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# Public Disclosure on State-Owned Enterprises

Integrated Disclosure System on SOEs in South Korea:  
All Public Information In-One (ALIO) System

A Case Study

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WORLD BANK GROUP



Ministry of Economy  
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# Abstract

This brief summarizes the main features of Korea's All Public Information In-One (ALIO) system, launched in 2006 to allow timely public access to state-owned enterprises' (SOEs) financial and management information. SOEs in Korea have played a vital role in the national economy and are instrumental in carrying out major elements of the national policy agenda. The Korean government placed significant emphasis on improving corporate governance of its SOEs, including strengthening the legal framework, ownership arrangements, board of directors, performance monitoring, transparency, and procurement. Korea's innovative approach and extensive experience in SOE reforms set a good example for other countries. At the forefront of transparency and data collection is the ALIO system, a Korean internet-based public disclosure system. Recently, the system strengthened the requirement for disclosing environmental, social, and governance related information to effectively deal with climate change challenges. On May 25, 2022, the SOE Global Solutions Group in the World Bank Governance Global Practice featured the ALIO public disclosure system in one of its webinar series. This brief explains the ALIO system in more detail and serves as a useful reference for stakeholders interested in strengthening SOE monitoring, oversight, and management.



# Contents

<b>Acknowledgments</b>	<b>iv</b>
<b>Abbreviations</b>	<b>v</b>
<b>1. Background</b>	<b>1</b>
<b>2. The ALIO System</b>	<b>2</b>
<b>3. History of ALIO</b>	<b>3</b>
<b>4. Information Items Disclosed through ALIO</b>	<b>5</b>
<b>5. Climate Response and Disclosure of Environmental, Social, and Governance Information</b>	<b>9</b>
<b>6. Disclosure Inspection System</b>	<b>13</b>
<b>7. Future Direction of Integrated Disclosure</b>	<b>15</b>
<b>Notes</b>	<b>16</b>
<b>References</b>	<b>17</b>
<b>Annex: Policy Priorities Reflected by ALIO Items</b>	<b>18</b>

## Figures

Figure 1. History of ALIO	4
Figure 2. Items for Integrated Disclosure (41 Items, 126 Sub-Items)	6
Figure 3. ALIO Website (Statistics of Eight Main Items)	7
Figure 4. Detailed Statistics of 21 Sub-Items	7
Figure 5. Energy Consumption Item	10
Figure B5.1.1. Hapcheon Floating Photovoltaic Plant Project	12
Figure 6. Disclosure Inspection System Procedure	14

## Table

Table A.1. ALIO Item Changes and Their Related Policy Priorities	19
--	----

## Box

Box 5.1. Climate Change-Related Disclosure and ESG Management of K-water	11
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## Abbreviations

ALIO	All Public Information In-One
AMPI	Act on the Management of Public Institutions
DART	Data Analysis, Retrieval, and Transfer System
ESG	environmental, social, and governance
GDP	gross domestic product
GHG	greenhouse gas
ICT	information and communication technology
MOEF	Ministry of Economy and Finance
MOE	Ministry of Environment
NDCs	Nationally Determined Contributions
PUBMIS	PUBlic institution Management Information System
SOE	state-owned enterprise

*Note:* All monetary amounts are Korean won (₩) unless otherwise indicated.



## Background

**State-owned enterprises (SOEs) in Korea have played a vital role in the national economy and are instrumental in carrying out major national agenda.** As of 2022, there are 350 SOEs in Korea. Their total budget is 1.3 times larger than the government budget,<sup>1</sup> and amounts to 38 percent of Korea's 2021 gross domestic product (GDP). SOEs provide public services for citizens' basic needs including power, water, gas, public transport, housing, healthcare, education, ICT, and environment. Korean SOEs also play a significant role in terms of public employment. The total number of workers employed by SOEs stands at 443,000, representing 38 percent of all government employees and 1.6 percent of Korea's economically active population. Indeed, SOEs are major economic actors and contribute to economic growth and social development in Korea.

**The increasing demands of citizens have placed significant pressure on SOEs to be efficient in their operations, to improve performance and service delivery, and to solve market discipline challenges.** Hence, improving SOE performance is on top of many countries' policy agenda. The Korean government significantly emphasizes improving good corporate governance in terms of a clear legal framework, ownership arrangements, board of directors, performance monitoring, transparency, and procurement. Korea's innovative approach and extensive experience in SOE reforms is of high interest to the World Bank Group and its client countries.

**The All Public Information In-One (ALIO) system, a Korean internet-based public disclosure system, is at the forefront of transparency and data collection.** The following sections provide an overview of the ALIO system and the integrated disclosure system and explain how integrated disclosure can assist SOEs in fulfilling their policy functions, promote transparency, and improve the public monitoring function.



## The ALIO System

**ALIO is a web-based disclosure system that is designed to provide the public with a comprehensive view of key information regarding the management of SOEs.<sup>2</sup>** ALIO adopted the integrated disclosure system<sup>3</sup> introduced by the 2007 Act on the Management of Public Institutions (AMPI).<sup>4</sup> Under the system, the Ministry of Economy and Finance (MOEF) prepares a standardized form for integrating management information to be disclosed by SOEs. SOEs then use the form to disclose management information to the public, such as general operation status, financial information, and performance evaluation results over the last five years. Integrated disclosure is stipulated under Article 12 of the Act. Article 16 of the Enforcement Decree of the Act provides for the specific requirements for the disclosure, including the information items, criteria, and procedures. Although each SOE discloses its management information on its website, the MOEF chooses the key management information to be disclosed in an integrated way using a standardized format through the ALIO system. Through the ALIO system, the government selects and publicly shares key management items disclosed on SOE websites in accessible ways. This innovative system is designed to ensure transparency in Korea's public sector, satisfy the public's right to know, and strengthen monitoring of SOEs by the public.

**The ALIO system has two companion systems: JOB-ALIO and ALIOPLUS.** JOB-ALIO specializes in SOE job information. Released in 2021, its mobile version is highly popular among job seekers interested in an SOE career. ALIOPLUS is the web portal for SOEs' information. Whereas ALIO and JOB-ALIO focus on integrated disclosures and recruitment, ALIOPLUS offers a wider compilation of information and the latest news about SOE facilities, events, and businesses, along with ample video content. These ALIO services are available on mobile as well, and can be accessed anywhere, at any time at the user's convenience. ALIO, JOB-ALIO, and ALIOPLUS will continue to evolve to broaden their contact points and communication channels with the public.





## History of ALIO

**In 1998, Korea adopted its first SOE disclosure framework to add more transparency to SOE management and performance.** At the time, only 21 enterprises were required to disclose their information. However, such disclosure meant merely listing an enterprise's financial and accounting information, which makes it difficult for the public to access the information.

**In 2000, the government revamped the approach to expand the disclosure institutions and use of SOEs' own websites.** The change was accompanied by the enactment of the Customer Charter – establishing the standards; procedures; and methods for services, corrections, and compensations provided by SOEs. With the enactment of this charter, the scope of disclosure requirement was expanded to include government-invested institutions.

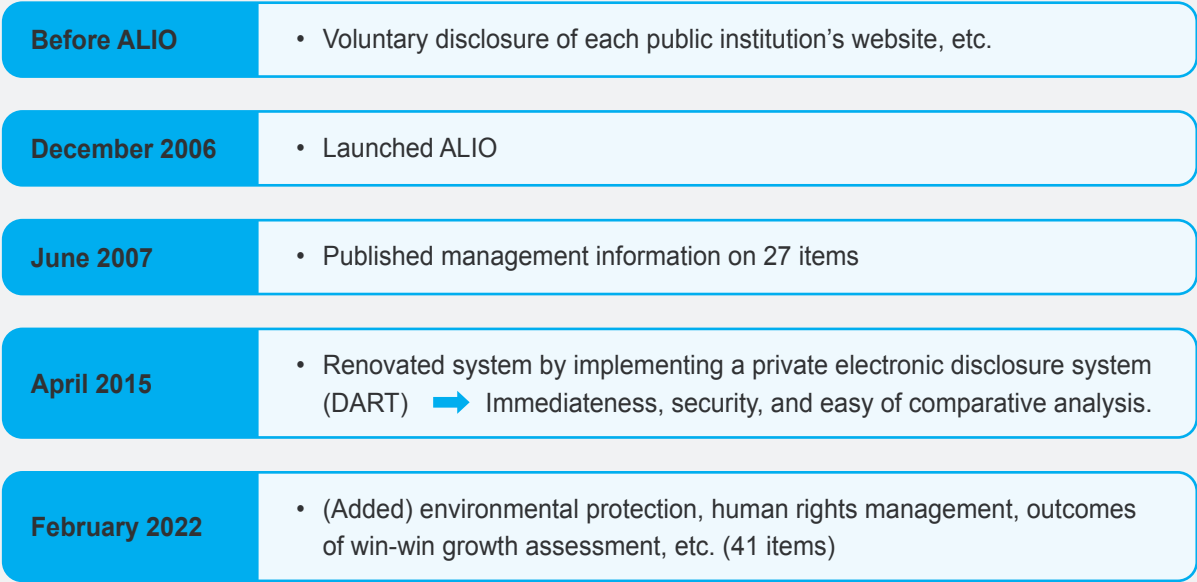
**In 2005, a new system called the PUBLIC institution Management Information System (PUBMIS), a precursor to ALIO, was launched.** The launch of PUBMIS unified the sources of SOE management information in a single website. To add more functionality, in December 2006, the PUBMIS system was upgraded – creating the ALIO.

At the time of its launch, the ALIO was operated as a website forum, so the user had to download every document uploaded by the relevant SOE to compare certain items. To address this issue, the government turned to the Data Analysis, Retrieval, and Transfer System, or DART, an electronic disclosure system (used in the private sector).

DART offers faster and more secure reporting features in addition to an easier method to compare data, and it has been officially used since 2015. Since the introduction of DART, the government has continued to upgrade and improve the system every year (see figure 1).

> > >

FIGURE 1 - History of ALIO

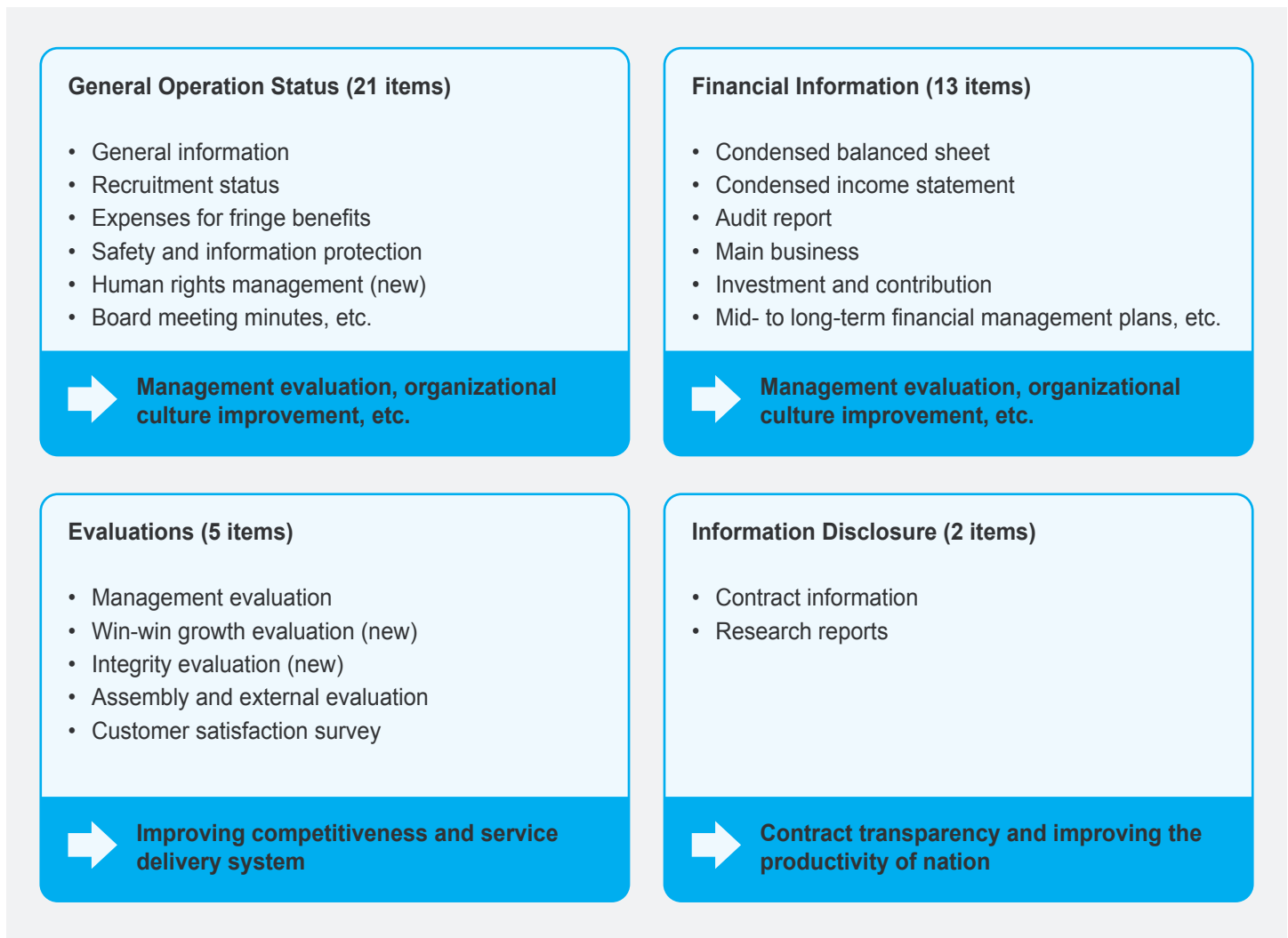




## Information Items Disclosed through ALIO

**Disclosure items are selected each year by the Steering Committee.**<sup>5</sup> ALIO currently offers information from 350 SOEs across 41 key information items that are disclosed to the public, including the number of executives and employees, total assets and liabilities, financial information including net profits, welfare status, and job information. Initially, 27 items were disclosed in the first year of the system (2017), though the list has kept growing since then (34 in 2011, 39 in 2016, and 41 in 2021). The 2022 list has the same number of total items as the 2021 list, even though some items have been merged, adjusted, or deleted.

**The 41 items are grouped under four divisions: General Operation Status, Financial Information, Evaluations, and Information Disclosure (see figure 2).** The 21 items in the *General Operation Status* category can be used to evaluate management performance and to improve the organizational culture. The 13 items in the *Financial Information* category contribute to upholding strong financial performance and thereby lowering the government's financial burden from SOEs. The five *Evaluations* items are used to improve the competitiveness and service delivery of SOEs. The two *Information Disclosure* category items ensure transparency in the contracting processes and improve on productivity.

**FIGURE 2 - Items for Integrated Disclosure (41 Items, 126 Sub-Items)**

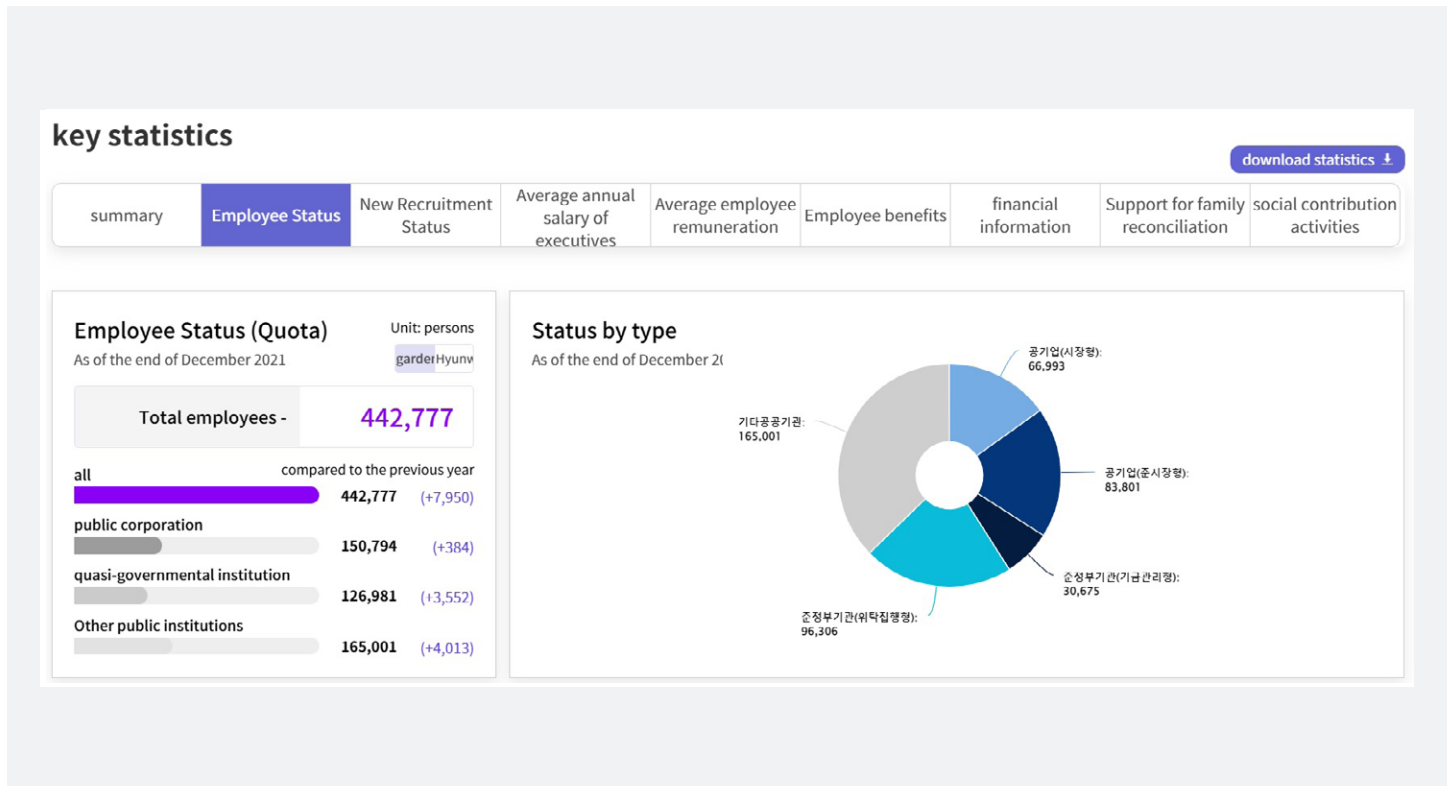
The ALIO website address is [www.alio.go.kr](http://www.alio.go.kr) and the search results are available to download in spreadsheet format, showing graphs, statistics, and search features.

The website provides easy access to information such as the current disclosure status, as well as graphs and tables presenting the number of registered items by period and category. Users can search disclosed information by item and by institution. In January 2022, the ALIO website was revamped to improve the graphs, statistics, and search features. The Statistics menu offers easily accessible graphs and figures that visualize the trends of key items by type and

year. The key eight items include the number of executives and employees, new recruitment status, average salary of executives, average employee remunerations, employee benefits, financial information, support for work-family balance, and social contribution activities. The website also contains detailed statistics of all SOEs across 21 sub-items, as well as a powerful search tool that allows users to choose a sub-item and search the relevant information across all SOEs.<sup>6</sup> Figure 3 shows the statistics of eight main items; figure 4 shows the detailed statistics of 21 sub-items with “green product purchasing” being searched.

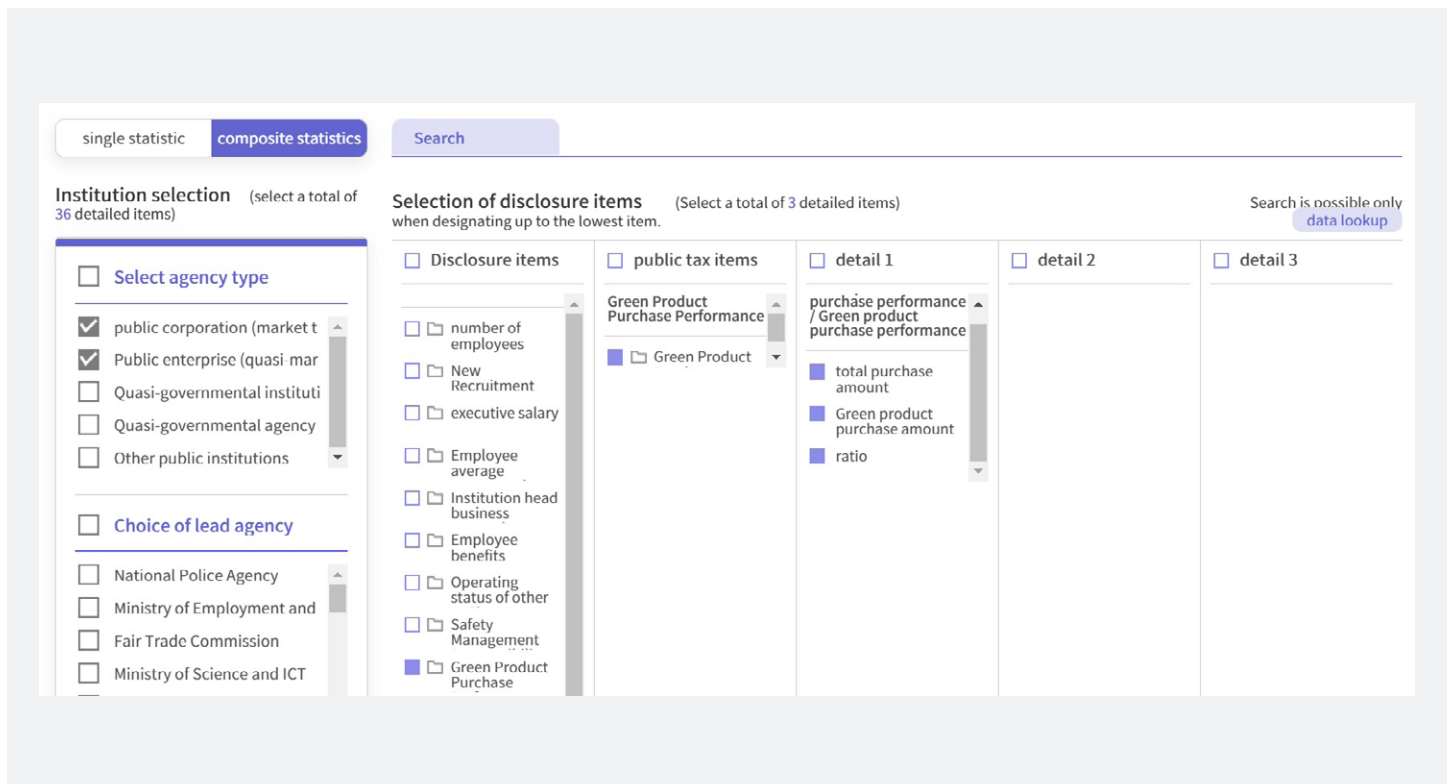
> > >

FIGURE 3 - ALIO Website (Statistics of Eight Main Items)



> > >

FIGURE 4 - Detailed Statistics of 21 Sub-Items



single statistic

composite statistics

Search

Search result 1 ×

[To search again, please click the 'Search' tab.]

EXCEL

Download

NO	Institution name	organ type	Item	2017	2018	2019	2020	2021	2022	unit	Transition
One	Kangwon Land Co., Ltd.	public corporation (market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	2025	1,343	720	-	one million won	
2	Kangwon Land Co., Ltd.	public corporation (market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	1,715	1,163	324	-	one million won	
3	Kangwon Land Co., Ltd.	public corporation (market type)	Green product purchase performance > Green product purchase performance > Ratio	0	0	84	86	-396	-	%	
58	Korea Racing Association	Public enterprise (quasi-market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	5,909	1,541	2,408	-	one million won	
59	Korea Racing Association	Public enterprise (quasi-market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	5,319	1,369	801	-	one million won	
60	Korea Racing Association	Public enterprise (quasi-market type)	Green product purchase performance > Green product purchase performance > Ratio	0	0	90	88	-1,607	-	%	
61	Korea Broadcast Advertising Promotion Corporation	Public enterprise (quasi-market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	90	155	40	-	one million won	
62	Korea Broadcast Advertising Promotion Corporation	Public enterprise (quasi-market type)	Green product purchase record > Green product purchase record > Total purchase amount	0	0	72	151	20	-	one million won	
63	Korea Broadcast Advertising Promotion Corporation	Public enterprise (quasi-market type)	Green product purchase performance > Green product purchase performance > Ratio	0	0	80	97	-20	-	%	

**The ALIO is attracting wider attention and an increasing number of website visitors, reaching more than 10 million users each year.** In the 2021 user satisfaction survey, 79 percent of the respondents were either *satisfied* or *highly satisfied* with the website.

**The implementation of the integrated disclosure system offers many benefits.** First, integrated disclosure allows the public, who are the ultimate owners of SOEs, access to critical management information at any time. For example, the public can use ALIO to find out the liability fluctuations and welfare and benefit systems of each SOE, and search for their performance

evaluation results and performance-related pays. Second, disclosure outcomes are considered during performance evaluations, which motivate SOEs to improve the accuracy of their disclosed information. Third, the government has been integrating, adjusting, and abolishing disclosure items to stay abreast with various social issues and policies. Each item is reviewed each year to determine whether it is worth disclosing and whether additional information is required. Lastly, the adoption of DART has drastically improved the timeliness and accuracy of the disclosed information and allowed for easy comparison and analysis.



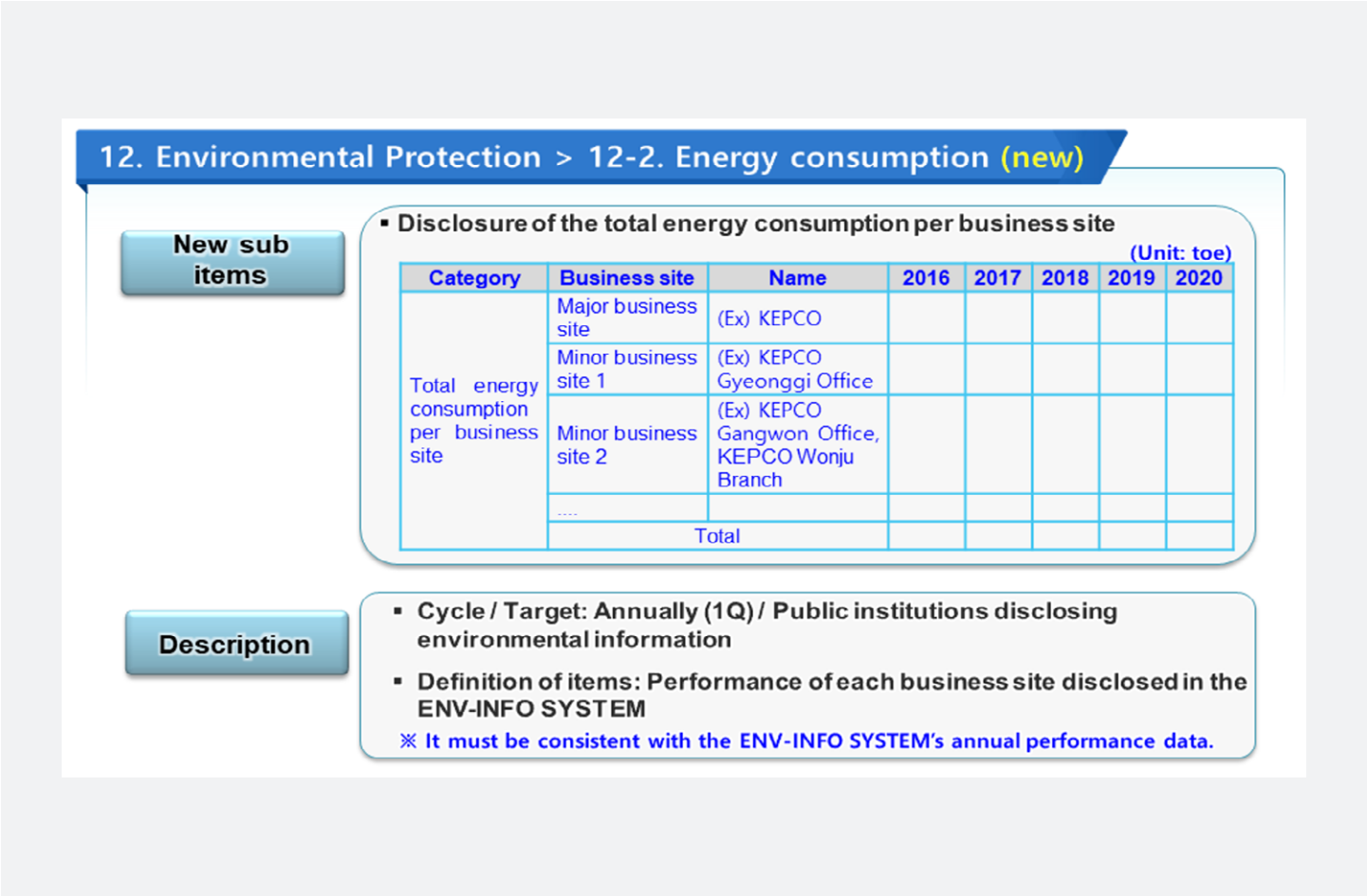
## Climate Response and Disclosure of Environmental, Social, and Governance Information

In the integrated disclosure context, the trend for environmental, social, and governance (ESG) has conferred greater significance to the social value and ESG items to address the climate crisis, and social and corporate governance issues. In 2021, the list of disclosure items was expanded to include various social value information such as social contribution activities, safety and environment, work-life balance, and purchase of products made by people with severe disabilities. In 2022, additional items were added to the list based on ESG guidance instruments inside and outside of Korea.<sup>7</sup> Environmental sub-items related to climate response have been updated as well, by adding five items – energy consumption, waste production, water usage, environmental violations, and low-emissions vehicles – besides the two existing sub-items, GHG emission reduction report and green products purchase report. A number of new society sub-items have been added as well, which include protection of personal information, human rights management, and shared growth evaluation results. Newly added governance sub-items include inhouse auditing organizations and integrity evaluation results such as anti-corruption efforts. Enhanced ESG disclosure through ALIO is expected to facilitate ESG management efforts at SOEs and encourage private businesses to adopt ESG practices as well.

More specifically, the environmental protection item was split off from the safety management and environmental protection item in 2021, and the environmental information has been disclosed in an interoperable way among ministries. Under the Environmental Information Disclosure scheme, SOEs are required to disclose their total energy consumption (see Figure 5) at each business site for the past two years via the Environmental Information Disclosure System which is managed by the Ministry of Environment (MOE). In

keeping with this requirement, the integrated disclosure system requires its users to disclose the environmental management information once per year. By linking the system between ALIO (MOEF) and the Environmental Information Disclosure System (MOE), environmental information can be exchanged among related institutions and updated automatically every year, which leads to improving the efficiency and the quality of public service delivery for citizens. This is a good practice of interoperability for related systems within the ministries.

> > >  
**FIGURE 5 - Energy Consumption Item**



Box 5.1 provides a case study of K-water's ESG management by examining the SOE's Greenhouse Gas (GHG) Reduction policy, which is disclosed as part of its climate response efforts.



## BOX 5.1 - Climate Change-Related Disclosure and ESG Management of K-water

In 2021, the Korean government submitted its 2030 Nationally Determined Contributions (NDCs) to the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), which set out targets across seven sectors. To support the government's efforts, K-water has established and is currently implementing the Carbon Neutrality Roadmap. The core strategy driving the roadmap is the development of new and renewable energy to reduce GHG emissions. The strategy promotes Korea's NDCs for the power generation sector. K-water is committed to reducing GHG emission by a staggering 6.3 MtCO<sub>2</sub>eq by 2030. K-water's detailed strategies and reduction goals under the Carbon Neutrality Roadmap are represented in the following table.

(Unit: MtCO<sub>2</sub>eq)

Sector		Reduction goal
Total		(-)6.3
Emissions	① Power generation	(-)6.0
	② Water management for "Carbon Neutrality"	(-)0.1
	etc.	(-)0.1
Carbon Sinks (③)		(-)0.1

Note: MtCO<sub>2</sub>eq = Million tons of carbon dioxide equivalent.

**Environmental.** K-water's strategy to develop and expand the use of renewable energy focuses on the enterprise's floating photovoltaic project which combines several elements of ESG. The Korean territory is narrow and mountainous. Building photovoltaic facilities on land would mean cutting off trees or even parts of mountains, which had to be avoided. K-water has addressed this issue by building photovoltaic plants on the surface of dam reservoirs.

**Governance.** However, despite the benefit of producing green energy with minimal environmental damage, the project experienced setbacks early on. Local residents opposed the project, raising concerns about the possible pollution of water sources and the destruction of the aquatic ecosystem. The project was further stalled as the wider local community and civil society organizations sided with the locals. K-water responded by empathizing with them, and by engaging the services of a third-party organization to verify the possibility of water pollution and ecological damage. As a result, the corporation was able to obtain accurate data to respond to local concerns. The SOE won back the community trust by steadfastly communicating openly with the locals. As a result of these efforts, K-water was able to reach an agreement with both the local community and civil society organizations.

**Social.** K-water also developed a new business model that allows local residents to invest in the floating photovoltaic plant project. Under the model, the enterprise shared the plant's profits with locals, thereby boosting their income and the local economy. The plant replaced the usual square photovoltaic panels with plum-blossom-shaped panels to boost the plant's value as tourist attraction (the plum blossom is a plant that symbolizes Hapcheon, where the plant is located).

The floating photovoltaic thereby combines the key elements of ESG management as shown in figure B5.1.1.

**FIGURE B5.1.1 - Hapcheon Floating Photovoltaic Plant Project**

K-water has also implemented strategies to reduce carbon emissions from water supply systems. For example, AI-powered pipe network management has reduced leakage and indirect GHG emissions from the power consumption during the water collection/distribution process. In another example of K-water's carbon reduction strategies, the corporation placed carbon sinks across newly developed cities and local rivers.

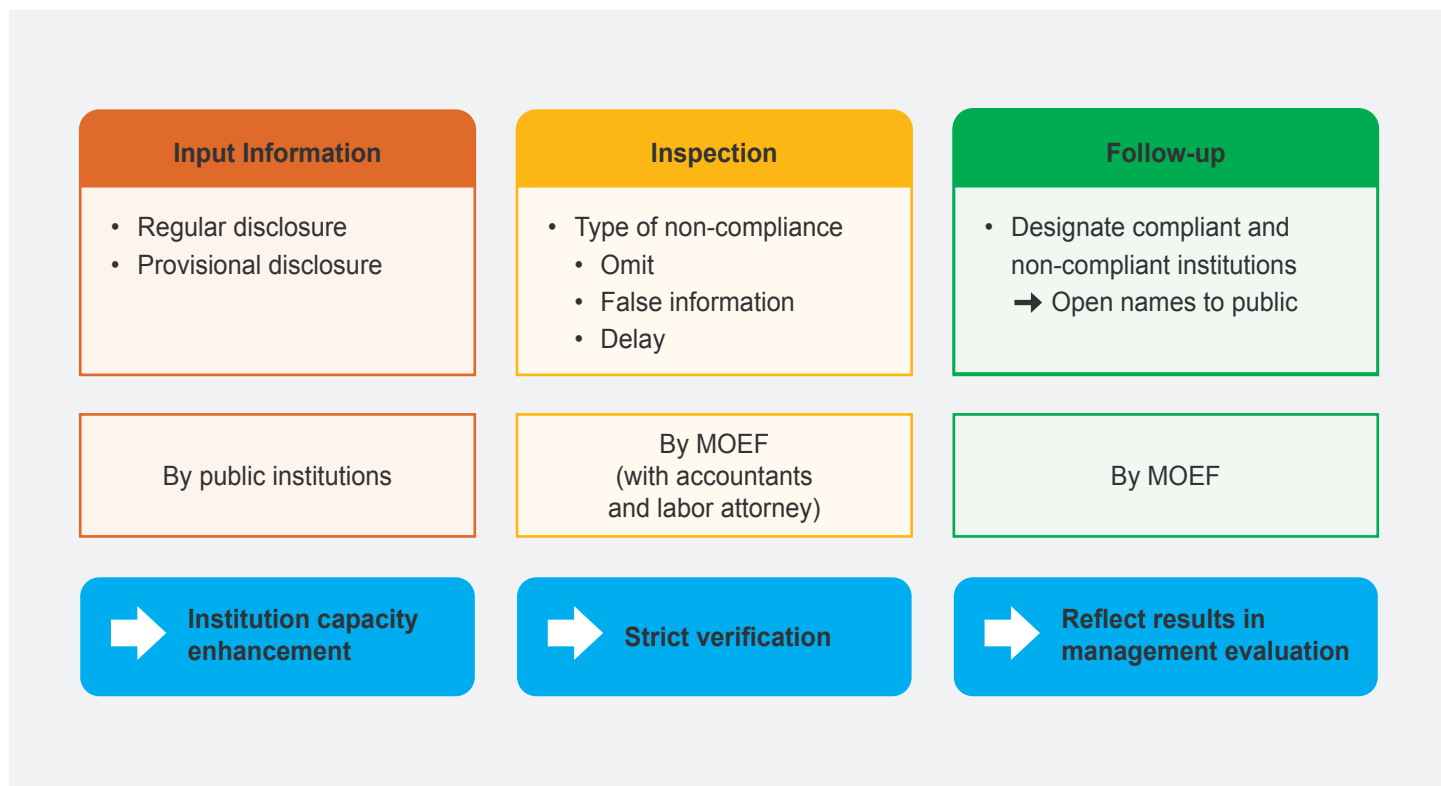
K-water discloses its GHG emission performance on the ALIO website, and its ESG management activities have greatly contributed to meeting the SOE's reduction targets.



## Disclosure Inspection System

**After the launch of ALIO and the first integrated disclosure of SOE data in 2006, several quality control issues were raised regarding the disclosed data.** In response, the government adopted the integrated disclosure inspection system to improve the transparency and reliability of the SOE management information. The first general inspection was conducted in 2013. To strengthen the follow-up management of the disclosed data, the yearly number of inspections was raised to two in 2018 and then three in 2021. During an inspection, the government identifies any non-conformities and imposes penalty points based on issues raised by the inspection results. Non-conformities include violations of disclosure requirements, disclosures of false or erroneous management information, and arbitrary modifications of previously disclosed information.

**To ensure the reliability of the disclosed information, the government engages auditing and law firms for the disclosure inspections.** Through these tri-annual inspections, the government designates SOEs as either *compliant* or *non-compliant* institutions and discloses their names to the public. If an SOE receives more than 20 penalty points in a year, the enterprise is issued a warning. If the total penalty points exceed 40, or an SOE receives more than 20 penalty points for two years in a row, the SOE is designated as a non-compliant institution. A non-compliant institution is required to take follow-up measures, including the development of an improvement plan, preventive training, and disciplinary measures against those responsible. Inspection results are considered during the management performance evaluation, which also directly affects performance-based incentives provided to employees.

**FIGURE 6 - Disclosure Inspection System Procedure**

**These inspections and other follow-up management measures drastically boosted SOEs' interest in accurately disclosing their information.** The numbers speak for themselves – in its first year (2013), the disclosure inspection identified 293 non-compliant institutions, which declined to 22 in the following year. The 2021 inspection did not find any non-compliant institution.

**In recent years, to ensure the delivery of accurate information from the outset, the government shifted its focus from a post-facto inspection to pre-checking the information to be entered into the system.** The disclosure system has been revamped with features designed to minimize human errors, such as automatic calculations and

the importing, checking, and cleaning of past data. In addition to training provided to all SOEs, the Korean government has recently launched quarterly training programs on the ALIO system. The government also offers various competency-building programs for SOEs, including mentorship, dedicated managers, and onsite consulting. This year, ALIO created an FAQ forum and opened a community to provide a Q&A function, which allows the government to address various integrated disclosure issues with higher efficiency than simple email and telephone. The outcomes of these efforts – including post-facto inspections, pre-checking, and competency-building programs – can be seen in the improved quality of the disclosed data.



## Future Direction of Integrated Disclosure

Korea's integrated disclosure system has constantly evolved. The Korean government plans to continue improving the system by boosting the scale and effectiveness of related training programs, building the capacity of SOEs, and improving the quality of disclosed information through inspections and follow-up with SOE management. The government plans to align the disclosed items and criteria to be disclosed with the latest trends (such as ESG) and review existing items to ensure their accuracy and timeliness. The government will update the ALIO system to continually improve the user experience and accessibility, in addition to enhancing its statistics features.

Ultimately, the government will align the improved integrated disclosures and the updated ALIO system with its policies, to ensure even more transparent and accurate disclosures and to promote the convenient use of SOE information. These multi-faceted approaches and policy efforts for integrated disclosures and system improvement will allow SOEs to improve their transparency, efficiency, and sustainability, which will become their foundation for rebuilding themselves into institutions truly appreciated and trusted by the public.



## Notes

1. SOEs' total budget is W792 trillion and the government budget is W608 trillion.
2. ALIO stands for All Public Information In-One. When read in Korean, it sounds similar to a word signifying "to disclose." The name was selected among the candidates submitted by the public and SOEs' executives and employees. Anyone with internet access can easily access the ALIO website to search, download, and compare management information among different SOEs.
3. The concept of integrated disclosure is similar to that of aggregate reporting. Eight countries including Korea reported that they have an online inventory which they consider as functionally equivalent to an aggregate report: Australia, Brazil, Canada, Ireland, Korea, New Zealand, Slovenia, and Ukraine (OECD 2021).
4. AMPI covers legal entities, organizations, and institutions that are owned or established by the government, and works as the umbrella legislation for all SOEs. The Act refers to the designation of SOEs, ownership steering committee, public disclosure of management performance, Board member appointments, external oversight, and evaluation mechanisms. See Korea Law Translation Center's website at [https://elaw.klri.re.kr/kor\\_service/lawView.do?hseq=54572&lang=ENG](https://elaw.klri.re.kr/kor_service/lawView.do?hseq=54572&lang=ENG).
5. In accordance with Articles 8 and 9 of the Act on the Management of Public Institutions, the Committee is established under the Ministry of Economy and Finance (MOEF) and tasked with deliberating and adopting resolutions on crucial matters pertaining to the management of public institutions (designation of public institutions, adjustment of their functions, disclosure of management information, appointment and dismissal of executives, management evaluation, etc.). Through the Committee, the MOEF oversees the management of public institutions while other ministries oversee their relevant businesses.
6. There are two main types of disclosure: scheduled disclosure and non-scheduled disclosure. Information subject to scheduled disclosure includes the number of executives and employees, remunerations, liabilities, and welfare expenses. These items are disclosed once, twice, or four times per year on a set schedule. Non-scheduled disclosure includes executive and employee employment, Board meeting minutes, contract information, and other time-sensitive information that needs to be disclosed upon request. These items must be disclosed within 14 days after the event requiring their disclosure.
7. The ESG guidance instruments used include K-ESG guidelines (Ministry of Trade, Industry and Energy), ESG reporting guidance (Korea Exchange), and 13 global guidelines (Dow Jones Sustainability indices, Morgan Stanley Capital International index, EcoVadis, Sustainalytics, World Economic Forum, etc.).



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# Annex. Policy Priorities Reflected by ALIO Items





The items in the All Public Information In-One (ALIO) system have been changed to reflect policy priorities appropriately as time goes by (the main changes are shown in table A.1). Integrated disclosure, management efficiency and fiscal soundness, fiscal risks, social values, and ESG management have been given a policy priority in turn. With an introduction of the Act on the Management of Public Institutions (AMPI) in June 2007, the Ministry of Economy and Finance (MOEF) disclosed 27 key management items of SOEs in an integrated way. In February 2014, new disclosed items related to the Normalization Policy such as the elimination of lax management and restoration of fiscal soundness were introduced. In April 2015, the debt of 12 major SOEs was added to give a policy

gravity to managing financial risk of those institutions. To emphasize the importance of social values, the related items including corporate social responsibility, safety, and work-life balance related items were added in February 2017. Furthermore, ESG-related items such as response to climate changes, environmental protection, human rights protection, and win-win growth of both large and small businesses have been included in the system since February 2022. Lastly, as the debt of SOEs sharply increased in the process of coping with the medical and economic shocks from the COVID-19 pandemic, fiscal soundness of SOEs will be reflected again in the ALIO system as a policy priority.

> > >

**TABLE A.1 - ALIO Item Changes and Their Related Policy Priorities**

Date	ALIO item changes	Related policy priorities
2007.6	Act on the Management of Public Institutions; Disclosure of 27 key management items through ALIO	Integrated Disclosure of Key Management Information of SOEs
2014.2	Added items related to Normalization Policy	Improving Management Efficiency and Fiscal Soundness
2015.4	Added debt-related items for 12 major public institutions; Applied DART system to ALIO system	Intensive Management of Fiscal Risks for 12 Main SOEs; Real-time, Secure, and Comparative Data Analysis
2017.2	Added CSR, safety, and work-life balance related Items	Emphasis on Social Values
2022.2	Added environmental protection, human rights, and win-win growth related Items	Emphasis on ESG Management

Note: ALIO = All Public Information In-One, CSR = corporate social responsibility, DART = Data Analysis, Retrieval, and Transfer System, ESG = environmental, social, and governance, SOE = state-owned enterprises.

