various stakeholders such as its employee, partner firms, customers, local community, NGO, press, research institutes, academy & business associations and government & related institutions.



## Materiality Analysis

## Materiality Analysis

## Materiality Analysis Process

Step 1	
Composition of Issue Pools	
Media Research	Jan. 1, 2016 ~ Dec. 31, 2017 Analysis of media articles
Benchmarking	Domestic public institutions and advanced food related companies at home & overseas
International Standard Analysis	GRI Standards, ISO 26000, UN SDGs
Review of Internal Materials	Management policy, evaluation & report of management performance

## Step 2

Evaluation of Priority	
Evaluation of Business Influence	Media analysis Benchmarking analysis Evaluation of experts
Identification of Stakeholder's Interest	Questionnaire to stakeholders

### Step 3

Derive of Core Issue
Selection of 11 core issues
Selection linking with core issues report

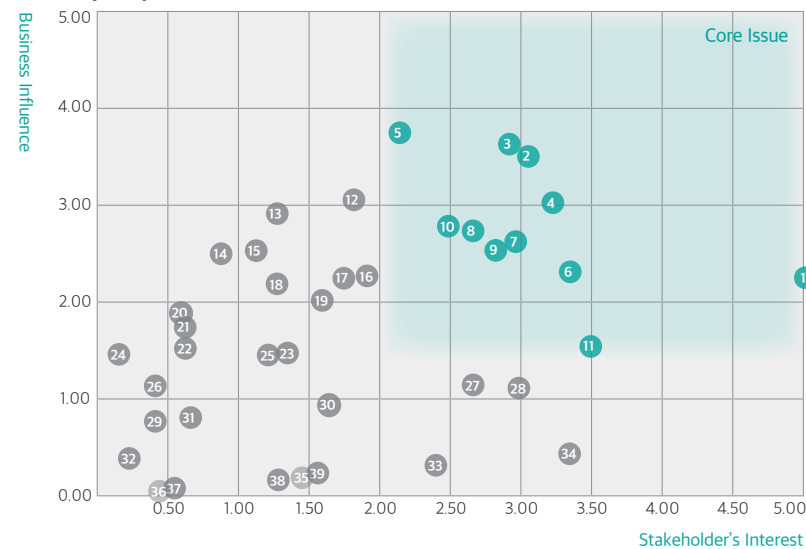
No.	Issues		
1	Encouraging eco-friendly distribution of agro-fishery food	15	Building up a basis for fostering food industry
2	Strengthening aT competence by fostering manpower	16	Securing new growth engine by supporting start-up companies
3	Reinforcing global competitiveness of agro-fishery food	17	Provision of customized information for consumers
4	Securing balance of works and life	18	Ensuring diversity and equality
5	Strengthening program for ethical management	19	Effort for energy saving
6	Strengthening safety of agro food	20	Reinforcing management to agricultural water and waste water
7	Building up the system of environmental management	21	Reinforcing wholesale market of agro-fishery products
8	Upgrade customer satisfaction	22	Restriction of possible violation of human rights during operation
9	Realizing sound organizational culture	23	Strengthening activities to gather various information of stakeholders
10	Establishment of fair trade order	24	Strengthening employee safety and health management system
11	Growing together with agro-fishery industry and food industry	25	Reinforcing capability to cope with possible crisis
12	Expansion of recruitment based on social equality	26	Strengthening control to wastes and sludge
13	Reinforcing social activities attended by aT employee	27	Purchase increase of eco-friendly products
14	Activation of direct transaction between farmers and consumers	28	Encouraging green foods
		29	Compliance of laws and regulations related to advertisement and marketing
		30	Fair evaluation of employee performances & appropriate compensation
		31	Reinforcing protection to the customer information
		32	Eliminating unfair labor practices including child labor and forced labor, etc.
		33	Creation of social values by supporting agricultural SMEs and related start-ups
		34	Contribution to the stabilized supply & demand of agro-fishery products and price stability
		35	Effort for reducing green-house gas
		36	Keeping sound financial structure and its improvement
		37	Advanced labor-management relationship
		38	Job creation activities for the development of local community
		39	Reinforcing the specialized social contribution activities

We derived 39 issue pools in the areas of economy, society and environments, pertaining to the aT sustainable management activities through the media research, bench marking, indicator analysis on international standards and review of internal materials. And then we made matrix of materiality analysis, considering the evaluation of influence analysis among issue pools derived and various interests of stakeholders being calculated by questionnaire analysis. aT plans to establish an appropriate counteraction on the issue of sustainability management based on the result of materiality analysis.

## Materiality Analysis Results

We selected the core issues as items above 5 scores, adding interest scores of stakeholders with maximum score of 5 and scores calculated by influence of business, and derived our core issues totaling 11 items. Core issues were chosen as titles of reports after reviewing the internal adaptability, in connection with items defined in the guidelines of GRI Standards. Relevant contents will be shared with stakeholders both inside and outside after describing in the reports in detail, and be utilized to establish our management goals in the future.

## Materiality Analysis Matrix



**Stabilization of Supply & Demand / Improvement of Distribution Channel  
/ Promotion of Exports / Fostering the Foods Industry**



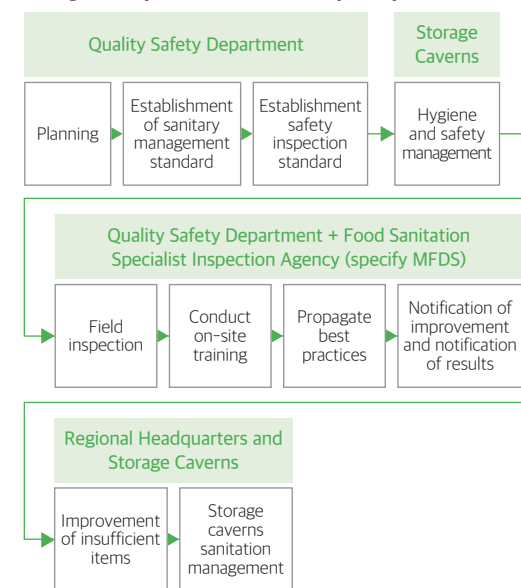
## Stabilization of Supply & Demand

## Reinforcement of Integrated Supply & Demand Management



Combined Distribution Information System of Agricultural Products  
<https://www.sugeup.or.kr/>

## Management System of Product Quality Safety



Improvement of Storage Capacity through  
Modernization of Storage Caverns  
(existing 68,000 tons) ►



### Upgrade of Integrated Supply & Demand Information System

aT has been operating the integrated supply & demand information system which produce and deliver the systematic information covering prospects and relevant counteractions by gathering information from the related institutions. We provide the customized services by users including expansion of agricultural products & their additions and improvement of convenience, etc. through gradual upgrade of our system on a yearly basis, which allow us to take timely actions of supply and demand on a swift and accurate manner.

### Activated Operation of Supply & Demand Management System

aT enacted the manual of stabilizing supply & demand to cope with abnormal weather, and is able to tackle with abnormal weather conditions in all courses from the production to shipment of agricultural products. Based on this system, we took appropriate and timely actions in 2017, and price fluctuation ratio of 5 key vegetables of cabbage, radish, onion, garlic and dried red pepper in 2017 reduced by 2.7 percent reaching to 15.2 percent.

## Reinforced Quality Control

In order to meet consumer requirements considering the trends of reinforced food safety from overseas and changed market circumstances, aT established the "Hygiene and Safety Management System of Storage Agricultural Products" an upgrade system setting its top priority on the hygiene and safety management of agricultural products. To this end, we quarterly examined the agricultural products in storage caverns and ones under our custody. And in October 2016, installed the laboratory for quality control in order to perform the safety examination and ensure the more efficient hygiene management.

### Modernization & Enlargement of Storage Caverns

We have been building up the infrastructure for the modernization and enlargement of storage caverns in order to adjust the supply & demand of agricultural products and their price stability. To this end, aT integrated the local 8 storage caverns into 4 areas (chungcheong, honam, daejeong & buyeong), increase efficiency of storage business by modernizing and enlarging the existing storage caverns, and reduce the maintenance expenses, which allow us to contribute to the price stability of agricultural products, securing food resources and provision of quality safety agricultural products.

## Modernization of Storage Caverns





Stabilized Supply & Demand of Key Products



Storage Caverns (storage by purchasing cabbage and radish)

Effect of Stabilizing Supply & Demand of Agricultural Products  
(Unit: KRW billions)

Items	Influence	Effect
Cabbage	Price Stabilization	9.4
Radish	Price Stabilization	19.2
Dried Red Pepper	Price Stabilization	81.9
Garlic	Price Stabilization	25.6
Onion	Price Stabilization	15.7



Commemorative Ceremony on Overseas Aid of 750 tons of Rice to Myanmar and Cambodia, First Case in the Country (May 2017)

Contribution to Stabilize Supply & Demand and Price of Agricultural Products

aT has been continually implement the price stability through releasing its vegetables under storage. Based on the integrated distribution information system, we are able to forecast accurate weather information, volume of production and inventories, which contribute to timely purchase and effective price stability. With respect to the seasoned vegetables, we completed the purchase such vegetables as garlic and onions prior to the harvest season of April by introducing the basis bidding system in 2017, that allow us to achieve our goal of stable supply & demand and price stabilization despite reduction of production volume affected by abnormal weather.

Protection of Production Basis on the Chronic Lack of Products

We make effort to protect such products as bean and sesame with low domestic sufficiency ratio. With regard to bean, we encouraged farmers to cultivate beans in the rice fields in order to expand the production base, and supported big-sized users. In case of sesame, we have been protecting the sesame production to prevent the unreasonable imports through effective management of FTA TRQ, and we were awarded by the Prime Minister in the nation for the good performance concerned in 2017.

Stable Performance of APTERR Agreement

aT has been recognized by the government on the expertise of grain management, and in accordance with enforcement ordinance of the grain management law, we have been performing the commissioned business of “Rice Storage for Overseas Aid at Emergency”. We cope with over supply and price reduction by purchasing rice for overseas aid on a timely manner., aT successfully implemented this mission, beginning aid of 750 tons of rice to Myanmar and Cambodia in May 2017, and added to Vietnam with aid of 10 thousand tons of rice. We take pride in upgrading the national position by contributing to the protection of the nation’s rice industry and performing APTERR on a stable basis.

\* APTERR(ASEAN Plus Three Emergency Rice Reserver)  
A public storage system to store the contract volume and support at emergency, according to the emergency rice storage agreement between ASEAN, Korean, Japan and China.



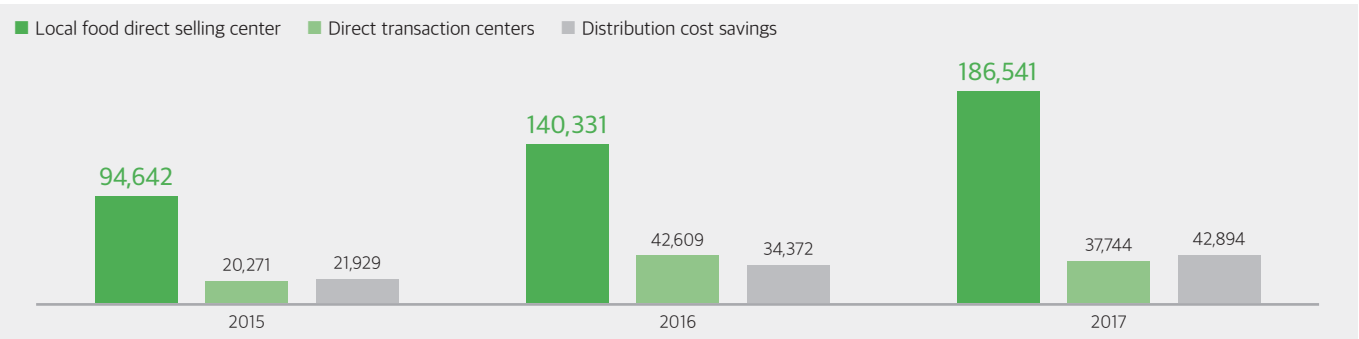
Improvement of Distribution Channel

Expansion of New Distribution Channel

Establishment of Direct Transaction Base

aT have made various efforts to increase direct transaction of agricultural products in order to make both producers and consumers enjoy more benefits by reducing the phases of distribution and related expenses. We fostered the local food direct selling center for small & medium sized farmers, and supported to install the regular direct transaction centers between producers and consumers on face-to-face basis. As a result, we achieved a various spreading effects which include the reduction of distribution expenses through new distribution channels, decreased environment contamination by reduction of food Mileages and activation of regional economy with creation of virtuous cycle structure between local production and local consumption.

Performance of Activated Direct Transaction (Direct transaction sales and distribution cost savings) (Unit: KRW millions)



Performance of Cyber Exchange Activation & Stabilization

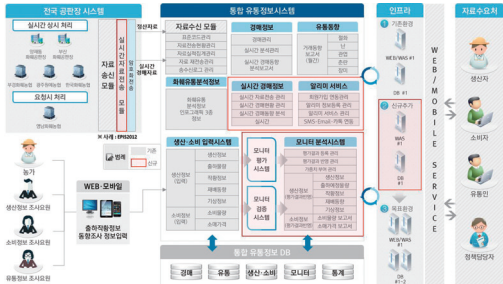
B2B Cyber Settlement Transaction System	(object) Agro, fishery-livestock company — Companies
	(Performance) Large transaction, establishment of on-line agro, fishery-livestock wholesale market function Transaction volume : KRW 265.1 billion
New Distribution Service for SME	(object) Small business — Farmer, buyer & seller
	(Performance) Preparing new on-line distribution channel like food materials mart Transaction volume: KRW 56.8 billion
Electronic Procurement System for Cyber School Meals	(object) School — Food materials supply companies
	(Performance) Expansion of “Safety Food Net” by sharing information with government & public institutions Transaction volume: KRW 2,655.6 billion

Activation and Stabilization of Cyber Exchange

Cyber exchange aim at reducing the distribution channels and related expenses by building up the on-line market for transaction of the agricultural products in which private parties are difficult to participate, and thereby contribute to the price stability through increasing producers’ income and offering the consumers reasonable price. In the B2B transaction, the exchange plays a role of on-line wholesale market to the agro, fishery-livestock products with large-sized transaction, and perform the intermediate function in the food materials through pos-mail, a direct system exclusively used for the small companies. In the institutional food services, the exchange focus on reinforcing public function through establishing the school food safety net, such as utilization of intelligent bidding control system, building up the detailed cooperative network with food safety institutions and completion of cooperation agreement with the National Police Agency to eliminate the companies with unfair business practices.



## Upgrade of Competitiveness of Existing Distribution Channels



Information System of Flower Distribution

## Upgrade of Distribution Infrastructure

Total Training Results (1985~2017)

**158,113** persons

Course for Fostering Experts (as of Dec. 31, 2017)

Classification	Plan (A)		Performance (B)		Achievement (B/A)	
	Program	Person	Program	Person	Program	Person
Distribution	57	6,645	57	7,131	100%	107.3%
Food	29	2,055	30	2,463	103.4%	119.8%
Total	86	8,700	87	9,594	101.1%	110.2%

### Support to the Wholesale Market for Operational Efficiency

aT strengthened the core function to enhance the social role of the wholesale market. We expanded the fixed-price free transaction in order to ease the price fluctuation of the agricultural products, and continued to support the distribution machinery with encouraging palletized shipment in order to promote the efficiency of distribution in the wholesale market. For the stabilization of supply & demand of the agricultural products, aT provided the various information of transaction including auction price and trends of transaction in the wholesale market, and expanded the incentives such as support of differentiated on-site business by detailed review and evaluation of respective wholesale markets, and financial support designed to create continued performance in the excellent market. To the inactive market, we took appropriate actions to provide consulting and support the review of operations, in order to improve the operational problems and encourage the managerial normalization, along with strengthened the sanction to the reckless management.

### Support for Fostering Flower Industry

aT made efforts to promote the distribution of flowers and strengthened the fair transactions practices. To this end, we expanded the fixed-price free transaction and established the system to gather and deliver the information on the flower distribution, as well as support operating funds including advance payment for shipment to workers in the flower industry. We also operated the program to support job creation in the flower industry, which include the implementation of flower truck and aTium business to support the start-ups for the youth, and operated the hands-on education utilizing idea products of start-ups. In addition, we executed the social contribution activities linking with regional and relevant institutions, such as operation of Horticulture Therapy to the people needed for social protection like the handicapped and multi-ethnic families, and implemented the hands-on education for future career and job to the youth in the local areas.

### Fostering of Experts in Agricultural Food Distribution

aT focused on fostering professional management in the area of distribution and on-site experts (production place organization, wholesale market & direct transaction), and enhancing the capabilities of workers engaging in marketing, global business and hygiene safety, etc., along with expanding the education for identifying jobs and start-ups to meet the government policy. Also, we increased the customized education (27th) by actively developing the new demands of education, such as Gyeonggi Agro Food Institute, Korea Forestry Promotion Institute, Dure Cooperatives and Hansalim, to name a few. Also, we reviewed the current education business by operating the education performance model ourselves, performed the research tasks of agricultural foods (61 cases) and reinforced the cooperation of joint research.

### Creation of Fair Trade Circumstances

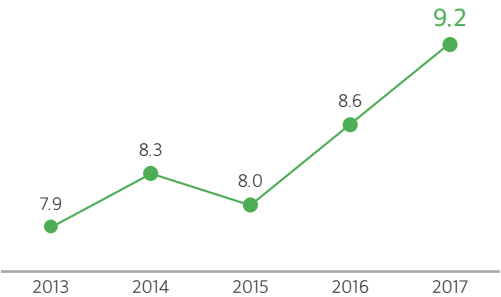
aT led the fair trade custom through the establishment of cooperative system among industry, academic community, government and research institute, and its opinions were reflected to our policy for improving the distribution circumstances. To this end, we operated Fair Trade Secretariat and conducted a survey of unfair trade practices in cooperation with consumer groups to induce independent efforts and spread the policy consensus. In addition, through operation of the Fair Trade Advisory Committee, we proposed to the Fair Trade Commission on the improvement of policy, and by operating Production Place Council, we upgraded the policy performance and improved the capacity of the production place organization, as well as we operated the transaction system council and development council of the wholesale markets. Those efforts resulted in a 46% reduction in the number of unfair trade cases under the Distribution Industry Law from 39 cases in 2015 to 21 cases in 2017.



# Promotion of Exports

## Strengthening our Response to Changes in Export Circumstances

Annual Export Trends of Agro, Forestry-Fishery Food  
(Unit: USD billions)



Young People Pioneering Group Activity (South Africa)

### Diversification of Export Markets

In the midst of a slowdown in China's exports due to the aftermath of THAAD deployment and the strengthening of non-tariff barriers by countries, the ASEAN market has been intensively fostered through new southward policy. Through its efforts to diversify the market, aT has strengthened on-site support for new markets in South America, India, and other countries, driving the first USD 9 billion export of agricultural products. In addition, by developing alternative markets, we are able to reduce the degree of exports to the U.S. and Japan (50.4 → 48.8%).

### Initiation of the Agrifood Frontier Leader Organization (AFLO)

In 2017, young people played a very important role in developing overseas markets. In order to ease the burden of developing new markets for agricultural products, the corp. launched a youth pioneer team consisting of university students and dispatched youth and export companies to the untapped markets, and conducted joint market survey among private, government and academic community, as well as identification of trade partners, development of distribution network with on-site marketing. As a result, we have contributed greatly to the performance including the first export of soymilk to South Africa.

### Support for Overcoming Non-tariff Barriers

In order to tide over the non-tariff barriers, we have actively supported to the localization project. We expanded the operation of specialized organizations such as laws of export countries, customs clearance, labeling and others (91 locations in 19 countries in 2017) to advise exporters regarding non-tariff barriers, and their exports increased 26% year-on-year to USD 9.1 billion. We have also devoted our efforts to establish a proactive response system by strengthening the case for trade difficulties by country, holding a number of seminarson customs clearance and on-site consulting services

#### Details of Support to Localization

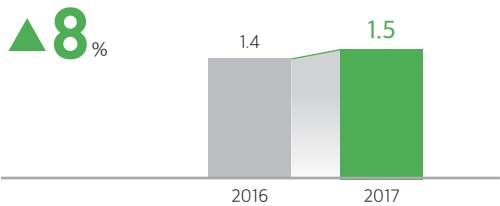
Classification	Contents
Advisory to remove non-tariff barriers	· Support of customs clearance, laws, tariffs, SPS(hygiene quarantines etc), and other on-site matters * Violation of intellectual property rights, response to forgery products, etc.
Support for labelling	· Support of local language rebelling and its registration * Support of quarantine related to prior sample quarantine
Application for trademark registration	· Support of application for trademark registration to protect intellectual property rights and brands
Localization of packing package	· Support for packing, package design to meet local perception
Support for buyer specialization	· Review of management of buyer, coaching & consulting · Expenses for import food quarantine, registration and store opening for market test * ML registration in Indonesia, quarantine of import foods
Analysis of goods & PR	· Identification of promising goods on one branch-one item basis · Product analysis to derive the differential value of products · PR of differential value for the development of local markets



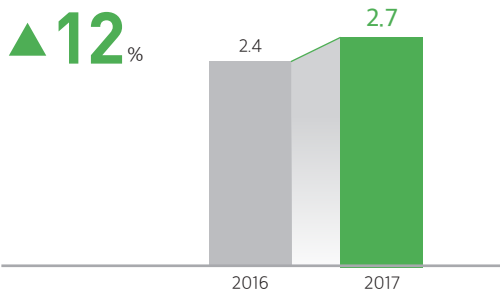
## Support for Export to Create Income of Agro-Fishery Households

Prepare a System for Intensive Support for Income Items

Domestic Raw Material-only Business Support Companies (316 companies) Exports (Unit: USD billions)



29 Strategic Items Exports (Unit: USD billions)



## Strengthening Competitiveness of Export Companies



K-Fresh Zone in Singapore

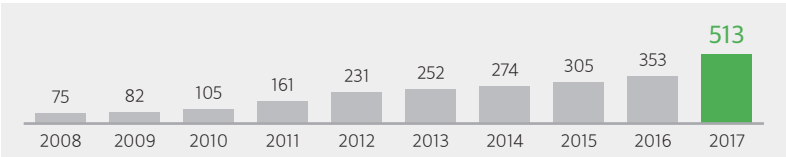
### Creating a Base for High Quality Agricultural Products

The corporation strengthened the safety management of high-quality agricultural products and strengthened its production and export base by establishing a smooth supply system. The number of cases of safety violations has decreased by 17% by supporting production and safety management of agricultural export production complexes and by operating the vegetable identity system of exports to Japan and expanding the advance registration system of exporting strawberry to Hong Kong and cabbage to Taiwan. In addition, we expanded marketing by utilizing the exporters organizations and co-brands.

### Making High Value-added for Exporting Agro-Fishery Products

Since 2016, the aT has initiated the Miracle project to foster the promising export items that will be “big in the future.” In 2017, we identified 15 items (ginkgo, sweet red pepper, shine muscat, etc.) with a high income contribution to the agricultural households, and high overseas demands and marketability. As a result, relevant exports amounted to USD 4 million by supporting the localization of design and overseas marketing activities. In addition, to meet the growing overseas demands of seaweed, we supported the expansion of the export market through the dispatch of the export development team to activate the various seaweed processing products for sushi and snack, etc., which enable us to export reaching USD 500 million, biggest volume first ever, to the 102 countries.

Annual Export Trends of Seaweeds (Unit: USD millions)



### Concentrated Support for Products Related to Income of Agro-fishery Households

aT contributed to the income for agro-fishery households by promoting the export of fresh agro-fishery products and products using domestic raw materials. We expanded the project to promote the use of fresh and domestic raw materials such as export logistics costs and brands, and has expanded our overseas marketing activities to 29 export strategic items (strawberries, mushrooms, seaweed, etc.) and prevented the rapid fall of domestic prices to the over-supply items (citron, peach, cabbage, etc.) by transferring those items to exports. As a result, the export volume of the 316 companies as supporting companies to use domestic materials, increased 8% to USD 1.53 billion in 2017 compared to USD 1.43 billion in 2016, and the export volume of the 29 strategic items rose by 12% to USD 2.72 billion in 2017.

### Reinforced Intermediation of Overseas Business

In order to reduce the cost of large overseas retail stores and market testing for new exporters, we have established an exclusive outlet for Korean food products overseas. We have installed the K-Fresh Zone, a dedicated outlet for fresh agricultural products, at three stores of NTUC who's Singapore's largest retail store, to launch 30 new products, including paprika and sweet potato. In Almaty, largest city in Kazakhstan, we opened fresh product shops with 45 items from 17 companies, and have developed three new trading partners for citron tea and grapes. We have successfully conducted new on-line transactions between export companies and buyers, and reinforced PR activities to the buyer matching mobile web, named “Hanshin Food”, enabling to match 41 companies' products.

## Fostering the Foods Industry



## Strengthening the Link between Agro-Fishery Industry with Food Service Enterprise

Performance of Using Domestic Agricultural Products

■ 2016 ■ 2017

Classification	Unit	Achievement
Direct transaction consultation	KRW Billion	14.7 15.2
Direct transaction consultation participation buyer	Person	279 338
Cyber food ingredients purchase amount	KRW Billion	11.9 12.4
Domestic agricultural products purchase fund support	KRW Billion	79.4 86.8

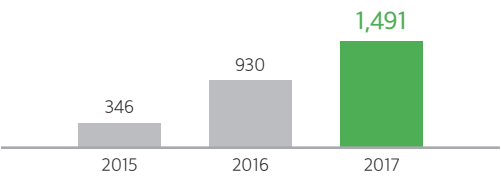
## Support for Strengthening the Competitiveness of Traditional Foods

By promoting direct transaction between the production place and food service industries, aT is expands the market for domestic agro-fishery products and encourages the quality of the food service industry. To expand the use of Korean food materials and enhance the competitiveness of the industry, small food service companies are encouraged to conduct a joint purchase of Korean food materials, support the installation of resmarket to support sales booths of local specialty agricultural products, and implemented the on-site education to promote the joint purchase of food materials from them.

To help strengthen the competitiveness of traditional foods, we opened the “lum”, a cultural complex where you can taste, experience and buy excellent traditional Korean liquor and traditional foods at one place. In addition, in order to improve the quality of traditional food products through fostering good brands, we continuously held a liquor show and Kimchi show, enabling them to enter large-sized supermarkets and TV home shopping by selecting 17 traditional liquor brands and 6 excellent kimchi brands in 2017.

## Strengthening Food Company Infrastructure

Annual Number of Information Access (Unit: thousand)



Program for Fostering Competitive Manpower

Areas	Performance in 2017
Matching of jobs	· Internship both at home and overseas (43 persons), Job Expo of agro-fishery industry (472 persons)
Social participation	· Briefing session visiting food companies (27 companies of /627 persons) including Ourhome, Pulmuone, Namyang, Daesang)
Realization of social value	· “Visiting Job Workshop” for regional university students (30 universities/339 students)
Procision of opportunity	· TED type education (519 persons/SNS 725,000 views) · Job training for fostering globally competitive manpower

### Provision of Customized Information to Agricultural Foods

We collect, process and analyze food, food industry statistics and related information as basic data for policy establishment and provide them to food companies in real time through the food and food service industry information statistics system (www.atfis.or.kr). In order to meet information users' demands on a timely basis, we provide basic statistics such as key statistics of the food industry, POS data of retailers, price DB of international raw materials and details of food companies, as well as in-depth survey and analysis including the segmented market survey by processed food items, in-depth survey of raw material consumption, business survey index of food service industry & its trends, etc.



### Fostering Human Resources and Creating Jobs in the Food and Food Service Industry

In association with the Korea Agricultural Products Future Planning (YAFF), a leading job community for agricultural and fisheries products, we operate local win-win youth job success package and internship programs both at home and overseas for food companies as an effort to support job matching with food service companies. In addition, we operate the job opportunity workshop for regional university students who are not easy to gather information on job finding and start-ups, and provide young people who wish to start a meal business with direct experiences such as food management, menu development, and customer service.

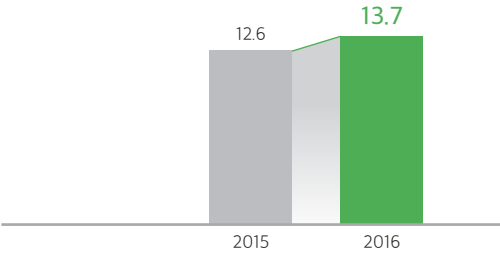




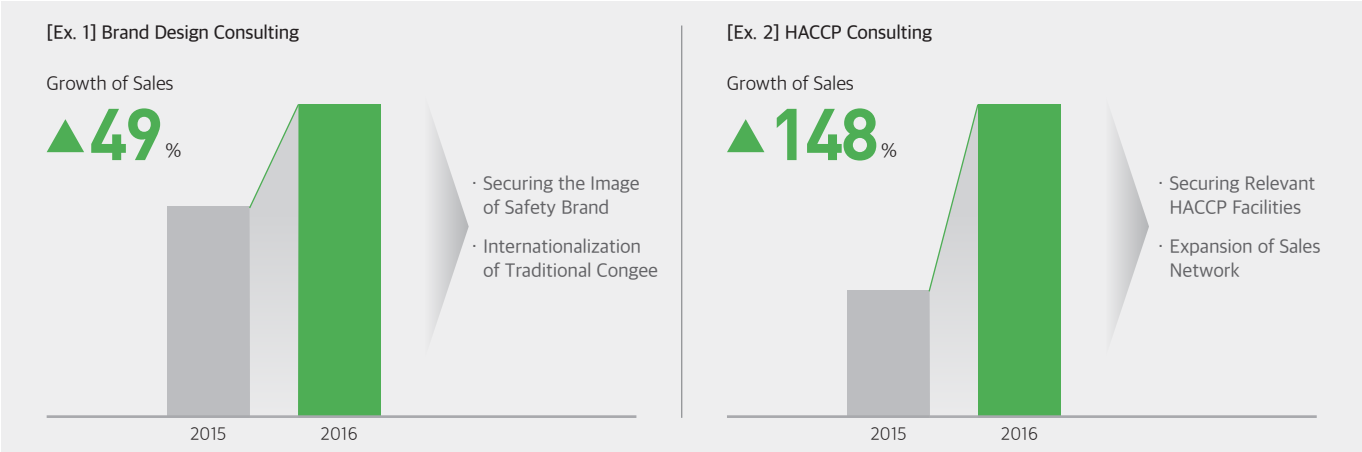
Improving Management Circumstances for Food Companies

Average Sales Growth by Cooperation Models (9 cases) between SMEs in 2016 (Unit: percent)

\* Not yet decided for the support volume during 2017 as of the end of March, 2018



Examples of Managerial Improvement through Consulting Support



Support for Enhancing Market Competitiveness of Food Companies



2017 Korea Food Festival (Buyer Consulting)

Preparing a Cooperative Base for Small and Medium-sized Food Companies

Under difficult industrial circumstances with the intensified polarization of food market, chiefly attributed to the expansion of dominant market share of large companies and the small scale of SME food companies, we support them who wish to create synergy effect through strategic alliance in the field of R&D, production and sales. In 2016, we identified a model of shared growth among SME food companies by supporting 24 companies in 9 organizations and 29 companies in 12 organizations in 2017. Supported companies strengthened their competitiveness through joint development of new products and joint marketing, allowing them to increase sales and create job opportunities.

Support for Customized/Differentiated Consulting

To improve management efficiency and competitiveness of SME food manufacturing & processing companies and food service companies, aT offer management and technology consulting services. To provide customized and differentiated consulting by companies from 2017, we introduced the aT support management system for food companies (FMS and support from the subscription of users to business consulting and matching of experts, allowing us to enhance the customer satisfaction by offering solutions to companies under difficulties. In particular, we contributed to the increase in sales of SME food companies by supporting them in the areas of food hygiene and safety verification and design consulting.

The aT recognizes that one of the biggest challenges for small and medium food companies is to build stable sales base and develop new markets, and it provides diverse support to address them. It supports to secure the stable sales market for local agricultural products by fostering SMEs that are integrated with agriculture, industry and commerce, and provides offline B2B business site with matching buyers and promoting counseling through holding the Korea Food Show (KFS). Through these efforts, we achieved meaningful results by increasing sales of SME exclusive sales stores and growing the number of consulting recipients among KFS participants.

\* SMEs integrating with agriculture, industry and commerce  
Agricultural workers and SMEs create high value-added by manufacturing new products in cooperation with the procurement of raw materials and development of technology

Ethical & Human Rights Management / Human Resources Management



Ethical & Human Rights Management

Ethical and Human Rights Management System

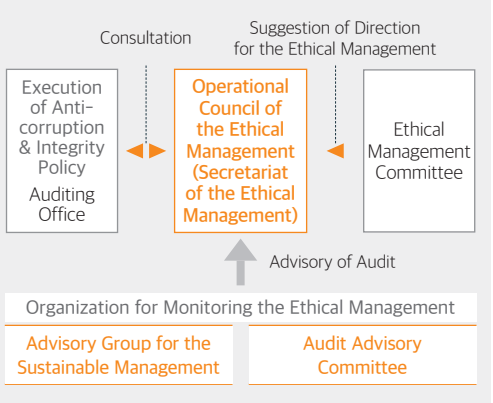
Infrastructure of Ethical & Human Rights Management

Exclusive Organizations	
Social Value Creation Department	Integrity & Auditing Department
Overall Control to the Ethics and Human Rights	Receipt of Reports & Inspection
Communication Channel	
Internal	External
Planning Group for Integrity Innovation (Grade 1), Execution Team (Grade 2), Execution Leader (Grade 3), Daily Operation Team (Grade 4-5)	Integrity Ombudsman (Quarterly), Sustainable Advisory Group (Quarterly), Bitgaram Integrity Network (Monthly)

Monitoring of Ethical & Human Rights Management

Internal
Survey of Self Integrity, Evaluation of Preventing the Corruption, aT Ethics Index Mileage of Integrity (regular), Watch of Integrity (vulnerable period)
External
Degree of Overall Integrity, Evaluation of prevention of Corruption Happy Calls from Business Clients (2,690 persons), KoBEX

Organization Chart of the Ethical & Human Rights Management



Strategy of Ethical & Human Rights Management

In order to achieve the aT's mission to secure safe food for the people and improve the quality of life through promoting the agro-fisheries food industry, the aT has established mid- and long term management goal as reinforcement of sustainable management foundation, and continually implemented the expansion of ethical culture and strengthening the internal control system. We set the ethics vision of "Just Goodness aT trusted by the Zero Achievement in the corruption occurrence and violation of human rights", and its strategic direction as the improvement of ethics and human rights management system, strengthening practical ethics and human rights management and creation of circumstances to achieve the external ethics and human rights management. In addition, we formulated detailed strategic actions for implementation as building the infrastructure for human rights management, institutional improvement to the corruption vulnerable areas, formation of consensus through tailored ethical education and expansion of culture to respect human rights.

Vision of Ethics	Realization of Trustworthy "Just Good aT" by Achieving Goal of ZERO on Occurrence of Corruption and Violation of Human Rights		
Direction of Strategy	Improvement of System on the Ethical & Human Rights Management	Reinforcement of Executing the Ethical & Human Rights Management	Creation of External Circumstances for the Ethical & Human Rights Management
Task of Strategy	Establishment of Infrastructure for the Human Rights Management Improvement of Vulnerable System on Corruption	Execution of Customized Ethical Education Operation of the Ethical Management Week	Expansion of Respecting the Business-linked Human Rights Culture Joint Education & Campaign including the Anti Graft Law, etc.
Norm & System	Overall		Department
	Charter & Code of Human Rights Management Tasks of Execution (46 cases) Prevention of Corruption, Control, Punishment		Check-list of Human Rights Management (44 organizations including overseas offices) Self Tasks of System Improvement for Anti-corruption (25 cases)

An Organization Dedicated to Ethics and Human Rights Management

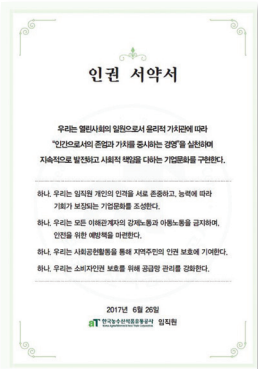
To upgrade the ethics management and strengthen its professionalism, we establish and operate departments assuming responsibilities exclusively for related education, integrity and anti-corruption. Internally, we operate the organization of the ethics management by position, installing the integrity innovation planning group (high level), practical execution team & execution leader (mid level 2) and daily operation team(low level). Externally, we operated the sustainable advisory group (quarterly) and integrity ombudsman (quarterly) in order to monitor the ethical and human rights management and for the amicable communication with external parties. Ethical Management Committee has been established as the consolidated organization concerned, which allow us to complete the corp-wide governance system.



## Strengthening the Practice of Ethics and Human Rights Management



Declaration of Human Rights Pledge



Pledge of Human Rights

### Education of Ethics and Human Rights Management

In order to form a consensus of executives and employees through education, the aT is implementing the nudge education (soft intervention) based on the task resolution by individual, organizational, and industrial ethics, avoiding collective education. In addition, we continually carry out various types of education, including the consulting for solving ethical dilemmas by MBTI character types, subscription of ethics slogans and others. We implemented the education of anti-corruption and integrity by position and compulsory education for preventing sexual harassment. In 2017, we actively responded to changes in the external circumstances by conducting separate education on the anti-graft act.

### Activities of Ethical & Human Rights Management

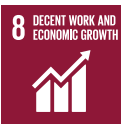
**Monitoring and Evaluation of Ethics and Human Rights Management\_** The sustainable management group as an external advisory organization, is held quarterly to conduct the advice and external communication on the aT's ethics management system and its direction. In addition, we conducts comprehensive monitoring of the circumstances, human rights, labor, and anti-corruption areas of the ethics management system by ourselves, and discovers improvement tasks and reflects them in the basic plan of ethics management. We have a thorough monitoring system, including operation of independent audit system for screening the areas of integrity and anti-corruption, management advisory service (non-executive directors), integrity ombudsman, e-people system, and anonymous reporting system.

**Execution Program of Ethics and Human Rights Management\_** As a principal execution program of the aT's ethical management, it operated the sustainable management week holding a five-day program by theme such as ethics, social contribution and environments, etc., and bitgaram integrity cultural festival with an institution located in Jeonnam province. In addition, for the execution of human rights management, one of the core ingredients of ethical management, we held the declaration ceremony of human rights under the supervision of the CEO, and revised the existing ethics charters and platform by including the management of human rights, along with conducting check in advance to prevent human rights violations.

## Recruitment with Social Equity



## Stabilization of Employment by Converting Non-regular Workers to Full-time Employees



We expanded the employment based on social equity to fulfill social responsibility as a public institution. In 2017, we hired 37 young interns and young full-time employees to help boost youth employments, along with 43.6% of those hired in the non-Seoul metropolitan areas and 15.4% of those in the head office relocation area, as well as women hired 64% of total in an effort to expand the employment with socially weak position. In addition, we provide jobs with preferential employment system, including recruitment of handicapped people and children of veterans.

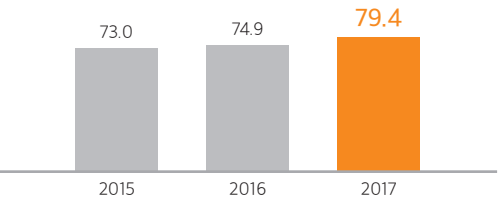
In spite of the controversial situation, we are pushing for a reasonable conversion of non-regular workers into full-time employees through coordination with stakeholders. In 2017, we made a decision of conversion of 112 non-regular employees, achieving target of over 10.9%, by setting the flexible retirement age for senior staff (ages of 62 to 65). In addition, we improved the welfare level to non-regular workers, same as full-time employees.

# Human Resources Management



## Reinforcement of Competency

Training Satisfaction (Unit: points)



### Support Program for Women's Capabilities

Fostering Competent Woman Staff			
Leadership	Special Lecture	Mentoring	Support of Academic Degree
Coaching education for women leaders, ehwa leadership	Special lecture to Women by inviting women CEO	Mentoring by theme for working mom, etc.	Support to 10 women including doctor's degree



### Enhancing Employee Satisfaction through Training Programs by Competency

In accordance with the human resources development system, the aT operates the diverse training programs based on the capabilities and needs of the employees. In order to perform duties as a public official, we have conducted basic training programs to strengthen capabilities of employees, including ethics and prevention of 4 types of violence. In particular, we expanded family friendly education and early settlement education for regional relocation concerned with families to support work and family compatibility. In order to develop leadership capabilities based on the career cycle, we have provided education for each level of leadership capacity and supports job training for the key tasks of the Corporation. In addition, we provided diverse foreign language courses to foster global experts.

### Training Program of Human Resources

Capabilities	Principal Training Program
Basic	Ethics, integrity, family-friendly and head Office relocation education concerned
Leadership	Top management program, leadership education by position
Job duties	Support for gaining license and academic degrees, Job training both internally and externally
Global	Foreign languages by self-studying and phone, global manner education

### Fostering Mid/Long-term Female Talent by Supporting Special Education for Women

To enhance female human resources capability, the aT provides various education programs, including special education by area and mentoring programs. In particular, in 2017, we held special lectures inviting socially respected celebrities and female CEOs, and we are striving to foster mid-to long-term female talent by providing new coaching education for female leaders.

## Improving the Quality of Life

Flexible Working System (Unit: persons)

Classification		2016	2017	Increase / decrease
Part-time work		9	17	89%
Flexible working	Time commute type	62	155	150%
	Working time selection type	52	221	325%
Teleworking	Smart work type	3	3	-
Total		126	396	214%

### Creating a Happy Workplace through Work-Life Balance

In order to create a happy workplace, we actively promoted flexible working system by improving the use of flexible working unit, preemptively introducing group flexible work system, and the minimum unit of annual leave (30 minutes), as well as newly establishing the saving annual leave, leave of absence for self development and family care leave, etc. As a result, we were designated the unique public institution as the excellent company in the work and life balance, awarded "Commendation of the National President" in December of 2017.

### Making Employees Happy in Body and Mind

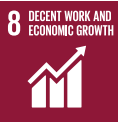
In order to relieve mental stress and physical fatigue of employees, the aT operates a "Healing Day All Day Long" event, and makes efforts to create the comfortable work place by holding health/stop smoking clinic, installing in-house fitness center and activating various clubs, and improving the food quality of in-house restaurant.



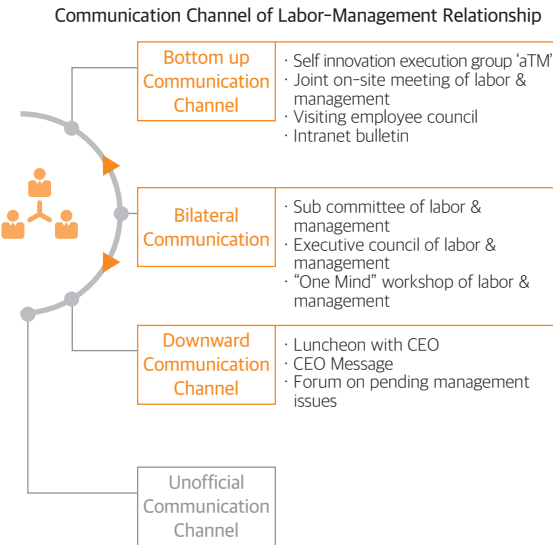
Awarded by National President as Excellent Company of A achieving Balance with Work and Life



Operation of full-day Healing System



Labor-Management Relationship



Creating Performance through Communication and Trust building between Labor and Management

We have been improving existing communication channels by hub and spoke method, and considering the characteristics of organizations spread across the country, we improve the system focusing on on-site bilateral communication channels such as labor-management sub committee. In addition, we continue to maintain a position where labor and management can freely exchange opinions, including "One Mind" labor workshop. As a result, we have reached a swift agreement on three key issues as the conversion of non-regular workers, the reorganization of the payroll system and the conclusion of collective labor agreements.

Establishment of a Systematic and Reasonable Labor-Management Relationship

To establish the reasonable labor-management relations, we established the "aT Conflict Management Committee" composed of labor & management, labor experts and others to prevent labor conflict in advance, which have been handled and managed to each type of conflict.

Leading Operation of Performance-based Annual Salary System

Since abolishing the salary step system in 2003, the aT has operated the performance-based annual salary system to enhance all employees' abilities and establish an organizational culture based on performance. In addition to the existing assessment of the organization and job duties, we are striving to establish a rational and fair payroll system by reflecting the evaluation of employees' performances in the annual salary evaluation starting from 2017.

Continuous Improvement to the Treatment of Non-regular Workers

In 2017, we actively discovered differential welfare benefits in order to narrow the gap of working conditions between regular and non-regular workers, and thus increase the number of recipients of tuition subsidies for the children of staff going high school and raise the increase ratio of non-regular worker's salary, higher than regular workers.



"One Mind" Workshop of Labor & Management



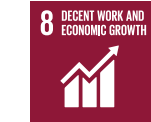
Meeting for Improving the Welfare of Non-regular Workers



Future Plan

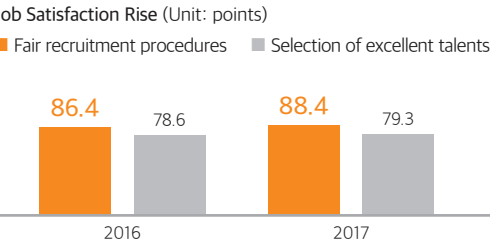
“ We will continue to improve the working circumstances of employees to work in a happy way through work and family compatibility. It will also maintain a cooperative relationship in which labor and management can coexist and will work together to realize social values. In addition, in order to lead the principle of “Equal Pay for Equal Work”, we plan to expand the “Job-based Pay System”, which is applied only to existing managers, to non-manager working levels. ”

Job Creation / Shared Growth



Job Creation

The Employment of Human Resources Based on Competency



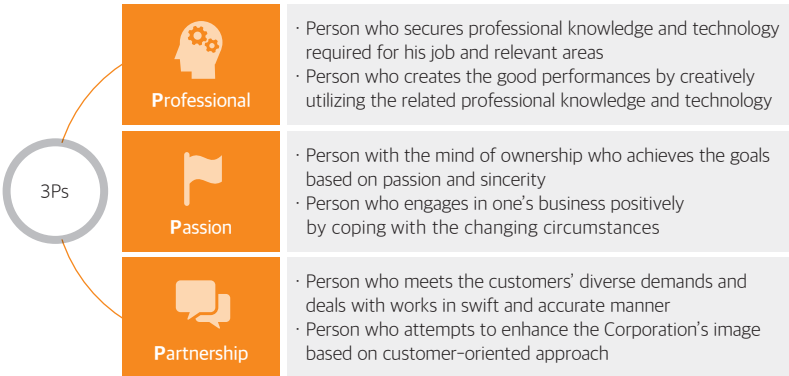
NCS Recruitment Process

1st	Documents	· Application based on the NCS job ability basis · Foreign language capability, Certificates, etc.
2nd	Nature of Job and basic ability	· NCS evaluation of basic job capability
3rd	Assessment of job capability	· Commonsense, ability of statement
Job capability interview		· Capacity interview · Foreign language ability interview · Personality interview

Upgrade of the Ability - driven NCS Recruitment Process

In order to recruit talent suitable for appropriate human resources of aT, the corporation introduced a system for hiring staff based on the National Task Capability Standards (NCS) in 2015, focusing on capability of staff, other than external specification. In 2017, we abolished the non-job related evaluation in order to reinforce the job-based assessment, and has continually upgraded the recruitment process since then.

Good Employee of aT



Unbiased Recruitment of Staff by Blind Hiring Method

To provide fair and equal opportunities to all applicants, we allow them to delete their personal information such as photo, age, major of university, school scores, etc.), and block the exposure of applicants' external specifications.



Strengthening Job Opportunities in the Private Sector



YAFF Activities

Establishing the Infrastructure of Domestic and International Food Companies

The aT supports the information business and fostering of manpower in the food service industry, as well as insurance business to guarantee the performance of domestic agro-livestock products. Through these measures, the aT provides necessary information in a timely manner by establishing a food information infrastructure so that food service companies can safely manage the food products, and reduces the miscommunication on work places between companies and young people.

Matching of Youth Network(YAFF)

Through the Korea Agricultural Products Future Planning Group (YAFF), a leading job community of the corporation, we are striving to find new ideas, promote policy communication, create jobs, and foster future talents in the field of agricultural food. We are also executing job workshops, to visit food companies, and TED-driven lectures. In order to enhance employment capacity through on-site experience in the place of agricultural foodcompanies, we are promoting to visit small but strong food companies, internship program of global food service companies, and PR activities of domestic agricultural products at overseas.





Other Activities



Incubating (aTorang) for Youth Start-up of Food Service Company



aT Plenary Session of Workplace Innovation Group



Subscription of Peoples' Ideas for Job Creation

Support for Youth Start-up Incubating

We are supporting youth restaurant startup project to provide practical business opportunities for young people and university students who want to start their own businesses by utilizing idle space of aT Center. We're contributing to the expansion of start-up atmosphere of young people enterprise through the aTorang, aTium, flower truck programs. In addition, we have launched AFLO, an overseas market development team, which is popular among our users by helping them identify buyers and promote them locally.

Support of Youth Start-up Incubating (Unit: persons)

Classification	Number of Participants (2017)	Job Finding, Start-up
aTorang (food service company)	130(12 teams)	36
aTium, flower truck (flower)	14	6
Dispatch of overseas market development team (AFLO)	60(14 countries)	16

Establishment of a System of Workplace-oriented Propulsion

In order to maximize job creation, which is the government's core national task, including job creation, the aT has formed the job innovation group led by one deputy president, comprise of the full-time transition team, and the core business job creation team (supply/distribution/exports/food business).

In addition, since the establishment of the job creation department dedicated to job creation, the aT has set the goal of "One Department, One Identification of Task", and concentrated its activities to identify job opportunities by executing the survey of questionnaires to gather various opinions on the job creation and holding a number of meetings by regional headquarters.

Spread of Culture Centered on Job Creation

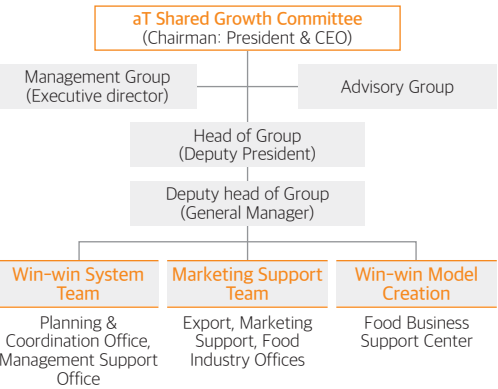
The aT held the integrated job fair with related agencies of the Ministry of Agriculture-Forestry-Fisheries from august 25 to 27, 2017, in order to spread job models specialized to the agricultural food industry from recruitment counseling to mentoring of job finding and start-up. 218 companies (private 100, public 17, local government 72), and 15 thousand young job finders participated in the fair, in order to create jobs matching, which resulted in making 472 young people to find job in the agricultural food industry. By holding events such as contests for job creation ideas and open innovation festivals, we expanded our culture centered on job creation through sharing excellent cases.

Shared Growth



Organization System for Shared Growth

Shared Growth Organization



Shared Growth Monitoring

Monitoring of KPI Performance (Integrated System of Performance management)	Conference for Strategic Management (Discussion about the pending issues)
Survey of Questionnaire, Meeting (Identification of difficulties)	BP Contest (Measuring performance & Feedback)

Shared Growth Strategy and Organizational Chart

To support growth of SMEs and establish a win-win cooperation model for agricultural food products, the aT has established the "Shared Growth Committee" a corporation-wide control tower, comprising of win-win system team, market support team and win-win cooperation model team as part of its strategy to strengthen the execution of joint growth promotion. As a strategic task, we strive to promote sustainable agro-fisheries food industries by expanding domestic and overseas sales, strengthening competitiveness of small businesses, and developing a platform for mutual growth cooperation.

Strategy of Shared Growth

direction of Strategy	Support of Growth for the Agro Food Industry (Workers)		Establishment of Win-win Cooperation Model in the Agricultural Industry	
Tasks of Strategy	Expansion of Market, both at home and overseas	Reinforcement of Competitiveness for SME Workers	Development of Cooperation Platform for the Shared Growth	Reinforcement of Cooperation Model Support
Tasks of Execution	· Support of overseas market · Support of domestic market	Expansion of Support for SME Workers	· Creation of Cooperation Model for the Shared Growth · Development of fostering Human Resources Platform	Expansion of Sale based on Agro-Industry Conversion type
Organization of Execution	Support Center for the Agricultural Food Companies  Establishment of One-stop Support Ecosystem for SME Food companies (Consulting Center for Food Exports Companies under difficulties, On-site Consulting Team, etc)			Business Departments including Export Foods Headquarters Support Department for SME Workers Support Department for Win-win Cooperation

Building a Shared Growth Cooperation Platform



Linking Sungjoo Yellow Mellons with Food Service Companies



Fair of Direct Transaction in the Production Place

Through the cooperative platform of SMEs, youth and the corporation, we developed the various win-win cooperation models with our capabilities. Through matching between departments needed for mass purchase and SMEs, we developed yellow melon juice and secured stable sales network (February, 2017, completion of multilateral MOU between Sungjoo Kun, Chamgrim and juicy International) and performed the matching between food service companies and farmers (8 times during 2017, Fair of direct transaction in production place), along with matching between company of mass purchase and farmers (MOU with Samsung Wellstory). The corporation also arranged the joint product development between big company and SMEs (Food manufacturer and container development company), and matching between welfare facilities and flower farmers (December, 2016, multilateral MOU) designed to foster flower experts.

Cooperation with Related Institutions

By expanding the existing method of renting start-up spaces, we upgraded the start-up model by supporting the establishment of start-up in the form of flower truck with mobility. By working with the Korea Racing Association, we enhanced the practical effect of start-up by securing the operation place (4 times, 4,000 pieces of flowers) the association offered, and we are able to expand the importance of youth start-up in the agricultural food industry.

# Customer Satisfaction / Social Contribution / Environmental Management

3

## Customer Satisfaction

### Innovation System of Customer Satisfaction

Introduction of Program in Communication with Customers

Communication with People
<div><ul style="list-style-type: none"><li>· Customer consulting center</li><li>· Gathering of ideas</li><li>· aT blog, facebook, SNS, press</li><li>· Happy call service</li><li>· Day of customer visit</li><li>· Consulting room to hear difficulties from food &amp; food service companies</li></ul></div>
External Experts
<div><ul style="list-style-type: none"><li>· On-site meeting</li><li>· CEO advisory committee</li><li>· Sustainable management advisory group</li><li>· Cooperation with ministry of agriculture-forestry-fishery</li><li>· Meeting with Ministry of Commerce, Industry &amp; Energy, Korea Customs Service, and Korea Food &amp; Drug Administration</li><li>· Joint committee of supply &amp; demand control cooperative work</li></ul></div>

### Activation of Communication with Customers

**Activated Communication with Customers through Various Channels\_** We communicate internally and externally through various channels in order to perform business that is suitable for our customers' needs through diverse communication. We are actively striving to bring our customers' opinions into the corporation's business through more open communication by expanding contact with them. To actively listen to the opinions of customers (the people) collected through various channels, we have activated the communication between each department at the contact point. We conduct a monthly happy call service and a customer visit day.

### Strategic System of Customer Satisfaction

Environmental Analysis	External	Unstable food market including unfavorable exports and avian influenza		
	Internal	Head office relocation to the countryside, establishment of managerial innovation		
	Government	Social value, sustainable creation of agricultural food basis		
Implication	<div><ul style="list-style-type: none"><li>· Expanded support to SMEs, stabilization of agricultural food</li><li>· Provision of convenience centered on customers</li><li>· Realization of social value, increase of income for the agricultural household</li></ul></div>			
Goal of Propulsion	Promotion of Life Quality by Providing "Must have" Services for Customers			
Direction	Relief of Burden of National People	Promotion of People's Convenience	Activation of Economy	
	<div><ul style="list-style-type: none"><li>· Removal of SMEs' management difficulties</li><li>· Stabilization of agro-fishery food prices</li></ul></div>	<div><ul style="list-style-type: none"><li>· Strengthening access of services and conveniences</li><li>· Provision of safety food</li></ul></div>	<div><ul style="list-style-type: none"><li>· Realization of social value</li><li>· Expansion of exports</li><li>· Creation of income for agricultural household</li></ul></div>	
Organization for Execution	Internal	Management innovation execution group, Execution team by sector	External	Sustainability management advisory group, Advisory group for CEO
Evaluation & Reflux	Customer Monitoring		Evaluation System both Internally and Externally	
	<div><ul style="list-style-type: none"><li>· Degree of customer satisfaction to public institution</li><li>· Assessment of internal service quality</li></ul></div>		<div><ul style="list-style-type: none"><li>· Internal assessment by department</li><li>· aT innovation festival</li></ul></div>	

### VOC Analysis and Improvement of System

We strive to ensure that the VOC received is reflected in business and improvement of systems to be realized a satisfactory outcome for both our customers and the public. With these efforts, we achieved grade A in the customer satisfaction survey of public institutions in 2017. (11th consecutive year)



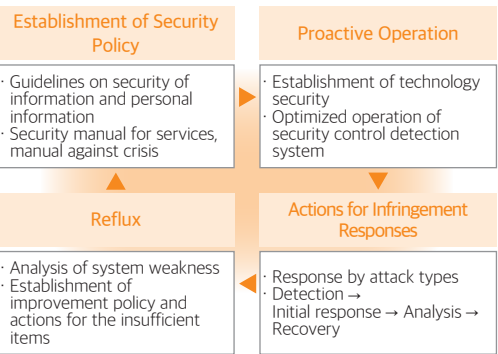
BP Contest Activities

### Sharing Information through the Competition of Best Business Performance (BP)

In order to promote the development of the agricultural food industry and the corporation through the sharing of its own roles and excellent innovation example every year, the corporation operates the annual innovation week (Innovation Festival) in the form of annual commendation to enhance business innovation and customer satisfaction. In addition, by inviting external assessment members to participate in the event, we aim to measure fair and objective performance, and utilize this event as place of identification for the customized support system and experience the trends of agro-fishery industry by inviting business innovation figures. The best practices chosen are those that are listed in the hall of fame (the proud aT person) to promote internal and external proliferation, and to provide rewards to individuals and departments for outstanding performance.

### Protection of Customer Information

#### Management System to Protect Customer Information



### Enhanced Information Security Management

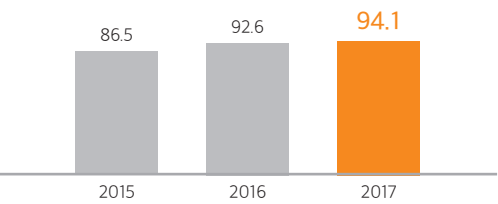
To protect the information system and provide appropriate information on agro-fishery industry, the corporation has encrypted customer information and has a system to proactively respond to cyber breaches. In addition, to prevent breaches, we improve vulnerability every year for information security management, such as strengthening security control measures, establishing a wireless intrusion prevention system and a server security system.

### Improvement of Preventing Personal Information Leakage System

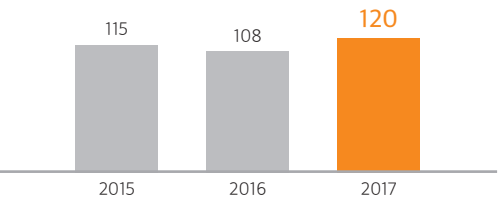
The corporation continuously strives to protect the personal information of its customers. The legitimacy and management of personal information collection is handled through in-house inspection activities to swiftly take corrective actions (by phases of collection-storage-utilization-destruction) by establishing and operating the personal information leakage inspection system. In addition, we do our best to prevent information security breaches and customer personal information leaks by establishing 4-phase technological security system of PC-Server-Network-Data-Data Bank.

### Strengthening the Safety of Agricultural Products

#### Improve Hygiene Management of Stockpiling Stations (Unit: point)



#### Number of Reports of Consumer Complaints to Stockpiling Agricultural Products Quality Management (Unit: case)



### Modernization and Regionalization of Stockpiling Base

In connection with our project to diversify our stockpiling stations, we provide hygiene and safety training for employees of new stockpiling stations. In addition to the management through the sanitary inspection of the storage stations, we are making efforts to promote the awareness of hygiene among the employees on the site, so that we can fully manage the quality of agricultural products. Through comprehensive activities such as conducting each quarterly hygiene and safety inspection, the result of a survey on the satisfaction level of customers purchasing supplies under storage increased from 95.0 in 2015 to 95.3 in 2017.

### Efficiency of Stockpiling System

Through the connection with the Korea Customs Service, we established the "Automatic Issuance System of TRQ Recommendation Letters", which can be monitored in real time, and contributed to the reduction of goods storage fees by issuing more than 10 thousand recommendations totaling 1.08 million tons over the past 2 years.



# Social Contribution

## System of Social Contribution

aT CSR System and its Mid- to Long-term Roadmap

Management based on Spirit of Sharing (2015~2016)

- Balanced development of CSR & CSV
- Enhancing sharing spirit of agro industry & agro villages

Creation of Value (2017~2018)

- Creation of value by utilizing the its own business
- Expansion of identifying the representative programs

Management with Same Value (2019~2020)

- Leading public institution in the social contribution activities
- Sharing & expansion of successful cases

## Creation of Social Value by Using Expertise in Agricultural Food Area



Completion of MOU with the Food Dream Happiness Sharing Group



Homepage of Food Save

### aT CSR System for Sustainable Social Contribution Activities

aT is a leading agricultural and rural public institution, working on people-centric social contributions that utilize the organization's business. With the lead in the efforts of the aT love sharing group, we are conducting our social contribution based on our spirit of the competency-oriented and rural-centered activities as well as for the balanced society. In particular, we have strengthened our policy of "One Department, One Principal Program", which is linked to our unique business focusing on the beneficiary-oriented activities, and performed the "aT Good Neighbors Business" in collaboration with the private institutions, in order to minimize the blind spot in the area of welfare, which allowed us to implement more practical social contribution activities.

### aT System for CSR Execution

VISION	aT Making Happy Korea by Upgrading Agro-fishery Food					
Direction of Execution	Competency oriented		Agro-Village oriented		Balance Society	
	Beneficiary-centered Social Contribution by utilizing our Competency in the area of Agricultural Food Industry		Creation of favorite Agricultural Villages by preparing their Growth Engine		Realization of Balanced Society by actively supporting the regional development & government policy	
Tasks of Execution	aT's Unique Business	Diversification of Exports	Engine of Growth	Infrastructure of Welfare	Imbalance of Local Community	Social Responsibility
	·One Department,One Representative program ·Food Platform	Global Social Contribution	Attraction of Youth into the Agro Food Industry	Making Welfare Hub in nationwide basis (By Eup, Myon, Dong)	Support of Education, Economy and Culture	Active Implementation of GovernmeAnt Policy
Organization of Execution	aT Love Sharing Group		Donation Bank, Care Service Group		Pro Bono Talent Donation	
					Advisory Group for Sustainable Management (External)	

### 1 Department 1 Representative Program

In connection with the work carried out by each department, the corporation has identified 22 representative programs for each department and operated them throughout the year. We encouraged a rehabilitation company engaged by autistic people as social abbreviation to participate in the design of the export fair, and made efforts to create shared values by conducting on-site consulting and marketing support mentoring for food social enterprises, and hosting local food camps for young people. We donated 266 tons of surplus agricultural products by exporting farmers, cabbage under contract cultivation, and agricultural products purchased by the government, and shared 1 million pieces of Kimchi by participating in the Kimchi Love Festival. In addition, the corporation continued to share with talent donation such as provision of free financial and legal counseling, special lectures for students in rural areas and agricultural high school, and photos of senior citizens to commemorate the longevity (a total of 719).

### Food Dream and Food Save

The Agricultural Products Distribution Education Institute has developed the "aT FOOD Dream", a social contribution program through cooperation between companies with the education graduates. Companies that want to contribute with the education graduates donate their subsidiary's agricultural products, and the education center package the donated goods so that the goods are delivered to 20 local welfare organizations located in Kyonggi Province every month. Starting with 31 companies in 2016, the number of participating companies expanded to 62 in 2017, and 85 million won worth of goods were donated. The Cyber Exchange has developed a "Food Save" P2P trading platform that enables vulnerable people to buy agricultural products at low prices at all times. By providing open market information within the existing POS Mall System, the Corporation has provided online channels for welfare facilities (18,000 units nationwide) to purchase their products.

Ethical & Human Rights Management

Human Resources Management

Job Creation

Shared Growth

Customer Satisfaction

Social Contribution

Environmental Management

## Local Community and Global Contribution Activities



Inauguration Ceremony of "aT Good Neighbors"



Picture Shoot of the Seniors to commemorate the Longevity



Expedition of Bitgaram Santa



Volunteering at an Orphanage in Vietnam

### aT Good Neighbors

The Corporation has expanded the support program of family in crisis, which was conducted in Gwangju and Jeonnam Province, to the nationwide basis, in order to help eliminate blind spots on welfare. We have signed a trilateral MOU, with the Ministry of Health and Welfare, and the Korea National Council on Social Welfare for the expanded support of the welfare disadvantaged, with participating 5,868 volunteers and the 18 social welfare councils of local government. As a result, we have found 737 households disadvantaged (low-income class and residential vulnerable class, etc.) and supported 270 million won with number of 3,175 cases by both public and private one.

### Social Contribution to the Local Community

Beginning in 2014 with the talent donation of our PR Office, the service of taking photos to commemorate the longevity has been conducted to about 650 senior people. This year, we implemented three special programs for the senior people, with the hearing and speech impaired, and national merit in Gwangju and Jeonnam Province, and added our contribution to community service activities by participating with students of local universities majored in photographs, hair design and make-up. We also attended the Expedition of Bitgaram Santa, a collaborative effort of six public institutions, to wrap and deliver Christmas gifts to 700 children using the Naju children's center.

### Global Social Contribution

Through APTERR (Emergency Rice Reserve Organization attended by Korea, China and Japan + ASEAN), the Corporation aided 750 tons of our rice reserves to Myanmar and Cambodia, first ever case of rice donation in Korea. Korea reaped to the nation of overseas aid donor, from the status of recipient. To the nine teams of overseas farmers group from underdeveloped countries, including Nepal, we have transferred Korea's advanced farming industry, and donated the export items (dairy products and cotton products) used for the K-FOOD Fair in Myanmar to a local national children's hospital in Yangon. In addition, Our Beijing branch donated goods to the children of the Beijing prisoners being cooperated by 10 Korean companies including Orion, and we have also contributed to the care of the handicapped children suffering from the exposure of defoliants through our branch in Vietnam and conducted the volunteer medical services to the multicultural families there.

### Future Plan

“ In the future, the Corporation will continue its social contribution to link its unique business and work capabilities, share activities related to farming and fishing villages, and protect the socially vulnerable. aT will further strive to become a public institution to realize its social responsibility through open communication, a warm and hearty practice of sharing, and local community contributions. ”



# Environmental Management



## Realization of Pro-Environmental Distribution

**\* Green Building Certificate**  
A system to certify the environmental performance of a building through an environmental impact evaluation of building elements such as the selection and construction of environmentally friendly materials



Green Building Certificate



Water Event at Arbor Day

### Establishment of Pro-Environment Stockpiling Base

The Corporation gained the Green Building Certificate by applying the environment friendly materials and equipment into the construction of stockpiling base in the principal 4 regional center (completed the construction in 3 regional centers of Daegu-gyeongbuk, Honam and Chungcheong). We applied the pro-environment refrigerants with zero of ozone layer destruction index and LED lights for saving energy, as well as installed the contamination reduction facilities for filtering rain and contaminated water, and prepared the Inbio Top as habitat space for biotic community.

### Pro-Environmental Distribution Support of Agro-Fishery Food

To join the worldwide issues on the climate change, aT has continually made effort to reduce carbon emission taking place in the process of distribution of agro-fishery products. Under the existing logistics system, we experienced the reverse logistics, due to the simultaneous movement of commodity and logistics. By establishment of the Cyber Exchange, pro-environmental agricultural products can be delivered to consumers directly and swiftly from the producers with fresh conditions through on-line transaction from the existing off-site one, and it reduce the food mileage (absolute distance of movement) of agricultural products. In 2017, we reduced the fuel, being used in the process of mid-distribution, by 23 million liters. As a result, we achieved the reduction of CO<sub>2</sub> emission of 60,135 tons and environmental expenses of KRW 1.32 billion.

#### Existing Logistics System



#### Reduction of Environmental Expenses in 2017

Classification	Unit	Value	Remark
Reduction of logistics expenses	KRW billion	115.2	Mid-distribution amount (Reduction in 2017)
Expenses of fuel purchase	KRW billion	30.9	26.8% of logistics expenses (figures of 2016)
Consumption of diesel	Liter	2,400,000	KRW 1,283/Liter (Diesel)
CO <sub>2</sub> Emission	tCO <sub>2</sub>	62,749	On IPCC emission basis * IPCC: Intergovernmental Panel on Climate Change
Reduction of environmental	KRW billion	13.8	KRW 22 thousand/tCO <sub>2</sub> * Average emission price In Korea Exchange

\* Carbon Calculator based on IPCC Exhaust Criteria (Source: Korea Energy Agency)

### Encouragement of purchasing Green Products

aT encouraged the clients and related parties to purchase the products recommended by the government with priority by offering training, and upgraded the recognition concerned by making the manual of contract, providing the information on the green products and offering consulting services pertaining to the purchase contract. In addition, we actively encourage to purchase green products through the establishment of green products purchase system.



This Report can be downloaded by PDF file at the homepage of the Korea Agro-Fisheries & Food Trade Corporation ([www.at.or.kr](http://www.at.or.kr)). For further information on our sustainable activities and performances, please contact us by phone or email mentioned as below.

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