

ESG Management Policy

Kukdo Chemical Co., Ltd. strives to conduct business in a sustainable manner, protect the environment, fulfill our responsibilities to society, and operate under a transparent governance structure. To achieve these goals, we have established and proclaimed the following ESG management policy, and all executives and employees will practice it responsibly.

Chapter 1. Compliance and Ethical Management

1. Compliance with Regulations

- We comply with laws and company regulations and perform our duties with a sense of responsibility.

2. Anti-Corruption and Transparent Management

- We act in accordance with ethical standards required in the countries and regions where we conduct our business.
- Under no circumstances, do we tolerate bribery, coercion, defamation, unfair solicitation, or extortion, nor do we demand unfair compensation in relation to our business and transactions.

3. Fair Trade

- We comply with laws and standards related to fair trade in the countries and regions where we conduct our business, and we do not engage in actions that impede or damage fair competition in the market, such as abusing a dominant or market-controlling position in transactions.
- We reject unfair promises or agreements that restrict competition in the market regarding the supply price, quantity, and other transaction conditions of our products. We also refrain from obtaining information through unfair means from competitors, partners, or other businesses, institutions.

4. Management of Trading Companies

- We encourage and manage our trading companies, including partners, to comply with laws and regulations related to ethics, environment, labor and human rights, and safety and health.

5. Compliance with Export Restrictions

- We comply with export restrictions in accordance with the laws and international agreements of each country. We do not conduct transactions with countries, businesses, individuals, etc. that are restricted by laws and international agreements.
- We regularly ensure compliance with laws and international agreements related to exports.

6. Prevention of Forgery and Adulteration

- We do not use illegal, or forged or adulterated raw materials, etc.
- We continuously monitor the legitimacy of the raw materials used in all of our company's workplaces and take immediate corrective action if any related issues arise.

7. Responsible Procurement of Raw Materials

- We do not use conflict minerals procured in an unethical manner as raw materials, and conduct inspections to ensure that conflict minerals are not introduced into the production process of our products.

8. Data Protection

- We strictly comply with laws related to the protection of personal data of our customers, partners, and executives and employees, and do not acquire, provide, or leak trade secrets, etc. of customers and partners without permission.
- We protect the intellectual property rights of customers and partners and do not infringe upon them.

Chapter 2 Environmental Management

1. Environmental Management System

- We comply with environmental laws and requirements in each country where we

conduct our business.

- We establish and operate an organization, personnel, plans, regulations, and system for environmental management.

2. Management of Pollutants

- We make efforts to reduce water usage and wastewater discharge and comply with related laws.

- We make efforts to reduce emissions of air pollutants and comply with related laws.

- We make efforts to reduce waste disposal and comply with related laws.

- We make efforts to minimize the discharge of pollutants by applying the best available techniques in the most effective and economical way.

- We make efforts to minimize pollutant emissions by continuously expanding recycling facilities.

3. Management of Chemical Substances

- We manage chemicals handled at our workplace in a manner that ensures safe transportation, storage, usage, and disposal, and also maintain them in a way that allows us to identify the hazardousness or harmfulness of chemical substances.

4. Greenhouse Gas Emissions and Energy Savings

- We strive to use energy generated by using environmentally friendly materials and apply energy-saving technologies to reduce greenhouse gas emissions at the workplace.

Chapter 3 Human Rights Management

1. Prohibition of Discrimination

- We strictly prohibit any form of discrimination based on gender, race, nationality, religion, disability, age, status, belief, or any other grounds in relation to employment and treatment within the company.

- We do not impose any conditions unrelated to job performance when hiring executives and employees.

2. Working Conditions

- We ensure compliance with laws and regulations regarding wages, and provide payroll statements to employees. Wages are paid on the agreed-upon date as stated in the employment contract.
- We strive to improve the quality of life for our executives and employees, maintaining a pleasant working environment at all times.
- We provide training opportunities as mandated by laws, allowing the executives and employees to enhance their careers and competencies.

3. Working Hours

- We strictly adhere to the statutory working hour regulations and ensure that appropriate break times are granted to our executives and employees.
- We do not compel executives and employees to work overtime against their will. If overtime work is necessary, we obtain their consent and provide appropriate compensation.

4. Mutual Humanitarian Treatment

- We respect the privacy of our executives and employees and refrain from issuing unnecessary work instructions.
- We prohibit the use of a superior position within the company to inflict physical or mental harm on others. If workplace harassment occurs, we take measures to protect the victim and enforce disciplinary actions against the perpetrator according to company regulations.

5. Prohibition of Child Labor

- We prohibit the employment of child labor and verify the age of applicants during the hiring process.
- We do not engage in any transactions with individuals or entities that violate laws related to child labor.

6. Prohibition of Forced Labor

- We ensure that our executives and employees engaged in work voluntarily and in compliance with labor standards laws refraining from any form of forced labor or work against their will.

- We do not engage in transactions with individuals or entities that violate laws related to forced labor.

7. Freedom of Association

- We guarantee freedom of association and the right to engage in collective bargaining, and do not impose any restrictions on the establishment and operation of legitimate bargaining organizations. In addition, the company's representative must respond in good faith to consultation requests from bargaining organizations.

8. Grievance Handling and Whistleblower System

- We have established a comprehensive grievance handling and whistleblower system that allows executives and employees to report any violations of laws related to ethics, environment, labor and human rights, and safety and health, as well as any infringement of personal rights and interests.
- Reports submitted by executives and employees are treated with utmost confidentiality and are protected from any unreasonable actions resulting from such reports.

Chapter 4 Safety and Health Management

1. Safety and Health Management System

- We fully comply with the safety and health-related laws and regulations in all countries where we conduct business, and obtain and maintain the necessary safety and health permits related to our business.
- We establish and maintain an organizational structure, personnel, plans, regulations, and an improvement system dedicated to safety and health management.

2. Safety Management

- We conduct thoroughly inspections and assessments of hazardous or dangerous machinery, equipment at the workplace on a regular basis.
- We install and manage safety devices to prevent accidents within the workplace.
- We provide executives and employees with appropriate protective gear to ensure their

safety while working, and we enforce the use of such gear.

3. Safety Inspection and Improvement

- We regularly perform safety and risk assessments of the workspace within the workplace, and based on the results, we make necessary improvements to the machinery and facilities.
- We ensure that individuals such as pregnant women and people with disabilities are not assigned to jobs with high safety and health risks.

4. Emergency Response Measures

- We establish comprehensive plans for responding to emergencies such as fires, disasters, mass infections, and safety accidents, and conduct regular training sessions to ensure preparedness in line with these plans.
- We have escape routes, guide lights, detection and alarm devices, and firefighting facilities in place to prepare for emergencies and regularly inspect them.

5. Accident Prevention

- We have a system in place to manage industrial accidents or diseases, and take immediate measures to halt work and evacuate executives and employees safely in the event of such incidents.
- In the event of any industrial accidents or diseases, we thoroughly investigate the cause and implement measures to prevent their recurrence.

6. Health and Hygiene Management

- We provide executives and employees with well-maintained common rooms, restrooms, dining areas, and other facilities while ensuring hygiene standards.
- We ensure that workspaces have appropriate air conditioning, lighting, and safety signs, creating a comfortable environment for executives and employees.
- We conduct regular general or specialized health check-ups for executives and employees in accordance with relevant laws and regulations, and based on the results, we make necessary adjustments to workspaces and working conditions.

February 24, 2023

Kukdo Chemical Co., Ltd.

CEO & Chairman, Si Chang Lee