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KUMHO PETROCHEMICAL

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ESG Policy and Practice Guidance

Environment, Health and Safety Policy

Human Rights and Labor Management Policy

Code of Ethics

Sustainable Procurement Policy

Supplier Code of Conduct

Tax Strategy

Board Composition Policy



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Environment, Health and Safety Policy

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In order to unleash green chemistry that enables humans to coexist with nature, Kumho Petrochemical makes every effort as follows, taking our full responsibility for the company and society.

1. We are keenly aware that it is our fundamental duty to create a zero accident workplace and protect the environment. Accordingly, we put Environment, Health and Safety (EHS) first in all tasks and minimize risks.
2. We establish and implement goals and action plans to minimize risks and continuously carry out EHS improvement activities.
3. We make sure our compliance with national and local government laws and requirements with regard to EHS in terms of our infrastructure management, R&D activities, and manufacturing process.
4. We abide by EHS processes and standards and continuously make our management system EHS-friendly by providing relevant training, raising awareness, and developing required technologies.
5. We share our policies, goals, and achievements on EHS with our employees and stakeholders to ensure transparency, put EHS first in our management, and turn them into action, thereby fulfilling our social responsibility.

Practice Guidance for Environment Management

1. Environmental Risk Management and Operational Procedure Establishment

We establish ISO14001-certified environmental management system for each business site, conduct regular environmental impact assessments, and constantly manage and monitor environmental risks.

2. Product and Manufacturing Environment

We put our best efforts into developing low-carbon and renewable materials-based products, expanding the range of our recycled product line, thereby strengthening our eco-friendly product portfolio. In addition to that, we are striving to minimize environmental negative impact when extending facilities,

developing new products, changing manufacturing procedures, and adopting new materials by conducting environmental impact assessments.

3. GHGs and Energy Management

In line with our strategies and targets to combat climate change, we mitigate GHG emissions and energy consumption, thereby playing a contributing role in achieving NDC (Nationally Determined Contributions). We actively lower our energy consumption and reduce our GHG emissions. Furthermore, GHGs emitted and energy used by business site are subject to both internal verification and the third-party verification by an objective and reliable company.

4. Regional Pollution Management

1) Air Pollution Management

Kumho Petrochemical complies with the Clean Air Conservation Act and minimizes air pollutants emitted from each business site through following activities.

- ① In accordance with the Clean Air Conservation Act, we consider the installation of air pollution prevention facilities, and write in a work log when operating the facilities.
- ② We inspect emission & prevention facilities on a regular basis, and make it possible to monitor and measure air pollutants (NOx, SOx, dust, etc.).
- ③ According to the results of air pollutant self-measurement system, we determine the appropriateness of the facility operation, and take corrective and preventive measures when there is a need for improvement.
- ④ Following the activities to improve the manufacturing procedure, and emission & prevention facilities, a review is conducted to decide whether they properly function or not, and the results are reported to the person with approving authority.

2) Odor Management

The department in charge of odor management of each business site abides by the relevant laws, meets the legitimate requirements by local governments, and checks whether the business site belongs to the area subject to odor management under the law.

If it falls under the odor management area, the department sets up the plans for odor prevention, such as the installation of odor prevention facilities, and carries out the following activities to reduce odor occurrence to the minimum.

- ① We keep track of the legal requirements and keep monitoring to check whether the odor prevention facilities are on track.

- ② We inspect emission & prevention facilities on a regular basis, and make it possible to measure odor level by stack.
- ③ According to the results of odor level self-measurement, we determine the appropriateness of the facility operation, and take corrective and preventive measures when there is a need for improvement.
- ④ Following the activities to improve the manufacturing procedure, and discharge & prevention facilities, a review is conducted to decide whether they properly function or not, and the results are reported to the person with approving authority.

3) Soil Management

In compliance with the Soil Environment Conservation Act, Kumho Petrochemical installs soil contamination prevention facilities required for new substance management and storage, thereby preventing environmental pollution caused by soil contaminants in the first place.

We regularly inspect the areas of concern regarding the leak of soil contaminants to remove the pollutants in advance, examine the level of soil pollution, and carry out leakage inspections to decide whether it is contaminated. If the results show that the pollution level exceeds the worrying level or there is a leakage, measures should be taken such as the installation of required facilities or the improvement of the facilities, close investigation into the soil, or soil purification activities.

4) Noise Management

We control the level of noise at each business site to create a quiet environment and provide a healthy and pleasant workplace for our employees.

In abidance by the Allowable Exhaust Standard for Noise by time, we manage noises along with the border lines of our plants. If the noise level exceeds the allowable exhaust standard, we take required action, such as the installation of noise control facilities, to meet the standard.

5. Water Management

In compliance with the Water Environment Conservation Act and other relevant laws, we set up a set of standards for wastewater and effluent treatment by business site, and efficiently manage the wastewater and effluent emitted from the plants, thereby responding to water pollution in an active manner.

We carry out a variety of activities as follows in order to eliminate water pollutants in the first place that trigger environmental accidents inside and outside our business sites

- ① Inspections on incoming water status
- ② Management of prevention facility operation and regular checks
- ③ Management of effluent quality and flow
- ④ Review of effluent prevention facility improvement and corrective measures
- ⑤ Management of effluent treatment per unit
- ⑥ Proper operation of emission & prevention facilities, compliance with permissible emission standards and abidance by our allowable emission standards
- ⑦ Keeping the operation logs for emission & prevention facility management
- ⑧ Wastewater sludge discharge treatment
- ⑨ Management of water quality before flowing into effluent treatment plant
- ⑩ Analysis of wastewater test and notification of results
- ⑪ Self-measurement and the management of analyzed data
- ⑫ Review of wastewater test analysis to check the areas that need improvement
- ⑬ Repair and maintenance of sewage & wastewater treatment facilities, inspection and calibration of relevant meters
- ⑭ Securing effluent discharge permit when flowing into the final wastewater treatment plant

6. Chemicals Management

We set up a set of legitimate standards for the management of chemicals used at our business sites, and ensure the compliance so that we can prevent employees handling the chemicals from sustaining damage and the loss of property. By doing so, we discharge our responsibility for our impact on the local environment.

When applying or producing a new chemicals, we secure the MSDS for it, and check its usability and the relevant licensing issues in accordance with internal regulations. Based on the results, 'new chemicals preliminary evaluation report' should be drawn up and managed.

7. Waste Management

We make all-out efforts to manage waste generated at our business site in an efficient manner to cut down our waste. And we separate waste to promote recycling rate in order to minimize our impact on the environment.

We establish a set of criteria for the collection, transportation, and disposal of waste generated in the course of business operation and product manufacturing along with the targets for waste reduction and recycling for each business site. And we are committed to curtailing waste through a variety of reduction

activities such as the amelioration of waste discharge facilities.

8. Biodiversity

As we value biodiversity, we are committed to minimizing our negative impact on it, and restoring and preserving the ecosystem damaged by human activities through a wide range of activities as follows.

- ① All our employees recognize biodiversity as an overarching value we have to uphold, and strive to conserve it.
- ② We are cognizant of International Conventions (World Heritage areas, IUCN Category I-IV protected areas) in regard of soil management and biodiversity protection and make sure that the business sites located in the areas subject to the conventions comply with the regional laws and regulations.
- ③ We minimize our impact on biodiversity through environmental impact assessments of our key businesses and put our best efforts into reducing and preventing relevant risks in order to preserve biodiversity. And we identify what impact a new business will have on biodiversity before starting the business, and keep monitoring the development.
- ④ We identify the value of biodiversity of the regions where we operate, and carry out activities suitable for the regions to maintain biodiversity. In the case of business sites where significant habitat reside, we make sure 'No Net Loss' of biodiversity and strive to have 'Net Positive Impact' on it.
- ⑤ We promote our activities to raise awareness of the gravity of biodiversity among our stakeholders including our employees and local communities

Practice Guidance for Occupational Safety and Health

1. Establishment of Goals and Operational Procedure for Workplace Safety and Health

We set the target for workplace safety and health based on ISO45001, to manage our performance and constantly improve on this matter. When establishing the target, legal requirements, and business risks and opportunities are taken into consideration.

We put in place and implement the operational procedures for the following activities.

- ① Safety and health activities requiring operating procedures
 - (1) Safety measures at the workplace
 - (2) Safety measures on heavy cargo and transport machines
 - (3) Personal safety equipment distribution and management
 - (4) Protective measures against hazardous machines and equipment

- (5) Preventive measures against falling and collapsing
- (6) Safety inspection
- (7) Prevention activities against explosions, fires and hazardous material leaks
- (8) Prevention activities against electrical hazards
- (9) Activities for a clean and safe working environment
- (10) Preventive activities for employees from health hazards
- (11) Supports for safety and health activities for suppliers
- (12) Roles and activities of safety and health manager
- (13) Operation of Occupational Safety and Health Council
- (14) Workplace accident investigation
- (15) Promotion and operation of zero hazard campaign
- ② Preventative measures against hazards or risks caused by change in work procedure
- ③ Operation of safe work permit system

2. Chemical Substance Safety Management

We ensure that suppliers Material Safety Data Sheets (MSDS) in an effort to manage all chemicals in a safety and organized manner for the for the prevention of workplace and environmental accidents caused by chemicals manufactured, imported, used, or sold at all business sites. On the basis of the MSDS submitted, we check the legal requirements regarding safety management of the chemical substance and check its usability.

When it comes to chemicals management, we install required equipment, and place special devices for protection against toxic substances to prepare against accidents in accordance with the relevant laws. And we constantly examine the toxic release facilities to prevent accident occurrence, and actively join the effort to improve the status quo when needed.

3. Safety and Health of Employees

We prioritize activities to eliminate all hazards and reduce safety and health risks for a safer working environment for our employees and carry out the following activities.

- ① Elimination of risk factors
- ② Replacement of processes, operations, materials or equipment with the least hazardous ones
- ③ Application of engineering management methods and reorganization of works
- ④ Application of administrative management methods including education and training
- ⑤ Use of appropriate personal protective equipment (Personal Protective Equipment, provided free of charge to our employees)

We are making efforts to promote our employees' health for their mental and physical stability by coming up with regulations regarding health checkups and necessary processes for follow-up management and by creating a healthier working environment.

4. Safety and Health Education for Employees

The department in charge of the workplace establishes its own EHS (Environment, Health and Safety) education programs by referring to plans devised by each responsible department. EHS education and training program required by each workplace consists of legally mandatory training, occupational training and education on environment/health/safety as the following list. In addition, EHS education and training prevents environmental and safety accidents by encouraging our employees to acquire knowledge and skills on EHS management.

- ① Legally mandatory education
 - (1) Occupational safety and health general manager training
 - (2) Safety manager training
 - (3) Health manager training
 - (4) High-pressure gas safety manager training
 - (5) Management supervisor training
 - (6) Environmental technician training
 - (7) Hazardous materials safety manager training
 - (8) Fire safety manager training
- ② Occupational Training
 - (1) External training
 - (2) In-house job skills training
- ③ EHS management education in the workplace
 - (1) Training for entry-level employees
 - (2) Training with changed work
 - (3) Regular education on EHS management
 - (4) Specialized education on health and safety management
 - (5) Comprehensive education on EHS management

5. Emergency Response

The department in charge of each workplace comes up with emergency action plans including scenarios and countermeasures, establish, execute and maintain a process for preparation and response to a possible emergency when there is a possibility of a serious accident such as a

major industrial accident or death. The department in charge of the workplace or related department carries out the following:

- ① Provision of emergency evacuation procedures, rescue and first aid for the casualties, planning measures to prevent or mitigate negative effects on environment, health and safety, and preparation for responses in an emergency
- ② Provision of education and training on planned responses and actual responses in an emergency
- ③ Measures to prevent or mitigate emergencies and consequences of emergencies related to magnitude of possible environmental safety and health impact
- ④ If feasible, periodic testing and training on planned emergency response capability
- ⑤ Revision or supplement of emergency action plans with regular examination and assessment of performance particularly after the occurrence of an emergency or test as needed
- ⑥ Provision of relevant information on duties and responsibilities to all our employees and communication
- ⑦ In case of necessity, provision of relevant information and training (preparation and response to an emergency) to personnel performing the related tasks under management of the organization (contractors, visitors, emergency response services, government agencies, local organizations)
- ⑧ Assurance about involvement of all stakeholders related to the development stage of planned response and consideration of their needs and capabilities
- ⑨ Manpower and equipment system for emergency action, and contact system with related departments and organizations in the event of an emergency

6. Safety and Health Management for Customers

In accordance with the Article 110 and 111 of the Occupational Safety and Health Act, we shall provide Material Safety Data Sheets (MSDS) to our clients so that they can prepare for safety accidents while handling our products.

As for the products which contain hazardous substances, warning signs or legitimate labels shall be attached on the products' container or packaging to make sure that clients are not exposed to danger by checking the content.

7. Safety and Health Management for Suppliers

We make efforts in minimizing the direct/indirect impact on our partners' safety environment and preventing environmental safety accidents on our partner companies residing in our workplace,

construction contractors, shipping and transport companies, box assemblers, waste management companies, and raw and subsidiary material suppliers. In the case of the following contract work, the work shall be performed after a Safety Work Permit is issued in advanced.

- ① Disassembly of equipment such as pipelines, pumps, containers which are filled with substances of high temperature or high pressure, or chemicals
- ② Works with fire such as welding, cutting or non-electrical operations which produce sparks or other sources of ignition
- ③ Entries into containers
- ④ Operation of internal combustion engines in areas with combustible materials
- ⑤ Excavation work
- ⑥ Critical lifting works with cranes
- ⑦ Electrical work
- ⑧ Work at height
- ⑨ Handling work of harmful and hazardous materials

We establish plans for annual evaluation/audit/inspection on suppliers, organize an evaluation audit team to assess suppliers regularly according to evaluation forms and find out parts that need to be improved by writing a test result report. After launching a Safety and Health Cooperation Program for each workplace, we regularly report performance of the program, providing technical and safety training support and executing a reward system.

For a better safety management by suppliers, the department in charge of each workplace shall provide training on safety rules for outsourced workers and shall issue training certificates or passes.

8. Communication Management

In case of complaints from external stakeholders on environment, the leaders of the Environmental Safety Teams actively accepts complaints, examines and sorts out necessary information, to report it to the approval authority.

If on-site confirmation and emergency measures are required, a root cause analysis on the relevant incident or accidents shall be executed and recurrence prevention measures shall be established, and whether or not to execute measures about provided data and information and whether or not to reply shall be reviewed and decided. In case when a countermeasure established by the relevant team is appropriate, the measure shall be reflected in related works. In case of complaints by local residents, a survey on resident satisfaction on the process result shall be conducted. If necessary, the processing department provides an educational program on environment, safety and health

information and measures for plant and partner companies' employees.

Changes or problems affecting safety and health shall be resolved through consultation with the relevant work contractor, but if it is difficult to be resolved, solutions shall be sought with various methods.

In addition, procedures shall be prepared so that all our employees can freely express their opinions on safety and health including-harmful and hazardous factors, and if necessary for disaster prevention, improvement plans shall be prepared and executed by listening to their opinions under the procedures.

Human Rights and Labor Management Policy

Effective date: November 16, 2020

Last Updated: June 16, 2022

Keeping 'respect,' one of our core values, at our heart, we pay respect to the opinions of various stakeholders, seek to build a positive relationship underpinned by trust, and respect human rights and human dignity.

To this end, we endorse 'Universal Declaration of Human Rights' and UNGPs (UN Guiding Principles on Business and Human Rights). Based on these standards, we aim to embed the Ten Principles of the UN Global Compact into our policy on human rights and labor management.

Kumho Petrochemical makes sure that all our business sites and all the employees who belong to the sites are subject to this policy. In order to put this policy into action and manage human rights risks, we make every effort to establish the operation system to promote the policy and keep monitoring the implementation. In addition, we share the policy with all our stakeholders that our business operations may have an impact including customers and suppliers.

Practice Guidance for Human Rights and Labor Management

1. Respect for Human Rights

We respect the human rights of all our employees and stakeholders associated with the company, and pay close heed to ensure the nonoccurrence of any form of human rights abuse or inhumane treatment.

We make all-out efforts to raise the awareness of human rights among employees by providing education on the prevention of the sexual harassment and workplace bully, and on the better awareness of the disabled so that we have no form of gender discrimination, mistreatment, sexual harassment, mental / physical coercion, or violent language.

2. Respect for Diversity and Prohibition of Discrimination

We make sure that all our members are equally given opportunities in terms of employment,

compensation, education, and work. And we do not discriminate on the grounds of gender, academic credentials, race, religion, nationality, region of birth, age, social status, political orientation, disability, gender identity, and any other reasons.

3. Ban on Child Labor

We comply with the laws of the nations and regions where we operate, and do not hire children or adolescents aged 15 or below. When we hire a young worker under 18 years of age, we make sure that, under any circumstances, their work does not put their health and safety at risk, and they do not work overtime or do night shift.

4. Ban on Forced Labor

We do not force employees to work against their free will by restraining them mentally or physically, including slavery, bonded labor and human trafficking. No one shall not be requested to transfer his or her identification card, passport or work permit on account of employment.

5. Freedom of Association

We guarantee the freedom of association and the rights to collective bargaining in accordance with the laws of the nations and regions where we operate. No one shall receive any disadvantage for reasons of organizing or joining a labor union, or doing related activities. And we make sure that each business site operates regular and occasional Labor Council meetings to build a communication system between the labor and management.

6. Recruitment

We ensure fairness and transparency when we recruit employees based on the talent type we seek for. To this end, we introduce AI interview and blind interview system so that there is not any form of discrimination on the grounds of age or gender. In order to provide more opportunities for minority groups, such as the socially vulnerable or war veterans and their family, we put in place additional point system or separate employment process.

7. Pay

We make sure that what we pay exceeds the minimum wage stipulated in the laws of the nations and regions where our business sites are located.

8. Working Hours

When it comes to regular working hours or overtime, we abide by the laws and regulations of the nations

and regions where we operate. We do not coerce employees into working in excess of the working hours allowed by the laws. And we fairly compensate them for the work they provided.

9. Work Environment

We put in place the following flexible working system that enables employees to schedule their work and manage their time in a flexible and efficient manner.

① Flexible Working Hours

Employees are entitled to the flexible working system if needed to work more than 40 hours a week. The system allows employees to use their overtime hours on other work days when they apply for a flexible working plan through the application process in advance. The very purpose of this system is to make sure that our employees work average 40 hours a week.

② Staggered Working Hours

Employees who have a child aged 8 or below are entitled to the staggered working hours, and if there is a need to adjust their commuting time on account of reasons such as childcare.

* Staggered hours option: ① 7 A.M.~ 4 P.M. ② 10 A.M.~ 7 P.M. ③ 1 P.M. ~ 10 P.M.

With the aim of supporting our employees' work-life balance as well as raising their work satisfaction, we adopt PC-OFF system. If there is an unavoidable need to work overtime, it is allowed to go into overtime only after applying for the flexible working and obtaining the approval.

Furthermore, we encourage our employees to use parental leave or work shorter hours for childcare to relieve their burden regarding childbirth or childcare. We also guarantee the shorter working hours for pregnant employees at a very early stage or near the end of the pregnancy. And we make sure that an employee who uses childcare leave return to their original department, and there is not any form of disadvantage when they return.

10. Talent Nurturing

With the purpose of nurturing global leaders, we provide various educational programs, such as group training by position or self-development program by job, and support our employees in building their job capacity and skills. Newly hires are given three-week group training along with training when they enter into the 2nd year and 3rd year. And we designate mentors for them so that they can adjust themselves to the company.

And we have all our employees map out their own plan for capacity building, and select the training

courses suitable for them by themselves. And the company funds the education and acquisition of job-related certificates.

11. Personnel Evaluation and Satisfaction Survey

We ensure fairness and rationality in performance evaluation in order to raise the morale of our employee and manage their performance. The results of the evaluation are reflected in their compensation and promotion. At the beginning of each year, employees set up their KPIs and receive interim and final assessments. When carrying out the evaluation, self-evaluation, interview with the evaluators, and satisfaction survey on assessment feedback are conducted.

12. Human Rights Abuse Reporting and Remedies for the Violation

In the event of a human rights abuse, anyone can report this to our website for reporting (Online Friends) or the department in charge through the internal reporting procedure. In accordance with the principles of protecting informants, we take measures to prevent any type of disadvantage. And we guarantee the anonymity of informants. The scope of human rights violations encompass sexual harassment, sexual assault, sexual violence, gender discrimination, forced labor, child labor, workplace bully, and other misconducts that occur between employees and business associates. When receiving a report, we take required action in a swift manner pursuant to the legitimate procedure stipulated by the regulations. And we take zero-tolerance policy against all forms of human rights abuses.

* Online Friends Website for Reporting: <https://justice.kkpcgroup.com/app/ethicsReportInfo>

Code of Ethics

Effective Date: June 29, 2021

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Kumho Petrochemical sticks to the basics and principles, always fulfilling our responsibility for the company and society in the interest of customers, shareholders, employees, humanity and the environment. Keeping business ethics at our heart, we put ethical management into action, thereby unleashing the value beyond the best. To this end, we have built the following code of ethics that present a set of standards for our employees to uphold in their behaviors or value judgment.

Chapter 1. General Provisions

1. Subject of Application

Employees of Kumho Petrochemical follow the guidelines toward all stakeholders, including customers, shareholders, partner companies, employees, local communities, and the government.

2. Employee Obligations

- ① All employees understand their role in performing their duties and comply with laws and regulations, the Code of Ethics, and related regulations and guidelines. In the case of violation, the person will face disciplinary action in accordance with the associated regulations and procedures.
- ② All employees promptly report to the upper-level manager and the department in charge of ethical management in accordance with the regulated procedures if they or others have violated or are forced to violate the Code of Ethics.
- ③ All employees are aware that they are not exempted for not knowing the Code of Ethics or related regulations. Employees contact the upper management or the department in charge of ethical management when they have any questions or concerns about violations.

Chapter 2. Ethics for Customers and Partner Companies

3. Customer Respect

- ① We consider customer satisfaction our top priority and respect customers' opinions with trust and sincerity.

- ② We safeguard customer information with the same duty of care as company assets and never leak or use it for other purposes without the customer's prior approval.

4. Customer Value Creation

- ① We create differentiated ideas breaking the existing practices and success rules.
- ② We provide excellent quality products and services on time and always keep our promises to our customers

5. Fair Trade

- ① All trades are fairly made on an equal footing, and we thoroughly discuss the conditions and process of the transaction. Changes are not made unless there are justifiable reasons.
- ② When a new company starts a business with us, we select and register the supplier under the fair evaluation criteria to give equitable opportunities.
- ③ We do not make unfair requests using a superior position to partner companies and do not take any unjust money or benefits. When unavoidably receiving money or benefits, we report it to the department in charge of ethical management.
- ④ Compensation is given fairly when a partner company was damaged due to Kumho Petrochemical's fault.
- ⑤ Employees do not give burdens to stakeholders, including customers and partner companies, for personal purposes or for congratulations or condolences events.
- ⑥ We regularly listen to the opinions of partner companies and appropriately reflect them.
- ⑦ We do not engage in unfair practices that are prohibited by laws related to fair trade.
- ⑧ We comply with international norms and related laws on marketing and product labeling and do not use phrases that may confuse customers

6. Pursuit of Fair Competition

We raise fairness and reliability of trades, such as anti-corruption and fair competition, thereby contributing to the development of a fair society while striving to break the non-competitive practices.

7. Pursuit of Shared Growth

All employees strive to transfer their know-how to the extent possible so that partner companies can grow together with us.

Chapter 3. Ethics for Shareholders

8. Protection of Interests and Guarantee of Rights

- ① All employees do their best to raise the shareholder value by maximizing profits.
- ② Regarding the decision-making, execution process, and financial status of the corporate management, we handle it fairly and transparently under related laws and common accounting standards.
- ③ We faithfully disclose company information to shareholders, respecting their right to know about the corporate management.

Chapter 4. Ethics for Employees

9. Respect for Employees

- ① We respect human dignity and strives to promote diversity.
- ② We make efforts to create a sound labor-management relationship.
- ③ We create a respectful workplace in which a safe and pleasant working environment for employees is realized while striving to raise the quality of life and achieve a harmonious balance between work and family.

10. Fair Treatment

- ① We do not discriminate on the ground of irrational reasons such as gender, educational background, age, religion, and hometown in hiring, promotion, compensation, and education.
- ② We provide equal opportunities and builds evaluation standards for fair treatment and compensation, thereby raising motivation for achievements

11. Talent Development

We assign jobs to employees in consideration of their hopes, aptitudes, and abilities and provides continuous education and training so that they can grow into talents.

12. Basic Ethics of Employees

- ① Having a sense of pride and self-esteem as members of the company, all employees maintain the company's honor and individual dignity and behave well to receive respect and trust from customers and partner companies.
- ② Employees keep basic courtesy and strive to create a culture of mutual respect and consideration.
- ③ Employees do not give unfair work orders, verbal abuse, assault, fraud, sexual harassment, or workplace harassment, nor do not engage in inappropriate behaviors, such as drinking,

gambling, and speculative acts within business sites.

- ④ Employees do not exchange money, stand joint surety, or receive gifts. However, in the event of congratulations and condolences, money gifts for these events are excluded within the acceptable range by social norms.

13. Fulfillment of Duties

- ① Employees compete in a fair way using their own competency in and outside the company and complete their assigned tasks with an enthusiastic attitude and creative thinking.
- ② Employees raise their work performance and efficiency to the highest level through active collaboration and smooth communication with co-workers and other departments.
- ③ Employees make efforts to become talents that the company requires through consistent self-development and the upright values.

14. Fair Job Performance

- ① Employees carry out all their duties accurately and honestly and do not intentionally fabricate documents and figures or report falsely.
- ② Employees recognize their authority and responsibility in an accurate way and perform their duties. Accordingly, we take responsibility for the results.

15. Avoiding Conflicts of Interest

- ① Employees should not conduct transactions with a company with the name of themselves or those who have stakes in them. However, it is excluded if receiving prior approval from the company.
- ② Employees do not engage in or invest in the management of companies that directly or indirectly make trades with the company without prior reporting and approval from the company.
- ③ Employees do not receive unreasonably assets, money, or other benefits from stakeholders or engage in mutual lending in the course of business.

16. Protection and Security of Company Assets

- ① Employees use the company's tangible and intangible assets only for business activities and approved purposes.
- ② Employees do not use the company's property, office items, materials, and others for personal purposes.
- ③ In regard to the information on business stakeholders, including customers and partner companies, acquired during the business performance, employees protect them and keep it confidential in accordance with the security management regulations, and keep it a secret even after leaving the

company.

- ④ Employees do not disclose material information about the company that may affect the stock price or investors' decision-making without prior approval of the company or use it for personal gain such as stock investment.
- ⑤ Employees make the utmost effort to prevent leakage of the company information when using computers or various devices.

Chapter 5. Ethics for the Country and Society

17. Reasonable Business Operation

We respect social values, trade customs and order while creating social wealth through sound business activities.

18. Contribution to Social Development

- ① We contribute to national development by creating jobs, faithfully paying taxes, and actively caring for the socially disadvantaged.
- ② We actively listen to reasonable requirements of all walks of life and local residents and strives to resolve them.

19. Prohibition of Involvement in Political Activities

We do not support or sponsor certain political parties or politicians and do not force employees to support them. However, we can express the stance on making policies or legislation in connection to the management and interests of the company.

20. Environment and Safety

- ① We comply with laws and international conventions related to the environment and strives to prevent the environment from being destroyed, polluted, or damaged due to business activities.
- ② We secure and operate the pollution prevention facilities and personnel necessary to prevent environmental pollution.
- ③ We strictly comply with relevant laws and standards to safely operate the business and makes every effort to prevent hazards that deter the safety in advance.
- ④ We organize our workplace surroundings to create a pleasant and safe working environment.

Chapter 6. Ethical Management Operation

21. Responsible Organization

- ① Executives in charge of ethical management comprehensively control and supervise the

establishment and execution of Practice Guidance for Ethical Management on behalf of the management.

- ② The organization in charge of ethical management takes the role of practicing overall ethical management tasks, such as planning, adjusting, operating, and supervising the ethical management system.

22. Ethical Management Education and Evaluation

Executives in charge of ethical management find ways to establish a system where employees can do business reasonably and prepare necessary measures, such as education, guidance, and evaluation of ethical management.

23. Enforcement

Employees comply with the Code of Ethics and Practice Guidance for Ethical Management. In case of violation, disciplinary action will be taken in accordance with related laws and internal regulations.

Practice Guidance for Ethical Management

Chapter 1. General Provisions

1. Subject of Application

This regulation applies to all employees of Kumho Petrochemical.

2. Policy

The guidelines aim to set criteria for decision-making and behavior in the face of ethical conflict that may occur in the course of business.

3. Ethical Decision-making and Behavior Principle

Employees decide and act according to the following questions when performing their duties.

- ① How are these decisions viewed by others, internally and externally?
- ② Can I take responsibility for this decision?
- ③ Is this decision consistent with applicable laws and the company's Code of Ethics?

4. Definition of Terms

- ① Money and valuables, etc.:
 - A. All financial benefits, including money, securities, real estate, goods, accommodation,

- membership, admission, discount, invitation, ticket, the right to use real estate, etc.
 - B. Provision of entertainment, such as food, alcohol, golf, or convenience such as transportation or accommodation
 - C. Other tangible or intangible economic benefits, including waiver of obligation, job offers, or granting of interests
- ② Interest party: a person who is not the person directly involved in a certain act or legal act, but whose rights or interests are affected by the act (the person and his/her spouse's close relatives)
 - ③ Stakeholder: individuals or groups (customers, employees, shareholders, business partners, local communities, countries, etc.) whose rights or interests may be directly or indirectly affected due to their work performance
 - ④ Embezzlement: act of stealing company property and making it their own
 - ⑤ Sexual harassment: making another person feel sexually humiliated or disgusted with sexual words or actions or acts of giving disadvantage in employment for not accepting sexual comments or actions
 - ⑥ Personal information: information about a living individual that can recognize an individual through name, resident registration number, video, and many more (including the item that can identify a particular person by combining with other information although the item itself does not indicate the person)
 - ⑦ Workplace harassment: acts of a user or worker taking advantage of their position or relationship at work to cause physical or mental pain to other workers or worsen the work environment beyond the proper scope of work

Chapter 2. Guidelines

5. Prohibition of Giving or Receiving Money and Valuables, etc.

- ① Receiving or giving money and valuables from stakeholders or engaging in monetary transactions (including loans, assurances, collateral, etc.) is prohibited. However, receiving or giving money gifts in the event of congratulations and condolence that are allowed by the social norms or gifts or convenience that are provided to unspecified individuals at a general level are excluded.
- ② When a stakeholder gives money or valuables, employees politely refuse it. And if employees have unavoidably accepted it, employees report it to the department in charge of ethical management.
- ③ The department in charge of ethical management prepares and operates a system for handling returned money and valuables.

- ④ Employees do not inform congratulations or condolences of ourselves or colleagues to stakeholders. However, the notice through the corporate intranet is excluded.

6. Prohibition of Giving or Receiving Special Treats

Employees do not accept or provide treats from or for stakeholders. However, if it is unavoidable for work to an acceptable extent by social norms, executives obtain approvals from the CEO, and employees below the executive level obtain approvals from executives of the division.

7. Avoidance of Trade with Retirees Having Conflict of Interests or Fraudulent History

- ① Under our employees' own name or an interested party's name, trades with companies should not be executed, with an exception when trading is approved after prior notification to the department responsible for ethical management and goes through the same reasonable process as the trade conditions with other stakeholders.
- ② Employees do not jointly invest or acquire property with stakeholders. However, cases of obtaining approval by making prior notification to the department in charge of ethical management are excluded.
- ③ In case of being aware that a relative of an employee is a stakeholder of the company, employees notify the department in charge of ethical management. If it is related to the job employees perform, employees avoid conflicts of interest by taking measures such as transferring job positions.
- ④ Transactions with those who have retired due to unjust acts while in office are prohibited.

8. Prohibition of Private Use of Undisclosed Information

Trading of profitable rights, including stock trading, by using undisclosed information acquired during employment is prohibited. Providing related advice or taking any actions that make an impact is also forbidden.

9. Prohibition of Concurrent Employment in Other Companies

Executives and employees do not hold office in another company at the same time, except a case when approval is obtained by the department responsible for ethical management after prior notification.

10. External Lecturing

In the case of lecturing outside the company, approval is necessary by prior notification to the department responsible for ethical management.

11. Prohibition of Assets or Information Leakage

- ① Embezzlement or appropriation of company funds, leakage of company properties, or usage of the properties for other purposes, which cause loss of company assets, are prohibited.
- ② Company information and trade secrets should not be leaked or provided internally or externally without prior approval.

12. Transparent Business Expense Management

Expenses directly related to work are treated transparently and should not be treated as an expense account for unappropriated purposes based on arbitrary judgment just because expenses occurred during task performance (or in the near time)

13. Prohibition of Negligence or Delinquency of Duties

Acts or attitudes of employees that cause damage to the company by failing to fulfill their responsibilities or doing more than their authority are prohibited. It includes negligence or indolence in duties, management and supervision, unreasonable work processing, and arrogation..

14. Prevention of Money Laundering

It is prohibited to convert illegal money related to slush funds, crime, tax evasion, and bribery to legitimate money in various ways, making it difficult to trace the source of money.

15. Prohibition of Unfair Acts Among Employees, Including Sexual Harassment or Workplace Harassment

It is forbidden to discriminate among employees or give unjust task orders, use abusive language, assault, sexual harassment, or workplace bullying shall be prohibited, and engagement in inappropriate behaviors such as drinking, gambling, and speculative behavior within the workplace.

16. Maintenance of Dignity and Prohibition of Defamation of Others

- ① Employees keep in mind that every word and behavior represents our company and do their best to protect the company's trust and reputation.
- ② Employees do not harm the dignity of the company with vulgar words, actions, or attire.

17. Prohibited Use of Illegal Software

Employees are prohibited to use illegal software.

18. No-smoking

Employees comply with the regulations for smoking cessation to maintain a pleasant environment in all workplaces.

Chapter 3. Guidance in Case of Violation against the Code

19. Duty to Report

Employees who become aware of violations of the Code of Ethics report it to the department responsible for ethical management.

20. Protection of Informant

- ① Employees maintain the confidentiality of the employee who reported violators and actively protects the reporter from any disadvantage.
- ② If the violation reporter requests a department transfer or position change to avoid inconvenience or disadvantage due to the report, the company accepts it as much as possible.
- ③ If the report is related to the reporter, employees may alleviate or exempt from disciplinary actions against the reporter.

21. Disciplinary Measures and Rewards

- ① In violation of the Code of Ethics, the department responsible for ethical management promptly investigates the circumstances, reports it to the CEO, and may suggest disciplinary measures and personnel transfer for the violators.
- ② Employees may provide rewards or appropriate compensation to our employees who have contributed significantly to achieving the goal of the Code of Ethics.

Chapter 4. Leader's Role

22. Leader's Role

- ① Leaders set an example by their own actions, not by words
- ② Leaders ensure our employees fully understand that ethical behavior is more significant than good business results.
- ③ Leaders create an open environment where all our employees can freely express their opinions.

Sustainable Procurement Policy

Effective Date: June 16, 2022

Aiming to achieve the corporate vision of 'Solution Partner Creating Our Common Future with Value beyond Chemistry,' Kumho Petrochemical complies with international standards and norms based on the win-win management philosophy, taking the lead in a transparent and fair trade culture. The responsible department observes the basics and principles with responsibility for society and the company, striving to realize sustainable procurement by establishing a supply chain management system.

Practice Guidance for Sustainable Procurement

1. Sustainable Procurement

In terms of the entire procurement activities concerning the purchase of raw materials, sub-materials, packaging materials, outsourcing, materials for partial processing, fuels, and parts, we comply with the following with an aim to fulfill our social responsibilities throughout the supply and supply chain sectors.

- ① When purchasing, we thoroughly consider the sustainability of non-financial values, such as the environment, safety, labor/human rights, and corporate ethics of the supply chain.
- ② We also strive to secure stable sources considering the sustainability and competitiveness of the suppliers.
- ③ In order to bring shared growth and capacity building to key partner companies, we provide education and various support programs.

2. Supply Chain Assessment and Management

When selecting key suppliers, a sufficient review process of overall financial and non-financial matters is required by referring to the evaluation of their self-assessment and external credit rating agencies. The evaluation results are reviewed in the major assessment on price competitiveness, quality, and delivery of the supplier. All safety and health information, including the products' safety and harmfulness, are reviewed and assessed in consultation with the relevant departments. After selecting key suppliers, we continuously manage the sustainability-related issues by monitoring indicators on the violations of environmental/social laws, delay of payment, and many more.

With an aim to efficiently manage ESG risks of key suppliers, purchasing department annually conducts its own ESG assessment of suppliers. In the ESG assessment of suppliers, the following items are comprehensively evaluated.

- ① Corporate operation (strategic plan, operation plan, supplier management capability, resource management)
- ② Business ethics (anti-corruption, protection of informants)
- ③ Labor/human rights (child labor, protection of workers, who are subject of protection, forced labor, humanitarian treatment, grievance-handling, non-discrimination, work hours, wages and welfare, guarantee of freedom of association)
- ④ Environment, health and safety
- ⑤ Materials and procurement (material management, purchasing management)
- ⑥ Quality management (quality roadmap, quality problem-solving capability, product data management)
- ⑦ Production management (production system, cost reduction)

According to the evaluation results, support systems, such as incentives or preferential supply for good partner companies, are prepared and provided. We check the ESG risks of the supply chain by conducting a practical ESG risk assessment of suppliers. For suppliers, which are found to be relatively inadequate, we prepare and provide support policies for improvement, if necessary. A healthy supply chain ecosystem is required to be established through continuous inspection and improvement of the supply chain.

3. Purchasing Ethics

We practice fair trade and promote transparent and reasonable transactions under the four fair trade principles for win-win cooperation; good contract signing, fair selection of partner companies, operation of internal review council and issuance and preservation of documents.

- ① In bidding transactions, we provide fair opportunities for all suppliers to participate in the bidding under the standards and procedures specified in the internal regulations.
- ② We thoroughly discuss trade terms and procedures on an equal footing with all suppliers.
- ③ We do not engage in unfair trade practices prohibited by laws and regulations.
- ④ We do not make unfair requests or take unjust solicitation using the superior position.
- ⑤ We compensate reasonably and fairly in case of damage in the trade relationship.
- ⑥ We do not leak or utilize technology or sensitive information of suppliers without consent.
- ⑦ We do not use minerals (tin, tantalum, tungsten, and gold) produced in conflict zones. We secure and manage certificates that prove that they are not produced in conflict zones in case we purchase

raw materials containing conflict minerals.

- ⑧ We share our sustainable directions and strategies while encouraging suppliers to practice them together by letting them sign our 'Supplier Code of Conduct' targeting all suppliers.

Supplier Code of Conduct

Effective Date: November 09, 2020

Last Updated: June 16, 2022

Kumho Petrochemical strives to bring sustainable corporate development and fulfill social responsibility. To this end, we make efforts to be faithful to the basics and principles based on a responsibility for society and the company. We put environmental safety and corporate ethics first and keep them our core values. In addition, we provide guidelines for the four primary fair trade practices to become a company aiming for fair trade and growing together with our partner companies.

We encourage our partner companies to fulfill these social responsibilities together with us. As part of it, we prepare the following agreements on the foundation of international standards and regulations as well as related laws. We pursue sustainable procurement based on mutual efforts to comply with the following items and capitalize on this effort to grow with our partner companies.

1. Environment and Safety

- ① Comply with environmental management regulations in the entire manufacturing processes and encourage the establishment of eco-friendly methods.
- ② Create a safe working environment through the continuous improvement of facilities and accident prevention efforts.
- ③ Comply with laws and agreements in and outside Korea relevant to environmental safety and health and strive to secure related certifications.
- ④ Make efforts in the mid- to long-term for energy efficiency, climate protection, and waste reduction.
- ⑤ Make efforts to minimize the negative impact on the environment of the local communities.

2. Labor and Human Rights

- ① Support protecting internationally proclaimed human rights and do not force workers to work against their free will. (Prohibition of human trafficking and forced labor)
- ② Prohibit the employment of children under the minimum working age by law. (Prohibition of child labor)

- ③ Do not harass or discriminate on the grounds of gender, school, religion, physical disability, or any other reasons.
- ④ Comply with the labor and human rights laws in terms of maximum working hours, minimum wage, working conditions, and freedom of association.
- ⑤ Do not use conflict zone minerals as our raw materials and actively collaborate with related due diligence.

3. Ethics and Anti-corruption

- ① Treat the entire trade parties equally and give equal and fair opportunities to them.
- ② Maintain integrity in trade relationships and strictly prohibit the provision of gifts, money or valuables, financial benefits, or other financial convenience.
- ③ Do not take advantage of our superior position and do not blackmail, embezzle, solicit, or demand unreasonable compensation.
- ④ Comply with anti-corruption standards under laws and prohibit all other illegal and unethical acts.
- ⑤ Do not leak, store, or use trade secrets, corporate information, or personal information acquired in the course of trade without prior approval.

Tax Strategy

Effective Date: June 16, 2022

As a strategy for our tax obligations, cooperation with tax authorities, tax risk management, and compliance with global agreements, Kumho Petrochemical communicates with stakeholders in a transparent manner and follows the items below to fulfill our social responsibilities.

1. Fulfillment of Tax Obligations

Kumho Petrochemical fulfills our duty of faithful tax reporting and payment in accordance with tax-related laws and regulations and maintains a transparent relationship with the tax authorities.

2. Cooperation with Tax Authorities

We cooperate with the tax authorities in a transparent and honest manner. Upon any request from the tax authorities, we provide relevant information in a timely manner while striving to fully communicate and understand each other in case there is a difference of opinion with the tax authorities.

3. Tax Risk Management

We identify tax issues that may arise in the course of business activities at an early stage, followed by the review and management.

If necessary, we resolve issues by cooperating with external experts and communicating with the tax authorities. We also strive to be promptly aware of the enactment and revision of domestic and foreign tax laws while actively responding to issues and risks that can possibly occur from them.

4. Compliance with Global Agreements

We do not engage in trades or contracts that intend to unreasonably reduce the tax burden by taking advantage of gaps in tax laws and systems and tax treaties. We also do not use tax havens. In transactions between special relationships, tax adjustments are made based on the arm's length price calculated by a reasonable method that is or is deemed to be applicable in ordinary transactions. Using this standard tax structure, we are aware of the appropriate amount of tax for each tax jurisdiction in which our corporations are located and pay the amount.

This policy was established and approved by the ESG Committee within the BOD of Kumho Petrochemical.
If there is any change, the revision will be made following the approval of the ESG Committee.

Board Composition Policy

Effective Date: June 16, 2022

The Board of Directors (BOD) of Kumho Petrochemical makes the decision on the company's management goals and strategies, seeking the benefit of the company and shareholders. The BOD assumes the role of an essential decision-making body and management supervision functions.

The BOD decides on the critical management matters regarding the basic principle of management, financial issues, such as acquisition/disposition of significant investments and assets, appointment/dismissal, and duties of directors, and matters that are delegated by the board meeting or general shareholders' meeting, items that are stipulated in other laws and the articles of incorporation. The entire decision-making of the BOD aims to maximize corporate value from a continuous and long-term perspective. To this end, the composition of BOD intends to efficiently make decisions and supervise the management. Directors are appointed transparently to comprehensively reflect shareholders' various opinions.

1. Diversity

We consider diversity in the composition of the BOD so that the BOD is capable of making fair decisions based on diverse perspectives and experiences, taking account of the interests of multiple stakeholders. Accordingly, we do not discriminate on the grounds of gender, nationality, age, religion, race, and other factors in the composition of the BOD and the selection of directors. We consider the expertise and competence of directors in each field to secure diversity. To do so, we go through transparent and fair appointment procedures.

2. Expertise

We compose the BOD with directors who have expertise and responsibilities in various areas, such as knowledge and experience that can practically make a substantial contribution to corporate management. Thus, we select director candidates with experience and expertise in various fields, such as finance and accounting, law, ESG, and understanding of the industry and corporate operation from the director candidate selection stage, aiming to enhance the professionalism of the BOD and reinforce the management supervision function at the same time. If necessary, we provide consultation with external

experts and training to actively support the BOD in making expertise-based decisions.

3. Independence

In order to make the BOD perform an independent role apart from the management and controlling shareholders, we apply the Commercial Act or reflect them stricter by maintaining the ratio of outside directors at more than half of the total directors. With an aim to keep the independence in decision-making, the Audit Committee, Outside Director Nomination Committee, Internal Transaction Committee, and Compensation Committee, which are within the Board of Directors, are entirely composed of outside directors to more actively collect opinions of outside directors.

Starting from the candidate selection stage, we verify whether the candidates for outside directors meet the qualifications outlined in the relevant laws and regulations, have no interest in the company, and are in line with the interests of shareholders in a fair way. Considering the candidate's expertise, we finally decide if the candidate is fit for the company through the Outside Director Nomination Committee. Related information is disclosed through the Data Analysis, Retrieval, and Transfer System (DART) as well as the company homepage so that shareholders can have sufficient information on director candidates.