

PART 1
ETHICS PRACTICAL GUIDELINES

CHAPTER 1. ETHICS PRACTICAL GUIDELINES

Enacted on June 23, 2015

Article 1 (Purpose) The purpose of the Ethics Practical Guidelines (hereinafter the “Guidelines”) is to make Members (defined as below) understand and comply with the Code of Ethics of ChildFund Korea (hereinafter “ChildFund”).

Article 2 (Scope of Application) The Guidelines apply to the employees and officers, sponsored children, sponsors and volunteers of ChildFund, and all related parties in cooperative relationships with ChildFund (hereinafter “Members”).

Article 3 (Compliance Duty)

- ① The employees and officers of ChildFund shall fully understand and comply with the Guidelines by taking them as the standard for their actions and decision-making process. However, as it is impractical to list all probable cases, the employees and officers shall make their own decisions and practice them in a strict manner.
- ② The employees and officers of ChildFund are required to prepare the Pledge of Compliance with the Code of Ethics (Exhibit No.1 Form) and submit it to Human Resources Department after carefully reading and fully understanding the Code of Ethics and the Guidelines. However, in cases where an executive officer takes office, the executive officer is required to prepare the Pledge of the Executive Officer Inauguration (Exhibit No.2 Form) and submit it to Human Resources Department in addition to the above.
- ③ Each organization may enact and operate its detailed manuals upon approval from Human Resources Department principally based on the Code of Ethics and the Guidelines.

Article 4 (Means of Reporting) In the event that the employees and officers of ChildFund discover or suspect any violation of the Code of Ethics and the Guidelines, they shall immediately report such violation through the following means.

1. Means of Reporting
 - Reporting either anonymously or non-anonymously through Cyber Audit
 - Reporting by sending an email to the main email addresses of Audit and Human Resources Department
2. Reporting Channels
 - Audit: the main email address of Cyber Audit and Audit (cfhear@childfund.or.kr)
 - Human Resources Department: the main email address(cfreport@childfund.or.kr)
3. Operation Principles: Keeping a whistleblower’s identity anonymous, taking measures in accordance with the type of reported issue

Article 5 (Definition) The terms used in the Guidelines shall have the following meanings.

1. “Interested person” means an individual or a group whose rights or profits might be directly or indirectly affected by the execution of duties such as children, sponsors, volunteers, bidders or transacting parties, etc.

2. "Money and other valuables" mean any and all gains from assets, such as money, securities, properties, goods, accommodations, memberships to facilities, admission tickets for venues and performances, discount coupons, invitation tickets, event tickets and right of use properties, etc.
3. "Direct bribery" means cases where the employee and officers accept or offer money and other valuables from or to an interested person, where family members, relatives and friends of the employees and officers accept money and valuables from an interested person on their behalf and deliver them to the employees and officers, or where money and valuables are offered to an interested person through family members, relatives and friends of the employees and officers.
4. "Indirect bribery" means cases where a senior (a junior) employee/officer accepts money and valuables from an interested person and then give it to a junior (a senior) employee/officer, or give or accept them to /from a person of the same level.
5. "Entertainment" includes meals, feast, golf, performance, domestics and overseas tours, speculative entertainment and entertainment, etc.
6. "Conveniences" mean benefits such as transportation, accommodation, sightseeing guidance and event assistance, etc. other than gifts or entertainment.
7. "Embezzlement of a public fund" means stealing a public fund to take it as one's own assets.
8. "Misappropriation of a public fund" means using a public fund for other personal purposes.
9. "Diversion of tangible/Intangible assets" means an action of taking the ChildFund's tangible/intangible assets outside ChildFund to use them for personal purposes or to sell them, etc. without permission.
10. "Use for other purposes" means using the ChildFund's facilities, machines, materials and other items for personal profit-making purposes.
11. "Negligence" means an action causing loss to ChildFund by failing to perform duties required of Members considering their positions or titles.
12. "Poor attendance/tardiness records" means an action of intentionally and habitually arriving late at work or leaving work early, being out of office or being absent from work without permission or handle attendance/tardiness record abnormally.
13. "Careless management and supervision" mean causing loss to ChildFund by failing to perform its duty of care as a manager.
14. "Unreasonable performance of work" means actions specified in any of the following paragraphs.

- A. Non-performance of duly required duties or performance of work one ought not to with an intention to give advantages or disadvantages to a specific interested person.
 - B. An action of delaying, disturbing, abetting or instigating work or making a false report with an intention to give advantages or disadvantages to a specific interested person.
15. “Overstepping one’s authority” means infringing other person’s authority by being involved in matters beyond his/her authority such as performing duties he/she ought not to perform considering his/her position or performing work beyond one’s authority.
16. “Sexual harassment” means an unwanted word or behavior of a sexual nature which makes the other person of the same or opposite sex feel offended.
17. “Discrimination” means the unjust and unfavorable treatment of different categories of people on the grounds of academic achievement, education level, gender, nationality, race, religion, marital status or the place of birth, etc.
18. “Economic benefits” mean gaining unjust benefits by giving any tangible and intangible economic benefits such as exemption from obligations, provision of employment opportunities and granting of rights/interests, etc.

Article 6 (Prohibition on accepting/offering unjust benefits) It shall be regulated in accordance with any of the following paragraphs.

1. Money

- A. In case that an interested person offers Members money, Members should not accept such money regardless of what the reason may be, and politely refuse or return the money, and Members should not offer money to an interested person either.
- B. If Members discover that a colleague or a family member of the colleague has accepted or offered money, Members are required to report the incident immediately in accordance with Article 19 of the Code of Ethics (Duty to report).
- C. If Members unknowingly accept money, Members should return the money immediately upon realization of such fact and report the process and result thereof to Human Resources Department in writing (Exhibit No.3 Form).

2. Gifts

- A. If an interested person offers Members a gift, Members should refuse or return the gift politely, and Members should not offer a gift to an interested person either.
- B. Memorabilia and promotional materials for distribution to many and unspecified persons within a generally accepted range do not fall under the definition of a gift.
- C. If Members discover that a colleague or a family member of the colleague has accepted or offered a gift, Members are required to report the incident immediately in accordance with Article 19 of the Code of Ethics (Duty to report).

- D. If Members unknowingly accept a gift, Members should return the gift immediately upon realization of such fact and report the process and result thereof to Human Resources Department in writing (Exhibit No.3 Form).
- E. In case of gifts that are prone to decay or deterioration or whose return address is unclear, Members should verbally report it to Human Resources Department and donate the gift to a social welfare facility or an organization nearby and report the process and the result thereof in writing (Exhibit No.3 Form).

3. Congratulatory/Condolent Family Events

- A. Members may not inform interested persons of congratulatory/condolent family event of themselves or their colleagues. Informing such event through a third person shall also be deemed as their own act of informing.
- B. If such event is informed through media such as newspapers and broadcasting and the ChildFund’s intranet, it shall not fall under this category.

4. Entertainment

- A. Members should not offer or accept entertainment from interested persons.
- B. If Members have provided or accepted entertainment, should immediately report such incident to Human Resources Department in writing (Exhibit No.3 Form), and if Members discover that entertainment has been offered or accepted, they should immediately report it in accordance with Article 19 of the Code of Ethics (Duty to report).
- C. If it is unavoidable due to the nature of business, Members should obtain prior approval from their supervisor in accordance with the following procedures, and any expenses/costs incurred shall be borne by each person.

Procedures for obtaining prior approval for offering/accepting entertainment if unavoidable due to the nature of business	Subjects		Approval Procedures
	Department	Head of Dept. or Head of Team or those in higher levels	Top supervisor
		Those in levels below Head of Dept. or Head of Team	Deputy Supervisor
	Program Office	Head of Program Office or those in higher levels	Top Supervisor
Those in levels below Head of Program Office		Deputy Supervisor	

5. Provision of Convenience

- A. Members should not accept conveniences from interested persons. If Members have paid a reasonable price for offered conveniences, or if Members are

unable to do so, they should immediately report the incident to Human Resources Department in writing (Exhibit No.3 Form).

- B. Conveniences within a generally and socially accepted range, and conveniences uniformly and generally provided to participants of the event by the host relating to their duties such as transportation or accommodation, etc. shall not be deemed as accepting/offering unjust benefits.

6. Guaranteeing the Future Economic Benefits

- A. Members should not request benefits from interested persons such as employment opportunities, unjust job placement or unfair contracts, etc. or accept such request. If Members discover such incident, they should immediately report the incident to Human Resources Department in writing (Exhibit No.3 Form).

7. Bribes delivered through a third person

- A. The employees and officers of ChildFund should not deliver (or suggest/request) or should not help deliver (or suggest/request) money and valuables, entertainment, conveniences or guarantee of the future economic benefits to (from) the employees and officers of ChildFund or interested persons.
- B. Although Members do not directly offer or accept money and valuables, entertainment, conveniences or guarantee of the future economic benefits to/ from the employees and officers of ChildFund or interested persons, the act of delivering or helping deliver unjust benefits to a third person shall be deemed as offering/accepting unjust benefits.

Article 7 (Prohibition on illegal diversion of the ChildFund's assets) Members should not cause losses of the ChildFund's assets, embezzle a public fund, appropriate a public fund, divert tangible/intangible assets or use them for other purposes, etc., and Members should report such act immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

Article 8 (Leakage of confidential information and prohibition on seeking personal gains)

① Members should not leak, disclose or distribute confidential information of ChildFund unknown to the public or engage in any activities in the interest of personal gain using such confidential information, and should report the incident immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

② Members should not seek personal gains using their authority vested in the office, and should report such incident immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

Article 9 (Prohibition on disclosing personal data)

① Any personal data handled internally by ChildFund shall only be collected, used or provided if the prior consent of the data subject is obtained except as otherwise specified in individual laws.

② Personal data shall not be disclosed to a third party or used for other purposes without prior approval, and Members should report such act immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

③ Any matters concerning personal data protection shall be regulated in accordance with the applicable personal data protection laws and the ChildFund's guidelines thereon (privacy notice), etc.

Article 10 (Prohibition on transactions in the name of the employees or officers or a family member thereof)

① Transactions with ChildFund in the name of the employees and officers or a family member thereof are prohibited, and Members should report such act immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

② If the employees and officers or a family member thereof have interests in transactions related to ChildFund, transactions with ChildFund in the name of the employees and officers or a family member thereof are prohibited (supply of goods and services, etc.)

③ Members should not request, instruct, or pressure interested persons to transact with a company personally connected to the employees and officers or a family member thereof.

Article 11(Prohibition on document fabrication or false reporting) Members should not deliberately deface, fabricate or tamper documents or report untruthfully, and Members should report such act immediately upon discovery thereof under Article 19 of the Code of Ethics (Duty to report).

Article 12(Compliance with duties and responsibilities of the employees and officers) The employees and officers should not inflict losses on ChildFund or harm the reputation of the ChildFund by neglecting their duties and responsibilities such as tardiness, poor attendance record, careless management and supervision, overstepping of one's authority or unreasonable performance of work, etc., and Members should report any violation thereof immediately upon discovery under Article 19 of the Code of Ethics (Duty to report).

Article 13 (Prohibition on sexual harassment and wrongful act among the employees and officers)

① The employees and officers should clearly understand that sexual harassment is an act that infringes upon a person's human rights and that disrupts the work environment, and should not commit to any physical, verbal and visual act that causes sexual discomfort, and Members should report any violation thereof immediately upon discovery under Article 19 of the Code of Ethics (Duty to report).

② The employees and officers should not commit to an act that would disrupt the sound work culture such as discrimination, unreasonable work-related instructions, verbal abuse and assault, etc., and Members should report any violation thereof immediately upon discovery under Article 19 of the Code of Ethics (Duty to report).

Article 14 (Prohibition on any act that might damage the reputation of ChildFund)

① Any and all acts that conflicts with the interest of ChildFund shall be completely prohibited in the process of performing duties, and in case of conflict of interest, Members should consider protecting the interest and reputation of ChildFund as a top priority and behave accordingly.

② The employees and officers should comply with the missions, key values, the Code of Ethics and the Guidelines of ChildFund as well as perform their duties transparently, honestly and fairly according to their conscience with good work ethics, and Members should report any violation thereof immediately upon discovery under Article 19 of the Code of Ethics (Duty to report).

Article 15 (Interpretation) If decisions made based on the Guidelines are ambiguous, they shall be regulated in accordance with authoritative interpretation of Human Resources Department.

Article 16 (Effective Date) The Guidelines shall take effect immediately once it has been passed at the executive meeting.