

**KFQ**  
**(Korean Foundation for Quality)**

**United Nations Global Compact**  
**Communication on Engagement 2017~2019**

Statement of continued support by Yoon Seok-Un, President & CEO

I am pleased to confirm and renew the ongoing support and commitment of KFQ to the UN Global Compact initiative. KFQ has participated in June 9 2017, and continues to align strategy and business operations with the 10 principles for human rights, labor standards, environment and anti-corruption.

KFQ is a leading certification body, providing followings:

- management system certification according to international standard ISO, helping them to improve sustainability standards and business performance and to ensure trust between business partners.
- validation & verification service to CDM project under UNFCCC
- verification service to GHG · Energy Target Management Scheme under Ministry of Environment to set the target of GHG emissions and energy use through the negotiation between the government and the company, and efficiently achieve the target through the execution plan and management system.

We are conscious of the ongoing role that KFQ plays in encouraging and assisting our customers to adopt the UN Global compact principles within their own business practices and it is a continuing objective of KFQ to raise awareness, promote and advance these principles within our sphere of influence, as we develop the services that we offer.



Yoon Seok-Un  
President & CEO

## **Description of actions and outcomes:**

### **Human rights**

**Principle 1 & 2: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.**

KFQ is a committed ethical and equal opportunities employer, ensuring human rights are upheld and that we are not complicit in any human rights abuses. We have adopted and revised, where necessary, several global company policies including equal opportunities, health & safety, flexible working, compassionate leave, maternity & parental leave and grievance, together with the systems and documentation that support the implementation of these policies. Company policies are initially communicated to employees as part of an induction process and after that policies are accessible on the KFQ Group intranet, with communications to employees when policies are updated. We also encourage all our stakeholders to report in good faith any issues or concerns about potential ethics, human rights, legal or regulatory violations, including improper or unethical business practices.

### **Labor Standards**

**Principles 3 - 6: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.**

KFQ stipulated the guarantee of the legitimate rights of labor unions in accordance with the Constitution, Labor Relations Act, and ILO Basic Spirit. Through the three rights of the labor union, we guarantee the union's free activity and plan to improve the economic and social status of union members.

Through the establishment of a reasonable agenda on a rational collective bargaining and continuous collective agreement, we have improved working conditions and management simultaneously as follows.

- 26-year consecutive non-labor dispute collective agreement under the collective agreement agenda with rationality in the aspect of both contents and procedure,
- Establishment of cooperation and communication through the labor-management council and labor-management TFT

KFQ has performed appropriate compensation for the value of labor and banned forced labor under the labor standards act and the employment regulations. We are running a flexible working hour system that employees can freely adjust working hours for personal circumstances within 40 hours a week by choosing three types of work-start time and work-end time.

## **Environment**

**Principles 7 - 9: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.**

As set out in our Environmental Policy Statement, KFQ commits to do all that is reasonable to conserve natural resources, minimize or reduce pollution and its impact, and the impact of others on the environment. Employees are encouraged to consider the environmental impact of their work and environmental awareness is included within the online training program completed as part of an employee's induction process.

KFQ are contributing to increase of environmental awareness and environmental impact by operating

- training courses and seminars for ISO 14001, an international standard for environmental management system,
- ISO 14001 certification, green management system certification, and
- validation & verification service to CDM project under UNFCCC verification service to GHG Energy Target Management Scheme

## **Anti-Corruption**

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

KFQ operate a zero-tolerance approach to bribery and corruption, as reflected in our Anti-Bribery Policy. Compliance with this policy is mandatory with acknowledgement required from employees as part of their induction program. The policy is reviewed and updated, as required, and available for employees to access on the KFQ Group intranet. KFQ is committed to conducting business in an honest and ethical manner acting professionally, fairly and with integrity in all our business dealings and relationships, implementing and enforcing effective systems to counter bribery and corruption. We comply with all laws relevant to countering bribery and corruption in the jurisdictions in which we operate including the Act on the Ban of Illegal Solicitation and Bribery in Korea. Management at all levels are responsible for ensuring those reporting to them understand and comply with the Anti-Bribery policy and any breach will be treated as a disciplinary offence.

As outlined in the Anti-Bribery Policy, the giving and acceptance of gifts and hospitality is permitted if certain requirements are met and must be approved by or declared to an employee's line manager or a member of the Executive team. A member of the Executive team must declare or seek approval from the CEO. If there is a suspected breach of this policy this should be reported in accordance with the Whistleblowing Policy and KFQ aims to encourage openness and support in relation to genuine concerns, reported in good faith.

Some of the business and financial controls that are in place to help mitigate the risk of any forms of corruption and bribery are documented in the KFQ Global Schedule of Authorizations, outlining those who have the authority to commit KFQ financially and the approvals required to complete various transactions and sign contracts and legal documents. During the past year KFQ has not been involved in any investigations, legal cases or incidents involving bribery, corruption or extortion.

In relation to our business partners, and as referred to earlier, independent third-party auditors within KFQ Audit Services must comply with our standards of ethical conduct and corporate governance as outlined in our Conflict of Interest, Unethical Incentives & Professional Conduct Statements. Employees or contractors may not offer nor accept from any source any inducements, bribes or incentives that may influence their judgement or the results of an audit or assessment. Any gifts or offers of entertainment that are presented at any time must be declared and logged in a register that will be maintained and made available to any interested party at any time.

To understand global trend and strategy, KFQ has participated in several seminars held by UNGC Korea.

KFQ also cooperated with Transparency International Korea. KFQ also held seminars twice with Transparency International Korea together to increase the public awareness on the risk and cost of bribery, and are providing ISO 37001 certification and training service to help companies' voluntary effort for building anti-bribery management system and to provide demonstration opportunity of their efforts.

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