

Communication on Progress(COP)

[Period : 2015.02~2016.04]

HUMAX
2016.05

An abstract graphic composed of various shades of blue and teal triangles and polygons, connected by thin white lines. The shapes are arranged in a way that suggests a network or a complex structure, with some lines forming a grid-like pattern. The overall aesthetic is modern and geometric.

Contents

1. UNGC Declaration Statement

2. Vision & Mission

3. Company Profile

4. The Ten Principles of the UN Global Compact

4.1 Highlights

4.2 Comprehensive

1) Human Rights

2) Labor

3) Environment

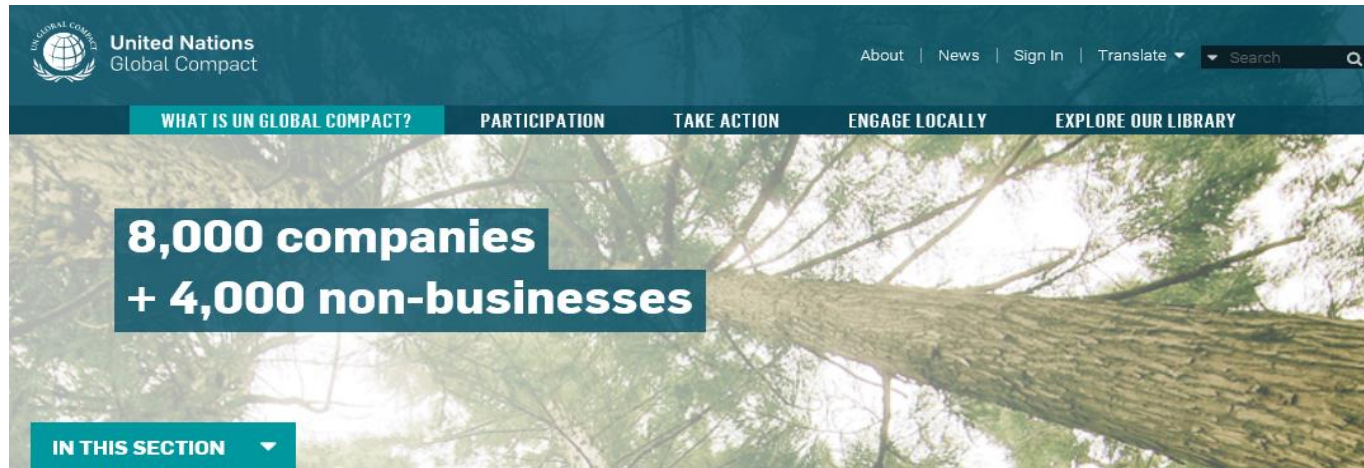
4) Anti-Corruption

[APPENDIX. 1] COMMITMENT

[APPENDIX. 2] MAKING the CONNECTION



1. UNGC Declaration Statement



HUMAX Co., Ltd.

www.humaxdigital.com

COMPANY INFORMATION

Overview

Country: Korea, Republic of

Org. Type: Company

Sector: Electronic & Electrical Equipment

Global Compact Status: Active

Employees: 784

Ownership: Privately Held

[Letter of Commitment](#) ▶

Participant Since

09 February 2015

Next COP due on: 09 February 2016



1.1 CEO Statement



Dear stakeholders,

HUMAX strives to make effort towards sustainable management including Corporate Social Responsibility and focuses on creating positive impact around the world through continuous communication with stakeholders. HUMAX has been a signatory to the UN Global Compact(UNGC) since 2015, and we release the first COP(Communication On Progress), which shows our commitment and achievements in sustainable management that we have been committed since the establishment of HUMAX

HUMAX explains how we have fulfilled over four areas; Human Rights, Labor, Environment and Anti-Corruption from February 2015 to April 2016 through this report. HUMAX reaffirms our support on the 10 principles of UN Global Compact, and makes efforts to spread it into the value chain as well as observe them.

I hope this report will help you, our stakeholders, continue your support and involvement and enhance trust on HUMAX which is taking steps toward new growth

2016.05.
HUMAX Co., Ltd.
CEO Kim Tae-hun

A handwritten signature in black ink, appearing to read 'Kim Tae-hun'.

2. Vision & Mission

SUSTAINABLE DEVELOPMENT for the HUMANITY

Sustainability of HUMAX

“The world’s premier provider of content delivery systems”

Creating performance in ‘Economy, Environment and Society’

Economic
Profitability

➤ Innovation
Management

Environmental
Sustainability

➤ Eco-friendly
Management

Social
Soundness

- People-oriented management
- Transparent management
- Win-win growth management
- CSV management

Satisfying Stakeholders’ Needs and Building Mutual Trust

3. Company Profile_ 3.1 Overview



COMPANY

HUMANIX Co., Ltd.

CEO

Kim Tae-hun

FOUNDED

Feb. 1989

UNGC PARTICIPATED

Feb. 2015

KOSDAQ LISTED

Apr. 1997

MAJOR PRODUCT

- Digital Set-Top Box (Satellite, Cable, Terrestrial)
- Video Gateway (Home Gateway Server)
- Broadband Gateway
- IoT Gateway

GLOBAL NETWORK

Sales Subsidiary : 18 (Including 2 Manufacturing Subs)
Production Base : 12

HEADQUARTER ADDRESS

HUMANIX Village, 216 Hwangsa-eul-ro, Bundang-gu, Seongnam-si,
Gyeonggi-do, 13595, KOREA

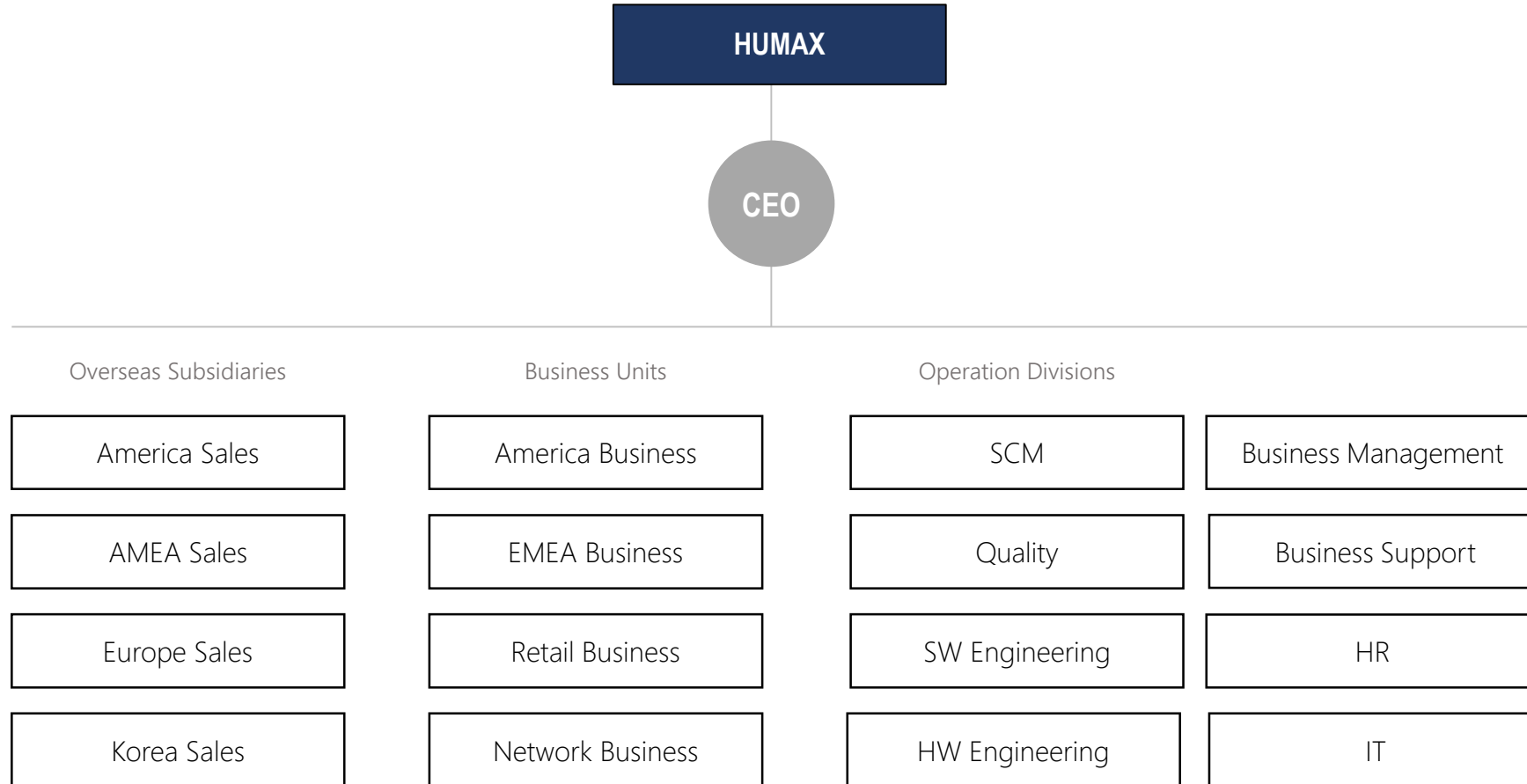
HOMEPAGE

www.humaxdigital.com

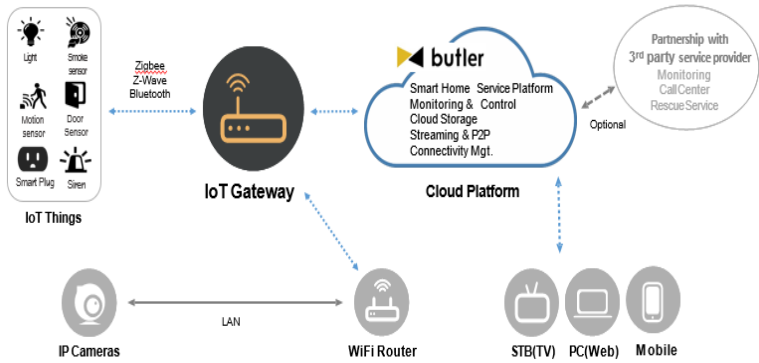
3. Company Profile_ 3.2 Growth



3. Company Profile_ 3.3 Group



3. Company Profile_ 3.4 Business



CONNECTED HOME

IoT Gateway

+

Broadband Gateway

+

Video Gateway

+

Digital STB

HUMAX

VIRTUAL MANAGEMENT

- Always connected Cloud
- Cloud account management
- Simple Setup (Online Guide)
- Services/Devices Live QoS
- Auto Recognition & Setting
- Security - Parental Control

SERVICE

- Audio Service (Mono Speaker)
- Upgrade Service
- IOT Service Platform



- > Subscription Free TV
- > Scroll Back TV
- > Catch up and On-Demand
- > 3 x Digital Tuners
- > Pause, Rewind and Record Live TV
- > Home Networking and Media Sharing
- > Remote Control App
- > Easy Set Up



PRISM UX
TV Interface- iF DESIGN AWARD 2015, Discipline Communication



위성방송



지상파방송



케이블방송



IP Hybrid

4. The Ten Principles of the UN Global Compact

Human Rights

Principle1. Business should support and respect the protection of internationally proclaimed human rights; and
Principle2. make sure that they are not complicit in human rights abuses.

Labor

Principle3. Business should Uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle4. the elimination of all forms of forced and compulsory labor;
Principle5. the effective abolition of child labor; and
Principle6. the elimination of discrimination in respect of employment and occupation.

Environment

Principle7. Business should Support a precautionary approach to environmental challenges;
Principle8. undertake initiatives to promote greater environmental responsibility; and
Principle9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle10. Business should Work against corruption in all its forms, including extortion and bribery.

4. The Ten Principles of the UN Global Compact_ 4.1 Highlights

Human Rights / Labor

HUMAX's kindergarten



Cafe (BEAR. BETTER)



Environment

GCC(Game Changing Challenge)

Better Future Supplier Forum

We launched the Better Future Supplier Forum (BFSF) in 2012 to share best practice with suppliers on sustainability.

The suppliers taking part in the Forum manufacture consumer products such as our Home Hub and Set Top Box, or provide network products and services. HUMAX won the Consumer Game Changing Challenge for various new sustainability initiatives.



CDP Supply chain



Company name	Disclosure score
HUMAX ELECTRONICS CO LTD	92
CDP supply chain average	60

Company name	Performance band
HUMAX ELECTRONICS CO LTD	C
CDP supply chain average (for companies that qualify for a performance band)	D

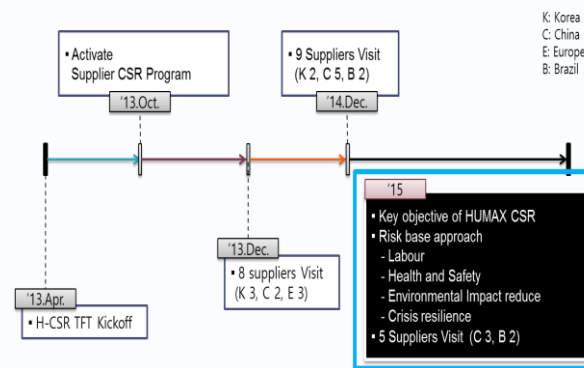
Anti-Corruption



BSI 'Anti-Corruption Management system' Conference



Sustainable Supply chain



Humax CSR Supplier Audit Program

- Completed : 22 suppliers
- Core Module : Labor, H&S, Environment
- Advanced Module: Ethics, Management System and Risk Management

Supplier	Total	Labor	HnS	Environment	Ethics
A Corp.(W) Jan China Connector, Cable	52	16	36		
B Corp.(S) Jan China Connector, Cable	70	21	45	4	
C Corp.(T) Apr China PSU	52	15	37		
D Corp.(T) Apr Brasil Case(Bottom, Top)	35	22	13		
E Corp.(CB) Apr Brasil EMS	35	13	19		3

4. The Ten Principles of the UN Global Compact_ 4.2 comprehensive

10 PRINCIPLES			COMMITMENT			SYSTEM	ACTIVITIES	PERFORMANCE		
			CSR Policy	Code of Ethics	Others					
Human Rights	Principle 1	Human rights protection	III. Respect for human rights IV. Occupational Health and Safety	V. Human rights and Corporate Social Responsibility	Employment Rules	HR Management System	<ul style="list-style-type: none"> 1. Parental / Family and Medical Leave 2. Title not indicating position 3. Welfare benefit <ul style="list-style-type: none"> - Health program - Family program - Building remodeling 4. Strengthen capability programs <ul style="list-style-type: none"> - Language course - HED(HUMAX Excellence Development) 	<ul style="list-style-type: none"> 1. Rate of return : 100% 2. Implemented since Feb. 2016 3. Welfare benefit <ul style="list-style-type: none"> - Transferred to 'Group Insurance' - Kids camp : 505 people - Kindergarten (opened in Mar. 2016) - Healing zone (remodeling/ rooftop, lady's lounge) 4. Strengthen capability programs <ul style="list-style-type: none"> - 131 people - 6 times per year 		
	Principle 2	Human rights abuses			Conflict Minerals Policy (under an enactment)	-	Due diligence on responsible supply chain for conflict minerals	Submission of CMRT		
Labor	Principle 3	Freedom of association, collective bargaining					Labor-Management Regulations	Labor Management Council	Labor-management committee	Quarterly
	Principle 4	Forced labor					Employment Rules	HR Management System	<ul style="list-style-type: none"> 1. Flexible working 2. Company wide vacation 3. Supplier CSR 	<ul style="list-style-type: none"> 1. Implemented since 2016 2. Implemented since 2014 3. CSR audit: 5 Suppliers / CSR self-checklist survey: 152 Suppliers
	Principle 5	Child labor					Employment Rules	HR Recruitment System	<ul style="list-style-type: none"> 1. No workers under 18 2. Supplier CSR 	<ul style="list-style-type: none"> 1.1. No workers under 18 1.2. Average age of employees : 33.7 2. CSR audit: 5 Suppliers / CSR self-checklist survey: 152 Suppliers
	Principle 6	Discrimination in respect of employment and occupation					Employment Rules	HR Management System	<ul style="list-style-type: none"> 1. Gender equality 2. Equal employment opportunity 	<ul style="list-style-type: none"> 1.1 Employment of women increased 1.2 16% (Number of women employees/ Number of total employees) 1.3 6% (Number of women executives / Number of total executives) 1.4 Parental Leave : 11 people (women:9, men:2) 2. Operate BEAR.BETTER / Recruitment of foreign worker Overseas recruitment
Environment	Principle 7	Precautionary approach to environment	V. Reduce environmental impact		Environmental Policy	Environmental Management System	<ul style="list-style-type: none"> 1. Building environmental management system 2. CDP 3. GCC 4. Carbon footprint certifications 5. Uni-matelization Project 6. Building GHG inventory 7. Supplier CSR 	<ul style="list-style-type: none"> 1. ISO14001 certification 2. 92/C (Disclosure/Performance) 3. Won 4. 2 STB models obtained certifications 5. Participated in Government Support Project 6. Head-quarter / EMS: 2 / Vendor: 1 7. CSR audit: 5 Suppliers / CSR self-checklist survey: 152 Suppliers 		
	Principle 8	Promoting environmental responsibility			Quality Policy					
	Principle 9	Environmentally friendly technology			Climate Change Policy					
Anti-Corruption	Principle 10	Elimination of corruption	VI. Fair trade and Win-win growth	VI. Business ethics and practice	Anti-Corruption Policy (under an enactment)	Anti-Corruption Management System	<ul style="list-style-type: none"> 1. ABC project (BS10500) 2. Clean HUMAX 	<ul style="list-style-type: none"> 1. Participated in a Pilot Project (The 1st time in KOREA) 2. Expand objects from employees to value chain 		

4. The Ten Principles of the UNGC_ 1)Human Rights

COMMITMENT	<p>[CSR Policy] [Code of Ethics] [Employment Rules] [Supplier CSR Policy]</p> <ul style="list-style-type: none"> HUMAX actively supports 'Human rights' by participating UN Global Compact since 2015. CSR Policy / Principle2 states that 'HUMAX makes effort to respect and enhance internationally proclaimed human rights. Code of Ethics 'V. Human rights and Corporate Social Responsibility' states that 'HUMAX makes effort to respect human rights and labor practices'.
SYSTEM	<p>[HR Management System]</p> <ul style="list-style-type: none"> HUMAX operates working conditions and various welfare benefit to give psychological stability to employees, and conducts 'Title not including position' to establish the corporate culture where everyone do one's best to play the role and responsibility.

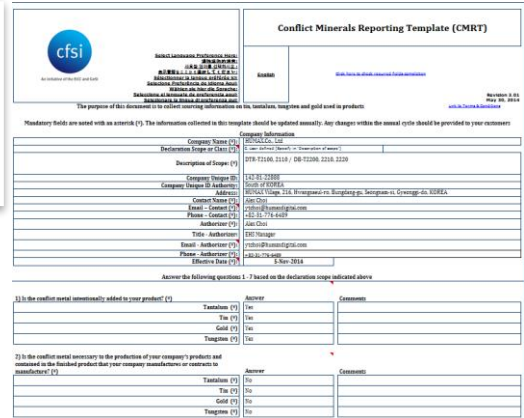
ACTIVITIES		PERFORMANCE
Parental / Family and Medical leave	<ul style="list-style-type: none"> Add provisions and encourage to use the leave to make that employees can take care of their families comfortably 	<ul style="list-style-type: none"> In 2015, when revising Employment rules 'Article20(Parental leave)' and 'Article21(Family and Medical leave) were added <ul style="list-style-type: none"> Article20(Parental leave) : The company shall not dismiss unfairly treat employees by the reason of parental leave, and shall not dismiss employees during their leave period Article21(Family and Medical leave) : The company shall not dismiss employees nor unfairly treat them such as deterioration of working conditions Number of employees using Parental leave 11 (Women:9 / Men:2) reinstatement rate: 100%
Title not including position	<ul style="list-style-type: none"> In order to establish horizontal corporate culture, plan 'Title not including position' Conduct preliminary survey and pilot test for soft landing of the 'Title not including position' 	<ul style="list-style-type: none"> Result of the survey <ul style="list-style-type: none"> Result 1) 'Nim(님)' vs 'English name' → 'Nim(님)' is favorable Result 2) The lower the position is, the lower the usage rate is → Seniors need to be considerate towards juniors to make them use 'Nim(님)' comfortably Result 3) The usage rate is low in engineering department → Team leaders need to make efforts to use it by taking the lead It has been implemented from Feb. 2016 based on the survey result

4. The Ten Principles of the UNGC_ 1) Human Rights

ACTIVITIES	PERFORMANCE
<p>Welfare benefit</p> <ul style="list-style-type: none"> Provide comfortable working conditions and pursue work & life balance of employees through health program, family program and building remodeling 	<ul style="list-style-type: none"> Transferred to 'Group Insurance' <ul style="list-style-type: none"> Change insurance coverage and benefits in order to secure stable life of members by protecting employees against unexpected accident of themselves and his/her families(death/injury/critical illness) Club and Fitness center Kids camp <ul style="list-style-type: none"> Provide independent leisure hours with various programs such as etiquette school, experience learning program and history expedition program, etc. to children of employees 8 times / 505 children participated Kindergarten (opened in Mar. 2016) Prepare healing zone such as rooftop and women's lounge, and art gallery through remodeling of building <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p><Rooftop lounge></p> </div> <div style="text-align: center;">  <p><Club / Fitness center></p> </div> <div style="text-align: center;">  <p><HUMAX Kindergarten></p> </div> <div style="text-align: center;">  <p><Art gallery / Book cafe></p> </div> <div style="text-align: center;">  <p><Cafe></p> </div> </div>
<p>Strengthen capability programs</p> <ul style="list-style-type: none"> Provide conference and education program with various subjects in order to strengthen capability of employees 	<ul style="list-style-type: none"> HED (HUMAX Excellence Development) <ul style="list-style-type: none"> In-company conference to share knowledge under the subject 'Technology, Market, Work & People' Total 6 times (CEO of Mad Square, Vice President of Google, CEO of Agile consulting, CEO of Magic Eco, IDAS design professor of Hong-ik University, Brain scientist of KAIST) Language course <ul style="list-style-type: none"> 131 employees participated (1st period: 73 / 2nd period: 58) <div style="text-align: right;">  </div>

4. The Ten Principles of the UNGC_ 1)Human Rights

COMMITMENT	<p>[CSR Policy] [Code of Ethics] [Conflict Minerals Policy (under an enactment)] [Supplier CSR Policy]</p> <ul style="list-style-type: none"> CSR Policy 'III. Respect for human rights' states that HUMAX will continue gradual improvement activities to prohibit the use of conflict minerals, and we are currently enacting Conflict minerals Policy to comply with 'Responsible sourcing of minerals originating conflict-affected', fulfill enough obligations throughout the procurement process and cooperate with sub-contractors to provide transparent information to internal and external stakeholders.
SYSTEM	<ul style="list-style-type: none"> HUMAX identifies current risk in order to establish a management system to prove that tantalum, tin, tungsten and gold used throughout the products and services of the sub-contractors are responsible minerals, and builds a road map to specify related items in the purchase agreement / sub-contract agreement through education for personnel and sub-contractors.

ACTIVITIES	PERFORMANCE																																																																								
<p>Conflict minerals</p> <ul style="list-style-type: none"> Observe 'Responsible sourcing of minerals originating conflict-affected', and due diligence on responsible supply chain in order to fulfill enough management and obligations throughout the whole process of the procurement 	<ul style="list-style-type: none"> Conflict minerals response program and policy are being enacted Identify the purchasing path of minerals based on guideline presented by Electronic Industry Citizenship Coalition (EICC) / Global e-sustainability Initiative (GeSI) which is an international initiative for responsible mineral procurement <div style="text-align: center; margin: 10px 0;"> <table border="1" style="font-size: 8px;"> <thead> <tr style="background-color: yellow;"> <th>구매 담당</th> <th>Vendor</th> <th>metal</th> <th>name</th> <th>address</th> <th>contact_name</th> <th>contact_phone no.</th> <th>mine_names</th> <th>mine_countries</th> </tr> </thead> <tbody> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Gold</td> <td>Heesung Metal Ltd</td> <td>Western Australia N Jerry Hicks</td> <td></td> <td>82-2-757-7181</td> <td></td> <td>0</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Tin</td> <td>MK Electron</td> <td>Jalan Medan Medan Cosac</td> <td></td> <td>031-330-1900</td> <td></td> <td>0</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Tin</td> <td>Elektroly Metal Pte</td> <td>67 Tuas Avenue 1, Nurfazlen Halip</td> <td></td> <td>86 912 62748260</td> <td>PT. Timah Indonesia</td> <td>Indonesia</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Tantalum</td> <td>Matsuo Electric</td> <td>Sakura Bldg.1-10-1</td> <td></td> <td>0 81-016-6332-0871</td> <td>Unknown</td> <td>Australia</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Gold</td> <td>Supplier unable to discd</td> <td>Supplier unable to c</td> <td>Supplier unable to disclose</td> <td></td> <td></td> <td>Supplier unable to discd Supplier unable to disclose</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Tin</td> <td>Supplier unable to discd</td> <td>China, Indonesia</td> <td>Supplier unable to disclose</td> <td></td> <td></td> <td>Supplier unable to discd Supplier unable to disclose</td> </tr> <tr> <td>김수원/홍준혁</td> <td>TI</td> <td>Tungsten</td> <td>Supplier unable to discd</td> <td>Supplier unable to c</td> <td>Supplier unable to disclose</td> <td></td> <td></td> <td>Supplier unable to discd Supplier unable to disclose</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> Submit CMRT (Conflict Mineral Reporting Template) <div style="text-align: right; margin-top: 10px;">  </div>	구매 담당	Vendor	metal	name	address	contact_name	contact_phone no.	mine_names	mine_countries	김수원/홍준혁	TI	Gold	Heesung Metal Ltd	Western Australia N Jerry Hicks		82-2-757-7181		0	김수원/홍준혁	TI	Tin	MK Electron	Jalan Medan Medan Cosac		031-330-1900		0	김수원/홍준혁	TI	Tin	Elektroly Metal Pte	67 Tuas Avenue 1, Nurfazlen Halip		86 912 62748260	PT. Timah Indonesia	Indonesia	김수원/홍준혁	TI	Tantalum	Matsuo Electric	Sakura Bldg.1-10-1		0 81-016-6332-0871	Unknown	Australia	김수원/홍준혁	TI	Gold	Supplier unable to discd	Supplier unable to c	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose	김수원/홍준혁	TI	Tin	Supplier unable to discd	China, Indonesia	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose	김수원/홍준혁	TI	Tungsten	Supplier unable to discd	Supplier unable to c	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose
구매 담당	Vendor	metal	name	address	contact_name	contact_phone no.	mine_names	mine_countries																																																																	
김수원/홍준혁	TI	Gold	Heesung Metal Ltd	Western Australia N Jerry Hicks		82-2-757-7181		0																																																																	
김수원/홍준혁	TI	Tin	MK Electron	Jalan Medan Medan Cosac		031-330-1900		0																																																																	
김수원/홍준혁	TI	Tin	Elektroly Metal Pte	67 Tuas Avenue 1, Nurfazlen Halip		86 912 62748260	PT. Timah Indonesia	Indonesia																																																																	
김수원/홍준혁	TI	Tantalum	Matsuo Electric	Sakura Bldg.1-10-1		0 81-016-6332-0871	Unknown	Australia																																																																	
김수원/홍준혁	TI	Gold	Supplier unable to discd	Supplier unable to c	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose																																																																	
김수원/홍준혁	TI	Tin	Supplier unable to discd	China, Indonesia	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose																																																																	
김수원/홍준혁	TI	Tungsten	Supplier unable to discd	Supplier unable to c	Supplier unable to disclose			Supplier unable to discd Supplier unable to disclose																																																																	

4. The Ten Principles of the UNGC_ 2)Labor

COMMITMENT	<p>[CSR Policy] [Code of Ethics] [Labor-Management Regulations] [Employment Rules] [Supplier CSR Policy]</p> <ul style="list-style-type: none"> CSR Policy, 'III. Respect for human rights' states that HUMAX guarantees human rights and prohibits forced and child labor. 'IV. Occupational Health and Safety' and Code of Ethics, 'V. Human rights and Corporate Social Responsibility' state that the company shall provide equal opportunity to all employees and never allow any discrimination and harassment.
SYSTEM	<p>[HR Management System] [HR Recruitment System] [Labor-Management Committee]</p> <ul style="list-style-type: none"> HUMAX guarantees freedom of association, freedom to join a labor union, and collective bargaining. HUMAX operates 'flexible working' and 'company-wide vacation'. HUMAX runs the performance management system to secure its growth and sustainability, and guarantees fair compensation and non-discriminated promotion by establishing a goal for the next year in Dec. every year. HUMAX does not engage in discrimination in hiring and employment practices.


ACTIVITIES		PERFORMANCE																			
<p>Principle3</p> <p>Labor-Management Council</p>	<ul style="list-style-type: none"> Labor-Management Council is operated to strengthen communication and build trust among employees. 	<ul style="list-style-type: none"> Labor-Management Council is held one time quarterly, and if representative of labor or management raises agenda, extraordinary meeting is held In-company communication 'KKETALK 1.0' was conducted for 15 times from March to August 2014 in order to strengthen the communication among employees Out of 128 improvement items raised from the communication, total 101 items (accumulated number) were solved except 17 items which require long-term solution 	<p>['KKETALK1.0' improvement No. of solved items]</p> <table border="1"> <caption>Improvement Item Performance</caption> <thead> <tr> <th>Period</th> <th>Solved Items (%)</th> <th>Solved Items (Count)</th> </tr> </thead> <tbody> <tr> <td>2014.10</td> <td>35%</td> <td>(44)</td> </tr> <tr> <td>2014.12</td> <td>55%</td> <td>(70)</td> </tr> <tr> <td>2015.1Q</td> <td>68%</td> <td>(87)</td> </tr> <tr> <td>2015</td> <td>79%</td> <td>(101)</td> </tr> <tr> <td>Long-term</td> <td>21%</td> <td>(17)</td> </tr> </tbody> </table>	Period	Solved Items (%)	Solved Items (Count)	2014.10	35%	(44)	2014.12	55%	(70)	2015.1Q	68%	(87)	2015	79%	(101)	Long-term	21%	(17)
Period	Solved Items (%)	Solved Items (Count)																			
2014.10	35%	(44)																			
2014.12	55%	(70)																			
2015.1Q	68%	(87)																			
2015	79%	(101)																			
Long-term	21%	(17)																			
<p>Principle4</p> <p>Flexible working & Company wide vacation</p>	<ul style="list-style-type: none"> Make all employees to lead work-life balance and raise work efficiency. 	<ul style="list-style-type: none"> In 2016, responsible working system is adopted to select and adjust working hours flexibly according to the legal working hours(weekly 40 hours) In 2015, as enterprise leave days is applied, total 7 days were designated as enterprise leave days including bridge day, year-end and beginning of the year in order for every member to take rest through the enterprise leave days 																			
<p>Principle5</p> <p>Child labor</p>	<ul style="list-style-type: none"> Compliance with the Labor Standards Act 	<ul style="list-style-type: none"> Since we strictly prohibit child labor pursuant to the Labor Standards Act, Do not employ or use children in any type of child labor. Current average age of workers is 37.7 																			

4. The Ten Principles of the UNGC_ 2)Labor

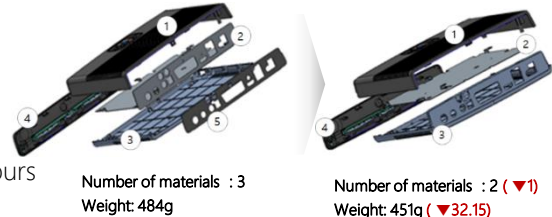

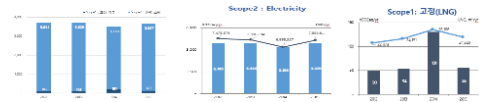

	ACTIVITIES	PERFORMANCE
<p>Principle4 & Principle5</p> <p>Sustainable supply chain</p>	<ul style="list-style-type: none"> Fulfill supplier CSR self-checklist survey (investigate the status of compulsory/child labor in supply chain) Conduct Supplier CSR Audit Manage Win-win growth Academy for suppliers 	<ul style="list-style-type: none"> Identify the status of retaining foreign workers any government-issued identification and child/youth labor through supplier CSR self-checklist survey Completed 5 suppliers audit in 2015 OHSAS18001 and KOSHA18001 education course (12 suppliers completed courses) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; width: 200px;"> <p>HUMAX CSR STATEMENT</p> <p>Small text describing Humax's CSR commitment and goals.</p> </div> <div style="border: 1px solid black; padding: 5px; width: 200px;"> <p>CSR PLEDGE AND COMMITMENT</p> <p>Small text detailing specific CSR pledges and commitments.</p> </div> </div> <p style="text-align: center;"><HUMAX CSR Statement> <CSR Pledge and Commitment></p>
<p>Principle6</p> <p>Gender equality</p>	<ul style="list-style-type: none"> Recruitment No. of female employees increased Provide nondiscriminatory promotion opportunity Provide parental leave to both men and women 	<ul style="list-style-type: none"> Ratio of women executives: 6%, Ratio of women employees: 16% Women employees out of total new employees: 28% The number of parental leave : 11 people (women:9/ men:2) <div style="text-align: right;"> <p>[Ratio of new employees]</p> </div>
<p>Equal employment opportunity</p>	<ul style="list-style-type: none"> Create employment opportunity for disabled through Bear. Better Increase overseas recruitment 	<ul style="list-style-type: none"> In 2015, Bear. Better, cafe which is a social enterprise, is open. <ul style="list-style-type: none"> Hire 6 employees with developmental disability In 2014, 3 engineers from Vietnam were employed. Foreign worker opportunities have been enhanced <ul style="list-style-type: none"> Recruitment ratio of foreign worker : 25%, 13 employees (10% increased compared to 2014) The R&D center was established in Vietnam <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> </div> <div style="text-align: center;"> <p>[Ratio of new employment]</p> </div> </div>

4. The Ten Principles of the UNGC_ 3)Environment

COMMITMENT	<p>[CSR Policy] [Environmental Policy] [Climate Change Policy(under an enactment)] [Supplier CSR Policy]</p> <ul style="list-style-type: none"> HUMAX supports precautionary approach to environmental degradation, pursues eco-friendly management, and announces we strive to conduct improvement activities continuously. To do so, we not only response to industrial environment issues jointly but also secure competitiveness of 'Sustainable Products' by building 'global carbon environmental management system' and 'Low carbon/eco-friendly Partnership associated to supply chain'.
SYSTEM	<p>[Integrated Environmental Impact Management System]</p> <ul style="list-style-type: none"> HUMAX manages continuous environmental impact through ISO14001, and conducts integrated management from the viewpoint of applying environmental regulations to products in order to comply with environmental laws and regulations. In order to comply with environmental laws and regulations, we basically observe RoHSII, WEEE, ErP, REACH, VA regulations, and conduct environmental impact assessment for the existing and new suppliers.

	ACTIVITIES	PERFORMANCE																
CDP (Carbon Disclosure Project)	<ul style="list-style-type: none"> Inform GHG(Greenhouse Gas) emissions which is main factor of Climate Change and report short & long term strategies Analyze the business activities to reduce GHG emission and set up the reduction target 	<ul style="list-style-type: none"> Reduction target (Absolute) : HUMAX has a plan to reduce 9% of GHG emissions by 2020 compared to 2012 The result of 2015CDP : Disclosure score : 92 / Performance Band : C <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #e67e22; color: white;"> <th style="width: 45%;">Company name</th> <th style="width: 25%;">Disclosure score</th> <th style="width: 45%;">Company name</th> <th style="width: 25%;">Performance band</th> </tr> </thead> <tbody> <tr style="background-color: #f1c40f;"> <td>HUMAX ELECTRONICS CO LTD</td> <td>92</td> <td>HUMAX ELECTRONICS CO LTD</td> <td>C</td> </tr> <tr style="background-color: #f1c40f;"> <td>CDP supply chain average</td> <td>60</td> <td>CDP supply chain average (for companies that qualify for a performance band)</td> <td>D</td> </tr> </tbody> </table>	Company name	Disclosure score	Company name	Performance band	HUMAX ELECTRONICS CO LTD	92	HUMAX ELECTRONICS CO LTD	C	CDP supply chain average	60	CDP supply chain average (for companies that qualify for a performance band)	D				
Company name	Disclosure score	Company name	Performance band															
HUMAX ELECTRONICS CO LTD	92	HUMAX ELECTRONICS CO LTD	C															
CDP supply chain average	60	CDP supply chain average (for companies that qualify for a performance band)	D															
GCC (Game Change Challenge)	<ul style="list-style-type: none"> Participated in the GCC project which is a competition with innovation product ideas that could reduce the carbon emissions supervised by BT(British Telecom) Build TFT with whole departments such as marketing, R&D, SCM, EMS, logistics, and CS 	<ul style="list-style-type: none"> HUMAX establishes a standard of sustainable products HUMAX won the contest with the product which applies 12 sustainable ideas The effect of sustainable product <ul style="list-style-type: none"> Carbon emission amount: 70.65% reduced EU-ETS : £ 1,735,652 (3,110,774,366 Korean won) Energy consumption(electricity): 186,763,200kWh reduced <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #5dade2; color: white;"> <th style="width: 15%;">Unit</th> <th style="width: 15%;">basis</th> <th style="width: 15%;">GCC</th> <th style="width: 15%;">Reduced amount</th> </tr> </thead> <tbody> <tr style="background-color: #dcedc8;"> <td>Gross amount(g)</td> <td>1089</td> <td>777</td> <td>312</td> </tr> <tr style="background-color: #dcedc8;"> <td>Electric power consumption (kWh/5 years)</td> <td>314</td> <td>90</td> <td>233</td> </tr> <tr style="background-color: #dcedc8;"> <td>Carbon emission amount (kgCO₂eq/EA)</td> <td>210</td> <td>61</td> <td>148</td> </tr> </tbody> </table> 	Unit	basis	GCC	Reduced amount	Gross amount(g)	1089	777	312	Electric power consumption (kWh/5 years)	314	90	233	Carbon emission amount (kgCO ₂ eq/EA)	210	61	148
Unit	basis	GCC	Reduced amount															
Gross amount(g)	1089	777	312															
Electric power consumption (kWh/5 years)	314	90	233															
Carbon emission amount (kgCO ₂ eq/EA)	210	61	148															

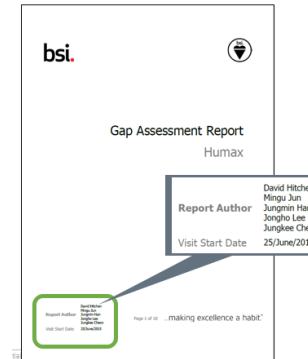
4. The Ten Principles of the UNGC_ 3) Environment

ACTIVITIES	PERFORMANCE																							
<p>Uni- materialization project</p> <ul style="list-style-type: none"> Participated in 'Uni-materialization government support project' which develop sustainable products to manage resource and raw-materials through improvement of materials and product structure * Uni-materialization : activities to reduce environmental impact throughout lifecycle of product 	<ul style="list-style-type: none"> 100% recycled plastic is used as exterior material Expect resource reduction effect by reducing parts weight 7%(32.15g) (Before: 484g / After: 451g, Parts : instrument, plate bottom) The number of screws reduced(3→1EA)to shorten assembly and disassembly hours  <p>Number of materials : 3 Weight: 484g</p> <p>Number of materials : 2 (▼1) Weight: 451g (▼32.15)</p>																							
<p>Carbon footprint label certification</p> <ul style="list-style-type: none"> Proceed carbon footprint label certification operated by the Ministry of Environment in order to independently verify GHG emissions 	<ul style="list-style-type: none"> Obtained the 'Set-top Box' carbon footprint certification for the fist time in Korea  <p>UHD: 285kg CO2 IP Set-top Box: 285kg CO2</p>																							
<p>Greenhouse gas inventory</p> <ul style="list-style-type: none"> Identify the source of directly and indirectly accumulated greenhouse gas emission, define the boundary of organization to measure, calculate and report the greenhouse gas emission according to the internally agreed standards 	<ul style="list-style-type: none"> Establish greenhouse gas inventory building and reduction plan and report it through CDP The status of building greenhouse gas inventory <ul style="list-style-type: none"> HUMAX : headquarter (Verified by the third party) EMS : 2 plants (Korea:1, Poland:1) Vendor : 1 plant (Korea:1) Reduction activities of HUMAX HQ <ul style="list-style-type: none"> LED: 1,600 tCO₂eq reduced(10 years) Ultra-notebook : 45 tCO₂eq reduced(5 years) *():Life expectancy  <table border="1" data-bbox="1656 913 2153 1135"> <caption>Greenhouse gas emission (tCO₂eq/yr)</caption> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Greenhouse gas emission (tCO₂eq/yr)</th> </tr> <tr> <th>Direct</th> <th>Indirect</th> <th>Gross amount</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>85</td> <td>3,589</td> <td>3,674</td> </tr> <tr> <td>2013</td> <td>102</td> <td>3,536</td> <td>3,638</td> </tr> <tr> <td>2014</td> <td>111</td> <td>3,313</td> <td>3,424</td> </tr> <tr> <td>2015</td> <td>114</td> <td>3,520</td> <td>3,634</td> </tr> </tbody> </table> 	Year	Greenhouse gas emission (tCO ₂ eq/yr)			Direct	Indirect	Gross amount	2012	85	3,589	3,674	2013	102	3,536	3,638	2014	111	3,313	3,424	2015	114	3,520	3,634
Year	Greenhouse gas emission (tCO ₂ eq/yr)																							
	Direct	Indirect	Gross amount																					
2012	85	3,589	3,674																					
2013	102	3,536	3,638																					
2014	111	3,313	3,424																					
2015	114	3,520	3,634																					
<p>Sustainable supply chain</p> <ul style="list-style-type: none"> Fulfill supplier CSR self-checklist survey (investigate the status of compulsory/child labor in supply chain) Conduct Supplier CSR Audit Manage Shared Growth Academy for suppliers 	<ul style="list-style-type: none"> Identify the status of pollution emission amount and certificates related to environment through supplier CSR self-checklist survey Completed 5 suppliers audit in 2015 ISO14001 education course (12 suppliers completed the course) 																							

4. The Ten Principles of the UNGC_ 4)Anti-Corruption

COMMITMENT	<p>[CSR Policy] [Code of Ethics] [Anti-Corruption Policy(under an enactment)] [Supplier CSR Policy]</p> <ul style="list-style-type: none"> CSR Policy ' VI. Fair trading and Win-win growth management' states that all forms of bribery, corruption, extortion and embezzlement relate to corporate activities are prohibited, and establish fair competitive environment through Code of Ethics "VI. Responsibilities and obligations for stakeholders' and all laws related to the 'Monopoly Regulation and Fair Trade Act' should not be violated. Anti-corruption principle is under an enactment in order to faithfully observe the requirements of stakeholders and applicable laws and regulations related to anti-corruption.
SYSTEM	<p>[Anti-Corruption Management System (under an enactment)]</p> <ul style="list-style-type: none"> We conducted self-diagnosis based on BS10500 in order to construct anti-corruption management system, and progressed Gap Assessment through external expert and prepared CAP (Corrective Action Plan).

	ACTIVITIES	PERFORMANCE
<p>ABC project (Anti-Bribery and Corruption)</p>	<ul style="list-style-type: none"> Prevent corruption activities, and proceed related project (BS10500) with independent experts to establish a system 	<ul style="list-style-type: none"> Participate in government's anti-corruption pilot project for the first time in Korea <ul style="list-style-type: none"> Self ASSESSMENT : 55.6% compliance ASSESSMENT : 44.4% compliance (Gap :11.2%) Establish a plan to achieve anti-corruption goal <ul style="list-style-type: none"> Build ABMS and establish anti-corruption principles and stakeholders participation procedures Establish anti-corruption risk management procedure and implement and operate ABMS Participate in a round-table conference to convert to international standard ISO37001
<p>Clean HUMAX</p>	<ul style="list-style-type: none"> Anonymous communication channel is built to receive independent and objective feedbacks 	<ul style="list-style-type: none"> The scope of using Clean HUMAX is expanded from employees to value chain



[APPENDIX. 2] MAKING the CONNECTION(1)

Global Compact Principles		Global Reporting Initiative(GRI G4) Index	Page
Human Rights	Principle1. Human rights protection	1. Human Rights <ul style="list-style-type: none"> G4-HR12 : Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms 2. Society <ul style="list-style-type: none"> G4-SO2 : Operations with significant actual and potential negative impacts on local communities 	11 / 12 13 / 14
	Principle2. Human rights abuses	1. Human Rights <ul style="list-style-type: none"> G4-HR11 : Significant actual and potential negative human rights impacts in the supply chain and action taken 	11 / 12 15
Labor	Principle3. Freedom of association, collective bargaining	1. Human Rights <ul style="list-style-type: none"> G4-HR4 : Operations and Suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights 	12 / 16
	Principle4. Forced labor	1. Human Rights <ul style="list-style-type: none"> G4-HR6 : Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor 	12 / 16 17
	Principle5. Child labor	1. Human Rights <ul style="list-style-type: none"> G4-HR5 : Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor 	12 / 16 17
	Principle6. Discrimination in respect of employees and occupation	1. Organizational Profile <ul style="list-style-type: none"> G4-10 : The number of employees per employee category (employment contract, gender, region etc.) 3. Labor Practices and Decent Work <ul style="list-style-type: none"> G4-LA1 : Total number and rates of new employee hires and employee turnover by age group, gender and region G4-LA3 : Return to work and retention rates after parental leave, by gender G4-LA9 : Average hours of training per year per employee by gender, and by employee category G4-LA11 : Percentage of employees receiving regular performance and career development reviews, by gender and by employee category 	12 / 16 17
Environment	Principle7. Precautionary approach to environment	1. Economic <ul style="list-style-type: none"> G4-EC2 : Financial implications and other risks and opportunities for the organization's activities due to climate change 2. Environmental <ul style="list-style-type: none"> G4-EN3 : Energy consumption within the organization G4-EN15 : Direct greenhouse gas(GHG) emissions(SCOPE 1) G4-EN16 : Energy Indirect greenhouse gas(GHG) emissions(SCOPE 2) G4-EN17 : Other indirect greenhouse gas(GHG) emissions(SCOPE3) G4-EN27 : Extent of impact mitigation of environmental impacts of products and services 	11 / 12 18 / 19

[APPENDIX. 2] MAKING the CONNECTION(2)

Global Compact Principles		Global Reporting Initiative(GRI G4) Index	Page
Environment	<p>Principle8. Promoting environmental responsibility</p>	<p>1. Environmental</p> <ul style="list-style-type: none"> • G4-EN3 : Energy consumption within the organization • G4-EN5 : Energy intensity • G4-EN6 : Reduction energy consumption • G4-EN12 : Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas • G4-EN15 : Directive greenhouse gas(GHG) emissions (SCOPE 1) • G4-EN16 : Energy Indirective greenhouse gas(GHG) emissions (SCOPE2) • G4-EN17 : Other indirective greenhouse gas(GHG) emissions (SCOPE3) • G4-EN18 : Greenhouse gas(GHG) emissions intensity • G4-EN19 : Reduction of greenhouse gas(GHG) emissions • G4-EN22 : Total water discharge by quality and destination (N/A) • G4-EN24 : Total number and volume of significant spills (N/A) • G4-EN29 : Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (N/A) • G4-EN33 : Significant actual and potential negative environmental impacts in the supply chain and actions taken 	<p>11 / 12 18 / 19</p>
	<p>Principle9. Environmentally friendly technology</p>	<p>1. Environmental</p> <ul style="list-style-type: none"> • G4-EN6 : Reduction of energy consumption • G4-EN19 : Reduction of greenhouse gas(GHG) emissions • G4-EN27 : Extent of impact mitigation of environmental impacts of products and services 	<p>11 / 12 18 / 19</p>
Anti-Corruption	<p>Principle10. Elimination of Corruption</p>	<p>1. General Standard Disclosures</p> <ul style="list-style-type: none"> • G4-56 : The organization's values, principle, standards and norms of behaviors such as codes of conduct and codes of ethics • G4-57 : The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines • G4-58 : The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines <p>2. Society</p> <ul style="list-style-type: none"> • G4-SO3 : Total number and percentage of operations assessed for risks related to corruption and the significant risks identified • G4-SO4 : Communication and training on anti-corruption policies and procedures • G4-SO5 : Confirmed incidents of corruption and action taken • G4-SO6 : Total value of political contributions by country and recipient/beneficiary (N/A) 	<p>11 / 12 15 / 20</p>

THANK YOU