

2018 KSPO Sustainability Report

Sports, the way for a better tomorrow





About This Report

Sports, the way for a better tomorrow

Korea Sports Promotion Foundation (KSPO) is a reliable supporter of national sports welfare that promotes multilateral support businesses to make a country where everyone enjoys sports. KSPO transparently reported the outcome of its social responsibility practice in relation to economic, social and environmental aspects through the 10th Sustainability Report this year. We will continue to communicate with stakeholders through sincere disclosure of information. If you have any opinions on sustainable management or questions about the report of KSPO, please contact Social Value Team of KSPO.

Reporting principle	GRI (Global Reporting Initiative) Standards
Reporting boundary	Business locations in Korea
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Letters from CEO

“ Korea Sports Promotion Foundation will strive
to create a society of health and
happiness through sports ”



Dear KSP0 stakeholders,

I truly appreciate unchanging interest and support you have shown this year.

Thanks to your support, KSP0 showed substantial growth and performance in the past year. In terms of business performance, we achieved 100% of our business objective for 2018. As for social value creation, we produced visible results such as second grade in the public institution integrity evaluation, excellence grade for two consecutive years in the anti-corruption policy evaluation, S grade in the public institution customer satisfaction survey, and highest grade for five consecutive years in the personal information protection evaluation. Especially with job creation, KSP0 created 17,331 jobs in 2018 marking the record high in the number of private jobs related to the field of sports. Furthermore, as a result of supporting sports for all in various ways, national daily sports participation rate was increased by 3%p compared to the previous year and reached 62.2%.

On the one hand, the Pyeongchang Winter Olympic Games was held successfully and year 2018 was the 30th anniversary of the 1988 Seoul Summer Olympic Games. Year 2019 is the 30th anniversary of KSP0 founded based on the Seoul Organizing Committee of the Olympic Games. To KSP0, this would be a year to take a leap and prepare for the next 30 years by looking back on the past 30 years of sports in South Korea. KSP0 established its new vision and core values in April 2018 and will work towards the future by focusing on the four goals below.

First, KSP0 will create enjoyable sporting culture for everyone.

The daily sports participation rate, which is currently 62.2%, will be increased to 71.5% or the highest rate in the world by 2030. We aim to create an environment for all citizens to participate in sporting activities without discrimination. We will increase daily sports participation rate of citizens by supporting daily sports through a sports-sharing platform, exercise participation projects, and exercise app for people.

Second, KSP0 will be a strong supporter of sports.

KSP0 has been in charge of over 90% of sports finance of South Korea, operating a fund of KRW 11 trillion in the past 30 years since the foundation in 1989. The annual sports promotion fund will be expanded from KRW 1.6 trillion to KRW 2.4 trillion to make greater contributions to the development of sports in South Korea.

Third, KSP0 will build a future-oriented sports environment.

Olympic Park was constructed for the 1988 Seoul Summer Olympic Games and has been used as a resting and cultural place for citizens after the Olympic Games. KSP0 is about to upgrade Olympic Park into a global park that combines sports, culture and cutting-edge technologies by creating advanced themed sports experience zones, sports industrial cluster and testbed. The goal is to turn Olympic Park into a global attraction visited by 10 million persons every year.

Fourth, KSP0 will work together with citizens.

KSP0 will fulfill its social responsibility and practice sharing as a public institution. In particular, we will strive to create social values in the fields of shared growth, human rights, safety and environment by creating over 20,000 good sporting jobs each year.

KSP0 engages in consistent efforts to keep the basics as a sports welfare institution and to approach the lives of people. Please send your encouragement and support for the next 30 years of KSP0.

Thank you.

09, 2019



Cho Jae-kee CEO, KSP0

KSP0 Profile



KSP0 Profile

KSP0 was established as a public nonprofit corporation with a license issued by the Minister of Culture, Sports and Tourism to commemorate the 24th Seoul Summer Olympic Games and promote people’s sports activities in 1989. KSP0 creates a fund through sports racing businesses, such as cycle racing, motorboat racing and sports promotion betting ticket businesses to build an environment for healthy and happy life of people. KSP0 contributes to the enhancement of national sports welfare by financing sporting activities of South Korea and operating national sports facilities like Olympic Park and sports centers.

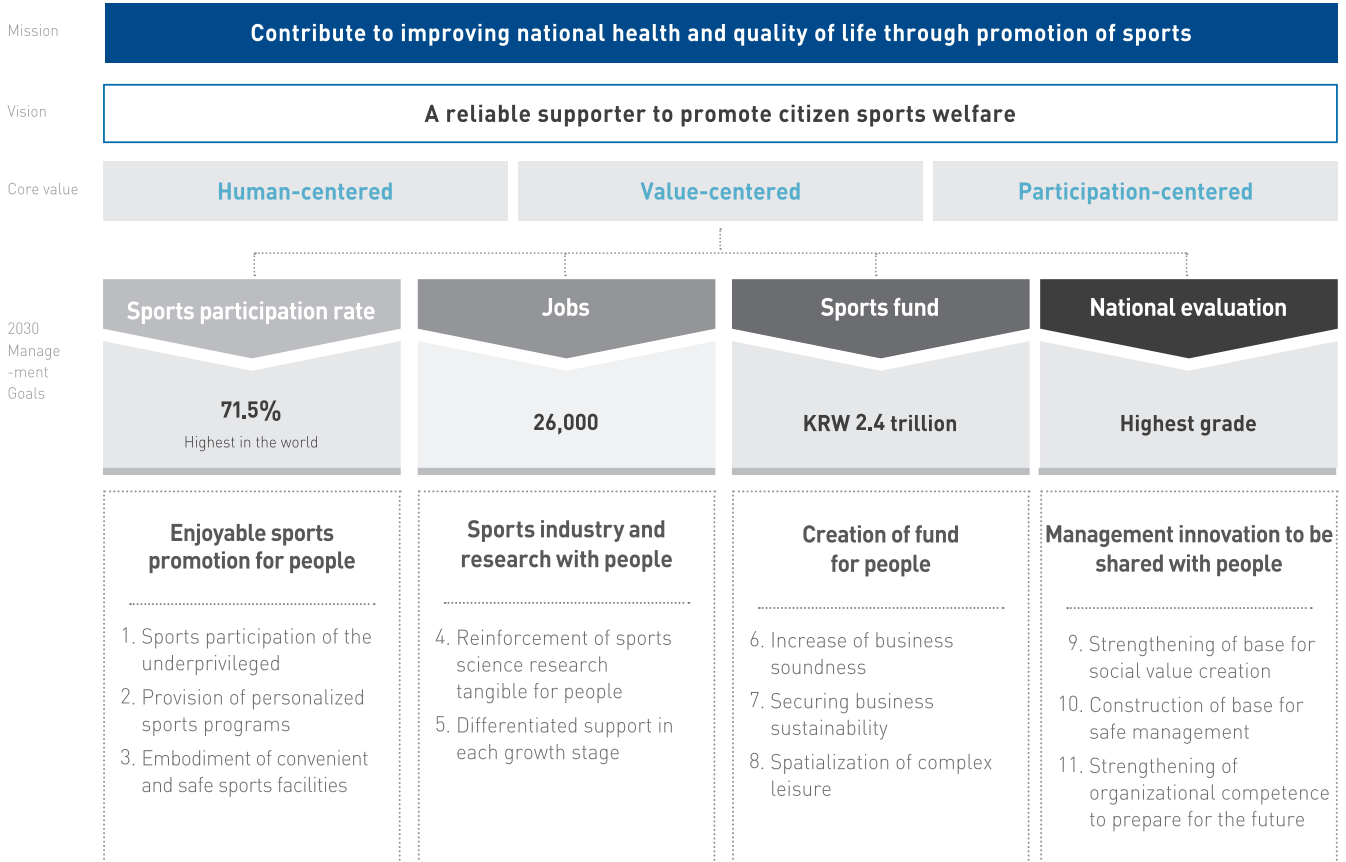
Profile		As of December, 2018	
 <p>Total Assets KRW2,354trillion</p>	 <p>Capital KRW463,9billion</p>	Organization name	Korea Sports Promotion Foundation (KSP0)
		Headquarters	Korea Sports Promotion Foundation, 424 Olympic-ro, Songpa-gu, Seoul
 <p>Sales KRW7.186trillion</p>	 <p>Number of employees 1,501employees</p> <p><small>3 executives, 808 regular employees, 690 irregular contract employees</small></p>	Organization type	Quasi-governmental institution (fund-management-type)
		Basis of establishment	Article 36 of National Sports Promotion Act
		Purpose of establishment	Commemorating the 24th Summer Olympic Games held in Seoul and promoting people’s sports activities
		Date of establishment	April 20, 1989
		Affiliated company	Korea Sports Industry Co., Ltd
		The Ministry in charge	The Ministry of Culture, Sport and Tourism
		KSP0-run organizations	Cycle & Motorboat Racing Business Division, Korea Institute of Sport Science, Korea Sports Industry Co., Ltd.

Organizational Structure

KSP0 is composed of 3 executives, 1 headquarters, 1 institute, 5 divisions, 40 departments and 78 teams. Social Value Team was newly launched in 2018 to practice social responsibility more effectively, promoting ethics, transparency, social contribution and job creation. Safety Promotion Group directly under the chairman of the board was launched in 2019 to play the role of a safety control tower for customers and employees, managing facilities and controlling disasters.

Vision and Strategy

In April 2018, KSPO reestablished its vision and core values while preparing for the next 30 years. In this process, KSPO held a public contest for the vision and conducted interviews with people. In addition to debates of different levels, Future Development Committee was organized with experts to gather opinions of diverse stakeholders about the new vision of KSPO. The new vision of “sharing the joy of sports with people” has been established. KSPO is now ready to head towards the next 30 years with this new vision. KSPO promises to bring health and happiness to people through sports.



2030 Management Goals

KSPO plans to accomplish the management goals of achieving highest daily sports participation rate in the world (71.5%), creating 26,000 jobs, managing an annual sports fund of KRW 2.4 trillion, and maintaining the highest grade in the people’s evaluation by 2030. All employees of KSPO are making efforts to achieve the goals.

	Unit	2018 Outcome	2019 Plan	2030 Plan
Sports participation rate	%	62.2	64.0	71.5
Sports fund	KRW billion	1,654.6	1,812	2,400
Job creation	Job	17,331	21,100	26,000
National evaluation	Grade	Integrity evaluation Grade 2, Customer satisfaction Grade S	Integrity evaluation Grade 1, Safety accident Zero, etc	The best

KSP0 Business

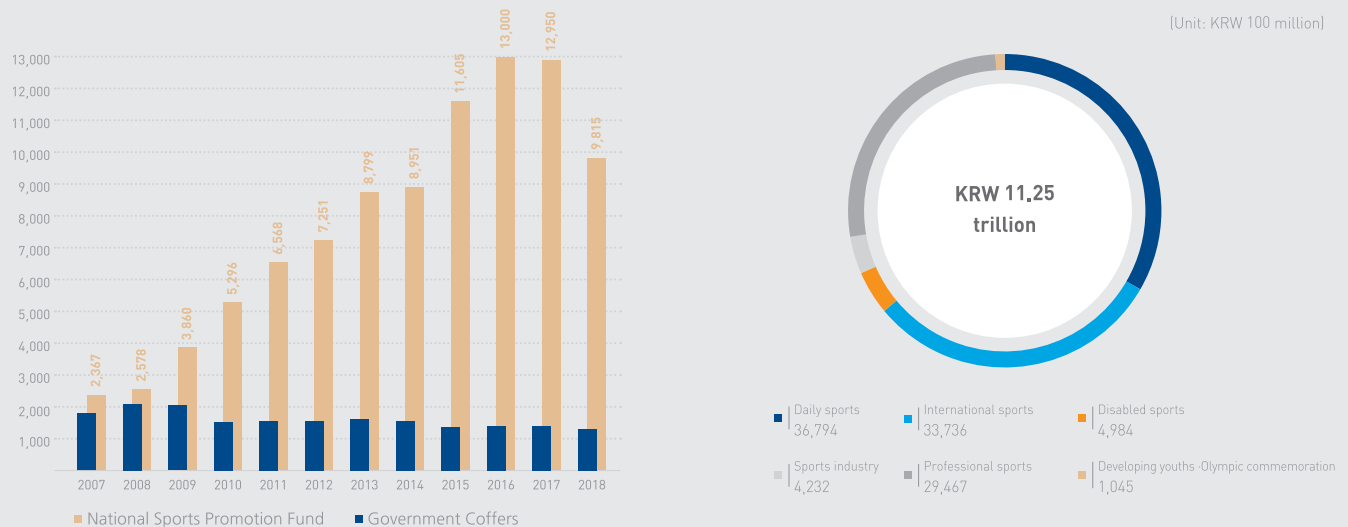
KSP0 enhances national health and increases quality of life through sports by creating the National Sports Promotion Fund and supporting a variety of sports activities. The National Sports Promotion Fund secures its finance through profitable businesses of its own, including cycle racing, motorboat racing and sports promotion betting ticket businesses (Sports Toto). KSP0 will make an environment for people to enjoy sports by ensuring more transparent and responsible sports finance.

Fund Support

				
Developing lifestyle sports	Developing the disabled sports	Developing professional sports	Activating international sports exchange	Developing sports industry
Supporting daily sports related organizations such as Korean Sport & Olympic Committee and programs	Supporting Korea Paralympic Committee	Supporting Korean Sport & Olympic Committee and sports organizations, and domestic sports events	Supporting international sports exchange, international sports events, and taekwondo promotion programs	Supporting academic research program, promoting science technology development basis

By supporting various sports promotion projects through the National Sports Promotion Fund, KSP0 is establishing an environment where people can enjoy sports regardless of age, location and income. From 1989 to 2018, the National Sports Promotion Fund of KSP0 has contributed a total of KRW 11.258 trillion to various projects to promote daily sports, foster professional sports, encourage international sports exchanges, and boost the sports industry. In 2018, a fund of KRW 981.5 billion was supported for sports promotion and welfare.

Fund Supports Status



Promoting the Sports Industry



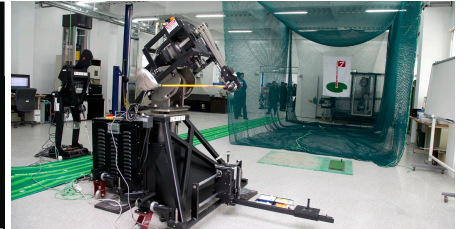
Support for sports financing

Sports financing for sports related businesses and projects



Develop sports technologies

Supporting sports equipment R&D expenses



Quality certification for sports equipment

Domestic sports equipment test and R&D support

KSP0 has implemented a number of projects to develop the sports industry, including financing of the sports industry, development of sports technologies, and testing and quality certification of sporting goods. First off, KSP0 not only expands the base of daily sports in South Korea through financing of the sports industry but also helps reinforce competitiveness and stabilize management of the sports industry by providing R&D and production funds to sports companies. For reference, KSP0 provided a fund to assist operation of small and medium sports companies. The Average annual sales figure of the beneficiaries was increased.

In addition, KSP0 contributes to the development of the sports industry by supporting R&D of sporting goods and high value-added technologies. KSP0 also helps commercialize promising technologies. Testing and quality certification of sporting goods are promoted to assist testing and development of local sporting goods. Expanding the scope of quality certification and helping domestic companies obtain overseas certifications each year, KSP0 contributes to the overseas entry of domestic sports companies and expansion of the domestic sports industry. We are also creating a beneficial industrial ecosystem by training professionals and supporting business startups in the sports industry.

Sports Industry Supporting Performance

Support for sports financing



KRW 31 billion

KSP0 finances the sports industry with the National Sports Promotion Fund to foster the sports industry as a high value-added and new growth engine, to develop the foundation for excellent sports equipment producers, private sports facilities and sports service companies, and to strengthen industrial competitiveness.

Performance for sports industry technology development



KRW 4.9 billion

KSP0 provides R&D expenses for the purpose of developing service technologies for participatory and spectator sports and socially underprivileged, focusing on consumer service R&D according to changes in the sports industry at home and abroad and improving performance of elite sports

Quality certification for sports equipment



65 cases

Sports equipment testing centers are operated to support testing, evaluation and development of domestic sports equipment. In addition, KSP0 supports quality certification of sports equipment to ensure excellent quality of domestic sports equipment and foster brands.

Fundraising Business



Cycle racing

A participatory leisure sport where seven players compete for ranking in a cycling race and customers who purchase a race ticket and successfully predict the winner get a fixed-rate refund



Motorboat racing

A participatory leisure sport where six players compete for ranking in a motorboat race and customers who purchase a race ticket and successfully predict the winner get a fixed-rate refund

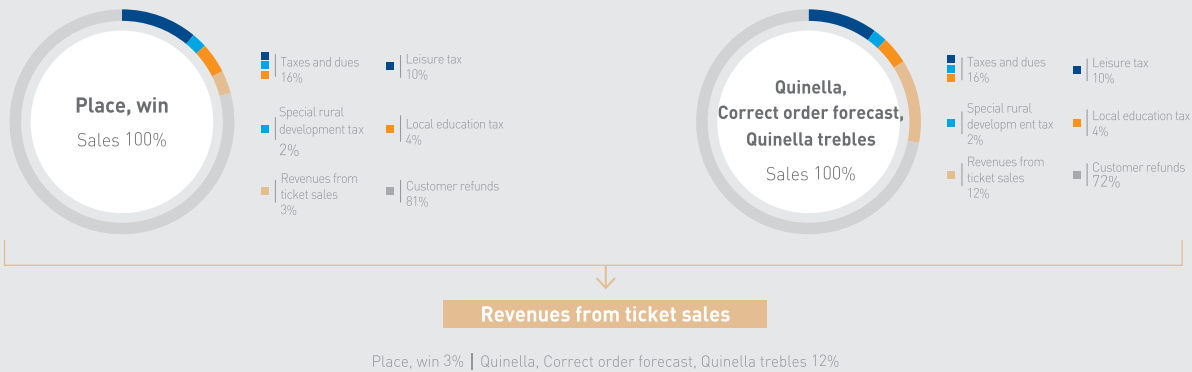


Sports Toto

A sports leisure game that pays prize money to customers who successfully predict the results by analyzing game scores or players' skills

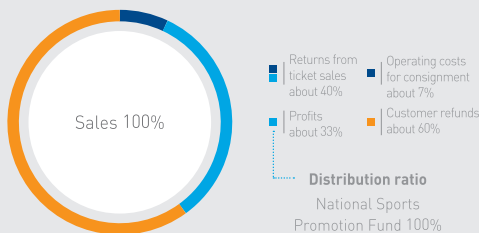
KSP0 contributes to creating a variety of public funds including the National Sports Promotion Fund through cycle racing, motorboat racing and sports promotion betting ticket businesses. Cycle racing and motorboat racing are participatory leisure sports that have taken the lead in spreading a healthy leisure culture and developing the cycling and motorboat industries. In addition, KSP0 strives to promote sports by installing sports facilities closely related to everyday life, constructing public sports centers and supporting the underprivileged using profits from 'Sports Toto.'

Distribution Ratio for Revenue of Cycle and Motorboat Racing Business



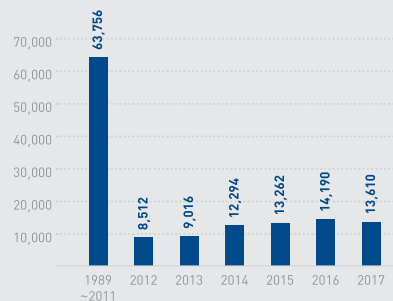
Distribution Ratio for Revenue of Sports Toto Business

Related Basis : Article 29 of National Sports Promotion Act



Current Status of Fundraising

(Unit: KRW 100 million)



* Total fund including lottery income, fines on golf courses and interest income in addition to cycle racing, motorboat racing and sports promotion betting ticket businesses

Sports Promotion and Culture Business



National Fitness Award 100

Public sports welfare service that measures and evaluates physical condition in the scientific method and provides exercise counseling and prescription for the purpose of improving the physical strength and health of the people



Olympic Park

Olympic stadiums and supporting facilities which, after the games, have been used as sports, cultural, historical, and ecological parks where citizens can enjoy the nature in the city and recharge and refresh themselves



Olympic Sports Center

Three Olympic sports centers in Olympic Park, Bundang and Ilsan that are operated to enable citizens to enjoy daily sports in a more convenient and comfortable way



Misari Regatta Park

A stadium which was built for sculling and canoeing events and has amenities such as sports facilities and picnic areas for residents



Korea Institute of Sports Science

A comprehensive research institute for sports and science that has introduced a standard certification system to enhance the performance of national athletes and the international competitiveness of domestic sporting goods



Seoul Olympic Parktel

One of the most prominent youth training facilities in Seoul that opened in 1990 for youth lodging facility, international youth exchange vitalization, and academy house functionality



Sports team

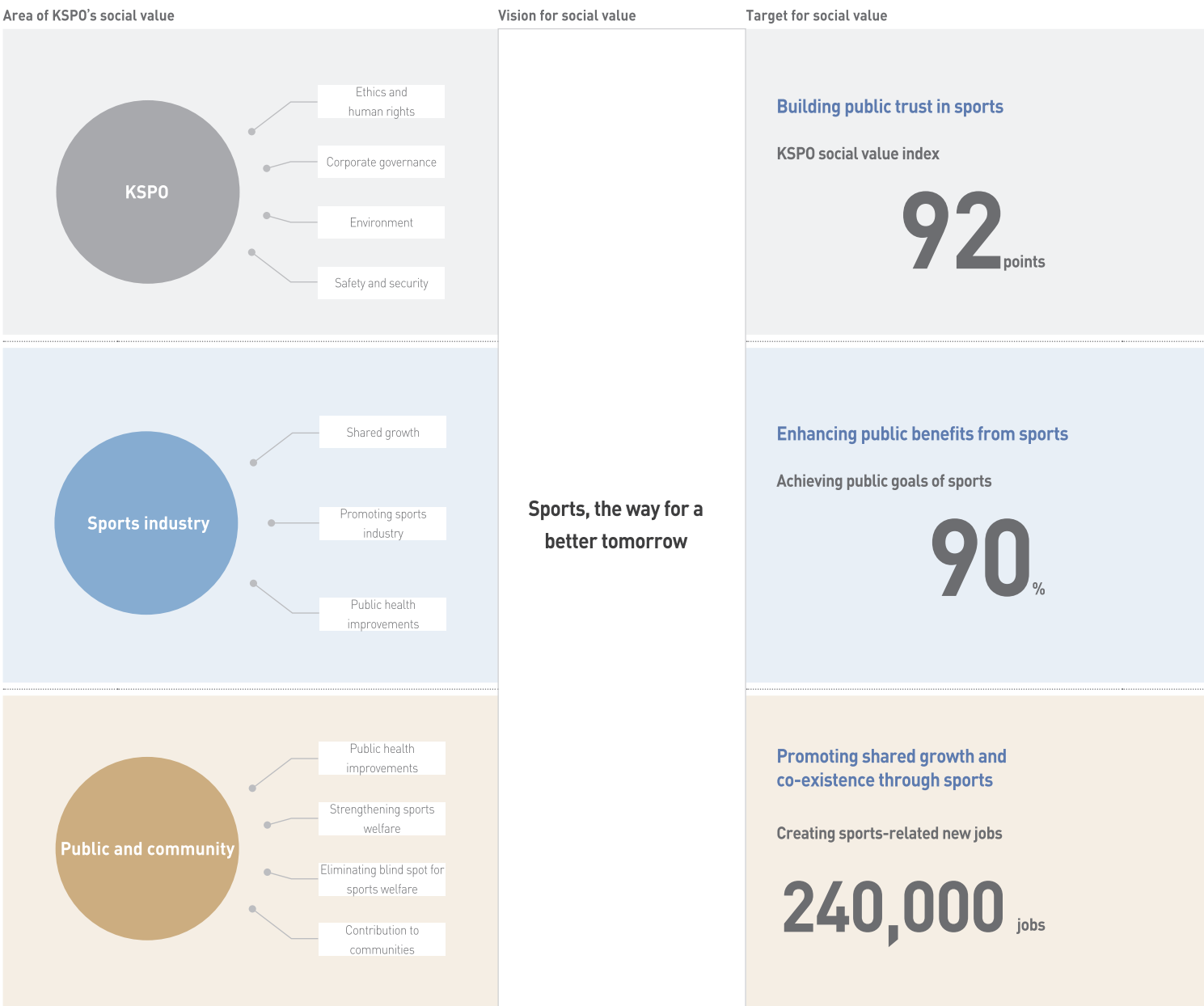
Running marathon, cycle, fencing, canoe, female football, diving, the disabled ski sports team, and, promoting systematic and scientific training for athletic performance improvement

KSPo endeavors to increase public health and quality of life by operating various sports and cultural businesses. We are operating National Fitness Award 100 as a sports welfare service for all citizens, Olympic Park and Seoul Olympic Museum of Art (SOMA) to provide lively energy and composure, Olympic Sports Center for pleasant daily sports, Misari Regatta for leisure activities, Olympic Parktel for training of youths, and Korea Institute of Sport Science as a national sport think tank. We host Tour de Korea, Asia's best international road cycling competition, to foster the cycling industry, reinvigorate local communities, and enhance the national brand value. In addition, KSPo is running marathon, cycle, fencing, canoe and female football teams to create national sports infrastructures and expand the base of various sporting events. KSPo attempts to prepare safe sporting environment and spread safe sporting culture through its safety management projects so that citizens can engage in safe and healthy sporting activities.

KSP0 Strategy and Sustainability

Since its foundation in 1989, KSP0 has placed consistent efforts to become a sustainable organization trusted by people. In 2005, Ethical Management Committee was launched in 2005 to prepare the basis for sustainable management. KSP0 has been fulfilling its obligations faithfully after joining the UN Global Compact in 2007. In 2018, KSP0 defined the social values to be pursued by establishing a social value strategy system in connection with its management strategies. KSP0 strives to accomplish the goals for social values set based on the social value strategy system.







Sustainability Strategy System



UN SDGs

The SDGs(Sustainable Development Goals) is ‘Sustainable Development Goals’ which the UN presents for sustainable development of the international community. This is a promise of the international community that every member of the world needs to participate to solve the important problems facing humanity and practice sustainable development. In September 2015, UN member states around the world gathered in one place to agree 17 goals and 169 different detailed tasks covering the three major sectors of the economy, society and environment by 2030.



Social value strategic directions	Social value strategic tasks	Social value implementation tasks	UN SDGs
 <p>Enhancing public trust in institutional operation and business soundness</p>	<ul style="list-style-type: none"> ❶ Establishing a transparent corporate governance ❷ Promoting human rights management and ethical culture ❸ Reinforcing environment and safety management system ❹ Increasing business soundness 	<ul style="list-style-type: none"> 1-1. Strengthening responsibility for CSR decisions and transparency 1-2. Building management system to create social value 2-1. Spreading the culture of ethics and human rights 2-2. Laying the foundation for human rights management 3-1. Establishing infrastructure for environmental management 3-2. Strengthening KSP0 safety management system and facility safety 3-3. Advancing safety management of sports facilities 4-1. Enhancing the soundness of sports racing business 	
 <p>Enhancing public benefits from sports and eliminating blind spots</p>	<ul style="list-style-type: none"> ❺ Expanding daily sports infrastructure and business ❻ Strengthening sports welfare ❼ Expanding sports promotion and cultural business ❽ Promoting social contribution for shared-value creation 	<ul style="list-style-type: none"> 5-1. Building daily sports facilities and improving user utilization 5-2. Expanding national physical strength certification project 6-1. Expanding physical training welfare business 6-2. Increasing the universality of sports culture services 7-1. Expanding multicultural services 7-2. Promoting construction of new cultural spaces 8-1. Expanding sports-specific social contribution activities 8-2. Launching a campaign for 'riding bicycles with a helmet on 	
 <p>Creating jobs and promoting shared growth</p>	<ul style="list-style-type: none"> ❾ Creating quality jobs and nurturing talent in the sports industry ❿ Supporting mutual growth with sports SMEs ⓫ Expanding social responsibilities of the sports industry ⓬ Fostering future sports industry 	<ul style="list-style-type: none"> 9-1. Achieving substantial performance in job creation 9-2. Developing sports talent 10-1. Strengthening win-win cooperation with SMEs 10-2. Supporting the overseas market exploration of innovative & IT sports entities 11-1. Reinvigorating local economy through sports businesses 11-2. Supporting the sports industry in dealing with social responsibility risks 12-1. Promoting future innovation in the sports industry 12-2. Supporting start-ups by opening sports data to the public 	

KSP0 History of 30 Years

KSP0 celebrated its 30th anniversary in April 2019. Starting 30 years ago when South Korea was a barren land of sports, KSP0 has undergone numerous challenges and innovations to make the nation healthy and happy with sports. Now, KSP0 is about to take a new leap for the next 30 years by fully utilizing its capability and knowledge. As it has done so far, KSP0 will continue to provide greater values of sports to people.



1989-1993

Beginning of a grand journey for national sports promotion

- 1989.4 Foundation of KSP0
- 1989.4 Commencement of legal profitmaking businesses(Advertisement, Lottery, etc)
- 1990.7 Foundation of subsidiary, KSP0&CO
- 1990.9 Opening of Seoul Olympic Youth Hostel (former name of Seoul Olympic Parktel)
- 1990.9 Opening of Seoul Olympic Museum
- 1990.9 Selling of the 1st Sports Lottery
- 1992.5 Launching of Cycle and Motorboat Racing Business Preparation Group

1989-1993

1994-2000

Increased demand for sports welfare and preparation of grounds for growth

- 1994.7 Opening of Bundang Olympic Sports Center
- 1994.10 Opening of Jamsil Velodrome
- 1995.5 Free opening of Olympic Park
- 1995.6 Opening of Korea Sports Television
- 1996~ Promotion of school sports support business for youths
- 1997.3 Opening of Suwon Cycle Racing Office
- 1998.9 Launching of Motorboat Racing Development Team for early development of Jojeong Lake
- 1999.1 KSP0 Sports Science Institute, Incorporated into KSP0 as an affiliated institution
- 1999.12 Distribution of diffusion model of sports center
- 2000.7 Launching of Motorboat Racing Headquarters

1994-2000

2001-2008

New history of national sports promotion

- 2001.5 Opening of International Olympic Fair Seoul
- 2001.10 Commencement of sports promotion betting ticket
- 2002.6 Commencement of motorboat racing business and opening of Misari Regatta
- 2004.9 Launching of love sharing volunteer group
- 2005.11 Launching of Ethical Management Committee
- 2006.2 Opening of Gwangmyeong Speedom
- 2007.8 Joining of the UN Global Compact
- 2007.9 Opening of Tour de Korea 2007

2001-2008



2009-2017

A big step toward a sports welfare nation

- 2009.3 Commencement of the sports voucher system for youths from low-income families
- 2009.9 Opening of the 1st Hope ReSTART Startup Support Center
- 2011.12 Launching of Shared Growth Management Team exclusively in charge of shared growth management
- 2012.2 Commencement of national physical strength management service and National Fitness Award 100
- 2013 Launching of Shared Growth Management Committee and Shared Growth Support Center
- 2015- Hosting of Sports Industry Job Fair
- 2015.10 Business agreement to support youths outside school (Ministry of Gender Equality and Family)
- 2017.7 Opening of integrated career support center for athletes

2009-2017

2018-2019

New future vision of national sports promotion

- 2018.1 Switching of 100% of non-regular workers to regular workers
- 2018.4 Declaration of the new vision made by public contest
- 2018.4 Launching of the first internal venture among quasi-government institutions
- 2018.9 Celebration of the 30th anniversary of Seoul Olympic Games
- 2019.4 Establishment of the KSPO future development strategy system

Sports for everyone

- 01 Health through sports
- 02 Sport + sharing platform
- 03 Good Start sports participation project



Strong supporter of sports

- 04 Rebound of bicycle race / motorboat race
- 05 Continued growth of Sports Toto



KSPO at the people's side

- 06 Social value leading organization
- 07 Quality sports jobs
- 08 North and South Korea peace sports



Sports advancing towards future

- 09 Sports, culture, cutting-edge global Olympics park
- 10 Cutting-edge sports industry valley



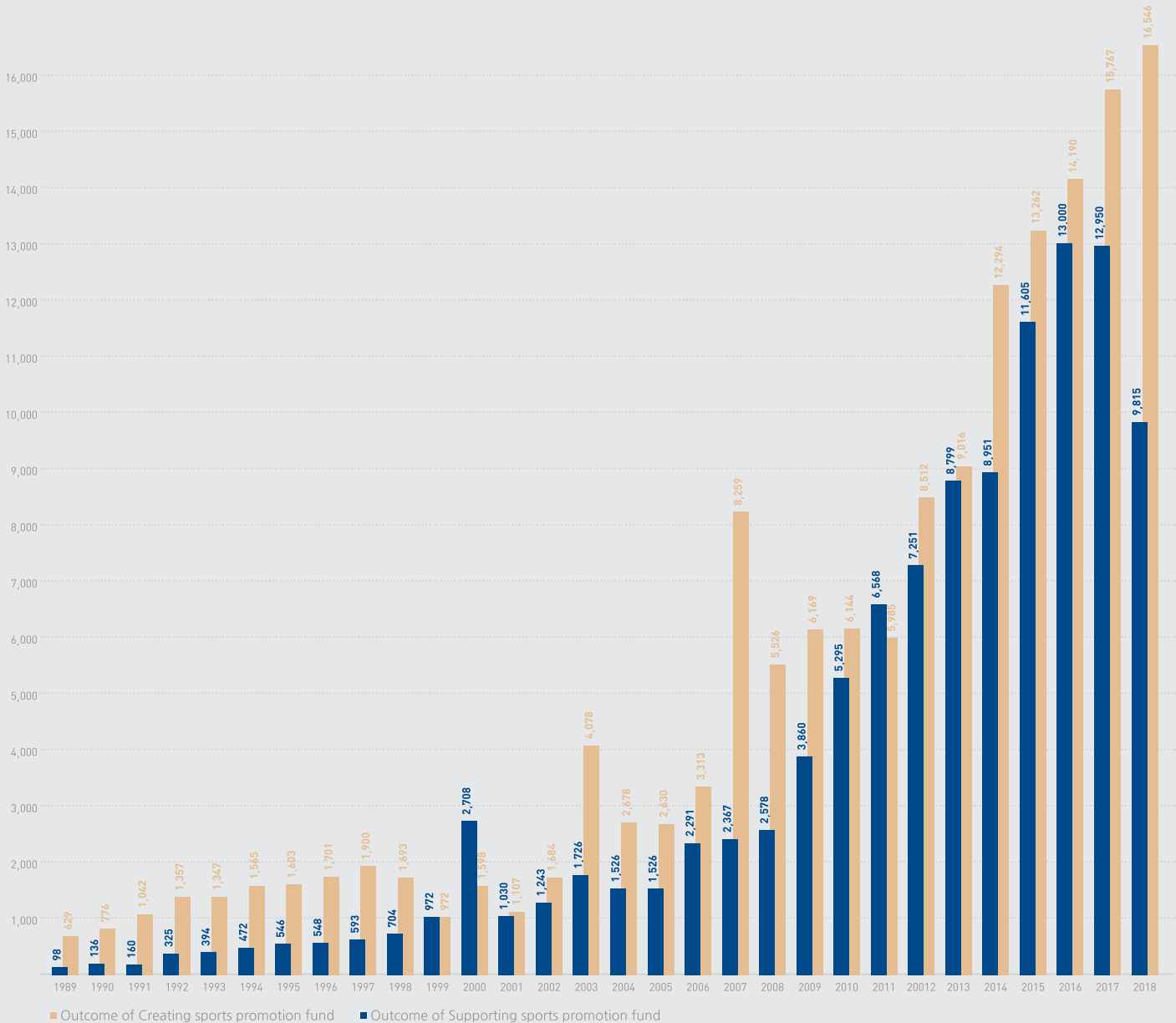
2018-2019

KSP0 30-Year Social Value Index

In the past 30 years, KSP0 has created a sports fund of over KRW 15 trillion through sports promotion betting ticket, cycle racing and motorboat racing businesses and provided KRW 11 trillion in different fields of sports. In addition, KSP0 contributed to the development of sports and revitalization of daily sports in South Korea by managing over 90% of national sports finance including daily sports, school sports, professional sports, sports for the disabled and international competitions. KSP0 promises to work for national health and sports as a public institution in charge of managing sports.

1989-1993	1994-2000	2001-2008	2009-2017
Beginning of a grand journey for national sports promotion	Increased demand for sports welfare and preparation of grounds for growth	New history of national sports promotion	A big step toward a sports welfare nation

[Unit: KRW 100 million]





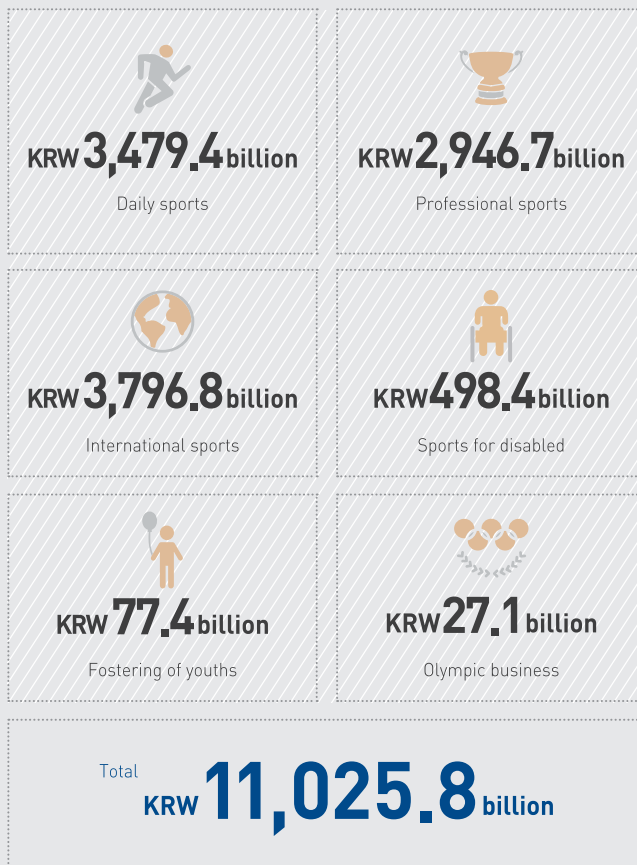
External Evaluations and Awards of KSPO

- 1997.8 Successfully hosted Muju, Jeonju Winter Universiade and received a presidential citation
- 2002 Selected as an institution that contributed to the hosting of Korea-Japan World Cup and received a presidential citation
- 2004.12 Received an appreciation plaque from the Minister of Justice for contribution to sports activities
- 2009.11 Received the Sustainable Management Award (Ministry of Knowledge Economy)
- 2009.12 Received a citation for excellence in school sports normalization policy (Ministry of Education, Science and Technology)
- 2009.12 Selected as a public institution with excellent integrity (Anti-Corruption & Civil Rights Commission)
- 2010.11 Received a citation for excellence in supporting SMEs (Ministry of Knowledge Economy, Large & Small Business Cooperation Foundation)
- 2010.12 Received a citation for excellence in advancing labor-management relationship of public institutions (Ministry of Employment and Labor)
- 2012.6 Received a Prime Minister's citation for contribution to stabilization of people's life
- 2012.12 Acquired a certification for excellence in family friendliness (Ministry of Gender Equality and Family)
- 2012 Selected as an institution with excellent shared growth (Ministry of Knowledge Economy)
- 2013.7 Received the Korea Management Award in Customer Value Management (Korean Society of Consumer Studies)
- 2014.10 Received the Award of Minister of Health and Welfare at the Korea Sharing Awards (Ministry of Health and Welfare, Community Chest of Korea, KBS)
- 2016.10 Received an institutional citation in food bank at the National Social Welfare Sharing (Ministry of Health and Welfare)
- 2016.12 Received a citation from the Minister of Gender Equality and Family for excellence in work-home balance (Ministry of Gender Equality and Family)
- 2016.12 Received the Grand Award at the Korea Social Contribution Awards (Korea Institute of Service Industry, Korean Federation of Professional Volunteers)
- 2016.12 Received a citation from the Minister of Gender Equality and Family for excellence in supporting youths outside school
- 2017.5 Received an award certificate for contribution to healthy growth of youths (Ministry of Gender Equality and Family)
- 2017.6 June 2017 Received a plaque for creation of shared value (CSV) through national physical strength certification business (Korean Society of Public Enterprises)
- 2017.10 Received the Award of Minister of Health and Welfare at the Korea Sharing Awards (Ministry of Health and Welfare, Community Chest of Korea, KBS)
- 2017.12 Received the Award of Vice Speaker of National Assembly and Main Award in Education at the Korea Social Contribution Awards (Organizing Committee for the Korea Social Contribution Awards)
- 2017.12 Received the Great Korean Award, Seoul Mayor's Award and Main Award at the King Sejong Sharing and Volunteer Awards (United Nations Volunteers Korea)
- 2018.5 Received a Prime Minister's citation for contribution to national disaster control (Ministry of the Interior and Safety)
- 2018.11 Received the Award of Minister of Education at the Korea Education Donation Awards (Ministry of Education)
- 2018.11 Received the Beautiful Korean Award, Award of Chairman of Culture, Sports and Tourism and Main Award at the Korea Social Contribution Awards (United Nations Volunteers Korea)

2018-2019

New future vision of national sports promotion

Cumulative Value of Each Sports Promotion Business Area



※ Fostering of youths: KRW 77.4 billion, Olympic business: KRW 27.1 billion (included in the grand total for '89-'05)

※ Supported KRW 210.3 billion for construction of World Cup Stadium (included in professional sports) Annual amount: KRW 10 billion in '99, KRW 190.3 billion in '00, KRW 10 billion in '01 Six cities: KRW 30 billion in Seoul, KRW 41.8 billion in Incheon, KRW 34.6 billion in Ulsan, KRW 44 billion in Suwon, KRW 31.4 billion in Jeonju, KRW 28.5 billion in Seouguipo

※ Supported KRW 1,082.2 billion for facilities of Pyeongchang Winter Olympic Games (included in international sports) Annual amount: KRW 7.6 billion in '12, KRW 98.2 billion in '13, KRW 132.9 billion in '14, KRW 291.4 billion in '15, KRW 340.9 billion in '16, KRW 211.2 billion in '17



01

Focus Area

Creation of Sports Welfare Society

WHY | Why is This Topic Important?

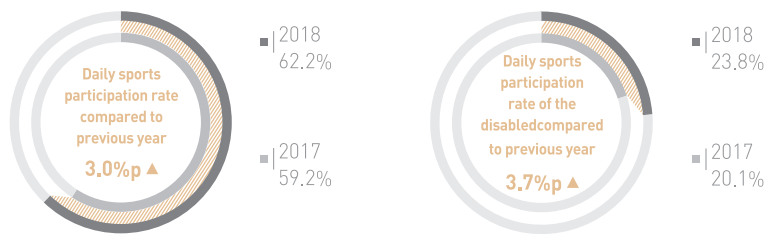
Sports are used as welfare measures to guarantee active life beyond simple welfare, and the targets of sports welfare are being expanded from the underprivileged to all citizens. Japan has been developing its sports policy early to enhance bodily and mental health of communities. Germany has turned sports into entertaining welfare by having over one-third of its citizens join a sports club. South Korea helps its people manage a healthy life by expanding the daily sports infrastructure and increasing financial support based on the national task of 'making a lively country where all citizens enjoy sports.'

WHAT | What is Our Approach?

KSPPO operates multilateral businesses to enhance sports welfare of South Korea. In addition to creating a sports welfare environment by installing facilities and fostering instructors, we are removing physical and financial barriers in sporting activities through various welfare businesses. KSPPO also contributes to communities with its social contribution projects specialized in sports based on unique know-how in operating, supporting and managing sports services and facilities. Such projects are intended to form an enjoyable sports and leisure culture.

How | How is Performance Managed?

Outcome of increasing national sports participation



Customer satisfaction

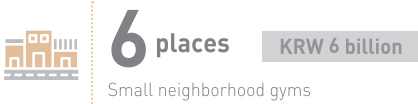
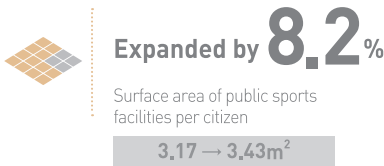


Promoting free trial event, KSPPO Leisure Sports Festival, for sports promotion and welfare

Links to SDGs



Expanding Daily Sports Infrastructures and Businesses



Expansion of Public Sports Facilities

With the pursuit of work and life balance, people have increasing needs for daily sports. Accordingly, KSPO is striving as a public institution enhancing national sports welfare so that all citizens can enjoy various sporting at public daily sports facilities. Following the government policy to make sports facilities become available within a 10-minute distance for all citizens by 2030, KSPO concentrates on installing daily sports facilities in residential areas. We are operating a variety of projects based on the three strategies of 1) installing sports facilities closely related to everyday life, 2) installing regional sports facilities, and 3) resolving imbalance of sports facilities. In 2018, swimming pools and fitness centers were installed at 27 national sports centers and 29 open multi-purpose gyms were constructed using school and industrial sites. KSPO spent KRW 133.6 billion to support diverse sports facilities.

Expansion of Sports Facilities Closely Related to Everyday Life

KSPO change the target of sports facilities closely related to everyday life from large-scale facilities in cities and districts to local communities. We conducted a national survey on public sports facilities and a survey on demand of local governments. Opinions of people and local governments were gathered to develop 4 sports facility models (urban growth type / specialized type, small city growth type / specialized type) based on regional characteristics and population changes. KSPO selected and supported 15 facilities in 2018 and plans to complete construction of 114 sports facilities closely related to everyday life by 2023.

Resolving Imbalance of Sports Facilities

KSPO tries to resolve imbalance of sports facilities so that no one becomes underprivileged. We support national sports centers, sports centers for elders and sports center for youths managed by each basic local government to resolve imbalance of sports facilities among different regions and age groups. We also support sports facilities for the disabled. KSPO supported 12 regional sports centers of basic local governments, 4 national sports centers for the disabled operated by metropolitan local governments, 7 sports centers for elders, and 2 sports centers for youths.

Efforts to Resolve Imbalance of Sports Facilities

	Description
National sports centers of basic local governments as regional base	Constructed for the purpose of resolving imbalance of sports facilities among local governments due to the gap in population and economic status Supported 12 centers including Gwangju, Gyeonggi-do in 2018 (5 new places) Completed arrangement of 94.4% of centers according to the mid- to long-term balanced arrangement plan
National sports centers for the disabled operated by metropolitan local governments	Supporting construction of convenient centers for the disabled Supported 4 centers including Hongcheon, Gangwon-do in 2018 (1 new place) Completed arrangement of 93.8% of facilities for the disabled, to be completed in 2020
Sports centers for elders	Increased sports participation of elders by supporting multi-purpose sports facilities that reflect physical strength and cultural needs of elders Supported 7 centers including Geumchon Culture and Sports Center in Paju, Gyeonggi-do
Sports centers for youths	Supporting healthy physical activities and growth of youths by constructing daily sports facilities to foster exercise habits Supported 2 centers including Youth Swimming Pool in Suncheon, Jeollanam-do



5,981 instructors





Number of public daily sports instructors

Expansion of Customized Local Sports Facilities The needs for sports facilities vary according to regional and resident characteristics. In order to avoid uniformity and increase satisfaction of users, KSP0 constructs customized local sports facilities such as small-scale neighborhood gyms, open school gyms and open gyms at industrial complexes.

Increase of Daily Sports Instructors

People need the help of experts in order to participate in daily sports on a regular basis. Especially, elders who have difficulty participating in regular lectures at sports facilities due to weak stamina and disabled persons need continuing professional assistance. KSP0 trains and assigns daily sports instructors for infants, elementary schools and elders to raise the standard of daily sports and develop desirable exercise habits.

Current Status of Public Daily Sports Instructors of KSP0

			
Children	Elementary students	Elders	Disabled
Assignment of professional daily sports instructors for children to form exercise habits	Assignment of elementary school sports instructors to diversify sports lectures in elementary schools	Expansion of outreach lectures for elders by daily sports instructors	Expansion of lectures for different types of disabilities in daily sports classrooms

Encouraging Participation in Sports Activities by Life Cycle Stages

Diverse programs for different life cycle stages must be provided for everyone to manage healthy and energetic life, from children to elders. For instance, infants need programs that can make a habit of playing sports and adolescents should be provided with a variety of sports programs to gain experience. Accordingly, KSP0 offers sports programs for different life cycle stages that can help all citizens experience optimal sports.

Current Status of KSP0 Custom Daily Sports Participation Programs by Life Cycle Stages

Life Cycle Stage	Description
Childhood	Outreach lectures of professional instructors in kindergartens 400 places 28,458 times Children's programs (2 types) and new supply of exclusive equipment (3 types)
Adolescence	Weekday Expansion of special sports lectures such as 3-on-3 basketball 141 schools
	Weekend Expansion of after school programs 6,439 programs
Adulthood	Operation of daily sports squares for workers (early morning, evening) 385 places
	Support of sports club competitions for different sporting events 67 competitions



547,000 persons

Number of participants in children's sports programs



88.6 points

Satisfaction score of youth (weekday) sports programs



97.7 points

Satisfaction score of adult sports programs

Vitalization of Sports Club

KSP0 promotes sports club vitalization so that the participants of sports for all can better enjoy sports. To expand new sports clubs, new sports clubs are selected and supported through public contest, and general sports club website is established to contribute to the improvement of user convenience of club members. Also, 46 sports star supporters from 21 categories help to reinforce the expertise of sports clubs

Strengthening National Physical Strength Certification Program

As national physical strength is decreasing and obese population is increasing, life expectancy of Koreans is 80.7 years for men and 88.6 years for women. With the coming of the age of centenarians, people must have healthy body and physical strength to live happily. KSP0 promotes National Fitness Award 100 to help people manage their physical strength and find healthy lifestyle. National Fitness Award 100 is a national welfare service that scientifically measures physical strength of citizens aged 13 years or above and offers personalized exercise and strength programs. In collaboration with health centers, local governments and public institutions, KSP0 provides many services including strength measurement, exercise prescription and management programs.

Promotion Status of National Fitness Award 100

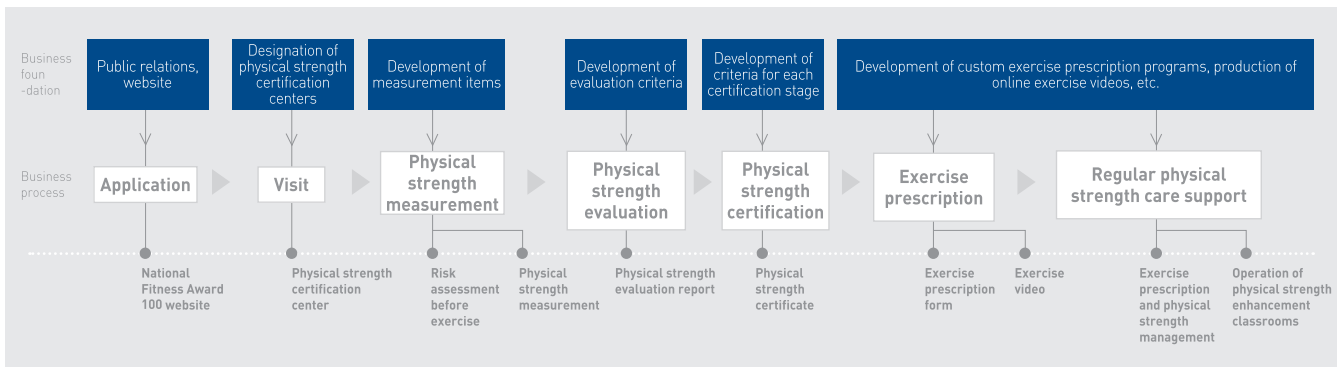
Category	Outcome of Promotion	Increase Compared to Previous Year
Physical strength certification center	43 centers	5 centers ▲
Number of persons who measured physical strength	267,401 persons	21.9% ▲
Number of persons who acquired physical strength certification	104,818 persons	24.9% ▲
Number of persons who acquired sports activity certification	12,726 persons	23.5 times ▲
Customer satisfaction	94.8 points	0.2 points ▲

Sports Activity Certification

A state service intended to maintain and improve health care of citizens by evaluating daily sports activities of individuals, providing personalized sports programs, and issuing a sports activity certificate based on personal sports history.

On the one hand, KSP0 increased the number of new physical strength certification centers was increased from 38 to 43 to reinvigorate National Health 100. The visiting service task force was expanded compared to the previous year. We develop and offer custom programs such as the physical strength program for low strength and obese adolescents and physical strength measurement program for the police and soldiers. There are mobile services that increase convenience such as the mobile healthcare app and sports activity authentication service.

Flowchart of National Fitness Award 100



Strengthening Sports Welfare



92.6 points

Satisfaction score of participants



3.7%p ▲

Daily sports participation rate of the disabled

Guaranteeing Sports Activities of Youths from Low-Income Families

As a sports financing institution, KSPO strives to remove the blind spots in sports welfare by providing sports lesson vouchers to youths from low-income families who do not have opportunities to participate in sports, which offer chances for healthy leisure and sports activities. The sports lesson voucher business supports sports activities of children from low-income families by issuing sports lesson voucher cards. This business targets children from underprivileged families aged 5~18 years. KSPO sponsors monthly expenses of up to KRW 80,000 per person (per lesson) for at least 7 months in a year when using nationwide facilities designated to use sports lesson vouchers. In 2018, 52,129 children were supported. We are constantly improving this business by analyzing the needs of people through surveys.

Opinions of Citizens	Details of Improvement	Outcome of Improvement
Inconvenient inquiry of qualification status	Introduction of real-time 'qualification' inquiry for basic livelihood connected to the social security system in collaboration with the Ministry of Welfare	Simplified documents, shortened request time and prevented errors in request
Limited online payment methods	Introduction of the mobile payment system in collaboration with credit card companies	Simplified payment and resolved payment problems of households without PC
Expansion of lecture facilities	Encouragement of sports facilities to join the alliance through visited seminars in collaboration with local governments	Increased the number of lecture facilities by 11% from 8,901 to 9,869

Preparation of a Stepping Stone for the Disabled

With the Pyeongchang Winter Paralympic Games, people are paying greater attention to sports for the disabled. KSPO is leading the efforts to increase daily sports participation rate of the disabled by improving the conditions. First, KSPO investigates current status and conditions of daily sports of the disabled and tries to improve any issues at stake. We increase daily sports participation rate of the disabled by expanding facilities and programs for the disabled. 'Integrated sports classes for different life cycle stages' are in operation for elementary, middle and high schools so that the disabled and non-disabled can enjoy sports together. Integrated sports classes for different life cycle stages had 9,100 participants from 75 schools in 2018 and recorded a satisfaction score of 98.4 points.

Expansion of Support Services and Programs for the Disabled

Opinions of Citizens	Details of Improvement	Outcome of Promotion
Daily sports classrooms	Encouragement of participation of disabled women by assigning instructors and increasing the ratio of female instructors	14,949 participants 3.3% ▲ compared to previous year Ratio of female instructors 2.5% ▲
Sports lecture vouchers for the disabled	Establishment of the plan to provide 'sports lecture vouchers for the disabled' to reduce the burden of low-income disabled persons for sports activities	To be demonstrated on 5,100 persons in 2019



1.4 points ▲

Satisfaction about sports facilities



2.2 points ▲

Satisfaction about programs



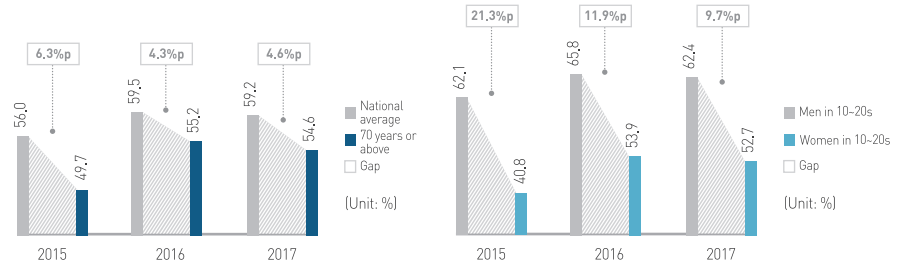
0.7%p ▼

Gap between disabled and non-disabled persons

Increased Support of Low Sports Participation Groups

Looking at the sports participation status of Korean citizens, participation rate of elders in their 70s or above is 5%p lower than the national average. The participation rate of women in their teens and 20s is 10%p lower than men of the same age group. It is urgently required to close the gap according to age and gender.

Sports Participation Status (Survey on Daily Sports)



Elders aged 70 years or above 5%p lower than the national average

Women in 10-20s 10%p lower than men of the same age group

Many elders avoid participating in daily sports due to weak physical strength and economic burden. Women show poor sports participation rate compared to men because of habit, childbirth and child care. KSP0 operates various support programs such as free lesson programs, women-preferred programs and sports competitions to increase sports participation rate of elders and women.

Expansion of Support Business for Elders

Opinions of Citizens	Details of Improvement	Outcome of Promotion
Basic physical strength measurement and management	Operation of physical strength management services for elders (128 places) Physical strength measurement → personalized prescription → guidance of free programs	Number of participants 4.2% ▲ (156,000 Persons → 162,000 Persons) Satisfaction 3.4Points ▲ (94.3 → 97.7 Points)
Free lesson programs	Lessons and equipment appropriate for physical strength of elders 16 sports, 679 places, 13,921 lessons	Number of participants 1.6% ▲ (267,000 Persons → 272,000 Persons) Satisfaction 0.9 Points ▲ (94.3 → 95.2 Points)
Competitions for each sporting event	Expansion of support on festivals of elders to increase the sense of accomplishment and motivation to participate in daily sports 15 → 16 competitions	Number of participants 109.6% ▲ (6,200 Persons → 13,000 Persons) Satisfaction 2.3Points ▲ (90.6 → 92.9 Points)

Expansion of Programs and Support Centers for Women

Opinions of Citizens	Details of Improvement	Outcome of Promotion
Formation of exercise habit	Operation of girls' sports classrooms reflecting physical strength and preferences of elementary, middle and high school female students: 14 sporting events, 808 classrooms, 259,022 participants	Satisfaction 5.5Points ▲ (90.9 → 96.4 Points) Willingness to participate again 7.4Points ▲ (90.0 → 97.4 Points)
Resolving interruption of participation	Expansion of 'Beauty Filling Project' at regional child care support centers to teach exercise and manage physical strength of women in or after pregnancy 50 → 66 places	Number of lessons 47.4% ▲ (851 → 1,254 Times) Number of participants 64.3% ▲ (8,000 → 13,200 Persons)
Spreading participating culture	Spreading of programs preferred by women to improve participation of women by breaking away from sporting culture focused on men, assignment of female instructors Continued expansion	Developed and spread stretching exercises for different life cycle stages of women (4 types) Exceeded 50% ratio of female instructors (50.7%)



3.7%p ▲

Daily sports participation rate of low participation classes (elders aged 70 years or above, women in 10-20s)



5.2%p ▲

Daily sports participation rate of elders aged 70 years or above



2.3%p ▲





Daily sports participation rate of women in 10-20s

Expanding Sports Promotion and Cultural Business

Creation of Space for Multi-Purpose Sports and Cultural Leisure Activities

KSP0 created space for multi-purpose sports and cultural leisure activities in Gwangmyeong Cycle Racing Speedom and Hanam Misari Regatta so that all visitors can enjoy sports and experience culture. In addition, we arouse interest of visitors with unique cultural experience programs in each region. Gwangmyeong Cycle Racing Speedom has various art and cultural performances and play experiences. Hanam Misari Regatta increases quality of life of visitors by providing marine leisure sports such as rafting and water-cycle, as well as sculpture park. Such multi-purpose sports and cultural leisure space leads to an increase of visiting tourists and contributes to better quality of life of residents

Promotion of Participatory Culture and Leisure Programs in Cycle and Motorboat Racing Tracks

			
Opening of facilities and returning to communities	Diverse culture and art performances	Sports and leisure experience programs	Marine leisure sports and children's festivals
Creation of green ecosystem in Misari Regatta and extension of park opening hours	Hosting of ongoing events such as traditional trot concerts, regional band club concerts, etc.	Development of seasonal events such as Summer Water Bubble Festival, Winter Speedom Festival, etc.	Hosting of children's festivals and reinvigoration of canoe and marine sports classrooms using motorboat racing water
Opening of speedom on off-days for book cafe and sports experience	382,800 participants	251,100 participants	957,997 participants



98.28 points

Satisfaction score for culture and sports programs in branches

In addition, KSP0 promotes cultural welfare of middle aged and elders with cultural, art and health programs outside cycle racing and motorboat racing centers. KSP0 also contributes to local communities by opening cultural outreach classes for youths at schools and welfare centers.

Promotion Status of Culture and Health Classrooms for middle and Old Age in Cycle and Motorboat Racing Branches

Opinions of Citizens	Details of Promotion	Outcome of Promotion
Middle and old age	Opening of culture and art programs such as calligraphy, folk song, total handicraft, etc Opening of health classrooms in branches like senior yoga and sports dance and implementation of healthy exercise classrooms aimed at making centenarians jointly with National Health Insurance Corporation	81 lectures and 300,602 participants
Youths	Opening of sports programs like basketball and judo classes and culture programs such as cultural field study and total handicraft	10 lectures and 3,449 participants

Spreading Leisure Culture for People

The number of Koreans riding bicycles has exceeded 13 million. Bicycles have become daily leisure sports of many people. Accordingly, KSP0 promotes various 'bicycle-themed' businesses to ensure safe bicycling, such as bicycle academies, international cycling competitions and bicycle healing campaigns.



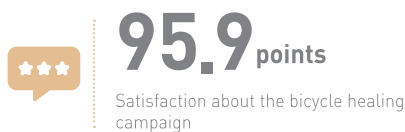
Spreading National Bicycle Culture

KSP0 divides bicycle riders into elite, club and ordinary riders to operate optimal businesses that accommodate for the needs of each group. In June 2018, Tour de Korea (803km course in 5 cities) was held for the elite group to celebrate the 30th anniversary of the Seoul Summer Olympic Games, creating regional production effect of KRW 11.8 billion and added values of KRW 4.7 billion. KSP0 designed a course crossing the DMZ and hosted the nation's largest bicycle club competition for bicycle clubs that prefer exciting riding experiences. Bicycle festivals such as Children's Balance Bike World Championship were also held for ordinary riders.

Reinvigorating Bicycle Use of Local Residents

As a national sports welfare institution, KSP0 endeavors to reinvigorate bicycle use of local residents by fully utilizing its assets and knowledge.

Category	Purpose	Description
Bicycle academy	Spreading of bicycling knowhow from beginners to experts	Proper bicycling education in theory and practice 680 persons
		Spinning bike that combines music, pedaling and upper body exercise 470 persons
		Unicycle classroom for children and adults to improve the sense of balance 1,267 persons
		Beginner's and in-depth track academies of cycle racing athletes using speedom 580 persons
Bicycle healing campaign	Maintenance of physical health and increased living energy through bicycle riding	'Dreaming Bicycles' providing bicycles and supporting bicycling education to underprivileged children and youths addicted to smartphone in collaboration with Gwangmyeong Council on Social Welfare, YMCA, etc. 350 persons
		'Bicycles of Hope' hosting healing bicycle camp for gambling addicts to help them return to the society through physical activities and psychotherapy 4 times, 38 persons
Bicycle care service	Joyful world with bicycles	Free bicycle repair service visiting different areas
		Online and offline campaigns for children to wear safety helmet when riding bicycles Provided safety helmets to 9,903 persons
		Rental of special bicycles using speedom pedal square 253 bicycles
		Hosting of and participation in bicycle flea markets 4 times 2,829 participants

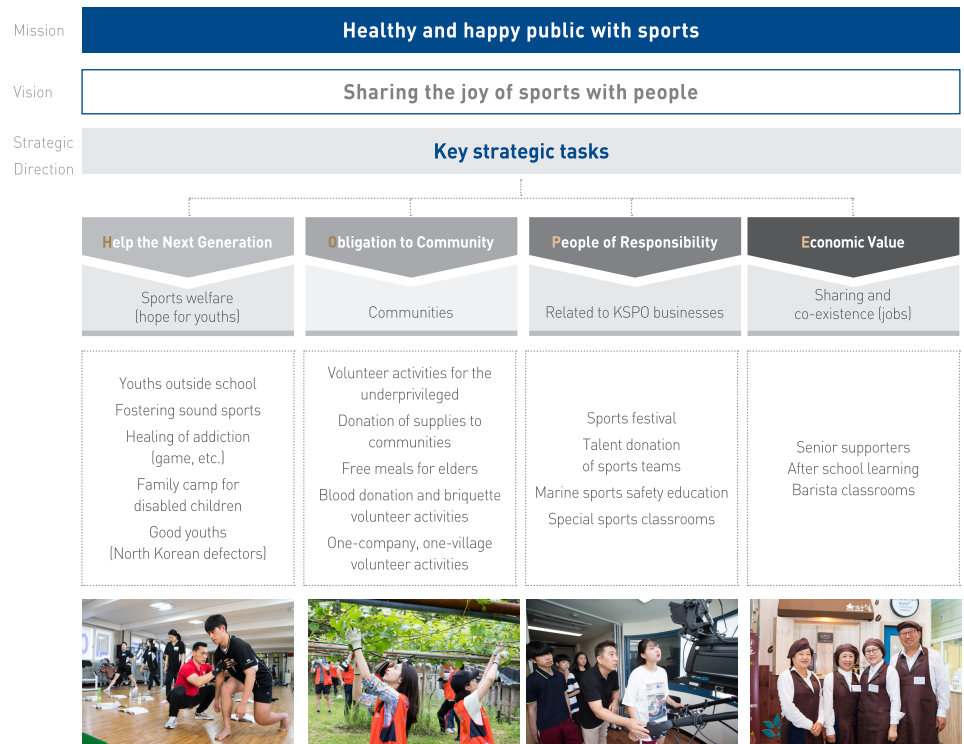


Promoting Social Contribution for Shared-Value Creation

Social Contribution Promotion System

KSP0 runs a variety of social contribution activities based on its objective, business characteristics and capability as a public institution that enhances sports welfare. Under the mission of 'healthy and happy public with sports,' KSP0 has established the vision of 'sharing the joy of sports with people' and is promoting 4 strategic directions and 17 key tasks. Through diverse social contribution activities, KSP0 will create positive values of sports and grow together with local communities.

Social contribution strategy



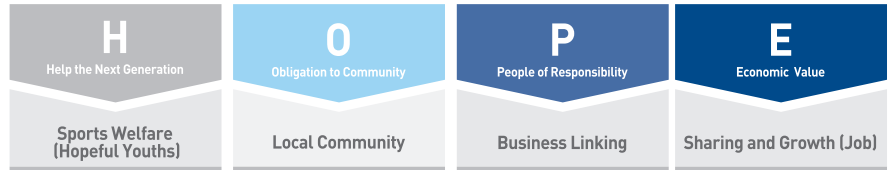
Fund for Social Contribution Activities

Social contribution finance of KSP0 is prepared by a share-love fund based on voluntary donations of employees and a matching fund. The share-love fund is deducted from employees' accounts every month, and KSP0 doubles the amount of the share-love fund through the matching fund. The funds are used to support social contribution activities such as aiding social welfare facilities, low-income groups and sporting goods.

	Unit	2016	2017	2018
The matching fund	KRW thousand	57,439	59,456	43,746

KSP0 Social Contribution Promotion, HOPE

KSP0 is actively engaged in many social contribution activities to shed ‘light of hope’ on every place of South Korea. In particular, KSP0 tries to spread the value of sharing and growth using its infrastructure and expertise, offering healthy life and joy to underprivileged neighbors through sports.



01 Help the Next Generation Sports Welfare (Hopeful Youths)

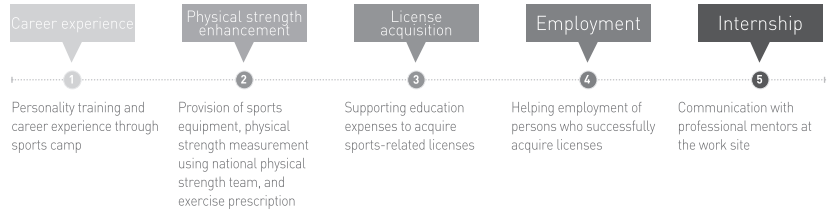
Youths will lead the future of South Korea. KSP0 hopes future leaders to find healthy and happy life through sports. Especially, KSP0 develops and promotes various social contribution programs to help adolescents outside of school, children from low-income families and underprivileged youths in establishing healthy life and vision by participating in sports. We operate a one-night, two-day family camp for families of disabled children who cannot move freely. Psychotherapy and bicycle classes are supported for children with addiction symptoms. In addition, KSP0 has sports programs such as baseball training for children of north Korean defectors and underprivileged youths, helping them find healthy and happy life.

 **59** persons
 Number of certificate holder among 64 participated youths



Helping School Dropout Youth 'Become Sports Players' Project

The ‘Helping School Dropout Youth Become Sports Players Project’ was designed to help school dropout youths with their career and resolve social problems associated with them. This year marks the 4th year of this project, being promoted on about 50,000 dropout youths (youths who belong to 202 dream centers around the nation). KSP0 provides a one-stop service for youths to become independent by experiencing career choices, acquiring licenses and experiencing internship.



02 Obligation to Community Community Contribution

KSPo is a reliable partner of local communities that promotes social contribution activities reflecting the needs of local residents. We practice sharing with residents by donating supplies to social welfare facilities including underprivileged villages and scholarships to help schooling of students from low-income families. KSPo offers social participation opportunities and supports proud old-age life of elders by providing free meals and jobs to elders.



03 People of Responsibility Business Linking

Professional athletes donate their talent through KSPo Sports Club Talent Donation to help underprivileged elementary school students. KSPo utilizes its core capabilities as a public sports institution to promote social contribution activities like training of national cycle prospects, water sports safety class, training of golf prospects, and special physical education class.



04 Economic Value Sharing and Growth

KSPo functions as a stepping stone for employment in the field of sports by creating private jobs to contribute directly and indirectly to the development of regional economy. We are expanding high-quality community jobs and spreading senior employment culture by operating barista classes and senior supporters.





02

Focus Area

Trusted and Transparent Management

WHY | Why is This Topic Important?

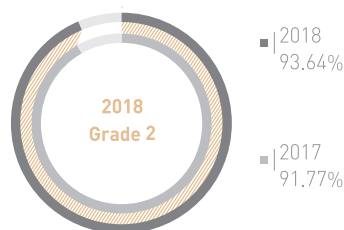
As there is an increasing social interest in transparency of companies and stakeholders have greater access to information with the shift from online to mobile environment, unethical and nontransparent companies can no longer survive in the market. In fact, some companies are gaining trust of stakeholders and improving sustainability through honest and transparent management, whereas immoral companies are neglected by customers. Especially, public institutions founded for the public interest are required to have even higher level of transparency and ethics. Transparent corporate management is becoming more and more important as an essential condition for survival and sustainable growth.

WHAT | What is Our Approach?

KSP0 understands the importance of ethical management of public institutions and implements a sound and transparent corporate governance. Its ethical management system creates an anti-corruption environment, and KSP0 strives to spread the upright and ethical culture among various stakeholders. To secure transparency of cycle racing and motorboat racing businesses, KSP0 takes a variety of approaches such as improvement of the decision-making system and monitoring of stores. These are the efforts to reinforce soundness of businesses and expand the ethical management paradigm.

How | How is Performance Managed?

Evaluation of anti-corruption policy

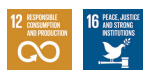


Measurement of integrity by the Anti-Corruption & Civil Rights Commission



Introducing real-name transaction system for electronic card to expand soundness in cycle and motorboat Racing

Links to SDGs



Establishing a Transparent Corporate Governance

Board of Directors (BOD) Composition

The BOD is the highest decision-making organization that reviews and resolves pending issues of KSP0. The BOD is composed of 2 executive directors, 2 non-executive directors (ex officio), 7 non-executive directors (appointed), and 1 standing auditor. The Chairman concurrently plays the role of the Chairman in accordance with the 'Act on the Management of Public Institutions.' The BOD has achieved gender equality and diversity by appointing non-executive directors based on professional career in business management or sports and comprising over half of non-executive directors as women (57.1%). The BOD applies policies suggested by professional non-executive directors and decides important management matters for sustainable growth.

BOD status

As of February 2019

	Name	Gender	Experience	Tenure
Executive director	Cho Jae-kee	Male	<ul style="list-style-type: none"> (Current) Chairperson of KSP0 Member of the Mediation Committee of the Olympic Council of Asia (OCA) 	2018.1.22 ~ 2021.1.21
	Kim Kab-soo	Male	<ul style="list-style-type: none"> (Current) Executive director of KSP0 Director of Religious Affairs Office of the Ministry of Culture, Sports and Tourism 	2019.1.16 ~ 2021.1.15
Non-executive (ex officio)	Gang Jeong-won	Male	<ul style="list-style-type: none"> (Current) Director of Sports Bureau at the Ministry of Culture, Sports and Tourism 	2019.2.25 ~ Tenure of office
	Kim, Seung-ho	Male	<ul style="list-style-type: none"> (Current) Secretary General of the Korean Sport & Olympic Committee 	2019.2.7 ~ Tenure of office
Non-executive director (appointed)	Kim Seol-hyang	Female	<ul style="list-style-type: none"> (Current) Professor at Department of Sports Science, University of Seoul (Current) Chairperson of Women Sports Department at the Korean Sport & Olympic Committee 	
	Lee Sang-il	Male	<ul style="list-style-type: none"> (Current) Professor at Department of Physical Education, Sookmyung Women's University (Current) Executive Director and President of Korea College Billiards 	
	Kim Jin-ho	Female	<ul style="list-style-type: none"> (Current) Professor at Department of Sports Science, Korea National Sport University Director of the Korean Sport & Olympic Committee 	
	Yook Jo-yeong	Male	<ul style="list-style-type: none"> (Current) Professor at Department of Social Physical Education, Korea National Sport University Director of Korea Sport Human Resource Development 	2018.6.1 ~ 2020.5.31
	Bae Su-jin	Female	<ul style="list-style-type: none"> (Current) Lawyer of Chunjiin Professional Corporation (Current) Member of the National Pension Council 	
	Lim Yun-seo	Female	<ul style="list-style-type: none"> (Current) Visiting Professor at Competency Development Center, Dongguk University Researcher at Leadership Center, Silla University 	
	Jung Hee-don	Male	<ul style="list-style-type: none"> (Current) Director of Sports Department at SBS (Seoul Broadcasting System) (Current) President of Korea Sports Press Union 	
Standing auditor	Jeon Yun-ae	Female	<ul style="list-style-type: none"> (Current) Standing Auditor of KSP0 Chairperson of Busan Modern Pentathlon Federation 	2018.5.14 ~ 2020.5.13

BOD Appointments

BOD directors are appointed in accordance with the 'Act on the Management of Public Institutions' and the 'Articles of Association of KSP0.' The BOD Chairman is appointed by the president of Korea with the recommendation of the Executive Recommendation Committee and the Minister of Culture, Sports and Tourism. Executive directors are appointed by the BOD Chairman, and non-executive directors except ex officio directors are appointed by the Minister of Culture, Sports and Tourism with recommendation of the Executive Recommendation Committee.

Policy for Director and Auditor Remuneration

Remunerations for the BOD of KSPo are paid after the results of management performance assessment conducted by the Ministry of Strategy and Finance, practices of ethical management, and efforts for management improvement are reflected in the annual comprehensive assessment and approved by the Minister of Culture, Sports and Tourism. The graded remuneration system for directors and auditor consists of basic annual salary and performance-based bonus. Details of remunerations paid are disclosed transparently on the KSPo website in each year.

Amount of BOD remuneration

	Unit	2016	2017	2018
Chairman		176,747	142,597	171,259
Standing auditor	KRW thousand	141,397	114,077	137,007
Executive director		139,793	113,725	135,420

Subcommittee Operation

KSPo operates subcommittees of the BOD for systematic operation. Subcommittees of KSPo are divided into Strategic Management Subcommittee and Sports Promotion Subcommittee. Each subcommittee is called as necessary to review important management matters and provide advisory on key policies.

KSPo subcommittees

	Name	Composition	Function
Strategic management	Strategic Management Subcommittee	3 non-executive directors	<ul style="list-style-type: none"> Secure the sustainability of fundraising Enhance the management system based on trust and ethics
Sports promotion	Sports Promotion Subcommittee	4 non-executive directors	<ul style="list-style-type: none"> Create the environment to promote sports activities among the Public Strengthen the system to support the balanced development of sports

BOD Performance

The BOD of KSPo is operated efficiently by setting its revitalization methods, roles and goals to practice responsible management. Different organizations of the BOD including the BOD, non-executive BOD and subcommittees have clear roles to ensure systematic operation. Regular and temporary BOD meeting are held to make important policy decisions.

In 2018, 12 BOD meetings took place to discuss and decide various agendas embracing economic and environmental affairs. Decisions and minutes of the BOD are disclosed to various stakeholders through the KSPo website.

BOD main performance in 2018

	Unit	2016	2017	2018
BOD meetings held	Meeting	13	13	12
Number of agenda	Case	48	42	43
Participation rate of non-executive director		85.1	88.7	80.0
Speech rate of non-executive director	%	93.1	91.9	92.1
Rate of amendment	% (Case)	11.1 (4Case)	11.8 (4Case)	10.5 (4Case)



12 case

BOD meetings held



43 case

Number of agenda



80%

Participation rate

Spreading Ethical Culture

As a representative public institution that leads sports welfare of South Korea, KSP0 complies with laws and systems, practices ethical management, and promotes continuous growth. KSP0 requires members to fulfill their rights and obligations based on ethical awareness and attempts to create an upright organizational culture.



Grade 2 (91.77 → 93.64)

Anti-corruption policy evaluation by the Anti-Corruption & Civil Rights Commission in 2018

Ethical Management Promotion Strategy

KSP0 has established various strategies and systems to practice upright and ethical management by recharging ethics and human rights are the basics of sports administration. Ethical commitment of the new CEO is shared with all employees to execute key tasks according to the strategies for innovation of upright organizational culture, reinforcement of on-site practice, and spreading of the human rights management system. KSP0 establishes comprehensive, preventive and dispositional standard systems to increase reliability. The exclusive organization for ethical and human rights management and the exclusive organization for internal checking to increase authenticity of integrity and ethical management.

Ethical Management Strategy System



Promoting Integrity and Ethics System

We improve management systems to increase transparency and practice ethical management. We enhanced key business management and execution systems, improved corruption vulnerabilities, and practiced integrity culture to minimize ethical risks. We redefined the ethical management strategies and road map, as well as the system and method of execution.

Promoting Preventive Ethical Management Activities

KSPO creates an environment and culture to prevent corruption. We eradicate corruption by reinforcing the management system and concentrating on vulnerable areas. We also strive to internalize integrity and ethical culture through communication and education.



Life Cycle	Outcome of Promotion
Strengthening ethical management system	· Strengthening the code of conduct → Revised the code of conduct for employees
	· Expanding ethical organization → Additionally expanded the policy and customer evaluation department of Ethical Risk Management Council
	· Expanding external cooperation → Formed a cooperation system of integrity citizen inspector Among 4 public institution
	· Strengthening linkage of evaluation → Linked performance evaluation goals of integrity mileage 63 points per person
Focused management of corruption vulnerable areas	· Recruitment → Revised Personnel Regulation to fundamentally prevent corruption in recruitment 4 clauses
	· Contract → Revised the integrity contract and special bidding instructions to eradicate corporate soliciting → Analyzed the contract management system and checked leaning of small private contracts to certain companies
	· Accounting → Created new standards for driving personal Same as shared vehicles
	· Overall management → Obligated auditor observation system Vulnerability, 14 times → Investigated irrationalities in vulnerable areas 135 companies '0' unfair transaction
Internalizing integrity and ethical culture	· Reinvigorating integrity communication → In-depth investigation on internal integrity vulnerable areas → Debate education on pros and cons of ethical organizational culture → Newly created 'integrity reading debate' driven by Ethical Leader Group → One-department, one-integrity task Rewarded 12 excellent cases
	Internal · Customized ethical education → Special CEO lecture on integrity → Online integrity education Case study on the Improper Solicitation and Graft Act → Conducted moral integrity leadership education for executives → Special education for employees working in corruption vulnerable areas Construction, contracting, subsidy, etc. → Integrity education for promoted and new employees → Specialized education on the code of conduct related to reporting of external lectures by researchers → Special integrity education for customer contacting employees 17 branches, etc.
	External · Special professional lectures → Anti-corruption and public interest reporting education for private stakeholders Motorboat racing athletes, assistant business operators, health care workers

Active Improvement of Structure Vulnerable to Corruption

KSPO endeavors to monitor corruption and enhance transparency by focusing on the vulnerabilities. We have secured transparency of research fund and subsidy management by improving the business management system. Reliability of testing and fairness of athlete selection were increased by implementing the video recording system and applying the athlete selection standards. In addition, KSPO is becoming a trusted institution by obtaining the second grade of anti-corruption policy evaluation by actively preventing corruption and increasing transparency of recruitment through ethical education.

Strengthening Internal Checking System

We have actively improved the auditing and internal checking systems according to political and environmental changes. Expertise and independence of the auditor were increased by sharing internal and external audit-related knowledge and utilizing the preference system. Control-centered auditing was switched to prevention-centered auditing to empower integrity culture.

Category	Description	Performance
Field-centered	Outreach audit administration WHY: We Hear You (Listen to the issues raised on site and explore solutions)	· Direct visiting of the site by the standing auditor to listen to problems and opinions → Prevention of corruption by presenting field guidelines
	Spot field inspection Sudden: Inspection activities with random on-site visits and listening, seeing, and improving	· Spot field inspection on departments vulnerable to risks such as remote places (4 times) and anti-corruption activity (1 time)
Prevention-centered	Internal control evaluation CSA: Control Self Assessment (Autonomous risk management of the field departments)	· Self-inspection and diagnosis of internal risks using checklist of each department (97 departments) and voluntary improvement
	Forewarned theme auditing	· Selected irrationality vulnerable areas and conducted field audit after notifying in advance to all employees using the intranet (3 times)

Acquired 'Excellent' grade
Evaluation of public institution auditor job performance
Supervised by the Ministry of Economy and Finance

Practice of Integrity Culture

KSP0 tries to spread integrity culture through education, campaigns and promotions in the key industries. We share shared growth culture with partners and practice truly ethical management by establishing the ethics charter and installing a corruption report center. In addition, KSP0 leads the efforts to share and spread integrity policies by sharing exemplary cases of ethical management with other public institutions and public-private consultative groups.

Best Performance

Meaningful Ethical Management Results

In 2018, KSP0 has accomplished meaningful ethical management results by making improvement on all ethical items during internal and external evaluations. KSP0 made various efforts such as establishment of overall ethical management system, receiving grade 2 in the integrity evaluation of the Anti-Corruption & Civil Rights Commission in 2018. KSP0 also received grade 2 in the anti-corruption policy evaluation by improving and practicing various systems to eradicate corruption (91.77→93.64 points, 1.87↑). In addition, KSP0 received the highest grade for independence of auditing organization based on the International Internal Auditing Standard (IPPF) by securing adequacy of the audit system and internal checking system. Based on the audit results, objectivity and reliability have increased from 89% to 92%.

Internal and external evaluation of ethical management



Category	2016	2017	2018	Increase compared to previous year	
Integrity evaluation of the Anti-Corruption & Civil Rights Commission	Overall integrity	Grade 3 (8.27)	Grade 3 (8.45)	Grade 2 (8.71)	0.26▲
	External integrity	Grade 3 (8.46)	Grade 3 (8.71)	Grade 2 (9.01)	0.30▲
	Internal integrity	Grade 2 (8.34)	Grade 3 (7.98)	Grade 2 (8.01)	0.03▲
	Policy customer evaluation	-	Grade 2 (8.08)	Grade 2 (8.53)	0.45▲
Anti-corruption policy evaluation	Grade 2 (90.21)	Grade 2 (91.77)	Grade 2 (93.64)	1.87▲	
Self-integrity evaluation	85.31	86.34	86.56	0.22▲	

Increasing Business Soundness

Structure of Fundraising Business

KSPO operates green leisure sports cycle racing and marine sports motorboat racing to satisfy diverse leisure needs of citizens and raise public and regional funds for the promotion of national sports. Profits from the sports promotion betting ticket business that offers prize money to customers who correctly guess the results of popular sports games are turned into the National Sports Promotion Fund.

Structure of Fundraising Business

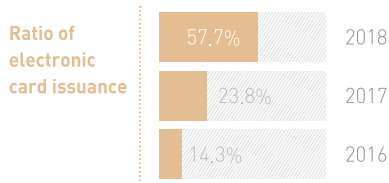
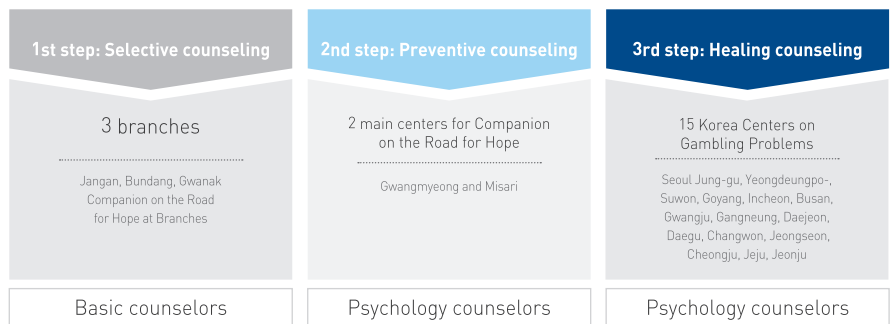
Cycle and motorboat racing		Sports Toto	
Customers who purchase a race ticket and successfully predict the winner get a fixed-rate refund		A sports leisure game that pays prize money to customers who successfully predict the results of public sports	
Funding public finance for sports promotion, preparing budget for local finance support, contributing for strengthened level of races and related industries		Revenues from ticket sales become a part of National Sports Promotion Fund and used for providing sports facilities, building public sports center, supporting sports activities of low-income group, and supporting sports related organizations and international sports events.	

Strengthening Soundness of Cycle and Motorboat Racing

Expanding Soundness Programs

KSPO has expanded and is operating a variety of soundness programs to prevent and protect customers from getting addicted to cycle racing and motorboat racing. KSPO provides a counseling service to customers for the prevention of addiction, classifying customers into general customers, immersed customers and addicted customers to increase the effectiveness of counseling. In 2018, three new addiction prevention counseling centers called 'Companion on the Road for Hope' were installed, and the counseling system has been divided into selective counseling, preventive counseling and healing counseling. KSPO also increases soundness of the fundraising business by actively expanding and utilizing the healing bicycle class, outreach prevention education, and online and offline prevention campaigns.

Three-Step Operating System of Companion on the Road for Hope



Promotion of Electronic Cards

KSPO increases the use of electronic cards* to reduce the amount of purchase per transaction and prevent excessive immersion of customers in advance. In 2018, the real-name transaction system was expanded to encourage responsible purchase of customers. The procedure for electronic card subscription was simplified and the speed of using

*Electronic card: A purchasing and refund medium (one card per person) that ensures soundness of legal betting on cycle racing, motorboat racing, horse racing and casino by setting a purchase limit.



electronic cards was improved to drastically enhance convenience of customers in using electronic cards. Resultingly, the ratio of electronic cards has more than doubled from 23.8% to 57.7% compared to the previous year, and the rate of small purchase amount showing soundness of business was increased from 55.5% to 69.9%.

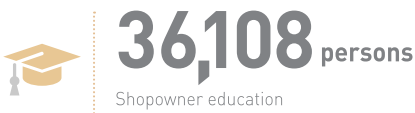
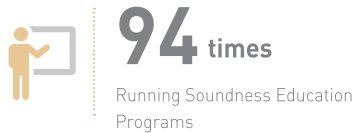
Improving Soundness of Sports Toto Business

Improvement of Soundness of Online Purchasing Channel

KSP0 makes various efforts to spread sound purchase of betting tickets. In the case of the online purchasing channel that is highly accessible and convenient, one-time purchase limit and daily purchase limit were reduced by 50%. In addition, 254,866 online customers participated in the mandatory self-diagnosis and 69,984 customers were guided to write a pledge to practice sound purchase. We also had 98,710 customers set their own purchase limit and resting period. With such efforts, average amount of purchase per person through the online channel was KRW 4,909 in 2018, decreased by 13.2% from KRW 5,658 of the previous year. The rate of small purchase amount of KRW 10,000 and below was increased to 76.4%.

Promotion of Sound Operations of Retailers

KSP0 strengthens monitoring of each sales step to help transparent operation of retailers. Real-time ticket monitoring is used to automatically block the ticketing system if tickets of the same pattern or large amount are purchased. Refund monitoring tracks refund information and imposes penalties on retailers that engage in misconduct or unlawful acts such as exceeding of purchase limit. The retailer misconduct report center is operated to inspect retailers on a regular basis. KSP0 has run 94 soundness education programs for 36,108 retailers.



Promotion of Sound Operations of Contractors

KSP0 operates a regular communication system and performs consulting audits to increase transparency of the sports promotion betting ticket business. In 2018, KSP0 closely cooperated with its contractors to resolve the issues found such as retailer management of contractors, internal control, expenditure and report channel. KSP0 will continue to spread integrity culture by improving vulnerabilities of contractors.

Strengthening Transparency of Business Contractor

	2017	2018
Management of retailers	<ul style="list-style-type: none"> · Inadequate regulations for restriction on opening of retail stores by family members of authorities · Excessive weight of the department in charge during selection of retailers 	<ul style="list-style-type: none"> · Established the ethical regulation for business contractor [prohibition on contracting of retailers operated by family members] · Adjusted the weight of the department during selection of new retailers
Internal control	<ul style="list-style-type: none"> · Inadequate independence of internal control 	<ul style="list-style-type: none"> · Revised the delegated approval regulation to secure the authority of the audit department
Expenditure	<ul style="list-style-type: none"> · Inadequate regulations for corporate credit card and business operating expense 	<ul style="list-style-type: none"> · Established and revised budget management and execution guidelines · Prepared inspection and inventory management standards for purchased goods
Report channel	<ul style="list-style-type: none"> · Lack of an anonymous irregularity report channel 	<ul style="list-style-type: none"> · Launched the irregularity report center (July) and strengthened education for internal and external stakeholders about the reporting system

Fulfilling Social Responsibility Through Sound Fund Creation

Improvement of Countermeasures Against Illegal Cycle & Motorboat Racing



Illegal sports racing acts are spreading in online and offline channels by issuing unofficial cycle and motorboat racing tickets. Such illegal acts are interfering clean sports culture and producing many gambling addicts by causing match fixing and external intervention in the results. Accordingly, KSP0 has been operating a private monitoring group called ‘Clean-e’ since 2016 and places efforts to eradicate illegal private sports racing through continuous improvement. In 2018, the number of monitoring personnel was increased from 10 to 13, and a reward is provided to persons who report illegal businesses.

Eradication of Illegal Sports Betting

Any forms of sports betting other than the sports betting activities on the official online ticketing website of KSP0 (www.betman.co.kr) and at its retailers are illegal. Illegal sports betting is highly speculative and can seriously damage the society. Especially, increasing participation of adolescents using smartphone has become a serious social problem. KSP0 engages in countermeasures to prevent, crack down and manage illegal betting.



Actions to Eradicate Illegal Sports Betting

Category	Counter Measures
Campaign	<ul style="list-style-type: none"> · Hosting of ‘Hackathon Contest’ to eradicate illegal sports gambling using ICT · Conduct of collaborative campaign with civil organizations and retailers to eradicate illegal sports gambling · Promotion of portal banners, illegal gambling eradication poster contests, message filling, etc. · Advertisement of the method of eradicating and reporting illegal sports gambling on major daily and sports newspapers · Webtoon series and quiz events · Outreach education on middle and high school students to prevent illegal gambling in collaboration with the Office of Education and National Police Agency
Citizen participation control	<ul style="list-style-type: none"> · Operation of a citizen monitoring group with 30 members to control illegal gambling websites and advertisements
Joint response system	<ul style="list-style-type: none"> · Official launching of joint response councils on illegal gambling among institutions related to the legal gambling industry 6 councils · Cooperation on crackdown training and integrated workshops 16 times · Operation of an integrated online reporting center by the legal gambling industry
Reporting and evidence collection	<ul style="list-style-type: none"> · Expansion of the illegal gambling website evidence collection team 5 →10 members · Operation of the illegal gambling report call center and opening of a new illegal gambling report center in the velodrome
Reward and punishment system	<ul style="list-style-type: none"> · Increase of the penalty on illegal gambling through the amendment of the Bicycle and Motorboat Racing Act (November) by 3 times KRW 10 million → KRW 30 million · Increase of reward for reporting illegal gambling websites





Running sports event, Eurachacha Sports Meet, to build a corporate culture of unity

03

Focus Area

Organizational Culture Respecting Human Rights

WHY | Why is This Topic Important?

Human rights issues associated with corporate management activities such as sexual harassment at work and power harassment have risen as serious social issues, both at home and abroad. The international society including the UN and OECD is standardizing corporate responsibility for respecting human rights with the UN Global Compact, OECD Guidelines and ILO Tripartite Declaration of Principles Concerning Multinational Enterprises. Nations are stressing human rights management of companies while reinforcing laws related to human rights. In fact, France enacted a law on the duty of care of human rights and England legislated the duty of human rights inspection by enacting the Modern Slavery Act. South Korea also showed active movements to enact the National Action Plan for the Promotion and Protection of Human Rights (NAP) in August 2018 and related laws such as the Framework Act on Human Rights and Comprehensive Anti-Discrimination Act.

WHAT | What is Our Approach?

It is important for KSPo to ensure human rights protection of stakeholders due to such external effects of the environment and government policies, as well as the internal environment of diverse job groups and emotional laborers dealing with customers. Accordingly, KSPo makes different efforts to remove the possibility of human rights infringement in business operation. First off, KSPo establishes the human rights respect policy to enhance human rights of employees and inspects human rights risks of each business through human rights impact assessment and survey. It settles the culture of respect for human rights by monitoring related systems that can fundamentally remove discriminating factors in the organization. KSPo attempts to form a reasonable, conflict-free labor-management relationship through active communication.

How | How is Performance Managed?

Number of participants in sexual harassment and prostitution prevention education

1,453 participants 2018



Number of participants in education to improve awareness of the disabled

351 participants 2018



Number of participants in education on respect for human rights

351 participants 2018



Human rights infringement accidents

Zero 2018

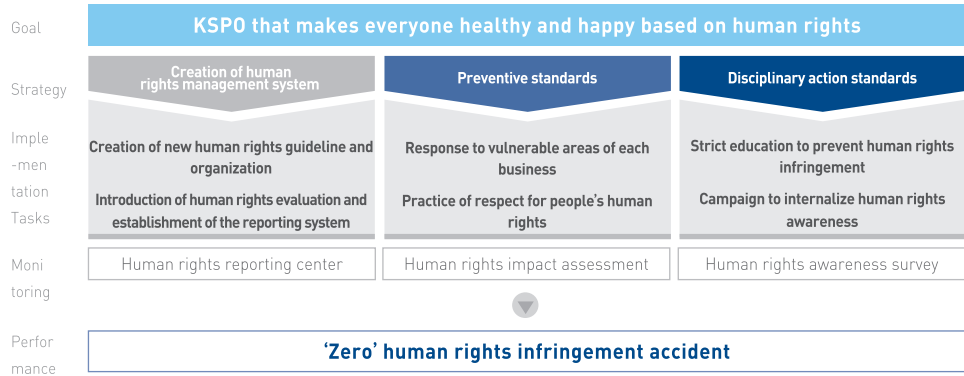
Links to SDGs



Practice of Human Rights Management

Human Rights Management Strategy

Human rights are the most basic rights for all people. KSP0 strives to raise the level of human rights as a public institution, especially paying attention to human rights of employees and stakeholders. We inspect human rights risks in advance through annual human rights impact assessment, gradually improving any shortcomings.



Establishment of Human Rights Management

KSP0 officially supports international standards and principles related to human rights and labor, such as the 'UN Global Compact' and 'UN Guiding Principles on Business and Human Rights' of 2017, to protect human rights of employees and stakeholders. The Declaration of Human Rights was established in June 2017. This policy applies to all stakeholders including employees, government, related institutions, partners and communities. In 2018, KSP0 prepared the grounds to implement more systematic human rights management. We established the operating guidelines for human rights management, launched a department in charge of human rights management and human rights management committee, and prepared a relief procedure to handle human rights infringements.

Category	Method	Performance
Human rights policy	Preparation of systems	Established the KSP0 human rights management promotion plan (September, human rights management road map, etc.) Established and enforced KSP0 human rights management guideline (October, 33 articles)
Organizational system	Installation of exclusive organization and decision-making body	Newly created a department in charge of human rights management and designated the person in charge (May) → Added to the social value organization and designated the person in charge (1 person) Organized the KSP0 Human Rights Management Committee (November) → Comprised of 7 members including the Executive Director, Labor Representative and external human rights experts (lawyer, labor attorney), etc.
Evaluation	Human rights impact assessment	Conducted institutional human rights impact assessment (December) and verified the results with an external agency → Selected human rights vulnerable areas of each business and identified risks (3 vulnerable areas)
Human rights infringement relief procedure	Reporting system, designation of lawyers and counseling officers	Newly opened a human rights infringement report and counseling center Resolved a personnel grievance received in December Newly opened a power harassment report and support center Received 2 reports in September Operated an internal attorney system related to disciplinary action (statement of the auditing regulation, 1 case) Operated grievance counseling officers (including sexual harassment) (Personnel Team, 1 officer each for male and female)

Focused Management of Human Rights Vulnerabilities

KSP0 manages a human rights management process. Institutional human rights impact assessment was carried out in December 2018 to identify human rights risks. KSP0 discovers and removes any threats to human rights of citizens, workers, partners and communities in an attempt to respect their human rights.

Business Area	Threat to Human Rights	Outcome of Promotion
Cycle and motorboat racing	Ticketing workers Exposure to verbal violence, human rights infringement and danger of physical contact	New psychology counseling on emotional laborers (interview, labor corporation consulting)
		Operated 3-step psychotherapy program, [Mind Patting] (throughout the year)
		Introduced a new customer reception manual for emotional laborers (November)
Facility management	Cleaners, guards, counselors Exposure to verbal violence and threat to health due to excessive physical labor at old age	Established a manual to respond to malicious customers (December)
		Improved work shift (2→3 shifts) and circulated indoor and outdoor workers
		Separated the resting space for night shift workers and installed cots for resting (3 places)
		Installed outdoor shades in the summer and expanded heating and air conditioning units (41 places)

Spreading Human Rights Awareness

To internalize a culture that respects human rights, it is important to improve the awareness of employees and increase human rights sensibility by engaging in various activities. KSP0 conducted 3 human rights education for 2,155 persons (cumulative) in 2018. Also, KSP0 shared the Declaration of Human Rights Management with all employees and signed a pledge with partners for innovative partner relationship during the week of integrity. A campaign was held to increase the internal awareness of human rights.



3 cases

(1 personnel grievance, 2 power harassment cases)

Number of human rights infringements reported

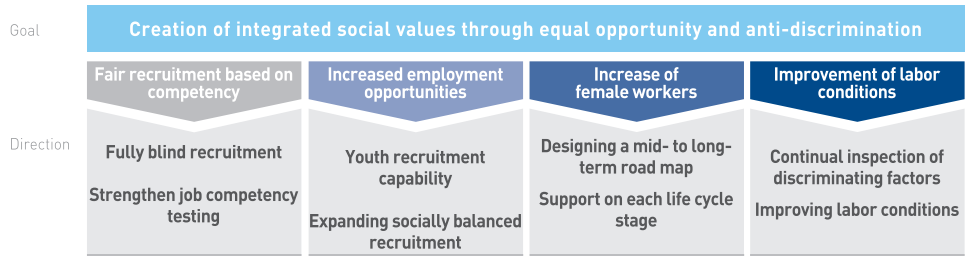
Business Area	Threat to Human Rights	Outcome of Promotion
Human rights education	Respect for human rights	Education on respect for 'human' rights 351 persons Participated in the 'UN Business and Human Rights Forum (Geneva)' 3 human rights personnels
	Human rights of the disabled	Education for employees to improve awareness of the disabled 351 persons
	Prevention of sexual harassment	Education for employees to prevent sexual harassment and prostitution 1,453 persons
Activities to spread human rights awareness		Shared the human rights declaration during KSP0 Integrity Week Permanent
		Signed and shared the pledge with partners Permanent 'All Right KSP0, Human Rights.' → Promoted a campaign to improve internal human rights awareness

Resolving Human Rights Grievances

KSP0 operates an online grievance channel at all times, and receives and handles grievances of employees through Insatoktok, racing employee community, and sexual harassment reporting center. In 2018, a clearer reporting system was established by launching the human rights infringement reporting and counseling center and the power harassment reporting and support center. A systematic relief procedure is in place with the internal attorney system and grievance counseling officers.

Diversity and Equal Opportunity

KSP0 has set 4 directions to remove discriminations and respect the diversity of employees, such as fair recruitment based on competence, increased employment opportunity, increased use of female workers, and personalized treatment.



Fair Human Resource Management System

KSP0 has a fair human resource system based on competence and performance. We have increased the number of evaluation members to increase fairness and objectivity of evaluation. We conduct personalized evaluation competence education and improve any irrationalities in the evaluation system by listening to opinions at the site. We also try our best to secure the fairness of evaluation through consulting of a professional agency.

Fair Recruitment System

KSP0 operates a blind recruitment system based on competence to provide non-discriminant and equal opportunities. The blind recruitment method was fully applied to all employees, including temporary workers, and the possibility of corrupt recruitment is fundamentally prevented. Efforts for fair recruitment include restriction of unnecessary personal affairs in the application stage and mandatory presence of the auditing department during open recruitment. In the interview stage, we hand out a standardized list of questions focused on job competence so that interviewees do not have to experience superficial interviews due to the lack of information.

The recruitment procedure is executed systematically using the manual based on the National Competency Standards (NCS). Corruption in recruitment is completely removed by strengthening disciplinary actions, external participation and information disclosure. The recruitment inspection committee comprised of external experts (personnel managers and NCS experts from other institutions) and internal members conducts strict monitoring on the fairness of recruitment using a checklist.



100%

Compliance with the blind recruitment guideline



96.2 points

Fairness of the recruitment procedure



Zero

Delay and error in recruitment information announcement and recruitment corruption

Category	Direction
Strengthening punishment	<ul style="list-style-type: none"> Extended the prescription for disciplinary action on recruitment corruption from 3 to 5 years and strengthened punishments such as dismissal Regulated recruitment corruption as a reason for the cancellation of recruitment → Stipulated the relief of victims of recruitment corruption
External participation	<ul style="list-style-type: none"> Introduced a new cross-checking system of external members during document screening Increased the ratio of external members for interviews to 50% or higher Implemented monitoring of each recruitment process by the audit department Participated 4 times
Information disclosure	<ul style="list-style-type: none"> Advanced notification of the recruitment method 1 month prior to public announcement Immediate disclosure of progress and results on 'Job-ALIO' Disclosure of information such as personal score after the recruitment process



15.0% ▲

Compared to youth recruitment 5-year average (20 persons)



56.2% ▲

compared to high school graduates recruitment 5-year average (2.3 persons)

Increasing Employment for Social Equity

KSPO is increasing the rate of recruitment for socially vulnerable groups and contribute to job creation. Especially, KSPO increased the number of youth employees and employees with high school diploma. The number of new employees with high school diploma was increased by 56.2% compared to average recruitment rate for last 5 years.

Category	Description	Performance
Youths	· Full mobilization of youth recruitment	Recruited 23 youths → Increased by 15.0%p compared to 5-year average (20 persons)
High school graduates	· Special recruitment of high school graduates for appropriate jobs	Recruited 5 high school graduates → Increased by 56.2% compared to 5-year average (3.2 persons)
Local talents	· Recruitment fairs at local universities (26 universities in 8 areas) · Additional points to local talents	Recruited 8 local talents from non-capital areas → Ratio of local talents increased by 24%
Disabled, veterans	· Special recruitment to secure socially equal manpower · Additional points to the disabled and veterans	Recruited 2 disabled persons → 100% compliance with legal requirements for employment of the disabled and veterans

Socially Fair Human Resource Management

KSPO has established a socially fair human resource management base for vulnerable groups in order to utilize and foster balanced human resources. Especially in order to expand female workforce utilization, the goal of 15% of female manager ratio has been established and female talents are actively managed and fostered. For instance, in order to resolve the issue of parenting, which is the greatest difficulty in the social career of women, the lifecycle-customized support for parenting is conducted, and as the result, the 2018 goal as per the female manager expansion roadmap has been overachieved.

Life Cycle Support for Child Care

Category	Description
Pregnancy	· 'Comfortable MOM Programs' for pregnant women such as the mothers-to-be indication system and chairs for pregnant mothers · Expansion of the short labor system for maternity protection (2 hours a day) to the entire pregnancy and provision of examination holidays
Childbirth and rearing period	· Allowance of persons who worked for less than a year to use maternity leave and automatic use of maternity leave upon child delivery · Expansion of paternity leave to help postnatal care and support on workplace nursery, etc.
Returning and adaptation period	· Assignment to near distance workplace and department without heavy workload, provision of flexible working packages such as shortened working hours · Education to help workers returning after maternity leave adapt to work

Establishing Fair Compensation System

KSPO has expanded the performance-based compensation system or job-based pay to all employees. In addition, KSPO came up with measures to improve the compensation system, such as 4-step job evaluation and non-supervisory job evaluation. The system differentiating pay based on the educational background was abolished to improve treatment of new employees and those who switch from temporary to permanent jobs. There is a system of paying the same wage to employees of the same job position and career experience. Wage increase rate of high-rank employees was decreased to provide an opportunity for low-rank employees to increase wage.

Work-Life Balance



Safe Workplace

KSPo has reinforced the inspection system and managed safety of facilities and equipment to create a safe workplace. In 2018, KSPo achieved ‘zero’ industrial accidents at construction sites and partners. We strive to manage safety, health and environment so that employees can work in a healthy and safe workplace. A new ‘customer response manual for healthy emotional laborers’ was prepared to protect employees from emotional labor. Systems to protect employees such as call center voice service are in operation to prohibit any acts inducing mental pain like abusive language. By dividing duties according to the job position, expanding the flexible working system and operating a 3-step psychotherapy program called ‘Mind Patting,’ KSPo reduced stress and increased work engagement of employees. A new support program called ‘Comfortable Mom’ was introduced for pregnant employees so they can work without inconvenience after getting pregnant.

Reinforcing Flexible Working System

The utilization of flexible work arrangements was newly added as an internal evaluation indicator to reflect it on performance evaluation and revitalize the flexible working system. The flexible working manual is distributed among employees and educated to new employees. We try to create a bond of sympathy and culture for flexible working. The number of persons utilizing the flexible working system is increasing every year because of such efforts, and satisfaction with the flexible working system is also increasing each year.

Outcome of Flexible Working System

	2016	2017	2018
Number of persons who used the system (rate)	514 persons (53.5%)	645 persons (66.4%)	682 persons (70.7%)
Satisfaction about the flexible working system	87.90 points	91.90 points	92.59 points

Promoting Work Efficiency and Leave Use

KSPo reduces overtime work by improving the way of working and creating an efficient working environment. Core time is operated for everyone to focus on working without phone calls and meetings so they can work efficiently and leave work at the regular time. Work efficiency was increased by applying K-brain, an automated race organization system based on big data and AI. In addition, KSPo facilitates free leave use of employees by removing the need to explain the reason for leave and reflecting the rate of leave use of each department on internal evaluation indicators.

Family-Friendly Systems

KSPo makes ongoing efforts to create a corporate culture for balanced work and family. The personnel regulation was revised to increase the convenience of the childcare system by allowing first-year employees to use childcare leave. A one-stop system was implemented to automatically permit childcare leave without application upon the use of maternity leave. KSPo also tries to assure the culture of balanced work and family by distributing a manual for paternity leave and encouraging leave. On the one hand, KSPo has been selected as a family-friendly company for 7 consecutive years by the Ministry of Gender Equality and Family.

Labor-Management Culture

Building Rational Labor-Management Relationship

KSPO maintains empathetic and communicative labor-management relations based on laws and principles and faithfully fulfills labor-management agreements. We were free of labor disputes related to wage and collective agreement for 29 consecutive years. A cooperative and participatory labor-management committee is in operation to improve the labor conditions of employees and prevent labor-management conflicts.

	Unit	2016	2017	2018
Labor-management satisfaction	point	77.4	77.9	80.8
Labor-management communication index		77.6	79.8	83.5

Open Communication

Reasonable and trustworthy labor-management relations start from open communication. KSPO reinforces trust among labor-labor, labor-management, and employee by operating various communication channels and empathy programs. KSPO builds a sharing organizational culture by running labor-management empathy programs like Eurachacha sports meet and labor-management harmony workshop.

Category	Communication channel	Communication performances	Performance
Strengthening labor-labor and labor-management communication	Labor-management partnership programs	<ul style="list-style-type: none"> Hosted labor-management harmony workshops (3 times including first and second half of the year) Labor-labor and labor-management communication and prevention of conflicts 	Labor-management communication index increased by 3.7 points 79.8→83.5 points
	Joint tasks of multiple labor unions	<ul style="list-style-type: none"> Introduction of labor-management meeting agenda through the collection of labor-labor opinions Labor-labor work negotiation to increase communication among labor unions 	
	Minority labor union meetings	<ul style="list-style-type: none"> Collection of opinions from minority labor unions and preparation of stage for labor-labor communication 	
Strengthening field communication	CEO town meetings	<ul style="list-style-type: none"> Strengthening field communication through town meetings of different job positions and ranks 	Labor-management satisfaction increased by 2.9 points 77.9→80.8 points
	Field grievance counseling	<ul style="list-style-type: none"> Labor-management grievance counseling at 17 branches 	
	Sexual harassment prevention education	<ul style="list-style-type: none"> Conducted sexual harassment and violence prevention education (April) (All business places including cycle and motorboat racing branches and golf courses) 	

Best Performance

Improvement of Organizational Culture by Combining Job Groups

In January 2019, KSPO has combined the job group system of general jobs and management jobs in order to remove the unseen barrier within the organization, prevent conflicts among job groups and improve actual working conditions experienced by employees.





04

Focus Area

Strengthening Safety Management

WHY | Why is This Topic Important?

South Korea is becoming a high-risk society with diversifying types of accidents and disasters. The scale of damage is expected to increase further. In particular, there is an increasing national demand for safety of convenience facilities and sports facilities. Public institutions have greater responsibility to eradicate safety accidents of workers. In addition to safety and health threats, there are increasing cyber threats following the rapid development of information and communication technologies. Information security activities have become essential for all companies and institutions.

WHAT | What is Our Approach?

KSPo is a national safety protector that makes the best efforts to secure safety of facilities, sports facilities and business places in operation based on the safety management system. An information security management system was built in response to cyber threats, protecting personal information of people and internalizing the information security culture through various activities including education.

How | How is Performance Managed?

Industrial accident ratio

Zero 2018

Industrial accidents of construction sites and partners

Zero 2018

Diagnostic investigation of personal information management level

98.35 points

Information security infringement accidents

Zero 2018

Links to SDGs



Promoting bicycle safety campaign for creating safe sports environment

Practicing National Safety

Building Safety Management Response System

KSP0 has built a comprehensive safety management response system to guarantee safety of citizens and laborers. The safety management response system of KSP0 is composed of detailed tasks according to the 3 key strategies. KSP0 selects a wide range of management targets to become a safety protector ensuring national safety.

Safety Management Response System

Goals	Safety protector KSP0, achieving national safety through advanced disaster management		
Strategy	Disaster management	National safety	Industrial accidents
Implementation Tasks	Strengthening the preventive ability to respond to disasters Strengthening the disaster control response system Reinforcing safety of facilities operated by KSP0	Creating safe sports environment for people Safety inspection on public-private sports facilities Sharing of sports facility safety information with people	Safe workplace created together Improving labor conditions of employees Business places and construction sites of KSP0
Management Target	72 facilities operated by KSP0 Olympic Park, Gwangmyeong Speedom, etc	82,000 national sports facilities Sports facilities operated by local governments and private sector	Business places and construction sites of KSP0 Employees, ticketing workers, partners



Received Prime Minister's Award

for excellent disaster control

Strengthening Preventive Response to Disasters

KSP0 has strengthened its disaster response system and safety of facilities in operation in order to gain flawless disaster response capability. Professional safety personnel are assigned to each business place to reinforce the disaster response system, and the ratio of mandatory disaster safety education has been increased for greater expertise. In addition, a specialized disaster response manual is in place for realistic response training in large-sized performance halls and sports stadiums. KSP0 puts an effort to secure safety of facilities like Olympic Park and Gwangmyeong Speedom by reinforcing smart surveillance, securing fire safety, and improving seismic performance of facilities. Such efforts led to a 3.6% decrease in safety accidents at Olympic Park and Regatta, which are visited by about 7 million visitors each year.

Securing Safety of Sports Facilities

KSP0 prevents safety accidents through early control of blind spots that are created by the increase of sports facilities. In 2018, KSP0 organized a joint inspection team with 17 local government organizations and private safety agencies to inspect 493 sports facilities and 150 children's pools known to have poor safety. Based on the inspection results, we discovered 2,629 safety issues in the sports facilities and requested 14 children's pools to take appropriate measures on water quality. In 2017, inspection activities were continued to check improvement of 2,567 issues found. Facilities that fail to make improvement are constantly asked to take care of the issues. In 2018, the average number of safety accidents in sports facilities around the nation has decreased by 50% to 0.28 case due to vigorous inspection activities and thorough follow-up management.

Inspection of Safety Blind Spots Using 4th Industry Technologies

KSPO uses the 4th industry technology of drones to inspect safety blind spots. The existing blind spot safety inspections using human resources had the risk of accidents during safety inspections due to deterioration of facilities in risk areas. Also, there were inspection blind spots that is hard for inspectors to reach, such as internal ceiling or exterior retaining walls, posing difficulties to safety inspections. Accordingly, KSPO has promoted the safety inspection using drones to provide an inspection environment safe from the risk of falling accidents. Moreover, a more efficient safety inspection has been made possible through expansion of inspection areas, and the time cost of safety inspection has been reduced from 4.5 hours to 3.5 hours on average.

Best Performance

Introduction of KSPO 45001 Sports Facility Safety Management Certification System

KSPO began to operate the KSPO 45001 certification system in order to reinforce voluntary safety management capabilities of domestic sports facilities and spread a standard safety management model for sports facilities. KSPO is finding and certifying safe sports facilities through this certification system. In 2018, 7 sports facilities were certified. KSPO will continue to expand the certification system and increase the number of safe sports facilities for people.

Collaboration and case study

Collaboration with UK SGSA, analysis of domestic and overseas safety certification systems

Establishment of certification system

Development of certification items, installation of certification office, organization of certification council

Demonstration

Consulting of 15 institutions, evaluation by the council

Analysis and circulation

Supplementation of the certification manual through demonstration (segmentation of certification criteria)



Successful introduction of the nation's first sports facility safety certification system

Certified 7 excellent facilities

* Sports Grounds Safety Authority



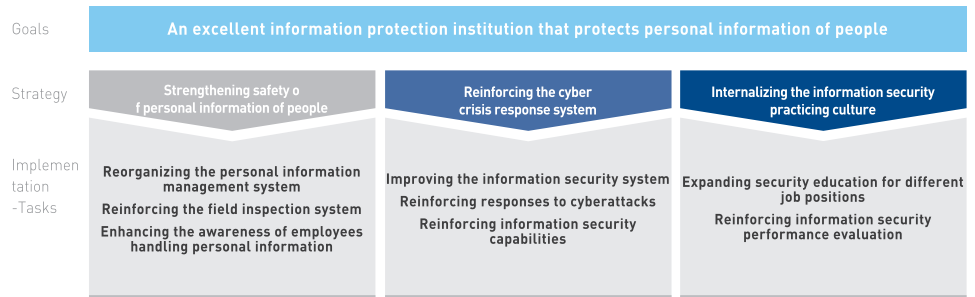
Strengthening Customer Information Protection

Establishment of Information Security Management System

KSP0 has obtained the highest grade of personal information protection from the Ministry of the Interior and Safety for 5 consecutive years. It was ranked 3rd among 54 institutions during the information security evaluation by National Intelligence Service. KSP0 maintains the highest level of information security. The criteria for reporting personal information leakage were reinforced to increase safety of personal information, and PCs of all employees are checked to destroy unnecessary personal information.

There are multilateral efforts to increase the level of security awareness of employees such as intranet guide, personalized education, and online quiz for all employees. No information infringement accident occurred in 2018.

Information Security Management System



Highest grade for 5 consecutive years

Personal information protection level diagnosed by the Ministry of the Interior and Safety

Strengthening Safety of Personal Information

With strengthening of personal information protection laws at home and abroad and increasing number of personal information processed, KSP0 has rearranged its personal information management system to increase safety of personal information and reinforced on-site inspection. We conduct personalized education to increase awareness of employees about personal information protection.



Highest score on security knowledge rate

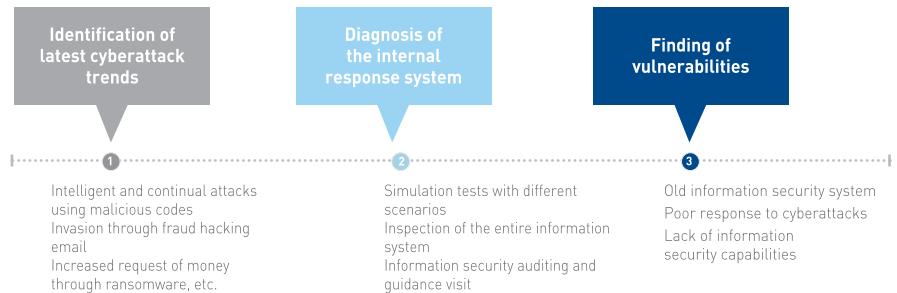
National Intelligence Service

Category	Description
Reorganizing the management system	<ul style="list-style-type: none"> Reinforced the criteria for reporting personal information leakage for prompt response (number of information leakage cases: 10,000 → 1,000 persons) Reorganized the personal information response procedures (3 documents) and internal management plan Revised 17 files on access authority of each personal information processing system
Reinforcing the field inspection system	<ul style="list-style-type: none"> Introduced the personal information protection system on the public service website Destroyed unnecessary personal information such as social security numbers via complete inspection of PCs of all employees (790,000 items) Guidance visits for personal information protection (3 times) and special visits to vulnerable departments (5 times)
Enhancing the awareness of employees	<ul style="list-style-type: none"> Conducted outreach personal information protection education (5 times) Conducted online quizzes on personal information protection for all employees (2 times) Opened the personal information guide menu on the intranet and shared regulations and forms Conducted customized education for all employees (1 time), managers (40 hours) and persons handling personal information (2 times)

Strengthening Cyber Crisis Response System

KSP0 diagnosed its internal response system after identifying the latest trend of increasing cyberattacks including intelligent and continuous malicious codes, hacking emails and ransomware. Any vulnerabilities found during the diagnosis are fixed immediately. In 2018, KSP0 replaced the old firewall system to increase network safety and conducted mock training to prepare for cyberattacks. KSP0 obtains the information security management system (ISMS) certification for its websites. The number of certified websites was drastically increased from 6 to 19 in 2018.

Response System Reinforcement Process



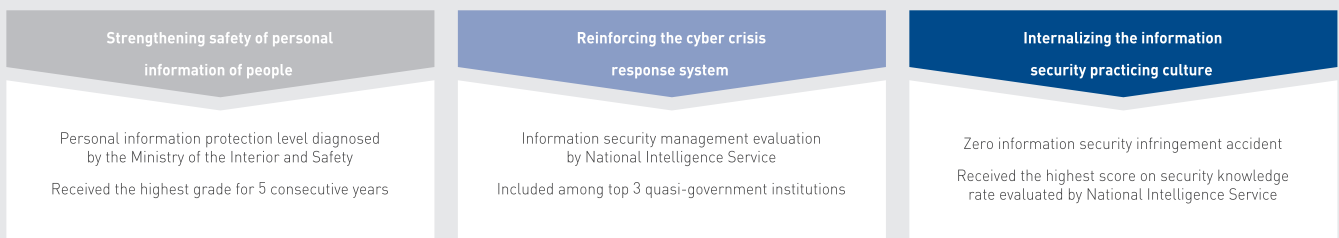
Internalizing Information Security Practice Culture

KSP0 strengthens security education for different job positions to internalize the information security practice culture, constantly expanding the targets and importance of security performance evaluation. Education programs for different job positions are not only provided to information security managers but also to executives and ordinary employees. The participation rate of executives is 100%, and KSP0 encourages all employees to participate in information security education. In addition, the scope of PC security evaluation was expanded from the intranet to the internet. The importance of information security was increased by enlarging the weighted value applied to performance evaluation. The information security evaluation of National Intelligence Service showed that over 90% of employees of KSP0 are aware of security rules.

Best Performance

'ZERO' Information Security Infringement Accident

KSP0 has placed a variety of efforts in response to the rapidly changing internal and external security environment such as increasing risk of personal information infringement, intelligent cyberattacks and security threats related to the 4th industrial revolution. As a result, KSP0 has produced satisfactory results of receiving an excellent score on various information security diagnoses and evaluations and recording zero information security accident. Detailed outcomes for each information security strategy of KSP0 are as presented below.



Data Center

Sustainability Management Performance

Economic performance

Summarized Consolidated Statement of Financial Position

	Unit	2016	2017	2018
Current assets		1,675,434	1,415,821	1,652,271
Non-current assets		400,356	395,608	383,153
Total assets		2,075,790	1,811,429	2,035,424
Current liabilities		1,481,337	1,235,416	1,472,072
Non-current assets		104,725	100,250	99,402
Total liabilities		1,586,062	1,335,666	1,571,474
Capital (contributed capital)	KRW million	345,834	345,834	345,834
Others		143,894	129,929	118,116
Controlling interest		489,728	475,763	463,950
Non-controlling interests		0	0	0
Total equity		489,728	475,763	463,950
Total liabilities and equity		2,075,790	1,811,429	2,035,424

Summarized Consolidated Income Statement

	Unit	2016	2017	2018
Sales		7,141,646	6,736,123	7,186,322
Cost of sales		5,724,273	5,230,754	5,568,115
Selling, general and administrative expenses		196,133	197,562	204,919
Operating income		1,221,240	1,307,807	1,413,288
Other income		17,984	21,743	18,919
Other expenses		1,268,225	1,361,034	1,467,875
Other gains and losses		25	24	-2,055
Finance income	KRW million	22,237	22,498	26,826
Finance expense		1,303	1,623	1,812
Net profit before income tax (loss)		-8,042	-10,585	-12,709
Corporate tax		954	4,896	592
Total comprehensive income (loss)		-8,996	-15,481	-13,301
Profit attributable to controlling interest		67	1,516	1,488
Profit attributable to non-controlling interest		-8,929	-13,965	-11,813

Economic Value Distribution

	Unit	2016	2017	2018
Employee		942(4.0)	1,010(4.3)	1,039(4.2)
Partner		4,120(17.4)	3,958(16.7)	4,455(18.2)
Central and local government		5,904(24.9)	4,391(18.6)	4,058(16.6)
Local community	KRW 100 million (%)	75(0.3)	77(0.3)	102(0.4)
National Sports Promotion Fund		12,539(52.8)	12,524(53.0)	9,382(38.3)
Reserves		164(0.7)	1,681(7.1)	5,441(22.2)
Total		23,744(100)	23,641(100)	24,477(100)

Environmental Performance

	Unit	2016	2017	2018	
Purchase of eco-friendly products	KRW million	1,259	1,699	891	
Rate of eco-friendly products purchase	%	99.6	93.1	83.4	
Waste	General waste	ton	813,68	745,63	692,22
	Designated waste	ton	1	1	1
	Waste recycling	%	40,62	39,50	38,70
GHG	Baseline emissions	tCO ₂ eq	14,929	14,923	14,923
	Target reduction rate	%	22	18	26
	Emission target	tCO ₂ eq	11,624	12,278	11,010
	Actual emissions	tCO ₂ eq	12,584	13,092	13,104
	Reduction rate	%	16	12,3	12,2
Water	Water use	ton	239,126	218,177	197,436

Social Performance

Employee

		Unit	2016	2017	2018
Total employees			810	814	814
Current number of employees			803	821	828
Employment type	Regular		803	821	828
	Indefinite-term		689	711	794
	Irregular		285	230	436
Gender	Male		576	578	579
	Female		227	243	249
Regional group	Metropolitan		319	337	361
	Metropolitan	Person	484	484	467
Age	Below 20s		10	6	1
	20s		70	77	83
	30s		182	169	152
	40s		338	355	368
	Above 50s		203	214	224
Retirees			2	3	10
Early retirees			2	0	0
Number of turnover			1	6	11
Turnover rate			0,1	0,7	1,33
Socially equitable employment	Disabled employee ratio	%	3,27	3,37	3,64
	Patriots and veterans		6,0	6,0	6,08
New full-time recruits	Female		9	21	10
	Disabled		0	4	2
	Local talents (out of Seoul metropolitan area)		10	8	8
	High school graduates	Person	6	0	1
	Patriots and veterans		0	2	0
	Youth (internship)		25	28	23
	Total			29	35
Number of female employees and ratio			227(28,3)	243(29,6)	249(30,1)
Number of female manager and ratio (above level 4)		Person(%)	20(9,1)	28(11,5)	29(11,6)
Number of intermediary manager and ratio (above level 5)			55(17,4)	66(27,2)	71(28,5)
Budget for training		KRW 100 Million	15,6	15,6	15,6

	Unit	2016	2017	2018
Number of trained employees	Person	728	779	797
Average training hour per employee	Hour	120	124	121
Satisfaction level with flextime	Point	90,8	91,90	92,59
Parental leave (male)	Person	30(4)	51(9)	47(12)
Rate of reinstatement after parental leave	%	100	100	100
Service period over 1 year after parental leave	%	100	100	100
Number of employees subject to collective agreement	Person	1,670	1,608	1,905
Number of employees under collective agreement		1,161	1,268	1,292
Rate of employees under collective agreement	%	69,5	78,9	67,8
Labor-management communication index	Case	77,6	79,8	83,5
Satisfaction level of employee welfare		83,4	84	84,3
Occupational disease occurrence rate*		0,75	0	0,001
Leave of absence ratio	%	5,5	5,9	6,4
Absenteeism ratio**		0,04	0,01	0,0001
Number of industrial accident	Case	0	0	0
Industrial accident ratio	%	0	0	0
Corruption and breach of code of conduct***		16	1	3
Actions taken for corruption and breach of code of conduct	Case	16	1	3

* Total days of sick leave / total work days x total number of employees

** Total absent days / total work days x total number of employees

*** Based on Anti-corruption & Civil Rights Commission data

Small and Medium Company

	Details	Unit	2018
Prioritized purchase of products by small and medium businesses	Prioritized purchase of products by small and medium businesses		100
	Prioritized purchase of R&D product		97.07
	Prioritized purchase of products by female-owned businesses		100
	Prioritized purchase of products and services by social corporations	%	100
	Obligatory purchase of Green product		100
	Prioritized purchase of products by the severely disabled		100
	Prioritized purchase of products by the men of national merit self-support veteran village Other general		100
	Other general	Number of registered partners	Company
Use of standard contracts		%	100
'Contract' score from public agency integrity index survey		Point	9.68
Number of students at internal job college (contract, fair trade)		Person	80
Public purchase loan usage		KRW 100 Million	6

Job Creation(Private sector)

	Major project	Type of project	Unit	2017	2018
Sports promotion project	National fitness certification project	Direct		11,572	13,528
	Sports-for-all instructor allocation	Partnership			
Sports industry support project	Job matching and entrepreneur support	Direct		1,754	2,275
	Regional sports tour industry fostering	Partnership	Person		
Fundraising project	Bicycle race / motorboat race project	Direct		621	680
	Voting right project delegated to the private sector	Procurement commission			
Education budget	Internal venture, data business, etc.	Partnership		579	848

Appendix

Materiality Test

KSP0 performed materiality test to reflect internal and external business environment and opinions of various stakeholders on the 2018 sustainability report. We selected 19 material topics and evaluated priorities according to social interest and business influence. The specific procedure of materiality test is as described below.

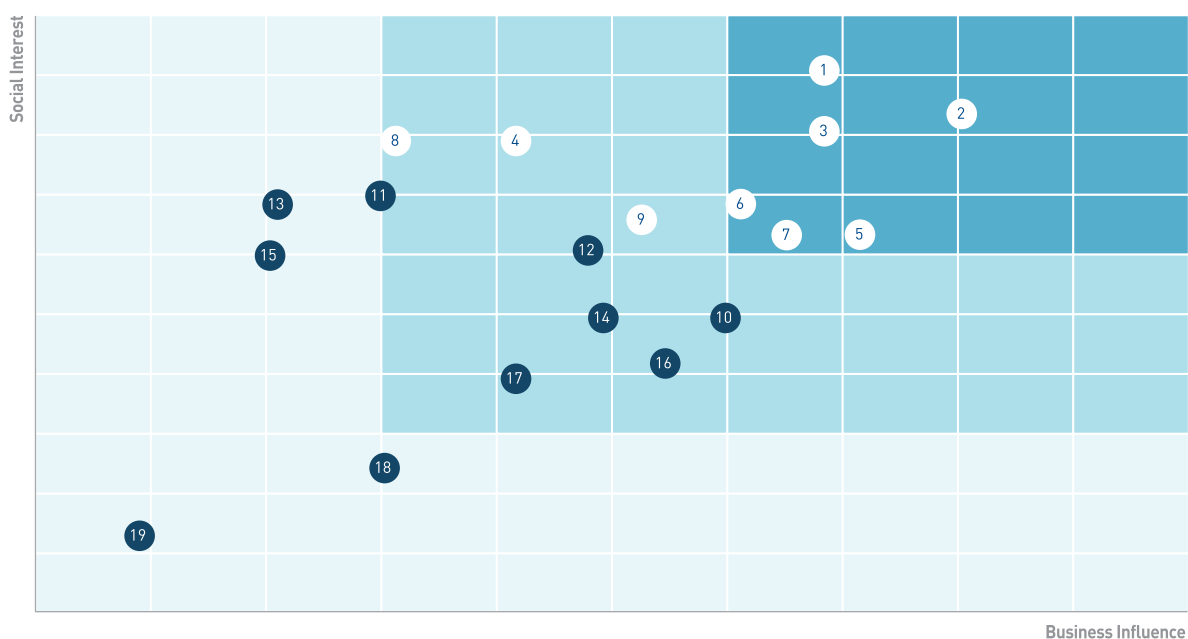


Stakeholder Engagement

KSP0 conducted a survey on internal and external stakeholders to decide priority of material topics in the fields of economy, society and environment. The stakeholder survey was carried out for 9 days from 16 May to 24 May 2019 through diverse channels including the intranet of KSP0, website, and Facebook page. In this survey, 450 internal stakeholders and 762 external stakeholders participated.

Result of Materiality Test

Through materiality test of 2018, embodiment of sports welfare society, ethics and integrity, safety management, respect of human rights, and transparency and expertise of the Board of Directors were selected as top material topics. In overall, 19 material topics were selected including soundness of sports racing businesses closely associated with the specificity of KSP0 and soundness of the sports industry.



Materiality Test Matrix

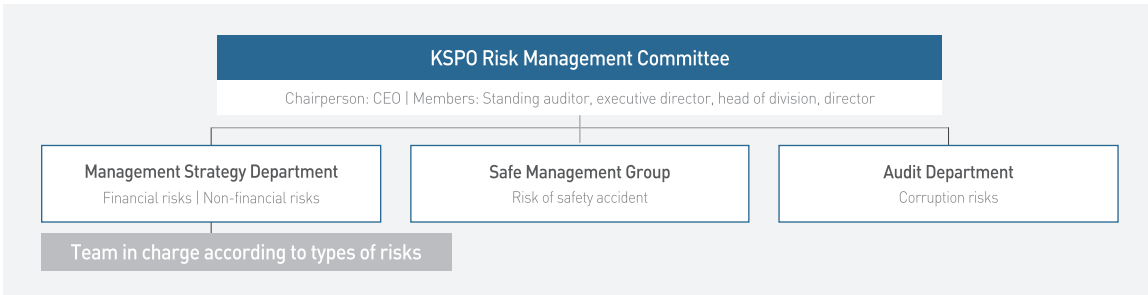
No.	Material Topic	Report Category	Reporting Boundary		Page
			Internal	External	
1	Creation of Sports Welfare Society	Creation of Sports Welfare Society		●	19~29
2	Ethics and Integrity	Trusted and Transparent Management	●		31~39
3	Safety Management	Strengthening Safety Management	●	●	49~53
4	Respect of Human Rights	Organizational Culture Respecting Human Rights	●		41~47
5	Transparency and Expertise of the Board of Director	Trusted and Transparent Management	●		31~39
6	Organizational culture of trust and co-existence	Organizational Culture Respecting Human Rights	●		41~47
7	Protection of customer information	Strengthening Safety Management	●	●	49~53
8	Soundness of sports racing businesses	Trusted and Transparent Management	●	●	31~39
9	Job creation	Appendix	●	●	60
10	Fostering human resources	Organizational Culture Respecting Human Rights	●		41~47
11	Shared growth	Appendix	●	●	57, 60
12	Diversity and equal opportunity	Organizational Culture Respecting Human Rights	●	●	41~47
13	Advancement of the sports industry	Creation of Sports Welfare Society	●	●	19~29
14	Reinforcing customer satisfaction	Creation of Sports Welfare Society	●	●	19~29
15	Contribution to communities	Creation of Sports Welfare Society	●	●	19~29
16	Creation and distribution of economic values	Sustainability Management Performance	●	●	57
17	Management of risk factors	Appendix	●		64
18	Participation of stakeholders	Appendix	●	●	65
19	Response to climate change	Sustainability Management Performance	●		57

Risk Management

Risk Management System

KSP0 has established an enterprise-wide risk management system to promptly respond to the rapidly changing environment, such as changes in the internal and external business environment and increasing risk factors beyond control. The ‘KSP0 Risk Management Committee’ led by the chairperson has been formed and managed efficiently, and response procedures and manuals for each stage of risks have been put in place.

KSP0 Risk Management System



Building Proactive Risk Tackling System

Management risks of KSP0 are divided into 3 categories based on predictability and controllability. In addition, we have prepared countermeasures for each category of management risks to prevent risks in advance and respond immediately when risks occur.

Classification of Risks

	KSP0 management risks	Risk factors	Countermeasures
Predictability Possible Impossible	● Controllable risks in internal process	Corruption, personnel irrationality, sexual harassment, etc	· Internal control Internalization of sense of ethics Zero tolerance
	● Predictable management related risks	Financial and non-financial risks	· Management with strategy Managing by risk index monitoring legislation and policy of government and other stakeholders
	● Unpredictable risks such as accident and disaster	Natural disaster, safety accidents	· Urgent plan Introducing simulation training with scenario plan
Controllability Impossible Possible			

Salient Risks and Response

KSP0 successfully responded to risks that pose a threat to its management goals through face-finding, solution planning, and external communication based on the crisis management manual.

Risks and Responses in 2018

Salient risk and background	KSP0's response	Performance
Unstable operation due to entrustment of the sports promotion betting ticket business	Direct management of the betting ticket business	· Proposal of a bill on direct management of the betting ticket business by KSP0
Disasters and safety accidents related to facilities of KSP0	Establishment of safety inspection and remodeling plans	· Conducting annual safety inspection on facilities · Promotion of remodeling constructions for Olympic Sports Complex, etc.

Stakeholder Engagement

Defining Stakeholders

KSP0 defines and categories various stakeholders that directly or indirectly influence its sustainability management activities. Stakeholders are categorized into value-affecting customers, value-creating customers, value-cooperating customers, and value-sharing customers. KSP0 practices truly sustainable management by effectively identifying and reflecting the perspectives of different stakeholders.

Communication with Stakeholders

KSP0 operates communication channels for each stakeholder group to completely understand their needs. Valuable opinions of stakeholders identified by active and continuous communication are utilized for sustainable management of KSP0.

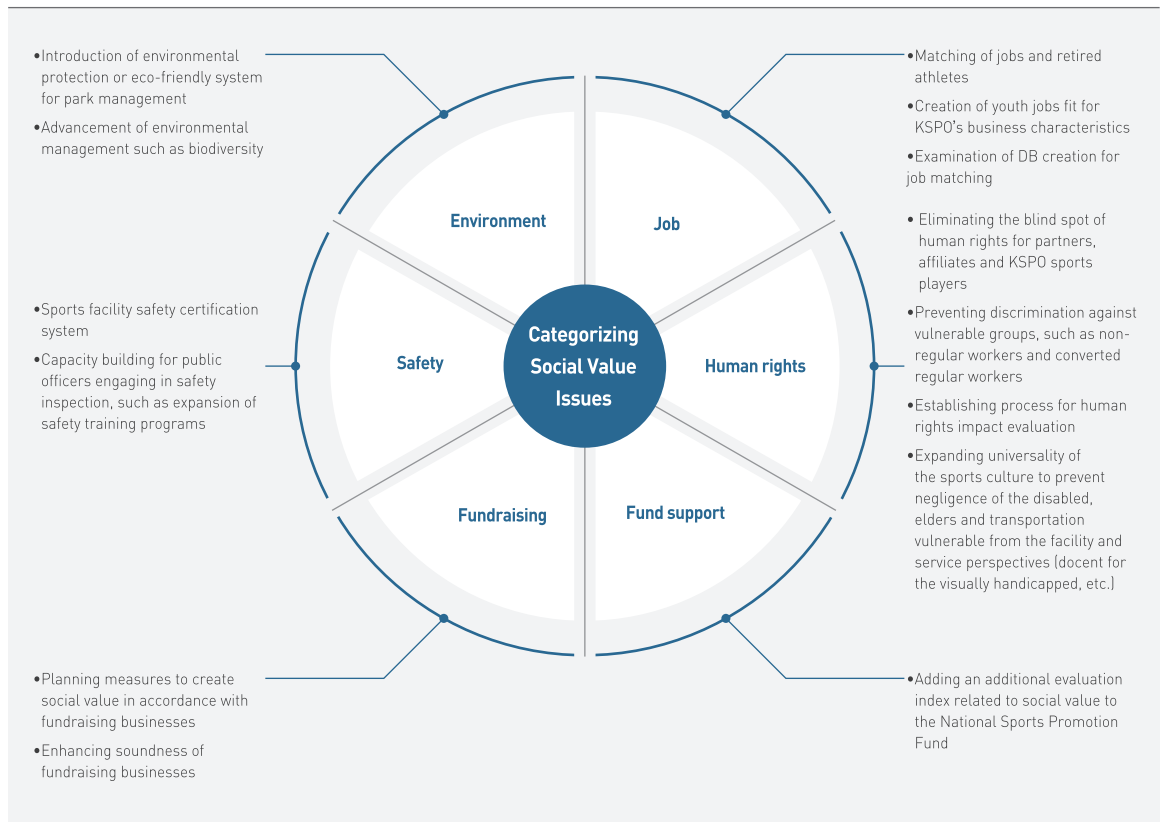
Defining Stakeholders and Communication Channels

Stakeholder	Flow of value	Communication channels	Outcome of reinforcement and communication
Customers with value impact Government and National Assembly Local community	Policy decisions	<ul style="list-style-type: none"> · Government workshops · Government inspections · Management evaluations 	<ul style="list-style-type: none"> · Sincere participation of the chairperson in workshops, etc. · Online public contests for welfare facilities (4 times, participated by 261 facilities)
Customers for value creation Employees Labor unions	Value creation	<ul style="list-style-type: none"> · Labor-management council · Labor-management council 	<ul style="list-style-type: none"> · Direct receiving of grievances by the CEO through hot-line · Innovative theme suggestion weeks (3 times, 134 suggestions)
Customers with partnership Local governments Universities, etc.	Value delivery	<ul style="list-style-type: none"> · Policy seminars · Public hearings 	<ul style="list-style-type: none"> · Fundraising organization workshops (5 times) · Outreach settlement seminars (8 times) · Reflection of public suggestions on research tasks
Customers who purchase values Customers	Value purchase	<ul style="list-style-type: none"> · Voices of customers · Customer satisfaction surveys 	<ul style="list-style-type: none"> · Citizen fundraising innovation groups (6 times)
Customers with enjoyment Public	Value enjoyment	<ul style="list-style-type: none"> · Public suggestions · SNS 	<ul style="list-style-type: none"> · Introduction of a customer participatory budget system where customers suggest and review budgets for new businesses · Launching of the public stockholder group (40 persons)

Collecting Opinions of Internal Stakeholders

In order to define our own social values and identify key social value issues of the society including environment, human rights and safety, KSP0 conducted a task force workshop and interview on October 17, 2018..

Categorizing Social Value Issues



Survey on Interest in Social Values

Sustainable management of KSP0 begins from communication with stakeholders. Accordingly, KSP0 communicates with internal and external stakeholders through various communication channels such as survey and interview. Opinions of stakeholders collected are reviewed and reflected on future sustainable management policies. When publishing the 2018 Sustainability Report, KSP0 conducted a survey on stakeholders to find out the most important social values and areas of social responsibility it needs to focus on. The survey was conducted for 9 days from 16 May to 24 May 2019. Details of the survey are presented below.

Overview of Survey on Interest in Social Values

Survey Period : 2019. 05. 16 ~ 05. 24

Survey Target : 9 Groups including Employee, Citizen, Partner company, Funding organization, Press, Individual customer

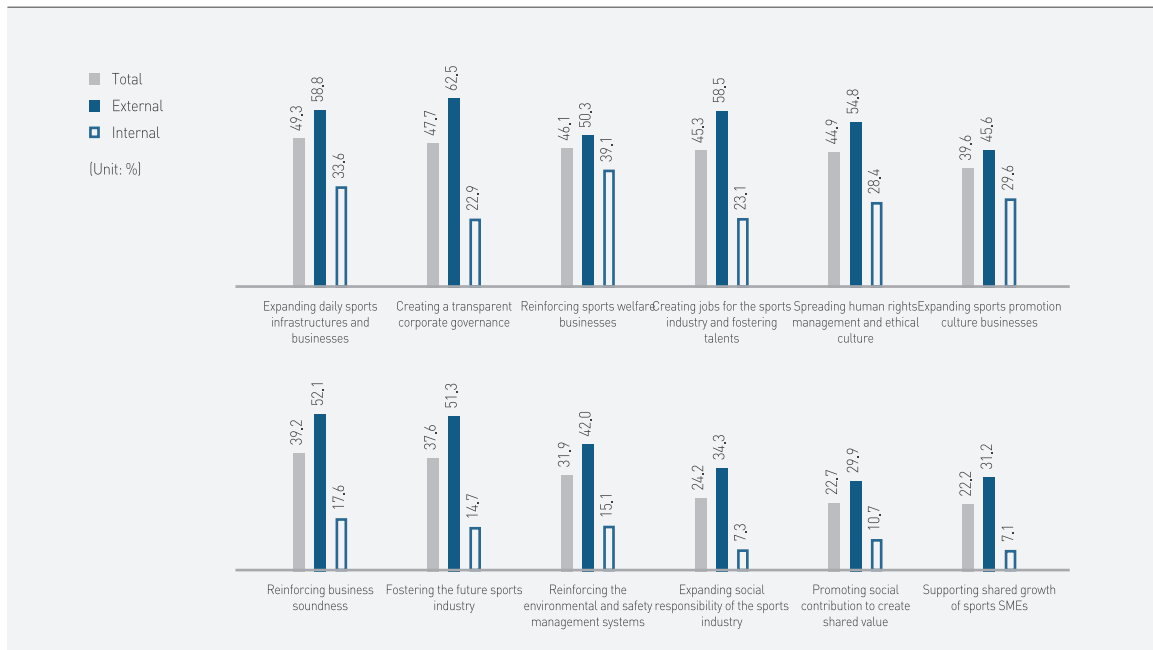
Number of Respondents : 1,212 persons

Details of Survey : Interest in Social Values

Priority of Social Values

According to the survey, stakeholders answered that KSPO needs to concentrate on daily sports infrastructures and businesses, transparent corporate governance, and sports welfare businesses among various social responsibility activities. Creation of jobs in the sports industry, fostering of talents, spreading of human rights management and ethical culture were also selected as important social value areas of KSPO.

Categorizing Social Value Issues



Priority of Social Values of Each Stakeholder

Different stakeholder groups such as citizens, partners, funding organizations and individual customers have varying interests. The survey showed that the social value of highest priority is transparent corporate governance for citizens, expansion of daily sports infrastructures and businesses for partners, spreading of human rights management and ethical culture for funding organizations, expansion of sports promotion culture businesses for press, business soundness for individual customers, expansion of sports promotion culture businesses for regional organizations, and expansion of daily sports infrastructures and businesses for the National Assembly and related public institutions.

Third Party's Assurance Statement

To the Readers of 2018 KSP0 Sustainability Report:

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of Korea Sports Promotion Foundation (hereinafter "KSP0") to verify the contents of its 2018 Sustainability Report (hereinafter "the Report"). KSP0 is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

KSP0 describes its efforts and achievements of the corporate social responsibility activities in the Report. The verification has been conducted as limited assurance based on SRV1000 from KMR Global Sustainability Committee and International Standard on Assurance Engagements 3000 (ISAE3000) of IAASB as assurance standards. KMR's assurance team (hereinafter "the team") evaluated the adherence to Principle of reliability of the data and information on the GRI indicators as below, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI Standards which covers the followings.

▶ GRI Standards Reporting Principles

▶ Universal Standards

▶ Topic Specific Standards

- | | |
|---|---|
| - Management approach of Topic Specific Standards | -Emissions: 305-1, 305-2 |
| - Economic Performance: 201-1 | - Effluents and Waste: 306-2 |
| - Indirect Economic Impacts: 203-1, 203-2 | - Employment: 401-1, 401-2, 401-3 |
| - Anti-Corruption: 205-2, 205-3 | - Training and Education: 404-1, 404-2 |
| - Water: 303-1 | - Diversity and Equal Opportunity: 405-1 |
| | - Freedom of Association and Collective Bargaining: 407-1 |

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. KSP0, among report boundaries.

Our approach

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

- ▶ Reviewed overall report
- ▶ Reviewed materiality test process and methodology
- ▶ Reviewed sustainability management strategies and targets
- ▶ Reviewed stakeholder engagement activities
- ▶ Interviewed people in charge of preparing the Report

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

- ▶ **Materiality** The Report includes all important reporting boundaries under Korea Sports Promotion Foundation (KSPO) operation and presents specific and long-term CSR strategy and targets. Korea Sports Promotion Foundation (KSPO) is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues nor any critical stakeholder group left out in this process.
- ▶ **Understandability** Being prepared in sustainability context, the Report specifies the targets on sustainability issues which are identified through the materiality evaluation process, and presents the backgrounds of selection of the critical issues and the management approach. And the Report explains the performance indicators in more detail and comparable way.
- ▶ **Reliability** The assurance team identified errors in some data and information, and Korea Sports Promotion Foundation (KSPO) completed the modification before finishing the final version of the Report. We judge the data and information in the Report to be correct and reliable, and the assurance team could not find any evidence that Korea Sports Promotion Foundation (KSPO) counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI standards.

Recommendation for improvement We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- ▶ Korea Sports Promotion Foundation (KSPO) has clarified stakeholders of the entire value stream and established channels for each of them for effective communication. The organization is advised to create a sustainability culture by integrating reasonable expectation of individual groups into its core business process and strengthen communication by improving consistency in reporting performance indicators of different strategic initiatives.

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



E. J. Hwang

August, 16th, 2019 Eun Ju Hwang


GRI Content Index

GRI Standards	Disclosures	Reporting page	UN initiatives
General disclosures			
GRI 102-1	Name of the organization	6	UNGC 22
GRI 102-2	Primary brands, products, and/or services	6	UNGC 1, 22
GRI 102-3	Location of organization's headquarters	6	UNGC 22
GRI 102-4	Number of countries where the organization operates, and names of countries	6	UNGC 1, 22
GRI 102-5	Nature of ownership and legal form	6	UNGC 22
GRI 102-6	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	6	UNGC 1, 22
GRI 102-7	Scale of the reporting organization	6	UNGC 22
GRI 102-8	Total workforce by employment type, employment contract, and region	58	UNGC 22
GRI 102-9	Describe the organization's supply chain	6	UNGC 2, 18, 22
GRI 102-10	Significant changes during the reporting period relating to size, structure, or ownership or its supply chain	N/A	UNGC 22
GRI 102-11	Precautionary approach or principle addressed by the organization	64	
GRI 102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	72	UNGC 17, SDGs 17
GRI 102-13	Memberships in associations	72	UNGC 17, SDGs 17
GRI 102-14	Statement from the most senior decision-maker of the organization	4-5	UNGC 19
GRI 102-15	Provide a description of key impacts, risks, and opportunities.	4-5	UNGC 1
GRI 102-16	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	7, 34	UNGC 3-5, UNGC 12-14, SDGs 16
GRI 102-17	Mechanisms for advice and concerns about ethics	34-36	
GRI 102-18	Governance structure of the organization	32	UNGC 20
GRI 102-22	Composition of the highest governance body and its committees	32	
GRI 102-23	Report whether the Chair of the highest governance body is also an executive officer	32	
GRI 102-24	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	33	
GRI 102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals	32-33	
GRI 102-27	Measures taken to develop and enhance the highest governance body's collective knowledge	32	
GRI 102-28	Report the processes for evaluation of the highest governance body's performance	33	
GRI 102-35	Report the remuneration policies for the highest governance body and senior executives	33	
GRI 102-36	Report the process for determining remuneration	33	
GRI 102-40	List of stakeholder groups engaged by the organization	65	UNGC 21
GRI 102-41	Percentage of employees covered by collective bargaining agreements	59	UNGC 22
GRI 102-42	Basis for identification and selection of stakeholders with whom to engage	65	UNGC 21
GRI 102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	65	UNGC 21
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	63	UNGC 21
GRI 102-45	List all entities included in the organization's consolidated financial statements or equivalent documents	6	

GRI Standards	Disclosures	Reporting page	UN initiatives
Economy			
GRI 102-46	Process for defining the report content and the Aspect Boundaries	About this report	
GRI 102-47	List all the material Aspects identified in the process for defining report content	63	
GRI 102-48	Explanation of the effect of any re-statements	N/A	
GRI 102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	N/A	
GRI 102-50	Reporting period	About this report	
GRI 102-51	Date of the most recent previous report	About this report	
GRI 102-52	Reporting period	About this report	
GRI 102-53	Contact point for questions regarding the report or its contents	About this report	
GRI 102-54	'In accordance' option the organization has chosen	About this report	
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GRI 102-56	Reference to the External Assurance Report	68-69	UNGC 23
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GRI 103-3			
Economy			
GRI 201-1	Direct economic value generated and distributed	56-57	
GRI 203-1	Significant infrastructure investments and services supported and its impacts	20-29	UNGC 16, SDGs 9
GRI 203-2	Indirect economic value	20-29	UNGC 16, SDGs 9
GRI 205-2	Communication on anti-corruption policies and procedures, and training	35-36	SDGs 16
GRI 205-3	Confirmed incidents of corruption and actions taken	59	
Environment			
GRI 303-1	Total water withdrawal by source	57	SDGs 6
GRI 305-1	Direct greenhouse gas (GHG) emissions	57	SDGs 13, 15
GRI 305-2	Indirect greenhouse gas (GHG) emissions	57	SDGs 13, 15
GRI 306-2	Total weight of waste by type and disposal method	57	
Society			
GRI 401-1	Total number and rates of new employees hires and employee turnover by age group, gender, and region	58	UNGC 6-8, SDGs 8
GRI 401-2	Benefits provided to full-time employees	45	SDGs 3
GRI 401-3	Return to work and retention rates after parental leave, by gender	58	SDGs 5, 10
GRI 404-1	Average hours of training per year per employee	59	SDGs 4
GRI 404-2	Programs for skills management and lifelong learning	59	SDGs 4
GRI 405-1	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	32, 58	UNGC 6, SDGs 5, 8
GRI 407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	47, 59	

UN Global Compact Advanced Level

The UN requests organizations to support the 10 principles of the UN Global Compact (UNGC) and advocates the 10 universal principles including those related to human rights, the environment, labor and anti-corruption, and requests support for a wide range of the UN's development plans including the Sustainable Development Goals (SDGs). KSPo joined the UN Global Compact (UNGC) in 2007. KSPo not only adheres to the 10 principles but also broadly supports the UN's development plans such as the SDGs.

	Governance	1	The COP describes C-suite and Board level discussions of strategic aspects of Global Compact implementation
		2	The COP describes effective decision-making processes and systems of governance for corporate sustainability
		3	The COP describes engagement with all important stakeholders
	UN Goals and Issues	4	The COP describes actions taken in support of broader UN goals and issues
	Human Rights	5	The COP describes robust commitments, strategies or policies in the area of human rights
		6	The COP describes effective management systems to integrate the human rights principles
		7	The COP describes effective monitoring and evaluation mechanisms of human rights integration
		8	The COP contains standardized performance indicators (including GRI) on human rights
	Labour	9	The COP describes robust commitments, strategies or policies in the area of labour
		10	The COP describes effective management systems to integrate the labour principles
		11	The COP describes effective monitoring and evaluation mechanisms of labour principles integration
		12	The COP contains standardized performance indicators (including GRI) on labour principles integration
	Environment	13	The COP describes robust commitments, strategies or policies in the area of environmental stewardship
		14	The COP describes effective management systems to integrate the environmental principles
		15	The COP describes effective monitoring and evaluation mechanisms for environmental Stewardship
		16	The COP contains standardized performance indicators (including GRI) on environmental stewardship
	Anti-Corruption	17	The COP describes robust commitments, strategies or policies in the area of anti-corruption
		18	The COP describes effective management systems to integrate the anti-corruption principle
		19	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption
		20	The COP contains standardized performance indicators (including GRI) on anti-corruption
	Value Chain	21	The COP describes implementation of the Global Compact principles in the value chain
	Transparency and Verification	22	The COP provides information on the company's profile and context of operation
		23	The COP incorporates high standards of transparency and disclosure

Membership

United Nations Global Compact	Korea Youth Hostel Association	The UNESCO Chairs Programme	International Youth Hostel Federation	IOC The Olympic Museums Network(OMN)
 United Nations Global Compact	 Hostelling International Korea Youth Hostel Association			 Member of the OLYMPIC MUSEUMS NETWORK
The World Federation of the Sporting Goods Industry (WFSGI)	The Korean Museum Association	The World Lottery Association	The Korean Art Museum Association	Korean Society of Public Enterprise
			 한국의사립미술관협회	 KSPE 한국공기업학회 Korean Society of Public Enterprise
Korea Cycling Federation	Asia Pacific Lottery Association (APLA)	Union Cycliste Internationale (UCI)		
 대한자전거연맹 Korea Cycling Federation				

UN SDGs

● Related ● Monitored

 1 NO POVERTY End poverty	 2 ZERO HUNGER End hunger and achieve food security	 3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote wellbeing	 4 QUALITY EDUCATION Ensure inclusive and equitable quality education	 5 GENDER EQUALITY Achieve gender equality	 6 CLEAN WATER AND SANITATION Management of water and sanitation
 7 AFFORDABLE AND CLEAN ENERGY Ensure access to energy	 8 DECENT WORK AND ECONOMIC GROWTH Sustainable economic growth and productive employment	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Resilient infrastructure and sustainable industrialization	 10 REDUCED INEQUALITIES Reduce inequality	 11 SUSTAINABLE CITIES AND COMMUNITIES Sustainable cities and human settlements	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Sustainable consumption
 13 CLIMATE ACTION Action to combat climate change and its impacts	 14 LIFE BELOW WATER Sustainable use of the oceans, seas and marine resources	 15 LIFE ON LAND Protect terrestrial ecosystems	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Peaceful and inclusive societies	 17 PARTNERSHIPS FOR GOAL ACHIEVEMENT Global partnership	

KSP0 2018 Korea Sports Promotion Foundation Sustainability Report

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