

## Kumho Petrochemical

# ESG Policy and Guidelines

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Environmental Management Policy

Biodiversity Conservation Policy

Forest Destruction Prevention Policy

Safety and Health Management Policy

Human Rights Management Policy

Ethical Management Policy and Guidelines

Supply Chain ESG Policy

Supplier ESG Guidelines

Local Community Engagement Policy

Corporate Governance Charter

Policy on the Composition of the Board of Directors

Reporting Policy

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## Enactment and Revision History Table

Document Name	Enactment (YYYY.MM.DD)	Revision History (YYYY.MM.DD)								Notes
		1st	2nd	3rd	4th	5th	6th	7th	8th	
Environmental Management Policy (Previously, Environment, Health and Safety Policy)	2021.04.06	2022.06.24	2023.06.21	2024.05.28						
Biodiversity Conservation Policy	2021.04.06	2022.06.24	2023.06.21	2024.05.28						
Forest Destruction Prevention Policy	2024.05.28									
Safety and Health Management Policy (Previously, Environment, Health and Safety Policy)	2021.04.06	2022.06.24	2023.06.21	2024.05.28						
Human Rights Management Policy (Previously, Human Rights and Labor Management Policy)	2020.11.16	2022.06.16	2024.05.28							
Ethical Management Policy and Guidelines	2021.06.29	2022.06.16	2024.05.28							
Supply Chain ESG Policy (Previously, Sustainable Procurement Policy)	2022.06.16	2023.06.21	2024.05.28							
Supplier ESG Guidelines (Previously, Supplier Code of Conduct)	2020.11.09	2022.06.16	2024.05.28							
Local Community Engagement Policy	2024.05.28									
Corporate Governance Charter	2024.05.28									
Policy on the Composition of the Board of Directors (Previously, Board Composition Policy)	2022.06.16	2023.06.21	2024.05.28							
Reporting Policy	2023.06.21	2024.05.28								
ESG Investment Principle	2023.06.21									Document name changed
Tax Policy (Previously, Tax Strategy)	2022.06.16	2023.06.21	2024.05.28							

\* All documents within the policy and guidelines have been formulated through the approval process of the ESG committee within Kumho Petrochemical's Board of Directors (documents created before the formation of the ESG committee are excluded), with any revisions requiring approval from the ESG committee in the event of alterations.

## Environmental Management Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') hereby formulates this Environmental Management Policy (hereinafter referred to as 'the policy') with the aim of conserving the intrinsic natural and environmental assets of the Earth, thereby fostering a symbiotic relationship between humanity and the environment.

The policy aims to clearly outline the principles and scope of Kumho Petrochemical's efforts to identify both direct and indirect environmental impacts across all aspects of its operations, including the entire supply chain, and to minimize adverse environmental effects.

### **Chapter 1      Scope of Policy**

#### Article 1          Scope

- 1) The policy applies to all executives and employees of Kumho Petrochemical. Additionally, all stakeholders involved in the entire supply chain, including partner companies and suppliers, are encouraged to implement 'the policy'.

### **Chapter 2      Risk Management**

#### Article 2          Environmental Risk Management

- 1) In compliance with the provisions delineated within the policy, Kumho Petrochemical undertakes endeavors aimed at mitigating the adverse effects of its operations on the environment, while proactively identifying prospective environmental risks. The company institutes measures of mitigation or prevention in response to the identified risks and proactively forestalls potential hazards through continual management and surveillance.

### **Chapter 3      Governance**

#### Article 3          Environmental Governance

- 1) Kumho Petrochemical executes environmental management initiatives in collaboration with pertinent departments, with a focal point on the Safety and Environment Planning Office, designated as the specialized entity overseeing environmental affairs. The Board of Directors and the ESG committee, serving as the supreme decision-making entities, endorse and evaluate substantial environmental concerns.

### **Chapter 4      Environmental Management Principles**

#### Article 4          Establishment of Environmental Management Plan

- 1) Kumho Petrochemical hereby establishes an Environmental Management Plan in accordance with the ISO 14001-certified Environmental Management System, proactively and voluntarily endeavoring to mitigate the impact and risks of its operations on the environment.

#### Article 5 Compliance with Environmental Regulations and Permit Acquisition

- 1) Kumho Petrochemical diligently adheres to environmental regulations in the respective countries where its business sites are situated. In the event of any violations under pertinent laws, the company proactively implements measures to rectify any issues swiftly.

#### Article 6 Sustainable Products and Processes

- 1) With a commitment to reducing its environmental footprint, Kumho Petrochemical strives to bolster sustainability by incorporating recycled and bio-based raw materials, minimizing resource utilization, and innovating low-carbon products.

#### Article 7 Greenhouse Gas and Energy Management

- 1) Consistent with its climate change mitigation strategy and objectives, Kumho Petrochemical endeavors to attain carbon neutrality by reducing reliance on fossil fuels and raw materials while progressively increasing the utilization of clean energy sources and optimizing energy efficiency.
- 2) Kumho Petrochemical regularly aggregates and monitors greenhouse gas emissions across Scope 1 to Scope 3 categories, along with energy consumption, to evaluate the environmental implications stemming from greenhouse gas emissions.

#### Article 8 Management of Pollutants

##### 1) Air Pollution Management

- (1) Kumho Petrochemical rigorously adheres to the Clean Air Conservation Act and associated regulations, ensuring that emissions remain below the legally permissible standards. Additionally, the company assesses the adoption of emission reduction facilities and technologies, process enhancements, and other measures to minimize and monitor emissions of air pollutants resulting from its operations.

##### 2) Soil Management

- (1) Kumho Petrochemical complies with the Soil Environment Conservation Act and associated regulations, employing strategies such as the installation of soil pollution prevention facilities, conducting inspections for soil contamination, and implementing monitoring practices to forestall soil pollution.

##### 3) Water Pollution Management

- (2) Kumho Petrochemical adheres to the Water Environment Conservation Act and applicable regulations, ensuring pollutants remain below the legally allowable standards. Furthermore,

the company evaluates the implementation of water pollution prevention facilities, advanced technologies, process enhancements, and similar measures to mitigate and monitor emissions of water pollutants resulting from its operations.

4) Odor Management

- (1) Kumho Petrochemical adheres to the Odor Prevention Act and relevant regulations, ensuring that odors remain below the legally permissible standards. Additionally, the company evaluates the implementation of odor prevention facilities, technologies, process improvements, and other measures to minimize and monitor odors resulting from its operations.

5) Noise Management

- (1) Kumho Petrochemical adheres to the Noise and Vibration Control Act and relevant regulations, ensuring that noise levels remain below the legally permissible standards. Furthermore, the company evaluates the implementation of noise prevention facilities, technologies, process improvements, and other measures to minimize and monitor noise emissions resulting from its operations.

Article 9 Water Resource Management

- 1) Kumho Petrochemical acknowledges the critical importance of conserving water resources for sustainable use and undertakes initiatives to reduce and recycle water usage, assessing process improvements and facility investments to support these efforts.
- 2) Kumho Petrochemical identifies whether its business sites are situated in water-stressed areas, continuously monitors water intake and usage in these regions, and considers water conservation activities in locations where business operations may pose risks.

Article 10 Chemical Management

- 1) To minimize the environmental impact of chemicals, Kumho Petrochemical identifies the chemicals utilized in its operations and products, and establishes and adheres to appropriate management standards for each substance.

Article 11 Waste Management

- 1) To minimize waste generated from its operations, Kumho Petrochemical manages waste in accordance with the standards mandated by the Waste Management Act and related laws, and explores recycling options.
- 2) Kumho Petrochemical develops and administers waste management standards for each business site, and establishes and implements standards for the storage and transportation of waste to promote recycling.

Article 12 Raw and Ancillary Materials Procurement

- 1) Kumho Petrochemical endeavors to enhance the efficiency of raw and ancillary materials utilized in its business operations to mitigate environmental impact and avert unnecessary resource waste, while contemplating the procurement of environmentally friendly raw and ancillary materials. To achieve this, it institutes a system for the periodic tracking and monitoring of the usage status of raw and ancillary materials, and for the assessment of the environmental impact of procured materials and products.

Article 13 Product Environmental Impact Management

- 1) Kumho Petrochemical identifies and seeks to minimize the environmental impact of its products throughout their entire life cycle, from production to disposal, by conducting Life Cycle Assessments.
- 2) Kumho Petrochemical engages in activities aimed at reducing the environmental burden of its products, such as enhancing product durability and developing technologies for recycling and reuse.

Article 14 Local Communities

- 1) Kumho Petrochemical strives to minimize and prevent any adverse environmental impacts on local communities resulting from its business activities, maintaining ongoing communication with the community to address and mitigate adverse environmental impacts.

**Chapter 5 Internalizing Environmental Management**

Article 15 Grievance Handling and Reporting

- 1) Any individual can report instances of negative environmental impacts or risks through the Cyber Reporting Center (Online Friends) or internal reporting procedures established by the relevant department.
- 2) Further guidance on environmental management-related grievance handling and reporting, including types of reports and principles, is provided in the 'Reporting Policy'.

Article 16 Education and Communication

- 1) Kumho Petrochemical consistently organizes educational activities and campaigns to raise the sense of environmental significance among executives, employees, and stakeholders, and to internalize awareness of the need for environmental management.
- 2) Kumho Petrochemical ensures effective communication of key environmental management issues with executives, employees and stakeholders, and discloses information through various accessible channels.

## Biodiversity Conservation Policy

### Foreword

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') hereby institutes the Biodiversity Conservation Policy (hereinafter referred to as 'the policy') to mitigate adverse effects on biodiversity arising from its business activities and to foster biodiversity conservation and the sustainable use of resources impacted by human activities.

The policy is based on relevant domestic and international laws and regulations, including the UN Convention on Biological Diversity and the protection area management categories of the International Union for Conservation of Nature, and aims to clearly define the scope and principles of activities to prevent and minimize negative impacts on ecosystems and biodiversity caused by business activities, as well as to conserve and restore ecosystems and biodiversity.

### **Chapter 1**      **Scope of Policy**

#### Article 1          Scope

- 1) The policy applies to all executives and employees of Kumho Petrochemical. Additionally, all stakeholders involved in the entire supply chain, including partner companies and suppliers, are encouraged to implement 'the policy'.

### **Chapter 2**      **Principles for Biodiversity Conservation**

#### Article 2          Biodiversity Impact Assessment and Conservation

- 1) Kumho Petrochemical identifies and mitigates the impact of its business activities on ecosystems and biodiversity, making efforts to prevent or minimize negative impacts. In cases where adverse impacts are anticipated or confirmed, measures are taken to conserve and restore ecosystems and biodiversity.

#### Article 3          Identification and Compliance with Regulations

- 1) Kumho Petrochemical identifies protected areas designated by the International Union for Conservation of Nature (such as World Heritage areas and IUCN Category I-IV protected areas<sup>1</sup>) as well as the main biodiversity region, and must comply with the relevant regulations of the

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<sup>1</sup> The categories of protected areas designated by the International Union for Conservation of Nature (IUCN) are as follows: 1) Strict Nature Reserve (Category I): Areas strictly protected for biodiversity conservation; 2) Wilderness Area (Category Ib): Areas where wilderness and natural processes predominate; 3) National Park (Category II): Areas managed mainly for ecosystem protection and recreation; 4) Natural Monument or Feature (Category III): Areas managed for specific natural features; and 5) Habitat/Species Management Area (Category IV): Areas managed to conserve particular species or habitats.



country and region if its business site is located within a protected area or a main biodiversity region.

Article 4          Minimization of Biodiversity Loss

- 1) If the business sites are located in or near areas of significant biodiversity, Kumho Petrochemical strives to minimize adverse effects and loss of biodiversity (No Net Loss) and endeavors to have a positive impact (Net Positive Impact) on ecosystems and biodiversity through long-term activities aimed at conservation and restoration.

**Chapter 3          Internalization**

Article 5          Internalization and Communication for Biodiversity Conservation

- 1) Kumho Petrochemical endorses and supports initiatives aimed at biodiversity conservation and protection. Additionally, executives and employees undergo education about the importance of biodiversity and the impact of company operations on ecosystems and biodiversity. The company also communicates with key stakeholders, including those in the supply chain and local communities, to share the significance and value of biodiversity and ecosystems.

## Forest Destruction Prevention Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') sets forth the Forest Destruction Prevention Policy (hereinafter referred to as 'the policy') with the aim of preventing and reducing potential forest destruction in the course of its business operations and promoting forest conservation.

This policy aligns with global standards such as the UN Strategic Plan for Forests and GFGs, along with pertinent domestic and international laws and regulations, including the UN REDD+ initiative and the protection area management categories of the International Union for Conservation of Nature, and aims to explicitly outline the scope and principles guiding endeavors to prevent and mitigate forest destruction resulting from business activities while advancing the cause of forest conservation and restoration.

### **Chapter 1      Scope of Policy**

#### Article 1          Scope

- 1) The policy applies to all executives and employees of Kumho Petrochemical. Additionally, all stakeholders involved in the entire supply chain, including partner companies and suppliers, are encouraged to implement 'the policy'.

### **Chapter 2      Principles of Forest Destruction Prevention**

#### Article 2          Prevention of Forest Destruction and Conservation

- 1) Kumho Petrochemical prevents or minimizes forest destruction stemming from its business operations. In cases where adverse impacts are anticipated or confirmed, measures are taken to conserve and restore the forests.

#### Article 3          Identification and Compliance with Regulations

- 1) Kumho Petrochemical identifies deforestation prevention and protected areas designated by the International Union for Conservation of Nature (such as World Heritage areas and IUCN Category I-IV protected areas) and must comply with the forest laws and regulations of the country and region if its business site is located within such areas.

#### Article 4          Achievement of Net Deforestation Zero

- 1) Kumho Petrochemical aims to achieve Net Deforestation Zero by undertaking initiatives such as eliminating gross deforestation and reforestation activities within and surrounding its business sites.

### **Chapter 3      Internalization and Communication**

#### Article 5      Internalization and Communication for Forest Destruction Prevention

- 1) Kumho Petrochemical endorses and supports initiatives aimed at forest destruction prevention and conservation. Additionally, it educates executives and employees on the significance of forest conservation and the effects of the company's activities on forests, while maintaining communication with key stakeholders, including supply chain and local communities, to convey the importance and value of forests.

## Safety and Health Management Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') establishes and announces the Safety and Health Management Policy (hereinafter referred to as 'the policy') under the vision of being 'a Healthy Company Putting Safety First, Pursuing Shared Happiness,' and fulfills its social responsibility through a commitment to prioritizing and implementing safety and health management.

The policy is formulated based on the ILO Guidelines on Occupational Safety and Health Management Systems, the certification standards of the Safety and Health Management System (ISO 45001), and the Responsible Business Alliance Code of Conduct.

The policy aims to define the principles and scope of Kumho Petrochemical's safety and health management, to prevent occupational illnesses, various accidents, and industrial disasters among stakeholders, and to achieve the three main goals of 'Achieving ZERO Serious Accidents,' 'Establishing the Infrastructure for an Optimal Safety and Health Work System,' and 'Setting an Autonomous Culture of Safety and Health.'

### **Chapter 1**      **Scope of Policy**

#### Article 1          Scope

- 1) The policy applies to all stakeholders involved in Kumho Petrochemical's business activities and processes.
- 2) Kumho Petrochemical specifically identifies stakeholders vulnerable to safety and health risks, taking special care and all possible measures to ensure that these stakeholders are not exposed to such risks.

### **Chapter 2**      **Risk Management**

#### Article 1 Safety and Health Risk Management

- 1) In accordance with the policy, Kumho Petrochemical undertakes safety and health management activities, such as building safety and health infrastructure and establishing a management culture, and conducts regular risk assessments to identify stakeholders likely to be exposed to safety and health risks, including potential major industrial accidents, serious injuries, and near-misses. Kumho Petrochemical implements mitigation or preventive measures for identified safety and health risks, evaluates the effectiveness of these measures, and proactively prevents risks through continuous management and monitoring.

### **Chapter 3**      **Governance**

#### Article 2 Safety and Health Governance

- 1) Kumho Petrochemical executes safety and health management via its Safety and Environment

Planning Office, in cooperation with essential pertinent departments. Significant safety and health issues and accomplishments, policies, risk management strategies, and other critical aspects are either approved by or reported to the highest governing body, such as the Board of Directors or the ESG Committee.

#### **Chapter 4      Safety and Health Management Principles**

##### Article 3            Compliance with Occupational Safety and Health Regulations

- 1) To protect the safety of its employees, partner companies, Kumho Petrochemical must strictly adhere to relevant laws and regulations, including the Occupational Safety and Health Act and the Serious Accident Punishment Act in the countries where its business sites are located.
- 2) Kumho Petrochemical actively rectifies any violations in accordance with these laws.

##### Article 4 Child Labor and Work of Pregnant or Nursing Female Workers

- 1) Kumho Petrochemical must prohibit the employment of children under the age of 15 and forbids tasks that are hazardous to the health, safety, or morals of adolescent workers under the age of 18 and pregnant or nursing female workers, including but not limited to overtime, night shifts, and the handling of hazardous substances.
- 2) Kumho Petrochemical must ensure the provision of suitable facilities for pregnant or nursing female employees.

##### Article 5 Safety and Health Management Within Business Sites and Workshops

- 1) Kumho Petrochemical must endeavor to establish a safe working environment for stakeholders while supporting the mental well-being and health of its members.
- 2) Kumho Petrochemical must identify workers who may be exposed to safety and health risks and take measures such as facility enhancements, maintenance, and educational programs to mitigate or eliminate these risks.
- 3) Kumho Petrochemical must prevent health hazards and chemical-related accidents for stakeholders by implementing and adhering to appropriate management standards for a variety of chemicals used in each business site.

##### Article 6 Education and Risk Assessment

- 1) Kumho Petrochemical must provide regular safety and health training for all executives and employees to enhance their capabilities in health management and prevent major accidents.
- 2) Following risk assessments, Kumho Petrochemical must take actions to prevent the recurrence of similar accidents by raising awareness of the assessment outcomes.

##### Article 7 Preparedness and Response to Emergencies

- 1) Kumho Petrochemical must identify potential emergencies at each stage of the process and

prepare effectively to minimize damages. The company must establish and execute emergency response plans and related business processes, including suitable response scenarios for major incidents such as industrial accidents or fatalities.

#### Article 8 Industrial Accident and Disease Preparedness and Response

- 1) Kumho Petrochemical must establish protocols for preventing, managing, tracking, and reporting industrial accidents and work-related illnesses among workers, and implements suitable systems.

#### Article 9 Customer Safety and Health Management

- 1) In compliance with the Occupational Safety and Health Act, Kumho Petrochemical must provide Material Safety Data Sheets (MSDS) to customers for products manufactured using chemicals or mixtures containing them, aiming to prevent potential safety accidents during product handling processes.
- 2) Products containing hazardous substances must be equipped with appropriate warning signs, labels, and precautions on containers or packaging before shipment to ensure customers are not exposed to safety and health risks.

#### Article 10 Safety and Health Management for Partner Companies

- 1) Kumho Petrochemical must endeavor to prevent safety accidents at partner companies that are directly or indirectly impacted by its safety environment. Safety assessment, audit, and inspection plans for partner companies must be established and periodically executed to identify improvement measures.
- 2) To elevate the safety management standards of partner companies, Kumho Petrochemical must offer a safety and health cooperation program providing safety education support and incentives to partner companies, conducts safety rules education for outsourced workers at each business site, and issues education certificates.

#### Article 11 Community Safety and Health Management

- 1) Upon receipt of complaints from community members, Kumho Petrochemical must actively verify the content, select and review relevant matters and response strategies, and reports them to the designated personnel.
- 2) In the event of accidents threatening the safety and health of community members, appropriate measures, including emergency actions, must be promptly taken, and root causes and preventive measures for incidents and accidents must be determined.
- 3) Satisfaction surveys regarding the handling outcomes must be conducted for local complaints.

### **Chapter 5 Safety and Health Management Internalization**

#### Article 12 Grievance Handling and Reporting

- 1) Any individual can report instances of safety and health-related issues or identified risks through the Cyber Reporting Center (Online Friends) or the internal reporting procedures established by the relevant department.
- 2) Further guidance on safety and health management-related grievance handling and reporting, including types of reports and principles, is provided in the 'Reporting Policy'.

Article 13      Education and Communication

- 1) Kumho Petrochemical consistently organizes educational activities and campaigns to raise the sense of significance of safety and health management among executives, employees, and stakeholders, and to internalize this awareness.
- 2) Kumho Petrochemical ensures effective communication of key issues of safety and health management with executives, employees and stakeholders, and discloses information through various accessible channels.

## Human Rights Management Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') is dedicated to nurturing a culture centered on the core value of "respect," wherein diverse stakeholders' viewpoints are honored, fostering trusting relationships. The company endeavors to uphold and advocate for fundamental human rights and human dignity. Kumho Petrochemical applies the Human Rights Management Policy (hereinafter referred to as 'the policy') across all its business sites and among its members, persistently working to establish operational frameworks for identifying and managing potential human rights risks and implementing human rights management practices.

Kumho Petrochemical respects and aligns with standards such as 'the UN Guiding Principles on Business and Human Rights (UNGPs)', 'the Universal Declaration of Human Rights', 'International Labour Organization standards', 'OECD Guidelines for Multinational Enterprises on Responsible Business Conduct', and 'the 10 Principles of the UN Global Compact', as well as domestic regulations such as 'the Labor Standards Act'.

The policy is formulated based on the aforementioned guidelines and standards, including the UN Global Compact's 'Guidance on Human Rights Due Diligence' and the Responsible Business Alliance's 'Global Code of Conduct,' with the aim of articulating the fundamental principles of human rights management that all Kumho Petrochemical members uphold.

### **Chapter 1      Scope of Policy**

#### Article 1          Scope

- 1) The policy applies to all stakeholders, including executives, employees, supply chain, customers, and members of the local community, with whom Kumho Petrochemical directly or indirectly engages in its business activities.

### **Chapter 2      Risk Management**

#### Article 2          Human Rights Risk Management

- 1) Kumho Petrochemical conducts human rights management activities in accordance with this policy and continuously improves human rights risks by identifying them.
- 2) Particularly, the company pays special attention to stakeholders vulnerable to human rights risks and takes all possible measures to prevent such risks.

### **Chapter 3      Principles of Human Rights Management**

#### Article 3          Respect for Human Rights

- 1) Kumho Petrochemical must respect the human rights of all members and stakeholders associated with the company, and takes care to prevent any acts that violate or abuse these rights. To this end, the company must strictly prohibit any form of sexual discrimination, harassment, or bullying,



as well as physical or mental coercion, verbal abuse, and inhumane treatment, and strives to enhance awareness of human rights among its members through annual education on sexual harassment, workplace bullying, and disability awareness.

Article 4            Respect for Diversity, Equity & Inclusion (DEI) and Non-Discrimination

- 1) Kumho Petrochemical must prohibit all forms of discrimination based on gender, nationality, ethnicity, race, region, education, pregnancy or childbirth, age, disability, religion, sexual orientation, or political affiliation in recruitment, wages and compensation, promotion, welfare benefits, and education.
- 2) Kumho Petrochemical must provide equal opportunities to individuals who meet the qualifications and requirements aligned with the company's talent profile, recognizes, and respects the diverse differences among its members.

Article 5            Prohibition of Child Labor

- 1) Kumho Petrochemical must strictly prohibit all forms of child labor. Accordingly, the company must not employ children under the age of 15, and comply with the standards for child and adolescent labor defined by the laws and regulations of the countries and regions where its business sites are located.
- 2) When employing adolescents under the age of eighteen, Kumho Petrochemical must not assign any hazardous or risky tasks, including night or overtime work, under any circumstances.

Article 6            Prohibition of Forced Labor

- 1) Kumho Petrochemical must not engage in forced labor, slavery, human trafficking, debt bondage, or any form of labor that restrains individuals physically or mentally and deprives them of their freedom of choice.
- 2) Kumho Petrochemical must not require the transfer of personal identification, passports, or labor permits as a prerequisite for employment.

Article 7            Wage and Compensation

- 1) Kumho Petrochemical must diligently adhere to minimum wage laws across the countries and regions where its business sites are located, ensuring that its employees receive compensation meeting or exceeding the prescribed minimum, while also offering requisite overtime pay in accordance with legal mandates.
- 2) Executives and employees in equivalent roles must receive fair compensation without discrimination based on gender, employment status, disability, or any other factors. Additionally, compensation should be determined through individual assessments of performance and capabilities, aligning with evaluation outcomes to ensure fairness.

Article 8            Working Hours

- 1) Kumho Petrochemical must adhere to the maximum working hours and rest periods stipulated by the laws and regulations of the countries and regions where its business sites are located, ensuring that employees are not compelled to work beyond these limits.

#### Article 9 Prohibition of Workplace Harassment

- 1) Kumho Petrochemical must enforce a comprehensive prohibition against all forms of workplace harassment, including sexual harassment, violence, coercion, humiliation, and verbal abuse, which inflict physical or mental distress on others and degrade the work environment. It must actively endeavor to prevent such occurrences, particularly those exploiting positions or relational hierarchies.
- 2) Employees may report incidents of workplace harassment through established grievance channels. Detailed reporting procedures follow the 'Reporting Policy.'

#### Article 10 Freedom of Association

- 1) Kumho Petrochemical must respect the rights to freedom of association and collective bargaining as enshrined in the laws of the countries and regions where its business sites are located, abstaining from any unfair treatment or discrimination against employees engaged in the formation, participation, or activities of labor unions.
- 2) Additionally, Kumho Petrochemical must faithfully implement negotiated agreements between the company and employee representatives without unjustifiably rejecting collective bargaining. Furthermore, it should foster effective labor-management communication through regular and ad hoc meetings at each business site.

#### Article 11 Safety and Health

- 1) Kumho Petrochemical must remain committed to its safety and health management policy, conducting routine inspections and maintenance of facilities and equipment to ensure a safe working environment for executives and employees. Alongside providing preventive measures such as protective equipment and safety education to mitigate accidents, it must establish protocols for investigating and preventing work-related illnesses and accidents, subject to periodic review.

#### Article 12 Environment

- 1) Kumho Petrochemical must implement an Environmental Management Policy dedicated to preserving Earth's natural environment and fostering harmonious coexistence between humanity and its surroundings, diligently deploying measures to mitigate and prevent risks linked to its business operations.

#### Article 13 Supply Chain

- 1) Kumho Petrochemical must adhere to the principles and codes of conduct outlined in the 'Supply

Chain ESG Policy of Kumho Petrochemical Co., Ltd.' and the Supplier ESG Guidelines of Kumho Petrochemical Co., Ltd.' (hereinafter referred to as the 'Supply Chain Sustainability Policy') to ensure respect for human rights in the supply chain and fulfill its social responsibility.

- 2) Kumho Petrochemical must continuously monitor and identify human rights risks, including child labor, forced labor, discrimination, conflict minerals, and responsible mineral procurement, which may arise within the supply chain.
- 3) In instances where human rights risks emerge or are anticipated within the supply chain, Kumho Petrochemical must develop and implement improvement measures.
- 4) Kumho Petrochemical must hold regular communication meetings within the supply chain and strive to enhance human rights standards throughout the supply chain by transparently disclosing the status of human rights risks and improvement outcomes.

#### Article 14 Customers

- 1) Kumho Petrochemical must ensure that it does not provide products and services that pose threats to the safety and health of customers by adequately considering customer safety and health in its business activities.
- 2) Kumho Petrochemical must handle personal information in accordance with its processing guidelines reflecting the Personal Information Protection Act and must obtain consent from the data subject in advance if there are changes to the predetermined purposes and periods.
- 3) Kumho Petrochemical must establish relevant systems for customer information protection and must enhance security management to prevent information leakage.

#### Article 15 Local Communities

- 1) Kumho Petrochemical must minimize and prevent human rights issues and risks within local communities resulting from its business activities. Additionally, the company must endeavor to address human rights issues faced by members of the local communities.

### **Chapter 4 Internalization of Human Rights Management**

#### Article 16 Grievance Handling and Reporting

- 1) Any individual can report instances of human rights violations through the Cyber Reporting Center (Online Friends) or the internal reporting procedures established by the relevant department.
- 2) Further guidance on human rights management-related grievance handling and reporting, including types of reports and principles, is provided in the 'Reporting Policy'.

#### Article 17 Human Rights Impact Assessment

- 1) Kumho Petrochemical conducts human rights impact assessments to identify and evaluate human rights risks that may directly or indirectly affect stakeholders due to its business activities, and formulates and implements mitigation and prevention measures for identified risks.

- 2) Kumho Petrochemical periodically monitors the effectiveness of mitigation and prevention measures and sets future goals based on the results.

Article 18 Internalization of Human Rights Management and Communication

- 1) Kumho Petrochemical consistently conducts educational activities and campaigns to internalize the respect for human rights and raise the sense of human rights management.
- 2) Kumho Petrochemical ensures effective communication of key human rights management issues with executives, employees and stakeholders, and discloses information through various accessible channels.

## Ethical Management Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'the company') is committed to fulfilling its responsibilities to society and the company with a responsible attitude towards customers, shareholders, executives, employees, humanity, and the environment. The company adheres strictly to fundamental values and principles, prioritizing corporate ethics above all else and striving to achieve and exceed the highest values, by establishing an ethical code of conduct that all executives and employees must follow as a standard for desirable behavior and value judgment.

### **Chapter 1**      **Scope of Policy**

#### Article 1          Scope

- 1) All executives and employees of the company shall act in accordance with these guidelines when dealing with all stakeholders of the company, including customers, shareholders, business partners, executives, employees, local communities, and government entities.

### **Chapter 2**      **Obligations of Executives and Employees**

#### Article 2          Compliance Obligations

- 1) All executives and employees of the company must understand their roles and comply with laws, ethical standards, and related regulations and guidelines while performing their duties. Any violations will result in disciplinary action according to relevant regulations and procedures.

#### Article 3          Reporting Obligations

- 1) If an executive or employee observes or becomes aware of any breaches of ethical standards or experiences pressure to contravene them, they are obligated to promptly report such incidents to their superior or the Ethics Management Department in accordance with the prescribed procedures.

#### Article 4          Familiarity with and Inquiries About Ethical Standards

- 1) All employees must acknowledge that ignorance of ethical standards and related regulations does not exempt them from responsibility, and they should consult their superiors or the Ethics Management Department if they have any uncertainties or concerns about potential violations.

### **Chapter 3**      **Ethics Towards Customers and Business Partners**

#### Article 5          Respect for Customers

- 1) The company must prioritize customer satisfaction and respect customers' opinions with sincerity

and integrity.

- 2) Customer information must be protected with the same level of care as the company's assets, and it shall not be disclosed or used for other purposes without the customer's prior approval.

#### Article 6 Fair Transactions

- 1) All transactions must be conducted equitably, ensuring equal footing for all parties involved, with full discussions and mutual agreement on terms and procedures, without unjust alterations.
- 2) When new suppliers wish to engage in transactions with the company, they must be selected and registered based on fair evaluation criteria, ensuring equal opportunities.
- 3) Employees must not exploit their superior position to make unreasonable demands on business partners or accept illicit gains. If such items are unavoidably received, they must be reported to the Ethics Management Department.
- 4) If a business partner suffers damages due to the company's fault, fair compensation will be provided.
- 5) Employees should not burden customers or business partners with personal events or requests for private purposes.
- 6) Regular feedback from partners must be collected and appropriately reflected in operations.
- 7) The company must refrain from any unfair practices prohibited by laws related to fair trade.
- 8) International norms and relevant laws regarding marketing and labeling must be adhered to, and misleading phrases that could confuse customers must be avoided.

#### Article 7 Pursuit of Free Competition

- 1) The company endeavors to bolster the fairness and dependability of transactions by preventing corruption and fostering fair competition, thus aiding in the advancement of a corruption-free society and eradicating anti-competitive practices.

#### Article 8 Pursuit of Mutual Growth

- 1) All executives and employees must endeavor to transfer know-how to the fullest extent possible to help partner companies grow alongside the company.
- 2) The intellectual property rights of the technology and know-how possessed by partner companies must be respected, and their information must be securely protected and handled.

### **Chapter 4 Ethics Towards Shareholders**

#### Article 9 Protection of Interests and Guarantee of Rights

- 1) All executives and employees of the company must strive to maximize shareholder value by diligently selecting and focusing on profit-maximizing strategies.
- 2) Decisions and execution related to company management, as well as financial status, must be handled fairly and transparently in accordance with relevant laws and generally accepted

accounting standards.

- 3) The company must respect shareholders' right to be informed and diligently disclose information regarding company management.

## **Chapter 5**      **Ethics Towards Executives and Employees**

### Article 10      Respect for Members

- 1) The company must respect human dignity and diversity.
- 2) The company must aim to establish sound labor-management relations and seek a conflict-free environment.
- 3) The company must create a workplace that is safe and comfortable for executives and employees, supporting the improvement of their quality of life and promoting a harmonious balance between work and home life.

### Article 11      Fair Treatment

- 1) The company must provide fair treatment to all employees, avoiding discrimination based on gender, education, age, religion, or region of origin.
- 2) The company must offer equal opportunities and evaluate employees based on their abilities and performance, ensuring fair treatment and compensation to enhance motivation for achievement.

### Article 12      Nurture of Talent

- 1) The company must nurture talents by assigning roles based on aspirations, aptitude, and abilities, providing continuous education and training to cultivate individuals capable of contributing to society, the nation, and the company.

### Article 13      Basic Ethics of Members

- 1) All executives and employees are expected to conduct themselves with integrity, maintaining the respect and trust of stakeholders, while upholding the company's reputation and their own dignity as members of the organization, thus fostering a positive image and earning the respect of their stakeholders.
- 2) Members must strive to foster a culture of basic courtesy, mutual respect, and consideration by adhering to the principles of etiquette.
- 3) Members must refrain from unfair work orders, verbal abuse, physical violence, fraud, harassment, or any form of workplace bullying, as well as engaging in inappropriate behaviors such as drinking, gambling, or other unsound conduct within the business site.
- 4) Financial transactions among members, joint guarantees, or accepting gifts among themselves, are prohibited, except within the scope of socially accepted norms for congratulatory events. Financial transactions among members, joint guarantees, or accepting gifts among themselves, are prohibited, except within the scope of socially accepted norms for congratulatory events.

Article 14 Fulfillment of Mission

- 1) Members should engage in fair and honest competition both internally and externally, demonstrating their capabilities through legitimate means and actively completing assigned tasks with a proactive attitude and creative thinking.
- 2) Members should strive to maximize work performance and efficiency by actively collaborating with colleagues and relevant departments, fostering smooth communication and cooperation.
- 3) Members must consistently strive to establish sound values and engage in continuous self-improvement efforts to align with the company's ideal talent profile.

Article 15 Fair Performance of Duties

- 1) Members must perform all tasks accurately and honestly, refraining from intentional manipulation of documents or figures or making false reports.
- 2) Members must recognize their authority and responsibilities, performing their duties diligently and taking responsibility for the results.

Article 16 Avoidance of Conflicts of Interest

- 1) Members must refrain from conducting business transactions with the company in their own name or in the name of those with whom they have a conflict of interest unless approved by the company in advance. However, exceptions are made in cases where prior approval from the company has been obtained.
- 2) Members should not involve themselves in the management or investment of businesses that have transactions, direct or indirect.
- 3) Members must avoid unfairly receiving assets, money, or other benefits from stakeholders or engaging in transactions that may conflict with their duties.

Article 17 Protection and Maintenance of Company Assets

- 1) Members must use all tangible and intangible assets of the company only for business activities and approved purposes.
- 2) Members must refrain from using company property, equipment, materials, or any other resources for personal purposes.
- 3) Members shall actively safeguard and uphold the confidentiality of all information acquired during business dealings with customers, trading partners, and other relevant parties, in accordance with security management regulations, even after departing from the company.
- 4) Members must not disclose important information about the company that could affect its stock price or investors' decision-making without prior approval from the company.
- 5) Members must make every effort to prevent the leakage of company information through the use of computers and various devices.



## **Chapter 6**      **Ethics Regarding the Nation and Society**

### Article 18      Rational Business Development

- 1) The company must respect social values, customs, and order, and create social wealth through ethical business activities.

### Article 19      Contributing to Social Development

- 1) The company must contribute to national development through job creation and diligent tax payment, and actively considers the welfare of socially vulnerable groups.
- 2) The company should strive to accommodate and address the legitimate demands of various social strata and local residents.
- 3) The company may engage in charitable donations, sponsorships, and contributions for local community development and must adhere to related internal processes.

### Article 20      Prohibition of Political Activities

- 1) The company does not support or sponsor specific political parties or politicians and prohibits coercion of executives and employees in such matters. However, it may express its stance on policy formulation or legislation related to its management and interests.

### Article 21      Environmental and Safety Measures

- 1) The company must adhere to environmental regulations and international agreements, striving to minimize environmental destruction, pollution, and degradation resulting from its business activities.
- 2) The company must secure and operate pollution prevention facilities and personnel to prevent environmental pollution.
- 3) The company must strictly comply with relevant laws and standards for safety operations and endeavors to proactively prevent safety hazards.
- 4) Members are encouraged to maintain cleanliness and organization in the business site to create a pleasant and safe working environment.

## **Chapter 7**      **Ethical Management Operations**

### Article 22      Responsibility Division

- 1) The executive in charge of ethical management oversees the establishment, implementation, direction, and supervision of ethical management practices on behalf of the management.
- 2) The executive and organization responsible for ethical management must perform the company's overall ethical management tasks, including the formulation, adjustment, operation, and supervision of ethical management systems and policies.

### Article 23      Ethics Management Education and Evaluation

- 1) The ethics management executive and organization must implement necessary measures, such as establishing systems and providing ethics management education, guidance, and evaluation, to enable executives and employees to fulfill their duties in a fair manner.

Article 24 Implementation

- 1) Members must comply with the ethics code and ethics management guidelines, and violations are subject to disciplinary action in accordance with relevant laws and internal regulations.

## Ethical Management Guidelines

### Chapter 1 General Provisions

#### Article 1 Scope of Application

- 1) The regulation applies to all members of the company.

#### Article 2 Guidelines

- 1) The guidelines aim to establish the criteria for decision-making and behavior in ethical conflict situations that may arise during the performance of duties by the members.

#### Article 3 Principles for Ethical Decision-Making and Behavior

- 1) Members should make judgments and act based on the following questions during their work process:
  - (1) How does this decision affect others internally and externally?
  - (2) Can I take responsibility for this decision?
  - (3) Does this decision comply with relevant laws and the company's ethical norms?

#### Article 4 Definitions of Terms

- 1) Gifts and Benefits
  - (1) Monetary or non-monetary benefits, including but not limited to cash, securities, real estate, goods, accommodation vouchers, memberships, admission tickets, discount coupons, invitations, viewing rights, and usage rights for properties.
  - (2) Entertainment such as meals, drinks, golf, or conveniences such as transportation and accommodation.
  - (3) Other economic benefits, including debt forgiveness, job offers, granting of rights, and similar advantages.
- 2) Facilitation Payment
  - (1) Informal payments made to public officials to expedite the processing of standard procedures.
- 3) Interested Party
  - (1) A person who, although not a party to a specific factual or legal act, is affected by that act in terms of rights or interests, including relatives within the fourth degree of kinship to oneself and one's spouse.
- 4) Stakeholder
  - (1) Individuals or groups whose rights or interests may be directly or indirectly affected by their

work, including customers, members, shareholders, business partners, communities, and countries.

- 5) Embezzlement
  - (1) The act of appropriating company property for personal use.
- 6) Sexual Harassment
  - (1) Actions that entail sexual humiliation or aversion to another party through sexual behavior or remarks, or actions leading to employment disadvantages due to refusal to comply with sexual demands.
- 7) Personal Information
  - (1) Information pertaining to a living individual that can facilitate identification, such as names, resident registration numbers, images, and other relevant identifiers (including data that, when combined with other information, can lead to the identification of a specific individual even if the data alone cannot identify the individual).
  - (2) Information concerning deceased individuals is not classified as personal information under Article 2, Paragraph 1 of the Personal Information Protection Act, yet details revealing relationships with surviving family members are considered personal information concerning those relatives who are alive.
- 8) Workplace Bullying
  - (1) Acts by employers or employees that exploit their superior position or work relationship to inflict physical or mental suffering on other employees beyond the appropriate scope of work, or to degrade the work environment.

## **Chapter 2      Practice Guidelines**

### **Article 5          Prohibition of Accepting and Providing Gifts and Benefits**

- 1) Members are prohibited from accepting or providing gifts, facilitation payments, or engaging in financial transactions (including loans, guarantees, or providing collateral) with stakeholders. Exceptions are granted for gifts distributed within the customary range to an unspecified number of people and condolence money within socially accepted norms among members.
- 2) Members are obligated to abstain from accepting direct or indirect benefits, such as gifts from specific stakeholders as compensation for acquiring or maintaining business rights; in unavoidable circumstances, such acceptance must be promptly reported to the Ethics Management Department.
- 3) The Ethics Management Department must establish and operate a system for the return of received gifts or benefits.
- 4) Members are prohibited from informing stakeholders of personal or colleague-related congratulatory events. However, an exception is made for notification through the company's intranet.

#### Article 6 Prohibition of Hospitality

- 1) Members are prohibited from either receiving or providing hospitality to stakeholders. Nonetheless, in circumstances where it is unavoidable within socially accepted business norms, executives must seek approval from the CEO, while employees below executive level must seek approval from their respective executives.

#### Article 7 Avoidance of Conflicts of Interest and Transactions with Former Employees Involved in Misconduct

- 1) Members are required to refrain from conducting business transactions with the company under their own or stakeholders' names. Exceptions may be granted with prior approval from the Ethics Management Department, following proper procedures akin to those of other stakeholders' transactions.
- 2) Members are prohibited from engaging in joint investments with stakeholders or acquiring property with stakeholders. Nevertheless, exceptions may be granted with prior approval from the Ethics Management Department.
- 3) Should an employee's relative be identified as a stakeholder of the company, it is imperative to inform the Ethics Management Department and take measures to prevent conflicts of interest, such as modifying job roles if the situation pertains to the member's responsibilities.
- 4) Transactions with individuals who have resigned due to misconduct during their employment are strictly prohibited.

#### Article 8 Prohibition of Personal Use of Non-Public Information

- 1) Members must refrain from trading property interests, such as stocks, using non-public information acquired during their employment, and they should not advise or engage in activities that could influence such matters.

#### Article 9 Restriction on Holding Concurrent Employment in Other Companies

- 1) Members are prohibited from simultaneously holding positions as executives or employees in other companies unless they have obtained prior approval from the Ethics Management Department. Nevertheless, exceptions may be granted with prior approval from the Ethics Management Department.

#### Article 10 External Lectures

- 1) Members must report to and obtain approval from the Ethics Management Department before delivering external lectures.

#### Article 11 Prohibition of Asset and Information Leakage

- 1) Members must be prohibited from engaging in any actions that lead to the loss of company assets, such as embezzlement or misappropriation of funds, leakage of property, or misuse of company resources.
- 2) Disclosing or providing the company's information and trade secrets to internal or external parties without prior approval is prohibited.

Article 12          Transparent Handling of Company Expenses

- 1) Only expenses directly related to business activities should be transparently processed, while expenses incurred due to arbitrary judgment or for unrelated purposes must not be charged to the company solely because they occurred during (or around) the time of business activities.

Article 13          Prohibition of Negligence and Poor Work Ethics

- 1) Negligence, poor attendance, lack of supervision, unreasonable handling of tasks, and overstepping authority, which result in losses to the company, are prohibited.

Article 14          Anti-Money Laundering

- 1) Engaging in activities that disguise the origins of funds related to illegal activities, such as slush funds, crime, tax evasion, or bribery, thereby making it difficult to trace the source of the money, is prohibited.

Article 15          Prohibition of Unfair Conduct Among Members including Sexual Harassment and Workplace Bullying

- 1) Discrimination, unfair work orders, verbal abuse, physical violence, sexual harassment, and workplace bullying among members are strictly prohibited, alongside the prohibition of engaging in drinking, gambling, or any other improper activities within the business site.

Article 16          Maintaining Personal Dignity and Prohibition of Defamation

- 1) Members must bear in mind that their conduct reflects upon the company and endeavor to uphold its trust and reputation.
- 2) Indecent behavior or attire that undermines the company's dignity is not acceptable.

Article 17          Prohibition of Using Illegal Software

- 1) The use of illegal software is strictly prohibited for both executives and employees.

Article 18          No Smoking

- 1) Members must comply with the no-smoking policy to ensure a pleasant environment across all business sites.

### **Chapter 3**      **Guidelines for Violating Regulations**

#### Article 19      Reporting Obligation

- 1) In all circumstances, including those that may lead to the loss of potential business opportunities, no unethical behavior shall be conducted. All stakeholders who become aware of such behavior or violations of ethical norms must report them through channels such as 'Online Friends' or the Ethics Management Department.

#### Article 20      Protection of Whistleblowers

- 1) The company guarantees the confidentiality of whistleblowers who report misconduct through channels such as 'Online Friends' and actively safeguards them from any inconvenience or retaliation.
- 2) If a whistleblower requests a change in department or position to avoid discomfort or retaliation due to the report, the company should accommodate this request to the fullest extent possible.
- 3) In cases where the reported content involves the whistleblower, the company may mitigate disciplinary action against them.

#### Article 21      Discipline and Rewards

- 1) Upon the discovery of unethical behavior or violations of ethical norms, the Ethics Management Department promptly investigates the circumstances, reports to the CEO, and may recommend disciplinary measures or personnel actions against the violator.
- 2) The company may reward or provide appropriate compensation to members who have made significant contributions to achieving ethical goals.

### **Chapter 4**      **Role of Leaders**

#### Article 22      Role of Leaders

- 1) Lead by example through actions, not just words.
- 2) Ensure that employees understand that ethical behavior takes precedence over business results.
- 3) Create an open environment where all employees feel comfortable expressing their opinions.

## Supply Chain ESG Policy

### **Foreword**

Kumho Petrochemical, guided by its the coexistence management philosophy to fulfill its corporate vision of being a "Solution Partner Creating Value Beyond Chemistry," fosters a culture of transparent and fair trade, which aligns with international standards and norms. In pursuit of sustainable growth, Kumho Petrochemical is committed to adhering to principles and fundamentals with a responsible attitude toward society and the company, striving for sustainable procurement in collaboration with supply chain stakeholders.

The policy is established in accordance with the Responsible Business Alliance's Code of Conduct, the Global Automotive Sustainability Practical Guidance by Drive Sustainability, and the European Union's Corporate Sustainability Due Diligence Directive. In cases where the provisions stipulated in the policy and the 'Supplier ESG Guidelines' do not align with the laws and regulations of the countries where Kumho Petrochemical's business sites and partner companies are located, the stricter standards must take precedence.

### **Chapter 1 Supply Chain Sustainability Framework**

#### Article 1 Decision-Making Structure

- 1) The CEO bears the ultimate responsibility for overseeing and supervising the performance of sustainability initiatives and activities within the supply chain at Kumho Petrochemical.
- 2) The key departments responsible for driving sustainability initiatives in the supply chain include the ESG management team and the Purchasing Department. These teams collaborate to discuss and implement various tasks related to managing sustainability objectives within the supply chain. However, for support systems related to environmental, social, and governance (ESG) areas, relevant departments may also collaborate to promote related activities.

#### Article 2 Scope of Policy and Stakeholder Communication

- 1) The policy applies to executives and employees of Kumho Petrochemical and, in principle, extends to all supply chain-related organizations and activities, including procurement and sourcing, both within Kumho Petrochemical and its partner companies.
- 2) To effectively communicate Kumho Petrochemical's fundamental stance and guidelines regarding supply chain sustainability to various stakeholders, the company must ensure the policy is accessible by posting it in locations such as its website.
- 3) Kumho Petrochemical must regularly monitor relevant laws in the countries where its business sites and partner companies are located to proactively prevent compliance risks. The company must actively promote activities aimed at establishing and improving sustainable supply chain systems, including considering participation in domestic and international sustainability initiatives in the future.

#### Article 3 Documentation and Performance Management



- 1) Kumho Petrochemical conducts a review of the policy at least once a year. However, depending on domestic and international sustainability initiatives and changes in relevant laws and regulations, the policy may undergo periodic reviews. If significant changes occur, it may be revised at any time as necessary.
- 2) Kumho Petrochemical manages the communication and implementation of the policy and transparently discloses the results through mediums such as its website and sustainability management reports to stakeholders.

## **Chapter 2      Supply Chain Sustainability Promotion**

### Article 4              Engagement with New Partner Companies

- 1) When selecting new partner companies, Kumho Petrochemical assesses sustainability risks alongside financial factors such as delivery compliance and quality.
- 2) Upon entering into contracts with new partner companies, Kumho Petrochemical requires them to confirm and sign their compliance with this policy and the Supplier ESG Guidelines.

### Article 5              Support for the Sustainability Promotion of Partner Companies

- 1) Kumho Petrochemical periodically assesses the financial and non-financial capabilities of its partner companies, including their sustainability management practices, and considers providing support programs to enhance their capacity for social responsibility and positive environmental impact.
- 2) Kumho Petrochemical conducts regular surveys among its partner companies to evaluate the effectiveness of these support programs, identify areas for improvement, and develop action plans accordingly.

### Article 6              Responsible Procurement of Raw and Ancillary Materials

- 1) Kumho Petrochemical may prioritize the purchase of eco-friendly products for the entire supply chain, including the company itself, as part of its ESG initiatives. The procurement team actively promotes the expansion of eco-friendly product purchases by conducting comprehensive investigations, education, and procurement planning, and continuously manages the performance of eco-friendly product purchases.

The classification criteria for eco-friendly products are as follows. However, they may be revised if a separate management system is established:

- (1) Products certified with an eco-label under the "Act on the Promotion of Environmentally Friendly Technology Development and Support"
- (2) Excellent recycling products under the "Act on the Promotion of Resource Savings and Recycling"
- (3) Low-carbon products under the "Act on the Promotion of Green Purchases"
- (4) High-efficiency energy equipment and products with energy efficiency grades 1-2 under the

"Act on the Rational Use of Energy"

- 2) Kumho Petrochemical must confirm the inclusion of conflict minerals and responsible minerals in the raw materials procured or received and proactively prevent related risks by conducting traceability investigations into their origin and distribution routes.
- 3) If risks related to human rights and the environment are identified in the raw materials procured by Kumho Petrochemical's partner companies, the company must request that the partner companies change their procurement sources.

Article 7          Communication of ESG Data and Information from Partner Companies

- 1) To clearly understand the ESG status across the entire supply chain, Kumho Petrochemical may request environmental and social data from its partner companies.
- 2) Based on the information and data received, Kumho Petrochemical may develop plans to enhance supply chain sustainability and require compliance from its partner companies.

**Chapter 3          Supply Chain Risk Identification and Response**

Article 8          Mechanism for Handling Grievance

- 1) Kumho Petrochemical operates an 'Online Friends' platform (justice.kkpcgroup.com) to enable stakeholders to proactively report risk factors, including environmental concerns, labor practices, unfair trade, and unfair competition.
  - (1) Kumho Petrochemical's 'Online Friends' operates on the principle of anonymity.
  - (2) Kumho Petrochemical ensures thorough anonymity for whistleblowers and takes all measures and efforts to prevent any form of disadvantage or retaliation against them.
  - (3) Kumho Petrochemical handles reported cases faithfully and transparently communicates feedback and results to the reporter.

Article 9          Supply Chain ESG Evaluation

- 1) Kumho Petrochemical regularly conducts supply chain ESG assessments to proactively identify and prevent sustainability risks.
  - (1) Kumho Petrochemical establishes criteria for evaluating targets for supply chain ESG assessments based on the characteristics of the industry, size, trading frequency, and substitutability of the supply chain.
  - (2) The evaluation includes items such as compliance with the 'Supplier ESG Guidelines' and requirements of relevant laws.
  - (3) Kumho Petrochemical periodically reviews the appropriateness of the evaluation system through monitoring global initiatives and legal trends and makes modifications and

improvements as necessary.

- (4) The assessment adheres to the principle of self-survey and, if deemed necessary, includes on-site inspections, with high-risk companies or those necessitating inspection being subjected to on-site assessments.

Kumho Petrochemical continuously expands the scope of partner companies subject to long-term and periodic evaluations and audits.

- 2) Kumho Petrochemical develops and implements short-term, medium-term, and long-term management improvement measures for the environmental, social, and governance (ESG) risk factors identified through the supply chain ESG evaluation.

- (1) Kumho Petrochemical may provide benefits to outstanding partner companies based on the results of the supply chain ESG assessment.
- (2) For high-risk partner companies, Kumho Petrochemical may request improvement measures or provide additional support.
- (3) Kumho Petrochemical monitors the implementation status of improvement measures for high-risk partner companies. In cases where compliance is inadequate, Kumho Petrochemical may reserve the right to restrict bidding or terminate trading relationships as deemed necessary.

## Supplier ESG Guidelines

### **Foreword**

The 'Supplier ESG Guidelines of Kumho Petrochemical Co., Ltd.' (hereinafter referred to as 'the guidelines') has been established to stipulate the principles and standards that all stakeholders, including partner companies of Kumho Petrochemical, must adhere to in order to promote sustainability and communicate them to stakeholders.

Kumho Petrochemical aims to become a socially respected company by demanding communication and compliance with the guidelines from partner companies, thereby complying with relevant regulations, promoting sustainability throughout the supply chain, and achieving mutual growth.

The guidelines apply to all partner companies and their members engaged in transactions with Kumho Petrochemical. Kumho Petrochemical requires new partner companies to confirm and comply with the guidelines upon contract initiation. It is recommended that their partner companies engaged in transactions with them also comply with the guidelines.

Kumho Petrochemical periodically assesses compliance with the guidelines through supply chain ESG evaluations and implements subsequent measures for mitigation or prevention if any related risks are identified.

Kumho Petrochemical hopes that the faithful adherence to and implementation of the guidelines with partner companies will serve as a catalyst for mutual growth throughout the entire supply chain.

### **Chapter 1      Labor Rights**

#### Article 1      Humane Treatment of Workers

- 1) Kumho Petrochemical's partner companies strictly prohibit any form of cruel and inhuman treatment, including verbal or physical abuse, sexual violence, discrimination, and harassment.
- 2) Partner companies of Kumho Petrochemical establish policies to prevent inhumane treatment of workers and specify disciplinary policies and procedures to be applied in case of such occurrences, communicating them to the workers.

#### Article 2      Voluntary Employment

- 1) Kumho Petrochemical's partner companies ensure the voluntary employment of individual workers. This entails prohibiting forced labor, bonded labor, human trafficking, coercive prison labor, and contemporary forms of slavery.
- 2) Kumho Petrochemical's partner companies do not restrict workers' freedom of movement by arbitrarily retaining, confiscating, concealing, or destroying legal documents such as passports, identification, or work permits.
- 3) Employment contracts, including working conditions, are provided in an easily understandable manner, and changes to employment contracts upon workers' arrival in the host country are not permitted.
- 4) All work performed by workers in partner companies of Kumho Petrochemical must be voluntary,

and workers are free to resign as long as it does not violate the contract.

#### Article 3 Child Labor and Youth Labor

- 1) Kumho Petrochemical strictly prohibits child labor. Under relevant laws, labor by minors under 15 years of age in Korea or under 16 years of age in China is considered child labor, which partner companies of Kumho Petrochemical exclude at all stages of employment.
- 2) For workers under 18 years of age, partner companies prohibit overtime work, night work, and handling of hazardous materials.
- 3) Kumho Petrochemical's partner companies provide appropriate education and training to all child and student workers.

#### Article 4 Compliance with Working Hours

- 1) Executives' and employees' working hours within Kumho Petrochemical's partner companies must not surpass the maximum hours stipulated by local law, except in emergency or exceptional circumstances.
- 2) All overtime work performed in partner companies must be voluntary, and partner companies must provide workers with appropriate rest periods for overtime work.

#### Article 5 Welfare Benefits and Remuneration

- 1) Partner companies of Kumho Petrochemical comply with laws governing remuneration-related regulations in the local jurisdiction.
- 2) Partner companies establish wage levels to ensure that employees can afford a decent standard of living.

#### Article 6 Non-Discrimination

- 1) Partner companies of Kumho Petrochemical do not discriminate against employees based on race, skin color, ethnicity, national origin, religion, gender, marital status, disability, union membership, political affiliation, or any other personal characteristic throughout all stages of employment, including hiring, compensation, promotion, and other personnel processes.

#### Article 7 Freedom of Assembly and Association

- 1) Partner companies of Kumho Petrochemical guarantee workers' freedom of assembly and association.
  - (1) Freedom of Assembly and Association includes the right to form and participate in trade unions, collective bargaining rights, and the right of workers to freely choose to join or not join trade unions and to participate in peaceful assemblies.
- 2) Partner companies of Kumho Petrochemical ensure that workers can communicate openly with management without fear of harassment or retaliation regarding working conditions or

management practices.

## **Chapter 2      Occupational Safety and Health**

### Article 8            Occupational Safety

- 1) Kumho Petrochemical's partner companies shall create an environment where workers can labor in safe and comfortable conditions.
  - (1) If workers are potentially exposed to safety hazards such as chemicals, electric shock, fire, vehicles, or falls, the partner companies must take appropriate measures to eliminate or minimize these risks through facility improvement and maintenance, as well as providing relevant education.
  - (2) In situations where these measures are not feasible, the partner companies must provide appropriate personal protective equipment and educate workers about the risks.
- 2) Kumho Petrochemical's partner companies shall prioritize the safety of pregnant or nursing female workers by exempting them from hazardous job duties, implementing measures to mitigate health and safety risks, and providing suitable facilities for nursing needs.

### Article 9            Emergency Response and Preparedness

- 1) Partner companies of Kumho Petrochemical shall identify potential emergency situations and minimize damages by implementing appropriate procedures and emergency plans.
- 2) These procedures and emergency plans include reporting mechanisms during emergencies, worker notification and evacuation procedures, emergency training and education for workers, easy-to-access exit facilities, fire detection and extinguishing equipment, and recovery plans.

### Article 10           Industrial Accidents and Diseases

- 1) Partner companies of Kumho Petrochemical shall establish procedures and systems for the prevention, management, tracking, and reporting of industrial accidents and occupational diseases. This includes encouraging worker reporting, classifying and recording cases of injury or illness, providing necessary medical treatment, conducting investigations and corrective actions to eliminate causes, and facilitating the return-to-work process.

### Article 11           Reduction of Hazardous Exposures

- 1) Partner companies of Kumho Petrochemical shall identify and control worker exposure to hazardous chemicals used in the processes.
  - (1) To ensure the safety and health of workers, it is imperative to address potential hazards through technical controls such as risk elimination or production facility improvements, and administrative controls in compliance with legal mandates and institutional regulations.
  - (2) In certain situations where the aforementioned measures are not feasible, Kumho Petrochemical's partner companies furnish workers with suitable protective gear and offer

training to executives and employees on pertinent matters.

#### Article 12 Physical Strain Work

- 1) Partner companies of Kumho Petrochemical shall identify and control factors related to physical labor, such as repetitive manual work performed over long periods of time, heavy lifting or standing tasks, highly repetitive or physically demanding assembly work, to ensure they are within reasonable limits.

#### Article 13 Safety of Machinery and Equipment

- 1) Physical protection equipment, safety devices, and protective barriers shall be installed and maintained appropriately. of Kumho Petrochemical shall assess the safety of machinery and equipment used in the processes.
- 2) Physical protection equipment, safety devices, and protective barriers shall be installed and maintained appropriately.

#### Article 14 Dormitories and Hygiene Facilities

- 1) Partner companies of Kumho Petrochemical shall ensure that workers have access to clean restrooms, drinking water, hygienic food preparation and storage facilities, and dining areas.
- 2) Worker dormitories must maintain cleanliness and safety, providing adequate lighting, emergency evacuation facilities, heating and ventilation systems, personal item storage, and appropriate personal space, along with reasonable access permissions.

#### Article 15 Worker Communication

- 1) The partner companies of Kumho Petrochemical shall provide education on industrial safety-related risk factors identified in the business site in the workers' native language or a language they understand.
- 2) Education shall be provided to all workers before job assignments, and regular training sessions are conducted thereafter.
- 3) Health and safety information should be posted in an easily accessible location for workers to check, and they should be able to voice their opinions on related issues when they identify relevant risk factors.

### **Chapter 3 Environment**

#### Article 16 Environmental Permits Acquisition

- 1) Partner companies of Kumho Petrochemical shall obtain environmental permits, approvals, and registrations required for business activities and periodically report their status to Kumho Petrochemical.

#### Article 17 Discharge of Pollutants and Waste

- 1) Partner companies of Kumho Petrochemical shall confirm the characteristics of air, water, and soil pollutants according to regulations before discharge and regularly monitor the discharge status. Additionally, measures such as the addition of pollution control facilities shall be taken to minimize or eliminate the discharge of pollutants.
- 2) Waste must be disposed of or recycled responsibly through appropriate means and in responsible manners, and the use of raw materials that can be reused or recycled is recommended.
- 3) Kumho Petrochemical's partner companies shall continuously monitor the discharge of pollutants and waste, as well as the recycling · reuse status and the efficiency of pollution prevention facilities.
- 4) Partner companies of Kumho Petrochemical shall periodically verify whether hazardous chemicals are included in the raw materials used in the manufacturing processes.

#### Article 18 Handling of Hazardous Chemicals

- 1) Hazardous chemicals or substances containing them are to be managed separately by Kumho Petrochemical's partner companies, ensuring safe handling, transportation, storage, use, recycling, or disposal through identification labeling and other means.

#### Article 19 Material Regulations

- 1) Kumho Petrochemical's partner companies shall comply with the prohibitions on the use of certain materials, restrictions and requirements set by relevant laws, regulations and stakeholders.

#### Article 20 Water Resource Management

- 1) Partner companies of Kumho Petrochemical shall assess the current status of water intake sources and the usage and recycling rates of water by location, aggregating their performance accordingly.
- 2) Wastewater must be subjected to appropriate treatment measures before discharge by establishing relevant systems, and the efficiency of wastewater treatment facilities must be continuously monitored to maintain their performance and suppress wastewater generation.

#### Article 21 Energy Use and Greenhouse Gas Emissions

- 1) Partner companies of Kumho Petrochemical must verify the status of direct and indirect greenhouse gas emissions (Scope 1/2) based on energy usage data and aggregate related performance to enable traceability.
- 2) Partner companies of Kumho Petrochemical shall continue to make efforts to improve energy efficiency and reduce greenhouse gas emissions.



Article 22 Environmentally Friendly Procurement and Sourcing

- 1) Partner companies of Kumho Petrochemical may consider prioritizing the purchase of environmentally friendly products to minimize environmental impact.
- 2) The classification of environmentally friendly products shall align with the criteria outlined in 'Article 6, Responsible Procurement of Raw and Ancillary Materials' of Kumho Petrochemical's 'Supply Chain ESG Policy'.

**Chapter 4 Business Ethics**

Article 23 Transparency, Ethical Management, and Prevention of Corruption and Unfair Competition

- 1) Partner companies of Kumho Petrochemical shall adhere to the highest standards of integrity in all business activities. Any form of bribery, corruption, embezzlement, or misappropriation is strictly prohibited under any circumstances.
- 2) Partner companies of Kumho Petrochemical must not promise, offer, authorize, provide, or accept any means to obtain unfair or inappropriate benefits indirectly or directly, such as acquiring or retaining business rights or granting business rights to specific individuals.
- 3) Partner companies of Kumho Petrochemical shall approach their work with a sense of responsibility. Executives and employees of partner companies must not exploit their position for personal gain contrary to the interests of the company, nor should they promise, offer, authorize, or provide such means for this purpose.
- 4) Partner companies of Kumho Petrochemical must not engage in activities that impede fair trade using their market dominance or superior position in transactions.

Article 24 Protection of Information and Intellectual Property Rights

- 1) Partner companies of Kumho Petrochemical shall respect the intellectual property rights of technology and know-how held by partner companies with whom they have business relationships.
- 2) Partner companies of Kumho Petrochemical shall handle personal information within the scope of collection, use purposes, and retention periods. Consents must be obtained from the information subject if there are changes to the predetermined purposes and periods.
- 3) Kumho Petrochemical's partner companies do not store or use information from their partner companies for purposes other than those stipulated in the contract, and do not disclose trade secrets or confidential information without authorization.

Article 25 Responsible Procurement and Sourcing

- 1) Partner companies of Kumho Petrochemical shall establish systems to clearly identify the origin and distribution channels of raw and ancillary materials involved in the production process of supplying goods to the company.

- 2) Partner companies of Kumho Petrochemical shall confirm whether conflict minerals and responsible minerals are included in the raw and ancillary materials they purchase or procure and establish processes for tracing the origin and distribution channels.
- 3) Partner companies of Kumho Petrochemical must not use raw and ancillary materials that have a negative impact on biodiversity or contribute to the deforestation or degradation of forests and establish processes for tracing the origin and distribution channels.

#### Article 26 Information Disclosure

- 1) Partner companies of Kumho Petrochemical shall conduct all business transactions transparently and accurately reflect them in business records and other relevant documentation.

### Chapter 5 Management System

#### Article 27 Compliance Commitment of Partner companies

- 1) Partner companies of Kumho Petrochemical shall demonstrate their commitment to compliance with the requirements or recommendations outlined in the guidelines and their willingness for continuous improvement.
- 2) Partner companies of Kumho Petrochemical shall establish their own social and environmental responsibility policy statement, approved by the management, and post it in the local language at the business site. It is recommended to transparently disclose this information to external stakeholders through channels such as the company's website or annual reports.

#### Article 28 Implementation Framework

- 1) The policy statement designates a senior executive responsible for establishing and overseeing the system for sustainable development and the implementation of related programs. This senior executive regularly reviews the operational status.
- 2) Partner companies of Kumho Petrochemical shall appoint a practical department or personnel responsible for communication with Kumho Petrochemical regarding faithful adherence to the guidelines and related matters. Additionally, they shall appoint managers to supervise the performance and outcomes of implementation activities.

#### Article 29 Risk Assessment

- 1) Partner companies of Kumho Petrochemical should make efforts to identify and monitor relevant laws/regulations and requirements of stakeholders such as customers, including the guidelines.
- 2) Partner companies of Kumho Petrochemical shall strive to mitigate significant risk factors in the above areas and implement measures to prevent future recurrence if identified.

#### Article 30 Education and Communication

- 1) Partner companies of Kumho Petrochemical shall actively participate in the support programs for sustainable development provided by Kumho Petrochemical and endeavor to apply them to their business activities.
- 2) Partner companies of Kumho Petrochemical shall educate their workers on the requirements or recommendations outlined in the guidelines and related regulations.
- 3) Partner companies of Kumho Petrochemical shall faithfully adhere to the requirements or recommendations outlined in the guidelines and periodically share the outcomes and achievements with executives, employees, and Kumho Petrochemical.
- 4) Partner companies of Kumho Petrochemical shall periodically aggregate the performance, outcomes, and data related to social, environmental, and business ethics areas, and document these results to transparently communicate with Kumho Petrochemical.

#### Article 31 Mechanism for Handling Grievance

- 1) Partner companies of Kumho Petrochemical shall establish channels through which stakeholders, including workers, can report risks in areas such as labor practices, occupational safety and health, corruption, or risks of unfair or unethical competition when identified.
- 2) These channels, provided by Kumho Petrochemical's partner companies, shall be made accessible to a wide range of stakeholders, including employees of their own and trading companies, through mediums such as the company website.
- 3) Kumho Petrochemical's partner companies shall operate the complaint handling channels anonymously to ensure that reporters can access them without fear of retaliation or harassment.
- 4) Kumho Petrochemical's partner companies shall diligently handle reported issues, aiming for continuous improvement, and communicating the outcomes to the reporters.

#### Article 32 Remedial Measures

- 1) When business activities of Kumho Petrochemical's partner companies result in adverse impacts on the sustainability of the supply chain, appropriate remedial procedures should be established, considering the magnitude and significance of the damage.

#### Article 33 Audit and Evaluation

- 1) Kumho Petrochemical's partner companies shall actively participate in Kumho Petrochemical's supply chain ESG assessments and transparently disclose relevant information.
- 2) Additionally, plans to address identified deficiencies in the supply chain ESG assessments shall be developed, implemented, and transparently shared.

#### Article 34 Partner Company Management

- 1) Kumho Petrochemical encourages its partner companies to comply with the guidelines, especially those in a trading relationship with them.

- 2) If a partner company of Kumho Petrochemical's partner companies violates the guidelines outlined in this document or related laws and regulations, or poses significant risks in this regard, Kumho Petrochemical's partner companies shall endeavor to recommend or induce the specific partner company to take corrective actions.

## Local Community Engagement

### **Foreword**

Kumho Petrochemical Co. Ltd. (hereinafter referred to as 'Kumho Petrochemical') establishes and implements a community engagement policy (hereinafter referred to as 'the policy') to fulfill the corporate social responsibility and obligations.

The policy aims to clearly outline the scope and principles of activities aimed at respecting the rights of community members, fostering mutual development with the local community, and contributing to the creation of social value.

### **Chapter 1**      **Scope of Policy**

#### Article 1              Scope

- 1) Kumho Petrochemical recognizes the following stakeholder types as subjects of this policy:
  - (1) Indigenous peoples as defined in International Labour Organization (ILO) Convention No. 169 or the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
  - (2) Stakeholders residing in areas where Kumho Petrochemical's business sites are located, and who are affected by business activities carried out by the company at its business sites concerning social, environmental, and economic impacts

### **Chapter 2**      **Risk Management**

#### Article 2              Local Community Risk Management

- 1) Kumho Petrochemical strives for sustainable growth and development in collaboration with local communities and works to identify, minimize, and mitigate potential risks that may have a significant negative impact on local communities arising from its business activities.

### **Chapter 3**      **Principles of Local Community Engagement**

#### Article 3              Respect and Coexistence with Local Communities

- 1) Kumho Petrochemical demonstrates respect for and protection of local communities, and sets forth social responsibility, trust, coexistence, and growth with local communities as guiding principles for community engagement, reviewing and implementing activities that can positively impact local communities.

#### Article 4              Local Community Engagement and Activities

- 1) Kumho Petrochemical endeavors to communicate with local community members to discover and undertake community engagement activities related to the nature of its business.
- 2) Executives and employees of Kumho Petrochemical actively participate in activities aimed at coexisting with and benefiting local communities. They strive to incorporate the expectations of

community members into management activities to achieve mutual prosperity and coexistence.

#### **Chapter 4      Internalization of Community Engagement**

##### Article 5              Grievance Handling and Reporting

- 1) Anyone affected by Kumho Petrochemical's business activities can report negative impacts on local communities through the Cyber Reporting Center (Online Friends) or internal reporting procedures.
- 2) Further guidance on handling and reporting grievances related to local communities, including types of reports and principles, is provided in the 'Reporting Policy'.

##### Article 6              Education and Communication

- 1) Kumho Petrochemical continuously conducts educational programs and campaigns to enhance awareness among executives, employees, and stakeholders about the importance of social responsibility, trust, coexistence, and growth with local communities, and to internalize this awareness.
- 2) Kumho Petrochemical ensures effective communication of key local communities' issues with executives, employees, and stakeholders, and discloses information through various accessible channels.

## Corporate Governance Charter

### **Foreword**

Kumho Petrochemical Co. Ltd. (hereinafter referred to as 'the company') strives to protect the interests of stakeholders and achieve sustainable growth by harmonizing humanity and the environment based on the vision of being a "Solution Partner Creating Value Beyond Chemistry."

Recognizing that the establishment of fair and transparent corporate governance is essential for sustainable management and co-prosperity with stakeholders, the company hereby establishes the 'Corporate Governance Charter of Kumho Petrochemical Co. Ltd.,' setting forth the direction of sound corporate governance.

In alignment with the charter, the company shall safeguard the rights of stakeholders, establish, and oversee the Board of Directors and audit committee with professionalism and independence in mind, and cultivate and fortify sound corporate governance practices.

### **Chapter 1 Shareholders**

#### Article 1 Rights of Shareholders

- 1) Shareholders have the fundamental rights guaranteed by the Commercial Act and related laws, and these basic rights of shareholders cannot be deprived or restricted by the Articles of Incorporation, resolutions of the General Meeting of Shareholders, or the Board of Directors.
- 2) Matters that significantly affect the existence of the company and shareholders' rights must be decided at the General Meeting of Shareholders in a manner that maximizes shareholder rights in accordance with relevant laws and the Articles of Incorporation.
- 3) The company shall provide shareholders with sufficient notice of the date, venue, and agenda of the General Meeting of Shareholders well in advance, and the timing and location of the General Meeting of Shareholders shall be determined to allow maximum shareholder participation.
- 4) Shareholders may propose agenda items for the General Meeting of Shareholders and may question and request explanations on agenda items at the General Meeting of Shareholders.
- 5) The company shall ensure that shareholders are free to exercise their voting rights, and resolutions of the General Meeting of Shareholders based on the exercise of shareholders' voting rights shall be conducted fairly and transparently.

#### Article 2 Fair Treatment of Shareholders

- 1) Each shareholder shall have one voting right per ordinary share, and the fundamental rights of shareholders shall not be infringed upon. However, restrictions on voting rights for specific shareholders or types of shares may be limited in accordance with the law.
- 2) Shareholders should be able to receive necessary information from the company in a timely and fair manner, and the company shall provide all shareholders with fair access to information, even when disclosure obligations do not exist.

- 3) The company shall operate a systematic and effective internal control system to protect shareholder rights from unfair insider transactions and self-dealing by controlling shareholders and others.

#### Article 3 Responsibilities of Shareholders

- 1) Shareholders should recognize that their exercise of voting rights may affect the company's management and strive to actively exercise their voting rights for the company's development.
- 2) Controlling shareholders who exercise influence over the company's management should act in the interests of the company and all shareholders, and should strive to prevent harm to the company and other shareholders by avoiding actions contrary to this principle.

### Chapter 2 Board of Directors

#### Article 4 Functions of the Board of Directors

- 1) The Board of Directors shall have comprehensive authority over the management of the company within the scope of relevant laws and shall perform functions of decision-making and management supervision related to the company's management. The main contents resolved by the Board of Directors are as follows:
  - (1) Major matters specified as matters requiring the approval of the Board of Directors under laws and the Articles of Incorporation
  - (2) Major matters related to the fundamental guidelines and business policies for company management
  - (3) Major financial matters such as the acquisition/disposal of major investments and assets
  - (4) Non-financial matters such as the establishment of ESG policies and strategies
  - (5) Matters related to the appointment/dismissal of directors
  - (6) Matters related to duties and matters delegated by the General Meeting of Shareholders
  - (7) Other major matters recognized as necessary by the CEO
- 2) Except for significant matters stipulated in laws, the articles of incorporation, or the 'Board of Directors Regulations,' the Board of Directors may delegate authority to the CEO or committees within the Board of Directors.

#### Article 5 Board Composition and Appointment of Directors

- 1) The board shall be of a size that enables effective and rational decision-making for corporate governance, and it shall be composed of a sufficient number of directors to facilitate the activation of committees established within the board.
- 2) The board shall include independent directors who can function independently from management and controlling shareholders. The number of these independent directors should constitute a majority of the board to ensure its substantive independence.
- 3) The board shall not appoint individuals who pose risks to the company's values or infringe upon



shareholders' rights.

- 4) The board shall be composed of competent individuals with expertise to contribute substantially to corporate management, and the terms of appointed directors shall be respected unless there are specific disqualifying reasons. However, the total term of office for independent directors shall not exceed six years.
- 5) The board shall be structured to achieve diversity in age, knowledge, experience, and gender to fulfill its roles and responsibilities.
- 6) Internal directors are appointed by the shareholders' meeting upon recommendation by the board, while independent directors are appointed through recommendation by the independent director candidate recommendation committee to ensure fairness and independence in the director nomination process.
- ⇒ The company shall ensure that shareholders have sufficient information and time to exercise their voting rights regarding director candidates.

#### Article 6 Independent Directors

- 1) According to the 'Policy on the Composition of the Board of Directors' of the company, independent directors must have no significant affiliation with the company and must be capable of making independent decisions from management and controlling shareholders.
- 2) The company shall confirm and disclose that independent director candidates have no significant affiliation with the company. Furthermore, independent directors must submit a confirmation letter to the company stating that they have no significant affiliation with the company upon acceptance of their appointment.
- 3) Independent directors shall avoid excessive concurrent positions to ensure faithful performance of their duties.
- 4) Independent directors may request necessary information from the company for their duties, and the Company shall adequately provide the information required for the performance of their duties.
- 5) Independent directors shall dedicate sufficient time to perform their duties and shall collect and review relevant materials before attending board meetings.
- 6) If necessary, independent directors may receive support from executives, employees or external experts through appropriate procedures, and the company shall support the costs incurred for this purpose.

#### Article 7 Board Operations

- 1) The board shall hold regular meetings at least once per quarter, and if necessary, it shall convene ad hoc meetings.
- 2) To ensure the smooth operation of the board, the company shall establish and operate the 'Board of Directors Regulations,' specifying the authority, responsibilities, and operational procedures of the board.
- 3) The board shall prepare minutes for each meeting, detailing the discussions as comprehensively and clearly as possible for proper maintenance and preservation.

- 4) The company shall disclose the attendance rate of individual directors at board meetings and the voting results of each director on major disclosure items.
- 5) The board, if necessary, shall utilize remote communication methods that allow simultaneous voice transmission and reception for all directors to maximize their participation in board meetings.

#### Article 8 Board Committees

- 1) The board shall establish and operate committees within the board composed of an appropriate number of members with specific functions and roles to enhance professionalism and efficiency in performing duties.
- 2) The majority of members on board committees shall be independent directors as a principle, but the composition of directors may be adjusted depending on the function and role of the committee. Audit, Compensation, Independent Director Candidate Recommendation, and Internal Transaction Committees shall consist entirely of independent directors.
- 3) All matters regarding the organization, operation, and authority of committees shall comply with separately established operational regulations, and resolutions passed by committees delegated by the board shall have the same effect as those passed by the board and shall be reported to the board.
- 4) Independent directors should avoid belonging to more than three committees simultaneously to ensure they have sufficient time and effort for effective board activities.

#### Article 9 Duties of Directors

- 1) Directors must perform their duties with the care of a prudent manager. Additionally, they must make reasonable decisions based on sufficient information, investing adequate time and effort.
- 2) Directors should not exercise their authority for their own or third-party interests, but should always pursue outcomes that are in the best interest of the company and its shareholders.
- 3) Directors must not disclose or exploit the company's secrets for personal or third-party gain.

#### Article 10 Responsibilities of Directors

- 1) If directors collect reliable data and information and carefully review them before making decisions based on sincere and rational judgments, their management decisions should be respected. However, if directors violate laws, the articles of incorporation, or neglect their duties, resulting in company losses, they are liable for damages. Particularly in cases of malice or gross negligence, they are also liable for damages to third parties.
- 2) The company may opt to secure directors' liability insurance to ensure the effectiveness of holding the directors accountable, and to attract qualified personnel.
- 3) Independent directors must regularly participate in internal and external educational programs to enhance efficient performance, and newly appointed directors are recommended to participate in training related to duties and corporate governance.

Article 11 Evaluation and Compensation

- 1) The activities of independent directors should be fairly evaluated, and the evaluation results should be reasonably and appropriately reflected in decisions regarding directors' compensation and reappointment.
- 2) The Board of Directors should craft compensation policies for key management personnel with a focus on aligning with the long-term interests of shareholders and ensuring the sustainability of the company, while also adhering to disclosure regulations and laws by providing detailed disclosure of individual management compensation.
- 3) The Board of Directors must fairly evaluate the management activities of the executive team and appropriately reflect the evaluation results in directors' compensation.

**Chapter 3 Audit Organization**

Article 12 Internal Audit Organization

- 1) The company, as a large corporate group, shall establish an audit committee within the Board of Directors as its internal audit organization.
- 2) The audit committee shall be composed entirely of independent directors to maintain independence and expertise, and in accordance with the Commercial Act and related laws, at least one member of the committee must be an accounting or financial expert.
- 3) The Board of Directors shall stipulate regulations regarding the objectives, organization, authority, responsibilities, and duties of the audit committee. Additionally, the audit committee shall annually evaluate the validity of these regulations and disclose the results thereof.
- 4) The audit committee shall faithfully perform designated accounting and audit tasks in accordance with specified laws, the articles of incorporation, the Board of Directors regulations, and audit committee regulations.
- 5) The audit committee shall convene quarterly as a principle, with ad hoc meetings convened as necessary, and may require the attendance of management, financial executives, heads of internal audit departments, and external auditors for the performance of its duties.
- 6) The audit committee shall document minutes of each meeting, detailing major discussions and resolutions.
- 7) The audit committee shall have unrestricted access to information necessary for the performance of its duties, with the ability to seek advice from external experts when needed.
- 8) The audit committee shall report its assessment of its own independence and key activities to the shareholders' meeting, and the CEO shall disclose this information through the annual report.
- 9) Audit committee members must be independent from the management and controlling shareholders. Therefore, audit committee members may only receive compensation as directors and may not receive any other remuneration.
- 10) Audit committee members must receive audit-related training at least once annually.

Article 13 External Auditors

- 1) The external auditor must maintain legal and substantive independence from the company, management, and controlling shareholders.
- 2) The external auditor should make efforts to ascertain any fraudulent or illegal activities of the company during the audit.
- 3) Reporting significant matters identified during external audit activities to the audit committee is a responsibility of the external auditor.
- 4) The external auditor is liable for compensating the company for losses incurred due to negligent accounting audits and must verify the presence of information corresponding to audit results in the audited financial statements and periodic disclosure information.
- 5) Compliance with the requirements of relevant laws such as the 'Act on External Audit of Stock Company' regarding the company's viability should also be considered by the external auditor.
- 6) Attendance at the shareholders' meeting to explain shareholder inquiries regarding the audit report is required of the external auditor.

## **Chapter 4      Stakeholder**

### Article 14      Protection of Stakeholder Rights

- 1) The company shall endeavor to protect the rights of various stakeholders and avoid infringing upon them.
- 2) The company shall fulfill its social responsibilities, such as consumer protection and environmental conservation.
- 3) Efforts shall be made to protect the rights of workers and enhance their quality of life.
- 4) By complying with laws related to fair trade, the company shall promote the establishment of a fair market order and contribute to the balanced development of the national economy.
- 5) Regarding matters such as mergers, reductions of capital, and divisions that significantly affect the rights of creditors, the company shall comply with creditor protection procedures in accordance with Article 527-5 of the Commercial Act.
- 6) If stakeholders simultaneously hold positions as shareholders, their respective rights as stakeholders and shareholders shall be protected and exercisable.

### Article 15      Participation of Stakeholders in Corporate Governance Oversight

- 1) The Board of Directors and management should heed the demands or concerns of shareholders and stakeholders to foster the company's ongoing and steady growth, making concerted efforts to engage in communication with them on diverse matters as needed.
- 2) The form and extent of employee participation in management decisions shall be determined to promote the sound development of the company.
- 3) Within the limits allowed by laws and contracts with third parties, the company shall disclose information in an easily accessible location to protect the rights of stakeholders and actively respond to requests for additional information.

## Chapter 5 Market-Oriented Corporate Governance

### Article 16 Disclosure

- 1) In addition to the disclosures required by law, the company must faithfully disclose matters that may have a significant impact on the decisions of shareholders and stakeholders, or may have such an impact.
- 2) Furthermore, the company is required to promptly and accurately disclose comprehensive information regarding significant decisions in addition to its routine disclosure obligations.
- 3) The company is required to disclose the stock ownership status of the controlling shareholder and their closely related individuals.
- 4) The company must establish an 'Ethical Management Policy and Guidelines' and disclose it.
- 5) The company's disclosures must be written in a manner that is easily understandable and accessible to stakeholders.
- 6) The CEO and the Chief Financial Officer must certify the accuracy and completeness of financial reporting.

### Article 17 Corporate Control Market

- 1) Acts leading to changes in corporate control, such as acquisitions, mergers, divisions, and significant transfers of business operations, must be conducted through transparent and fair procedures.
- 2) Actions to defend the company's management rights should not be conducted in a manner that sacrifices the interests of the company and shareholders for the maintenance of the management rights of some shareholders or management.

## Policy on the Composition of the Board of Directors

The Board of Directors of Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') aims to enhance corporate value by fostering value creation and sustainable growth for the company and its stakeholders. It determines management objectives and strategies, effectively performing core decision-making functions and managerial oversight.

The board resolves significant management matters related to the fundamental guidelines and policies for management, financial matters such as major investments and acquisitions/disposals of assets, appointments/dismissals of directors and their duties, matters delegated by the Board of Directors and shareholders' meetings, and other matters stipulated by laws and the articles of incorporation. It aims to maximize corporate value from a continuous and long-term perspective. To achieve this, the board is structured to efficiently make decisions and oversee management, appointing directors through transparent procedures to reflect a wide range of stakeholder opinions.

### Chapter 1 Diversity

Kumho Petrochemical endeavors to promote diversity from an inclusive standpoint, ensuring that the board conducts equitable decision-making processes devoid of prejudice or the exclusive representation of particular stakeholders based on factors including nationality, cultural background, gender, age, religion, race, ethnicity, or socio-economic status. Consequently, fair and transparent appointment procedures are mandated to uphold diversity within the board's composition.

In constituting the Board, Kumho Petrochemical takes diversity into account to foster reasoned decision-making processes.

- 1) Multiculturalism: Identifying candidates with diverse nationalities or cultural backgrounds to establish a globally advanced corporate governance structure.
- 2) Age: Balancing flexibility and experience to enhance the efficiency of the board of directors.
- 3) Gender: Appointing at least one female director to operate the board from various perspectives.
- 4) Experience: Considering the characteristics of the petrochemical industry and Korean society.
- 5) Embracing diversity from an inclusive perspective, including religion, race, ethnicity, among others.

### Chapter 2 Expertise

Kumho Petrochemical constitutes its Board of Directors with individuals possessing expertise in various fields such as management, finance and accounting, law, ESG, and industry understanding, to ensure substantive contributions to corporate governance. Accordingly, candidates with practical experience and specialized knowledge in diverse sectors are selected to enhance the board's expertise and strengthen its oversight functions. Additionally, when

necessary, the company actively supports the board in making decisions based on expertise by providing external expert advice, education, and other resources.

Kumho Petrochemical, in composing its Board of Directors, considers the following to ensure rational decision-making based on expertise:

- 1) Essential expertise (5 areas): Industry, Management (Leadership), Finance/Accounting/Risk, Legal/Policy/Compliance, ESG
- 2) Detailed expertise (4 areas): Environment/Safety/Health, R&D, Strategy/M&A, International Relations
- 3) Registration of executive experience: Understanding of directorial duties

### **Chapter 3      Independence**

Kumho Petrochemical appoints independent directors in compliance with or stricter application of the Commercial Act to ensure that the board of directors functions independently from management and controlling shareholders, maintaining a majority of independent directors among the total directors. Furthermore, to secure independence for decision-making, committees within the board, such as the audit committee, the independent director candidate recommendation committee, the internal transactions committee, and the compensation committee, are composed entirely of independent directors.

Independent directors are verified fairly whether candidates meet the qualification requirements as stipulated in relevant laws and regulations from the nomination stage, whether they have no direct contracts or transactional relationships with the company or related parties, whether there are no conflicts of interest that compromise independence, such as domination by the same individual governing subsidiaries, affiliated companies, or corporate groups, and whether they align with the interests of shareholders, considering the candidates' capabilities in their respective fields, and ultimately decide through the independent director candidate recommendation committee whether they are suitable candidates for the company. Additionally, relevant information is disclosed through the electronic disclosure system and the company's website to ensure that shareholders receive sufficient information to review director candidates.

When composing the board of directors, Kumho Petrochemical considers the following to ensure reasonable decision-making based on independence:

- 1) Independent director candidates must meet the requirements of Article 382(3) and Article 542-8(2) of the Commercial Act and the following subparagraphs.
- 2) Independent director candidates must independently participate in decisions regarding the company's important management matters and be capable of supervising and supporting management as members of the Board of Directors.
- 3) If there are no disqualifying factors under the Commercial Act, an independent director candidate may be considered to hold an independent position from the company if they satisfy the requirements of each subparagraph below.

- (1) The candidate shall not have been an executive officer of the company or its subsidiary (including non-profit organizations) within the past five years

- (2) Nor shall their immediate family members, including direct descendants, direct relatives, or spouse, have held executive positions in the company or its subsidiary within the past three years
  - (3) Neither the candidate nor their immediate family members shall have received compensation exceeding one hundred million Korean won annually from the company or its subsidiary within the past three years
  - (4) The candidate shall not have been an employee of the company's external auditor within the past three years
  - (5) The candidate shall not serve as an advisor or consultant to the company or its management
  - (6) The candidate shall not concurrently hold positions as a director, executive officer, or auditor in two or more companies other than the company
  - (7) The candidate must not have entered into commercial transactions, such as primary advisory or technology partnership agreements, with other companies that have significant relationships with the company, including major customers or suppliers
  - (8) The candidate shall not have been an executive or an employee of another company that entered into a single transaction agreement equivalent to or exceeding 10% of the company's total sales revenue during the recent fiscal year
  - (9) The candidate shall not have been an executive or an employee of another company with transaction performance totaling more than 10% of the company's total assets or revenue during the past three fiscal years
  - (10) The candidate shall not have any significant conflicts of interest concerning matters determined by the Board of Directors
- 
- 4) In addition to the above requirements, the independent director candidate recommendation committee may comprehensively consider the independence of the independent director candidates, taking into account both domestic and international environments, as well as the overall relationship between directors and the company, including any significant affiliations between them.
  - 5) The independent director candidate recommendation committee should request and review as much information as possible from the company to confirm the independence of the independent director candidates, and the secretariat of the Board of Directors supports this process.
  - 6) The number of independent directors within the board shall be a minimum of three individuals, comprising over 60% of the total directors.



## Reporting Policy

### Foreword

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') considers the valuable input of informants as the cornerstone of transparency in management, ensuring that all stakeholders directly or indirectly associated with the company, including internal employees, competitors, customers, suppliers, partner companies, shareholders and investors, and the local community, do not suffer any disadvantage due to reporting, and endeavors to take all necessary measures and efforts.

All informants are strictly guaranteed anonymity, and reporting can be done through various channels including online submissions, telephone calls, fax transmissions, and direct visits. Additionally, the process of handling the report is transparently disclosed to informants, who are also provided with the opportunity for further exchange of opinions and inquiries regarding the reported matters.

\* The guidelines are based on the Kumho Petrochemical Reporting Management Regulations.

### **Chapter 1**      **General Provisions**

#### Article 1            Purpose

- 1) The purpose of the guidelines is to establish the basic principles necessary to efficiently operate and activate Kumho Petrochemical's reporting channels, including the reporting process and whistleblower protection system.

#### Article 2            Scope of Application

- 1) Kumho Petrochemical respects all reports collected from stakeholders, including employees, competitors, customers, suppliers, partner companies, shareholders, investors, and the local community, directly or indirectly related to the company. The stakeholders, including whistleblowers, can review the 'Reporting Policy' of Kumho Petrochemical for information on the reporting process, prompt and fair investigation and handling, whistleblower protection, and investigation procedures and processes.

#### Article 3            Exceptions to Application:

- 1) Acts of disclosing report contents to external agencies for personal gain without intending to improve internal business operations
- 2) Acts of reporting with malicious intent, falsifying all or a substantial part of the content without factual basis  
(malicious false reporting)
- 3) Reporting on an executive's or an employee's personal life unrelated to the company's business operations (however, unethical behavior among executives and employees, such as adultery, assault,

- gambling, fraud, etc., is subject to reporting)
- 4) Reports deemed "not eligible for investigation" by the responsible officer at the reporting office due to lack of specificity to initiate an investigation or significantly diminished investigation benefits
  - 5) Acts deemed inappropriate for reporting under the Reporting Management Regulations, even if the specificity of the report content and the benefits of investigation are considered relevant by the responsible officer at the reporting office.

#### Article 4 Definitions of Terms

- 1) The definitions of terms used in the guidelines are as follows:

- (1) Whistleblower

A "whistleblower" refers to a person who publicly discloses or formally submits information on unethical conduct, illegal activities, or violations related to an employee's job performance through the company's reporting channels.

- (2) Reporting System

The "reporting system" refers to a management system or process designed to effectively collect, process, and ensure the anonymity of reported information and transmit it to relevant departments for handling.

- (3) Reporting Office

The "reporting office" refers to a specific department or organization responsible for managing and overseeing the entire process of receiving, processing, investigating, and providing feedback on reports.

- (4) Investigating Officer

An "investigating officer" is a person responsible for conducting formal investigations into reported information and analyzing the results.

- (5) Reporting Office Head

A "reporting office head" is a person responsible for managing and overseeing the entire process of receiving and processing reports, as well as reporting investigation stages and presenting investigation results to decision-makers. Additionally, they have the authority to instruct or conduct additional investigations into specific reports when necessary.

## Chapter 2 Reporting and Handling Process

### Article 5 Reporting Obligation

- 1) All executives and employees of Kumho Petrochemical must report to the reporting office in the following circumstances, in accordance with this regulation:
  - (1) When, in the course of performing their duties, they are coerced into engaging in illegal or unethical conduct as specified in these guidelines.
  - (2) When they become aware of illegal or unethical conduct by any other stakeholder.

## Article 6 Reporting Subjects

- 1) Acts in violation of relevant laws and regulations.
- 2) Acts that violate company rules and internal standards.
- 3) Acts of illegality, fraud, or acts that hinder fair competition.
- 4) Acts of human rights violations.
- 5) Unjust acts that impede business activities.
- 6) Other acts equivalent to items 1 through 5.

## Article 7 Reporting Methods

- 1) Reporting Channels:
- 2)

Reports can be made through main reporting channels, including the website, phone, fax, email, and mail. All reported content is independently handled under the management of Kumho Petrochemical's responsible department.

- (1) Website: Kumho Petrochemical Group Online Reporting Office (Korean/English version), 24-hour operation (<https://justice.kkpcgroup.com/>)
- (2) Phone: +82-2-6961-1018
- (3) Fax: +82-2-6961-1017, 24 hours
- (4) E-mail: [hotline@kkpc.com](mailto:hotline@kkpc.com), 24 hours
- (5) Mail: Management Audit Team, Kumho Petrochemical, 12th floor, East Wing, Signature Tower, 100 Cheonggyecheon-ro, Jung-gu, Seoul, South Korea  
(Postal Code: 04542), 24-hour operation

### (6) Reporting Instructions

- ① Real-name Reporting: Provide the personal details of both the reporter and the reported party, and report based on the six principles (who, what, where, when, why, how).  
Submit the report content and relevant evidence.
- ② In urgent cases involving ongoing misconduct at the time of reporting, it is possible to report based on a factual statement alone without evidence. Anonymous Reporting: If the reporter does not wish to disclose their identity, anonymous reporting is possible.
- ③ In urgent cases involving ongoing misconduct at the time of reporting, it is possible to report based on a factual statement alone without evidence.

## Article 8 Report Receipt and Investigation

- 1) Upon receiving reports through channels other than phone, the head of the reporting office must notify the reporter of the receipt of the report, except in cases where the reporter is anonymous or difficult to identify. However, for real-name reports received via the online reporting office, an automatic notification of receipt will be sent to the reporter, and for anonymous reports, the receipt can be individually notified to the anonymous reporter through the comment function

within the report.

- 2) The head of the reporting office assigns an investigator to each report, and multiple investigators can be assigned depending on the case.
- 3) The assigned investigator must verify the contents of the report, ascertain basic facts, and report to the head of the reporting office.
- 4) The head of the reporting office must report the receipt of the report to the responsible executive of the reporting office to obtain approval for the fact of receipt and the commencement of the investigation. The responsible executive verifies whether the case falls under the '3) Exceptions to Application' of Chapter 1 General Provisions and '2) Reporting Subjects' of Chapter 2 Reporting and Handling Process to decide on the commencement of the investigation.
- 5) If an immediate investigation is not possible at the time of report receipt, the start of the investigation may be postponed with the approval of the responsible executive of the reporting office at the time of reporting.

#### Article 9            Withdrawal of Reports

- 1) Upholding the principle of respecting the whistleblower's intention, the whistleblower may withdraw the report until the investigation is concluded.
- 2) In the event of withdrawal, the Reporting Office must delete the whistleblower's personal information in accordance with relevant laws, including the Personal Information Protection Act.
- 3) However, if the contents of the report are deemed beneficial to the company and necessary for auditing purposes, or if the reported illegal activities are likely to be true, the contents of the report, including the whistleblower's personal information, may be retained and used. Nonetheless, the whistleblower's personal information must be deleted according to the statutory destruction time set by relevant laws.

#### Article 10          Duty of Cooperation

- 1) If the reporting office requires verification of facts during the investigation and requests related parties such as the respondent or their relevant organizations to submit relevant materials, conduct interviews, or provide explanations, the requested parties must not refuse without justifiable reasons.
- 2) If it is found that the investigation is obstructed without justifiable reasons, such as delaying the submission of requested materials or deliberately avoiding interviews and explanations, the matter must be referred to the personnel committee through the talent development team in accordance with these regulations and the personnel regulations for appropriate disciplinary action.

#### Article 11          Processing and Notification of Results

- 1) If the investigation reveals that the respondent's violations are true, appropriate actions will be taken in accordance with relevant company regulations.
- 2) However, if the report is found to have been made for personal reasons, such as slander or

falsehoods, the whistleblower may be dealt with according to relevant internal regulations.

- 3) If no violations are found, the matter will be internally closed.
- 4) The process and results of handling the report can be checked through the online reporting office, where further opinions and inquiries can be exchanged within the reporting office.

### **Chapter 3      Protection of Whistleblowers**

#### Article 12      Confidentiality of Whistleblowers

- 1) Kumho Petrochemical must protect the confidentiality of the report's contents and the personal details of the whistleblower, including all stakeholders, including internal executives and employees.
  - (1) Security  
The whistleblower and the contents of the report must be strictly confidential and handled as top secret, and the reporting system must be secured to prevent the exposure of the whistleblower.
  - (2) Prohibition of Disclosure of Whistleblower Identity  
Executives and employees who become aware of the whistleblower's identity through their duties or by chance must not disclose the whistleblower's identity.
  - (3) Prohibition of Whistleblower Identification  
The respondent, their department, and other relevant departments are prohibited from inquiring about the whistleblower's identity, conducting investigations to uncover the whistleblower, or engaging in any activities that may reveal the whistleblower's identity.
  - (4) Prohibition of Disclosure by the Reporting Office  
The department handling the reporting tasks (Reporting Office) must not disclose or imply the whistleblower's identity without the whistleblower's consent.
  - (5) Protection of Cooperators  
Persons who cooperate with the investigation by providing statements or submitting materials, in addition to the whistleblower, are entitled to protection regarding the confidentiality and non-retaliation against whistleblowers.
  - (6) Disciplinary Action for Violation of Confidentiality Obligations  
The company must discipline executives and employees of the reporting office, those involved in personnel matters, and any individuals who have the duty to protect the whistleblower's identity, as well as any other employees who violate the "security" or "protection of cooperators" provisions related to protecting the whistleblower's identity.

#### Article 13      Prohibition of Retaliation Against Whistleblowers

- 1) The reporting office must ensure that all stakeholders, including internal executives and employees, do not suffer any economic or personnel disadvantages in the course of transactions with the company due to their reporting, and company executives and employees must also not impose any disadvantages on the whistleblower. However, for whistleblowers who voluntarily report their own faults, disciplinary action may be mitigated or exempted by the personnel committee

considering the circumstances.

- 2) The whistleblower must promptly report to the reporting office any disadvantage suffered due to their report from the respondent, related third parties, or the relevant company.
- 3) If an internal whistleblower requests a change in their workplace, appropriate measures must be taken to reflect their wishes to protect their identity.
- 4) The company must protect employees who cooperate with the investigation by providing statements or other means in the same way as internal whistleblowers if they suffer or are likely to suffer disadvantages.
- 5) Those who disadvantage whistleblowers or cooperators in the investigation can be referred to the Personnel Committee for disciplinary action.

#### Article 14 Notice to Investigator

- 1) During the course of the investigation process, investigators must refrain from presenting or disclosing personal opinions regarding resolution strategies, courses of action, or any other matters related to the report to the subject of the investigation or to the supervisor or executive of the subject or the subject's department until the investigation is concluded. They should focus on securing relevant information and verifying facts.

## ESG Investment Policy

### **Foreword**

Kumho Petrochemical is committed to realizing the vision of ESG by practicing social and environmental values and striving for sustainable management. Even in investment decisions, the company seeks to minimize risks by considering issues and impacts related to environmental, social, and governance factors, while also seeking opportunities for the benefit of all stakeholders. Through its commitment to the UN 'Principles for Responsible Investment' (UN PRI) and the implementation of the UN 'Sustainable Development Goals' (SDGs), Kumho Petrochemical will contribute to not only its own sustainable development but also that of society.

1. Kumho Petrochemical incorporates ESG issues into the establishment of investment policies and processes to protect the rights and interests of all shareholders and investors.
2. Kumho Petrochemical transparently discloses information regarding ESG investment policies and compliance measures for communication with stakeholders.
3. Managing significant risks and opportunities related to sustainability, including climate, environmental, safety, and health risks, Kumho Petrochemical continuously pursues business development for sustainable management.
4. Kumho Petrochemical maintains consistent, independent, and responsible investment practices in compliance with relevant regulations and guidelines associated with ESG.
5. Upholding the company's ESG vision, Kumho Petrochemical prioritizes investments that not only enhance corporate value and financial performance but also positively impact social and environmental governance structures, aiming to contribute positively to society and the environment.
6. Avoiding investment decisions that contradict UN SDGs and emphasizing social value, Kumho Petrochemical steers clear of investments that negatively impact society and the environment.<sup>1)</sup>
7. Kumho Petrochemical formulates ESG investment guidelines based on ESG investment policies and incorporates them into the investment process.
8. Through the internalization of ESG investments, Kumho Petrochemical continuously improves and enhances governance structures, investment policies, and processes.

<sup>1)</sup> Investments that are traditionally excluded (those conflicting with economic order and public morals), or investments involving human rights violations and poor labor conditions, which are contrary to the dignity of human existence, and investments that directly and irreparably damage the environment.

## Tax Policy

### **Foreword**

Kumho Petrochemical Co., Ltd. (hereinafter referred to as 'Kumho Petrochemical') ) complies with the following matters in order to fulfill its social responsibility in the tax sector, transparently communicate with stakeholders, and implement strategies for tax compliance, cooperation with tax authorities, tax risk management, adherence to global agreements, and contribution to local communities through tax management strategies.

### **Chapter 1. Fulfillment of Tax Obligations**

Kumho Petrochemical must comply with tax regulations in each country where its domestic and overseas operations are located, fulfill its obligations for diligent tax reporting and payment, and refrain from engaging in transactions lacking business substance aimed at tax evasion.

### **Chapter 2. Cooperation with Tax Authorities**

Efforts are made to cooperate transparently and honestly with tax authorities, providing relevant information promptly upon their request and striving for mutual understanding through adequate communication in case of differences of opinion with tax authorities.

### **Chapter 3. Tax Risk Management**

Kumho Petrochemical identifies and manages tax issues that may arise during its business activities in a timely manner. The company conducts regular monitoring activities to manage the occurrence of tax risks and transparently discloses tax information according to reporting criteria for shareholders and society.

When necessary, it collaborates with external experts and communicates with tax authorities to resolve risks. Additionally, it timely recognizes the enactment and revision of domestic and international tax laws and regulations, and proactively responds to any potential problems and risks.

### **Chapter 4. Compliance with Global Agreements**

Kumho Petrochemical refrains from engaging in transactions or contracts aimed at transferring income between countries to lower tax jurisdictions by exploiting differences in tax laws or treaties, and it does not utilize tax havens for this purpose. In transactions between related parties, taxation should be adjusted based on the accepted price calculated using a reasonable method that is or is believed to be applied in ordinary transactions. Through this standard tax structure, corporations recognize and pay appropriate taxes in each jurisdiction where they are located.

### **Chapter 5. Contribution to Local Communities**

Kumho Petrochemical secures local finances, creates job opportunities, and revitalizes economies in its business sites, contributing to the development of local communities by faithfully fulfilling tax obligations in accordance with



each country's tax policy.