



Our belief for a better life is the very reason for Yuhan-Kimberly's existence. Our organization is made up of people who believe a small change can make a huge difference. Since 1970, we have strived to raise public awareness of toilet hygiene through bathroom paper. In the same manner, we also tried to change people's perception on female menstruation from an embarrassing and inconvenient thing to women's rights that should be protected through feminine sanitary napkins.

These are tell-tale evidences of our ceaseless pursuit of creating a better life for our customers. To provide our customers with a healthier and cleaner living environment as well as more beautiful and sustainable life, Yuhan-Kimberly is committed to build trust of customers and put our energy into implementing our belief through utmost quality products and services.

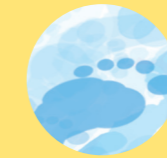
In the process of establishing the Vision 2020



2011 Yuhan-Kimberly Sustainability Report: Summary

사람이 희망이다

People are our Source of Hope



About This Summary Report

Standards and Criteria	GRI (Global Reporting Initiative) G3, BSR (Business for Social Responsibility), ISO 26000
Reporting Scope	All business and operating sites in Korea. Currency used: Korea Won (KRW)
Reporting Period	January, 2010 to May, 2011 (qualitative data is based on 2010 performance outcome)
Reporting Base	Fiscal Year: Data provided at least 3 year time series. (economic and environmental performance is presented with 5-year and 14-year time series data, respectively)
Reporting Assurance	Third party assurance
Reporting Cycle	Published annually
Disclosure Principle	Disclosed at www.yuhan-kimberly.co.kr
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There were some errors in the economic, social, and environmental performance in the previous report. These mistakes have been rectified in this report.

GRI G3 Application Level

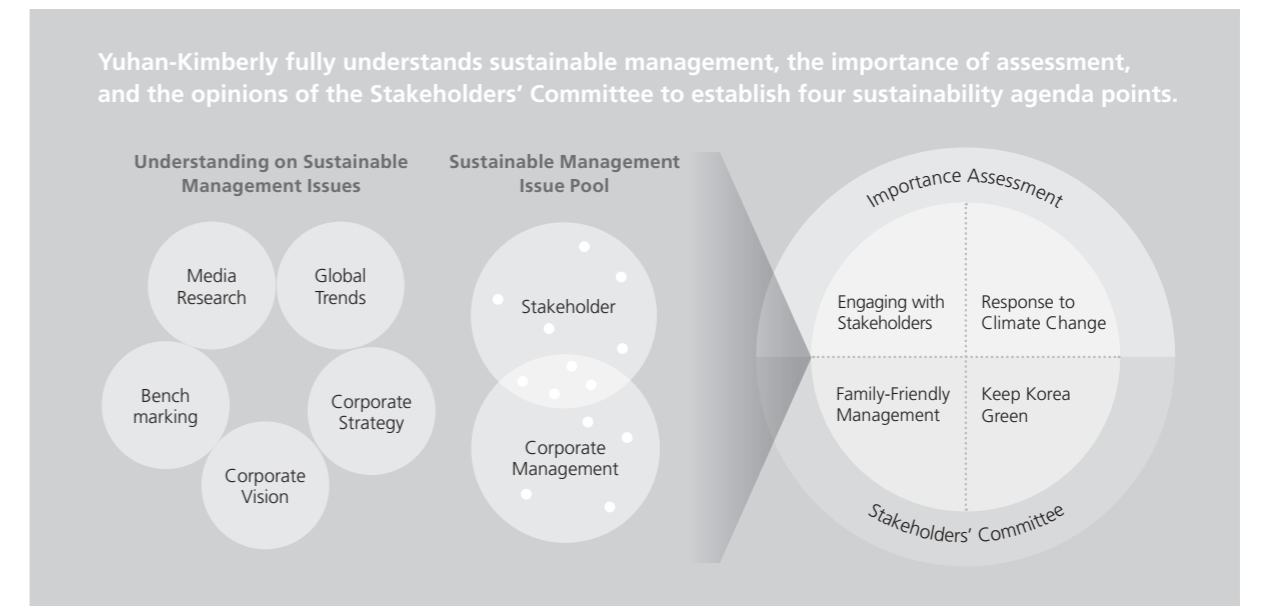
Yuhan-Kimberly has compiled this report in accordance with the Global Reporting Initiative (GRI) G3 Guideline and self-declared the 2011 Sustainability Report to be Application Level A+. Yuhan-Kimberly had confirmed that this report qualifies for the A+ GRI G3 Application Level with DNV Certification, Ltd. which provided assurance engagement on the 2011 Yuhan-Kimberly Sustainability Report.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosure	G3 Profile	Report on: 1.1,2.1-2.10, 3.1-3.8, 3.10-3.12,4.1 4.4, 4.14-4.15		Report on all criteria listed for Level C plus: 1.2,3.9,3.13,4.5,4.13,4.1-4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures	Not Required	Report Externally Assured	Disclosure of Management Approach for each Indicator Category	Report Externally Assured	Disclosure of Management Approach for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human Rights, Labor, Society, Product Responsibility	Report Externally Assured	Report on each core G3 and Sector Supplement Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	Report Externally Assured

Latest version of sector supplements

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Overall Sustainability Report

CEO Message

Establishing and implementing vision 2020 for sustainable development

Open an Era of New Challenge and Creativity

2011 is the first year of Yuhan-Kimberly's establishment and implementation of our vision 2020 and also the first year to start a journey to prepare for the new future. We will do our utmost to live up to our mission and vision of "Our Belief for a Better Life –Yuhan-Kimberly."



Dear respected stakeholders


2011 is the first year of Vision 2020. Our business environment is still facing a growing uncertainty in the aftermath of the global financial crisis and continuous change in the market due to low birth rates and our aging society. Against this backdrop, last year Yuhan-Kimberly focused its energy and efforts to establish Vision 2020 to achieve healthy growth in the future. As we held a stakeholders' meeting to listen to opinions and made efforts to establish this long-term vision, we had a much more busy than previously. As we release the 2011 Sustainability Report, we are pleased to take this opportunity to introduce Yuhan-Kimberly's vision, core values, and strategic direction to achieve sustainable development and social responsibility management.

In terms of business operation, Yuhan-Kimberly achieved a sales growth of 7% compared to the previous year, despite the difficult economic conditions following the global financial crisis. In addition, we aggressively expanded our business in order to be able to release a new baby care accessory brand and consistently grow our skin care business.

Through continuous investment in the future, we expanded our diaper manufacturing lines and baby skin care facilities. In August of 2010, we transferred our existing mill in Anyang to Chungju in an attempt to lay the foundation for future growth in a mill exclusively for the manufacture of feminine care products. Also in March of 2011, we held a building completion ceremony at the new mill in Chungju, which will play a crucial role in every aspect of our future including safety, sanitation, and creation of an innovative culture. Yuhan-Kimberly has strived to make preparations for the future.

In terms of social management, 2010 was the year, which demonstrated Yuhan-Kimberly's commitment to corporate responsibility and contribution through the declaration and practice of Vision 2020, which is designed to focus on the Keep Korea Green campaign and Family-Friendly management. If we look at the environmental management side, we have established the 2020 Low-carbon Vision and Roadmap to pursue sustainable development and minimize environmental impact. Also, we established management, production, social participation, and supply chain strategies, with the aim of reducing greenhouse gases and increasing sales of green products.

For Yuhan-Kimberly, the next ten year journey has already begun and we are dedicated to making progress toward a better future. To that end, stakeholders' advice and support are required. We would like to ask for your encouragement and support for the company. Thank you.

Choe, KyooBok 
President and CEO, Yuhan-Kimberly

Company Profile

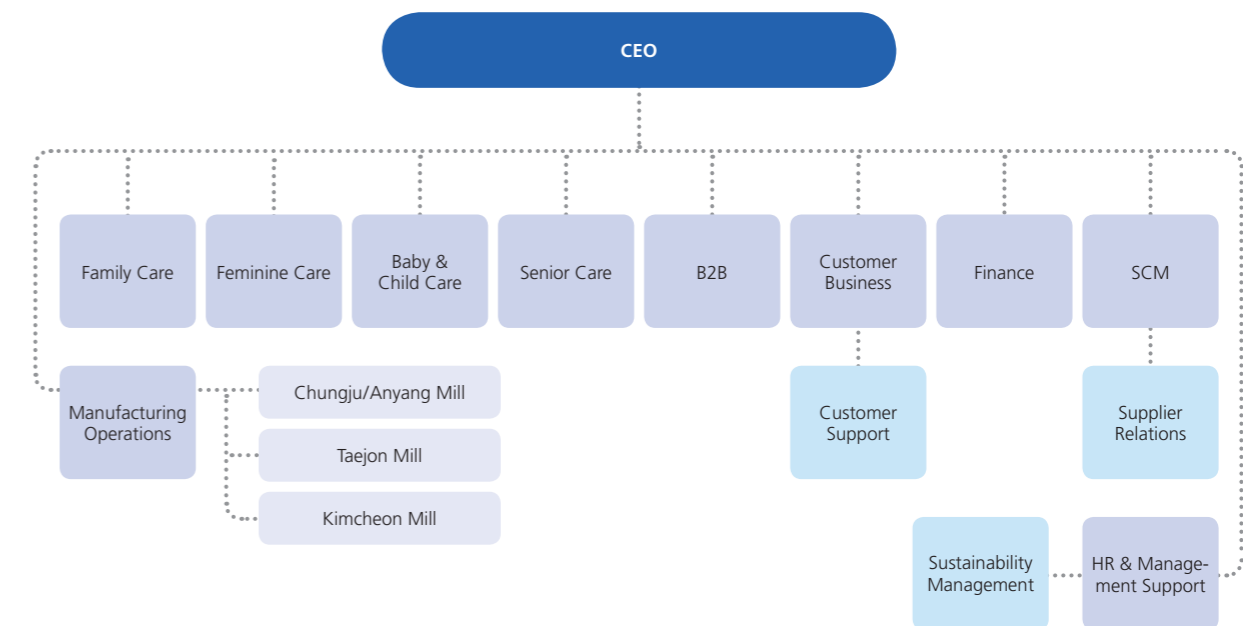
Sustainability Operation System

Yuhan-Kimberly operates various organizations including Customer Business, Supply Chain Management, HR & Management Support, Finance for sustainability management. Through the corporate reorganization in January and May of 2011, we elevated the Vision team to a higher status and newly established Strategy Planning Division, Online Business Division, Marketing Activation Division, Family-Friendly Management Team, and selected the Chief Diversity Officer (CDO) for the first time ever since the foundation. In addition, we raised Supplier Relations team to Supplier Relations Division. Also, we hold meetings with stakeholders twice a year in order to listen to opinions on corporate management.

Detailed Company Profile

Classification	Contents
Company name	Yuhan-Kimberly
Number of Employees	1,663 (As of the end of 2010)
Worksite	Seoul Headquarters, Taejon Mill, Kimcheon Mill, Chungju Mill, Anyang Mill
Major brands	HUGGIES®, KOTEX® White, KLEENEX®, POPEE®, Depend®, Green Finger®, etc.
Business Areas	Household Commodities, Feminine Care Products, Baby/Child Care Products, Senior Care Products, Industrial/Medical Products, Skin Care Products
Target Markets	Individuals, corporations, public buildings, restaurants, hospital research centers, schools, etc.
Main Products	Diapers, Feminine Sanitary Napkins, Bathroom Tissue, Facial Tissue, Nonwoven Fabric, Paper Towels, Wet Wipes, Masks, Protective Work Wear, Professional Wipes, Oil Absorbent, Surgical Drapes, Gowns, Sterilization Wraps, Skincare Products

Yuhan-Kimberly Organization Map (As of May 1, 2011)



Newly Established Organizations (March, 2010-May, 2011)

Stakeholders' Committee, Social Responsibility and Contribution Committee, Chief Diversity Officer (CDO), Strategy Planning Division, neway 3.0 Division, Family-Friendly Management Team

B2B (Business to Business) refers to a business supplying various services or goods to companies or public offices. Yuhan-Kimberly provides industrial sanitary goods, industrial safety gears, hospital sanitary goods and non-woven fabrics.

Innovative and Creative Management



Establishment of an Electronic Approval System

As part of the BPCI (Business Process Continuous Improvement) project aiming at innovating work process, Yuhan-Kimberly's ITS team established an electronic approval system in December, 2010 and provided our employees at the headquarters with education on the system five times.

Obtaining Domestic Sales Rights of Unilever Products

In consideration of the complementary relationship with Unilever, a leading company in household goods and food, Yuhan-Kimberly conducted a related project to promote product sales and the mutual corporate growth in July, 2010 and began to resell Unilever Korea's products since November of 2010, by obtaining exclusive distribution rights in the domestic market.

Acquiring Authorized Economic Operator Certification

To respond to an increasing demand for safe trading in exporting goods, Yuhan-Kimberly obtained the Authorized Economic Operator (AEO) certification on logistical audit system in December, 2010 in order to strengthen our trade competitiveness. With acquiring the AEO status, we paved the way to be benefited from shortened customs procedures as well as simplification in document submission, reduction in examination ratio and fast-tracked customs control at the time of import clearance on cargo between countries through the Mutual Recognition Agreement.

New Market Exploration and Business Strategy: Overseas Market Exploration

Ever since Yuhan-Kimberly started to export diapers and feminine sanitary napkins in 2004, our exporting volume reached the 200 billion KRW in 2010 for the first time since its foundation. CAGR (Compound Annual Growth Ratio) for the past five years accounts for about 20% of total sales which increased in our major export regions such as China and East Asia by 56% and 23%, respectively, compared to the previous year.

New Product Development

<p>tn</p> <ul style="list-style-type: none"> In July of 2010, a skincare brand for adolescents was launched. Product lines are made up of acne skincare products and toners for normal and oily skin 	<p>Depend</p> <ul style="list-style-type: none"> Shampoo to use without water, body cleanser, lotion, and adult bibs for the elderly were launched. 	<p>Jackson Safety</p> <ul style="list-style-type: none"> Designed to safely protect eyes in various industrial work environments. Ergonomic designs and various product lines were offered. 	<p>HUGGIES Premier</p> <ul style="list-style-type: none"> Main HUGGIES Gold brand was replaced by the HUGGIES Premier brand line. New diapers for babies' sensitive skin.
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Vision 2020

Mission and Vision > Vision 2020

To celebrate Yuhan-Kimberly's 40th anniversary, we have established Vision 2020 to achieve healthy growth and to prepare for new challenges, in October, 2010. Creating a better life is the very reason for Yuhan-Kimberly's corporate existence and our goal. In particular, Vision 2020 is different from the previous vision because of the input our employees made in creation, and establishment of specific strategies based on a challenging financial objective to achieve sales revenues of 5 trillion KRW by 2020.



Five Strategies > Business Plans under Vision 2020

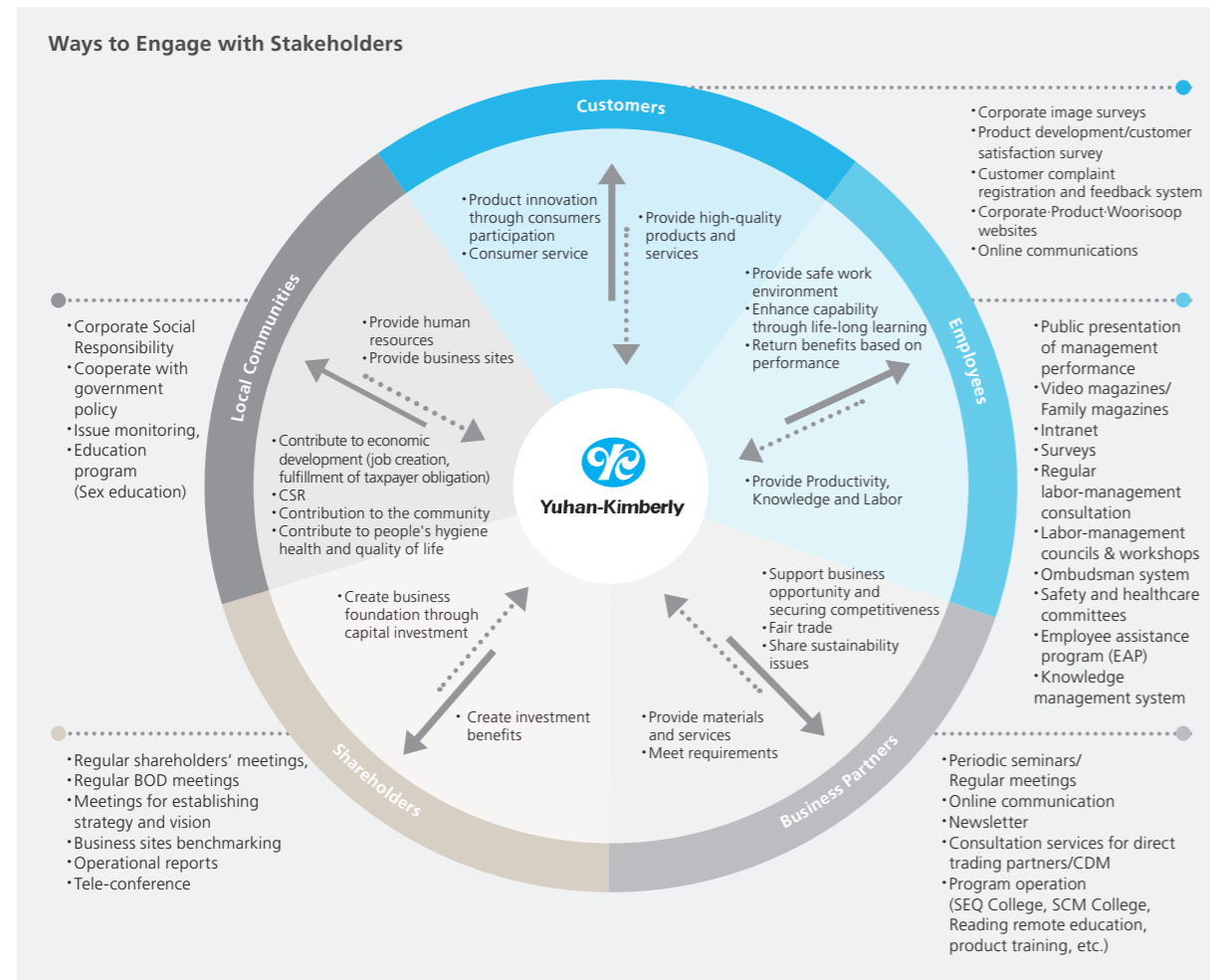
Yuhan-Kimberly established our core business strategies involving consumer and market-oriented operation, creation of new businesses and corporate operational efficiency, in order to be ranked among one of the top 100 companies in terms of sales and achieve an annual growth rate of 15% by 2020. Along with excellent product quality through innovation, we plan to strengthen our business areas, diversify business fields, and create new growth businesses through market development and product differentiation. Moreover, we will foster talented human resources that can actively serve their roles in the international committees and various international areas and diversify our exporting countries which have been focused on the East Asia region, along with our diaper products' our making inroads into the Japanese market and our business expansion.

Changes Since the Establishment of Vision 2020

Classification	Details
Vision sharing and strategy implementation	<ul style="list-style-type: none"> 29 project implementation plans completed Resell Unilever products through strategic partnership
Improvement of work efficiency	<ul style="list-style-type: none"> Introduce video conference system at the headquarters and entire work sites Implement 195 cases per month through the electronic approval system
Expansion of communication and horizontal system	<ul style="list-style-type: none"> Introduce an in-house SNS Yammer and strengthen real-time communications through smart phones and computers Implement a horizontal in-house appellation system
Increase in welfare benefits and education	<ul style="list-style-type: none"> Expand the Family Day system to conduct the program every Wednesday Offer 10 leadership and training programs through a learning support system

Four Agendas for Sustainability Management

AGENDA 01 Engaging with Stakeholders



The contents of Yuhon-Kimberly's stakeholders' opinions reflected in the 2011 sustainability report (2010.06-2011.05)

Stakeholder Committee	Title	Keyword
2nd Stakeholders Committee	Proposal for ten years to achieve Vision 2020	<ul style="list-style-type: none"> Pursue strategic CSR (connection between business and CSR) Secure product safety through eco-friendly products Pursue consistent risk management (internal risk and supply chain management) Producing organizational core values (Challenge and Creativity)
3rd Stakeholders Committee	Proposal for advancement of corporate responsibility and contribution through Keep Korea Green	<ul style="list-style-type: none"> Need to establish mid-to long-term strategies of Keep Korea Green Need to suggest sustainable strategies Need to promote employees' participation contribution and core values

AGENDA 02 Responding to Climate Change

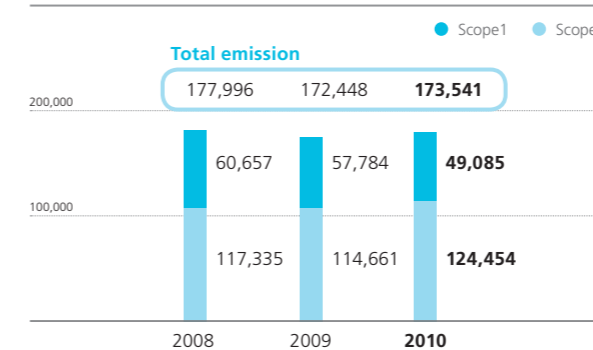
Establishment of Low-carbon Vision and Roadmap

Yuhon-Kimberly has established our low-carbon vision aiming to reduce greenhouse gases by 30% compared to BAU by 2020 and implements a company-wide carbon management.

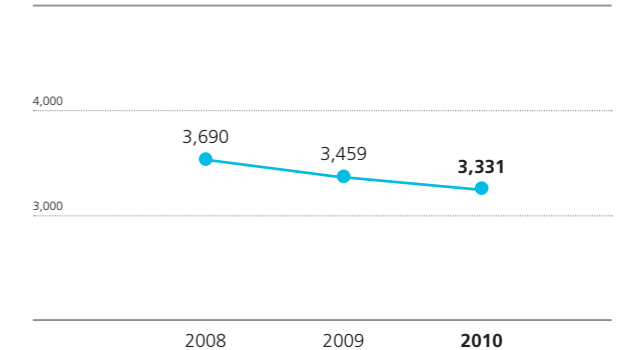
Yuhon-Kimberly's Low-carbon Vision and Roadmap



GHG emission status for past three years (Unit: tCO₂-eq)



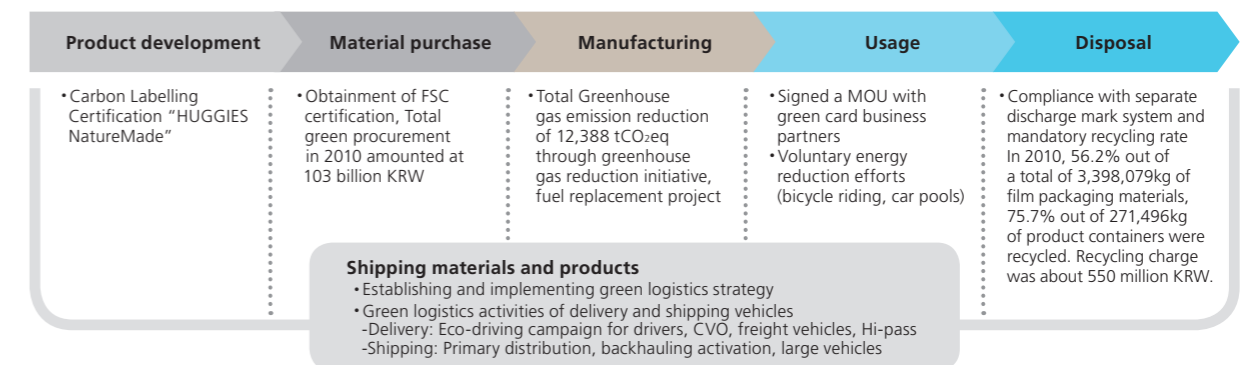
Energy use status for past three years (Unit: TJ)



Greenhouse Gas Emission Status

Yuhon-Kimberly's greenhouse gas emission in 2010 was 173,541 tCO₂eq, while the energy use was 3,331 TJ. In addition, the indirect greenhouse gas emission caused by shipping and delivery of direct and consigned logistic centers in 2010 was 13,826 tCO₂eq.

Yuhon-Kimberly's activities to reduce greenhouse gas emission on each stage



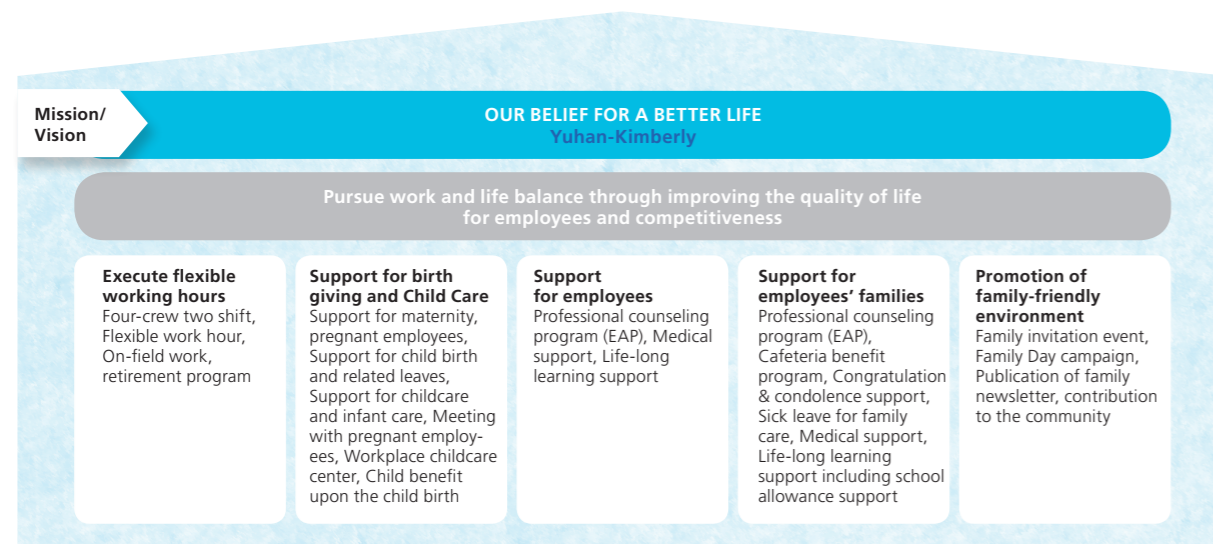
• Hi-pass installation: Reduced GHG equivalent to about 1.7 million KRW annually
 • Primary distribution: Reduced GHG of 31.967tCO₂eq equivalent to about 28 million KRW in 2010
 Backhauling: Reduced GHG of 111.62tCO₂eq equivalent to about 4.1 million KRW in 2010
 Large vehicles: Reduced GHG of 62.13tCO₂eq equivalent to about 106 million KRW in 2010

AGENDA 03 Family-Friendly Management

Select "Family-Friendly Management" as a Core Axis of Social Responsibility and Contribution of Vision 2020

To develop Family-Friendly Management, Yuhan-Kimberly created a Task Force Team in charge of family-friendly strategy in August, 2010 and this team examined what is needed for family-friendly management to establish initiatives, and declared its commitment on family-friendly management to fulfill its social responsibility and contribution through vision 2020 roadshow in October, 2010. Along with these measures, we newly established family-friendly management team in January, 2011 to implement systematic management.

Yuhan-Kimberly's Family-Friendly Management System



Family-friendly Activities and Performance

Category	Details
Settlement of celebrating giving birth culture and increasing in birth rate	<ul style="list-style-type: none"> Female employee baby care leave using rate 69% (2010) Meeting with pregnant employees at the headquarters and three mills (Expand from once a year to twice a year)
Opening workplace child care center	<ul style="list-style-type: none"> Opened a workplace childcare center in the Taejeon Mill (March, 2011) Selected as an exemplary company promoting lactation (Ministry of Health and Welfare, in August, 2010)
Flexible working system	<ul style="list-style-type: none"> Implement free-dress code (May, 2011) Introduce flexible lunch time system (May, 2011) Expand a campaign for encouraging employees to leave work on time (from once in a month to once in a week)

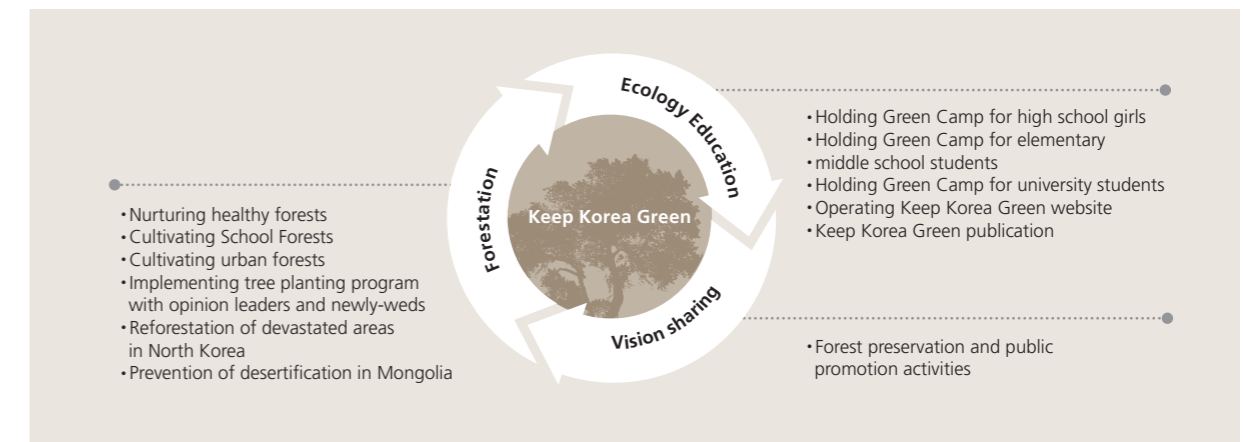
Activities to Promote Birth Rate

Yuhan-Kimberly participates in family-friendly forum along with the Ministry of Gender Equality and Family, companies implementing family-friendly management, and relevant specialists.

Activities to Promote Birth Rate

Category	Details
Development of Child Care community model	<ul style="list-style-type: none"> Selected 3 pilot organizations in 2009, sponsoring them to establish childcare system (2005-) Third year of developing childcare model for community (2011)
Newly-weds school	<ul style="list-style-type: none"> Jointly launched a "Newly-weds school" in 2009 Total 178 participants in October and November, 2010
Childcare education program	<ul style="list-style-type: none"> Established online childcare program (2010-) Opened professional lecture class for pregnant employees and those who have recently given birth (2011~) <ul style="list-style-type: none"> Total 454 participants through on-site and online programs in 2010 Total 603 participants between January and May, 2011

AGENDA 04 Keep Korea Green



Yuhan-Kimberly's Keep Korea Green Performance (2005~2010)

Category		2005	2006	2007	2008	2009	2010	Total (1984~2010)	
Planting and nurturing trees	Tree planning in domestic	Number of the trees planted	-	-	-	5,000	152,050	5,180,950	
		Number of the trees nurtured	-	-	-	-	-	750,000	16,970,100
	Tree planning in North Korea	Number of the trees planted	203,804	10,000	6,000	4,000	3,400	-	12,897,995
	Tree planting in Mongolia	Number of the trees planted	750,000	750,000	750,000	1,050,000	960,000	1,000,000	6,011,500
	Sub total		953,804	760,000	756,000	1,054,000	968,400	36,906,500	41,060,545
City forest	School forest	Number of schools selected	78	111	118	85	15	10	718
	Community forest	Number of the trees planted	-	-	2,104	1,746	2,487	10,016	20,353
		Gross areas (m ³)	-	-	1,617	500	1,157	-	16,497
Ecology education	Green Camp for female high school girls	Total participants	181	136	143	152	174	176	3,431
	Planting trees with newly-weds	Total participants	200	210	260	270	680	800	16,730
		Number of the trees planted	3,000	1,200	6,000	4,000	5,000	6,200	137,500
Preventing desertification	Selecting natural & cultural sites to preserve	Number of sites selected	11	12	11	9	9	-	71
	Selecting beautiful forest to preserve	Number of sites selected	11	16	18	14	16	14	183

Economic·Social·Environmental Performance Report

Achievement and Goal

Based on the color of evaluation

● Higher than evaluation standard ● Meeting the standard ○ Requiring more effort

Category	2010		2011		
	Achievements	Evaluation	Goal		
Economy	Financial Performance				
	Net Sales	• 1,209 Bil. KRW	●	• 1,294 Bil. KRW	
	Net Profit Margin	• 7.8%	○	• 8.3%	
	Investments	• 72.8 Bil. KRW	○	• 70.9 Bil. KRW	
	Business		●	• Proportion of export out of total sales 15.5%	• Proportion of export out of total sales 16%
			○	• New business growth 20%	• New business growth 54%
			●	• New business launch - Launching of DoubleHeart accessories for babies, teenager skin care brand tn	• New business launch - Launching clothing for babies, Unilever product distribution and sales
	Managerial Innovation	• Executed the lean six-sigma pilot project for production innovation	●	• Improve work process using the lean six-sigma pilot project	
	Transparency	• Issued the 2010 Sustainability Report	●	• Issue the 2011 Sustainability Report	
	Employees	Talent	• Number of employees attended training (1,357)	○	
Lifelong Learning		• Provided smart phones and Netbook support	●	• Expand participation in education programs • Zero industrial disaster rate	
Safety First		• Industrial disaster rate 0.18%	○		
Family-Friendly		• Reinforced family-friendly management committee	●	• Continuously hold family-friendly management workshop	
Win-Win Training		• 3,104M/H of training at the Win-win Academy improved information sharing system	●	• System upgrade and strengthening education programs	
Business Partners	Cooperation on Product Quality, Safety, Environment	• Product quality and management in innovation support for 11 partners	●	• 4 partners	
		• Insect and communicable diseases control support for 35 partners	●	• 35 partners	
	Low-carbon Management	• 17 partners participated in the Supply Chain Carbon Management (SCCM) program	●		
	Support for Government Projects	• 1.45 Bil. KRW	●	• 1.65 Bil. KRW	
Society	Customers				
	Product Safety	• Strengthened product safety	●	• Intensifying product safety	
	Customer Complaints	• Expanded customer communication channels (Opening real-time online counseling and text-messaging consulting)	●	• Strengthening communications with customers	
	Activities for Forest and Environment Protection		• Planted about 41 million trees in 2010	●	• Plant 43.2 million trees
			• Newly selected and provided sponsorship for school forests for 10 schools	●	
			• Newly selected and provided sponsorship for community (5 areas, 10,016 trees planted)	●	• Selection and providing sponsorship for school and community forests
	Community		• Held Green Camp for high school girls (170schools, 176 participants)	●	• Holding the Green camp (3 nights and 4 days on two rounds)
			• Discovered 14 beautiful forests	●	• Selecting beautiful forests
			• Held tree planting event with newly-weds (6,200 trees, 800 participants)	●	• holding tree planting events with newly-weds
			• Improved family-friendly system	●	
Environment	Company-wide Activities				
	External Activities of Family-Friendly Management System	• Running a campaign program to overcome low birth rate	●	• Expansion of women leader nurturing program	
	Lifelong Learning	• Taejeon mill benchmarking 29 times	●	• Expansion of lifelong learning	
	Literature	• Held Korean folk music contest	●	• Hold Korean folk music contest	
	Health and Hygiene Campaign	• Held hand-washing campaign and a seminar on anti-infection	●	• Hold hand-washing campaign and a seminar on anti-infection	
	Product Process Resource		• Established/expanded the EHS system	●	• Expand the EHS system
			• Established low-carbon vision and road map	●	• Active implementation of low-carbon vision and road map
			• Reduced the weight of packaging for sanitary napkins	●	• Reduction of the weight of packaging for sanitary napkins
			• Expanded eco-design on diapers	●	• Expansion of eco-design on diapers
	Efforts to Curb Climate Change		• Introduced the supply chain carbon footprint system	●	• Expansion of the supply chain carbon footprint system
		• Expanded the greenhouse gas inventory	●		
		• Introduced the incentives for greenhouse gas reduction	○	• Introduction of the incentives for greenhouse gas reduction	
	• Carbon footprint labelling certification	●	• Expansion of Carbon footprint labelling certification		

Economic Performance Report > Management Index by Numbers

Balance Sheets and Income Statements

(Unit: 100 million KRW)

Category	2005	2006	2007	2008	2009	2010
Balance Sheet						
Current Assets	4,282	4,831	4,984	4,793	4,965	4,337
Non-current Assets	2,915	2,958	3,086	3,507	3,613	3,933
Total Assets	7,197	7,789	8,070	8,300	8,579	8,270
Current Liabilities	884	1,135	1,144	1,357	1,561	1,776
Non-current Liabilities	314	251	168	132	166	0.49
Total Liabilities	1,198	1,386	1,312	1,489	1,727	1,777
Capital	2,000	2,000	2,000	2,000	2,000	2,000
Capital Surplus	625	625	625	625	625	625
Retained Earnings	3,374	3,778	4,133	4,186	4,227	3,868
Total Stockholders' Equity	5,999	6,403	6,758	6,811	6,852	6,493
Total Liabilities & Stockholders' Equity	7,197	7,789	8,070	8,300	8,579	8,270
Income Statement						
Net Sales	7,743	8,340	9,050	10,221	11,341	12,094
Cost of Goods Sold	4,860	5,272	5,612	6,350	7,102	7,839
Gross Profit	2,883	3,068	3,438	3,871	4,238	4,255
Selling and G/A Expenses	1,781	1,996	2,134	2,397	2,552	2,760
Operating Profit	1,102	1,072	1,304	1,474	1,686	1,495
Non Operating Income	147	245	209	442	457	307
Non Operating Charges	44	67	64	304	211	490
Income Before Income Taxes	1,205	1,250	1,449	1,612	1,932	1,312
Income Tax Provision	310	344	394	459	442	370
Net Income	895	906	1,055	1,153	1,491	942

Economic Value Distributed

(Unit: 100 million KRW)

Stakeholders	Category	2005	2006	2007	2008	2009	2010
Shareholders	Dividends	1,660	504	700	1,100	1,450	900
Employees	Salary & benefits	1,157	1,393	1,491	1,616	1,710	1,649
Business Partners	Raw material costs	5,248	5,586	5,921	6,943	7,490	8,560
Community	Government	364	390	443	514	557	522
	Communities	34	57	57	57	58	59
Others	Other costs (Rent, depreciation expenses, etc)	143	137	257	132	188	488
Retained Earning	Charges in Retained Earnings	-767	404	355	53	41	42
Net Sales		7,839	8,471	9,225	10,416	11,494	12,223

Continuous Investment in Facilities for Future Growth

In 2010, Yuhan-Kimberly invested a total of 72.8 billion KRW including 40.7 billion KRW for transferring of manufacturing facilities to Chungju, and establishing new diaper manufacturing facilities and skincare facilities for babies, which is 40.5% increase from the previous year.

Investment in R&D

In order to secure product research and technology innovation, Yuhan-Kimberly invested about 6.2 billion KRW in mainly market survey, which is 18% decrease in comparison to the previous year.

Customer Survey for Product Innovation

We have conducted 133 times of survey in 2010 on total of 44,506 customers, in effort to reflect customers' demands and suggestions into product development. Customers' opinions were mainly related to our existing businesses and our survey found that their interest in new businesses increased to 38%, a 27% increase from the previous year.

Social Performance Report

Shareholders

Yuhan-Kimberly is a joint venture of the Yuhan Corporation (30% ownership share) and Kimberly-Clark Trading LLC (which owns 70%). There were not any changes in corporate governance in 2010.

The Board of Directors at Yuhan-Kimberly is the highest decision-making body. The non-executive directors consist of four directors, representing the two shareholders and one independent director. During the general shareholders meeting held in March of 2010, Mr. Choe, KyooBok was newly appointed President and CEO of Yuhan-Kimberly, and seven directors and one auditor were appointed under the articles of incorporation and the proposal of shareholders. Eight rounds of board of directors' meetings including irregular meetings were held from January, 2010 to May, 2011. The independent director was first appointed in March of 2010, participates in all board of directors' meetings rate of the outside director is 100%.

Corporate Governance of Yuhan-Kimberly

Chairman	Thomas J. Mielke Senior Vice President & Chief Compliance Officer, Kimberly-Clark	Non-executive directors	Achal. Agarwal Senior Vice President, North Asia at Kimberly-Clark Rodney G. Olsen Vice President, Finance, Kimberly-Clark International Sang-Hu Choi Joint CEO and President, Yuhan Corporation Ju-myung Hwang Managing Partner, Hwang Mok Park P. C.
Executive directors	KyooBok Choe President and CEO, Yuhan-Kimberly SangWoo Choi Vice President, Consumer Sales, Yuhan-Kimberly		
Auditor	PaikYoung Suh Auditor		

Employees

Respect for Employees' Human Rights and Diversity

Yuhan-Kimberly prohibits discrimination based on gender, age, or religion. According to the Collective Bargaining Agreement (Article 45), we operate an identical compensation scheme without gender discrimination to offer equal pay for work of equal value. Also, we offer equal entry salary for new employees, accounting for 341% of legal minimum wages of 2010. Yuhan-Kimberly has joined the UN Global Compact in 2007 to comply with the prohibition of compulsory labor and child labor. Violations related this matter have not occurred since 2010.

Support for Training Programs to Develop Employees' Competences

Yuhan-Kimberly provides employees with a variety of education and training programs including Life-Long Learning, creativity and leadership development program, leadership development programs and MBA course programs. Also, online learning programs are offered to employees and their family.

Education programs for Employees

Category	Participants (people)	Contents
Anti-sexual Harassment programs	1,470	Headquarters (mill sites excluded): 414 people, Kimcheon: 388, Taejeon: 364, Anyang and Chungju: 304
Education programs	441	Total 425 education hours
Health program	1,917	22 cases including anti-smoking and weight reduction programs (multiple counts are allowed for participants taking more than one program)
Ecology education program	949	Participation rate 57%, total education hours: 1,295 hours
Lifelong education (etc)	Entire employees	Smart phone and Netbook support for lifelong learning (May, 2010)

Labor-Management Cooperation and Communication

Yuhan-Kimberly supports active communications between labor and management through communication channels. We also introduced and operated horizontal appellation system to promote respect and care corporate culture since January, 2011. Moreover, we started to implement social network service in February, 2011 to keep with up the social trends to share corporate news and major issues as well as real-time communication between employees.

Based on the trust between labor and management, we comply with the Labor Management Committee law to run Labor Management Committee and Grievance Committee. The number of complaints that were received in 2010 is a total of 151 cases, which included the operation of commuting bus from Chungju Mill and establishment of parking spaces for female employees.

Yuhan-Kimberly's Employment Status

category	year	2005	2006	2007	2008	2009	2010
Employment	Employees (people)	1,680	1,706	1,695	1,689	1,688	1,663
	Employees with disability (%)	1.9	2.0	2.1	2.2	2.2	2.3
	Contract employees (people)	19	24	19	9	2	1
	Job creation rate (%)	4.9	1.5	-0.6	-0.4	-0.24	-1.48
	Average length of service (year)	11.8	12.6	13.3	14.0	13.9	15.9
	Average working hours per month (hour)	184	182	183	184	181	180
	Average number of days absence / rate (%)	5 / 33.3	11 / 73.3	5 / 33.3	1 / 6.7	0 / 0	0 / 0
Retirement	Retirement rate (%)	-	-	-	2.3	1.5	1.98
	Female workforce rate (%)	15.5	15.7	15.7	16.0	15.6	15.8
Female employment	Female at senior management level (%)	3.5	3.4	15.7	17.1	17.1	17.6
	Female in total office employees (%)	40.4	39.4	39.9	40.1	33.7	33.9
	Female in new recruit (%)	21.0	29.4	48.0	31.0	20.0	55.6
Maternity/Childbirth	Maternity leave users (people) / Maternity leave usage rate (%)	18 / 100	21 / 100	25 / 100	33 / 100	31 / 100	29 / 100
	Return to work rate post maternity leave (%)	100	100	100	100	100	100
	Baby care leave users (people)	1	1	5	15	17	20
	Female employee baby care leave usage rate (%)	0.0	4.8	20.0	45.4	54.8	68.9
	Return to work rate post baby care leave (%)	100	100	100	92.3	100	100
Labor	Parental leave users (people) / Parental leave usage rate (%)	63 / 100	103 / 100	108 / 100	83 / 100	71 / 100	52 / 100
	Number of employees joining labor unions (people) / Rate of employees joining the labor union (%)	961 / 80.4	961 / 80.5	953 / 80.0	945 / 83.4	939 / 83.7	935 / 88.0
Work safety	Industrial disaster rate (%)	0.18	0.12	0.06	0.06	0	0.18

Business Partners

Achievement and goal of win-win cooperation activities between Yuhan-Kimberly and business partners

Category	2010 Achievement	2011 Goal	
Cooperative activities	Product quality innovation activities (single PPM)	11 partners (about 20 million KRW) three partner certified	four partners (7.3 million KRW)
	Establishment of product quality software (CCMS)	-	five companies (documentation support)
	Insect and communicable disease control support	35 partners (27 million KRW)	35 partners (27 million KRW)
	Creating safe workplace	-	Implement comprehensive safety inspection
	Support for government project	1.4 billion	1.6 billion
Promotion of communication with partner companies (SMA)	Expanded participating companies (about 80 partners)	System upgrade (about 30 million KRW)	
Intensifying training for shared growth	Win-Win Academy 15 classes, 11 courses (3,104M/H), participants 466	Win-Win Academy 15 classes, 11 courses (3,100M/H)	

Communication with business partners

Yuhan-Kimberly learns from suggestions made by our business partners through information sharing network, seminars and round-table meetings. In the representative seminar held in July of 2010, our 60 business partners signed an agreement to comply with the UN Global Compact Principles.

Consumers

Activities for customer satisfaction

Yuhan-Kimberly established text-messaging counseling and a real-time online consulting system to resolve customer complaints and provide quick responses to customer inquiries. In 2010, our responses to customer comments and inquiries reached

18,344 out of 67,834 comments. In addition, we made efforts to improve customer services by implementing strategies based on survey results.

Internal activities to increase customer satisfaction

Category	Participants	Contents
CS Boom up Activities	CS Day	Headquarters office workers 130 people Collect ideas & suggestions to increase customer satisfaction and to reduce complaints
	CS Academy	370 people from three mills Provide employees with training on customers' complaints and visiting the customer service center (total 12 times held at Taejeon, Anyang, Kimcheon)
	CS Education	655 people Improve product quality awareness and CS mind among sales officers, business partners and sales promotion partners

Achievement and goal of customer satisfaction efforts

2010 Achievement	2011 Goal
<ul style="list-style-type: none"> • Education programs for youth <ul style="list-style-type: none"> - Conducted education on first menstrual period and held a youth forum, total 20,300 students participated • Happiness program <ul style="list-style-type: none"> - Offered dissatisfied customers to a trip to a mill • CRM <ul style="list-style-type: none"> - Prevented dissatisfied customers from deviating and maintained customer retention rate • Mill tour by civic groups <ul style="list-style-type: none"> - Strengthening partnerships by offering consumer groups trips to our mills 	<ul style="list-style-type: none"> • Yuhan-Kimberly Supporters <ul style="list-style-type: none"> - Minimize negative issues on the Internet - Create positive community through blog operation • Collecting customers feedback to resolve customer complaints <ul style="list-style-type: none"> - Happy Call system - Utilize product review and information • Joint introduction of CCMS with partners <ul style="list-style-type: none"> - Hold presentation session on CCMS for partners and declare joint introduction

Voluntary Recall

In 2010, Yuhan-Kimberly voluntarily recalled DoubleHeart accessory toys (duck/whale models) which we import and sell after founding internal parts were inadequate for manufacturing standards and conducted investigation into the cause and took preventative measures.

Government & Community

Various Activities for the Community

Yuhan-Kimberly's employees have been voluntarily engaged in social contribution activities centering on department and in-house club activities. In 2010, a total of 2,388 employees participated in 111 cases of volunteering.

Employees' volunteering rate in social contribution

Category	2006	2007	2008	2009	2010
Total number of participants (people)	15,142	15,464	12,436	8,308	2,388
Total number of cases	218	211	455	350	111
Donation amount (KRW)	117,406,920	90,307,950	65,632,510	87,784,360	220,485,534

Efforts to improve women's rights and their interest

Every year, Yuhan-Kimberly selects activists from women organizations and civic organizations through a public contest to provide them Life-Long learning experiences related to becoming leaders in Korean society. From 2010, in our effort to help women activists from communities with lack of educational opportunities, we moved the venue of the program from Seoul to Daegu. The number of participants in Future Women NGO leadership course and the Advanced Course of NPO Leadership was 10 and 60, respectively, in 2010. We plan to provide the nurturing future women leaders program at a similar level in 2011.

Environmental Performance Report > Management Index by Numbers

Environmental performance data for 14 years (1997~2010)



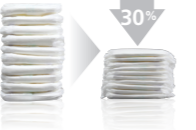





Category	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Environmental Protection Cost	Total Cost (100 Mil. KRW)	52.8	57.3	65.2	88.1	91.6	83.6	84.5	94.2	90.5	86.9	90.8	125.8	125.1	
	Percentage to Net Sales (%)	1.3	1.1	1.1	1.3	1.3	1.2	1.2	1.2	1.1	1.0	0.9	1.1	1.0	
Energy	Direct Energy Consumption (106 BTU/ton)	6.7	6.4	6.0	5.3	5.1	5.2	5.1	5.3	5.0	4.5	4.2	4.3	3.7	
	Indirect Energy Consumption (106 BTU/ton)	3.5	3.3	3.2	4.0	4.0	3.8	3.7	3.8	4.0	3.9	3.8	3.7	3.8	
Water Usage (m³/ton)	25.6	25.0	24.5	18.7	14.1	11.5	10.0	8.9	9.7	9.9	10.0	11.7	13.8	14.4	
Recycle	Rate of Domestic Recycled Fiber (%)	10.1	14.2	18.9	37.3	57.7	74.2	70.8	76.0	74.8	76.8	81.7	85.8	89.9	91.8
	Rate of Recycled Water Usage (%)	39.3	41.6	41.0	34.9	46.1	55.5	61.8	59.2	57.3	57.3	56.3	50.8	43.1	43.4
Water Purity Control	Treated Water Discharge (m³/ton)	19.9	17.4	13.5	13.0	11.2	8.2	7.5	6.3	6.4	6.4	7.4	8.6	11.1	11.6
	Chemical Oxygen Demand	0.33	0.35	0.43	0.29	0.18	0.14	0.12	0.09	0.09	0.09	0.11	0.11	0.14	0.155
	Total Suspended Solids (kg/product ton)	0.17	0.14	0.17	0.11	0.05	0.02	0.01	0.01	0.01	0.01	0.02	0.03	0.03	0.027
Biochemical Oxygen Demand	0.07	0.07	0.09	0.05	0.03	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.02	0.015	
Solid Waste Generation (ton/product ton)	0.54	0.50	0.47	0.38	0.38	0.44	0.45	0.37	0.34	0.28	0.26	0.25	0.23	0.22	
Green-house Gas Reduction	Total Emission of CO₂ (1,000 tCO₂/year)	-	-	150.9	138.9	160	175	170	163	168	156	155	161	164	174
	Total Emission of CO₂ (tCO₂/product ton)	-	-	-	-	0.909	0.875	0.863	0.867	0.879	0.800	0.742	0.720	0.741	0.739
	Chlorofluorocarbon(kg)	-	-	-	-	47.5	19.7	24.3	63.4	51.0	35.3	22.2	17.1	26.7	4.8
Air Purity Control	NOx (kg/product ton)	1.595	1.175	0.851	0.577	0.506	0.467	0.506	0.449	0.409	0.152	0.066	0.053	0.028	0.07
	SOx (kg/product ton)	1.443	0.994	0.581	0.341	0.154	0.058	0.067	0.060	0.070	0.020	0.004	0.005	0.001	0.0001
	Dust (kg/product ton)	0.187	0.223	0.173	0.119	0.077	0.058	0.042	0.021	0.016	0.008	0.004	0.003	0.006	0.006

Observation of Environmental Regulations and Biodiversity

All of Yuhan-Kimberly's business sites comply with related laws and regulations, including the Framework Act on Environmental Policy, the Clean Air Conservation Act, the Water Quality and Ecosystem Conservation Act, and the Waste Control Act. In 2010, Yuhan-Kimberly avoided any major leakage at our business sites or violation of laws or regulations. We conducted a preliminary investigation into environmental impact on neighboring communities and the environment when establishing a new mill and took the proper measures necessary. We have no possessed, leased, or managed land in areas of biodiversity or surrounding areas. Also, we found no endangered species designated by the International Union for Conservation of Nature and Natural Resources and the government at any of our business sites.

Environmentally-friendly Products and Processes

Yuhan-Kimberly's sustainable products for a better life

Eco-friendly material use	Low-carbon Products to Curb Climate Change	Packaging reduction	Products reflecting customers' needs
 <p>2008- HUGGIES NatureMade Eco-friendly diapers, the inside covers were made from corn starches and add lotions with phytoncide substances</p>	 <p>2009- Popee Carbon Cash Bag When you buy Popee (3-layered Deco Plus, Popee Plus, 3-layered tissue), you get carbon points, which can be used as cash at allied merchants</p>	 <p>1986- Huggies Diaper Development of absorption technology in 1986, ultra thin design in 1994 → reduced thickness by 30% compared to existing diapers</p>	 <p>2010-Huggies Softcare Babies' Wet wipes By using natural pulp, only about one third of the water was used in the manufacturing process compared to the general wet wipes.</p>
 <p>2009- Kleenex Eco-Friend minimizes printing by using packaging made from recyclable materials and one-color design</p>	 <p>2011- HUGGIES NatureMade Carbon footprint labelling certification</p>	 <p>2008-2011 Green Mileage Packaging In 2008, secondary packaging was banned, reduced thickness of poly bag (55gsm → 45gsm), change of packaging materials (paper 120g → plastic 9g) *gsm: g/m²</p>	 <p>2011-HUGGIES Ultra Thick Wet Wipes using a patent technology to process from spunlace fabric to natural pulp, the product contains more than 65% of natural pulp. Improved safety and hygiene with using purified water in manufacturing products</p>

Acquired the Environmental Labelling

Yuhan-Kimberly's sales of industrial goods (Popee Jumbo Roll tissue, Popee paper towels, Kim Care Cell air freshener, etc) and bathroom tissue (Popee Plus) that acquired Eco-Labeling (Korea Environmental Industry & Technology Institute) amounted to KRW 21.7 billion in 2010. In 2011, we got the renewal of the Eco-Labeling on existing products and newly applied Eco-Labeling on the paper tissue of Family Care.

Reducing Environmental Impact through Manufacturing Lighter Diapers

Yuhan-Kimberly strives to reduce packaging by reducing the thickness of packaging of feminine sanitary napkins and panty liners (Kotex® White, Kotex® Goodfeel, Kotex® Anydays). With this effort, we curtailed cost and reduced environmental impact by reducing the product weight from 50g at the time of introducing waster charge system in 1993 to 30g, a 40% decrease in weight.

2010 Material Flow

Input

Major raw materials	Fuel	Water
Imported recycled paper 5,640 ton	LNG 20,251.1 km ³	Water 3,378,822 m ³
Domestic recycled paper 63,010 ton	Gasoline 35.2 kℓ	Waterworks 132,568 m ³
Pulp 107,513 ton	Propane gas 9.7 kg	Livers 2,765,717 m ³
Super Absorbent Polymer (SAP) 22,161 ton	Diesel 492.7 kℓ	Industrial water 480,537 m ³
	LPG (Vehicle) 1 m ³	
	Kerosene 3.5 kℓ	
	Boiler kerosene 0.5 kℓ	

Output

Greenhouse gases	Water pollution materials	Air pollution materials
Greenhouse gas 173,541 tCO ₂ eq	Suspended solids (SS) 6,361.5 kg	Dust 1,497.9 kg
Waste generation	Biochemical Oxygen Demand (BOD) 3,510.2 kg	SOx 11.9 kg
Waste 51,389 ton	Chemical Oxygen Demand (COD) 36,330.3 kg	NOx 17,108.7 kg
Wastewater generation		CO 1,077.1 kg
Wastewater 2,717,914 m ³		

Third Party Assurance Statement

Introduction

Det Norske Veritas Certification Ltd. (hereinafter referred to as 'DNV') has been commissioned to carry out assurance engagement on YUHAN-KIMBERLY Co., Ltd. (hereinafter referred to as 'YUHAN-KIMBERLY') 2011 Sustainability Report (hereinafter referred to as 'the Report') in accordance with the DNV Protocol for verification of Sustainability Reports (VeriSustain™) and considering the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines (G3).

YUHAN-KIMBERLY is responsible for the collection, analysis, aggregation and presentation of all information within the Report. Our responsibility in performing this work is in accordance with terms of reference agreed. The stakeholders of YUHAN-KIMBERLY are the intended users of this Assurance Statement. Our conclusions are based on the assumption that the data and information provided to DNV is complete and true.

Scope of Assurance

The scope of work agreed with YUHAN-KIMBERLY includes the following:

- Report coverage: qualitative and quantitative information on social, environmental and socio-economic performance in 2010, presented in the printed Report. Detailed testing of source data, the operating effectiveness of processes and internal controls are not included in the scope of assurance engagement.
- Reporting period: data and information were verified for the 17 months period from January, 2010 to May, 2011. But, quantified performances are limited to 12 months period ending December 2010.
- Reporting boundaries include the head-office in Seoul and 4 manufacturing sites in Korea.
- Assessment of adherence to the requirements for GRI Application Level 'A+', as declared by YUHAN-KIMBERLY.

Verification Methodology

Based on the limited level of assurance, the verification was conducted between July - August 2011 by a multidisciplinary team of qualified and experienced DNV sustainability report assurance professionals, in accordance with the DNV Protocol for Verification of Sustainability Reporting. During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts on the issues of high material relevance to YUHAN-KIMBERLY's business and stakeholders.

The Report was evaluated against the following criteria:

- Adherence to the principles of Materiality, Completeness, Neutrality, Reliability, Responsiveness and Stakeholder Inclusiveness as set out in the DNV Protocol; and
- GRI G3 content (standard disclosures and performance indicators) and Application Level requirements.

As part of the verification, DNV has critically reviewed the sustainability-related assertions and claims made in the Report and assessed the robustness of the underlying data management and communication processes, and associated controls. To this end, we have carried out the following:

- Examined and reviewed documents, data and other information made available to DNV by YUHAN-KIMBERLY;
- Visited the head-office located in Seoul and randomly sampled a site in Korea;
- Conducted interviews with representatives (including data owners and decision-makers from different divisions and functions) of YUHAN-KIMBERLY;
- Performed sample-based audits of the processes and mechanisms for implementing YUHAN-KIMBERLY's own sustainability-related policies, as described in the Report, and for assessing the materiality of issues to be included in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report;
- Reviewed the use of relevant economic data and information from the 2011 assured financial statements and its presentation in this Report. Economic data was verified by another third party. DNV verified the consistency in the presentation of the same data in the financial statements and this Report.

The verification focused primarily on the Report, and not on the adequacy, effectiveness or efficiency of YUHAN-KIMBERLY's sustainability management practices. It also excluded sustainability management, performance or reporting practices by any external supplier or other third parties mentioned in the Report. Interviews with suppliers or external stakeholders were not made during the assurance engagement.

Conclusions

Based on the scope of work carried out, DNV concludes that the Report provides a reliable and fair representation of YUHAN-KIMBERLY's sustainability strategy, management systems and performance in 2010.

Regarding the level of adherence to reporting principles, we conclude the following:

- **Materiality:** Good. The Report generally provides an account of performance on the issues that are most significant to YUHAN-KIMBERLY's activities and which are most relevant to its stakeholders. The material issues were identified and prioritised based upon the stakeholders' opinion.
- **Completeness:** Good. The scope and boundary of the Report cover the issues and activities that are of most significance to YUHAN-KIMBERLY and relevance to its stakeholders. No material omissions were identified in data or information verified.
- **Neutrality:** Good. The information in the Report is generally presented in balanced manner.
- **Reliability:** Acceptable. Data and information presented in the report are generally reliable. No systematic errors were identified. However, internal assessment of data management and data checks need to be implemented.
- **Stakeholder Inclusiveness:** Good. YUHAN-KIMBERLY engages with a wide range of stakeholders regarding sustainability issues in various ways to reflect their concerns and expectations into the sustainable management.
- **Responsiveness:** Good. Stakeholders' views, interests and expectations are considered in the preparation of the Report and in the formulation of YUHAN-KIMBERLY's sustainability management approach. Moreover, YUHAN-KIMBERLY has had stakeholder consultations from the opinion leaders to respond to stakeholders' concerns and expectations.

DNV also concludes that the Report meets the content requirements of the GRI Application Level 'A+'.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported to YUHAN-KIMBERLY's management. However, these do not affect our conclusions on the Report and are provided to encourage continual improvement.

- To conduct, in line with existing management systems, internal verification on all data and information to be disclosed to ensure its accuracy and reliability.
- To manage systematically key process for producing the sustainability Report, from data gathering, analysis and reporting (for example documented procedures).


DNV's Independence

DNV confirms that, throughout the reporting period there were no services provided which could impair our independence and objectivity and also maintained complete impartiality towards people interviewed during the assurance engagement.

DNV expressly disclaims any liability or co-responsibility for any decision, whether investment or otherwise, a person or entity may make based on this Assurance Statement.

Seoul, Korea
August 2011




Seung Hyun Kwak
Lead Verifier
DNV Certification, Ltd.


Antonio Astone
Service Area Responsible,
CR Report Verification
DNV Business Assurance Group AS


In Kyoon Ahn
Country Manager
DNV Certification, Ltd.

Note: Assurance engagement was conducted based on the Report written in Korean. In the event of ambiguity or contradiction in the Report between English version and Korean version, Korean one shall be given precedent.

Yuhan-Kimberly's Commitment to the 10 UN Global Compact Principles

Yuhan-Kimberly complies with the 10 principles by joining the UN Global Compact since 2007, and we submit our Communication on Progress (COP) annually. We will continue to actively abide by the principles to fulfill our corporate responsibility.

Category	Principles	Yuhan-Kimberly Regulations/Online Disclosure	2010 Performance
Human rights	1. We support and respect the protection of Internationally proclaimed human rights.	Human Rights Protection <ul style="list-style-type: none"> • Management Policies [Respect for People] • Article 35, Personnel Rules and Regulations [Status Guarantee] • Code of conduct [Considerations for Employees] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Training on Code of Conduct (twice a year)
	2. We make sure that we are not complicit in human rights abuses.	Prevention of Human Rights Violations <ul style="list-style-type: none"> • Guidelines on Selecting Business Partners [Ethical Soundness of Organization] • Evaluation Items of Business Partners [Wage and Employment] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Regular evaluation conducted on business partners in the field of human rights • Human rights training conducted on 52 employees of security service provider (100% participation) (7 Anyang, 21 Chungju, 13 Kimcheon, 11 Taejeon)
Labor	3. We uphold the freedom of association and the effective recognition of the right to collective bargaining	Freedom of Association <ul style="list-style-type: none"> • Article 10, Chapter 2, CBA [Guarantee of Union Activities] • Article 11, Chapter 2, CBA [Prohibition of Unfair Labor Practices] • Article 66, Chapter 7, CBA [Labor Management Committee, Grievance Committee Members and Grievance Committee] • Article 75, Chapter 9, CBA [Bargaining Principles] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Labor union membership of 88.0% (Labor union membership 1,063 people) • Labor-Management Committee held every quarter, total of 20 times • Collective bargaining on wage negotiation held once every year
	4. We eliminate all forms of forced and compulsory labor	Prohibition of Compulsory Labor <ul style="list-style-type: none"> • Article 40, Chapter 4, CBA [Maternity Leave] Pregnant women labor union members shall not work overtime 	<ul style="list-style-type: none"> • Pregnant employees are prohibited to be stationed in hazardous and dangerous work zone for health reasons • Flexible working hours to do night shift prohibited from being applied to pregnant employees
	5. We effectively abolish child labor.	Prohibition of Child Labor <ul style="list-style-type: none"> • Article 21-2, Chapter 3, Rules of Employment [Work] Minors under 18 years of age shall not be subject to the provisions on overtime 	<ul style="list-style-type: none"> • No employees under 18 years of age
	6. We eliminate discrimination in respect of employment and occupation.	Prohibition of Discrimination <ul style="list-style-type: none"> • Article 89, Chapter 9, Rules of Employment [Prohibition of Gender Discrimination] • Article 45, Chapter 5, CBA [Wage] Offer equal pay for work of equal value Chapter 2, Code of Conduct [Considerations for Employees] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Training on prevention of sexual harassment (1,470 employees participated) • Female ratio (office workers: 33.9 %, executives: 17.6%) • Starting wage of entry level employees (male and female identical)
Environment	7. We support a precautionary approach to environmental challenges	Environmental Precaution <ul style="list-style-type: none"> • Procurement Philosophies[Support for Environmentally-friendly Raw Material Purchase and Product Productions] • Environmental Management Policies [Minimizing Environmental Load] • Environmental Management Policies [Fundamental Prevention on Environmental Accident] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Green purchasing of 103 billion (KRW) • Environmental management training held for employees (949 employees)
	8. We undertake initiatives to promote greater environmental responsibility	Environmental Responsibility <ul style="list-style-type: none"> • Management Policies[Social Contribution]Spearhead environmental preservation campaigns • Chapter 2, Code of Conduct [Environmental Protection] • Procurement Philosophies [Realizing Mutual Benefits through Collaborative Partnership] • Environmental Management Policies[Leadership role in environmental protection campaign] www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Carbon footprint labelling certification "HUGGIES NatureMade" • The "Keep Korea Green" campaign conducted • The 14-year trend on environmental accomplishments is managed
	9. We encourage the development and diffusion of Environmentally friendly technologies	Environmentally-friendly Development <ul style="list-style-type: none"> • Procurement Philosophies [Support for Production of Superior Products through Technological Innovation] • Environmental Management Policies [Continuous Environmental Improvement]-reduction, reuse, and recycling efforts regulations www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Environmentally-friendly products are launched (HUGGIES babies' wet wipes)
Anti-corruption	10. We work against corruption in all its forms, including extortion and bribery.	Anti-Corruption <ul style="list-style-type: none"> • Chapter 2, Code of Conduct [Guidelines on Gifts and Entertainments] • Chapter 2, Code of Conduct [Prohibition Against Giving Gifts to Public Officials] • Article 11, Rules of Employment [Prohibition] Against Accepting Rewards, Gifts, or Entertainment from Business Partners www.yuhan-kimberly.co.kr	<ul style="list-style-type: none"> • Encourage employees to fully understand code of conducts