

## 《 KCGS's CSR Assessment for "KRX SRI Index" 》

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September 2009

- The **Korea Corporate Governance Service (KCGS, Acting President: Young Gil CHUN)** recently decided to **provides social and environmental assessment and related research services** in addition to corporate governance assessment, assignment of corporate governance ratings and research related services by making amendment to its Articles of Incorporation .
  - The reason for such a decision is that **a new paradigm for the capital market that takes into account environment, etc. according to the government's Low Carbon Green Growth Policy is required.**
    - Since domestic listed companies need to make preparation in advance **in line with global trend towards valuing Socially Responsible Investment (SRI)** when foreign institutional investors make a decision on long-term investment, the KCGS decided to provide systematic support for these companies.
- KCGS and Eco-frontier has jointly assessed CSR activities of companies listed on the KRX since February 2009: **KCGS has arranged overall assessment, mainly on governance, and Eco-frontier has focused on environmental and social performance assessment.**

- Based on such assessment results, KRX started providing “KRX SRI Index” from September 14, 2009.
- The SRI Index provided by KRX is **a market capitalization-weighted (free-float adjusted) index** with **70 components which demonstrate outstanding performance in SRI assessment** as of January 2, 2009 (Base point: 1,000P).\*

\*A list of SIR Index Components is attached hereto.

- KCGS plans to **continuously perform survey, research and education in support for CSR operations of listed companies** and make an effort to **promote the “KRX SRI Index”** for sustainable development of Korean listed companies.\*\*

\*\*For more information, please refer to <Appendix 2>.

- **CSR Assessment and Application**
  - **Establishing CSR assessment criteria** appropriate to Korea and **conducting assessment**
  - **Developing, spreading and distributing SRI index** based on the KRX’s CSR assessment results
  - **Selecting and awarding excellent companies** by sector (**environment/society/governance**)
- **Presentation of Standards for Sustainability Report and Authentication of the Report**
  - Based on recommendations on sustainability report like GRI G3

○ **CSR Education and Promotion**

- **Providing CSR education** for listed corporations and investors and **promoting CSR**
- **Understanding and analyzing global trend** relating to CSR
- **Establishing partnership and network with domestic and international institutions** involving in CSR

Appendix 1. KRX Press Release “KRX SRI Index Launched”

2. KCGS Press Release “CSR Service for Listed Companies”