

STATEMENT3: KFSU-HomePlus Union demand MBK to live up to their commitment on investing responsibly by providing job security for its workers.

Seoul-based MBK Partners is the biggest private equity fund in Korea. Since its establishment in 2005, the Seoul-based fund has racked up handsome profits through a series of high-profile investments as they acquire companies through management-led buyouts, buys subsidiary businesses through corporate divestitures, partners with strategic buyers, takes publicly listed companies private and purchases and grows companies through add-on acquisitions.

In 2012, the company signed the United Nations-backed Principles for Responsible Investment (PRI) believing responsible behavior has a positive impact on the long-term financial performance of their companies, and healthier companies, in turn, have a positive impact on society. In the intro of the company, they state, they are committed to investing responsibly and advancing environmental, social and governance (ESG) interests in the communities in which their portfolio companies operate.

Homeplus South Korea was bought by MBK Partners, partnered with a Canadian pension fund and Singapore's Temasek Holdings in 2015. With an allocation of 1 trillion Won investment when the takeover was announced, instead, this company had taken the whole profits from HomePlus as interest expense of loan and sold stores and various real estates to pay back the loan. From 2020, the company decides to close and sell some of the stores.

From the very beginning, the nature of the MBK's company's operation was not to nurture the TescoHomeplus into a dynamic profitable company, rather MBK's hidden purpose of the acquisition of HomePlus was to make a profit from the sale of real estate without taking into consideration the effect this would have in the workers lives and the society well-being. On 16 June 2021, 50 women workers of HomePlus Korea union shaved hair to resist the company's unilateral store sale and closure.

HomePlus employees totaled at 20,830 in February 2021 after a decrease of 9,000 workers for the last 6 years. The existing workers in the stores, mainly women are over worked and are exhausted making health and safety as well as job security a great concern.

The company is paying only a slightly higher than the minimum wage. The collective bargaining in 2020 had hit a snag as the company's proposal will mean that the workers will be paid below minimum wage. Moreover, another of the company's demand is for pay negotiation be suspended for 2021 citing expected lower earnings from Tesco Homeplus.

UNI Apro Commerce totally supports KFSU-HomePlus Korea Union demands:

- that basic principles of responsible restructuring, including engaging in a fruitful dialogue with trade unions, are respected in any massive change that affects workers including takeovers, mergers, downsizing
- engage with the union in discussing the impact and consequences on employment and working conditions of introducing any changes in the working environment from early stage of design and implementation
- call for respect on entering into negotiation and collective bargaining for a new agreement in good faith.
- call for a stop on unilateral selling and closings of HomePlus stores for a quick profit.
- take steps to ensure the job security of mart workers, on-line delivery workers and small business owners in the stores, etc.
- be committed to investing responsibly and advancing environmental, social and governance (ESG) interests in the communities in which their portfolio companies operate (as per their policy.)
- Call on The National Assembly and government of the Republic of Korea enact speculative capital regulation laws that prevent private equity from looting companies and protect healthy businesses, workers, and small and medium-sized businesses.