

KEPCO Code of Conduct for Suppliers

August, 2012

Preliminary Statement

KEPCO is committed to creating a better, happier future for everyone through fostering a clean and convenient energy culture. KEPCO is setting the global standard for the global energy market through advancing green energy and smart technology while simultaneously rapidly achieving its goal of becoming recognized the world over as a pioneer in green and smart energy.

To ensure quality and service, KEPCO has a Code of Conduct for Suppliers (hereinafter referred to as “the code”) which is the basic ethical, social and environmental criteria that any and all suppliers who are connected in business dealings with KEPCO shall comply with; and such compliance with the code will make both KEPCO and its suppliers not only globally competitive but also generate many benefits for both parties.

The code is a set of criteria that shall be adhered to by KEPCO suppliers, their officers and employees, agents, and subcontractors (hereinafter collectively referred to as “suppliers”); KEPCO will ensure compliance with the code through establishing continuous communication with suppliers.

Through adherence to the code, KEPCO will be able to lay the foundations to establish a clean and transparent corporate culture while also creating a positive public outlook towards energy.

General requirements

All KEPCO suppliers, at home and abroad, shall comply with any applicable domestic and international laws, and The Ten Principles of UN Global Compact that was enacted with regard to human rights, labor, environment, and anti-corruption; and also adhere to the guidelines of this code in good faith. Additionally, whenever signing and fulfilling a contract with and for KEPCO, all suppliers shall conform to any requirements that are proposed from time to time by KEPCO in relation to ethics, society, and environment and are responsible that their subcontractors understand and observe the criteria set forth herein.

Requirements in detail

I. Ethical criteria

- 1.1 Suppliers shall make their best efforts for a transparent and open management, and shall in no case conduct any unethical deeds including but not limited to extortion and bribery. In particular, none shall grant in any form benefits including money and goods, entertainments and bribe to any of KEPCO employees.
- 1.2 No supplier shall get involved in any unfair collusion or alliance that may damage fair trade nor sign any illegal subcontract with any third party.
- 1.3 No supplier shall make any KEPCO employee an unreasonable request that may affect the fair performance of his or her duties or decision making, in favor of benefiting either himself or a third party.
- 1.4 Suppliers shall train and educate their respective employees to create a transparent corporate culture where they are encouraged to reject bribes; and anyone who comes to know or find any case related to corruption in the performance of their contract shall immediately report it to KEPCO's Business Malpractice Report Center (see the website www.kepcoco.kr).

II. Social criteria

- 2.1 Suppliers shall comply with any applicable laws in relation to taxation and labor within the relevant territory and make their best efforts to act on the provisions set forth in such laws.
- 2.2 No supplier shall be provided labor or employment in violation of any applicable domestic and international laws.
- 2.3 No supplier shall employ children in any case nor benefit from child labor.
- 2.4 No supplier shall discriminate against any worker based on race, religion, gender, or disability in hiring and employment practices; and suppliers shall respect the rights of his workers to associate freely, form and join workers organization of their own choosing, seek representation, and bargain collectively as in permitted by and in accordance with applicable laws and regulations.

III. Environmental criteria

- 3.1 Suppliers shall comply with any applicable laws and regulations in relation to environment and safety within the relevant territory and make best efforts to act on the provisions set forth in such laws and regulations.
- 3.2 Suppliers shall adhere to the procedure with regard to environment for the purpose of improving the corporation's environmental protection performance on a sustainable basis and make their best efforts to proliferate eco-friendly technologies.
- 3.3 Suppliers shall provide and create a safe and healthy workplace and working condition for workers including but not limited to the provision of requisite safety gear.
- 3.4 Suppliers shall make their best efforts to minimize the damage to the environment of any relevant country and region within their territory by conducting management activities focusing on environment.