

## **REGULATION OF THE ESG COMMITTEE**

**A006**



**KUMHO  
PETROCHEMICAL**

## ESG Committee Regulation

<b>Organizing Team</b>	Strategy and Planning Team	Registration No.	A006
<b>Team in Charge</b>	IR Team	Enactment Date	June 22, 2021
<b>Authorized Party</b>	Board of Directors	Enforcement Date	June 22, 2021
<b>Distributed To</b>	All Workplaces		

Revision No.	Revision Date	Key Revisions	Grounds for Revisions
1 <sup>st</sup>			
2 <sup>nd</sup>			
3 <sup>rd</sup>			
4 <sup>th</sup>			
5 <sup>th</sup>			
6 <sup>th</sup>			
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14 <sup>th</sup>			

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## **CHAPTER 1      GENERAL PROVISIONS**

### **Article 1      Purpose**

The purpose of this Regulation is to provide for matters necessary to ensure the efficient operation of the ESG Committee (hereinafter “**Committee**”).

### **Article 2      Applicable Scope**

Except as otherwise prescribed under relevant laws, the Articles of Incorporation or the Regulations of the Board of Directors, matters regarding the Committee shall be governed by this Regulation.

### **Article 3      Authority**

1. The Committee shall deliberate and resolve on the matters prescribed under Article 10 to create a business management environment that emphasizes environmental and social responsibilities based on appropriate and transparent governance, and to promote the Company’s sustainable growth.
2. The Committee, if necessary, may request that the Company submit and report on materials related to ESG.

## **CHAPTER 2      ORGANIZATION**

### **Article 4      Organization**

1. The Board of Directors shall appoint and dismiss members of the Committee (hereinafter “**Members**”).

2. The Committee shall be comprised of three (3) or more directors, among which at least two-thirds of the Members shall be outside directors.
3. The term of a Member shall be until the date when the term as a director of the Committee expires.
4. In the case of a vacancy in the number of Members as set forth in Paragraph 2 due to a Member's resignation, death, etc., a new Member shall be appointed by the Board of Directors where there are one or more remaining outside directors; or alternatively, by the general meeting of shareholders where no outside director remains. The term of such newly appointed Member shall be the outstanding term of his/her predecessor.

### **Article 5      Chairman**

1. The Committee shall nominate one (1) of the outside directors as the Chairman by a resolution pursuant to Article 9.
2. The Chairman shall represent the Committee and serve as the chairman at the meetings convened by the Committee.
3. Upon the Chairman's absence, a Member shall become the acting chairman, based on the order as set by the Committee, and perform the Chairman's duties.

## **CHAPTER 3 MEETINGS**

### **Article 6      Convocation of Committee**

1. Meetings of the Committee shall be convened at General Meetings and Extraordinary Meetings.
2. The Committee shall convene General Meetings at least twice a year, as a matter of principle, and Extraordinary Meetings from time to time when necessary.

### **Article 7      Right to Convene**

1. The Chairman shall convene the Committee; *provided*, in the case of the Chairman's absence, the acting chairman who is appointed in the order as set forth in Article 5(3) shall perform the Chairman's duties.
2. Each Member may request the convocation of the Committee through submission of agenda and its reason to the Chairman. In the event that the Chairman fails to convene without any justifiable grounds, the Member who requested the convocation may convene the Committee.

### **Article 8 Procedure for Convening Committee**

1. With respect to convening the Committee, the date of the meeting shall be determined and notified via written or electronic form to each Member two (2) days prior to the date of the meeting.
2. The Committee, upon unanimous consent of all Members, may hold the Committee at any time without following the procedure as set forth in the preceding paragraph.

### **Article 9 Method of Adopting Resolution**

1. The Committee's resolution shall be passed by the attendance of a majority of the registered Members, followed by affirmative votes of a majority of the Members present. In this case, the Committee may deem that a Member participated in the resolution by means of remote communication through which a Member who is not physically present may simultaneously convey or receive voice communication to and from all the other Members, and such Member may be deemed as having attended the Committee in person.
2. A Member with a special interest regarding the Committee's resolution may not exercise his/her right of resolution. In this case, a Member who is unable to exercise such right shall be precluded from the number of Members present.

### **Article 10 Agenda**

The Committee shall deliberate and resolve on the following matters:

1. Development of the Company's ESG strategy and policy;
2. Development of the Company's sustainable management and social value creation strategy and policy;
3. Review and management of performances and issues relating to the strategies and policies as set forth in the preceding two paragraphs;
4. Other ESG-related matters delegated by the Board of Directors.

### **Article 11      Opinions from Relevant Persons**

If deemed necessary, the Committee may have relevant executives, employees or third parties attend the meetings to hear their opinions and to seek advice from experts, etc. at the Company's expense.

### **Article 12      Minutes**

1. The minutes of the Committee shall be prepared.
2. The agenda, proceedings and results of the Committee, and the dissenting Members and their reason for dissent shall be recorded in the minutes, which shall bear the names, seals or signatures of the Members present.

### **Article 13      Secretariat**

1. The Committee shall have a Secretariat.
2. The Secretariat shall be responsible for administering the Committee's affairs as instructed by the Chairman.

### **Article 14      Exclusive Permanent Organization**

1. The Committee may operate an exclusive permanent organization to assist the Committee in the promotion of the Company's ESG management and research of various issues and policies regarding ESG.
2. The Committee may determine the specific matters relating to the establishment and

operation of the exclusive permanent organization.

**Article 15      Amendment and Repeal of Regulation**

The amendment and repeal of this Regulation shall be passed by a resolution of the Board of Directors.

**ADDENDA**

This Regulation shall take effect on June 22, 2021.