

2010

Sustainability Report



# Bringing the best of nature to humankind



univera



Bring





ing the





best





Aloe Vera





Handwritten white scribbles and lines crossing the center of the four portraits.





markins





# About this Report

This is the 2010 Univera Sustainability report. This report is the result brought by hard will and efforts of Univera people committed to healthy and sustainability management. Univera is a wellness company which brings the best of nature to mankind. This is also the first Communication On Progress (COP) published after Univera joined the UN Global Compact as of December 2008.

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## Standards and criteria

GRI (Global Reporting Initiative G3)

## Reporting Period

From January 1<sup>st</sup>, 2009 to December 31<sup>st</sup>, 2010

## Context and Scope

Univera Korea

## Reporting Base

Fiscal year. The data of the past

## Verification

Internal verification and expert consultation

## Key issues

Materiality test are separately dealt with in “special page”, and the scope there will be extended to all family companies of ECONET including Univera Korea.

Note: key issues from materiality test are separately dealt with in “Special page”, and the scope there will be extended to all family companies of ECONET including Univera Korea.

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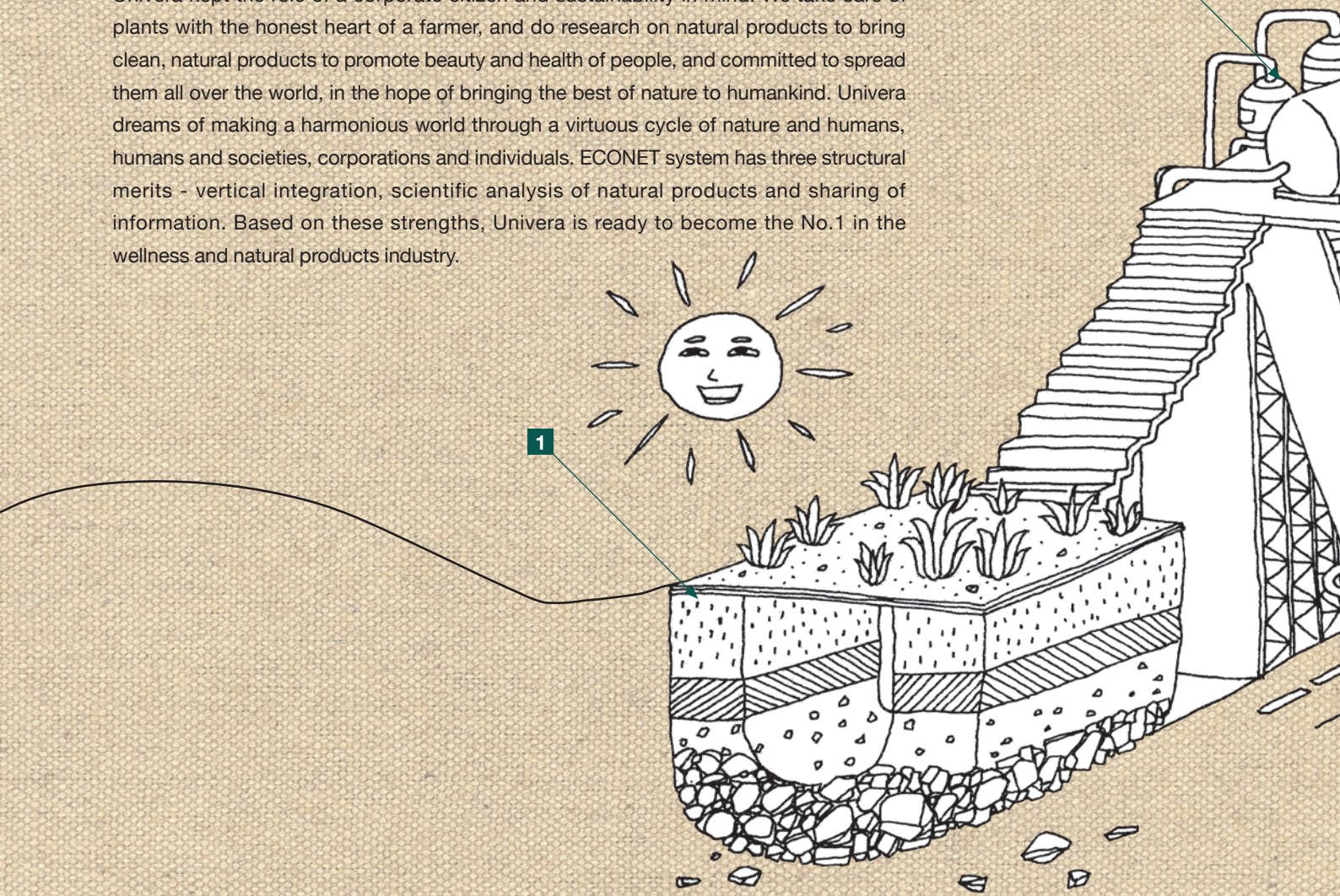
Univera Marketing team, ECONET center, 302-4 Seongsu 2-ga 3-dong, Seongdong-gu, Seoul, Korea





# Univera Sustainability Management - ECONET System

ECONET system is a unique way which incorporates production, manufacturing, R&D and distribution. Even before the concept of sustainability management was introduced, Univera kept the role of a corporate citizen and sustainability in mind. We take care of plants with the honest heart of a farmer, and do research on natural products to bring clean, natural products to promote beauty and health of people, and committed to spread them all over the world, in the hope of bringing the best of nature to humankind. Univera dreams of making a harmonious world through a virtuous cycle of nature and humans, humans and societies, corporations and individuals. ECONET system has three structural merits - vertical integration, scientific analysis of natural products and sharing of information. Based on these strengths, Univera is ready to become the No.1 in the wellness and natural products industry.



1

## Production - Aloecorp

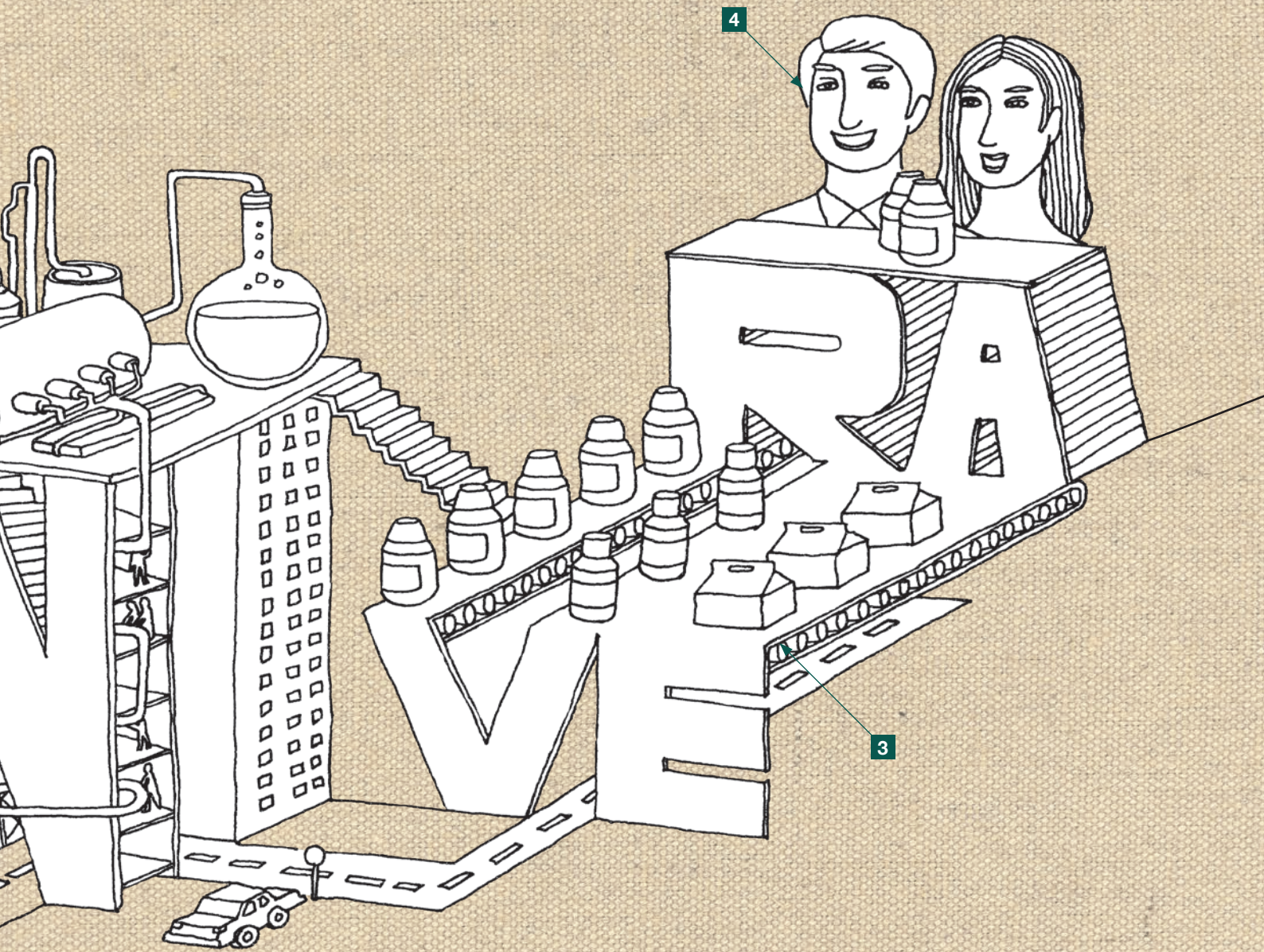
Aloecorp supplies raw materials cultivated in its overseas farms as wide as 12 times of Yoido Island in Korea. To secure sound supply of natural materials, Aloecorp explored all around the world, to finally build farms in places where the average temperature is mild around 23 degrees Celsius and sunshine is abundant. Aloe grows in Tampico farm in Mexico, Texas farm in the US, Hainan farm in China, whereas Skullcap and Echinacea grow in Kraskino farm in Russia.

2

## R&D - Unigen

Unigen studies natural materials and develop products in its two research institutes in Korea and the US. It has accumulated the most extensive natural material database "PhytoLogics®," from which innovative new products are developed.





3

#### **Manufacturing - Naturetech**

Naturetech is specialized in processing natural products. It has KGMP-certified manufacturing facility for the first time in the natural product industry. Standardized and automated production line of Naturetech is internationally recognized by GMP certification in Korea and the US, TGA in Australia.

4

#### **Distribution - Univera**

Univera is the No.1 direct sales company which is specialized in health functional products and cosmetics. It has an extensive network of management, training and IT system and also has distribution entities in Korea, the US, and Canada. Univera agencies and Univera Planners are committed to deliver healthy benefits to customers.



# Sustainability Management - Competency



**Kraskino farm in Russia**  
The world's largest natural products production base as wide as 21,500,000m<sup>2</sup>  
Hainan farm in China

**Hainan farm in China**  
Aloe farm and processing plant placed in a land of 1,884,000m<sup>2</sup>



**Direct farming**

- 33,203,390m<sup>2</sup> – wide four farms around the world are the result of Univera's efforts since 1988 to find the best place to grow natural plants.
- Hill Top Gardens in the US : 2,100,000m<sup>2</sup>
- Tampico farm in Mexico: 7,719,390m<sup>2</sup>
- Hainan farm in China: 1,884,000m<sup>2</sup>
- Kraskino farm in Russia : 21,500,000m<sup>2</sup>

**Results**

- Sound supply of high-quality raw materials
- The pricing ability leads to high added values, procuring R&D budget
- Global GAP(Good Agriculture Practice) certification



Univera strives to become the No.1 wellness and natural product company. Our strength lies in direct management of farms, and strong R&D abilities to make natural products even more effective. Production and research in its own facilities is the key to differentiation which helps Univera to be sustainable and successful.



**Hill Top Gardens in the US**

The aloe with the best quality is produced in a far-stretched land of 2,100,000m<sup>2</sup>

**Tampico farm in Mexico**

The largest aloe-only farm as wide as 7,719,390m<sup>2</sup>

**Research efforts**

- PhytoLogics® – Extensive data base of effective ingredients of 13,000 botanical species around the world
- CAP (Creation of Aloe Pharmaceuticals) Project
- Q-matrix method

**Results**

- The best R&D competence in natural products
- Supply UniWhite raw material to leading global corporates
- 414 patents in 48 countries
- For 8 consecutive years, Q-Matrix and Active Aloe were selected as global top products, and Univera aloe products gained GRAS certification by US FDA





“Everybody wishes to be happy, but living a happy life is not easy. At first glance, it seems unlikely that Univera, a company which pursuits profitability, is committed to promote happiness of mankind throughout its 35 years of history. Thanks to such efforts, we are now poised to become a sustainable company for the 21st century and beyond.”

12 / Message from the Chairman

## Message from the Chairman

ECONET Chairman and CEO **Bill Lee**



## **Dear colleagues and stakeholders.**

Univera put great efforts to be the best company in dealing with natural products including aloe. Even if not many believed us, we ploughed the land and planted natural products with the heart of honest farmers. We made research efforts to select the best of nature's gifts and deliver them to end customers in best condition.

The technology and know-how we gained from aloe will be expanded to all natural products to spread the benefits of nature to all in the world. To this end, we are running vast overseas farms and built the ECONET system that spans across the whole procedure of production, research, manufacturing and marketing. Every time we ran across adversities, we were able to consolidate the system and structure through flexible approach and innovative ideas, and built a sustainable management system.

Univera grew in the process of innovation in pursuit of good health and wellness for humans. We went out to the world to get natural materials with healing effects. Sometimes we were frustrated by different customs and by harsh natural disasters, but we never stopped challenging. Even now in this moment, Univera people are working hard to find the "right" materials. The effort to bring the best of nature to humankind is going on in laboratories, in markets and in management. The effort is also geared toward sustainability. Accumulating wealth is an important motivation of a company, but Univera has been devoted to the one cause of delivering the best of nature to mankind. The reason we are shifting from aloe manufacturer in Korea to a world-class wellness company is to deliver the benefits of nature to more people around the globe, and to make a better world where humans and nature exist in harmony. The term "health" we use is not limited to physical health, but means the health of people, society, environment, and the future.

In a bid to accomplish sustainable health, future, the vision of becoming the world's best wellness company, and promoting the health and happiness of mankind by delivering the best of nature, we are now set to exert our efforts to sustainability management. Rather than boasting about what we have accomplished, we plan to observe ourselves closely from the perspective of sustainability, with the help of stakeholders, to find out what we need to do for the good of the next generation. For the last few years, Univera's strategy focused on sustainable growth for the future. As a part of this effort, Univera gained membership of the UN Global compact, supported and practiced its initiatives. This report represents Univera's commitment to sustainable future, and COP in which the ten principles of UN Global Compact is incorporated. We believe this report will open the window of opportunity to bring the bright future in, with the help of stakeholders, and we count on your support and encouragement.

**Thank you.**



# Message from the CEO

**“ Making money is important in business. But what is more important is growing the business and giving jobs to many. If we hire more people, pay them well, make them happier, the happy people will do good things for others and raise happy children. That is the virtuous cycle of doing business, isn't it?”**



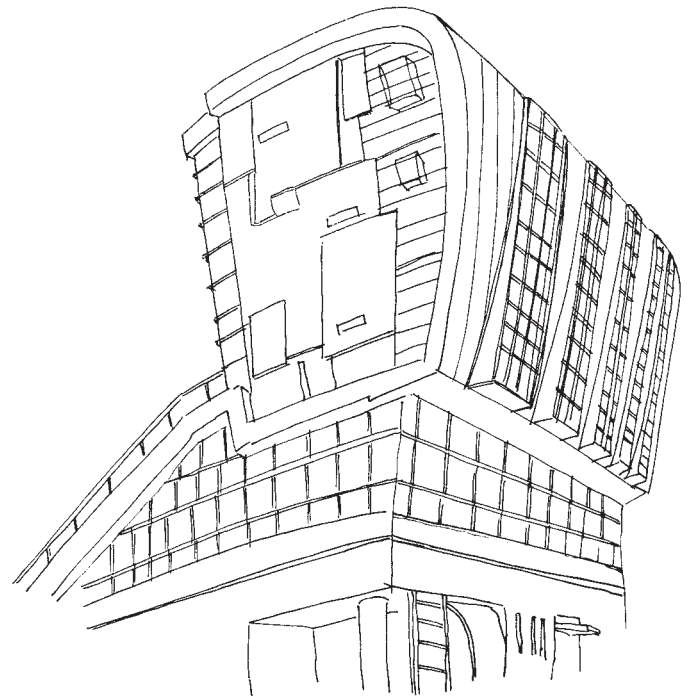


## Dear colleagues and stakeholders.

25 years ago, the founder late Yunho Lee taught me, who newly joined the company, the meaning of running a business. I was fresh out of school and never gave a serious thought about the subject. However, this brief conversation kindled a fire in my heart, and gave me a worthy cause to work for throughout my life with Univera.

Time has passed, and I became a CEO of Univera. Today, I reminisce about his words. His words on making a virtuous cycle of business, that a company is not just for profit but for the greater good and spreading benefits to more people, provides an excellent example of sustainable management.

Bringing the best of nature to mankind is the corporate philosophy and the beginning of Univera. With this in mind, I will exert my efforts to bring harmony among various stakeholders, including agencies and UPs, to make Univera a truly sustainable company that will last beyond this century.



A handwritten signature in black ink, reading "Chan Soo Chung". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Univera CEO **Chan Soo Chung**



# Stakeholders and materiality test

## Sustainability management and stakeholders

Sustainability management is defined as corporate efforts to promote sustainability of the local community we live in, the country, and the entire world. A company does not exist to accumulate fame and wealth, but to pursue social responsibility and environmental sustainability. Thus, a company should continuously provide value to not only shareholders, but to all stakeholders involved. The management principle that various stakeholders should be listened to and accounted for, are already being practiced by global corporations. The basic of sustainability management is that the voices of various stakeholders such as employees, the community, business partners and customers should be reflected on management processes. Univera defined stakeholders and ran a materiality test in an effort to enhance the value of stakeholders, and published this report to make clear what efforts Univera is making in this aspect.

## Definition of stakeholders

Major stakeholders of Univera include shareholders, business partners, agencies, employees and the local community. Among those, agencies are business agents of Univera in legal terms, but agency leaders and UPs (Univera life and health planners) are also part of the Univera family. Thus, Univera considers them as major stakeholders. Also, we open management results through transparent communication with various stakeholders such as the government, interest groups and NGOs.

## Communication with stakeholders

Communication with stakeholders is a critical part of Univera management activities. Multiple communication channels ensure easy and transparent access to the management, and the voices of stakeholders are accounted for in management processes.

## Communication channels with stakeholders

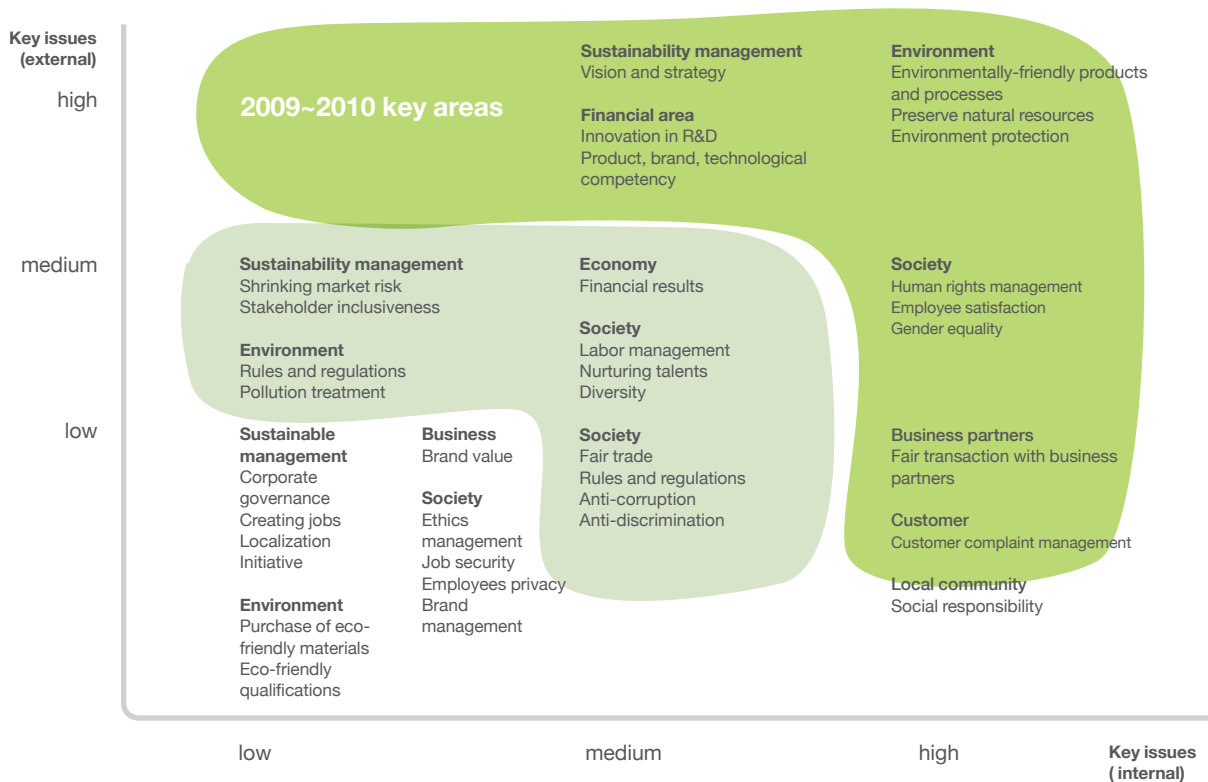
Communication channels	
<b>Shareholders</b>	Investor conference, Disclosure, Visits
<b>Customers</b>	COS system, Call center, Web-site, Univera magazine, Customer satisfaction survey, Univera wellness magazine "The Star Planted On Earth"
<b>Agencies</b>	COS system, Univera in-house magazine(Univera People), Agency leaders conference, Pilot program, UCS( education system for UPs), IPTV, Live broadcasting, Overseas farm visit program, Agency leader seminar, Local agency leader conference, Consulting with Univera director
<b>Employees</b>	Labor-management council, Monthly employees meeting, Global in-house magazine(Econetway), Employees satisfaction survey, Intranet(EGGS), Employee counseling program, Meeting with President & CEO, Dialogue with CEO
<b>Business partners</b>	Business partners CCMS meeting, New materials development committee, ECONET executives video conference, Regular/occasional product development/ quality conference, Workshop for ECONET executives.
<b>Local community</b>	Voluntary work by employees, Wednesday concert, Joint venture with the government, Support to Korea Human Rights Foundation(KHRF), Joint activities with the local community, Support to Korean Organization for Rare Diseases(KORD)



## Materiality test

Univera conducted materiality test for stakeholders in and out of the company in order to understand key issues and their priorities for sustainability management. The primary issues were collected first by enterprise-wide efforts to define long-term strategies, and key issues were selected by doing separate reviews by each family company. Strategic key issues of Univera gained attention as special issues by all family companies of ECONET in a separate effort from sustainability report. Univera plans to conduct surveys for stakeholders in regular interval and keep a close watch on the result. Relevant issues will also be covered by upcoming sustainability reports.

## Enterprise-wide key issues- sustainability management, the economy, the society and the environment





A photograph of a field of aloe vera plants. The plants are green and have long, pointed leaves with serrated edges. The background is a clear blue sky with some blurred greenery in the distance. The text "Sustainability Management" is overlaid in white on the left side of the image.

# Sustainability Management



# DMA on the Sustainability management

## Introduction

Univera came into being in 1976 under the name of Namyang Aloe. Since then, Univera practiced its corporate philosophy of “Bringing the best of nature to humankind” as it grew into a leading company in health functional food market. To mark its 30th anniversary in 2006, it changed its name to Univera. Using its extensive know-how in aloe-based materials, it extended its business scope into all natural materials, to enter the world market in health functional food and new drugs. This year, business strategy focuses on strengthening the core competence we have established, and completing a structure that will enable us to lead the market in line with the new customer paradigm of holistic health and wellness. The three strategic tasks for this year are promoting sales, brand value and product quality. Univera aims to take off to become a natural product wellness company with 148 KRW in annual sales by 2014.

(unit: billion KRW)

	2010	2012	2014
Vision	Wellness company specialized in natural products		
Financial objective	Annual sales of 90	Annual sales of 120	Annual sales of 200

## Sustainability Management

Univera is a wellness company which seeks health through nature. Univera thinks every human being in the world deserves to live healthy and beautifully. As our corporate philosophy of bringing the best of nature to humankind says, we are committed to promote health and beauty of our customers, and determined to practice sustainability management for the environment, the economy and the society. Equipped with the unique ECONET system, Univera understands the meaning of corporate citizenship, and strives to accomplish virtuous cycle of nature, humans, society and the country for sustainable development of humankind.

## Vision

Univera wants to grow, not for the profit, but to spread the benefits of nature to ultimately build a world where people and nature coexist in harmony. Univera aspires to grow hand in hand with UPs and agencies in a sustainable manner.

## Challenges

**Sustainable development structure which fits the mission of wellness company.** Only those who grow constantly and make contribution to the community can create new values. Univera thinks the engine of growth should be found in UPs and agencies for they are pillars of Univera. Univera, UPs and agencies will produce results which are sustainable and fit the status of a global wellness company.

## Overview of Univera

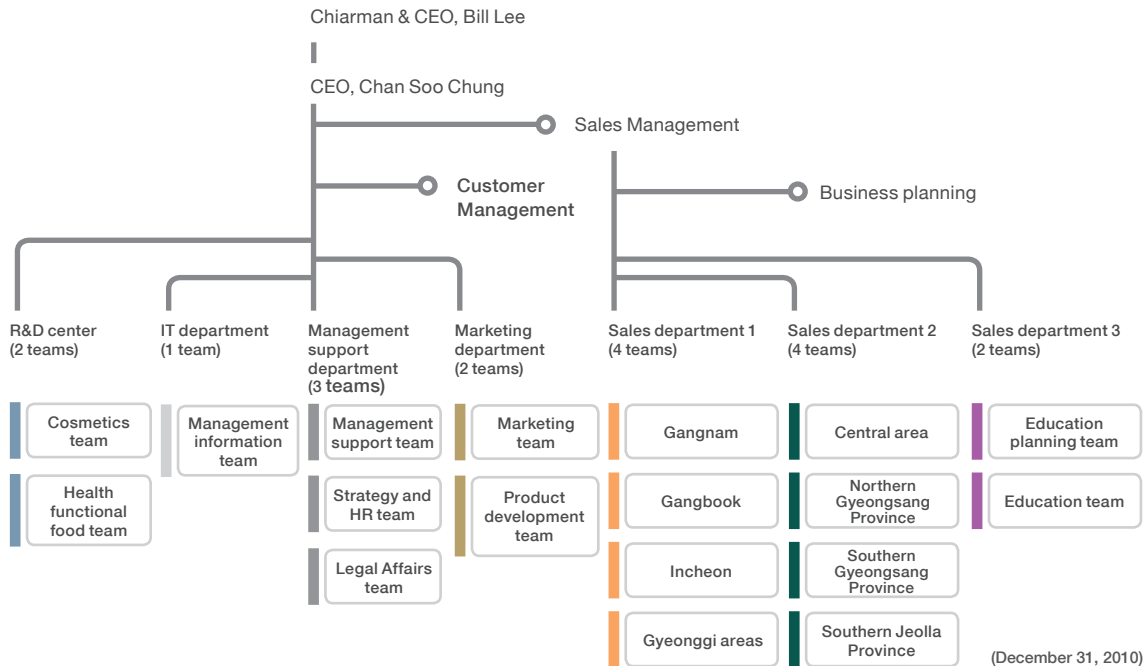
Univera was founded in 1976 since Namyang Aloe, the former self of Univera, successfully developed aloe-based products. To mark its 30th anniversary in 2006, Namyang Aloe changed its name into Univera. Based on extensive know-how in aloe-based materials, it extended business scope into natural products, and entered the world market of natural health functional product and new drugs.

With its automated manufacturing facilities and KGMP-certified production line, Univera takes up more than 45 per cent of domestic aloe-based health functional food market. Also, 410 agencies and 13,000 Univera Planners (UPs) are with Univera Korea. In the world market, Univera is the No.1 aloe producer which supplies about 40% of raw material worth 20 million dollars as of 2003. Univera has local entities, farms and plants in the US, Mexico and China, and opened a distribution entity in Canada in 2009, and plans to expand further into the global market. Univera has various lines of health functional food made of natural products, and recently launched a highly functional cosmetics brand "Linitie," and eco-friendly cosmetics line "Veraspa."

## Organization overview

1. Name: Univera. Co.
2. Since : April 5th, 1976
3. CEO and Chairman: Bill Lee, Chan Soo Chung
4. Tel : 1588-1976
5. Address: ECONET center, 302-4 Seongsu 2-ga , Seongdong-gu, Seoul, Korea (Zip code) 133-120
6. Main business areas: health functional food, cosmetics

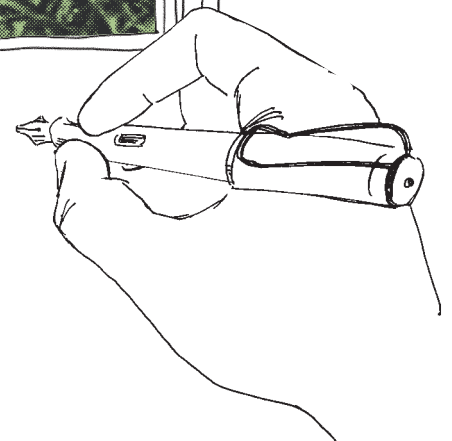
### Organization Chart





## Univera way

Univera history-From aloe to natural products from 6,000 years ago, people have used aloe. The healing effects of aloe were illustrated in an Egyptian temple built in 4,000 B.C, and also cited in “The Treasures of Eastern Medicine” by the legendary Korean court physician Heo Joon. However, it was not scientifically proven that what ingredients of aloe make such healing effects even though the plant has been used worldwide. In 1976, the former self of Univera, Namyang Aloe, became the first company which succeeded in cultivating aloe. It has become the leader in the Korean aloe market. Since 1988, it built farms in Hill Top Gardens in the US to secure sound supply. Also, Univera is growing aloe and natural medical herbs in the US, Mexico, Russia, and China. It proved the scientific benefit of aloe for the first time in the world, built an aloe-only foundation ARF and since then spearheaded the effort to develop scientific research in aloe. Now it is the world’s No.1 aloe company that takes up 40% of the world market. From a bird’s eye view, aloe plants look like stars planted on earth. Univera planted stars on earth in the hope of promoting health and hope for humankind. It has changed its name into Univera to deliver the benefit of nature to the entire world, and now working toward becoming the No.1 in the natural products and wellness market. Like a well that never goes dry, Univera purports to be a sustainable organization which values the future and health of humans and nature.



## Corporate philosophy

### ‘Bringing the best of nature to humankind’

‘Bringing the best of nature to humankind’ is the corporate philosophy from the inception of Univera. It is Univera’s commitment and promise to deliver only the best to our customers. Univera strives to achieve a harmonious and happy life for humans and nature, and the corporate value of Univera will be realized when we give value back to the society, the country and to humankind.

### Vision- the enduring No.1 company in the natural product market

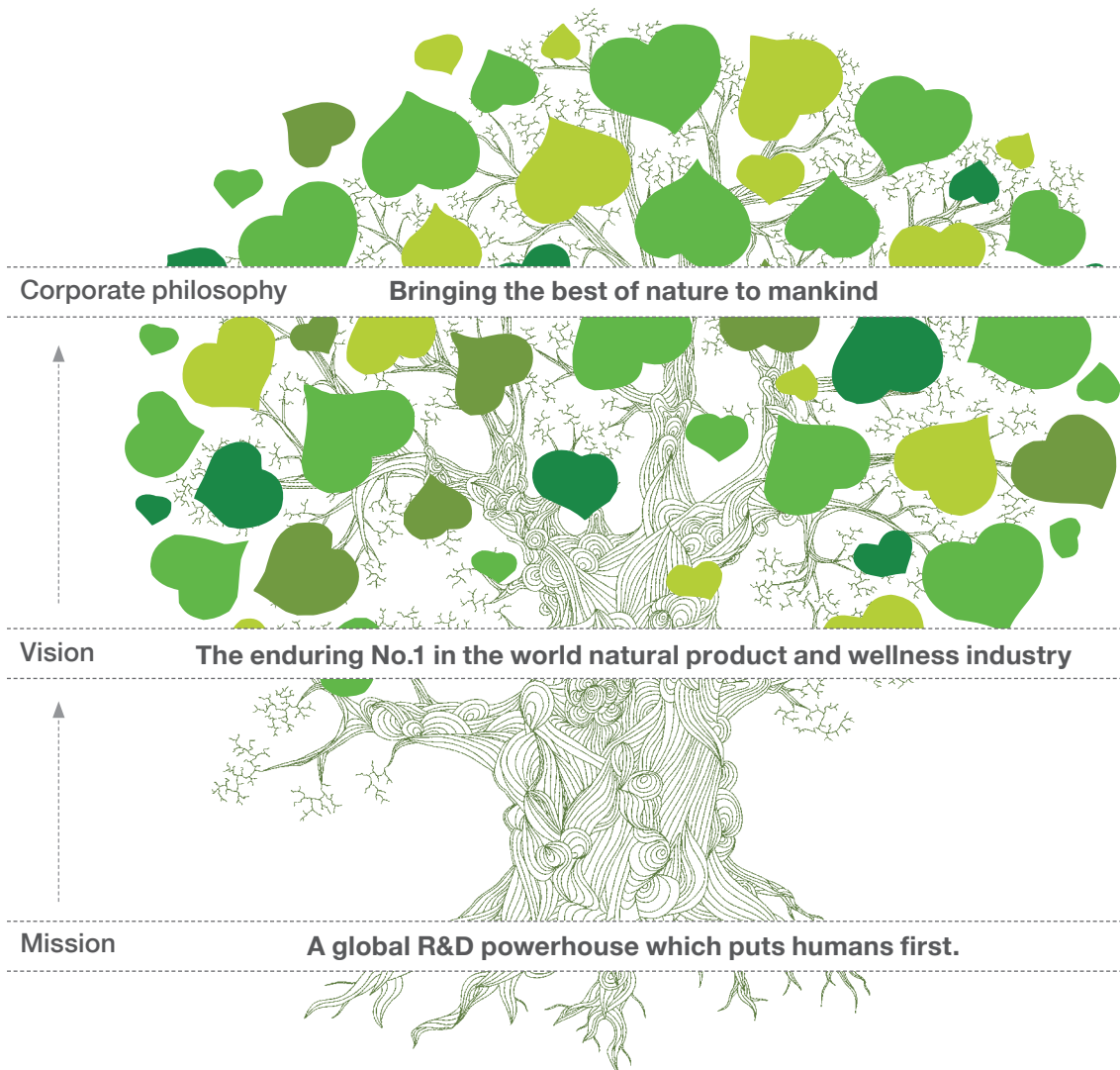
1. Univera defines its mission as “bringing the best of nature to humankind to help people become more beautiful and healthy using science.” According to its mission, the business scope of Univera naturally covers the natural product market where Univera is best able to deliver benefits of nature to all people around the world.
2. The “best” repeatedly mentioned in our corporate philosophy and founding philosophy means that we consistently produce world-class, top quality products.

3. As we are committed to the corporate philosophy of bringing the best of nature to humankind, Univera built an international network in which production, manufacturing and distribution are vertically integrated. Based on our research ability of natural products, Univera is poised to become the enduring world leader in the natural product industry.

### Mission

- **A global company** : Univera puts benefits for humans before profitability. Univera is ready to become a leading global company in the world natural product market.
- **R&D efforts** : Univera does not spare investments into R&D. We train the best natural product researchers to produce innovative and high-quality products.
- **A loving company** : We put humans first. Univera products help people become happy, beautiful and healthy.

### Corporate vision, mission and philosophy



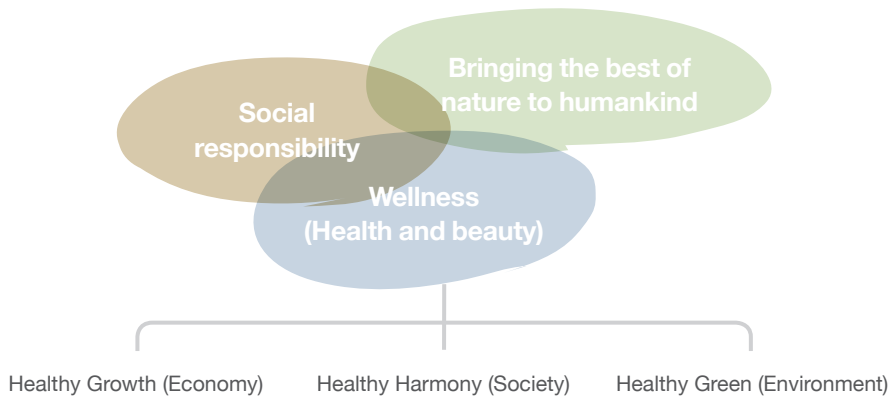


## Sustainability management of Univera

Univera is a wellness company which seeks natural benefits to health. We strive to help everybody in the world live a healthy and beautiful life. Based on our corporate philosophy of bringing the best of nature to humankind, Univera practices sustainability management in the environment, in the economy and the society to start a virtuous cycle of nature and humankind. We put our role of corporate citizen before making profit. Univera is working toward sustainable development to make a better world with the help of all stakeholders.

1. Sustainability management is unachievable without building a healthy society. Univera is committed to sustainable development of the economy, the society and the environment for happiness and beauty of people all over the world, not to mention our stakeholders.
2. Knowing the necessity of sustainability management, Univera continues to find its future growth engine, such as new products and new markets, to pave the way for sustainable development. It will reposition itself as a global wellness and natural product company with strong CSR efforts.

## Value chain of sustainability management



## Sustainability management of Univera



## 10 strategies for sustainability management

Univera set 10 strategies to adopt sustainability management in all aspects of the management.

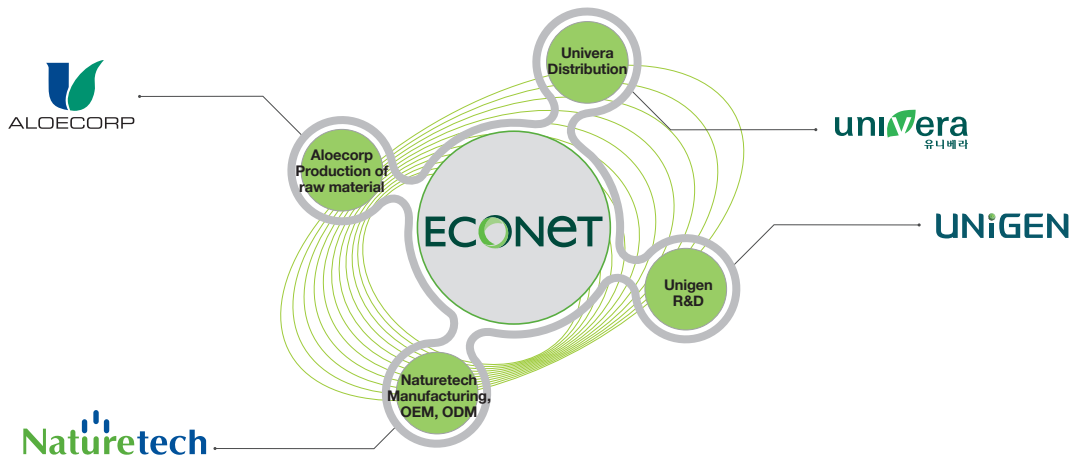


## Sustainability Management Strategies

# Business model for sustainability management

## Globally integrated network “ECONET system”

In order to take off as a global organization, Univera built overseas farms, and placed distribution center in advanced countries such as the US. As a result, it completed ECONET system- a vertically integrated network of companies which incorporates “production-R&D-manufacturing-marketing and distribution.” Natural products are inevitably influenced by the climate, so it is difficult to secure sound supply. However, ECONET system enabled us to obtain sound supply and provide quality products to customers with reasonable price. ECONET system is a unique business model which cannot be accomplished in a short span of time by any company in the world, and it plays a pivotal role in sustainability management of Univera.



## Global ECONET system

- Production: Aloecorp** Univera takes up 40% of the world’s aloe raw material market, owning four vast farms around the world. The overseas farms grow natural materials including aloe and supply quality raw material to Univera consistently. To be more specific, the farms in aggregation are 12 times as wide as Yoeui Island in Seoul (21,500,000m<sup>2</sup> in Kraskino, Russia, 7,719,390m<sup>2</sup> in Tampico, Mexico, 2,100,000m<sup>2</sup> in Hill Top Gardens in the US, 1,884,000m<sup>2</sup> in Hainan, China). They are growing plants such as Scutellaria, Ekinesia and aloe.
- Manufacturing: Naturetech** Naturetech became the first health functional food manufacturer to gain KGMP certification in 1992. With its automated production facilities, Naturetech is manufacturing natural products. It was granted GMP certification from Korea, the US, and Australia, and producing health functional foods of Univera.
- R&D : Unigen** Unigen was founded in Korea and in the US to study effective ingredients of natural materials such as aloe. Unigen built the most extensive data base of “Phytologics.” As a bio engineering company specialized in developing natural products, research centers in the US and Korea are committed to R&D.
- Distribution: Univera** Univera is the largest direct sales company of health functional food and cosmetics, with 410 agencies and 13,000 UPs. With standardized management (UPS), training(UBS) and IT system(UCS), the organization is sound and steadfast. Univera built a global distribution network, including distribution entities in the US and Canada, and plans to extend its market to the world.



## Leading global brand in global natural product market

Univera is exploring into the global market, based on the strength of ECONET system where production, R&D, manufacturing and distribution are vertically integrated.

| ECONET



CANADA

USA

MEXICO

RUSSIA

KOREA

CHINA

# Global ECONET

### CANADA

Univera placed a distribution center in Canada in 2007, second after building one in the US. It is now the base for expanding to North America.

### USA

In the US, there is a vertically integrated system which resembles the ECONET system in Korea. Univera USA distributes the products while Unigen USA is specialized in R&D and Aloecorp grows aloe plants. Thanks to this, customers in the US can be introduced to health functional foods of Univera.

### MEXICO

Tampico farm in Mexico is the world's largest aloe farm. The raw materials are primarily processed in facilities attached to the farm. 50,000 tons of aloe material is annually exported in South America region including Mexico.

### RUSSIA

Univera made a local entity, Unigen Russia, in 2001, and purchased 21,500,000m<sup>2</sup>-wide land in Kraskino. Currently the farm is a production base of natural products which links the cultivation, processing and distribution. Also, it will serve as a food production base for Korea in the future, and global logistics center for Korea, Russia and China.

### KOREA

Univera HQ is located in Korea. Univera is specialized in distribution, Unigen in R&D, and Naturetech in manufacturing; the makes three pillars of ECONET system. The research efforts of Unigen, based on its strength of extensive Phytology database, are resulted in innovative new products and increased sales.

### CHINA

Univera built Hainan Aloecorp, a local entity located in southern China. Hainan Aloecorp will serve as a strategic base by which the market share in the world aloe market will increase.

## Corporate governance of Univera

Corporate governance is a set of processes, customs, and institutions regulating shareholders who affect the management directly or indirectly. It is a multi-aspected term which not only deals with ownership structure, but also the rights of shareholders, accountability of stakeholders, reliable and transparent disclosure and the responsibility of the Board of Directors. Because corporate governance is related to controlling of the management, it is critical to open corporate governance to stakeholders involved. Univera is not listed in the stock market, and the major shareholders are CEO and Chairman Bill Lee (owning 51.57%), followed by 27.76 percent share of Namyang co. Univera shares issued are 155,000 issues, and paid-in capital 1.55 billion KRW. There has been no significant change in corporate governance in the recent two years.

## The Board of Directors

The Board of Directors at Univera is the highest decision-making body, consisting of three members: two executive directors, one non-executive director, and one external auditor. The Chair of the Board of Directors is the Chairman and CEO of ECONET.

## Election of CEO, evaluation of financial performance

The Chairman and CEO is elected at the general meeting of shareholders after recommended by the special recommendation committee consists of non-executive director and external personnel. The recommendation committee members are selected based on fair screening of candidates, and forwarded to the general shareholders' meeting. The economic performance is evaluated by evaluation committee consists of external experts and professors in fair and objective manner, according to a joint management contract with the mother company, ECONET.

## The accountability and rights of the BOD

In compliance with the related laws and the company regulation, important agendas regarding the company should be deliberated and signed by the BOD. The BOD deliberates on management issues, and checks and control the management by sometimes dropping the agenda or recommending revision. It also provides opinions and makes recommendations on major management issues. Also, according to the related laws and regulations, the director is responsible to deliver his/her duty faithfully. The participation rate to the BOD meeting is 100 percent for the recent three years. Univera is committed to support the BOD to promote active participation.

## <Management>

Type	Name	Rank	Credentials
Standing director	Bill Lee	CEO & President of Univera president of Namyang. co	Chairman & President of Univera, Chairman & President of ECONET, Chair in Korean Health Functional Food Industry Association. External auditor of Softbank, Director at Korea Human Rights Foundation, Next generation leader at the World Economy Forum. Chair of International Aloe Screening council (IASC)
	Chan Soo Chung	Univera CEO	President of Naturetech, Vice president of Univera
Non-executive director	Seokhan Kim	President of Saturn Investment and Asset Management	HSBC Securities, counselor to Monday Money section of Korea Economy Daily, counselor to private school teachers pension fund management committee, counselor to Korea Commonwealth and Welfare Service fund management committee, counselor to Korea Film Counsel fund management committee
Auditor	Hoyoung Sim	VP of Namyang.co	Managing Director of Namyang



<Major agendas in 2009 and 2010>

Data	Agenda	Credentials
2009.01	<ul style="list-style-type: none"> <li>• 2008 Business report</li> <li>• 2008 Estimated profits and losses</li> </ul>	<ul style="list-style-type: none"> <li>• 2009 business plan</li> <li>• 2009 budget plan</li> </ul>
2009.12	<ul style="list-style-type: none"> <li>• 2009 Business report</li> <li>• 2009 Estimated profits and losses</li> </ul>	<ul style="list-style-type: none"> <li>• 2010 business plan (promoting competency of organization, product and brand)</li> <li>• 2010 budget plan</li> </ul>
2010.01	<ul style="list-style-type: none"> <li>• 2009 Business report</li> <li>• 2009 Estimated profits and losses</li> <li>• Business report on EUM</li> </ul>	<ul style="list-style-type: none"> <li>• 2010 business plan (Strengthening of UPS ,UCS )</li> <li>• 2010 budget plan</li> </ul>
2010.12	<ul style="list-style-type: none"> <li>• 2010</li> <li>• 2010 estimated profits and losses</li> </ul>	<ul style="list-style-type: none"> <li>• 2011 business plan (promoting competency of organization, product and brand)</li> <li>• 2011 budget</li> </ul>

**Growth strategy of Univera**

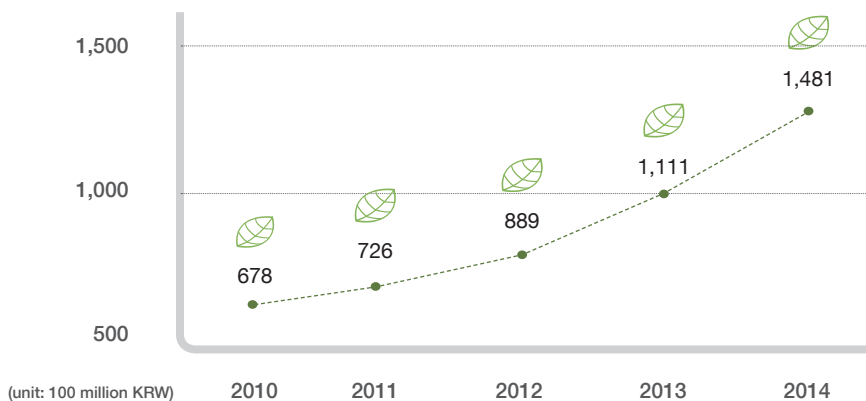
Based on the core strength it has accumulated for 35 years, Univera focuses on taking the lead in the market according to the changing need of customers for wellness and holistic health. It strives to make a sound growth structure in order to consistently provide innovative products and services to respond to shifting customer needs. Univera does not want to grow just in size. Univera aims to make a harmonious world of humans and nature, and spread benefits to more people around the world, rather than growing in quantitative terms. Univera believes agencies and UPs and all stakeholders are an indispensable part for Univera in order to grow in sustainable manner.

Vision and Strategy

**Long term vision and objective**

<b>Successful agencies</b>	Realizing dreams through happy business. Training UPs who are able to provide more wellness benefits.
<b>Competent UPs</b>	Promoting health and beauty of customers. Realizing happy lives through wellness.
<b>Univera Korea</b>	Univera strives to enhance qualities of lives of people, as well as promoting health of the society.

**Quantitative goals** (factory price)



**Key strategic direction**



## **Risk management-financial risk management**

As uncertainties in economies grow, Univera recognizes the importance of financial risk affecting business performance, and internally manages financial risk by category in order to make strategic responses. The financial risks are divided into four categories; cash liquidity, business credibility, market interest and foreign currency risk. The analysis on each risk and response plan are reported to the management in monthly and quarterly basis. Also, contingency plan and data for strategic decision making are prepared. In order to cope with financial risks, Univera consistently monitors the market and shares information about the risk to make an effective and stable business environment.

## **Ethical Management**

There is no ongoing process to evaluate and manage key issues in the ethical management, but Univera recognizes the need to check relevant risk factors and opportunities. Currently, Univera is making efforts to prevent unfair transaction activities of agencies which might affect interests of customers.

## **Fair trade and compliance**

In an effort to comply with fair transaction and relevant laws, Univera provides a clear guideline for the Law on Antitrust and Fair Transaction, and the Law on Direct Sales and etc. Also, it encourages prevention of unfair practices. Univera stresses compliance to the Law on Health Functional Food, and the Law on Cosmetics to promote customer credibility and protect the health and safety of customers. The Legal Affairs team and Customer Support team makes efforts to train employees to ensure enterprise-wide compliance.

## **Ban on holiday gifts**

Since 2003, Univera prohibits its employees from receiving presents from business partners in holidays such as New Year's Day and Thanksgiving. The gifts received despite clear policy of refusal are all donated to the orphanage "Seongaewon".

## **Internal Control System**

Internal Control system was put in place to assure stakeholders that the financial statements are written and disclosed in compliance with generally accepted accounting standards. Univera has an effective internal control system to provide reliable financial information to help all stakeholders including employees, executives, shareholders and investors to make effective decision making.

## **Joining the UN Global Compact**

Univera joined the UN Global Compact (UNGC) as of December 2008. UNGC, first initiated by the seventh UN Secretary General Kofi Annan, consists of 10 principles in four areas regarding human rights, labor, environment and anti-corruption. Over 6,200 companies and organizations participated in the UNGC. Univera joined the UNGC in an effort to practice corporate social responsibility. The efforts we make to demonstrate our commitment to UNGC principles will be reported by the annual sustainability report.



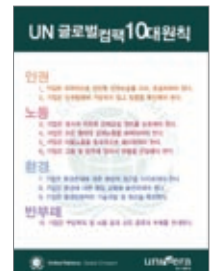


## Univera commitment to UN Global Compact

Area	Principle	Regulations	2009~2010 achievements
Human rights	1. We support and respect the protection of internationally proclaimed human rights.	Human Rights Protection Regulations of the labor-management council	Announcement of human rights management Support for human rights of men in their 40s
	2. We make sure that we are not complicit in human rights abuses	Prevention of Human Rights Violation Evaluation on business partners	Regular evaluation conducted on business partners
Labor	3. We uphold the freedom of association and the effective recognition of the right to collective bargaining	Freedom of Association Regulations of the labor-management council	Labor-management council is held three times in a year
	4. We eliminate all forms of forced and compulsory labor	Prohibition of Compulsory labor Chapter 2 of employment regulation	Pregnant employees are prohibited to be stationed in hazardous and dangerous work zone for health reasons
	5. We effectively abolish child labor	Prohibition of Child Labor Chapter 2 of employment regulation	No employees under 18 years of age
	6. We eliminate discrimination in respect of employment and occupation.	Prohibition of Discrimination Article 108 to 118 of Chapter 12 of employment regulation	Training on prevention of sexual harassment The ratio of female workers (36%)
Environment	7. We support a precautionary approach to environmental challenges.	Environmental Precaution Article one of the Environment Management Principles, R&D Principles [safety]	Environmentally friendly packaging Using packages made entirely of natural pulp in Veraspa products
	8. We undertake initiatives to promote greater environmental responsibility.	Environmental Responsibility Article two of the Environment Management Principles, R&D Principles [sustainability]	Green Office Campaign Flea market Green IT
	9. We encourage the development and diffusion of environmentally friendly technologies.	Environmentally-friendly Article 4 of the Environment Management Principles, R&D Principles -[Safety] [Sustainability]	Whole Food Product is scheduled to launch Phased adoption of DON'T USE LIST in cosmetic products
Anti-Corruption	10. We work against corruption in all its forms, including extortion and bribery.	Anti-corruption Chapter 11 of the Employment Regulation, Article 103. Standards for disciplinary measures	Ban on holiday gifts by business partners Fair transaction and compliance

\* UN Global Compact is an UN-initiated campaign to hold businesses accountable for corporate activities. Joining the compact is voluntary, but it is required the company should announce what they have done and what plans they have to comply with 10 principles of the UN Global Compact. This report also serves as Communication on Progress (COP) to report the achievements we made during the recent two years and future plans. Univera joined the UN Global Compact, and this report is the first sustainability report made by Univera. We plan to publish COP on annual basis.

## Compliance to UN Global Compact



Caption) In the lobby of Univera headquarter, the 10 principles of UN Global Compact is displayed on the wall, as well as on the desk of each employee, representing the commitment of Univera to internalize the values of UN Global Compact.

A blurred industrial factory setting. In the background, a worker wearing a yellow and black safety vest is visible. The foreground shows various pieces of machinery, including a green conveyor belt and a circular gauge with a pink crosshair. The overall scene is dimly lit, emphasizing the industrial environment.

# DMA on the Economy



# DMA (Disclosure on Management Approach) on the economy

## Vision and strategic direction

In an effort to become a 148.1 billion won natural wellness product company, Univera has identified the improvement of marketing, brand and quality competitiveness as its three strategic directions. The company is striving to secure a growth engine for the future, by equipping itself with competitiveness required to respond to the rapidly-changing business environment, through innovation in all business sectors, as well as by ensuring balanced distribution of the financial achievement and economic value created by the directions.

## Issues with a top priority in the evaluation of materiality

- Creation of financial performances
- Balanced distribution of economic value
- Innovative management to secure a growth engine for the future

## Key performances

- Q-matrix Active Aloe has been named as a world class product 8 years in a row, thanks to product development innovation to secure a growth engine for the future.
- The revenue and operating profit have reached 67.87 billion KRW and 4.794 billion KRW respectively.
- Financial performance

(Unit: a million KRW)

Classification		2008	2009	2010
Financial performance	Total asset	55,339	66,910	67,870
	Sales	73,021	74,259	67,870
	Net profit	6,099	7,106	3,514
Key metrics	Debt ratio (%)	84.72	69.22	60.12
	Current ratio (%)	167.99	195.79	242.74
	ROA (%)	11.02	10.62	5.18
	ROE (%)	20.36	17.97	8.29

## Tasks to undertake

Building a brand image as a natural wellness product company Namyang Aloe changed its name to Univera in 2006, as a part of its efforts to become a natural wellness product company, which was a new direction that the company set in order to become the number one company in the natural wellness product market, building on its solid position as the number one company in the global aloe market. The term, a natural wellness product company, however, is still unfamiliar to consumers. Univera will make every effort to build the image of a natural wellness product company among consumers through our brand competitiveness improvement strategy.

# Creation and distribution of economic value

## Summary of economic performance

Despite the economic recession caused by the global financial crisis, Univera has made active efforts, such as continuous launching of new products and providing various IT-related customer services. Still in 2010, the sales and operating profit decreased by 8.6 % and 50.4 % compared with 2009, to 67.87 billion KRW and 4.794 billion KRW respectively. In 2011, however, the company is expected to post excellent business performances through profitability improvement driven by its company-wide innovation activities such as marketing competitiveness improvement, brand competitiveness improvement and quality competitiveness improvement.

## Condensed balance sheet (Based on factory prices)

(unit: a million KRW)

	2008	2009	2010
Current asset	33,018	40,429	41,644
Non current asset	22,322	26,480	26,226
<b>Total asset</b>	<b>55,339</b>	<b>66,910</b>	<b>67,870</b>
Current liabilities	19,654	20,650	17,194
<b>Total liabilities</b>	<b>25,381</b>	<b>27,369</b>	<b>25,483</b>
Capital stock	1,550	1,550	1,550
Capital surplus	3,777	3,777	3,777
Accumulate other comprehensive income	(1,565)	2,461	2,934
Earned surplus (deficit)	26,197	31,753	34,126
<b>Total equities</b>	<b>29,959</b>	<b>39,541</b>	<b>42,387</b>
<b>Total liabilities and equities</b>	<b>55,339</b>	<b>66,910</b>	<b>67,870</b>

## Condensed income statement (Based on factory prices)

(unit: a million KRW)

	2008	2009	2010
Sales	73,021	74,259	67,870
Cost of sales	44,066	45,930	43,630
Gross margin	28,954	28,330	24,240
Selling and administrative expenses	21,594	18,657	19,446
Operating profit	7,361	9,672	4,794
Non-operating income	2,869	2,068	3,803
Non-operating expenses	2,875	2,188	1,342
Income before income taxes	7,355	9,553	7,255
Corporation tax	1,256	2,447	3,741
<b>Net profit</b>	<b>6,099</b>	<b>7,106</b>	<b>3,514</b>

Editor's note) The above numbers are estimates before the 2010 accounting disclosure. The updated data can be downloaded from Sustainability Report at [www.univera.com](http://www.univera.com).



## Financial metrics (Based on factory prices)

Metrics	Key management metrics	Univera			Average of the industry(SMEs)			Average of the manufacturing sector (SMEs)		
		2007	2008	2009	2007	2008	2009	2007	2008	2009
<b>Growth</b>										
	Total asset growth (%)	(2.98)	(3.34)	20.91	9.72	18.69	10.56	11.79	16.24	12.63
	Growth of owner's capital (%)	25.86	5.83	31.98	13.23	24.03	15.59	12.84	16.22	17.32
	Sales growth (%)	(2.96)	(5.23)	1.70	4.74	22.31	8.78	7.75	18.05	5.00
<b>Profitability</b>										
	Ratio of operating profit to net sales (%)	10.79	10.08	13.03	3.25	4.06	3.82	4.41	4.82	5.58
	Ratio of net income to net sales (%)	7.34	8.35	9.57	1.99	1.45	2.82	2.70	1.50	3.40
	ROA (%)	9.88	11.02	10.62	4.13	1.99	3.84	3.39	1.85	4.02
	ROE (%)	19.99	20.36	17.97	9.33	5.48	11.45	7.81	4.57	9.69
<b>Stability</b>										
	Current ratio (%)	140.61	167.99	195.79	110.38	112.18	109.80	122.42	119.32	128.92
	Quick ratio (%)	140.61	167.99	195.79	69.87	70.77	72.12	89.41	85.06	96.43
	Debt ratio (%)	102.24	84.72	69.22	181.94	169.78	192.28	146.98	147.03	136.86
	Non-current assets to long-term capital ratio	73.69	62.55	57.24	92.03	90.46	91.87	84.15	86.15	80.48
<b>Activity ratio</b>										
	Total asset turnover ratio (times)	1.35	1.32	1.11	1.30	1.38	1.36	1.27	1.23	1.18
	Receivables turnover (times)	85.75	60.92	80.08	3.60	3.45	3.44	3.75	3.34	3.32
	Inventory turnover (times)	-	-	-	10.09	7.69	7.48	9.42	8.79	8.53
	Tangible asset turnover	57.02	74.80	97.93	7.63	8.97	8.83	5.87	6.31	5.95

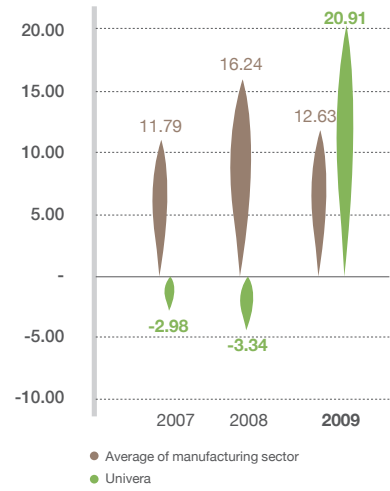
\* Basis of comparison: the averages of the manufacturing sector and the industry in 2007, 2008 and 2009 are quoted from the "C10 foods" industry average (SMEs) and the manufacturing sector (SMEs) average in the "Financial Statement Analysis for 2009" published by the Bank of Korea on June 30, 2010. Since Univera is a health promotion functional food company, the average of the manufacturing sector (SMEs) was used for more effective comparison.

\* Basis of the amounts: the calculation of each metric is based on the amounts in the audit report of Univera.

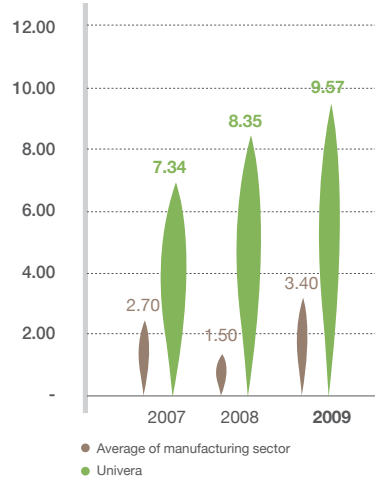
Growth of sales(%)



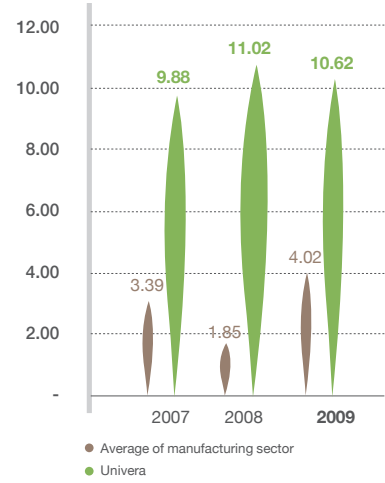
Total asset growth (%)



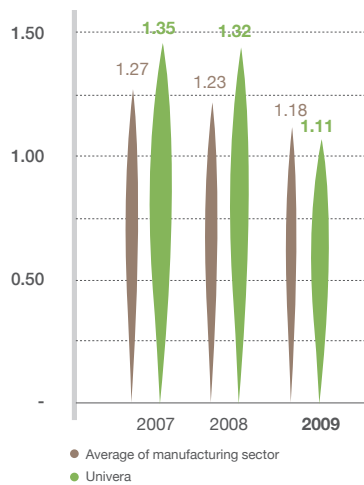
Ratio of net income to net sales (%)



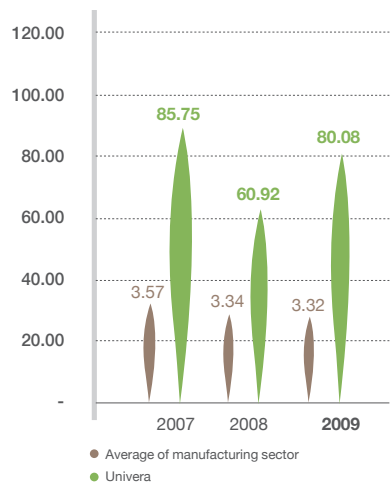
Return on asset (%)



Total asset turnover (%)

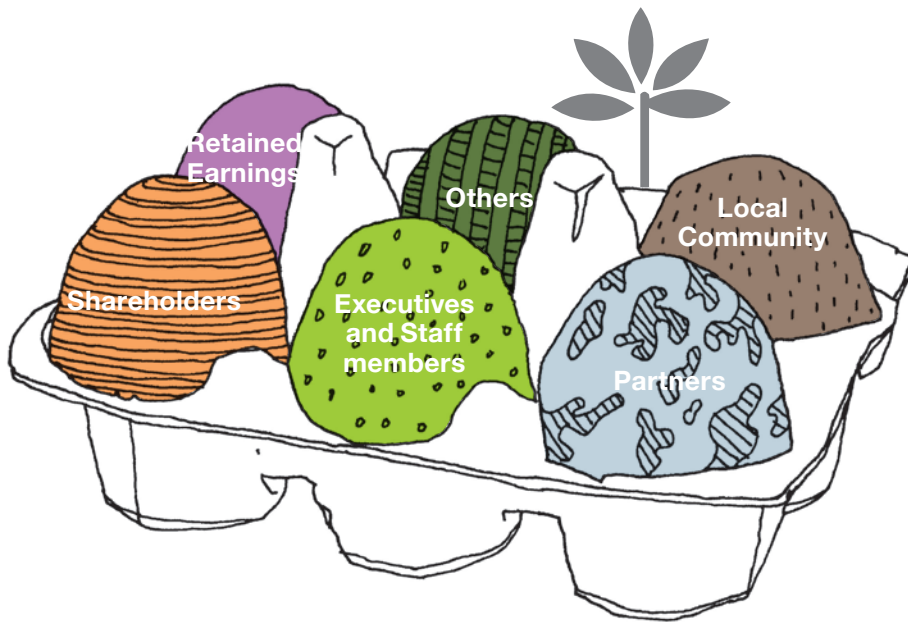


Receivables turnover (%)





# Distribution of economic value



(Based on factory prices)

(unit: a million KRW)

Recipient of the value	classification	2008	2009	2010	
				Amount	Percentage
Shareholders	Dividends	775	1,550	3,100	4.6%
Executives and Staff members	Salaries and welfare expenses	5,657	6,594	6,405	9.4%
Partners*	Goods and services purchasing expenses	45,725	47,428	45,405	66.9%
Local community	[Government]	1,495	2,760	4,059	6%
	Corporate tax and other taxes and public utility charges				
	[Customers in the local community]	297	273	265	0.4%
	Corporate social responsibility activities**				
Others	Other expenses***	13,748	10,098	6,262	9.2%
Retained earnings	Increase and decrease of retained earnings	5,324	5,556	2,373	3.5%
<b>Total revenue</b>		<b>73,021</b>	<b>74,259</b>	<b>67,870</b>	<b>100%</b>

## <Report standards>

\* **Partners:** the numbers were calculated based on the purchasing expenses paid to the partners that supplied goods and services.

\*\* **Corporate social responsibility activities:** the numbers were calculated based on the funds contributed to the local community through partnerships with the government and civic groups

\*\*\* **Other expenses:** the numbers are sales less the amounts distributed to stakeholders (shareholders, executives and staff members, partners, customers and the local community). Rents and depreciation costs, etc are included.

# Innovative management of Univera – innovation in product development

In order to provide and bring solid health and wellness through nature to humankind, Univera has been making tireless efforts to continue its innovative development. We have built farms all over the world to find healing materials that are harmonious with nature. Although sometimes we have gone through tough times when the achievements made by our tireless efforts were devastated by the differences of practices and customs, and sometimes by relentless natural disasters, Univera is continuing its innovative activities to create beneficial resources. Our advance will be continued in management innovation as well as in R&D and in the front of market pioneering.

## Innovation in product development

Univera is exporting aloe materials to 700 companies in 40 countries, and the materials are used for pharmaceuticals, health functional foods and cosmetics produced by the world's leading companies. And our product has made a remarkable achievement of being named as a world class product by the Ministry of Knowledge and Economy 8 years consecutively. It was our tireless researches and technology innovation that have allowed us to pass the strict examination that even many large companies have failed to pass. The driving force behind the sustainability management of Univera is management innovation through researches.

<b>Principles of R &amp; D</b>	Complying with the three principles: efficacy, safety and sustainability
<b>Continuous R &amp; D</b>	Operating CAP (Creation of Aloe Pharmaceutical) projects and research outcomes (patent application and commercialization)
<b>Development of Innovative production methods</b>	Innovation in aloe production methods such as Q-matrix

## Principles in R & D

Under our mission to “Bring the best of nature to humankind,” Univera has established and is complying with the following three principles in product development.

Classification	Principle in development	Application
Efficacy	The efficacy of main products shall be proved by scientific methods  As a company specializing in natural materials-related science, Univera standardizes and specializes in key materials.	<ul style="list-style-type: none"> <li>Getting results of clinical tests on human bodies on product efficacy</li> <li>-Health promotion products: individual recognition</li> <li>-Cosmetics: certification on efficacy</li> <li>Using ECONET pipeline materials before using other materials</li> <li>Strengthening development activities through Virtual Lab Project (researches into outsourcing/introduction of materials developed externally) that Univera is leading</li> </ul>
Safety	The safety of all materials must be tested in advance	<ul style="list-style-type: none"> <li>When chemical synthetic materials are required to be used, sufficient safety data must be secured, and researches into alternative natural materials must be strengthened to replace them with natural materials.</li> <li>Advance quality management must be strengthened for all materials and subsidiary materials.</li> <li>- securing 3Gs (GMP, Global Gap and GRAS) for ECONET pipeline materials</li> <li>-building a advance quality management and exclusion system</li> <li>-designating ingredients that must not be used in natural cosmetics (24 no-no list)</li> </ul>
Sustainability	Environment sustainability must be considered as much as possible when developing materials and packaging materials.	<ul style="list-style-type: none"> <li>The environmental sustainability of materials and packaging materials must be managed with an evaluation index, and a step-by-step improvement plan must be drawn up.</li> <li>-Management over whether environment-friendly production methods are applied to the material</li> <li>-Management over whether environment-friendly materials were collected</li> <li>-Management of use of recyclable packaging materials</li> </ul>



## Continuous R & D

Univera has continued to make investment in research for 19 years since 1993 through the CAP (Creation of Aloe Pharmaceutical) project, and has been living up to its consistent corporate philosophy, “a company focusing on researches.” In the 1st CAP project that was launched by researchers at leading domestic universities in 1993 and lasted for 9 years until 2001, the components of an aloe were examined by scientific methods, proving the efficacy of the aloe as a natural medicinal. And in the 2nd CAP project that lasted for 4 years from 2002 to 2005, the focus was on commercializing the proved efficacy of an aloe. As a result, a wound-healing facilitation material was found in aloes and the immunity improvement, anti-stress and anti-cancer effect of medium size polysaccharide protein were scientifically proved by analyzing the polysaccharide of aloes. Meanwhile, in February 2006, the results of the first and second CAP projects were published in “New Perspectives on Aloe,” an English research paper collection of Springer, a world-renowned German scientific book publisher. In March 2006, the 3rd CAP project was launched, which laid the ground work to maximize the value of researches into aloes and to expand the researches into other natural materials, building on the achievements of the previous researches. In the third CAP project, which is composed of 10 sub projects – 2 projects for maximizing the value of researches into aloes, 5 projects for researches into natural materials and 3 special research projects – the glucose metabolism regulation function of the aloe was proved through the projects for maximizing the value of researches into aloes, and clinical tests are underway. In addition, in the research project for other natural materials, the efficacy of FCH extract, which is effective for the alleviation of colon inflammation, was proved and the extract was applied to colon health promotion products. And FBH extract, which is very effective for cognitive ability improvement, was found. Univera launched the 4th CAP project in 2010 to continue to sort out candidate materials and commercialize them, based on the results of the previous researches.

### <Status of CAP project researches>

Classification	The 1 <sup>st</sup> CAP project (1993-2001)	The 2 <sup>nd</sup> CAP project (2002-2005)	The 3 <sup>rd</sup> CAP project (2006-2009)	The 4 <sup>th</sup> CAP project(2010-)
Number of projects	12	7	10	6
Number of patents	8	2	7	-
Number of papers published	19	3	6	-
Others	A research result collection was published (Korean) 5 projects became state-sponsored projects 10 academic symposiums	A research result collection was published (Korean) 2 international natural material symposiums (ISANP)	2 international natural material symposiums (ISANP)	1 workshop by external experts

### <Materials whose efficacy was proved in the CAP projects and commercialization status>

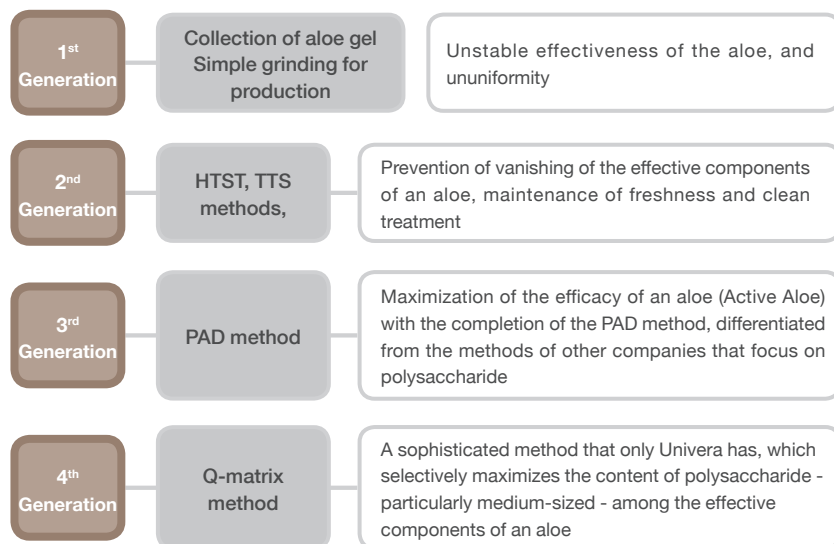
Name of component	Characteristic	Application to product	Name of component	Characteristic	Application to product
<b>NY 931</b>	Promotion of liver cells growth	Namyang 931	<b>Aloewhite</b>	Skin-lightening	Ramang, L'initié, Phytowhite
<b>NY 932</b>	Promotion of blood vessel creation	Aloemeg Pro	<b>QDMC</b>	Glucose metabolism regulation	To be applied in 2011 (Level*G)
<b>NY 945</b>	Anti-allergy	Allezio	<b>FCH extract</b>	Colon inflammation alleviation	Arbomin Plus
<b>NYK-1</b>	Support for anti-cancer treatment (protection of kidney cells)	Aloesin	<b>FBH extract</b>	Registered as a memory loss and dementia prevention material	Registered as a candidate material for commercialization
<b>Immuno-10</b>	Immune system regulation	L'initié			



## Development of innovative production methods

Univera has made every effort to conduct researches into effective components of the aloe to maintain and bring the efficacy of natural aloes to customers, and has found out after a number of trials and errors that time, temperature and sanitation are crucial factors. Since the effective components of an aloe begin to vanish 6 hours after collecting the aloe from fields, all procedures must be carried out within 6 hours, with adequate temperature maintained and all bacteria eradicated. The scientific method that Univera has developed is an innovative method called TTS (time, temperature and sanitation), where all procedures are completed within 6 hours after collecting aloe leaves, with all bacterial eradicated and effective components undamaged. And beyond the TTS method, aka the 2nd generation method, Univera has developed PAD (Polysaccharide Auto Designing) method that maximizes the content of medium size polysaccharide, which has higher physiological activity among polysaccharide, an effective component of an aloe. The PAD method, the 3rd generation production method for which a patent application was filed in the U.S in 1998, is an innovative and differentiated production method that only Univera has, and has further raised the value of Active Aloe that only Univera has. The Q-matrix method developed in 2008 is dubbed the 4th generation production method, which is a combination of the existing innovative production methods. The method, a combination of TTS, PAD and RWD (Retranchance Window Drying System) - not a single technology or facility - selectively maximizes effective components of an aloe, and as a result the content of medium size polysaccharide with a high physiological activity gets maximized. Although there are still many aloe companies that market their low-quality products only by playing up low prices, Univera has continued to live up to its principle of making high-grade aloe products, in spite of the burden of high costs. It is Univera's continuous pursuit of innovative scientific researches and advances into uncharted territories that has allowed the company to become the No.1 company in the global market with a market share of 40 %.

### <Changes in aloe production methods>





## Q-matrix Active Aloe, named as a world class product by the Ministry of Knowledge Economy 8 years in a row

The Ministry of Knowledge Economy names and announces world-class products and the producers of the products, based on their market shares in the global markets in December every year. "Q-matrix Active Aloe" of Univera was named as a world class product by the Ministry of Knowledge Economy again in 2010, and the product has been named as a world class product 8 years consecutively since 2003. Of the world class products, our product has been named as the number one product 8 years in a row. Since 40 % of the candidate products – 387 items and 448 companies – failed to join the club, the consecutive selection of our product is very significant.

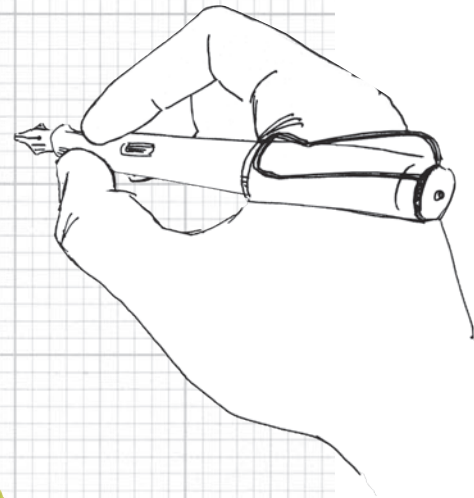
## Innovation in aloe production methods



### Interview Tae Hyung Jo, COO of ECONET Holdings

#### A company that only focuses on natural materials cultivation and researches

Univera has continued to focus on aloe and natural materials cultivation and researches over the last 35 years. As a true wellness product maker, the company has been making tireless efforts to plow land with the mind of a farmer and to bring the best quality of nature to customers. There have been many difficulties along the way that pushed us to the point where we wanted to give up on our dream: only days before the shipment of aloes that had been cultivated with an intense care, a typhoon devastated all of them; some researches in which several billion won was invested failed to bear fruits. Univera, however, has lived up to its principle, continuing to cultivate natural materials and to do research. I believe that this persistence is the driving force that has allowed Univera to become the No.1 aloe company. Univera began to operate in earnest a sophisticated plant in Hinan, China in 2009, expanding its territory into the global aloe market. I hope the global population gets healthier by Univera.



## Advance and expansion into new markets and new areas



## Management innovation

### Aloex Gold Q Active Aloe

Expansion of the aloe-based health functional food market - Aloex Gold Active Aloe, a representative product of Univera, has been upgraded by the Q-matrix method into Aloex Gold Q Active Aloe to have a stronger efficacy. The product contains Q-matrix Active Aloe which has been named as a world class product 8 years consecutively. The aloe in the product is cultivated in the pristine nature of Hainan, China, and the product is produced by the one-stop method by which all production is completed within 6 hours, allowing more people around the world to use the product.

### Metaburn

Advancing into the wellness product market - obesity, the cause of various chronic and adult diseases hurt not only our physical health but also our mental health. Metaburn, the first product of Univera targeting the wellness product market, was launched in April 2010. The optimal combination of UG0712 and CLA, premium materials developed by Univera, reduces body fat and increases basic metabolism, effectively helping to control weight.

### Aloever Plus

Expansion of the market of products for menopause into middle-aged men and women - Aloever Plus is a health promotion functional product for both men and women who have lost both physical and mental vitality due to symptoms of menopause. Launched in April 2010, the product alleviates the menopausal symptoms of both men and women caused by hormone imbalances. Containing Q-matrix Active Aloe, isoflavones and inositol, it alleviates hormone decreases and imbalances in both men and women, and delays the degeneration of the human body by improving the immunity function.

### Veraspa

Making inroads into the environment-friendly personal care market - Launched in April 2009, Veraspa is a personal care product line customized to the characteristic of each part of the human body. Based on the aloe of Univera, which is effective for skin moisturizing and cell regeneration, the product is made from only natural materials – no animal materials or mineral oil is contained – so anyone can use the product safely. In addition, it is the first environment-friendly product of Univera whose packaging material is 100% natural pulp and is minimized.

### L'initié Homme

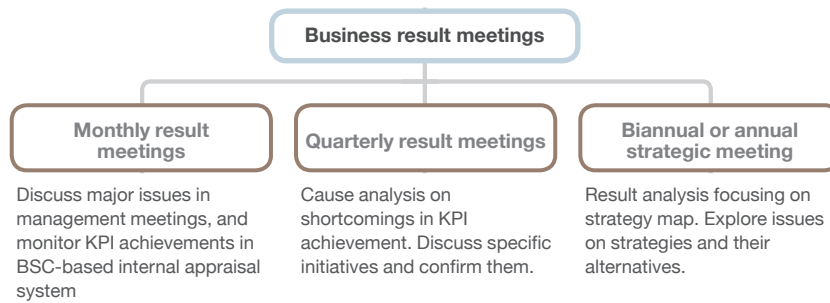
Expansion of the men's skin care market with a detoxification product - Launched in September 2010 as a men's detoxification product, the product provides healthiness and vitality to the skin of men that is exhausted and stressed out due to busy lives and harmful environments. The efficacy of natural medicinal herbs such as Lepidium sativum extract, berry extract and Scutellaria extract provides detoxification of men's skin, anti-oxidant and stress alleviation effects.

### Management innovation-Balanced Score Card( BSC)

Univera adopted BSC in 2003 to bring innovation in management. BSC, formerly adopted by the government agencies, are implemented to improve strategic management system and risk management. Also, UCS, an agency management system, was brought into in order to establish advanced management system by linking strategic management, sharing, evaluation and compensation. Enterprise-wide management



system is essential in strengthening organic connection between management tools. To stimulate BSC management, in-house meetings are reformed into strategy meetings where the strategic results are monitored in regular basis, resulting in management efficiency and executive abilities. KPI objectives, performances, analysis of competitors and improvement ideas can be looked over before the meeting, and thus the management can focus on reasons of failure and strategic alternatives in the meeting. In the monthly held meetings, reports on exceptional issues, cause analysis on KPI, changes in results, exploration of alternatives and cooperation between departments, overview on existing strategic hypothesis (cause-and-effect, objectives) are dealt with.



### Project Management System

Since June 2010, Univera and Naturetech established the Project Management System to track the management and results of key strategic issues. In August 2010, the system is implemented, and projects are separately registered and managed. PMS is a way to solve issues in project management. Especially, PMS is applied in defining and managing standard business process, decision making process, confirming specific details before launching projects, and result management in joint projects of Univera and Naturetech. According to this system, a project should go through feasibility tests including marketing promises, technological competence, relations to existing product lines, feasibility of portfolio should be looked into. Also, the issues that occur during project can be dealt with in quick and accurate manner. Project results are stored in database, to utilize in similar projects in the future.

### Knowledge Management System

Univera has implemented Knowledge Management System, a consolidated system by which business automation, knowledge management, management information system are available. Now knowledge, information, schedule are managed under a united system, it is expected that the business efficiency, cost reduction and knowledge management will see a great advance.

### Univera logistics center

Univera logistics center opened in November 2007. The center is built to deal with high value-added goods coming from exports and imports within Northeastern Asia, playing the role of logistics hub that links the ECONET system in which the production-R&D- manufacturing and marketing are vertically integrated. Goods from Hainan plant are collected here to be sent to mainly Southeastern Asia. Univera became the first health functional food company to adopt CCMS (Consumer Complaints Management System). The strengthened logistics capability will facilitate supply and return of goods, having good influence in customer satisfaction level.

## Innovation in Logistics

# Special Report



## Global innovative results of ECONET

The superiority of Qmatrix Aloe is recognized by GMP, GRAS and Global GAP. ECONET family companies - Univera, Unigen, Naturetech and Aloecorp – worked hard for many years to yield this result. Univera continues to bring innovation in all fronts to deliver safer and better products to customers.

### GMP certification

GMP is a systematic standard which spans across all procedures of manufacturing such as equipment, purchase, facility, packaging and distribution. The certification is an advanced system to ensure credibility, effectiveness and safety of products for customers. GMP certifications granted to ECONET are specified below.

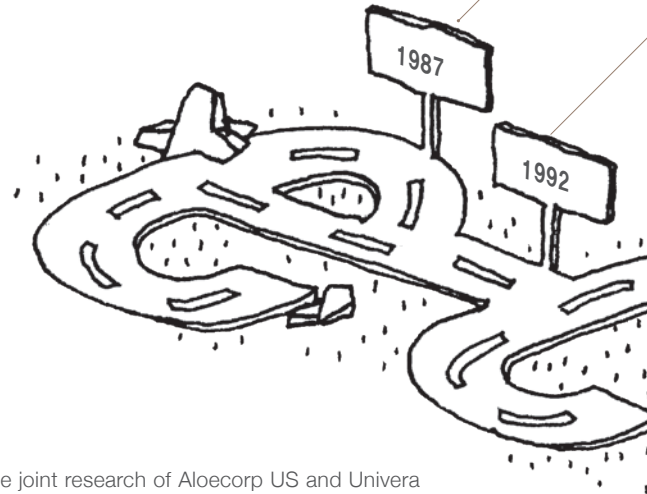


- **Naturetech gained GMP in Korea, the US, and TGA in Australia**
  - KFDA(Korea) GMP (2005)
  - FDA(the US) GMO (Aug. 2009)
  - TGA (Australia) (May 2010)
- **Aloecorp China, Hainan**
  - Hainan Provincial Health Bureau in China GMP for health products and food (May 2009)
- **Aloecorp USA**
  - FDA (US) GMP (2010)



### GRAS (Generally Recognized As Safe) exemption

GRAS exemptions are granted for substances that are generally recognized, among experts qualified by scientific training and experience to evaluate their safety, as having been adequately shown through scientific procedures to be safe under the conditions of their intended use. The expert panel unanimously agreed



that according to the joint research of Aloecorp US and Univera Korea, Qmatrix Active Aloe is generally accepted as safe. Q Matrix Active Aloe is the fourth generation product developed by Aloecorp, and became the only GRAS-certificated aloe product.

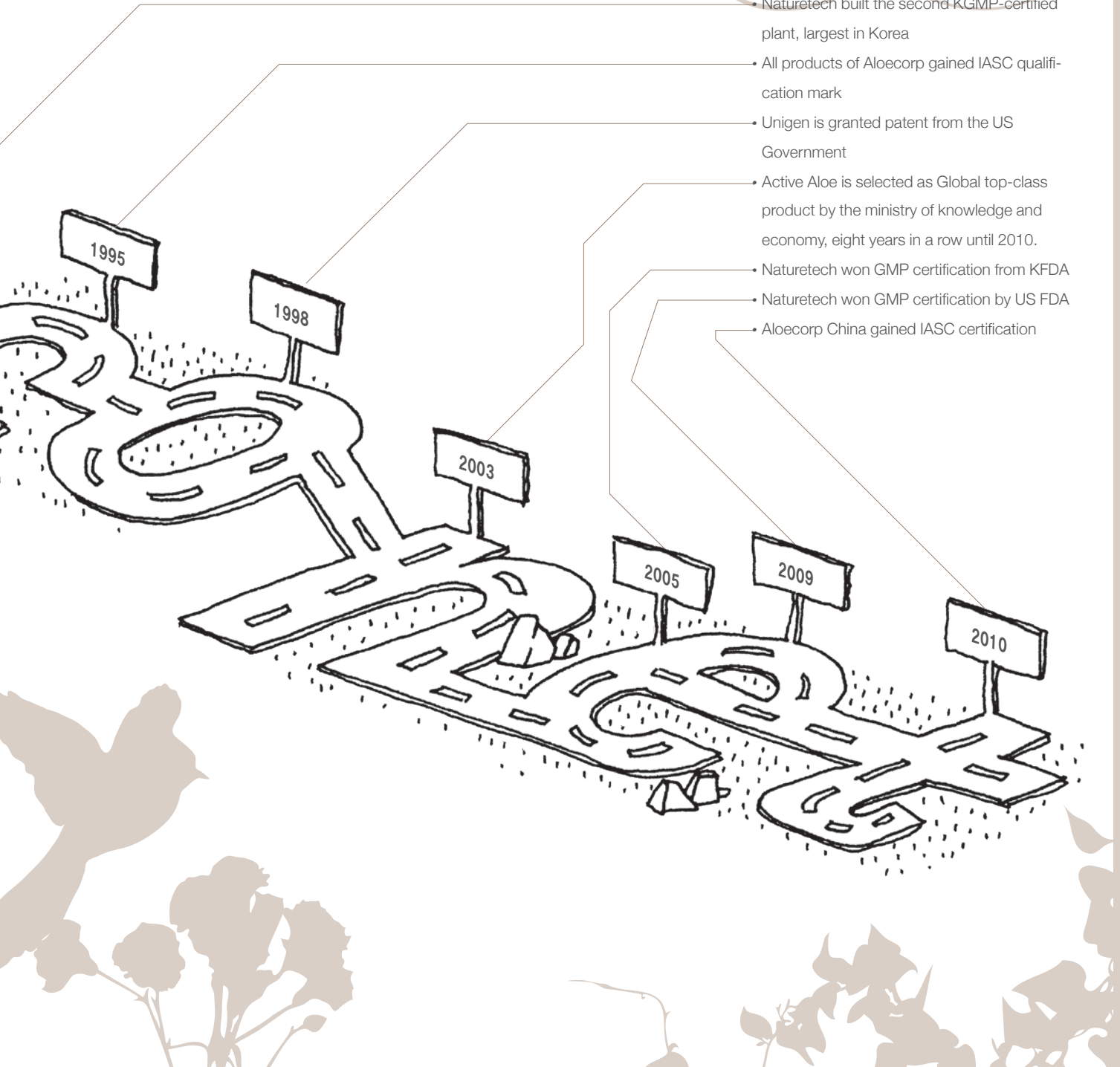
### Global GAP (Good Agriculture Practice) certification

As of December 2010, Aloecorp US gained Global Good Agriculture Practice (GAP), one of the most recognized global certifications in the world. Global GAP looks into processes such as production, harvest and packaging, the quality of soil and water, to make sure toxic chemicals such as residues of pesticide and heavy metal, harmful bioorganism are safely eliminated and controlled during the processes. Global GAP guarantees that all procedures of production are in compliance with international standard, and the food is produced according to rules and regulations, giving credibility to customers. The certification is a huge step that proves superiority of the production system in overseas farms, and the credibility of aloe products. The Global GAP certification will be expanded into four major overseas farms of Univera, and we plan to expand farms which grow organic food.



## Global qualifications won by ECONET

- Naturetech built KGMP-certified plant
- Naturetech built the second KGMP-certified plant, largest in Korea
- All products of Aloecorp gained IASC qualification mark
- Unigen is granted patent from the US Government
- Active Aloe is selected as Global top-class product by the ministry of knowledge and economy, eight years in a row until 2010.
- Naturetech won GMP certification from KFDA
- Naturetech won GMP certification by US FDA
- Aloecorp China gained IASC certification



# DMA on the Society



## DMA on the Society

Stakeholders	Vision	Materiality test Key issues	Major achievements	Challenges
Employees	A community where all can share purpose, dream & happiness together	-Human rights management -Welfare policy -Fair compensation	-No discrimination by religion, age, gender, educational background -100% full-time employees -Female employees account for 36%, 100% come back to work from maternity leave	-Human rights management principles -Employees training
Agencies	A community where all can share purpose, dream & happiness together	-Healthy profit model -Better welfare policy	-Growth thanks to UPS system -Training of UPs with exceptional performance	More UPs showing excellence
Customer	Promote health and beauty with natural products	-VOC management -Customer-oriented processes	-Maintain the status of good CCMS company -Gain 4.2 point on the scale of five in customer complaints management	Customer-oriented product development and complaints management
Business partners	Shared growth model	-Two-way communication channel -Fair selection and evaluation	Consistent improvement of quality	Reestablish vender evaluation system
Community	Loving company	-Practice corporate philosophy through contribution to local community -Implement health theme businesses -Participation and virtuous cycle	-Wednesday concert- participated by 2,520 people a year -The fifth round of Hansarang charity campaign -100% participation of employees in voluntary work	-Contribution to society for the marginalized -Partnership with non-profit organizations





## Corporate culture- A community where all can share purpose, dream & happiness together

Univera aspires to make the world a more beautiful and happier place by doing its mission of bringing the best of nature to mankind. To this end, we value creativity, challenge and harmony, and try the best to make a happy community where individuals and the company keep balance of life and work, and share dreams together.

## Respect for human rights for employees

### Univera respects human rights of employees

Univera respect rights of individuals, and comply with Labor act and ILO (International Labor Organization) standards to make a workplace where no discrimination exists. We do not tolerate any kind of discrimination by religion, age, gender and educational background, and we give opportunities of employment, placement, promotion and education in fair manner.

### No temporary employment

As of the end of 2010, 100% of all employees are hired in full-time position.

### Prevention of forced labor and child labor

The average work hour of Univera is 160 hrs per month. We stick to the rule of five day workdays, and always make prior arrangements by the employee and department head for extended hours and work on weekends. Also, we do not hire people under 18, as is clearly displayed in new hire announcement to prevent child labor.

### Compliance

Univera respects employees as human beings, and strictly follow laws and regulations regarding labor, company rules and ILO standards. For the recent two years, no fine or sanction was given due to violation of such rules and regulations.

### Development of female workforce and protect rights of women

In 2010, the female percentage in the office stands at 36%. Univera abides by laws and regulations on gender equality, and do not discriminate female workers in promotion and employment. All employees are promoted according to fair evaluation.

#### <Percentage of female workers by rank>

Year	Associate	Section leader	Department leader	Executives	Whole
2009	36.5%	22%	25%	14%	35%
2010	41.9%	33.3%	16.7%	16.7%	36%

### Prevention of sexual harassment and protection of maternity

Univera conducts training on prevention of sexual harassment at least one time per year. Also, we provide women with birth incentives and maternity protection grant to make an environment where women can work without worries.

<Maternity protection>

Year	2009	2010
Employee taking maternity leave	3	2
The percentage of using maternity leave	100%	100%
Employees come back to office after taking maternity leave	100%	100%
People who take temporary leave to take care of children	none	none
Spouse taking maternity leave	100%	100%
Spouse taking maternity leave	4	19

## Health and Safety

### “Get healthy” program for employees

Univera runs various programs designed to promote health of employees, giving medical check-ups for employees and their families, in a move to promote health among employees. For all employees, an annual medical check-up is given. For those who are aged 40 or 66, or those in need of medical attention can apply for additional examination for free or with small charge at a local health center.

### Non-smoking program

Univera took the lead in initiating healthy lifestyle of employees since 2010 with “Quit smoking” campaign. In January 2010, 30 smokers were gathered and pledged to quit smoking. Univera provided them with continuous non-smoking education, and invited people from the local health center at Seongdong-gu office to gauge Co2 blood level of smokers and provide counseling and nicotine patches. For employees who succeeded, 500 thousand KRW was given out as incentives. As of December 2010, 11 declared that they quit smoking. 19 promised to continue efforts to stop.



## Interview\_\_ Woojin Kim and Heejin Chung-happily married with Univera

### Since we joined the company, we experienced marriage, birth and baby care.

As we started family and give birth to a child, we realized that Univera really follows government policy on childcare and birth. Even though the policy is guaranteed by the law, we read stories of other parents from an internet community that in many companies maternity leave is only nominal. Many working mothers had to go through distress and discrimination during their pregnancy and childbirth. Univera strictly follows government policies designated by related laws, and has family-friendly corporate culture so childcare and pregnancy does not make difficult situation at work. Also, men and women work in equal condition, and there is no disadvantage in promotion due to marriage or childbirth. The company is friendly to parents. There are other working moms in the marketing department so we can share information and form a strong bond together.



#### • Percentage of female workers

36% of entire employees are women. Especially, there are 10 women in the marketing department out of 13. Among them, six have experienced childbirth, pregnancy and childcare.

#### • Maternity space

A separate room is refurbished to provide nursing room for employees.

#### • Sharing childcare information

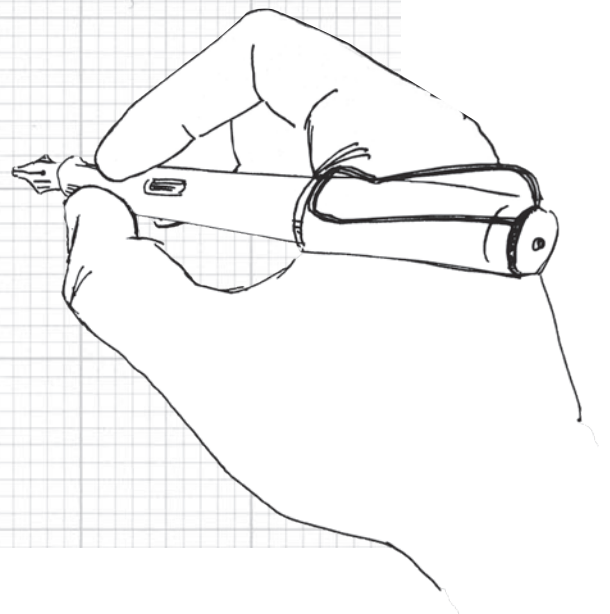
Childcare community is to be launched from 2011. Conversations on childcare and the company's supportive policies are active in lunchtime and coffee break.

#### • Univera plan for working moms and their families

The greatest hurdle for working moms is not the lack of government policy, but critical opinion of others. Univera has family-friendly culture which values the importance of family.

#### • Univera supports childbirth

1. Childcare/Childbirth support: Employees can freely take maternity leave as long as 1 year, and 100,000 KRW of childbirth incentive is granted. Also, Univera pays for kindergarten fees for the children of employees (300,000 KRW quarterly).
2. Support for families: summer and winter camps for employees children and children of agency employees. For children in middle and high school, 500,000 KRW is granted quarterly. For employee children who goes to college, 3 million KRW is given as grants (8 times in total).





## Labor Union

Univera holds labor-management council for open communication. The council takes the form of communication with Young Board. New ideas, suggestions and important issues in decision making are discussed, and the council makes advice on HR and welfare policy.

## Young Board- The culture of communication

Univera runs a top-down communication channel named Young Board. The Young Board consists of Univera employees except for managers, and takes role of making suggestions on compliance and other uncovered issues. Various programs to promote shared values between the management and the labor prevent labor management disputes and promote partnership. Such efforts give rise to various opinions to form innovative, open and flexible environment, even leading to transparent and ethical management. The ultimate purpose is to make a community where all can share purpose, dream & happiness together.

### <Young Board rules and principles>

- Requirement: associate and senior associates. One-year term.
- Members are recommended by employees.
- Young Board gives council in discussions on HR and welfare policies, and provides ideas and suggestions.
- Hold quarterly meeting with the management council members (labor-management council takes the form of communication with Young Board).
- The management council members are comprised of CEO and people recommended by CEO.



## “Good habits of ECONET people”

“Good habits of ECONET People” is published in December 2010. It is a collection of essays submitted to in-house writing contest on the theme of good habits of colleagues. ECONET people are part of a network of companies-Univera, Unigen, Aloecorp, ECONET holdings-which produces eco-friendly wellness products and services. ECONET people in search of happiness and success find and recommend good habits that will invite success. The theme of this book is to find a role model from a close distance, fix and make up for what is lacking in oneself to make a successful life. The book is now on sale in internet bookstores.



### Counseling program for employees



Univera put in place enterprise-wide ECONET Counseling System. ECS is ran by ECONET Holdings to build trust within and without the company through ethical and transparent management in the long term, and facilitate communication between family companies, implement ECONET strategy and system without delay, understand needs on events and standardization of ECONET. The counseling program deals with opinions and information only in enterprise-wide level, and do not accept groundless slander to protect privacy of employees. The anonymous voices are not disclosed if the source does not want to. We respect the voices of anonymous writers, and they will be delivered to the COO and CSO at ECONET headquarters, and be kept in tight security.

#### <How to Use>

0. One can go directly from EGGS log-in screen to ECS
1. ECS does not require real name or any information, except for the administrator.
2. The categories are <Suggestions><Opinions><Help><Others> from which the title of message is chosen.
3. If you do not want to disclose the information, please check the box that says “closed.” If not so, the administrator makes the decision whether or not to disclose the information.
4. Once submitted, the message cannot be deleted or corrected.
5. After submitting the message, please write down the message number and passwords to make reply to answer.
6. Once submitted, the message shows the icon <Waiting> before the administrator reads the content. After the message is accepted, the icon changes into <Processing>. If the issue is handled, the icon turns into <Completed>, and the color of the title of the message takes the color of the background screen. Once the issue is completed, it is not possible to make reply.
7. Messages disclosed for all uses have [Open] icon before the title.
8. If the message is decided not to fit for the purpose of the system, the message is categorized as <Non applicable> and shows the icon “Excluded”.

### Employee satisfaction survey

The employee satisfaction survey has been made an annual event for all family companies under the direction of ECONET Holdings. In 2010, 186 employees (82%) filled out the questionnaire. The antecedent variables such as corporate culture, trust, and leadership which influence work satisfaction, and mediating variables that includes work-life balance, teamwork and work satisfaction, are used to collect opinions and understand satisfaction level on overall satisfaction, pride, and commitment to company. The result shows that the work and environment satisfaction level is 3.4 out of 5, and the opinion on HR, salary and welfare policy at 3.0, showing a relatively low result.

#### <Employee Satisfaction>

Satisfaction (1-5)	2009	2010
Work and work environment	-	3.4
HR system	-	3.0

## High satisfaction rate result in low turnover

Univera gives opportunity to grow and develop for employees through systematic education program, and fair evaluation and compensation for their performances. High satisfaction of employees resulted in low turnover rate of 9%.

### <Years of service>

Year	Average length of service	Average age	Gender ratio	Married
2009	6 yrs	35.4	M 65% F 35%	Unmarried 53% Married 47%
2010	6.3 yrs	34.7	M 64% F 36%	Unmarried 57% Married 43%

### <Turnover rate>

Year	Turnover
2009	8%(8/100)
2010	9%(9/101)

## Human resources development

### Education and self-development

Univera recognizes that people are the most valuable asset of the company, and placed a systematic education system to develop potential and global competitiveness, leadership and basic knowledge. Also, work training to develop work capability and on-line education are actively given to employees. Individual employees can choose freely from a variety of training courses to develop global competitiveness, and feedbacks on education of individuals are gathered in quarterly basis. Team and department leaders should take mandatory leadership/ work capability trainings, and all employees are required to read recommended books on leadership.

#### Development of work capability

- Each department has an individual training plan
- Supportive measures for department training are conducted in systematic manner
- On-line education contents from outside are utilized

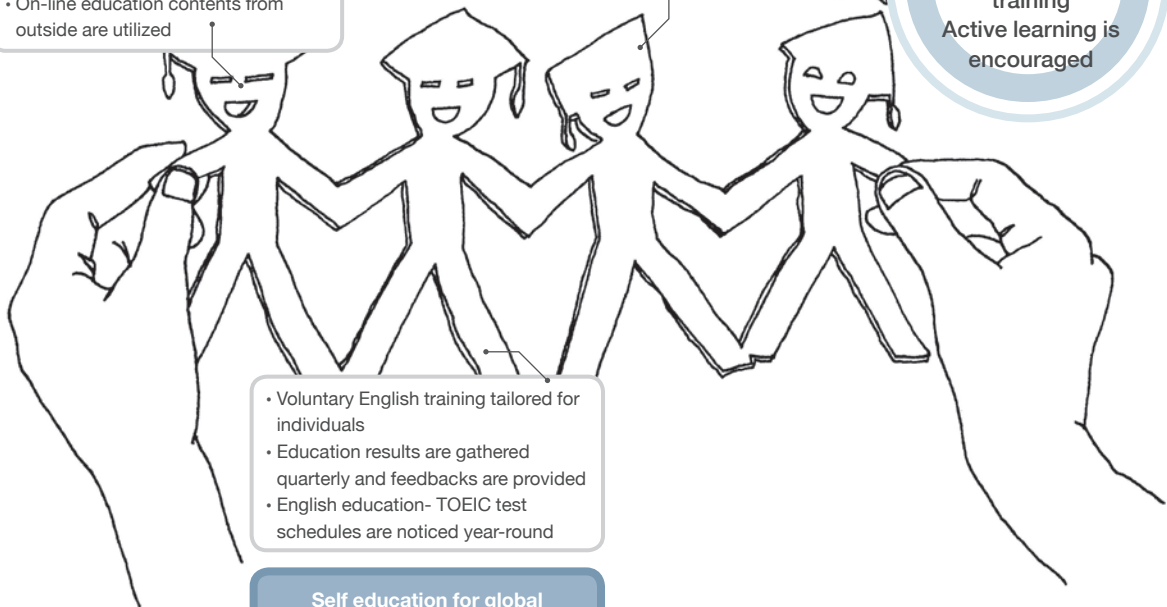
#### Leadership training

- Leadership training for department/ team leaders
- All employees are required to read leadership books twice a year
- Constant coaching

Supportive environment for constant training  
Active learning is encouraged

- Voluntary English training tailored for individuals
- Education results are gathered quarterly and feedbacks are provided
- English education- TOEIC test schedules are noticed year-round

#### Self education for global competitiveness





• 2010 Education plan- Univera academic points (60)

Type	Education	Required academic points	Target	Education method	Type	Academic points recognized
Work capability training	Individual training	16	all	-Training plan agreed by department leader and team leaders -On-line education: Hunet in case of team members, Hunet, leadership training for team leaders, SERISPARK for team leaders -Training application form and consultation with team leaders needed for off-line education	Mandatory	On-line: 4 points per month Off-line: 1 point per hr
	Special training by headquarters			At the discretion of department leaders, employees at headquarters can use outside training courses -Train in-house experts	Optional	Outside training 1 point per hr
Global competitiveness-English training	On-line English course	20	all	On-line English education agency "YBM" and other academic institutions are available (to be submitted by the beginning of the next month)	Optional	4 points per month
	Off-line English course		all	-Employees can choose Academic institutions they prefer -Registration card and attendance record required (to be submitted by the beginning of the next month)		
	Telephone English training		all	-Employees can choose Academic institutions they prefer -Attendance record and grade by the institution are required (to be submitted by the beginning of the next month)		
	Outside English test	-	all	Set annual goal for English test TOEIC test fee paid for two times a year	mandatory	
Leadership training	Group training by rank	10	all	-Coaching by rank (twice a year for department leader/ twice a year for team leaders/ once a year for team members) -Outside experts are invited to give training for one night and two days	mandatory	Team leaders and above -5 points per a test Team members -10 points per a test
	Book/essay	8	all	-Encourage reading to develop leadership -Essays need to be submitted twice a year	mandatory	4 points per an essay (8 in total)
Basic knowledge education	Basic knowledge education	6	all	CCMS, sexual harassment prevention training, safety training, information of Univera products, Office etiquette, investment training -One hour session after all-employee meeting	mandatory	6 points
Total mandatory points		60				

• Average training expense per person

	Foreign language	Work capability	Etc. (reading, coaching, special lecture)	total
Average training hr per person	20 hr(5 months)	16 hr	24hr	60 hr
Total training expense	36,000,000 KRW	68,000,000 KRW	27,000,000 KRW	131,000,000 KRW
Training expense per person	360,000 KRW	680,000 KRW	270,000 KRW	1,310,000 KRW

# Fair evaluation and compensation

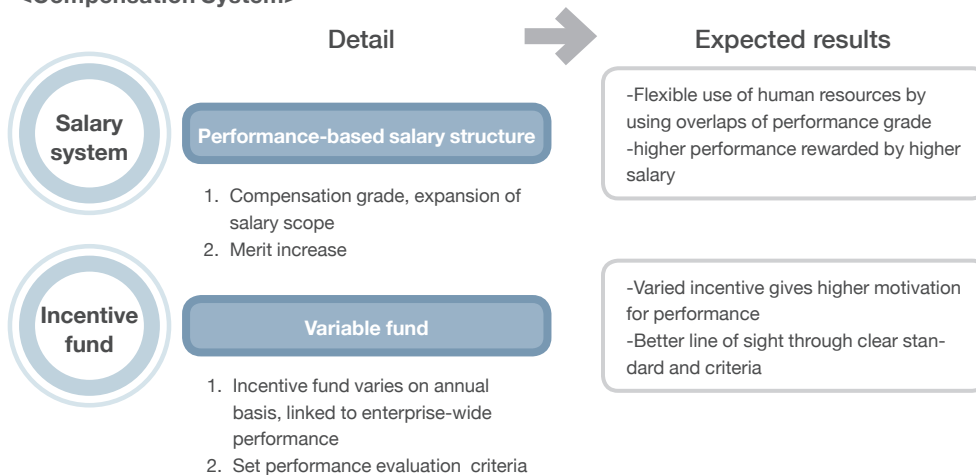
## Fair evaluation and compensation system

Univera conducts fair performance evaluation according to company rules, to encourage healthy competition and achieve business goals, raise effectiveness. The performance of employees are evaluated annually and Univera provides performance-based incentives for overachievers.

### <Evaluation system>

Evaluation	Performance evaluation		Competency evaluation	Collective evaluation
		Org. achievement	Individual achievement	Individual competency
Evaluation	Meeting target for org.	Meeting individual target	All employees	All employees
Target	HQ, team	All employees	All employees	All employees
Evaluation process	Quarterly/Annual basis		Annual	Annual
	-Evaluation process 1. Plan: set target 2. Do: execution 3. See: evaluation and feedback *Targets are linked to BSC		-Evaluation process 1. Plan: set targets 2. Do: execution 3. See: evaluation/feedback - according to *B.I and **R.L	Performance+ competency(7:3) Grade are given by the collective evaluation (use grade distribution rate by org. evaluation)
Grade	3 Grades(A,B,C)	5 Grades (S,A,B,C,D)		5 Grades (S,A,B,C,D)
Evaluation panel	Team-> Department leader Department leader->CEO	-Primary evaluation: immediate higher-up -Secondary evaluation/ monitoring: the second immediate higher up		Immediate/second immediate higher-up HR committee
Evaluation results	Org. incentive	Individual incentive	Org/ work	Merit increase
			Utilize in HR affairs (compensation, promotion, placement, training)	

### <Compensation System>



# Special Report



## Corporate culture- a community where all can share purpose, dream & happiness together

Univera strives to be a community where all can share purpose, dream & happiness together. We are committed to help people around the world be more beautiful and happier by bringing the best of nature to humankind. At the same time, Univera wishes to be a community where all share purpose and dream together.

### What is “a community where all can share purpose, dream & happiness together”?

Univera believes that a company should first set a clear vision and commitment to common good to which the members of the company can all agree and share. Then, people who believe in similar kinds of values will gather and join the company.

What is needed next is a process of internalization by which individual dreams are melt into a shared dream through training, education, conversation and enlightenment. The vision will permeate into the business activities of production and sales of goods, to be turned into corporate culture. Shared vision and goals lead to higher motivation of employees, resulting in better results. The process of making a vision into a corporate culture is also the process where the members of a company are made friends and colleagues who share the same goal. Open mind, respect for each other, harmony and amity make a happy workplace. A community where all can share purpose, dream & happiness together can be brought into life only if people sincerely care for each other. (ECONET Corporate Vision. p 49-50)

### The Right People for Univera

Univera needs people who have knowledge and sound mind. Knowledge is important in Univera. Farming should be done in a scientific way. Knowledge is necessary in all aspects of farming-strategy, history management, GAP and etc. The company should develop talents who have international perspective and knowledge. Giving the right training and education is a responsibility of the company. Also, corporate philosophy and entrepreneurship is important for Univera. A company which only values individual competency and career is not a community

where all can share purpose, dream & happiness together. The dream, philosophy and mindset of individuals should not conflict with those of their company. To me, it is more important than anything else. For those who share Univera vision and philosophy, the company will encourage, support and train them. Core competency, core value and mindset of those people give Univera a boundless growth opportunity.

### Univera seen from the viewpoint of five senior employees

People who joined company in 1996 and spent 15 years with Univera tell their thoughts about “a community where all can share purpose, dream & happiness together.”

Questions:

1. What is “a community where all can share purpose, dream & happiness together”?
2. What we should do to realize the vision of a community where all can share purpose, dream & happiness together?

A1: It is a shared dream of Univera. We all are dedicated to realize the dream of “making the world a healthier place” and healing the world with nature.

A2: I make contribution to the growth of the company, to make the dream last for this generation and beyond. Also, we should uphold the vision so the vision will not be faded.

A1: Univera does not use others to make greater profit. It has bigger dream of making service to humans and nature. After the weekend, I think about going to work on Monday morning, and my mind is filled with enthusiasm instead of irritation. My colleagues all care for each other. I think “a community where all can





share purpose, dream & happiness together” is a place where all members of the community care for each other, and walk together toward a shared goal.

A2: Once a goal is set, we should do our best to meet the goal. We need to share the goal and do our responsibility. We should not be selfish, and care only for myself, but care for each other and cooperate closely to meet the goal. Members of the community need to do their responsibility and help each other. Selfishness should be avoided to realize the vision.

A1: All members of the community work together to realize the individual vision, in a company whose vision is making people happier.

A2: We must do our best to make maximum results. We need to care for each other and work together for mutual development.

A1: First, I think it is making a reliable and sustainable community. To make this possible, a company should not pursue individual profit but do business on strict ethical standards. Also, the company should enhance competitiveness so the employees can believe in the future of the company. Second, a differentiated corporate culture is essential. Happiness is not something we can see and touch. We need a place where we speak freely and share values. One needs to speak up without being intimidated. Third, it is where people laugh and smile. Even though a company exists to make profit, it is people who make up the organization. A happy workplace is where people laugh and smile often while they work.

A2: People are the most important. It is not about quality products, but about beautiful people who bring beauty and health to people all over the world. We need to recognize the merit and demerit of oneself clearly, and make the best of advantages while

minimizing demerits. Second, we need to face the reality squarely. We should not ignore difficulty and see only the bright side. One should be able to make the right decision from the perspective of the company’s future. Third, we should always be grateful to UPs and agency leaders. They are the pillars of Univera, and a community where all can share purpose, dream & happiness together cannot be brought into reality if not for them. We should not feel superior to them. We always need to be grateful and polite.

A1: The mission and vision of the company need to be embraced by employees. The concept of a community where all can share purpose, dream & happiness together can guide the lives of individuals.

A2: We need to have a shared goal, and one mindset, even though a road to it varies. A critical point is a mindset toward our customers. Regardless of one’s work, we always need to think about happiness of customers first. I want every Univera person to feel the same. It is a duty for me who make first contact with customer voices. On top of my CCMS duties, I will do everything in my power to deliver the voice of customers. I hope the voices will make productive results to the mindset of all Univera people.

### >> Senior employees who contributed to this article

Jeongah Park / Customer Support team leader

Sengwoo Baek / Gyeonggi area sales team leader

Gyunam Lee / Gangnam area sales team leader

Yongho Jo / Gangbuk area sales team leader

Jinyoung Choi / Incheon area sales team leader

# Special Report

## Human rights management

Univera has been committed to sustainability management to bring mental, physical health to mankind, not to mention various stakeholders of the company. It has become the first company to adopt human rights management. For Univera, human rights mean realization of dream. We respect dream and vision of individual employees, and try to enlist them to share our dream. Our dream is to make a society where everybody live healthy and happily, cherishing basic human rights. Human rights management of Univera is based on ten principles of UN Global Compact.

### Human rights for overseas farmers

In 1991, Univera purchased a farm in Tampico, Mexico as wide as 4,300,000m<sup>2</sup> to secure sound supply in order to take off to be a global aloe group. Tampico is strategically located to expand into the South American and European market, and the climate is suitable for aloe farming. However, it was not easy to start farming. The residents of the area called the land "The land of the devil" because nothing would take root in the land. However, thanks to farming technology and experience and hard work of Univera people, the arid land began to take the shape of a farm. After irrigation is placed to supply lake water, green aloe plants grew in the Mexican farm. The farm was left barren before because ignorance and lack of resources. Bill Lee, the chairman and CEO of Univera wished to hire local people, and improve the quality of life for the local community. Univera tried to befriend locals, and put in place a support policy for farm employees. The change it brought was enormous. At first locals were hired as temporary workers in busy seasons, but they gained permanent position in the Univera farm. Univera hired locals with passion and diligence, and provided benefits which were not given by other corporations. Univera brought minimum wage system, provided welfare policies such as pensions, and gave commuting expenses for long-distance commuters, and gave out food tickets to support families. For those who worked with Univera for more than a year, Univera supported college admittance. Locals working at Univera farm earned a sound salary, mended old houses and sent children to school. Univera also improved working environment by mending farm buildings and plant, and provided education for employees. Ernesto Salgado, a farm supervisor at Tampico farm, said that "People work here get a variety of benefits. They have a sound job and salary. Also education for employees and their children made them healthier both in mental and physical terms.

They are very proud of Univera."

Tampico farm is now the biggest aloe farm in the world, and 254 people work there. The land has been changed from "The land of the devil" to "The land of an angel." Univera was able to win the mind and heart of locals, and became a benchmark model for other companies because we practiced the respect for human rights and love for humans.



#### <Tampico farm>

- **Employees:** 254
- **Percentage of local people:** 99.5%
- **Employee benefits:** minimum salary system, social insurances, commute expenses are given for long-distance commuters.
- **Family support:** Food coupons available to support family. For those who worked for over a year, college fees of their children are paid by Univera.

**Editor's note:** The case of Tampico farm is mentioned in Millennium Development Goals (MDG) forum held in NY, the US, in September 21st and 22nd in 2010. It was published in the leaflet where CSR activities of Korean companies in overseas are introduced.



### Millennium Development Goals:

**MDGs set 10 goals to be met by 2015 as follows;** 1. Eradicate extreme poverty and hunger 2. Achieve universal primary education 3. Promote gender equality and empower women 4. Reduce child mortality rate 5. Improve maternal health 6. Combat HIV/AIDS, malaria, and other diseases 7. Ensure environmental sustainability 8. Develop a global partnership for development.

Univera supports MDGs, along with 10 principles of the UN Global Compact, to promote universal health and welfare of mankind and tries to adopt it in business.

### Human rights protection in Korea

Since Univera joined UN Global compact, we brought the values involving human rights, labor, and environment and anti corruption within the organization. Among those, we tried to see issues in our everyday life from the point of human rights. Univera raise those as social issues to spread healthy human rights in the society. In 2009, Univera pledged to protect human rights of men in their 40s, and donated 20 million KRW to Korea Human Rights Foundation.

### “Lives and human rights of Korean men in their 40s” report

In a joint research with Korean Human Rights Foundation and Prof. Yooseong Jung at Seogang University, Univera published a report on lives and human rights of Korean men in their 40s. Based on the fact that the death rate of Korean men in their 40s is the highest in the world, we tried to look into human rights situation of Korean men in their 40s. The report tells that Korean men in their 40s have a high interest in physical health, but do not realize the seriousness of mental and social health. Thus, they are put in the “blind spot” of human rights. Univera will continue to search human rights violation which is not visible at first sight, but deeply entrenched in our daily life, to promote the human rights for health for mankind.

### Univera supported a special lecture “Men in the 40s. Be yourself”

“It is hard to tell what I have always thought but not speak out. I feel much relieved.”

“It was like I am stuck in a life which does not have an answer. I could look back on my life.”

-Comments about the special lecture (quoted)





# Special Report

## Univera Human Rights Management by ISO26000 standard

ISO 26000 is an international standard on social responsibility. Like the UN Global Compact, it starts from the belief that a company should be held responsible in the society. After joining Human Rights Management, Univera examined its own human rights management from the two standards of ISO26000 and UN Global Compact to explore future direction.

## The future direction of human rights management

Since Univera announced implementation of human rights management it contemplated on the future direction of human rights management. As it is seen in the diagnosis, Univera does not practice core values of human rights suggested by the international standards. In order to adopt the ten principles of UN Global Compact and ISO26000 initiatives, we will analyze risk factors in ECONET system, and will set human rights management principles. Also, human rights training will be given to employees to seek cooperation and understanding of employees.

## Self-diagnosis on Human Rights Management of Univera

10 principles	ISO 26000	Issues/themes of ISO26000	Key questions for implanting key issues/themes	Univera rules and practices
1. Businesses should support and respect the protection of internationally proclaimed human rights	6.3	Duty to be careful	Is the human right policy fully understood in the company?	-
	6.3.3	Human rights risks	Do employees work in adverse situations?	Employment rules
	6.3.4	Prevention of complicity	Does the company take security measures to companies which provide goods and service that possibly violate human rights?	-
	6.3.6	Grievance management	Can all employees gain access to system to solve grievances?	Counseling system
2. Businesses should make sure that they are not complicit in human rights abuses	6.3.7.	Discrimination and protection of minority group	Does the company not discriminate those who can be influenced or in contact with the company?	Employment rules
	6.3.8.	Rights of citizen and rights to politics	Does the company respect lives of individuals?	-
	6.3.9.	Rights to economy, society and culture	Does the company respect rights to economy, society and culture? Does it not interrupt these rights?	Labor-management council
	6.3.10.	Basic rights at workplace	Do employees have rights to bargain collectively?	Labor-management council
	Box7	Child labor	Does the company abide by rules for minimum working age designated by ILO?	Employment rules

## Interview Seon Ae Jung / Secretary General of Korea Human rights foundation

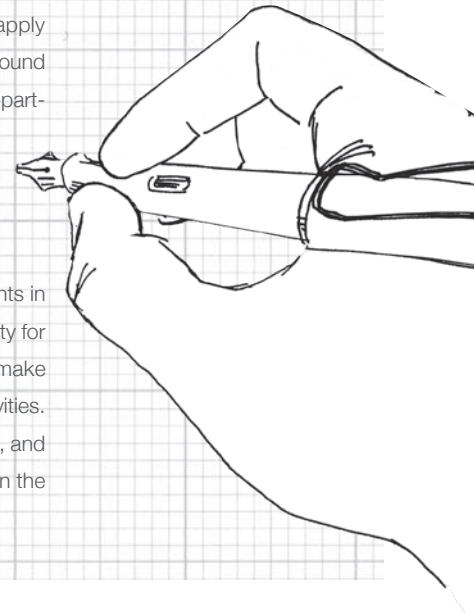
### A suggestion to take a step toward human rights management

As a director at Korea Human Rights Foundation which always emphasize business role in human rights, I welcome the news that Univera published a sustainability report. I think especially highly of this report for following reasons. It is important for a company to announce its will to uphold human rights. In 2010, Univera announced that it will adopt human rights management and pledged to comply with international human rights standard in its report. It is remarkable that this move was initiated top-down by the management. It is also welcoming news that 100% of the employees are for full-time position. It is admirable that Univera has strong will and a corporate philosophy to guarantee job security for employees, at a time when treatment of temporary workers are made social issues. Another good news is that there has been no fine or sanction imposed by the government due to violation of related laws and regulations. Compliance to related laws and regulations has particular importance in human rights management. Understanding and practicing related laws and regulations in HR and labor issues has brought this remarkable result. Third, protection of women's rights and development of women's potential. In Univera, 36% of employees are women and 16.7% of executives are also women. Compared to average female percentage of 6% and 12% for workplace with more than 1,000 people, the percentage of women is much higher. Especially, the fact that 100% took maternity leave is admirable because it would not be possible if the company did not encourage taking maternity leave. Lastly, it is a rare case that Univera gave full-time position and welfare benefits to local workers at Tampico farm. Labor and human rights director at NY headquarters of UN Global Compact expressed respect to the remarkable case. The farm was also presented to a leaflet "Millenium Development Goals and CSR of Korean companies." I have a few suggestions to be made, because human rights management is a not a goal that can be achieved overnight.

First, the declaration of human rights management is only the beginning. Univera should closely look at the processes of production, manufacturing and distribution to find any factors which might raise issues of human rights. Human rights management does not stop at HR and labor issues. The entire processes of business activity should be inspected to find a way to make improvement. Second, based on the observations, specific details for human rights management should be presented in the report. Global industry leaders publish human rights management statement which fits the industry, give enterprise-wide training on human rights management, and apply those standards to business partners. Because Univera has overseas farms and entities around the world, its human rights management statement should be able to be agreed by business partners and employees in overseas.

### By Seon Ae Jeong / Secretary General / Korea Human Rights Foundation

Korea Human Rights Foundation is non-profit organization to spread the value of human rights in every corner of the society and to provide a venue for exchange, communication and solidarity for human rights activities. Secretary General Seon Ae Jung took experimental approach to make human rights a part of everyday life throughout her 10 years of career devoted to NGO activities. Univera Chairman and CEO Bill Lee served as a director at Korea Human Rights Foundation, and since then the foundation cooperated with Univera to bring human rights management within the company.

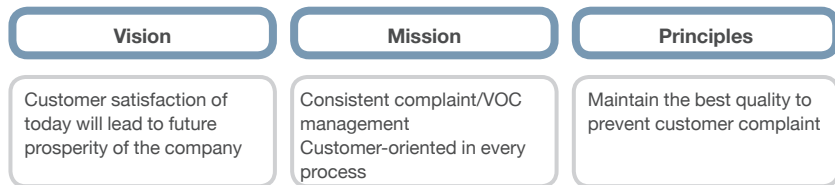


**Voice of customers utilized to enhance quality**

In June 2006, Univera adopted Consumer Complaint Management System (CCMS) which was introduced by Korea Fair Trade Commission (KFTC) and Customer Complaint Management Committee. Since then, Univera has been running a comprehensive customer complaint management system which includes prevention of customer complaints in three areas of product, service and management, prompt and accurate response, and prevention of reoccurrence and reflection of customer opinion in new products development. CCMS has changed its Korean name in May 2010 by the KFTC. Univera was designated as CCMS good practice company by KFTC in 2008, as the first in cosmetics and health functional food industry. It maintains the certification by going through inspection in every two years.

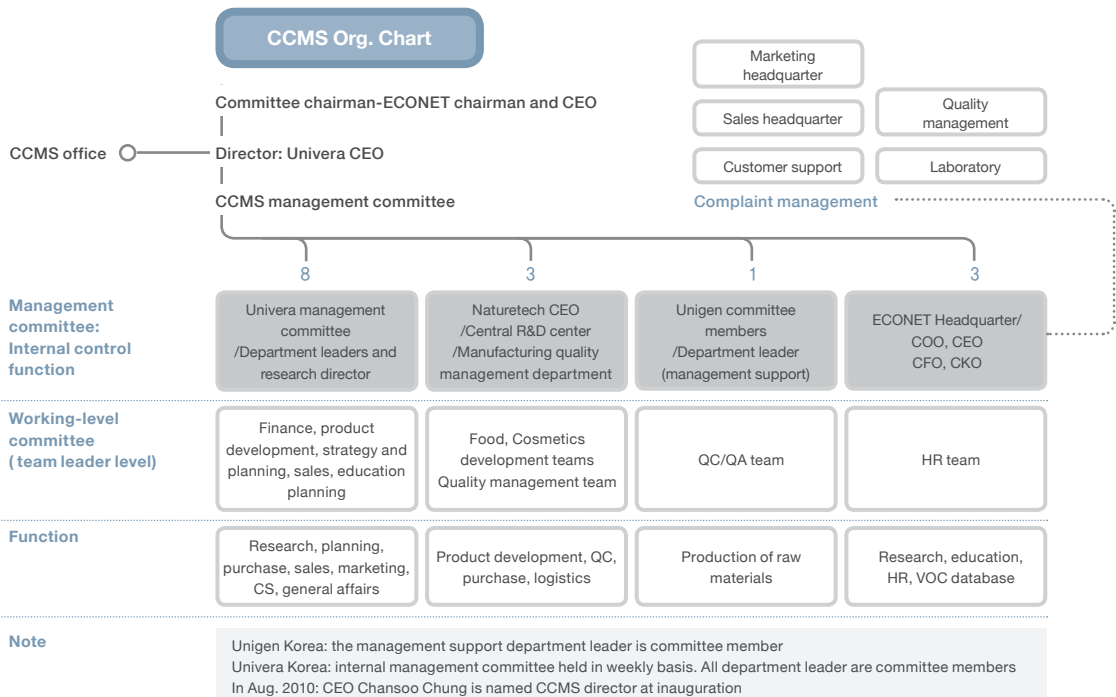
**Management and maintenance of CCMS system**

To raise effectiveness and efficiency, Univera set vision, mission and principles for CCMS. It also runs CCMS program in cooperation with family companies for the first time in Korea. Univera is committed to enhance customer satisfaction.



**Organization Chart for customer complaint management**

Univera believes customer complaint management is a critical part of sustainability management. Thus, the CCMS committee is headed by the CEO of Univera, and family companies of Unigen(R&D), Naturetech(Manufacturing), and ECONET Headquarters(Management) all participate in the committee. The committee focuses on activities to prevent customer complaints in products, service and management areas.



Product, packaging, promotion leaflet, Instruction, complaints in production / distribution processes

**Product**



**Service**

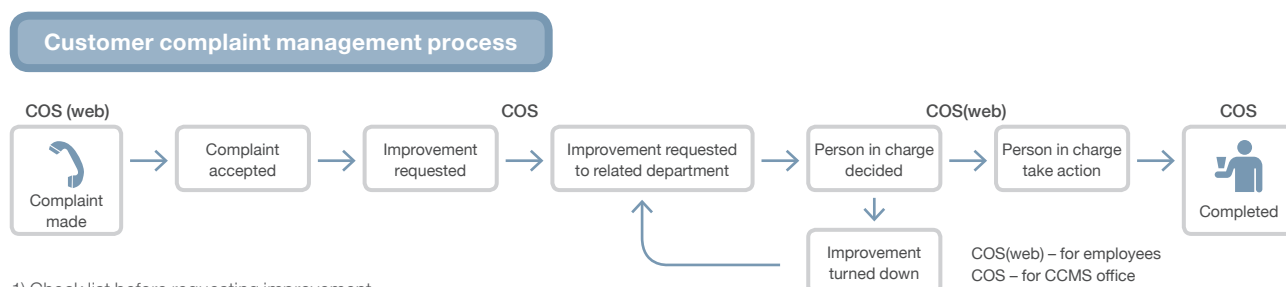
Sales information (comment), sales activity (place of purchase, payment, sales people), call service, B/S, A/S

**Management**

System, management activity which collides with policy and image of the company, social activity, Action of CEO and executives, compliance



## Customer complaint management process



- 1) Check list before requesting improvement
  - Check customer history-return rate-importance, customer grievance, and influence to other customers- immediate notice to CCMS director
- 2) Check if improvement is already made or not: check improvement history

## VOC management and sharing information

Customer contact (on-line or off-line) to Univera will be registered in Customer Oriented System (COS) automatically, and customer voice will be analyzed and shared with family companies and business partners via EGGG (intranet).

### 1. Voice of Customer

Contact channel			2009	2010
Customer	Internet	Univera web site	414	299
		Linitie Web site	107	7
		Internet shopping sites	542	470
		Total	1,063	776
	Telephone		7,869	7,406
Internal customer(employees)			112	25
Agencies(UCS)			265	239
<b>Total</b>			<b>10,372</b>	<b>9,222</b>

### 2. Sharing of information

Year	2009	2010
No. of cases	285	159

## Customer complaint management

Prompt and accurate response is the most important. Univera makes principle of dealing with complaint raised within a day. Completed cases are categorized, analyzed to be utilized in improvement and innovation activities. Improvement activities are mainly conducted by Univera, but manufacturing entity Naturetech actively participates in the activities. Univera placed a monitoring system to ensure that complaints will be used in future product, service and policy development.

Type / Year	2009	2010
Complaint	1,686	1,488
Improvement	139	49
<b>Total</b>	<b>1,825</b>	<b>1,537</b>

### Examples of complaint management

Customer complaints are mostly not about defects in the product itself, but about convenience, portability, and request for product specifics. The following are a few examples.

Type	Complaints	Improvement
Colored cosmetics-customer convenience	Customer did not realize the container was empty, and complained the pump is defective, because the container was opaque.	The container bottle was made transparent, so that customers can see how much is left.
Portability of capsules	The recommended dose was two capsules, but 9 capsules are packed together, causing inconvenience	The PTP were remade to hold 10 capsules for customer convenience
Request of product specifics	Comment and opinions on products in website are in chronological order, so recent comments had to be tracked back to old pages.	The order of comments and opinions are rearranged to show recent articles first. (system improvement)

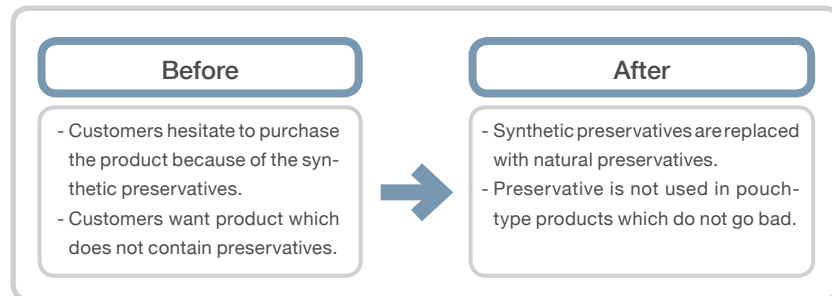
### Product satisfaction

#### Complaints about product

Some products of liquefied type contained a small amount of synthetic preservative. However, after reading customer concerns, the synthetic preservative is replaced with natural preservative. It is a model case that made influence on product development principles, and the case is shared within the company to be utilized in future product development.



Preservatives are removed from Alo-X gold Q by Active-Aloe Ver.2



### Efforts for customer satisfaction

#### Customer complaint management training

Univera employees and employees of business partners involved in prevention, response, improvement of customer complaint management activities in product, service, and management areas are required to receive CCMS training. The training result can make influence on promotion and compensation, making it more effective.

Training		2009	2010
HQ(including business partners)	No. of sessions	33	16
	participants	297	264
Agencies	No. of sessions	153	175
	participants	14,741	13,385
Total	No. of sessions	186	191
	participants	15,038	14,099

## Survey on customer satisfaction on CCMS

“Promptness, accuracy, and innovation” are key words in CCMS. Customer complaint is the first priority that should be dealt with within 24 hrs. If the case is of critical importance, or in case the examination takes time, we complete the case within five days. Customers who raised complaints are asked whether the response was prompt and satisfactory or not after the case is dealt with.

### <CCMS satisfaction rate> (on the scale of 1-5)

category	2009	2010
politeness	4.2	4.3
promptness	4.0	4.2
Satisfaction on the result	4.1	4.2

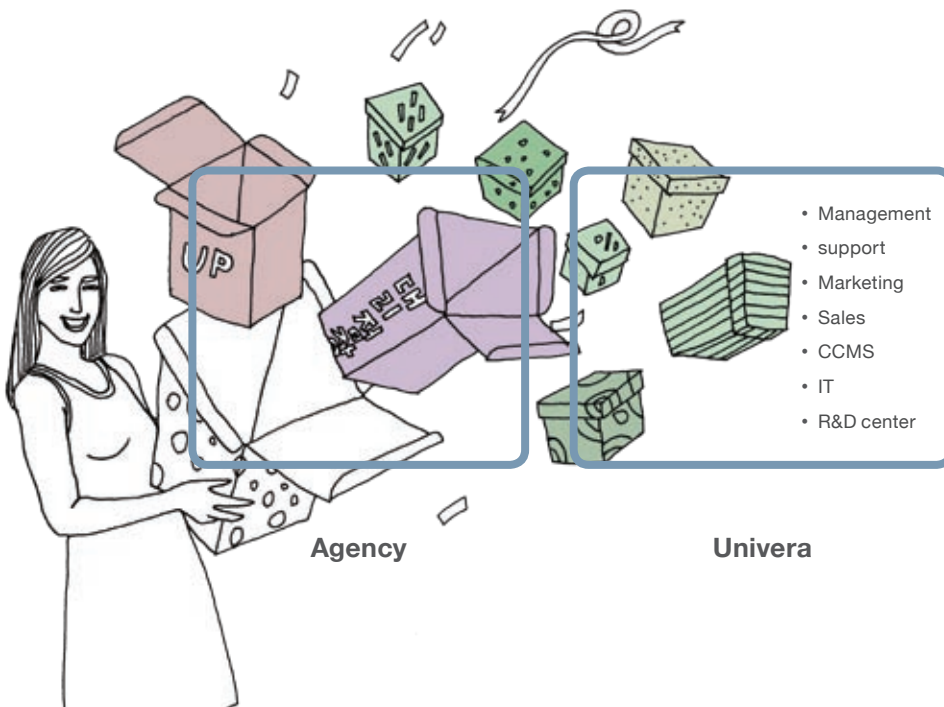
## Compliance with customer protection laws and regulations

Univera complies with the rules and regulations regarding customer rights and customer protection, and publish a leaflet of “on related laws and regulations” annually. Understanding of related laws and regulations are assessed to be reflected in promotion. Until now, no violation was made regarding related laws and regulations on customer protection.

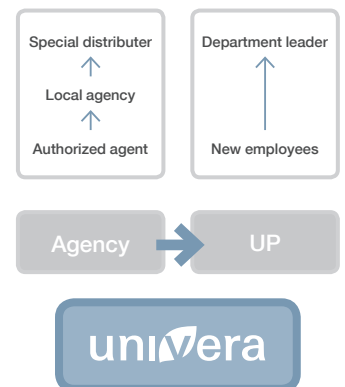
## The role of agencies and Ups

### The importance of agency and UP to Univera

Univera needs to grow in order to realize its vision. The growth comes from the cooperation of Univera and its agencies, and sales activities of UPs. UPs are wellness experts who help customers be healthier both physically and mentally. UPs are not mere sales people, but health counselors who bring health and happiness to customers as well as Univera’s philosophy and corporate value. Agency leaders have great influence on UPs. Univera gives consistent training for UPs and Agency leaders, strengthening the partnership of Univera and agencies. Agencies and UPs grow together based on the relationship.



## | Agency





### Sound business model

Univera set the vision of “a community where all can share purpose, dream & happiness together” and placed related policy and processes to help agencies and UPs, the biggest stakeholders of the company, to have sound business models and enjoy benefits.

### Major results and plans

	2009	2010	2011 goal
<b>Growth</b>	13,108 UPs	13,144 UPs	17,462 UPs
<b>Benefits</b>	Agency and UPs with exceptional results get the chance to visit overseas entities, and receive scholarship for their children. Summer/winter camp for children of UPs	Agency and UPs with exceptional results get the chance to visit overseas entities, and receive scholarship for their children. Summer/winter camp for children of UPs	Agency and UPs with exceptional results get the chance to visit overseas entities, and receive scholarship for their children. Summer/winter camp for children of UPs
<b>System</b>	UPS adopted	UPS implemented	Plan to expand UPS

### Growth of organization

- Agency: The 2011 target for agencies are 420. Univera wants the number of agencies to increase gradually.
- UP: The number of UPs increased by 0.3%, and some of them are promoted to senior UPs. The number of promoted UPs grew by 22%, showing sound sales and recruitment of UPs. The number proves that Univera’s competitiveness as a direct sales company is growing. Also, UPs can grow from housewives to professional sales women.

Rank	Director	Chief branch leader	Branch leader	Department leader	Team leader	UP	total
2009	15	13	281	835	2,074	9,890	13,108
2010	17	27	347	967	2,577	9,209	13,144
2011	13%	108%	23%	16%	24%	-7%	0,3%

### Benefits for agencies

#### Welfare policy for UPs

Univera has a separate welfare plan designed for UPs. Those who show excellence can be awarded the chance to visit overseas entities, and their children get a chance of scholarship, go to summer/winter camp, and they are provided with information sessions.

Rank	UP	Team leader	Department leader	Branch leader	Chief branch leader	Director
<b>Benefits for children</b>	Scholarship / Information for college admittance / Ski camp / Summer camp / Internship with Univera USA					
<b>Benefits for UPs</b>	Award	Prize for excellent UPs	Visit to Chinese office	Visit to Russian office		Car
	Promotion		Tour to Jeju Island	Tour to Jeju Island	Tour to Japan	Tour to Jeju Island
	Training	Trained to be experts / UBA training by rank				

## Scholarship & Summer and winter camp

Univera offers UPs various opportunities such as awards, education and even visits to overseas. Also, benefits for their children boosts sense of belonging and satisfaction of UPs toward the company, resulting in competitiveness and growth of Univera.

-Scholarship: As a loving company, Univera founded Cheonggang University of Cultural Industries located in Deokpyeong, Gyeonggi province to return the profit to the community. In case children of UPs are admitted to this college, they automatically win a scholarship.

### <Number of children of UPs who won Chenggang University scholarship>

(unit: KRW)

2009			2010		
1 <sup>st</sup> semester	number	amount	1 <sup>st</sup> semester	number	amount
	3	5,380,500		5	8,937,500
2 <sup>st</sup> semester	number	amount	2 <sup>st</sup> semester	number	amount
	2	3,445,500		4	7,117,500
Total in 2009	number	amount	Total in 2010	number	amount
	5	8,826,000		9	16,055,000

### <Number of children of UPs who won scholarship>

(unit: KRW)

2009			2010		
1 <sup>st</sup> semester	number	amount	1 <sup>st</sup> semester	number	amount
	239	106,729,480		248	110,266,172
2 <sup>st</sup> semester	number	amount	2 <sup>st</sup> semester	number	amount
	236	104,118,246		244	101,321,306
Total in 2009	number	amount	Total in 2010	number	amount
	475	210,917,726		492	211,587,478

## Summer/winter camp

In summer and winter camps that are held every year since Univera is founded, more than 500 children of UPs, children of Univera employees, and children at the orphanage "Seongaewon" join to have exciting experiences and take pride on their parents and the company. As of 2010, the camp marks its 24th anniversary. Ski camp was first placed in early 2007, to give the children the opportunity to enjoy winter sports, to know better about the job of their parents, and grow love for their families and learn teamwork. The summer and winter camps offer opportunities to exercise outside, rather than playing video games and watching TV in the house. Also, the children of Seongaewon joined the camp, showing the commitment of Univera to its corporate philosophy of love for humans and nature.



**Communication with agencies**

Univera listens to the opinions of agencies, and keep communication channels open to utilize opinions.

Target	Communication channel
Agency leader	Local agency leader conference, IPTV, UCS, Agency leader seminar, Sales department leader seminar, Consulting with Univera people.
UP	Training, Appointment ceremony by rank, Morning sessions, IPTV, UCS, Local UP training, Univera leaders conference.

**Morning sessions**

Morning sessions are a unique culture of Univera. During the morning session at agencies, UPs get information about customer contact and the company. For an hour or so from 9:20 every morning, UPs develop potential as health planners.



**Univera People: in-house magazine for UPs**

Univera publishes a special magazine “Univera People” which is tailored to direct sales company. The bimonthly magazine aims to stimulate exchanges between Univera and UPs, and promote sales power of UPs. Role-model cases of best UPs, and vivid experiences of fellow UPs help UPs take pride in their jobs as being a part of Univera.

**IPTV for agencies**

Univera has provided agencies with setup boxes for training of UPs. However, it offered only one-way communication and the picture was not clear. To fix the problem, Univera has been providing IPTV since March 2010. IPTV supports two-way communication, and can be watched at home with much higher resolution. Specialized Univera contents are supplied to agencies, and also UPs can watch IPTV at their homes. Morning sessions are more effective thanks to IPTV, and the TV can be used in training courses by agencies as well.

**<IPTV>**



**Univera calendar featuring children of UPs**

The 2010 Univera calendar featured children of UPs, under the theme of “Making a healthy world with Univera.” The calendar helped the understanding of children about what Univera does and what is the dream of Univera. The calendar offered a valuable opportunity to share understanding on making the world healthier with children of our next generation.



## Key issues of agencies for 2009 and 2010

### UPS system- designed for the success of UPs

UPS system is the third generation UP business model which helps UPs to develop potential, vision and expertise to bring prosperity and vision of health planners. UPS system is designed to provide physical, mental and financial support to UPs through UBA (training program) and consulting system to become the best sales expert. The success of UPs will be translated into the success of agencies and Univera by the system.



### UBA training to develop potential of UPs

UBA training, supported by Univera, is designed to train experts and develop potential. The UBA has a beginner course for each rank, to give adequate training.

Rank	Role	Training course
UP/Team leader	-Basic sales skill and product information. -Customer management, securing new customers with team leaders.	-Product information -Knowledge of human body and disease symptoms -Sales skill
Department leader/ Branch leader	-Systematic customer management, sales and promotion activity. -Mentoring for new team members.	-Customer management -Recruitment -Mentoring
Chief branch leader/ Director	-Sharing know-how to make sound business model. -Promote sales by assisting agency leader.	-Leadership -Team building

### Univera Business Academy (UBA)

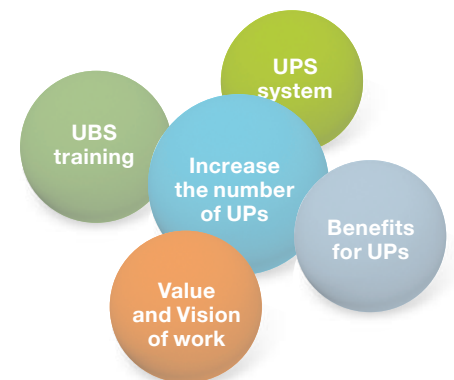
UBA is a system through which individual potential can be developed to train a professional sales expert. The program spans across basic knowledge to intensive training courses, and there are local courses and united programs. The united program is a basic training course on annual basis including mentoring, leadership training, sales know-how and customer management.

### Univera Communication System helps self-development of UPs

Aside from local, rank, united education program, UPs can turn to UCS web site to catch up with missed programs or to get information. A database of education materials is available in the web site [ucs.univera.com](http://ucs.univera.com). In video section, education videos are available to get information in easy and fun way. Health and beauty information are provided with real life examples. Also, UPs can find useful information on customer management, sales know-how, product information and customer contact tips.

### UPs are the growth engine of Univera

Univera became a natural product wellness company committed to humankind and nature. The achievement Univera made was not possible without belief and passion for aloe, a mindset to bring the best of nature to humankind, and more than anything else, the continuous efforts of UPs. UPs are not just salespeople, but health planners who bring health and beauty to customers and deliver philosophy and values of Univera. Univera is making efforts to train and recruit UPs to raise quality and the number of them.



## Interview\_\_ Haeun Lee at Yangjoo Agency

### “Univera will last beyond this century”

Corporate philosophy of Univera is the reason of sustainability. Health functional food market tends to have temporary fads. Customers follow the latest trend such as vitamin and chlorella. However, Univera has not been shifted by trend and kept its corporate philosophy of bringing the best of nature to mankind. Its philosophy for health is the reason that customers choose Univera products. Also, Univera is steadfast. It continuously cultivates natural products and develop new health functional foods. It has become a research powerhouse in natural products. However, I have concerns for Univera. I believe that Apple's Iphone brought such an enormous innovation because of horizontal structure between business partners. Sometimes, a flexible approach and fast response are rewarded. I think internal process innovation is needed for Univera to become truly sustainable. If the issue can be fixed, I am certain that Univera will be loved by customers for centuries.



Agency leader Haeun Lee is experienced entrepreneur who started business of various kinds since her 20s. After experiencing direct sales, she opened a Univera agency that grew in a short span of time. We asked her about the sustainable competitiveness of Univera compared to other companies.

## Interview\_\_ Dongui Jang at Yeonsinnae agency

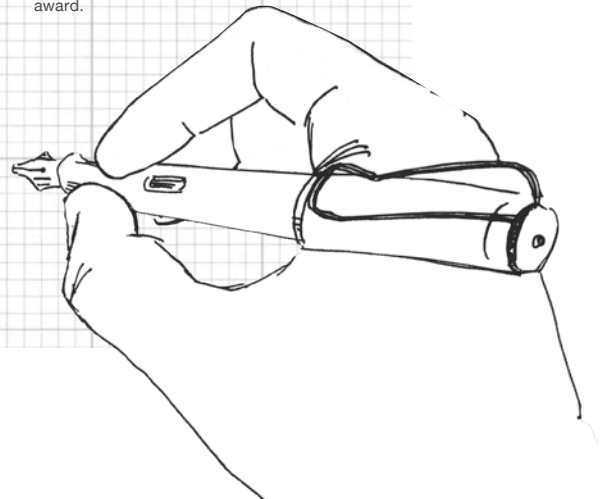
### Univera saved me out of despair and gave me a new dream

I have been working as a UP for nearly a decade. UP is open to everybody. Regardless of gender education and marriage, anybody can become a UP. Even though it is easy to become a UP, it is not so easy to stay as one for a long time. It takes commitment and hard work.

When I first knocked the door of a Univera agency, I was a total mess. TB in bone marrow, and side effects of medication made me a timid, shy person who would not dare to do sales. However, I read a newspaper article about a new ingredient called N931 of Namyang Aloe, and went to an agency. The encounter gave me an opportunity to work, and I gradually became confident while meeting customers. I think the power of Univera's sustainability management comes from its unwavering commitment to health. Univera makes products based on its mindset and philosophy of health and UPs meet customers in a hope to make them healthier. Univera is not influenced by passing trends, and UPs deliver products for the health of customers. The belief and sincerity form a bond between customers and UPs, and the loyal customer introduces other customers to us. If we maintain the belief and sincerity, I am sure Univera will be around for a long time. I was able to find a dream and realize it thanks to Univera. Now I hope Univera will provide education and training to train other professionals like me. Sometimes there is confusion in the attitude of UPs and related policies. That should be clarified. I wish Univera will put more efforts to train health consulting experts for customers to fit the status of a wellness company.



10 years ago, Dongui Jang suffered bone marrow TB, and artificial joint implanted in her body caused serious complications. She went to Univera to recover health, but gained job, fame and health at the same time. She is the first UP who won the title of best UP twice, and is awarded with five times of excellence award, and two times of best manager award.



## CSR for community

### Univera mindset about CSR

“Our Business needs to focus on production of raw materials for healthy natural products, pharmaceutical and cosmetics. Invest in R&D to develop advanced technology, and ascertain the result in a nursing home for adult disease patients. The ultimate goal is to serve humankind.

-The founder late chairman Yunho Lee, quoted from “the diary of the late Cheonggang”



Univera has always made it clear that a business exists to initiate virtuous cycle of human and nature, business and the society, and individuals and business. With the corporate mission of “a loving company” in mind, Univera made efforts to share profit with people around the world, to bring the harmony of nature and humans into the world.

### CSR vision and direction

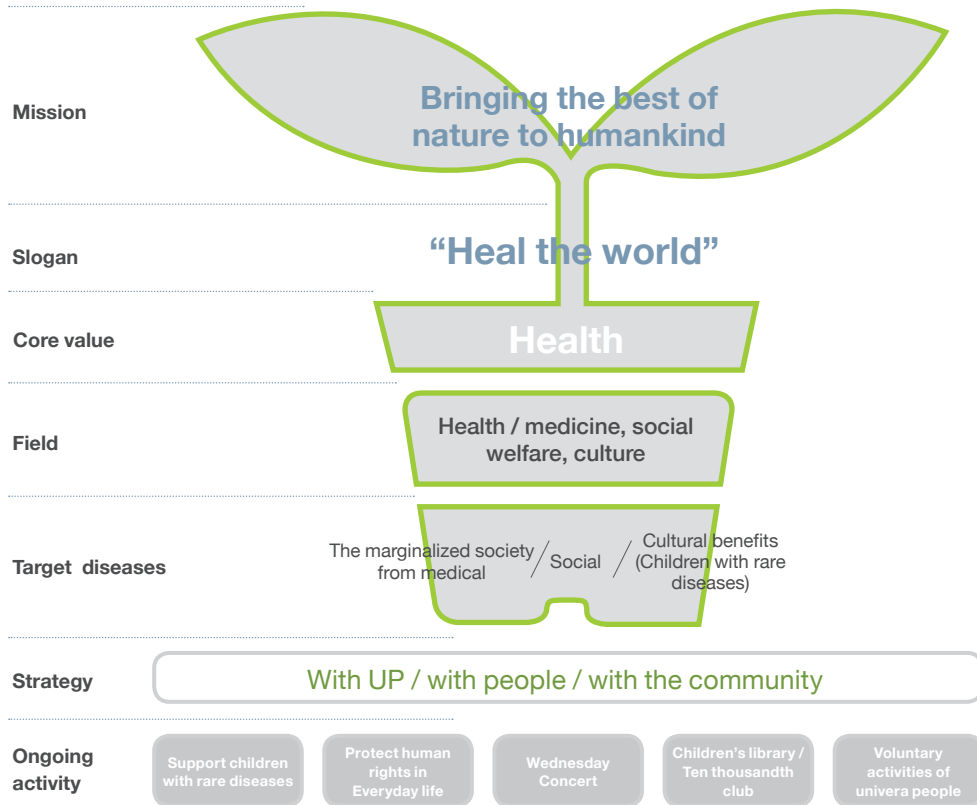
The ultimate goal of Univera’s CSR activity is to make a world where humans and nature coexist in harmony. For Univera, the word “health” is a collective term of mental, physical, and social health as was defined by WHO. We help the marginalized of society who suffer mental, social and physical health issues, and focus especially on child health. Univera believes that the world will be a healthier place if we help people promote health.

### CSR by Univera and agencies

Univera is committed to love for humans, and to R&D. Univera plans to go global based on these strengths. CSR activities are done by not only Univera people, but also by 13,000 people in 410 agencies who are also indispensable part of Univera. Univera will continue to deliver natural products to people around the world, and return the profit to humankind.



## CSR system



### <CSR activity guideline>

<b>Activities to promote physical, mental and social health</b>	<ul style="list-style-type: none"> <li>• Support the marginalized with health(physical, mental, social) issues to meet social responsibility (Children&gt;Women&gt;Seniors)</li> <li>• Collective definition of health: WTO defines health as physical, mental, and social concept.</li> </ul>
<b>Partnership with non-profit organization</b>	<ul style="list-style-type: none"> <li>• Univera is developing a program that would resolve health issues in the long term in a partnership with reliable non-profit organization, to make a sustainable support policy.</li> </ul>
<b>Participation and virtuous cycle</b>	<ul style="list-style-type: none"> <li>• Univera people including UPs participate in voluntary activities to practice corporate philosophy of “bringing the best of nature to humankind,” to initiate virtuous cycle of individuals, society and the humankind.</li> </ul>

### Univera support employees who help others

Univera has placed policies like matching grant and paid leave for voluntary work to encourage voluntary work of employees. In Hansarang Charity Campaign, Univera adds a matching grant to the fund donated by employees and UPs. The fund is used to help people with rare diseases. Since 2003, there have been five rounds of the Hansarang Charity Campaign. Also, Univera permits employees to do voluntary service in work hours. Thanks to these policies, employees have been able to hold birthday parties for patients in Severance Hospital since 2003.

## CSR activities

### Hansarang Charity campaign

Hansarang Charity Campaign is a donation program to encourage the culture of donation in a partnership with the Community Chest of Korea. The campaign is an enterprise-wide effort with employees and UPs. The fourth round of Hansarang campaign from March 2008 to February 2009 collected around 48 million KRW. Univera is the 60th company which joined the campaign, and the 10,000th donation was made by a Univera employee. The company offers matching grant to the donation of employees, making a fund of 200 million KRW. The collected fund is donated to the Community Chest of Korea to help children with rare diseases. Also, Univera supports music/language/exercise/art therapy program in a joint effort with Korean Organization for Rare Diseases to help children with rare medical condition. The fund collected in the fifth round of Hansarang Campaign until March 2001 will also be donated to CCK transparently.



### The total amount of Hansarang Campaign collected fund

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
<b>Period</b>	April 03~March 04	April 04~ March 05	April 04~ March 08	March 08~Feb 09
<b>Partner</b>	Severance	KORD	KORD	KORD
<b>Goal</b>	Marathon event Medical expenses for children	Support social gathering for patients	Support rehabilitation center, seminar on nutrition, cultural and academic support	Support rehabilitation center, seminar on nutrition, academic support, promotion support
<b>Matching grant</b>	20,000,000 KRW	-	20,000,000 KRW	20,000,000 KRW
<b>Total donation</b>	63,840,000 KRW	18,770,000 KRW	54,550,000 KRW	47,999,650 KRW

### Wednesday Concert

Wednesday Concert is a free open-air concert prepared by Univera to return profit to local community. In the ECONET Center where ECONET headquarters is located, a special concert featuring various genres such as classic, fusion jazz, acapella is held every month under the theme of "Music resembles nature." In front of the beautiful building acclaimed as an architectural accomplishment, the local residents breathe the nature and the music, enjoying the concert. The concert has been placed 32 times after first held in September 2005. Also, the marginalized in the local community are invited to the concert to cherish cultural experience together. We plan to invite children of Sungaewon, an orphanage that Univera supports, children in need, the handicapped and seniors of the local community.



<2008-2010 Wednesday Concert>



	Time	Artist	Genre	Spectators
17 <sup>th</sup>	April 2008	Yujin Park Band	Classic	500
18 <sup>th</sup>	May 2008	YammoYammo	Classic	400
19 <sup>th</sup>	June 2008	Have fun with Korean traditional music by Junho Kim and Simsim Son	Korean traditional music	230
20 <sup>th</sup>	July 2008	Jungsik Lee Jazz Band	Jazz	250
21 <sup>st</sup>	Aug. 2008	Sweet Sorrow	Pop	700
22 <sup>nd</sup>	Sep. 2008	Chiwahn Ahn	Pop	600
23 <sup>rd</sup>	May 2009	Sweet Sorrow	Pop	700
24 <sup>th</sup>	June 2010	Malo	Jazz	300
25 <sup>th</sup>	July 2010	Funny classic performance "Hoho classic"	Classic	300
26 <sup>th</sup>	Sep. 2009	Korean folk music group "Deoksoo Kim and Hanwoolim art group"	Korean folk music	350
27 <sup>th</sup>	Oct. 2009	Hyuncheol Kim	Pop	330
28 <sup>th</sup>	May 2010	Sweet Sorrow	Pop	700
29 <sup>th</sup>	June 2010	Sand Animation	Performance and classic	220
30 <sup>th</sup>	July 2010	Taroo, Korean traditional musical	Korean music	250
31 <sup>st</sup>	Aug. 2010	BMK and Jaedeok Jun	Soul and Jazz	650
32 <sup>nd</sup>	Sep. 2010	Talk concert of Hongryul Lee and Changwan Kim	Pop	700

**Childcare support to encourage childbirth with Future Forum**

There is an African saying that "A village is needed to take care of a child." The intimate network of people existed in the past is now nowhere to be found in present. Univera joined the Future Forum to solve the low birth rate issue facing Korea. Four companies of Univera, Pulmoowon, Nolbu and Yuhan Kimberly gathered to revive the community of childcare by donating ten thousandth of sales since 2005. In 2009, three children's libraries are chosen to build a community model in which local people take care of child and communicate. For the three libraries in Busan, Gwangju and Yongin, we will support making environment for childcare system, and progress will be shared in the web site of Univera.

- **What is ten thousandth club?** It is a gathering of future-looking companies that wish to make society with work/life balance, safety and health, transparency and fairness. Univera, Pulmoowon, Nolbu, Yuhan Kimberly, Lawfirm Jisung are members of the club.



## Voluntary work of employees

### Voluntary work program

Univera utilizes nationwide network of agencies and human resources to serve the local community, to practice the culture of love and sharing, and its mission of bring health and happiness to people around world. The voluntary works were done 17 times in 2010, and in the foundation day all employees participated in voluntary service.

#### <Employees participated in voluntary work>

Yr	2009	2010
Average hour	12 hr	13hr
No. of people	100	101
Participation rate	100%	100%

### “Sharing love” by Univera and agencies

Univera launched “Sharing Love,” a group of volunteers in Univea, in April 2003 in a move to make voluntary work a part of corporate culture. The group is launched to practice CSR and help the marginalized in the local community. “Sharing Love” means that “people who wants to share with the local community and spread love.” UPs and Univera employees are gathered together in the group.

Univera utilizes nationwide network of agencies and human resources to serve the local community. The group has branches in HQ, Seoul, Incheon, Central part of Korea, North and South Gyeongsang province. 30 teams around the country participated in 41 activities in which they delivered lunchbox to families in need, made Kimchi for local social facilities, held charity bazaar, helped children with skin problems, took out the children in facilities to one-day excursion.

### “Sharing love” award

Sharing love provided infrastructure of volunteering in Univera. To encourage community service, Univera give awards to remarkable voluntary workers in agencies. 24 agencies are selected and awarded with a plaque and cash prize. The cash prize are also used for the local community.

### Birthday Party for children in Severance Hospital

Univera realized that a consistent support is the most important part of volunteering. Thus, Univera people decided to visit Severance Hospital and ran a variety of program including birthday parties and games for children. The birthday party has taken place since 2003, and has become a monthly event. As a part of Hansarang Charity Campaign, employees at Univera hold birthday parties for children with rare diseases in Severance Hospital. For children and their family who are not able to move, we visit each room to deliver a birthday cake and present, and sing a song for them. It has become popular inside the hospital, for the brief amusement helps children with rare disease forget the pain and be happy and lively again.



# Special Report

## Univera CSR- Use the gift of the nature to benefit people

ECONET center is the building located in Seongsu - dong in Seoul.

The beautiful building makes harmony with the landscape, surrounded by the park, trees, lights and nature. The Monthly Wednesday Concert takes place in the outside parking lot, thus the place has become famous in the local community. Ten principles of the UN Global Compact are displayed in the entrance. The editor met with the marketing director Bokhee Jo, to listen to the CSR and corporate philosophy of Univera.

### The amazing healing effects of aloe should be shared with others

From a bird's eye view, aloe plants looks like stars planted in the land. Star is the symbol of dream and hope. Aloe is the dream and hope of Univera. In the early 1970, the late Yunho Lee was down with hepatocirrhosis. Medical treatment of hospital could not make him better. He accidentally read in a Japanese magazine that aloe has healing effect, bought some from a small farm and ate raw aloe gel for a time. The doctor was surprised by the fast recovery. After the experience, he cultivated aloe in a green house for the first time in Korea. Now Univera has the biggest aloe farms in the US, Mexico and Hainan. The late Yunho Lee had a unique philosophy. He always helped people in need, and cared for others. He thought that he should share the amazing benefit of aloe with others in the same situation. He analyzed the ingredients of aloe, and found out that aloe has a number of benefits such as blood circulation and liver function recovery. The first aloe product in Korea was launched in 1985. He made aloe juice out of concentrate to help people drink aloe easily like milk.

### The road to No.1 natural product company

Univera is a mix of two words- Uni means "One, only" and "Vera" means "the truth." To put it together, it means "the only truth." The name Univera means that we will continue to research, develop, and make products that will bring the benefits of natural product, a gift of nature. It also means that we will spread benefits for people

rather than making profit or grow fast. We invest heavily in studying the effect and benefits of plants, rather than investing in product development. Univera founded "Unigen" in the US in 1996, and since then is committed to build an extensive database of natural products and research the benefits of them. Univera started by growing aloe, and we also cultivate other plants, research them, and make products based on effective ingredients. "Phytologics" is a technology we developed that will be give competitive edge for us in the future.

### Contribute to the society by doing business

I believe the role of our business is to make research into nature and deliver benefits to people without inflicting damage to nature. Also, the corporate culture is important.

There are 410 agencies around the country, and 13,000 UPs are working as sales force. They are the biggest asset of us. UP is open to everybody. There is no requirement such as education. Mostly, housewives who have to support the family work as UPs. They grow into professionals as they work, and be successful and confident while making people healthier. Doing this business is also a process to make "a community where all can share purpose, dream & happiness together.

We have been holding summer camps for children of UPs since 1987. Professors of children's education at Cheonggang University of Cultural Industries make a program for the camp. We make the program in the hope that the children would learn the value of col-



laboration, and be proud of their mothers. Univera products help people and the world to be healthier. From the viewpoint, I think doing our business is in fact doing our social responsibility.

### Unwavering commitment to corporate social responsibility

I believe the CSR activities are important, but what is more crucial is the participation of employees. We concentrate on natural products, and did not seek to turn the direction. Our CSR activities also resemble our corporate philosophy. Once we begin, we do what we need to do without looking other ways.

Univera started its CSR activities in 1989, when Univera products were freely given away to those in need. Hansarang Charity Campaign is an enterprise-wide donation program. The company provides a matching grant to encourage participation.

To help physical, mental recovery of children of rare diseases, we support a number of rehabilitation program such as smile and art therapy in a partnership with KORD. Employees of Univera and agency people organized a group named "Sharing Love" to do voluntary service together. Agencies where volunteering is active are awarded at the year-end, equally treated with agency with the best performance.

The Wednesday Concert has been held 32 times in the parking lot of ECONET center. The concert is benchmarked by other companies. The Seongsoo area inhabitants are mostly working class, and culturally marginalized. We invited musicians with popularity and musical talent to Wednesday concert. It has been 7 years since it began. The aggregate number of spectators is over 20,000 people. Last time, we invited a pop group Zoo, and the train passed while they sang "in a subway station in front of city hall," sounding like a special effect. It was fun. Also, teenagers from nearby youth center visit to watch the performance, and there was a girl who found her calling after watching the performance of Yujin Park and Bora Jin. She said she has studied music for years now to become a musician.



Klara Cho, Marketing director at Univera

We also organized a history camp for college students in which we visited the monument of late Junggeun Ahn. The region is in vicinity of Dooman River, and has great historical value to us. We reclaimed a wasteland and built a farm. The local people welcomed it.

Recently, we are focusing on protecting human rights for men in their 40s. As the traditional value falters, and social status determines the value of individual, men in their 40s suffer serious stresses. They are like "homeless of the mind." We are running a counseling program for men in their 40s.

### Women-friendly corporate culture

My team has 13 people, and six of them experienced pregnancy and childbirth. One of them took maternity leave for seven months. What I would like to emphasize is that in this company, getting pregnant and giving birth does not pose a hurdle to employees. There is no undue pressure for pregnant employees. It is the corporate culture of Univera. After maternity leave, most of the mothers come back to office. There is no gap in their careers. I am very proud that most of my team members are mothers. We have high percentage of women in our office, but we do not experience any kind of disadvantage in promotion, hiring and other aspects of work life. Women are flexible, transparent and fair at work, and cope with challenge better than men. I think the considerate nature of women gives them advantage in today's society.





# DMA on the Environment

# DMA (Disclosure on Management Approach) on the environment

## Vision & Strategic Direction

Univera, as a company that offers health and beauty to humankind, strives to make this society sustainable by practicing environmental management under the slogan of “healthy planet, healthy people.” It also aims to enhance both economic and environmental values through environmental management.

## Top issues of Materiality Test

- Establishment of vision and strategy for environmental management
- Development of eco-friendly products
- Resource conservation and green communication

## Major Achievements

- Have established environmental principles and set up systematic strategies and action plans for environmental management since 2010.
- Launched dietary supplements and cosmetics that adopted eco-friendly package.
- Conducted green communication programs such as environmental management education and ANABADA Market.

(Unit: a million KRW)

Category	2009	2010
Environmental activity cost	-	₩50 million
Environmental education time per person	-	1.5 hours

## Challenges

**Need to manage and establish a greenhouse gas inventory** Even though Univera introduced environmental management in 2009 and has practiced it since then within its strategy scope, quantitative measurement of greenhouse gas has not been fully in place. Therefore, the most urgent task is to set up a greenhouse gas inventory. Besides, Univera, which adopted eco-friendly package starting from 2010, plans to take one step further by launching eco-friendly products in the whole process from materials to production, sales, and consumption in order to ensure safety and health of consumers.

## Vision & Scheme for Environmental Management

Based on its corporate philosophy and business ideology of “Bringing the Best of Nature to Humankind,” Univera, as a company that offers health and beauty to humankind, strives to make this society sustainable by practicing environmental management under the slogan of “healthy planet, healthy people.” It also aims to enhance both economic and environmental values through environmental management.

## Environmental Management Slogan

**“Healthy Nature, Healthy People”**

## Environmental Management Scheme

In order to achieve environmental management values, Univera established and complies with environmental preservation principles in all business areas. (established in 2010)

1. Recognize environment as a core value of corporate activities and practice environmental management continuously by implementing environmental management system.
2. Create environmental values by complying with environmental laws and improving the environment continuously.
3. Save energy in daily lives.
4. Provide customers with products that contribute to human health and sustainable environment.
5. Promote continuous education to raise employees’ awareness for environmental values.
6. Make documents of environmental policies and achievements, disclose them to the public, and take the lead in enhancing awareness for environmental values.

## Development Model of Environmental Management



## Top 3 Strategies for Environmental Management



- **Green Product:** Development of eco-friendly, safe products.
- **Green Office:** Environmental education and activities of employees.
- **Green Communication:** Creation of eco-friendly corporate image by conducting campaigns that target Univera Planners (UPs)/consumers.



## Action Plan

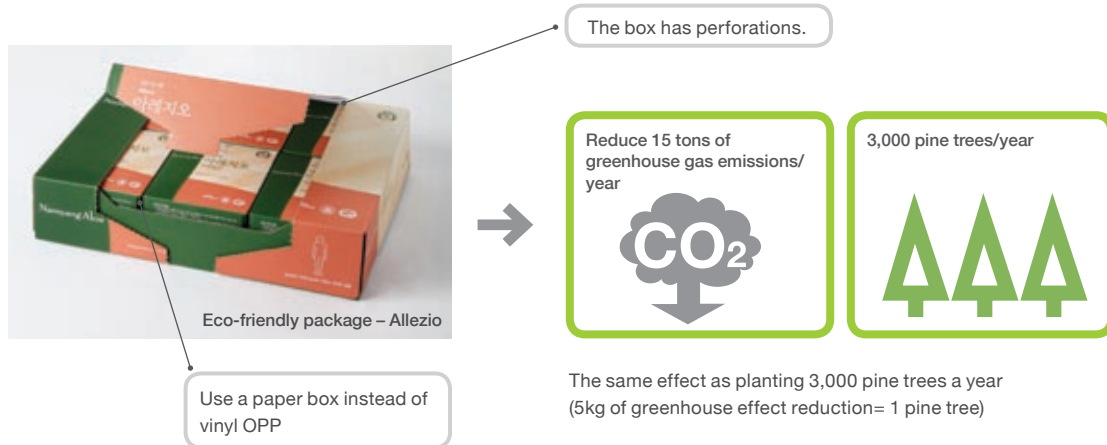
	Major Tasks	Action Plans
Green Product	Develop eco-friendly products	<ul style="list-style-type: none"> <li>Develop eco-friendly products that use less energy and produce less greenhouse gases</li> <li>Eco design, package – Develop automatic, eco-friendly packaging</li> </ul>
	Ensure safety	<ul style="list-style-type: none"> <li>Ensure safety in the product development phase</li> </ul>
Green Office	Improve employees' awareness	<ul style="list-style-type: none"> <li>Establish &amp; share EMS vision</li> <li>EMS declaration</li> <li>Environmental education for employees (SVC)</li> </ul>
	Conduct environmental activities	<ul style="list-style-type: none"> <li>Green Office campaign</li> </ul>
Green Communication	Improve awareness of UPs	<ul style="list-style-type: none"> <li>Environmental campaign for improving lifestyle of UPs</li> </ul>
	Improve awareness of consumers	<ul style="list-style-type: none"> <li>Propose eco-friendly lifestyle to consumers- "Stars Planted on Earth"</li> <li>Campaign for reducing greenhouse gas emissions in daily lives</li> </ul>

### Green Product

Univera plans to develop products that use less energy and produce less greenhouse gases to save the earth, which is getting hotter due to greenhouse gases emitted by businesses. To this end, Univera is taking the lead in making eco-friendly, reliable, and safe products. Univera's green products take the earth environment into consideration. Univera minimizes energy consumption and greenhouse gas emissions in every phase of product development. Moreover, it uses recyclable paper and applies an eco-friendly, automatic line process to reduce greenhouse gas emissions. This method is being applied to all products of Univera consecutively, starting from Allezio, a dietary supplement, in March 2010.

## Eco-Friendly Product Development & Process Management

### <Eco-friendly package – Allezio's healthy change>





Univera's dietary supplements that adopted eco-friendly package

## Does the change in package help reduce global warming?

The change in package is expected to reduce 15 tons of greenhouse gas emissions a year, which is equivalent to planting 3,000 pine trees. This is because paper has replaced the existing vinyl OPP as the box material. It takes more than 100 years for vinyl to be decomposed, which means that it would not be decomposed during the lifetime of the current generation. However, a box made of paper can be recycled. Univera chose recyclable materials for the sake of the next generation, and reduced greenhouse gas emissions further by applying a shorter, eco-friendly process.

## Ensure product safety

Univera has implemented an in-house system for safety management. It applies rigorous standards on prescription in the product development phase. (synthetic additives, pesticide residue, GMO, micro-organisms, harmful materials, etc.)

\*You can check Univera's R&D principles on page 36.

## Ex) Self-evaluation of Univera's eco-friendly packaging & future plans

Univera conducted a self-evaluation of its eco-friendly packaging based on the Research for Setting up Eco-Friendly Packaging Guidelines (Korea Environment & Resources Corporation, Nov. 2005). Even though it is a self-evaluation, it assesses Univera's packaging materials from an objective point of view, helping the company implement environmental management and improve its packaging materials.

### - Dietary supplements

Dietary supplements	Reduction	Reuse	Recycle	Heat recovery	Total
<b>Total score</b>	50	10	90	10	160
<b>Liquid product</b> 5 products	40	10	90	10	150
<b>Capsule product</b> 9 products	40	10	70	0	120
<b>Granular product</b> 3 products	40	10	90	10	150
<b>Tablet product</b> 1 products	40	10	90	10	150
1 products	40	10	70	10	140
<b>Whole evaluation score (average)</b>	<b>40</b>	<b>10</b>	<b>79.5</b>	<b>5.3</b>	<b>134.8</b>

\* The whole evaluation score (average) was calculated in proportion to the number of items of each product.

- Result of the self-evaluation of Univera's eco-friendly packaging for dietary supplements → compliance rate: 84.25%
- Demerit points
  - 10 points were cut off in the "Reduction" section, since the goal of reducing the use of synthetic resins was not satisfied. (Unclear goal)
  - All capsule products used PTP packages (PVC+AL). (-30 points)
    - 1) PVC was used in packaging materials j Lamination, shrink package, coated package were used. (-10 points)
    - 2) "OTHER" was not stated in "separate discharge" mark for synthetic resins (-10 points)
    - 3) "Separate discharge" was not marked in case of using PVC materials in the waste incineration (heat recovery) phase (-10 points)
  - One of the tablet products (Green Calcium) used PTP packages (PE+AL) and OPP film packages. (-20 points)
    - 1) "OTHER" was not stated in "separate discharge" mark for synthetic resins (-10 points)
    - 2) "Separate discharge" was not marked for film/sheet-type packages (transparent packaging materials) (-10 points)

## - Cosmetics

Cosmetics	Reduction	Reuse	Recycle	Heat recovery	Total
<b>Total score</b>	40	10	80	10	140
<b>Linitie</b>					
Daily Care	40	10	80	10	140
Special Care	40	10	80	10	140
Make-Up	40	0	80	10	130
Man Care	40	10	80	10	140
<b>Atoaloe</b>					
Atopy Care	40	10	80	10	140
<b>Aloclassic</b>					
Esthetic	40	10	80	10	140
<b>Veraspa</b>					
Personal Care	40	0	80	10	130
<b>Whole evaluation score (average)</b>	<b>40</b>	<b>10</b>	<b>80</b>	<b>10</b>	<b>137.1</b>

\* The whole evaluation score (average) was calculated in proportion to the number of items of each product.

- Result of the self-evaluation of Univera's eco-friendly packaging for cosmetics → compliance rate: 97.93%
- Demerit points
  - Reuse phase: Cosmetic products were not designed to be reused, and therefore, they didn't comply with the recommended rate of refill production. (-10 points)
    - 1) Refills for color makeup products were not produced. (-10 points)
    - 2) Refills for shampoo and rinse products were not produced. (-10 points)

### Analysis of the Evaluation Result & Need for Improvement

1. Absence of a goal for improving Univera's eco-friendly packaging
  - Efforts for eco-friendly packaging are underway, but there is not an annual plan or goal.
  - The following improvements should be managed with a target schedule.
    - 1) Reduce the use of packages made of synthetic resins each year
    - 2) Reduce waste charges and recycling charges each year.
2. Improvement in PTP packages for Univera's dietary supplements
  - Currently, Univera's PTP packages use composite materials of PVC (Polyvinyl chloride) and AL (Aluminum).
  - Univera can increase the compliance rate of eco-friendly packaging guidelines to 95% or higher if it reduces the use of PVC.
3. Lack of efforts to reduce recycling charges and waste charges
  - Waste charges are paid by Naturetech, and recycling charges (60 million won/year) are paid by Univera.
  - Recycling charges for synthetic resins including PVC are higher than those for glass or paper. Therefore, Univera can reduce recycling charges by changing the package materials.

### <Future plans for product development>

#### - Dietary supplements

An overall design renewal is planned for dietary supplements that will be introduced in the 2nd half of 2011. These products will have eco-friendly packages. Besides, Univera is developing Wholefoods, which will enhance consumers' health by using materials found in nature, and plans to launch it in 2012.

#### - Cosmetics

For new cosmetic products that will be launched in 2011, Univera will designate items that should be banned from being used in natural cosmetics (24 ingredients in no-no list). In this way, it will apply a pure formula which is completely free from 24 ingredients (preservatives including paraben, substances derived from animals, substances that can cause skin irritation, synthetic fragrances, artificial colors, etc.) that are permitted to be used in cosmetics but are deemed to be harmful to human bodies.



## Efforts for Univera Green Office

Greenhouse gases emitted by businesses are mainly produced due to building, production, and work-related movement (approximately 43%). Univera has found out that reducing greenhouse gas emissions inside its office building, "ECONET Center," is the fastest and most effective way to curb global warming. Since 2010, it has cut energy consumption and greenhouse gas emissions and made efforts to create an eco-friendly office environment. For example, Univera actively separates the waste produced in the office, recycles it as much as possible, refrains from using disposable products, and reduces the use of energy including electricity and gas for the purpose of cutting down cost and greenhouse gas emissions.

## Univera's Green Office Campaign

Univera is running a resource conservation campaign in order to raise employees' awareness for energy saving. As the first step, it suggests the easiest and fastest way to cut greenhouse gas emissions in "ECONET Center" and encourage employees to put them into action in everyday lives.



**Use public transportation for commuting.**  
If you drive your car just one day less every week, you can reduce 445kg of CO<sub>2</sub> a year.



**Use the stairs when going up to the 4th or lower floors.**

When you use the elevator one time, you consume 30W of energy and produce 12.7g of CO<sub>2</sub>.



**Switch off the computer when you are not using it.**

Keeping the computer on for one hour means wasting 100WH of electricity.



**Use your own cup.**

If you use 5 paper cups a day, you produce 20kg of CO<sub>2</sub> every year.



**Turn off the lights and cooling/heating devices during lunchtime.**

If you turn off 15 fluorescent lights for one hour a day, you can cut 74kg of CO<sub>2</sub> emission a year.



**Reuse paper.**

Using one box of printing paper means producing 4.4kg of CO<sub>2</sub>. Reuse the paper for simple, unofficial reports.



**Do not wear a tie in the summer and put on extra underclothes in the winter.**

Taking off a tie or wearing a long-sleeve sweater will make you feel that the temperature is 1~2°C lower or higher than it really is.



**Pull out the plugs after work.**

Standby power takes up about 10% of power consumption of products.



# ECONET Center's Efforts for a Healthy Planet

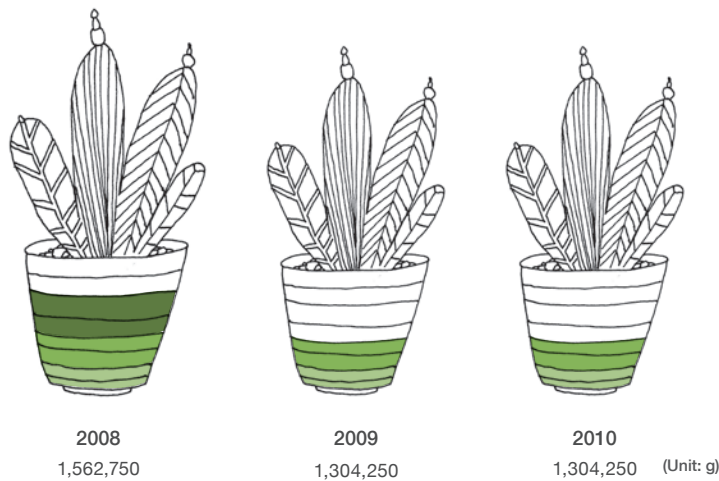
## Healthy Change at ECONET Center

Univera has realized that it should first reduce greenhouse gas emissions in order to make the earth healthier. Accordingly, it implemented easy and practical ways to cut emission of CO<sub>2</sub> in the working environment. The following are the efforts that ECONET Center has made for a healthy planet.

## Reuse the Paper! Recycle office stationery!

Univera made it a rule to recycle all the office stationery. Employees reuse clips, post-its, etc. that had previously been used once and then thrown away. They turn off all the lights when going out for lunch, and unplug the computers after work. Paper is the most frequently used material at the office. Univera encourages employees to use e-mail instead of printed-out paper and to reuse paper by keeping a box for used paper.

### <Usage of Paper>



## Use Cloth Towels at the Toilet

At Univera's toilets, there are no hand dryers or paper towels. Instead, there are cloth towels that have been washed clean and then stacked neatly. You can dry your hands with them.



## Introduction of Green IT (UIPS, electronic fax)

About 2% of worldwide electric power consumption and CO<sub>2</sub> emission comes from the IT sector. With the spread of IT, energy consumption and greenhouse gas emissions are increasing sharply. In this situation, Univera has introduced green IT to participate in environmental management through electric power/energy saving. For example, it introduced UIPS (Univera IT Power Saving Solution), a solution for automatic PC power saving, to minimize standby power and thereby cut down electricity cost. Besides that, it improved work processing speed greatly and prevented unnecessary waste of paper by introducing electronic fax.

## Donation of Used Computers

In the past, Univera had disposed computers via a third-party company. But starting from 2010, it donated used computers to "PC with Love" campaign of Korean Association for Informatization of the Disabled ([www.kadi.or.kr](http://www.kadi.or.kr)). A total of 13 computers were recycled.

## Use Mugs Instead of Paper Cups

At Univera, there are no paper cups. Employees use personal mugs instead. Mugs are also used for guests who visit the company.

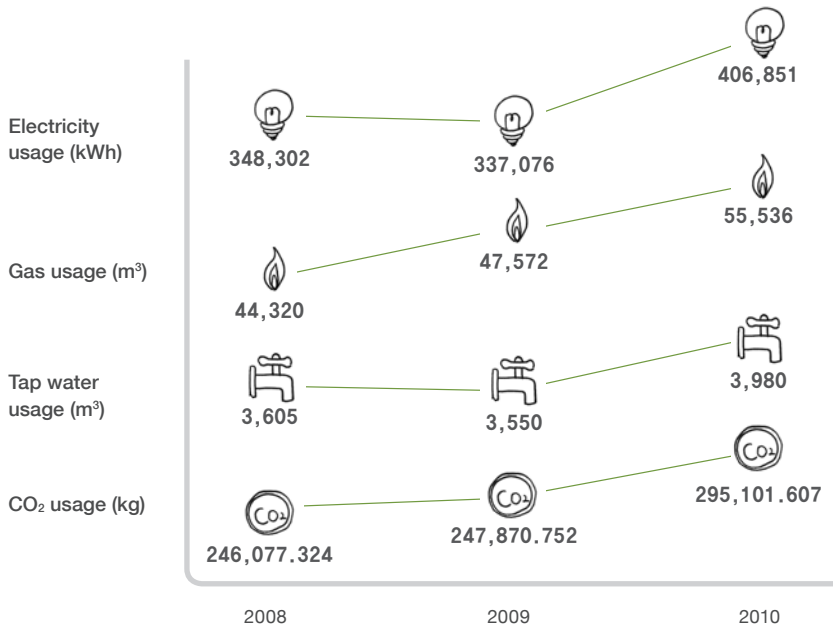


## Organic Meals

Univera has a cafeteria named "Eum." It is a cafeteria during the day, and an Italian restaurant during the evening. Eum provides organic foods for lunch using eco-friendly materials. It does not use artificial flavors and the taste is not too spicy, salty, or strong. Univera provides these organic meals under the belief that as a company that leads wellness, it should first ensure health of the employees. Sometimes a ladybug is found dancing in the salad, but the employees who eat organic foods realize that what is the closest to nature is good for the health. The remaining food is donated to food banks.

## Installation of Automatic Sensors to Save Electricity

Since March 2010, Univera has installed solar energy equipment and automatic sensors for lights in the parking lot and toilets. By doing so, it reduced monthly usage of electricity. 288kw of electricity was saved in the parking lot using solar power, and 416kw was saved in the toilets using automatic sensors. Moreover, Univera turned off the lights of the cafeteria on the 1st floor and the exhibition room on the 2nd floor except when the lights are inevitably needed, saving 139kw in the cafeteria and 282kw in the exhibition room. Despite these efforts, however, the usage of electricity, gas, and tap water increased compared to previous years due to a severe cold wave that occurred in the 2nd half of 2010.



## Environmental Management Activities

### Environmental Education for Employees

Univera has conducted environmental education for its employees since 2010. At the beginning of this year, the employees watched an environmental documentary titled "Tears in the Arctic." They recognized the severity of global warming, and shared strategic tasks and action plans that can be implemented at Univera.



### Opening of ANABADA Market

ANABADA Market, which is a Korean acronym for “save,” “share,” “exchange,” and “reuse,” was opened 5 times from Feb. 2009 to late Dec. 2010. It was held in Univera’s office building “ECONET Center,” and employees brought products that they no longer use and sold them at a low price. ANABADA Market, which was designed as part of Univera’s environmental management, enabled the employees to renew their commitment to environmental protection and to strengthen relationships with each other. 20% of the profits from the market were donated to “Share Your Love” campaign.



### Provision of Eco Mugs and Eco Shopping Baskets to UPs

As part of its efforts for environmental management, Univera invented eco mugs and eco shopping baskets to save the earth. Eco mugs and eco shopping baskets were first introduced on Apr. 27, 2010 at the “2010 Univera Leaders’ Congress,” the largest award ceremony for UPs, and they suggested new ways to change lifestyles to make the earth healthier. Using an eco mug is equivalent to planting 4 pines trees a year, and eco shopping baskets, when used instead of a plastic bag, make the soil healthy. Given that it takes 100 years for a disposable plastic bag to be decomposed, replacing plastic bags with eco shopping baskets would have great positive impact on the environment. With this in mind, Univera distributed eco mugs and eco shopping baskets to 4,000 UPs on that day. As can be seen in Univera’s slogan for environmental management, “healthy planet, healthy people,” this activity will bring happiness to all.

### Company Magazine for External Communication “Stars Planted on Earth” Suggests Eco-Life

“Stars Planted on Earth,” Univera’s wellness magazine, is running articles on CO<sub>2</sub>-Free Project as a special annual report. The magazine suggests 12 principles that achieve zero CO<sub>2</sub> emissions, and for the first time in Korea, it encourages readers to spread the recycling activities by launching a campaign for “sharing the magazine with neighbors.” Besides, through the “Eco Family” series which introduce actual stories of families trying a wellness lifestyle, the magazine suggests eco-friendly lifestyles to reduce greenhouse gas emissions.



### Univera’s Environmental Management Plans

Univera introduced the concept of environmental management in 2009, and since 2010, it has worked hard to establish it firmly in the company. The limitation of today’s environmental management lies in the fact that it is confined to communication activities regarding products, offices, UPs, and consumers. In 2011, Univera plans to improve the situation and implement environmental management in a wide variety of fields. For example, it will reshuffle the environmental management organization and reflect environmental performance of individuals in their KPI. It will respond to the upcoming effectuation of the Kyoto Protocol by setting up an inventory of greenhouse gases. Furthermore, it will apply more rigorous principles of eco-friendliness and numerical evaluations to product development.

## Environmental Management Plans



# Special Report



## ECONET Walks the Path of Environmental Management

### J. Soonam Kwon Manager | Univera Korea

It has already been 2 years since ECONET started environmental management. We participated in a CEO workshop held in Russia in the 4th quarter of 2008, and discussed the necessity and inevitability of environmental management. After that, we analyzed the status of environmental management of each subsidiary, established common action plans, and shared environmental management plans that fit the characteristics and objectives of each subsidiary.

### Status of Environmental Management of Each ECONET subsidiary (Aug. 2008)

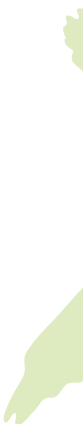
#### Check the EMS of each subsidiary

Univera	Unigen	Naturetech
<p>1. Management of product safety</p> <ul style="list-style-type: none"> <li>- Review solutions from product development (synthetic additives, pesticide residue, heavy metals, GMO, micro-organisms, potentially harmful materials, trans fat, etc.)</li> <li>- Establish proprietary safety management system</li> </ul> <p>2. Environmentally friendly packaging</p> <ul style="list-style-type: none"> <li>- Use recyclable material</li> <li>- Use eco-friendly prints (promotional materials, boxes, etc.)</li> <li>- Use eco-friendly materials that do not produce harmful materials much</li> <li>- Develop green purchasing &amp; guidelines</li> </ul> <p>3. Customer satisfactory service</p> <ul style="list-style-type: none"> <li>- Consumer Complaint Management System (CCMS)</li> <li>- Disclosure level of product information</li> </ul> <p>4. Save energy in distribution</p> <ul style="list-style-type: none"> <li>- Improve delivery procedures/methods</li> <li>- Simplify packaging, etc.</li> </ul>	<p>1. Safety management of raw material</p> <p>2. Proper waste disposal</p> <ul style="list-style-type: none"> <li>- Reduce waste from experiments (dead animal bodies, wastewater from experiments, garbage, etc.) (optimal calculation of experimental materials in the experiment planning phase → reduction of experiment cost)</li> </ul> <p>3. Management of hazardous materials</p> <ul style="list-style-type: none"> <li>- Review prescription in the product development phase</li> <li>- Review the necessity of in-house purification facilities</li> <li>- Implement management evaluation system</li> </ul> <p>4. Review the operation of ISO 14001</p>	<p>1. Environmental friendly actions</p> <ul style="list-style-type: none"> <li>- Develop 'Green' purchase and guideline</li> <li>- Review waste disposal process (Decrease waste &amp; review recycle, reuse options) (Review of turning waste into resources by using heat recovery, etc.)</li> <li>- Review sewage/wastewater treatment facilities</li> <li>- Manage the adequate water usage</li> <li>- Identify factors that reduce greenhouse gases, ozone-depleting substances, etc.)</li> <li>- Improve the workplace environment (Prevent particles, prevent/reduce noise and vibration)</li> </ul> <p>2. Develop environment technology</p> <ul style="list-style-type: none"> <li>- Develop follow-up processing technologies</li> <li>- Develop pollution prevention technologies</li> <li>- Develop technologies for Environmental Risk Assessment</li> </ul> <p>3. Review the operation of ISO 14001</p>



#### <ECONET common actions>

- |   |  |
|---|--|
| <p>1. Sufficient energy use management</p> <ul style="list-style-type: none"> <li>- Reduce electric power consumption (Reduce unnecessary use of lighting/facilities/experimental equipment, optimize operation rate of process facilities, etc.)</li> <li>- Reduce cooling/heating energy (renewable energy including photovoltaic energy, Cool Biz campaign, etc.)</li> </ul> | <p>2. Corporate social activities</p> <ul style="list-style-type: none"> <li>- Promote environmental restoration projects (Green parks, environmental protection campaigns, etc.)</li> <li>- Green marketing (Donate part of revenue to society), environmental funds (Establish/operate welfare foundation, etc.)</li> </ul> <p>3. Education (Greater awareness &amp; sense of responsibility of employees through education)</p> <ul style="list-style-type: none"> <li>- Campaign for establishing corporate culture</li> </ul> |
|---|--|



## Pursuit of ECONET's Environmental Management System

In addition, we have strived to implement Environmental Management System (EMS) in a practical way by setting up a specific timeline for these plans and phase-based action plans.

### Phases for implementation of ECONET's EMS (Aug. 2008)

Planning (Short-term)	Promote activities (Mid-term)	Stabilization (Long-term)
<ul style="list-style-type: none"> <li>- Possible for immediate actions and changes</li> <li>- No expense generated</li> </ul>	<ul style="list-style-type: none"> <li>- Expense generated</li> <li>- Need short period of time</li> <li>- Direct benefit factors</li> </ul>	<ul style="list-style-type: none"> <li>- Expense for investment</li> <li>- Need long period of time</li> <li>- Indirect benefit factors</li> </ul>
<ul style="list-style-type: none"> <li>- Check legal and other requirements</li> <li>- Grasp each subsidiary's EMS</li> <li>- Set up plans/goals for environmental management</li> <li>- Form a committee/team for environmental management</li> <li>- Implement efficient energy management system</li> <li>- Continue to provide services for customer satisfaction</li> <li>- Collect environmental education materials for staff training</li> <li>- Consider ways for eco-friendly treatment and packaging design during development processes</li> <li>- Pursue to develop eco-friendly processes (waste treatment process, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Set up/implement internal safety system and principles</li> <li>- Apply eco-friendly packaging (implement green purchasing)</li> <li>- Improve distribution and supply processes and methods</li> <li>- Pursue to develop environmental technologies</li> <li>- Improve part of eco-friendly processes and implement them (recycling of packaging materials, etc.)</li> <li>- Provide systemic environmental education</li> <li>- Review areas where renewable energy can be utilized (Use of solar power, heat recovery process, etc.)</li> <li>- Operate ISO 14001 procedure</li> </ul>	<ul style="list-style-type: none"> <li>- Complete eco-friendly processes</li> <li>- Apply environmental technologies</li> <li>- Undertake environmental protection activities</li> <li>- Establish eco-friendly business culture</li> <li>- Develop sustainable management system</li> </ul>

After introducing the EMS, the three domestic subsidiaries (Univera, Unigen and Naturetech) set up plans suitable to their own capability and circumstances for environmental management and have been consistently implementing them. In 2010, they officially announced the following as their policies for environmental management.

### Environmental management policies of each subsidiary of ECONET (2010)

Univera	Unigen	Naturetech
<ol style="list-style-type: none"> <li>1. Recognize environment as core value for business management activities and implement sustainable environmental management through EMS</li> <li>2. Create environmental value by abiding by environmental laws and regulations and improving environment</li> <li>3. Save energy whenever and wherever possible</li> <li>4. Provide customers with products that ensure wellness of humankind and environmental sustainability</li> <li>5. Offer education to raise environmental awareness among organization members</li> <li>6. Document our environmental policies and achievements and make them public to take the initiative in raising public awareness of environmental value</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue to create and maintain sustainable environmental value for wellness of humankind</li> <li>2. Strictly observe environmental laws and continue to improve and complement environment-related procedures, and thus establish environmental emergency response system</li> <li>3. Save cost and energy whenever and wherever possible</li> <li>4. Purchase and research &amp; develop products that ensure wellness of humankind and environmental sustainability</li> <li>5. Offer education to raise environmental awareness among organization members</li> <li>6. Contribute to social and regional development by actively and regularly supporting community's environment improvement activities and promote the company's image as eco-friendly business through active PR efforts regarding its EMS</li> </ol>	<ol style="list-style-type: none"> <li>1. Set out targets and implementation plans for environmental protection and improvement to ensure continuous environmental innovation</li> <li>2. Cultivate eco-friendly business culture upholding environmental laws and standards</li> <li>3. Save energy and resources whenever and wherever possible</li> <li>4. Develop products that ensure wellness of humankind and environmental sustainability</li> <li>5. Raise environmental awareness among entire staff and provide regular education to ensure continuous participation in environmental protection</li> <li>6. Document our environmental policies and achievements, make them public and carry out PR activities</li> </ol>

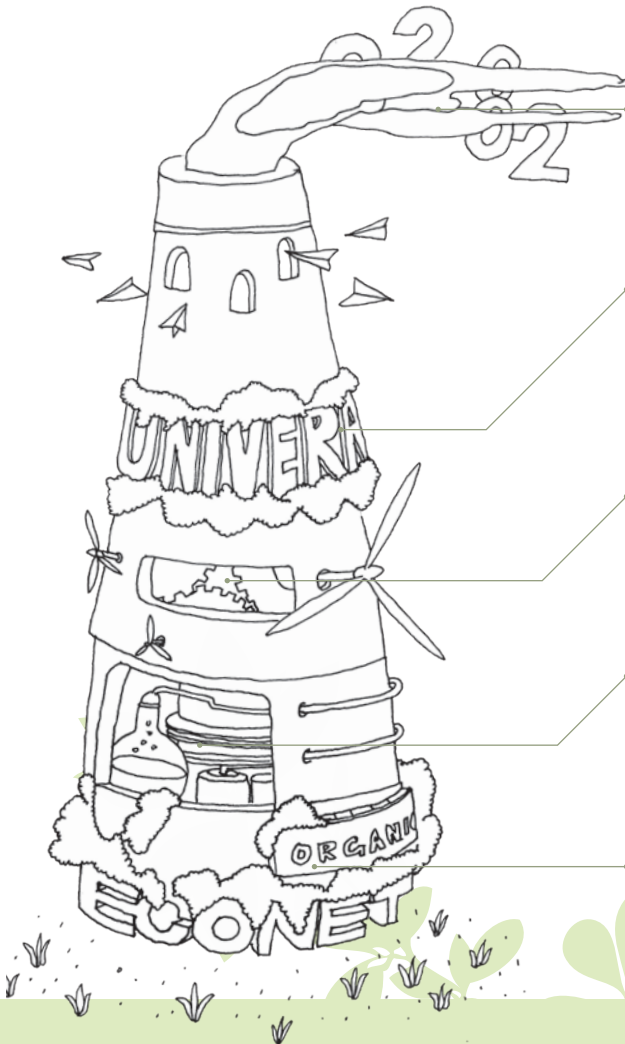


# Special Report

These policies will serve as critical guidelines for the three companies' environmental management that are essential to systematic and active implementation of their EMS. Moreover, these policies will become standards by which we will communicate ourselves with the outside concerning environmental management. By launching environmental management, ECONET is no longer a simply profit-making company, but has evolved into a company committed to environmental preservation while generating profits. Now, ECONET has taken a meaningful step forward for a better world for all. In light of this, it behooves us, ECONETians, to start small and nurture eco-friendly lifestyle and attitudes.

## ECONET's environmental management for nature

Univera grows various natural plants including aloe in its four overseas farms with a combined size of 12-fold of Yeoido's (Hilltop Gardens of the U.S.A, Tampico of Mexico, Kraskino of Russia and Hainan Island of China). We cultivate barren soil and fight cold-weather damage to nurture healthy life, thereby continuously generating oxygen to instill life into Earth that is increasingly covered by carbon. We are also making gradual but steady efforts to reduce greenhouse gases generated during our research and development of natural substances. All in all, ECONET is making small but meaningful changes for nature, earth and humankind.



### Univera distributors

- **Green communications** UPs offering eco-friendly bags and mugs, external communication, "Stars Planted on Earth," CO<sub>2</sub>- free project

### Univera

- Green product environment-friendly packaging (applied to six health products), packaging using Veraspa recycled paper from natural pulp
- Green office CO<sub>2</sub>- free office campaign, environmental education, green IT, ANABADA market, use of mugs, scrap paper and towel, installation of automatic sensor and utilization of solar power, promotion of organic diet (restaurant Eum)

### Naturetech

- Eco-friendly processes
- Environmental KPI

### Unigen

- Eco-friendly research and experiment
- Reduce waste from experiments (carcass, waste water, garbage, etc.)
- Save experiment cost by setting the most optimal level of cost at experiment-planning stage

### Aloecorp

- Grow aloe, Echinacea, Scutellaria and other natural substances on overseas farms with a combined size of about 33 million<sup>2</sup> to absorb CO<sub>2</sub>
- Rotate crops and implement conventional farming
- Increase organic farming-certified farms

## • GRI(Global Reporting Initiative) G3 Index

Index	Description	Covered in the Report (O/X)	Page(s)
<b>Strategy and analysis</b>			
1.1	Statement from the most senior decision maker of the organization	o	13, 15
1.2	Description of key impacts, risks, and opportunities	o	16, 17
<b>Organizational profile</b>			
2.1	Name of the organization	o	20
2.2	Primary brands, products, and/or services	o	20
2.3	Operational structure of the organization	o	20, 24
2.4	Location of organization's headquarters	o	20
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	o	24, 25
2.6	Nature of ownership and legal form	o	26, 27
2.7	Markets served	o	24
2.8	Scale of the reporting organization	o	20, 32, 33, 40
2.9	Significant changes during the reporting period regarding size, structure, or ownership	o	26, 27
2.10	Awards received in the reporting period	o	39
<b>Report parameters</b>			
3.1	Reporting period	o	7
3.2	Date of most recent previous report (if any)	o	7
3.3	Reporting cycle (annual, biennial, etc.)	o	7
3.4	Reporting cycle (annual, biennial, etc.)	o	7
3.5	Process for defining report content	o	16, 17
3.6	Boundary of the report	o	7
3.7	State any specific limitations on the scope or boundary of the report	o	7
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	o	8, 9, 24, 25
3.9	Data measurement techniques and the bases of calculations	o	7
3.10	Explanation of the effect of any re-statements of information provided in earlier report	o	N/A
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods in the report	o	N/A
3.12	Table identifying the location of the Standard Disclosures in the report	o	89, 90
<b>Economic performance</b>			
EC1	Direct economic value generated and distributed	o	32-35
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	o	77, 78
EC4	Significant financial assistance received from government	o	N/A
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	o	24, 56
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	o	56
EC8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	o	35
<b>Governance, commitments and engagement</b>			
4.1	Governance structure of the organization	o	26
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	o	26
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	o	26
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	o	26
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance	o	26, 27
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	o	26
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	o	26
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	o	21-23
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	o	26
4.10	Processes for evaluating the highest governance body's own performance	o	26
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	o	28, 29
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	o	28, 29
4.13	Memberships in associations	o	28, 29
4.14	List of stakeholder groups engaged by the organization	o	16, 17
4.15	Basis for identification and selection of stakeholders with whom to engage	o	16, 17
4.16	Approaches to stakeholder engagement	o	16, 17
4.17	Key topics and concerns that have been raised through stakeholder engagement	o	16, 17
<b>Society</b>			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	o	69-73
SO2	Percentage and total number of business units analyzed for risks related to corruption	o	28, 29
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	o	28
SO4	Actions taken in response to incidents of corruption	o	28, 29
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	o	28
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	o	28, 46
<b>Labor practices and decent work</b>			
LA1	Total workforce by employment type, employment contract, and region	o	46
LA2	Total number and rate of employee turnover by age group, gender, and region	o	51

• GRI(Global Reporting Initiative) G3 Index

Index	Description	Covered in the Report (O/X)	Page(s)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	o	46-53
LA4	Percentage of employees covered by collective bargaining agreements	o	49
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	o	49
LA7	Rates of injury, occupational diseases, lost day's, absenteeism and total number of work-related fatalities, by region	o	N/A
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	o	47
LA9	Health and safety topics covered in formal agreements with trade unions	o	47
LA10	Average hours of training per year per employee-by-employee category	o	52
LA12	Percentage of employees receiving regular performance and career development reviews	o	53
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	o	26, 46-51
LA14	Ratio of basic salary of men to women by employee category	o	46
<b>Human rights</b>			
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	o	58
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	o	58
HR4	Total number of incidents of discrimination and actions taken	o	46, 47
HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights	o	50, 56-59
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	o	46, 56, 57
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	o	46, 56, 57
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	o	47, 58
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	o	46, 56-58
<b>Product responsibility</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	o	36-43, 80, 81
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	o	63
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	o	60-63
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	o	63
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	o	61
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	o	31
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	o	46
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	o	61
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	o	63
<b>Environmental</b>			
EN1	Materials used by weight or volume	o	N/A
EN2	Percentage of materials used that are recycled input materials	o	N/A
EN3	Direct energy consumption by primary energy source	o	83, 84
EN4	Indirect energy consumption by primary source	o	83, 84
EN5	Energy saved due to conservation and efficiency improvements	o	83, 84
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	o	83, 84
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	o	82-88
EN8	Total water withdrawal by source	o	84
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	o	N/A
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	o	N/A
EN13	Habitats protected or restored	o	N/A
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	o	88
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations by level of extinction risk	o	N/A
EN16	Total direct and indirect greenhouse gas emissions by weight	o	84
EN17	Other relevant indirect greenhouse gas emissions by weight	o	83, 84
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	o	79-88
EN19	Emissions of ozone-depleting substances by weight	o	83, 84
EN20	NOx, SOx, and other significant air emissions by type and weight	o	N/A
EN21	Total water discharge by quality and destination	o	N/A
EN22	Total weight of waste by type and disposal method	o	88
EN23	Total number and volume of significant spills	o	N/A
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	o	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	o	79-88
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	o	80-81
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	o	N/A
EN30	Total environmental protection expenditures and investments by type	o	77, 81

# Univera Sustainability Report Third-Party Review

## The Third-Party Review

First, let me extend my congratulations on Univera's publication of its sustainability report. I believe that Univera's report should set a good example as a new form of a sustainability report in that it doubles as a COP report under the UN Global Compact (UNGC) and effectively presents both financial and non-financial value that the company has generated.

Univera's strategy to ensure sustainable management should merit attention as under its business vision and management philosophy, "Bringing the Best of Nature to Humankind," the company is committed to promoting environmental, economic and social development in a sustainable manner by abiding by the UNGC principles through the global ECONET community. In particular, Univera's efforts to arrange and implement specific educational system to enhance leadership and capability of its officials and employees and to actively communicate and cooperate with its stakeholders ranging from its customers, distributors, partners, UPs to local community are regarded as highly practical and timely.

It is also notable that Univera has adopted "human rights-based management" as its core management principle, which it is faithfully applying to all of its operations including overseas farms, and I pay my sincere tribute to Univera for its unsparing commitment to human rights principles under the UNGC and provisions of ISO 26000. Looking ahead, I have high expectations and hope for Univera's ambitious plan to draw up a set of measures to ensure integration of human rights in its management system.

I also have keen interest in Univera's efforts to set up a detailed manual for customer complaint management and to pursue win-win cooperation with its distributors and UPs by supporting their profit generation and welfare and offering them sufficient training opportunities. Equally commendable is the fact that Univera has incorporated its vision for social contribution into its management philosophy and its headquarters and distributors alike are actively participating in various CSR initiatives. In fact, the valuable contribution by Univera related to UN MDGs has been covered in the relevant document as Korea's companies with best practice and introduced to the public through a private sector forum organized by the UN last October. I hope Univera will continue to pull off achievements like this going forward.

In addition, Univera continues to evolve into a truly eco-friendly business based on its guidelines for environment reservation and make improvements through steady self-diagnosis. In light of this, I recommend establishing a greenhouse gas inventory to measure and manage greenhouse gases. Moreover, I fully appreciate Univera's efforts to enhance management transparency, and I advise you to overhaul internal codes of ethics and adopt a set of new ones so as to improve enterprise-wide transparency going forward. Through this constant improvement and technological innovation, I hope that Univera will continue its journey to make our world a better place for both nature and humankind, and enjoy sustainable growth and leadership as a global health and wellness enterprise from economic, social and environmental perspectives.



**JU Chulki**

Vice President and Secretary General of  
UN Global Compact Korea Network





## “Bringing the best of nature to humankind”

Univera is a wellness group which seeks health from nature. We want people around the world be healthier and more beautiful. Based on the corporate philosophy of bringing the best of nature to humankind, we adopted sustainability management in three areas; economy, society, and environment, in a move to initiate virtuous cycle where people and nature exist in harmony. Univera, with its stakeholders, is committed to make the world a better place.

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