

THINK THE GREEN

KC GreenHoldings
2022 Sustainability Report

Think the Green []

This message means our inclusion of and connection with various stakeholders with whom we exchange influences by expressing the possibility of inserting multiple parties, such as Environment, Society, People, Companies, and Businesses, with brackets in addition to the keyword “Green” that connotes thinking about the global environment.

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About This Report

KC GreenHoldings' Sustainability Report contains the effects of interactions among KC GreenHoldings and its affiliates, and the outcomes of its efforts for more sustainable earth. In 2022, the 11th Report was published.

Reporting standards	GRI Standards Core
Reporting target	KC GreenHoldings and its subsidiaries (Data of Changchun KC Envirotech is excluded in 2022 report)
Reporting cycle	Yearly
Reporting period	January - December 2021 (including part of the performance in 2022)
Reporting criteria	Information for a minimum of three fiscal years (Unit: USD, USD 1 = KRW 1,190.5, 31 December 2021)
Distribution	Full-time disclosure on the KC GreenHoldings website and electronic disclosure system
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KC GreenHoldings 2022 Sustainability Report

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Employees Health and Safety, and KC GreenHoldings

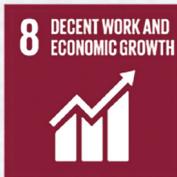
Why Does This Topic Matter?

A company must not only take measures to ensure a safe working environment, but also guarantee a sufficient level of safety for employees. In Korea, however, the level of safety awareness had been low that Korea recorded the highest work-related fatality among the OECD member states 21 times over the period of 23 years from 1994 to 2016. As an accident causing the death of a temporary worker maintaining screen doors at Guui subway station occurred in May 2016, proposal of the amendment of the Occupational Safety and Health Act began to be discussed. However, the bill was left pending in the National Assembly, and in December 2018, two years after the Guui subway station accident, another temporary worker inspecting coal transport facilities at Taean Thermal Power Plant lost his life. Upon this accident, the demand for the amendment of the Act was again increased. In December 27, 2018, 28 years since the last amendment of the Occupational Safety and Health Act, the amendment bill to prevent “risk outsourcing” passed the National Assembly. However, continuous occurrence of industrial accidents, which include the fire disaster at a warehouse in Icheon, has raised safety of workers as a critical social issue. In January 2021, the bill for the “Act on Punishment, etc. for Fatal Accidents (to be referred to as the “Fatal Accidents Act” hereinafter)” to further strengthen obligations of companies and business owners to prevent fatal accidents, such as those causing death of employees, passed the National Assembly, and on January 27, 2022, this Act was put into effect.

Occupational Safety and Health Act vs. Fatal Accidents Act

	Occupational Safety and Health Act	Fatal Accidents Act
Obligatory	Business owners	Individual business owners, management officers, etc.
Target of Protection	Employees, employees of contractors, workers in special employment types	Employees, labor providers, contractors, employees and labor providers of contractors
Scope of Application	All business establishments	Business establishments with less than 5 persons excluded (enforcement after 2025 for business establishments with less than 50 persons)
Definition of Accident	Serious Accident: Industrial accident resulting in 1) One or more death 2) Two or more persons injured concurrently that require medical care for at least three months 3) Ten or more persons injured or affected by occupational diseases concurrently	Fatal Industrial Accident: Industrial accident under the Occupational Safety and Health Act resulting in 1) One or more death 2) Two or more persons injured by the same accident that require treatment for at least six months 3) Three or more persons affected by occupational diseases, such as acute poisoning, within one year due to the same hazard factor
Obligations	1. Business owner's safety measures 1) For use of hazardous substances, such as explosive materials, and hazardous machinery including press 2) For hazardous operations, such as excavation and blasting 3) For operations in dangerous locations with risk of fall or collapse 2. Business owners' health measures 1) Control hazardous substances, such as toxic gas and pathogens 2) Manage hazardous operations that exert physical burden, etc. 3) Maintain appropriate criteria for ventilation and cleaning, etc.	Obligation of individual business owners or management officers, etc. to ensure safety and health of employees and workers 1) Measures relating to the establishment and implementation of safety and health management system 2) Measures relating to the establishment and implementation of accident recurrence prevention system 3) Measures relating to the order of correction, etc. issued by the heads of central administrative agencies, etc. according to the relevant statutes 4) Administrative measures necessary in fulfilling obligations prescribed by the safety and health-related statutes

Linked SDGs



Related Material Topic

Employee health and safety

How Does KC GreenHoldings Approach This Issue?

It is a company's duty and responsibility to guarantee health and safety of employees. KC GreenHoldings and affiliates operate businesses in the types and scales subject to application of the Fatal Accidents Act. Prevention of safety and health-related accidents requires continuous attention. KC GreenHoldings, by placing the highest priority on protecting employees' safety, is making various efforts for employees' safety and health management.

Safety and Health Instructions

KC GreenHoldings' Code of Ethics places an emphasis on the importance of employees' health and safety by prescribing for employees to keep the work place clean, comply with safety rules, and establish a mindset to place the highest priority on safety.

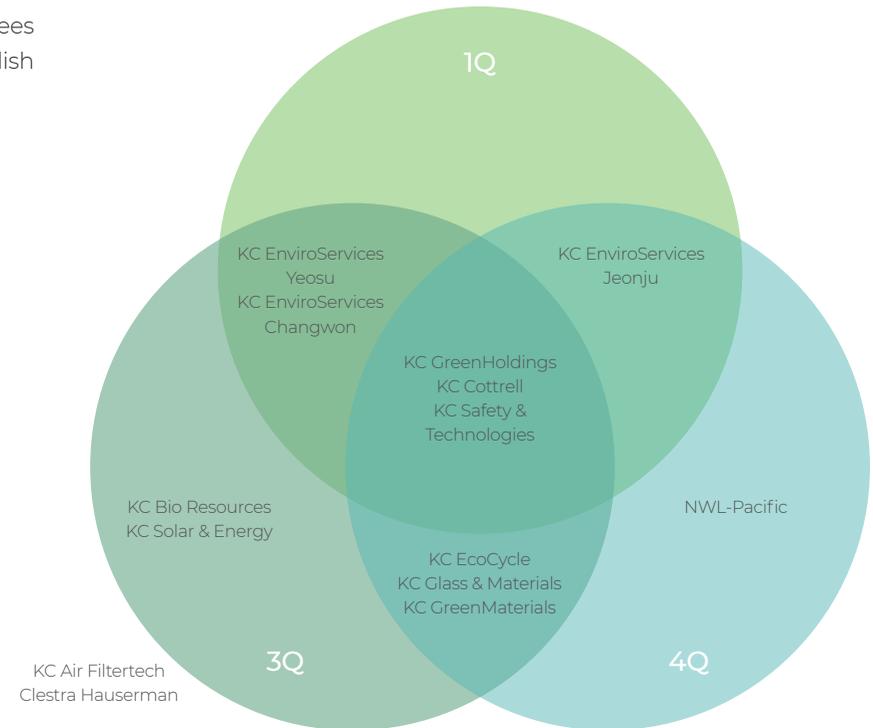
KC GreenHoldings Code of Ethics

1. The Basic Mindset of Employees
- 1-4 Healthy and Safe Organization
- ③ Employees shall make cleaning and compliance with safety rules in the place of work a part of daily life, and voluntarily strive to create a pleasant work environment.
- ④ Employees shall establish a mindset to place the highest priority on safety by participating in the regular safety education.

Safety and Health Committee

In order to manage safety and health-related issues of affiliates on the group level, in 2014, KC GreenHoldings organized the Safety and Health Committee composed with safety and health managers of affiliates in Korea, and has been holding quarterly meetings. In 2021, the Committee was convened three times in April, September, and December. The key issues discussed at the meetings were education on punishments for fatal accidents, and the future response plans.

Participation in Safety and Health Committee in 2021



*Safety and Health Committee not held in the second quarter of 2021 to prevent COVID-19 spreading

Linked SDGs

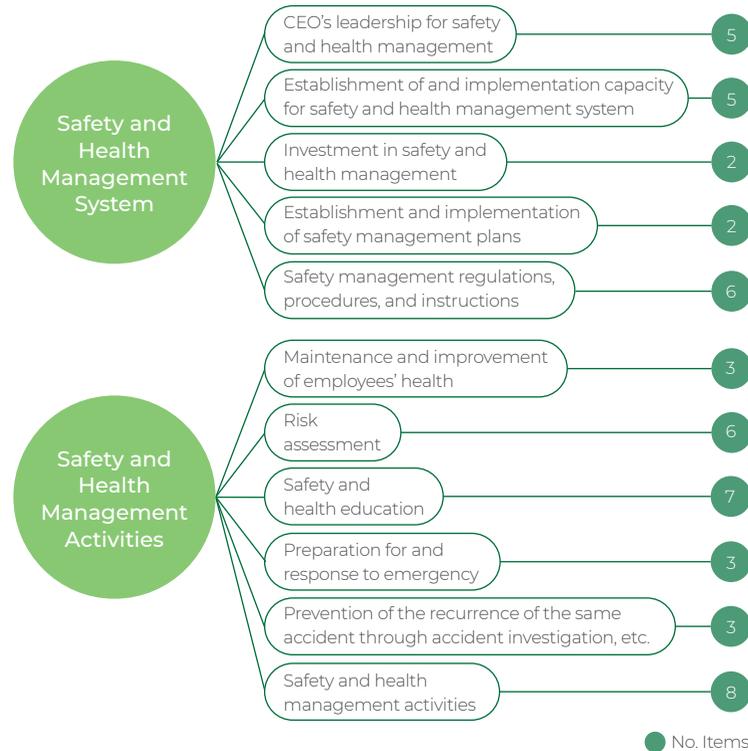


Related Material Topic

Employee health and safety

Internal Safety and Health Assessment and Award

KC GreenHoldings internally assesses and awards safety and health activities performed over a year through KC Safety & Technologies in order to establish safety culture, and secure a basis for safety and health management systems in our affiliates. The assessment is conducted on 50 items of 11 categories that are related to safety and health management system and safety and health management activities. The assessment results will be used as the base data in identifying the areas that require improvement, and thus preventing accidents and enhancing the level of safety culture.



2021 Safety and Health Assessment Result

For four months from November 2021, KC Safety & Technologies conducted safety level assessment on 13 affiliates in Korea. As a result, our affiliates' safety culture was found to be in the "basic level." To improve safety culture of KC networks to the level of "management and supervision," KC Safety & Technologies will provide guidance on safety and health management system to our affiliates. In addition, based on the assessment result in 2021, inspections will continuously be performed on the insufficient areas.

Safety Level Assessment + Safety Inspection (Business establishments to which the Fatal Accidents Act is applied as of 2022)

KC Cottrell	42.9
KC Safety & Technologies	44.8
KC EnvrioServices Yeosu	29.3
KC EnviroServices Jeonju	25.7
KC EnvrioServices Changwon	37.1
KC EcoCycle	18.3
KC Glass&Materials	36.4
Clestra Hauserman	36.6

Safety Level Assessment (Business establishments to which the Fatal Accidents Act is applied as of 2025)

NWL-Pacific	34.5
KC Air Filtertech	31.9
KC Bio Resources	40.0
KC Landfill Service	25.0
KC Green Materials	35.8

(21 – 40: Basic level, 41 – 60: Management and supervision level, 61 – 80: Autonomous safety management level, 81 – 100: Mutual safety management level)

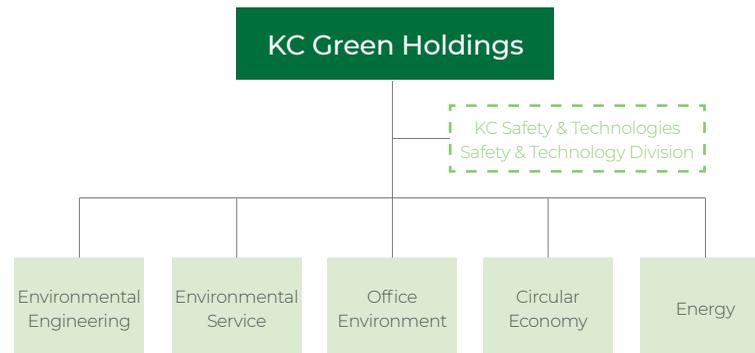
Linked SDGs



Related Material Topic
Employee health and safety

KC Safety & Technologies

KC GreenHoldings acquired KC Safety & Technologies (formerly, Yuy-ang) as one of our affiliates in 2016. In 2021, in order to reduce safety risks of KC GreenHoldings' affiliates, and more actively respond to the Fatal Accidents Act, we acquired shares of KC Safety & Technologies as a subsidiary. KC Safety & Technologies is directly inspecting and managing safety of our affiliates that are frequently exposed to danger. As a company specializing in safety management that offers inspection, safety examination, and consulting services to other companies, KC Safety & Technologies is also capable of providing comprehensive safety-related services. In particular, having introduced "Smart Safety Manager (SSM)," a mobile app, in preparation for the enforcement of the Fatal Accidents Act, KC Safety & Technologies supports safety management system establishment, monitoring, safety education, daily safety activity inspection, and other safety management-related activities of small and medium enterprises that experience difficulties in safety management. KC Safety & Technologies is contributing to preventing unexpected malfunctions and accidents by establishing KC Inspection Technologies in April 2021 to perform as an agency for autonomous safety inspection prescribed by the Occupational Safety and Health Act, and conducting autonomous and safety inspections on dangerous machines and instruments through this subsidiary.



Key Business Areas of KC Safety & Technologies

- Safety Management

Assist in preventing industrial accidents by identifying risks that can occur in all business types, and identifying areas that require improvement
- Certified Inspection on High Pressure Gas Facilities

Perform as an agency for autonomous inspection of high pressure gas facilities, and acquisition of safety certifications and permits
- Safety Valve Popping Test and Maintenance

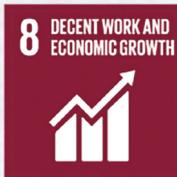
Periodically inspect and maintain safety valve, a key facility in securing safety of high pressure gas facilities
- Testing and Safety Inspection of Facilities for Hazardous Substance Handling

Conduct regular inspection and examination on tanks storing hazardous substances
- Nondestructive Testing

Conduct inspections for quality management and quality assessment on mechanical equipment without removing parts of the equipment or damaging the equipment
- Maintenance and Management of LNG Terminals

Assist in ensuring safe gas supply by inspecting and maintaining natural gas supply facilities at LNG terminals

Linked SDGs



Related Material Topic
Employee health and safety

OVERVIEW

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CEO Message

Hello. All the Stakeholders,

We would like to thank all the stakeholders who believed in and supported KC Green Holdings in 2021. In 2021, with raw material prices rising and logistical supply disruptions and the continuous COVID-19, it was a year that the business environment was more difficult than ever. Additionally, 2021 was a year in which major countries in the international community specified their vision for implementing a Net Zero society as a global response to global warming and started comprehensive climate change policies, including carbon neutrality. The South Korean government also enacted the Carbon Neutrality Framework Act in September 2021 and confirmed the 2030 national greenhouse gas reduction target (Nationally Determined Contribution) in October. In order to achieve the net zero goal together with the government, it has been inevitable for companies to make a major improvement in constitution, such as strengthening ESG management, changing business models, etc.

The 2022 Sustainability Report presents what kind of efforts KC Green Holdings will be made making to celebrate the 50th anniversary as a sustainable green company. We will try our best to overcome in such a business environment from three perspectives of economic, environmental, and social sustainability management and in 2022. For 2022, we will make it the year to celebrate our 50th anniversary of our founding.



Strengthening risk management

KC Green Holdings will also increase the safety awareness of employees and make every effort to provide them a safer working environment. KC Green Holdings will also treat safety as the top priority in the industry which has a high risk of safety accidents. Moreover, we will establish a new internal accounting management system to enhance the reliability of accounting information and manage financial risks. Along with that, considering the situation of the Corona Pandemic and the Ukraine crisis, we will pay greater attention to improve our risk management in each business in advance, in order to minimize any risks in the future, such as changes in the market environment, rapidly rising raw material prices, and sudden changes in exchange rates etc.

Reorganizing our business portfolio

KC Green Holdings and its affiliates will also expand our business models with green environmental businesses, which will allow us to be closely related to the carbon neutral declarations in countries all around the world. KC Green Holdings will also discover new business models aiming for carbon neutrality in each business area and include such as energy transformation and digital transformation to our business perspectives.

Digital Transformation

Due to the situation of coronavirus, digitization has also become an important element for business operations. It is an era in which efficient data accumulation and utilization

becomes the standard to measure a company's capability and strength. Uncertainties have increased since the pandemic and the business climate is changing more rapidly. Now, digital transformation has become an essential strategy for the future, and it has become an important task not only to strengthen internal IT capabilities, but also to establish partnerships with specialized companies, in order to aggressively utilize IoT and AI. KC Green Holdings and its affiliates, we will continuously pursue digital transformation in order to respond more flexibly and aggressively to the rapidly approaching future changes.

Words will not be enough for us to express how appreciated we are to your support, encouragement and unstinting interests to our company.
Thank you so much, we appreciate you.

June 2022
KC Green Holdings
CEO, TAE YOUNG LEE



Overview of KC GreenHoldings

With a goal to increase management efficiency and establish transparent governance, KC GreenHoldings switched to the holding company system in 2010 by separating the manufacturing business sector.

Name of the Organization	KC GreenHoldings Co., Ltd.		
Location of Headquarters	11th Floor, 34, Sangamsan-ro, Mapo-gu, Seoul, Korea		
CEO	Taeyoung Lee	Date of Establishment	November 27, 1973
No. of Employees	23	Shareholding Structure	Taeyoung Lee 31.95%
Business	Holding business, such as management consulting and investment, etc.		Sanyeon Co., Ltd. 7.09% Jaeyoung Lee 6.95%
Credit Rating	A-(NICE D&B Global Service), as of April 16, 2021		
ESG Level	B (Korea Corporate Governance Service), 2021		
Website	www.kcgreenholdings.com		

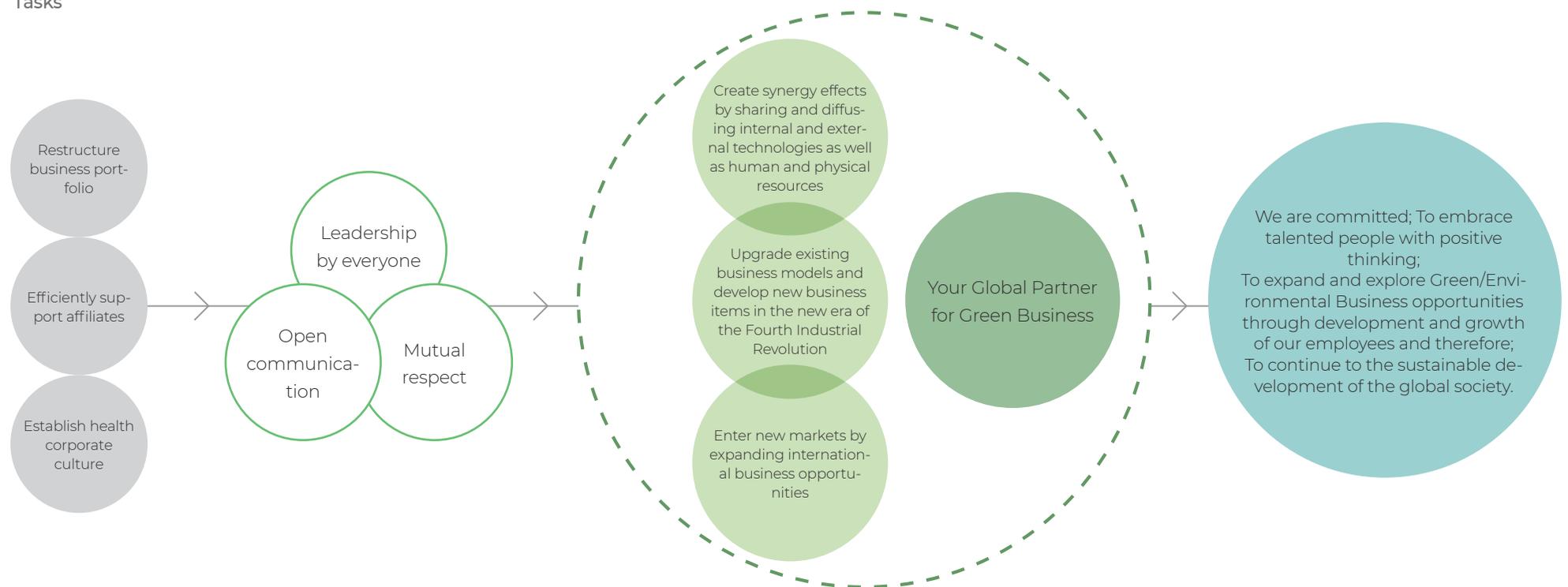
Mid to Long-term Tasks

Core Values

Strategies

Vision

Mission

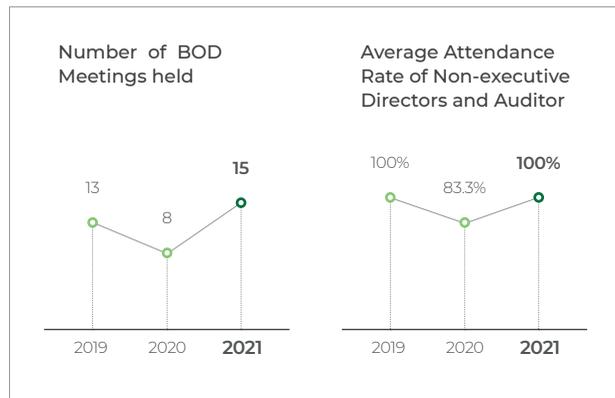


Governance

Board of Directors

The Board of Directors (BOD) is a decision-making body that makes important decisions concerning the company's business operation as well as matters prescribed by the law and the company's articles of association, matters delegated by the general shareholders' meeting, and basic policies for company management. The BOD agenda and attendance of non-executive directors are disclosed through the electronic disclosure system. In 2021, the BOD was convened 15 times in total, and the average attendance rate of non-executive directors and auditor was 100%.

BOD Meetings in 2021



BOD Composition in 2022 (as of Apr. 2022)

Type	Name	Experience	Education	Appointment	Gender
Executive Directors	Taeyoung Lee (CEO)	Currently, CEO of KC GreenHoldings Currently, Chairman of KC Cottrell Currently, Director of Ecomomkorea Currently, Director of Korea Academy of Environmental Science	Simon Fraser University MBA Seoul National University (BA in Business Administration)	Mar. 2021	Male
	Jongkyu Kim	Currently, COO of KC GreenHoldings	Seoul National University (BA in business administration)	Mar. 2021	Male
Non-executive Directors	Kyeonghoon Lee	Formerly, Vice President of POSCO Energy)	Sunchon National University (MA, Ph.D in Materials and Metallurgical Engineering) Chungang University (BA in Chemical Engineering)	Mar. 2020	Male
Auditor	Haingmin Kwon	Formerly, CEO of KT Powertel Formerly, CEO of KTF	KAIST (MA in Business Administration) Seoul National University (BA in Business Administration)	Mar. 2020	Male

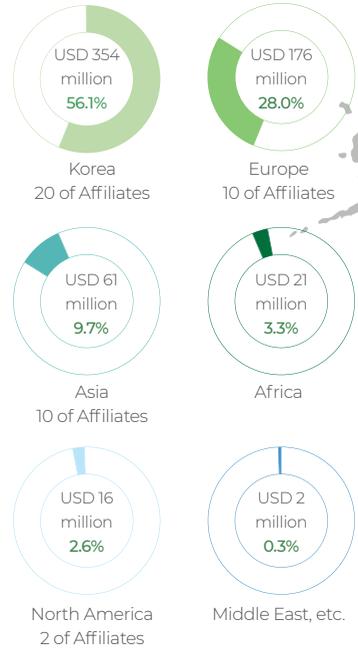
Assessment and Remuneration

The remuneration of directors and auditor was paid in amounts calculated by adding basic salaries and performance bonuses according to financial and nonfinancial performances of the organization within the upper limit of annual remuneration approved at the general shareholders' meeting in March 2021. The upper limit of total remuneration for the seven directors and auditor approved by the BOD in 2021 was USD 3.4 million, and the amount actually paid in 2021 was USD 853 thousand.

Type	No. of Persons	Upper Limit of Total emuneration	Amount Paid
Directors	Executive	4	USD 3 million
	Non-executive	2	USD 68 thousand
Auditor	Auditor	1	USD 400 thousand / USD 33 thousand

Global KC Network

No of Affiliates and Salesby Region



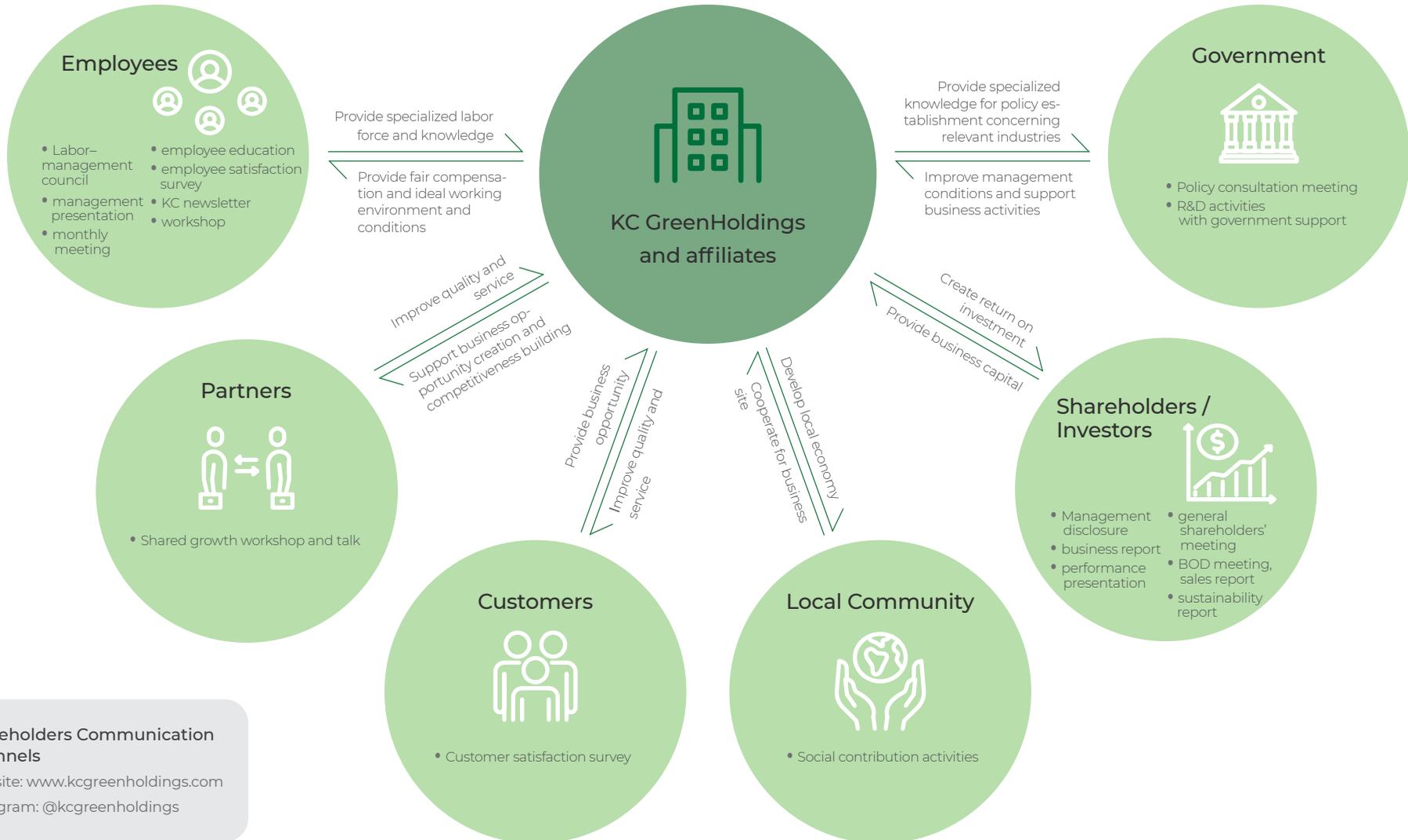
Environmental Engineering	Environmental Service	Office Environment	Energy
<ul style="list-style-type: none"> 1 KC Cottrell 1-1. KC Air Filtertech 1-2. KCVCS 1-3. KC Cottrell Taiwan 1-4. KC Cottrell India 1-5. KC Cottrell Engineering Service 2 Changchun KC Envirotech 3 Lodge Cottrell 4 KC Cottrell Vietnam 5 Nol-Tec Systems 5-1. Nol-Tec Systems Shanghai 6 NWL-Pacific 7 KC Safety & Technologies 7-1. KC Inspection Technologies 	<ul style="list-style-type: none"> 8 KC EnviroServices 8-1. KC Landfill Service 8-2. KC EcoCycle 8-3. Eumseong Biochips 8-4. Seongju Biochips 8-5. KC GreenEnergy 8-6. KC Bio Resources 8-7. Lilama EME 8-8. Tae Kyung ENG 8-9. KC Environmental Measurement & Analysis 	<ul style="list-style-type: none"> 11 Clestra Hauserman SA 11-1. Clestra International 11-2. Mecanalu 11-3. Clestra USA 11-4. Clestra Ltd 11-5. Clestra SA – Switzerland 11-6. Clestra Hauserman Overseas Contracting 11-7. Clestra GMBH 11-8. Clestra B.V. 11-9. Clestra Hauserman SL 12 Clestra Hauserman 12-1. Clestra 12-2. Clestra K.K 12-3. Clestra Hauserman(Taicang) Architecture Product 	<ul style="list-style-type: none"> 13 KC Solar & Energy
<h3>Circular Economy</h3> <ul style="list-style-type: none"> 9 KC Glass & Materials 9-1. KC Glass Resources 10 KC GreenMaterials 			

*The list of affiliates above includes KC GreenHoldings' subsidiaries and sub-subsidiaries only

Communication with Stakeholders

Stakeholders of KC GreenHoldings and Affiliates

KC's stakeholders are defined as those that are affected by, or that affect the management activities of KC GreenHoldings and affiliates.



Stakeholders Communication Channels
 Website: www.kcgreenholdings.com
 Instagram: @kcgreenholdings

Materiality Assessment

Materiality assessment was conducted in order to report the sustainable management topics that are considered important by KC GreenHoldings and stakeholders, and systematically manage the selected material topics.

STEP 1 Issue Pooling

A pool of 96 issues was configured with comprehensive consideration given to KC GreenHoldings and affiliates by reviewing the GRI Standards and ISO 26000, the global standards, and KC GreenHoldings' business plans for 2022.

STEP 2 Materiality Questionnaire Survey

On 31 topics of three fields (economic, environmental, and social) derived by categorizing the 96 issues, materiality questionnaire survey was conducted targeting external stakeholders and employees.

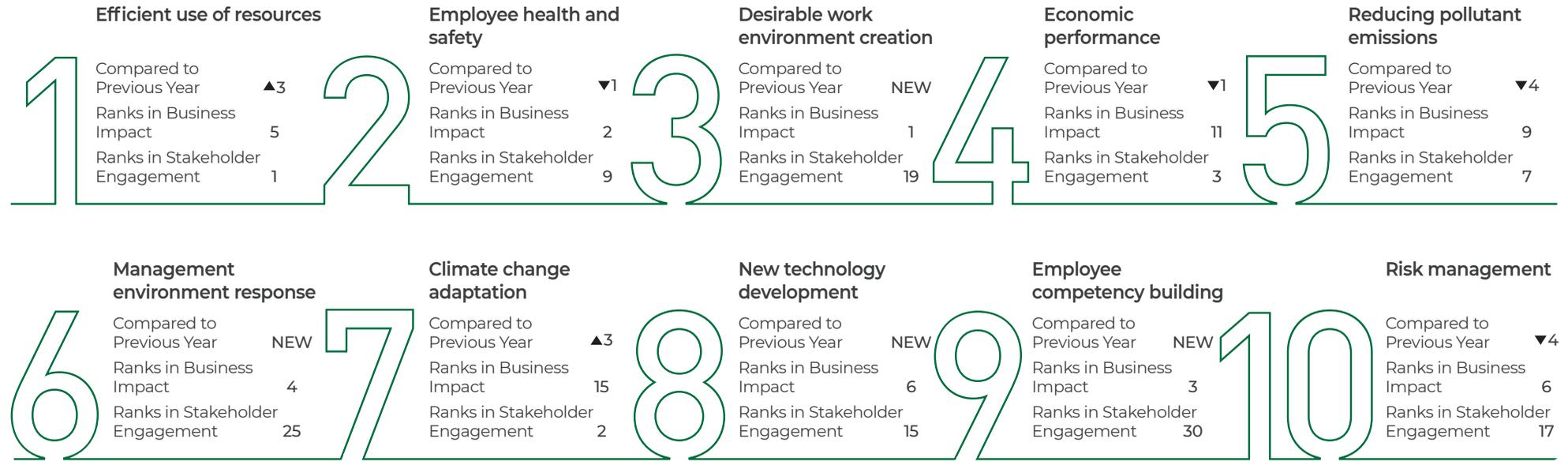
	Period	Method	No. of Respondents
External Stakeholders	Jan. 17 – 28, 2022 (2 weeks)	E-mail, website, SNS	87
Employees	Feb. 7 – 11, 2022 (1 week)	Notice in groupware	100

STEP 3 Material Topic Selection

Using a graph with the Y-axis on stakeholder engagement in relation to the material topics identified through a questionnaire survey of external stakeholders about the topics they consider important, and analysis on the GRI Standards and ISO 26000, the external standards, and the X-axis on business impact of the material topics identified through an analysis of KC GreenHoldings' internal strategies, and the result of a questionnaire survey conducted on employees about the impact of the topics on KC GreenHoldings and its affiliates, the top ten material topics were selected.



Top 10 material topics



STEP 4 Material Topic Analysis

The topic selected to be most important through the materiality assessment in 2022 was efficient use of resources. This is analyzed to be the impact of the gradually increasing level of interest in environment, the pandemic that has lasted for over two years, and an increase in the prices of raw materials. In addition, employee health and safety was ranked high following last year as a result of the impact of the Act on the Punishment, etc. for Fatal Accidents, which will be put into effect in 2022. Moreover, in line with the regime change, and forecast of the continuation of uncertainties in global economy, which will affect the management environment, topics that are related to the corporate competency building, such as management environment response, new technology development, and employee competency building, were newly selected as material topics.

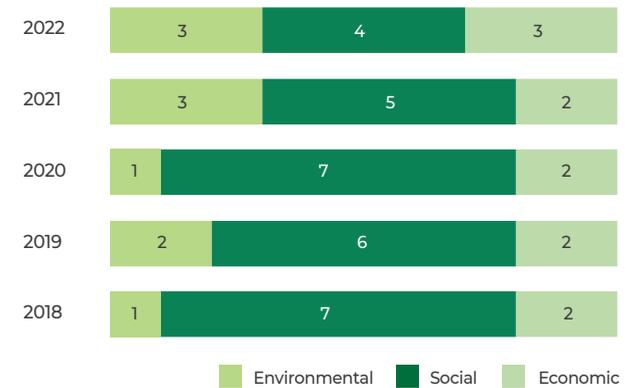
STEP 5 Material Assessment Report

Materiality assessment result has been reviewed by the KC GreenHoldings management.

Top 10 Material Topics over Five Years (2018 - 2022)

Through an analysis on the results of materiality assessment conducted over the last five years, economic performance, employee health and safety, and reducing pollutant emissions were found to be the most important topics for KC GreenHoldings and stakeholders. This result also indicates that the spectrum of interest in ESG issues has widened. Until 2020, economic performance was selected each year as the most important topic, and the level of interest in topics of the social field was high. However, since 2021, materiality of economic performance has been relatively lowered, and a variety of material topics have been selected in the economic and environmental fields.

Top 10 Material Topics by Field (5-year)



2022	2021	2020	2019	2018
<ol style="list-style-type: none"> 1 Efficient use of resources 2 Employee health and safety 3 Desirable work environment creation 4 Economic performance 5 Reducing pollutant emissions 6 Management environment response 7 Climate change adaptation 8 New technology development 9 Employee competency building 10 Risk management 	<ol style="list-style-type: none"> 1 Employee health and safety 2 Reducing pollutant emissions 3 Economic performance 4 Efficient use of resources 5 Consumer health and safety 6 Risk management 7 Fair competition 8 Fair performance-based compensation 9 Responsible product management 10 Climate change adaptation 	<ol style="list-style-type: none"> 1 Economic performance 2 Employee health and safety 3 Fair performance-based compensation 4 Responsible product management 5 Consumer health and safety 6 Work and life balance 7 Employee competency building 8 Reducing pollutant emissions 9 New technology development 10 Healthy organizational culture 	<ol style="list-style-type: none"> 1 Management performance (economic performance) 2 Product responsibility (responsible product management) 3 Pollution prevention (reducing pollutant emissions) 4 Risk management 5 Sustainable resource use 6 Employee health and safety 7 Ethical management 8 Working conditions 9 Shared growth 10 Consumer health and safety 	<ol style="list-style-type: none"> 1 Management performance (economic performance) 2 Shared growth 3 Ethical management 4 Product responsibility (responsible product management) 5 Employee health and safety 6 Consumer health and safety 7 Risk management 8 Respect for human rights 9 Working conditions 10 Pollution prevention (reducing pollutant emissions)

KC's Effort for Transparent Value Creation
and Distribution

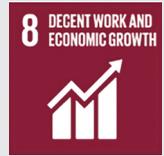
KC's Effort for Environmental Protection

KC's Effort to Fulfill Social Responsibilities

About Business

SUSTAINABLE KC

Related SDGs



KC's Effort for Transparent Value Creation and Distribution

MANAGEMENT APPROACH

It is the most fundamental and traditional duty and responsibility of a company to generate profits and distribute them to stakeholders. KC GreenHoldings is generating profits by organizing business portfolio centering on green environmental businesses. We are also continuously reviewing and investing in new businesses to ensure sustainable and stable economic value creation.

KEY FIGURES

Economic Value Creation in 2021



Revenue
USD **631** million

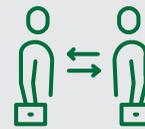


Operating Income
USD **17** million



Profit
USD **8** million

Value Redistribution in 2021



Partners
USD **396** million
62.9%



Employees
USD **121** million
19.2%



Government
USD **10** million
1.7%



Financial assistance
received from government
USD **503** thousand



Shareholders
and Investors
USD **7** million
1.1%



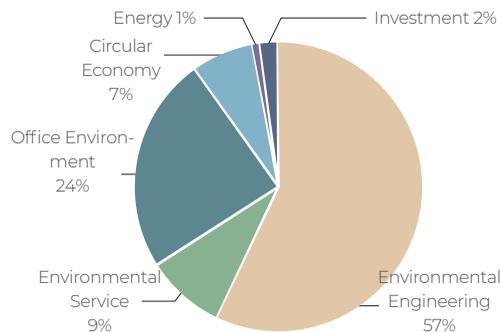
Local Community
USD **5** million
0.8%

Other
USD **91** million
14.4%

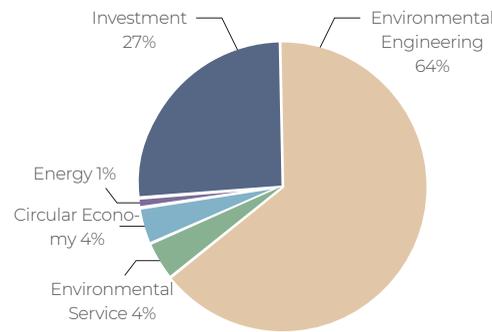
Economic Performance

In 2021, KC GreenHoldings recorded consolidated revenue and profit of USD 631 million and USD 8 million. By business sector, investment business recorded revenue of USD 11 million and profit of USD 3 million. Environmental engineering business recorded revenue of USD 388 million and profit of USD 8 million. Environmental service business recorded revenue of USD 63 million and profit of USD 0.5 million. Office environment business recorded revenue of USD 162 million and loss of USD 4 million. Circular economy business recorded revenue of USD 46 million and profit of USD 0.5 million. Energy business recorded revenue of USD 5 million and profit of USD 0.1 million. The revenue and profits (loss) by business sector include internal revenues and expenses. Therefore, the total amounts can differ from the consolidated revenue and profit (loss).

Ratio to Revenue by Sector



Ratio to Profit by Sector



*Office environment sector is omitted from the graph due to its net loss in 2021.

New Technology Development

In September 2021, the “Framework Act on Carbon Neutrality” was established to lay out the vision for and implementation system of economic and social structural transition to achieve carbon neutrality by 2050. According to this, companies need to develop eco-friendly technologies with which they can more actively participate in the reduction of greenhouse gas emissions, and adapt to the climate crisis situation. KC GreenHoldings and affiliates are also continuously developing technologies to resolve various

environmental issues, and conducting researches with external organizations and other companies, etc.

In 2021, the number of R&D personnel of KC GreenHoldings’ affiliates was 41 in total, and the total amount invested in R&D was USD 1 million.

New Patents Acquired in 2021

Patent Name	Patent Right Holder	Registration Date	Registration No.
1. High flow velocity electrostatic precipitator with prevention of insulator contamination ¹⁾	KC Cottrell	2021.02.15	10-2217626
2. Energy-saving ozone-free electric dust collector for reducing fine dust in subways ²⁾	KC Cottrell	2021.03.22	10-2232586
3. High efficiency energy saving NOx and VOC removal system ³⁾	KC Cottrell	2021.04.05	10-2238253
Wood pellet dust granulation system	Sun Brand Industrial KC Cottrell	2021.07.13	10-2278798
4. Condenser type electric dust collector for reducing white smoke and fine dust ⁴⁾	KC Cottrell	2021.08.02	10-2287037

1) The high flow velocity electrostatic precipitator with prevention of insulator contamination can be easily applied with the direction of its flow and structural symmetry maintained. Through prevention of insulator contamination, durability and safety of the electrostatic precipitator is improved.

2) The energy-saving ozone-free electric dust collector and ventilation system for reducing fine dust in subway can be operated in either natural ventilation or forced ventilation mode. In forced ventilation mode, electric energy used for the electric dust collector operation is saved through variable control. With carbon fiber to suppress ozone generation applied as the discharge tip, this electric dust collector is designed to prevent ozone generation that is harmful to human body even when the discharge tip is corroded.

3) The high efficiency energy saving NOx and VOC removal system can be applied to denitrification facilities to remove nitrogen oxides (NOx) contained in flue gas of various facilities, or used to concurrently remove NOx and VOCs (volatile organic compounds).

4) The condenser type electric dust collector for reducing white smoke and fine dust consumes a relatively smaller amount of energy in comparison to the flue gas cooling type, can decrease pressure loss of flue gas, and remove fine dust contained in the flue gas.

Management Environment Response

The increased environmental interest across the globe has led to changes in the management environment, such as stakeholders' demands diversifying and environmental policies becoming stricter. KC GreenHoldings and affiliates are reviewing M&A and new business development, etc. in order to preemptively respond to the changing management environment.

Environmental Engineering – Won designation as safety management agency

As a general safety consulting company, KC Safety & Technologies employs professional technological human resources and fosters safety management experts in order to lead the safe industrial culture. In November 2021, the company was designated as a safety management agency. For a business establishment with 50 or more employees, a safety manager that assists the business owner or management officer, and provides advice and guidance to the management supervisor in relation to technological details concerning safety at all times must be appointed according to Article 17 of the Occupational Safety and Health Act. This operation can be consigned to a safety management agency. In the industrial safety field, especially, the demand for this service is expected to increase further in line with the enforcement of the Fatal Accidents Act in January 2022, etc.

Environmental Service – Started environmental measuring service

With legal regulations for environment further strengthened, the demand for air and water pollutant measuring and analysis services in industrial sites is expected to increase. KC EnviroServices established KC Environmental Measurement & Analysis, a company that provides environmental management, air quality, water quality, and odor measuring, and the related consulting and management services.

Office Environment – Expanded clean room market

In a clean room, fine floating dust in the air must be kept to an extremely small amount, and the level of cleanliness must be maintained. Applied to various fields including precision machinery, medical and pharmaceutical, and cosmetics plants, the demand for

clean rooms is on the rise as of late. Clestra Hauserman SAS completed M&A with the clean room business sector of Polipanel Group, which has specialized in the designing of clean rooms for over 35 years, and secured a market position based on its industrial competency and product quality. Through the M&A, successful response to the fast growing global clean room market is expected.

Circular Economy – Started automatic flame monitoring and suppression system sale

KC Glass & Materials started a new business to create sustainable value in addition to the existing bottle and glass manufacturing. The automatic flame monitoring and suppression system, KC Glass & Materials' new business item, has been developed through integration of high-performance sensor technology and IT technology for 3D identification of the locations of fire outbreak. It enables efficient control of a fire site as the fire extinguishing nozzle is operated until the fire is completely put out. In addition, equipped with a fully automated fire detection function, this solution ensures swift fire response. The automatic flame monitoring and suppression system is useful in industrial sites that require round-the-clock flame monitoring and automatic suppression. Therefore, the demand is expected to increase in the future.

Energy – Started renewable energy power generation volume prediction service

In October 2021, the government introduced the renewable energy power generation volume prediction system in order to fulfill the goals of power system stabilization and efficient operation. Under this system, the predicted power generation volume is compared with the actual power generation volume every hour, and incentives are paid to the power seller when the difference is 8% or less. KC Solar & Energy successfully completed the second verification using the internally developed big data-based power generation volume prediction program, and thus obtained the qualification to execute the business. Accordingly, KC Solar & Energy has been providing the renewable energy power generation volume prediction service since October 2021. It is expected to be established as a new business item for sustainable income generation.

KC's Effort for Environmental Protection

Related SDGs

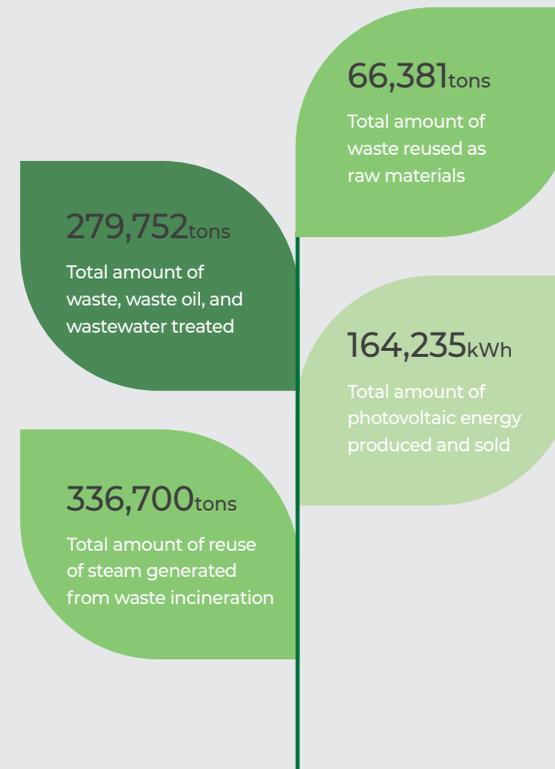
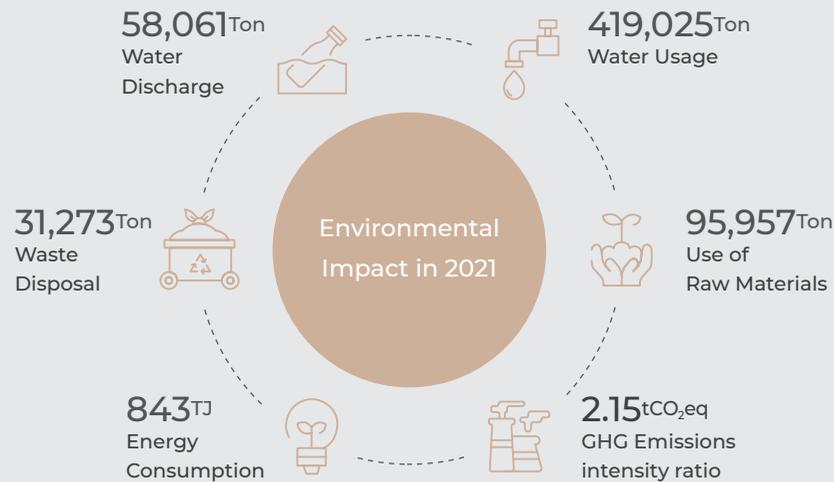


MANAGEMENT APPROACH

Corporate activities exert the largest impact on earth, and, in the modern society, reducing such impact is considered a responsibility of companies along with economic performance. KC Green Holdings and affiliates practice environmental management in order to keep environmental impact to a minimum throughout the business processes, and ensure efficient use of resources.

KEY FIGURES

Environmental Performance in 2021



Environmental Management

KC GreenHoldings and affiliates, engaged in environmental business as environmental specialists, have the responsibility to consider environmental impact that can occur in the course of business operation. The six affiliates of KC GreenHoldings have obtained ISO 14001, the environmental management certification, and control environmental risks by setting environmental management as their corporate management philosophy. Having additionally obtained the CtoC (Cradle to Cradle) certification, ¹⁾Clestra Hauserman SAS is fulfilling its responsibility to ensure environmental safety of and re-source circulation for its products and raw materials used.

ISO 14001 Acquisition in 2021
 KC Cottrell, Lodge Cottrell, KC EnviroServices, KC Glass & Materials, Clestra Hauserman SAS, Clestra Hauserman

Environmental Compliance

KC EnviroServices paid the additional charge of approximately USD 4 thousand in 2021 as the integrated water quality inspection result exceeded the permissible emission level. No other affiliates have paid penalties or received nonmonetary sanctions due to violation of the environment-related laws and regulations.

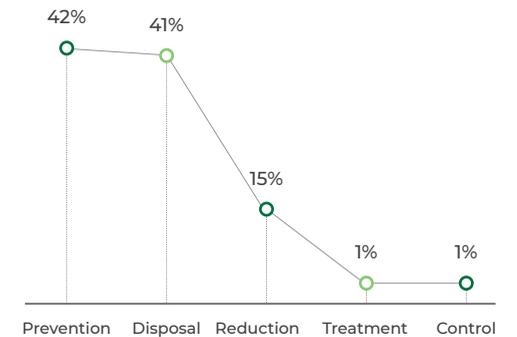
Environmental Assessment of Products

KC EnviroServices and KC Glass & Materials conduct environmental impact assessment on their services and products. No services or products have been determined to have serious environmental impact.

Assessment Target	Assessment Items	No. of times	
KC EnviroServices	Impact on waste treatment	TMS measuring, dioxin level measuring, internal air pollutant measuring, water quality inspection, VOC measuring	12 times (monthly)
		Bad odor measuring (incineration plant, boiler, site boundaries), soil pollution inspection, impact survey in surrounding environment	Four times (quarterly)
	Atmospheric emissions measuring	Ammonia	52 times (weekly)
KC Glass & Materials	Health, water quality, air quality, waste, soil, aversion	All air pollutants excluding TMS	6 times (bi-monthly)
		Dust	Once (yearly)
			Once (yearly)

Environmental Protection Cost

In 2021, KC Green Holdings and affiliates spent a total of USD 6 million in environmental impact minimization. The largest amount of USD 2 million was spent on environmental impact prevention, followed by USD 2 million on waste disposal, etc. The remaining amount was used for environmental impact reduction, control, and waste treatment, etc.



¹⁾ What is CtoC Certification?

CtoC certification is an international standard for products created in a responsible and safe way according to the principle of resource circulation. The certification is given following assessment of the safety and circularity of the product and raw materials used as well as the level of responsibility dedicated to the production in terms of the five sustainability and items below (safety of raw materials, circularity of product, climate and atmospheric protection, water and soil quality stewardship, and social fairness).

Climate Change Adaptation

Climate change has various impacts on the activities of KC GreenHoldings and affiliates. The risks and opportunities resulting from climate change, and adaptation to climate change by business sector are as follows.



Environmental Engineering

Reduction of fossil fuel use

The reduction of fossil fuel use for adaptation to climate change across the globe exerts direct impact on the sales of environmental engineering business sector, which focuses on preventing the discharge of air pollutants generated by fossil fuels. KC GreenHoldings and affiliates are preparing new business items for response to the changing business environment.

Risk



Environmental Service

Temperature rise

The temperature rise has increased the possibility of spontaneous ignition of wastes and health deterioration of workers. In addition, industrial accidents and losses caused by fire have incurred compensation cost. Accordingly, it lowered temperature through water spraying, and prevented dehydration of workers by guaranteeing their break time and providing them with beverages.

Strengthening regulation for GHG

In line with the strengthening of the regulations for greenhouse gas reduction, GHG intensity-related cost has been incurred. It adjusts the amount of intake by waste type according to the emission factors.



Circular Economy

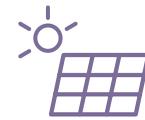
Temperature rise

The temperature rise has exacerbated the indoor working environment, causing deterioration of employees' health and productivity. This incurs the cost of cooling equipment installation, and causes an increase in the cost of cooling/hourishing food purchase.

Opportunity

Fire outbreak

As the frequency of fire outbreak in areas inside and outside of the work areas and facilities, etc. is increasing due to the rapid climate change, the level of interest in fire control facilities for preemptive control of unexpected and large-scale fires is growing. This has also resulted in the cost for advertising the facilities.



Energy

Frequent typhoon occurrence

The increased frequency of typhoon occurrence led to the increased typhoon damage. This, in turn, increased management and administrative expenses, and decreased sales.

Increased insolation

In line with the increased insolation, facilities are inspected during the period of intensive solar radiation

Reducing Pollutant Emissions

In 2021, the amount of wastes generated by business activities of KC GreenHoldings and affiliates was 31,273 tons in total. 29,618 tons were combustion ashes generated from waste incineration, and un-reusable and un-recyclable wastes. These wastes were buried in a landfill. The amounts of recycled wastes, incinerated wastes, and others were 1,534 tons, 111 tones, and 10 tons respectively.

Greenhouse Gas Emission

KC EnviroServices treats wastes that are difficult to be reused or recycled through incineration. Most of greenhouse gas emissions from KC EnviroServices are generated by waste incineration. In addition, KC Glass & Materials generates greenhouse gas in the course of melting cullets for glass bottle manufacturing. KC EnviroServices and KC Glass & Materials control greenhouse gas emissions according to paragraph 5, Article 42 of the Framework Act on Low Carbon, Green Growth. The amounts of greenhouse gas emissions from KC EnviroServices and KC Glass & Materials in 2021 were 256,402tCO₂eq and 32,977tCO₂eq respectively.

Efficient Use of Resources

The total amount of raw materials used by affiliates in 2021 was 95,957 tons. 71,734 tons, approximately 75%, were renewable raw materials. In particular, KC Green Materials contributes to resource circulation through 100% use of coal ash generated from coal burning at coal-fired power plants as the raw material for manufacturing concrete admixture and cement mixing agent. Since the start of the ash recycling business in December 2017, KC Green Materials has achieved 1 million tons of ash recycling in 2021 through efforts such as facility improvement and acquisition of environmental certification of its products.



Related SDGs



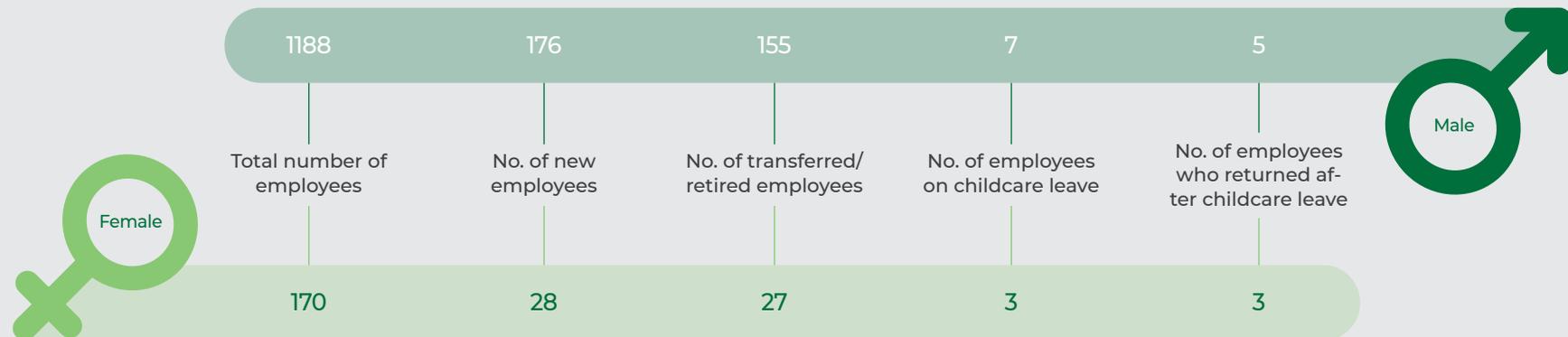
KC's Effort to Fulfill Social Responsibilities

MANAGEMENT APPROACH

In the modern society, companies have the responsibility to bring positive impact to the society by appropriately responding to the stakeholders' demands in their business areas in addition to economic performance and minimization of environmental impact. KC GreenHoldings and affiliates are striving to resolve the issues that concern key stakeholders, which are the employees, local community, customers, and partners.

KEY FIGURES

Employees in 2021



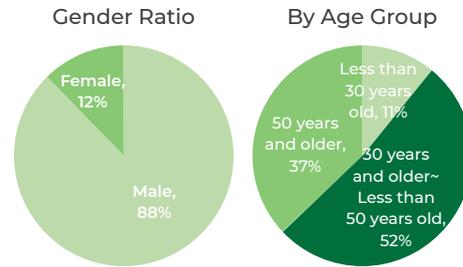
Employees

Employment

It is the responsibility of a company to create quality jobs and maintain employment. KC GreenHoldings and affiliates practice fair employment without discrimination based on the gender, religion, and nationality, etc. of the applicants. All affiliates comply with the Labor Standards Act by implementing the minimum wage system and 52-hour work per week system, etc.

Employees in 2021

As of December 31, 2021, the total number of employees of KC GreenHoldings and affiliates is 1,358. It is divided into 1,188 male and 170 female employees. By age group, the numbers of employees less than 30 years of age, those aged 30 years and older and less than 50 years of age, and those aged 50 years and older are 157, 704, and 497 respectively.



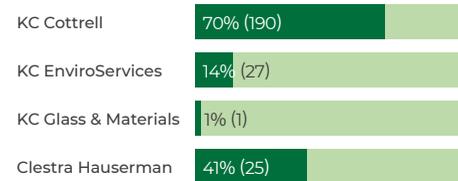
Fair Performance-based Compensation

KC GreenHoldings and affiliates assess the performances and work attitudes of employees over a period of one year with an exception of the employees whose period of continuous service is less than one year. The frequency of and criteria for assessment vary by affiliate, and the assessment result is reflected in the bonus payment, etc. In 2021, 97% of all employees received regular review on their performances and career development.

Labor Union

Four of KC GreenHoldings' affiliates, such as KC Cottrell, KC EnviroServices, KC Glass & Materials, and Clestra Hauserman, have labor unions, and the total number of employees that have joined labor unions is 241.

Labor Union Members by Affiliate



Employee Competency Building

Strengthening employees' competency is the foundation for a company's sustainable growth. KC GreenHoldings provides company-wide education based on an educational system to ensure that the employees and officers build competencies according to their positions, and perform duties successfully. We motivate our employees through humanities lectures, etc. to help them pursue self-development into talents that are capable of meeting the demands of the time. We also support the employees to obtain qualifications necessary for their jobs, organize language education through external agencies, and provide educational programs through KC Academy, etc.

KC GreenHoldings Education System

Position	Common Education	Education by Position	Compulsory Education				
Executive	New employee education	KC Fraternity Project	New executives' course	Education for sexual harassment prevention	Education for personal information protection	Education to improve awareness of people with disabilities	Education on retirement pension
Team Leader			Leadership education for team leaders				
Chief			Education for persons promoted to manager/chief				
Manager							
Assistant Manager			Education for persons promoted to senior staff/assistant manager				
Staff			Growth Mindset				

Education by Position in 2021

Education by Position	Education in 2021	Number of Participants
New executives' course	In 2021, education was not provided as there were no persons subject to the course.	
Leadership education for team leaders	Jun. 30	24
Education for persons promoted to manager/chief	Apr. 27 - 28	18
Education for persons promoted to senior staff/assistant manager	Apr. 20 - 21	11
Education for staff	Oct. 25	19

Humanities Lecture

Since 2021, KC GreenHoldings has been providing humanities and cultural lectures to all employees in order to assist in their understanding of the rapidly changing time and help them develop interest in various fields according to their positions and duties. In 2021, special lecturers titled “Digital Transformation” and “Work as a Team” were provided respectively in the first and second halves of the year.

Sexual Harassment Prevention Education for Position Holders

Through the sexual rights survey KC GreenHoldings conducted on female employees of all affiliates in 2020, many participants requested strengthening of sexual harassment prevention education for position holders. Based on this opinion, we provided sexual harassment prevention education to position holders. Other compulsory education is provided through KC Academy.

Desirable Work Environment Creation

It is also the role and responsibility of a company to create a desirable work environment by improving welfare system and organizational culture. KC GreenHoldings is dedicating efforts to creating an organizational culture that is based on our core values, and improving welfare system.

Open Communication

The prolongation of the COVID-19 pandemic led to various forms of working, such as work from home and telecommuting, and also an increase in non-face-to-face activities through video conferences, non-face-to-face seminar, etc. As a result, communication among the members of an organization has become more important. “Open communication” is one of KC GreenHoldings’ core values. We organized the “KC Talk” to share different values and ideas among participants in order to strengthen communication of the members of KC GreenHoldings and affiliates, and resolve “insufficient information about other generations,” which is considered one of the causes of generational conflict. At the first KC Talk held in May 2021, one or two participants selected from each

affiliate considering the variety including age, gender, rank, etc., discussed and shared their ideas and thoughts about one of the three topics, “organization, system, and culture.” In 2021, KC Solar & Energy held a communication seminar where all employees participated. At the seminar, results of a previously conducted questionnaire survey on communication were shared, and the participants engaged in a free discussion about communication-related conflicts occurring within company. It was also an opportunity for the participants to understand the positions of team leaders and members.

Employee Health and Safety

Health and Safety Certifications in 2021

KOSHA 18001

KC Cottrell, KC Safety & Technologies, KC EnviroServices, KC Glass & Materials, Clestra Hauserman

Risk Assessment Certificate

KC Cottrell

Health and Safety Accidents and Compliance

In 2021, one accident each occurred in KC EnviroServices, KC Glass & Materials, and Clestra Hauserman, resulting in four casualties. In addition, KC EnviroServices paid the penalty of USD 6 thousand as it did not submit the hazard and risk prevention plan, which is a violation of the Occupational Safety and Health Act. Since then, the company has submitted the document and improved the related facilities. There is no other case of accident or violation of the Occupational Safety and Health Act.

Local Community

Corporate Social Responsibility Activities

It is the responsibility of KC GreenHoldings and affiliates to fulfill social responsibilities as expected by stakeholders.

Following 2020 in which implementation of the KC CSR Initiatives was started, we again performed CSR activities in 2021 based on the KC CSR Initiatives. With an exception of safety education of employees, the CSR activities, which were planned for implementation over two – three years with the goal to “Establish CSR as Corporate Culture,” have been fully completed. In particular, the amount of cost saved through the Eco-friendly Office, which has been in implementation since 2020, was partially used as the donation for tree planting, an environmental improvement activity. Through this activity, 50 trees were planted in Mapo-gu, and 100 trees were donated for planting in the Bukhansan National Park in Korea.

Implementation of CSR Activity Plans in 2021

Goal	Plan	Implementation	Details
To resolve environmental issues	Environmental education	Introduce environment-related issues in KC newsletter	○ Q1: Reducing the use of disposable items Q2: Zero-plastic Q3: Importance of food choices for marine ecosystem preservation Q4: Small action for environment
		Produce educational video related environment	○ The New Ways of Emptying – 2 episodes: Emptying smartphone, emptying data storage
	Environmental campaign	Hold environmental campaign	○ January: Reducing carbon footsteps August: Digital emptying campaign
To cooperate with local community	Environmental improvement activity	Plant trees	○ Planting trees at Noeul Park in Sangam-dong
To protect safety and health	Safety education of employees	Hold evacuation drill in preparation for disasters	× Not conducted in order to prevent COVID-19 spread

Job Creation

KC GreenHoldings operates the winter internship program each year targeting university students in order to enhance their understanding of the environmental industry, and provide them with work experiences.

2021 Winter Internship Program	2 persons, Jan. 20 – Feb. 26
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Donations and Supporting Activities in 2021

Amount Donated in 2021	Donation and Support Fields
USD 95 thousand	Community outreach Supporting and sharing with local communities
	Social welfare Donation to help neighbors in need
	Education and learning Supporting educational programs, scholarship, and development fund
	Culture and sports Supporting international sports event and orchestra company
	Environmental conservation Donating to nonprofit organizations, supporting nature protection campaign

Customers and Partners

Responsible Product Management

It is the duty and responsibility of a company to comply with the laws throughout the entire process from production to sale, improve product quality and productivity, and provide accurate information about products. Based on the ISO 9001 certification, the 11 affiliates of KC GreenHoldings guarantee product and service quality from the stage of production to that of sale. In particular, KC Glass & Materials, which manufactures drink bottles, guarantees product safety by obtaining FSSC22000, the food safety management system and conducts health assessment for all glass bottles. As a result of the test in 2021, there were no glass bottles that were judged to have harmful ingredients, and no other related companies evaluated the impact of products or services on consumers' safety and health, or violated legal and autonomous regulations.

Affiliates Certified with ISO 9001
 KC Cottrell, KC Safety & Technologies, KC Cottrell Vietnam, Lodge Cottrell, NWL-Pacific, KC EnviroServices, KC Glass & Materials, KC GreenMaterials, Clestra Hauserman SAS, Clestra Hauserman, KC Solar & Energy

About Business

Holding Business

WHAT WE SOLVE

For efficient and professional management of our affiliates, KC GreenHoldings divides the affiliates into five business sectors, and provides management consulting service. In 2021, with increasing corporate responsibilities for employees' safety, we acquired the shares of KC Safety & Technologies as a subsidiary for precision safety inspection, repair, and maintenance of industrial facilities.



 <p>Environmental Engineering</p> <p>Prevent air pollution from various industrial facilities and transportation means</p>	 <p>Environmental Service</p> <p>Produce energy and fuel from wastes through clean and safe treatment</p>	 <p>Office Environment</p> <p>Create pleasant and eco-friendly office space by producing and installing prefabricated partitions, ceilings, and clean rooms</p>	 <p>Circular Economy</p> <p>Contribute to circular economy by processing wastes to raw materials</p>	 <p>Energy</p> <p>Install and operate solar power plants, and assist in efficient use of energy</p>
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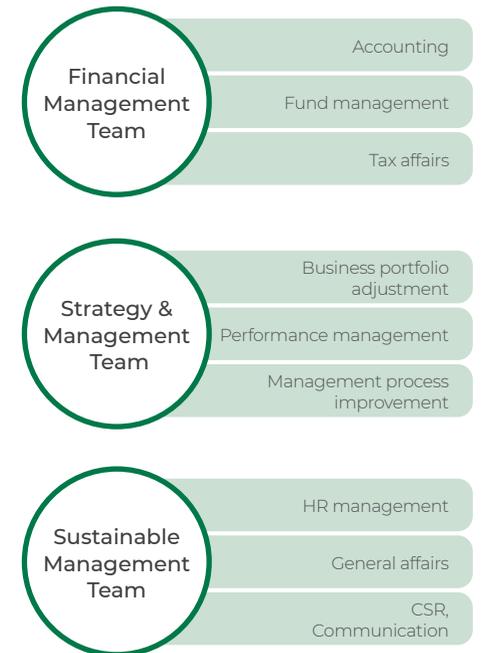
KEY FIGURES

 <p>Operating Income USD 11 million</p>	 <p>Total No. of Affiliates 13</p>	 <p>Operating Profit USD 7 million</p>	 <p>Human Resources 1,358</p>
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*Operating income and operating profit amounts include the amounts of internal transactions in individual financial statements.
*The total number of affiliates includes only the subsidiaries that are KC GreenHoldings' reporting target.

KC GreenHoldings

KC GreenHoldings comprises three teams, which are Financial Management Team, Strategy & Management Team, and Sustainable Management Team. Each team shares information about various issues at hand with the related affiliates to promote stable management of KC Network.



About Business

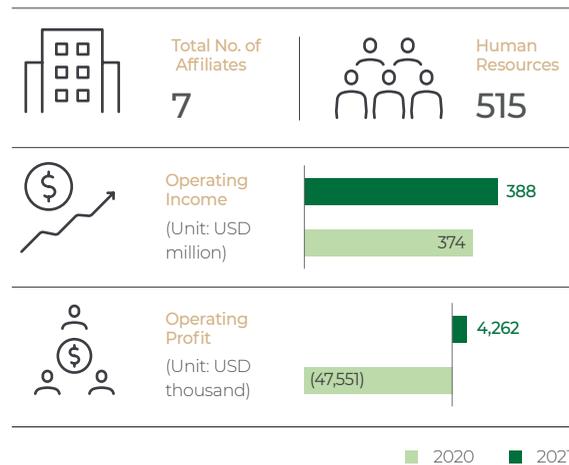
Environmental Engineering

WHAT WE SOLVE

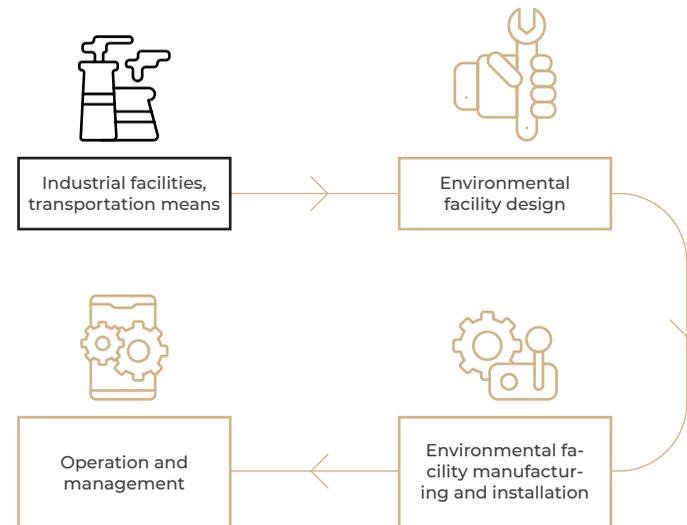
For environmental engineering business, which is to manufacture and install air pollution prevention facilities, KC GreenHoldings has expanded the market by establishing overseas branches in China, U.K, U.S, Vietnam, and India, starting with KC Cottrell in 1973. We are searching for new business models with which we can respond to the transition to carbon neutral society in the future.



KEY FIGURES



VALUE CHAIN



Affiliates



KC Cottrell

CEO: Hyunsoo Kim

Date of Establishment: Jan. 1, 2010
(spin-off at holding company establishment)

It is committed to preventing air pollution by installing products, such as not only electric precipitator to remove particulate matter but also gas treatment facilities to remove SOx and NOx to various industrial facilities.

Subsidiaries: KC Air Filtertech, KCVCS, KC Cottrell Taiwan, KC Cottrell India, KC Cottrell Engineering Service



Lodge Cottrell

CEO: Kevin Bridgewater

Date of Establishment: 1913
(share acquisition in Mar. 2005)

Lodge Cottrell, which succeeded in commercialization of the world's first electric precipitator in 1913, has kept its position in Europe's air pollution control industry for over 100 years. As the European energy market is gradually shifting towards new renewable energy, the company is expanding its business areas to include new renewable energy system, such as biomass.



Nol-Tec Systems

CEO: Todd Larson

Date of Establishment: 1983
(share acquisition in Aug. 2010)

Nol-Tec Systems manufactures facilities to transport, handle, and mix various materials in large quantities using air.

Subsidiary: Nol-Tec Systems Shanghai



Changchun KC Envirotech

CEO: Sungeun Cha

Date of Establishment: Jun. 2002

Having supplied a range of products including electric precipitator, bag filter, desulfurization system, wastewater treatment facilities, and waste incineration facilities, across China, Changchun KC Envirotech, KC Cottrell's Chinese branch, is solidifying its position in China's air pollution control market.



KC Cottrell Vietnam

CEO: Changje Sung

Date of Establishment: Nov. 2008

KC Cottrell Vietnam is the first company specializing in environmental facilities established in Vietnam. To protect the environment of Vietnam, a country with economic growth potentials, this company installs and manages the optimal air pollution control and waste treatment facilities.



NWL-Pacific

CEO: Hyunseok Kim

Date of Establishment: May 1998

NWL-Pacific manufactures rectifier transformer, automatic control panel, and plasma power system, the essential parts of electric precipitator.



KC Safety & Technologies

CEO: Taewoo Kim

Date of Establishment: Feb. 1998
(share acquisition in Apr. 2021)

KC Safety & Technologies improves safety in industrial sites through precision safety inspection, repair, and maintenance of facilities.

Subsidiary: KC Inspection Technologies

About Business

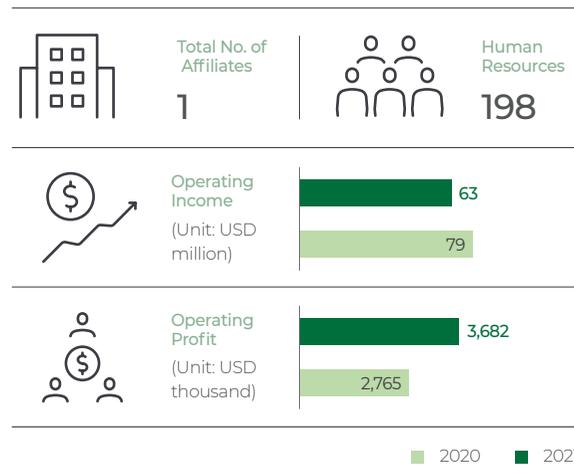
Environmental Service

WHAT WE SOLVE

The goal of environmental service business is to environmental-ly and safely treat various wastes according to their types, such as food wastes, industrial/domestic wastes, sludge, and waste oil, and convert them to bio fuel and energy.



KEY FIGURES



VALUE CHAIN



Affiliates



KC EnviroServices

CEO: Dongho Baek

Date of Establishment: Jun. 2000

KC EnviroServices is expanding its business areas to include production of bio energy, such as woodchips and bio fuel, by producing steam energy through interim treatment of general and designated wastes generated from industrial sites, and recycling wastes to fuel.

Subsidiaries: KC Landfill Service, KC EcoCycle, Eum-seong Biochips, Seongju Biochips, KC GreenEnergy, KC Bio Resources, Lilama EME, Tae Kyung ENG, KC Environmental Measurement & Analysis



About Business

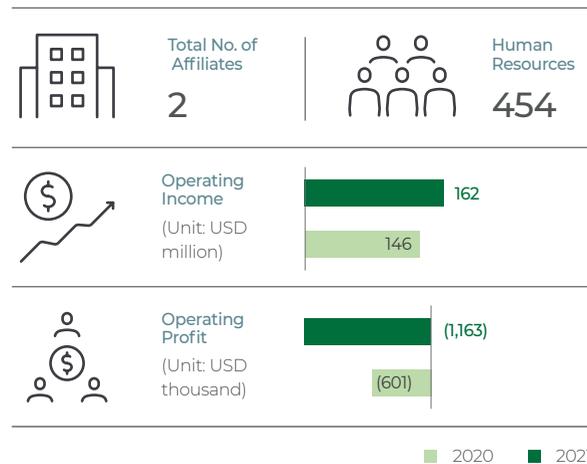
Office Environment

WHAT WE SOLVE

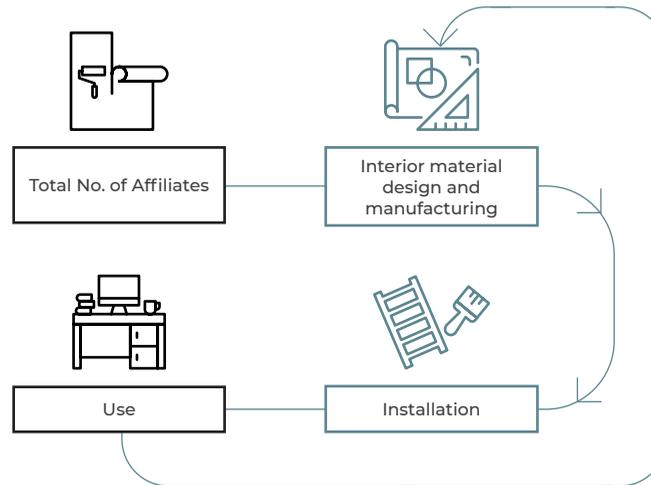
KC GreenHoldings started office environment business through acquisition of the joint venture of Clestra Hauserman, a company manufacturing prefabricated partitions and ceiling materials, in 1997. With the shares of Clestra Hauserman SAS, the head office in France, acquired in 2018, the business is promoted separately in Asian and European regions. Following the clean room business expansion in 2021, we are optimistic about the turnaround in the European market.



KEY FIGURES



VALUE CHAIN



Affiliates



Clestra Hauserman SAS

CEO: Vincent Paul Petit

Date of Establishment: 1913
(share acquisition in Jan. 2018)

Clestra Hauserman, a company creating spaces optimized to customers, specializes in the manufacturing of eco-friendly interior materials to consider not only customers' health, but also the environment that can be installed conveniently through simple assembly.

Plant: France

Subsidiaries: Clestra International, Mecanalu, Clestra USA, Clestra Ltd, Clestra SA – Switzerland, Clestra Hauserman Overseas Contracting, Clestra GMBH, Clestra B.V., Clestra Hauserman SL



Clestra Hauserman

CEO: Gaprae Jo

Date of Establishment: Share acquisition in May 1997

Plant: Korea, China

Subsidiaries: Clestra, Clestra K.K, Clestra (Taichang) Architecture Product

About Business

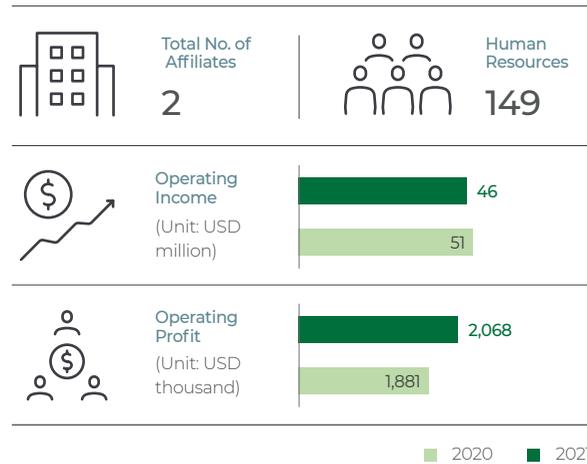
Circular Economy

WHAT WE SOLVE

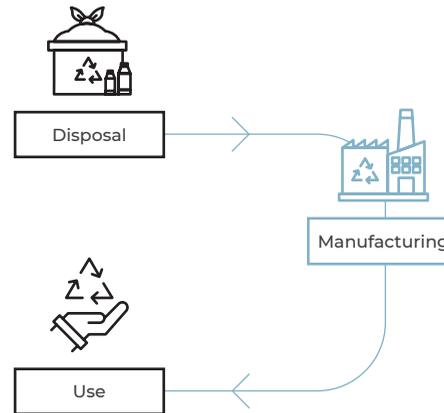
Circular economy business is aimed at assisting in circulation of resources by recycling wastes, such as glass bottles and coal ash from coal-fired power plants, and using them to make new glass bottles and building materials.



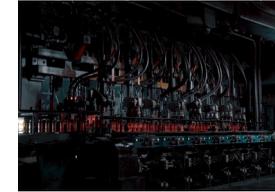
KEY FIGURES



VALUE CHAIN



Affiliates



KC Glass & Materials

CEO: Junki Kang
Date of Establishment: Jun. 1971
(share acquisition in Sep. 2007)

The brown glass bottles produced by KC Glass & Materials are not only environmentally friendly as the rate of reuse and recycling is higher than that of other materials, but also most safe containers to prevent deterioration of contents as they block of ultraviolet rays. KC Glass & Materials also produces state-of-the-art glass frits that are lightweight and have high strength, high heat resistance, and high chemical resistance.

Subsidiary: KC Glass Resources



KC GreenMaterials

CEO: Kisuh Park
Date of Establishment: Apr. 2009

KC GreenMaterials recycles coal ash generated from power plants to make concrete admixture and cement mixing agent through hydration and purification.

About Business

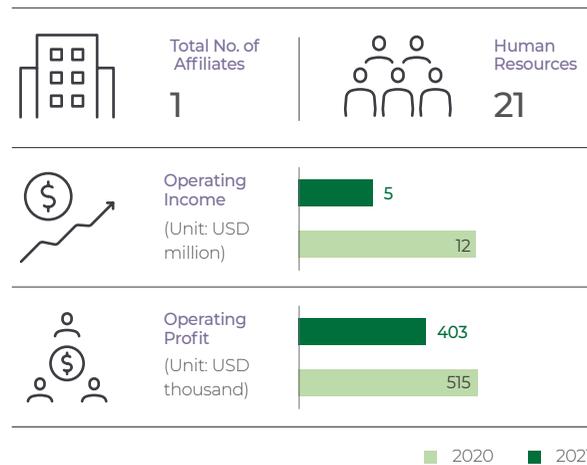
Energy

WHAT WE SOLVE

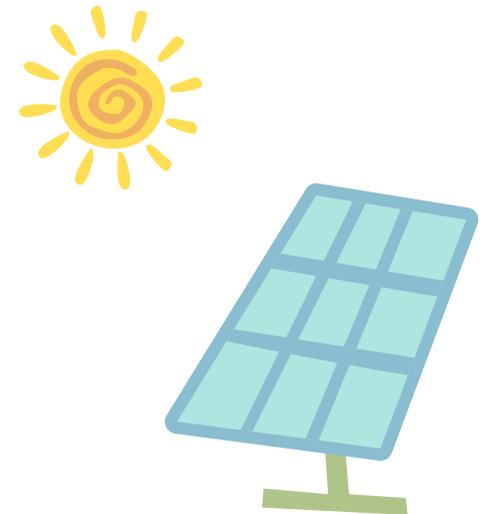
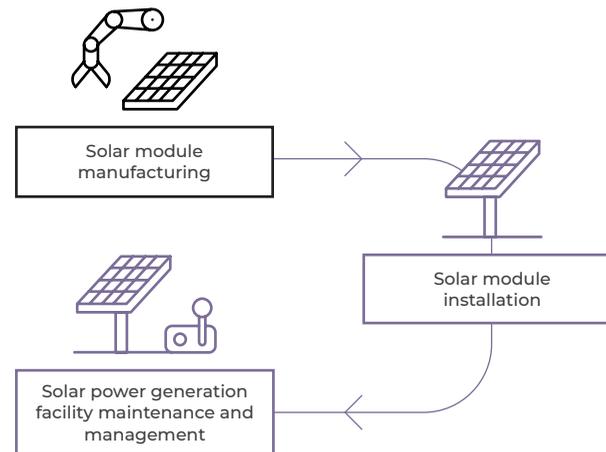
KC GreenHoldings started new & renewable energy business through the establishment of KC Solar & Energy in 2005 to install solar power generation facilities in various sites, such as rooftops of buildings, closed salt farms, parking lots, and offshore areas. We also provide maintenance service to preserve and improve efficiency of the system functions.



KEY FIGURES



VALUE CHAIN



Affiliates



KC Solar & Energy

CEO: Yonghak Kim

Date of Establishment: Nov. 2005

KC Solar & Energy installs power generation facilities ranging from the compact types for residential use to MW class commercial facilities. This company also provides consigned operation and management (O&M) service for the completed solar power plants.

APPENDIX

- Financial Information
- Environmental Impacts Data
- GRI Standards
- External Assurance
- Membership of Associations

Financial Information

Independent Auditors' Report

To the Shareholders and the Board of Directors of
KC GreenHoldings Co., Ltd:

Opinion

We have audited the accompanying consolidated financial statements of KC GreenHoldings Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of KC GreenHoldings Co., Ltd. and its subsidiaries as at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill Impairment Assessment

1) Basis for Key Audit Matter

As noted in Note 13 to the financial statements, as of December 31, 2021, the Group has a total of KRW 49,109 million in goodwill arising from the business combination of subsidiaries. The Group conducted an impairment test for goodwill using the value-in-use calculation based on the discounted cash flow method.

As value in use entails significant judgments and estimates by the Group's management, such as discount rate, growth rate and future cash flow forecast, we judged impairment of goodwill as a key audit item.

2) Procedures for Key Audit Matter

Our procedure for the audit of the estimate of impairment of goodwill includes, among other procedures, the following:

- Consideration of the overall market environment in which signs of impairment can be considered
- Evaluation of the competence and independence of external experts used by the Group to evaluate the value in use of the cash-generating unit
- Determination of cash-generating units of the Group and review of the adequacy of net assets allocated to each cash-generating unit
- Sales estimate through review of internal data such as business plans and available external data and validation of key input variables such as permanent growth rate
- Review the appropriateness of value in use by verifying the accuracy of the evaluation amount calculation

Emphasis of Matter

As noted in Note 23 to the financial statements, the Group won a contract for thermal power plant construction in Long Phu, Vietnam (main contractor, Vietnamese state-owned company, "PVN") from the Russian company PJSC POWER MACHINES ("PM"), and subsequently in progress of construction of dust collection and desulfurization facilities. As of the end of January 2018, PM was included in the list of economic sanctions by the U.S. Treasury Department, and the Company's construction has currently suspended as the fund transaction has frozen. There is no significant progress in construction works during the current period, and as of the end of the current year, the progress rate of the construction is about 78.02% for dust collection facilities and about 54.05% for desulfurization facilities. As of the end of the current year, PVN, the main contractor of construction, is planning the resumption of construction through a contract with the Group after the termination of contract with PM, and most of the dust collection facilities are waiting for delivery. Considering these factors, it is expected that the construction will resume in 2022, but the results of future construction are not predictable. As of the end of the current year, the contract amount for this construction (dust collection and desulfurization facility) is USD 71,371,600, and the contract amount not in progress is USD 26,661,902.48. As of the end of the current year, the ultimate impact of this situation on the Group's financial statements is currently unpredictable.

Other Matter

The consolidated financial statements of the Group for the year then ended December 31, 2020, were audited by another auditor who expressed an unqualified opinion on those statements on March 19, 2021. The Group's financial statements previously reported did not reflect the adjustments described in Note 45. The Company's financial statements for the year ended December 31, 2020, presented herein for comparative purposes, are restated to reflect those adjustments.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jeongwook Kim, Certified Public Accountant.

Seoul, Korea
March 23, 2022

Notice to Readers

This report is effective as of March 23, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statement and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Consolidated Statement of Financial Position

FY 2021 12/31/2021 Current
 FY 2020 12/31/2020 Current
 FY 2019 12/31/2019 Current

	FY 2021	FY 2020	FY 2019
Assets			
Non-current assets	407,716,253,734	412,620,571,259	378,051,318,173
Property, plant and equipment	261,780,587,267	282,556,260,844	248,054,431,101
Investment property	11,706,875,196	11,800,850,724	11,894,826,252
Long-term trade receivables, gross	16,647,364,561	18,153,991,275	18,581,802,804
Investments for related company	17,863,894,511	10,983,387,441	9,037,513,842
Goodwill, gross	49,108,725,279	52,687,153,978	48,553,046,433
Intangible assets other than goodwill	7,226,144,550	6,977,320,937	7,902,166,172
Non-current derivative assets	60,401,838	0	0
Deferred tax assets	0	0	7,504,971,999
Other non-current financial assets	40,005,713,637	28,104,744,814	25,301,270,650
Other non-current non-financial assets	3,316,546,895	1,356,861,246	1,221,288,920
Current assets	498,889,364,693	363,513,113,921	438,092,460,871
Assets held for sale	5,610,112,720	0	0
Inventories	37,838,732,910	37,239,284,384	43,722,632,899
Short-term trade Receivable	113,985,189,106	108,567,465,674	117,355,078,903
Due from customers for contract work	94,283,219,901	60,402,315,243	60,057,431,874
Other current receivables	28,512,734,631	21,061,395,323	74,722,770,374
Current derivative asset	786,590,755	352,238,674	644,582,888
Current tax assets	1,497,872,336	2,486,298,454	975,665,139
Other current non-financial assets	48,781,461,600	43,299,265,261	0
Other current financial assets	8,207,920,456	9,938,594,319	8,288,970,636
Cash and cash equivalents	159,385,530,278	80,166,256,589	132,325,328,158
Total assets	906,605,618,427	776,133,685,180	816,143,779,044

Consolidated Statement of Financial Position

	FY 2021	FY 2020	FY 2019
Equity			
Equity attributable to owners of parent	160,553,743,362	153,213,373,906	179,395,341,883
Issued capital	11,217,490,000	11,217,490,000	11,217,490,000
Elements of other stockholder's equity	50,873,717,212	48,592,952,680	47,692,207,882
Other comprehensive income	17,904,728,601	20,313,418,786	8,831,794,891
Retained earnings	80,557,807,549	73,089,512,440	111,653,849,110
Non-controlling interests	99,412,716,250	76,836,018,917	114,969,760,554
Total equity	259,966,459,612	230,049,392,823	294,365,102,437
Liabilities			
Non-current liabilities	181,434,124,155	204,999,437,648	140,074,181,634
Other non-current provisions	26,093,945,928	46,059,388,239	27,042,662,814
Long-Term trade Payables, gross	18,778,638,972	21,042,451,934	15,742,206,961
Long-term borrowings, gross	100,029,878,662	85,911,339,560	54,847,974,112
Post-employment benefit obligations	8,330,993,370	10,168,915,595	11,775,791,301
Non-current derivative liabilities	3,665,298,994	6,293,976,000	6,823,551,874
Deferred tax liabilities	3,392,632,669	905,357,986	0
Other non-current financial liabilities	19,861,915,364	34,618,008,334	23,841,994,572
Other non-current non-financial liabilities	1,280,820,196	0	0
Current liabilities	465,205,034,660	341,084,854,709	381,704,494,973
Other current provisions	714,469,761	555,365,873	158,333,520
Short-term borrowings	80,265,322,976	99,255,374,016	46,079,450,306
Trade payables	113,486,448,963	77,662,883,934	104,954,803,246
Other current liabilities	62,514,230,293	69,274,335,535	101,460,819,659

Consolidated Statement of Financial Position

	FY 2021	FY 2020	FY 2019
Advance from customers	143,514,230,293	74,578,804,797	96,860,635,518
Current tax liabilities	4,416,639,358	1,172,547,765	8,067,761,975
Current derivative liabilities	10,483,557,618	0	365,548,155
Current portion of long-term borrowings	19,246,936,689	13,186,588,743	18,340,696,868
Other current financial liabilities	5,608,761,137	5,307,287,379	5,324,779,059
Other current non-financial liabilities	24,954,387,172	91,666,667	91,666,667
Total liabilities	646,639,158,815	546,084,292,357	521,778,676,607
Total equity and liabilities	906,605,618,427	776,133,685,180	816,143,779,044

Consolidated Statement of Comprehensive Income

FY 2021 From 01/01/2021 To 12/31/2021
 FY 2020 From 01/01/2020 To 12/31/2020
 FY 2019 From 01/01/2019 To 12/31/2019
 (Unit : KRW)

	FY 2021	FY 2020	FY 2019
Revenue	750,828,321,850	680,448,181,836	698,943,263,197
Sales	742,115,825,118	676,312,993,145	690,285,836,438
Revenue from valuation of associates	7,116,143,314	3,104,920,598	3,669,896,122
Revenue from rendering of services rental	1,596,353,418	1,030,268,093	4,987,530,637
Operating expense	730,424,366,579	728,368,908,355	677,430,856,777
Cost of sales	623,705,607,904	617,194,607,007	558,917,571,090
Loss from valuation of associates	0	560,656,274	1,560,308,038
Selling general administrative expenses	106,718,758,675	110,613,645,074	116,952,977,649
Operating income(loss)	20,403,955,271	(47,920,726,519)	21,512,406,420
Other gains	40,403,744,652	20,140,191,029	27,553,255,270
Other losses	38,130,416,602	36,478,414,893	24,571,268,978
Finance income	915,193,257	1,372,226,265	1,508,463,658
Finance costs	6,440,134,242	5,726,043,601	4,596,984,147
Profit (loss) before tax	17,152,342,336	(68,612,767,719)	21,405,872,223
Income tax expense	7,358,721,261	10,305,401,050	7,077,898,902
Profit (loss)	9,793,621,075	(78,918,168,769)	14,327,973,321
Other comprehensive income	6,703,922,959	1,965,293,293	(1,475,858,799)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	5,795,649,321	1,079,589,433	(2,091,433,447)
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	1,488,765,443	947,574,593	(2,001,699,078)
Revaluation surplus	4,341,921,031	0	0
Profit and loss on valuation of available-for-sale financial assets	(35,037,153)	132,014,840	(89,734,369)
Other comprehensive income that will be reclassified to profit or loss, net of tax	908,273,638	885,703,860	615,574,648
Gains (losses) on exchange differences on translation, net of tax	532,419,908	900,048,625	704,646,790
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	375,853,730	(14,344,765)	(89,072,142)

Consolidated Statement of Comprehensive Income

	FY 2021	FY 2020	FY 2019
Total comprehensive income	16,497,544,034	(76,952,875,476)	12,852,114,522
Profit (loss), attributable to			
Profit (loss), attributable to owners of parent	2,707,505,745	(36,987,172,751)	8,170,592,948
Profit (loss), attributable to non-controlling interests	7,086,115,330	(41,930,996,018)	6,157,380,373
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent	7,277,015,812	(35,447,366,118)	7,116,867,655
Comprehensive income, attributable to non-controlling interests	9,220,528,222	(41,505,509,358)	5,735,246,867
Earnings per share			
Basic earnings (loss) per share	122	(1,672)	369
Diluted earnings (loss) per share	122	(1,672)	369

Environmental Impacts Data

		Unit	2019	2020	2021	
GRI 301 : Materials	Non-renewable raw materials	Ton	14,781	21,169	24,223	
	Renewable raw materials	Ton	420,670	149,431	71,734	
	Total Amount	Ton	435,451	170,600	95,957	
	Ratio of renewable raw materials	%	96.6%	87.6%	74.8%	
GRI 302 : Energy	Fuel energy	TJ	346	367	319	
	Renewable energy	TJ	2	3	-	
	Electric energy	TJ	624	625	524	
	Total Amount	TJ	972	995	843	
GRI 303 : Water	Surface water	Ton	16,355	17,578	10,328	
	Ground water	Ton	103,077	88,862	89,053	
	Municipal water	Ton	174,818	242,313	319,644	
	Recycled water	Ton	84,267	136,291	145,186	
	Total Amount	Ton	378,517	485,044	564,211	
	Ratio of recycled water	%	22%	28%	26%	
GRI 305 : Emissions	Direct GHG(Scope 1)	tCO ₂ eq	307,524	303,015	260,803	
	Indirect GHG(Scope 2)	tCO ₂ eq	26,776	28,497	29,255	
	Total Amount	tCO ₂ eq	334,300	331,512	290,058	
	GHG emissions intensity ratio	tCO ₂ eq/KRW million	1.05	2.09	2.15	
	NOx	Ton	172	120	102.2	
	SOx	Ton	55	83.3	74.4	
	VOC	Ton	0.2	0.5	0.1	
	PM(dust)	Ton	7	10.1	8.9	
	GRI 306 : Effluents and Waste	Effluent	Ton	56,222	107,711	58,061
		Water pollutant emissions	COD	mg/l	94	171
BOD			mg/l	23,986	23,389	69
T-N			mg/l	141	150	155
T-P			mg/l	8	1	2
Waste		Ton	66,671	66,164	31,273	

*From the 2022 Sustainability report, the reporting target has been changed to KC GreenHoldings and its subsidiaries.

GRI Standards

Topic	Standard	Indicators	Pages
Organizational profile	102-1	Name of the organization	11
	102-2	Activities, brands, products, and services	30-36
	102-3	Location of headquarters	11
	102-4	Location of operations	13
	102-5	Ownership and legal form	11
	102-6	Markets served	13
	102-7	Scale of the organization	11
	102-8	Information on employees and other workers	26, 27
	102-9	Supply chain	31, 33, 34, 35, 36
	102-10	Significant changes to the organization and its supply chain	N/A
	102-11	Precautionary Principle or approach	N/A
	102-12	External initiatives	N/A
	102-13	Membership of associations	50
Strategy	102-14	Statement from senior decision-maker	9-10
	102-15	Key impacts, risks, and opportunities	22
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	11
	102-17	Mechanisms for advice and concerns about ethics	12
Governance	102-18	Governance structure	12
	102-22	Composition of the highest governance body and tis committees	12
	102-23	Chair of the highest governance body	12
	102-34	Nature and total number of critical concerns	12
	102-35	Remuneration policies	12
	102-36	Process for determining remuneration	12

Topic	Standard	Indicators	Pages
Stakeholder engagement	102-40	List of stakeholder groups	14
	102-41	Collective bargaining agreements	27
	102-42	Identifying and selecting stakeholders	14
	102-43	Approach to stakeholder engagement	14
	102-44	Key topics and concerns raised	14
Reporting practice	102-45	Entities included in the consolidated financial statements	41-45
	102-46	Defining report content and topic Boundaries	15-16
	102-47	List of material topics	15-16
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	2
	102-51	Date of most recent report	2
	102-52	Reporting cycle	2
	102-53	Contact point for questions regarding the report	2
	102-54	Claims of reporting in accordance with the GRI Standards	2
	102-55	GRI content index	47-48
	102-56	External assurance	49
Management Approach	103-1	Explanation of the material topic and its Boundary	4, 19, 22, 26
	103-2	The management approach and its components	5, 19, 22, 26
Economic Performance	201-1	Direct economic value generated and distributed	19
	201-2	Financial implications and other risks and opportunities due to climate change	24
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	27
Indirect Economic Impacts	203-2	Significant indirect economic impacts	19
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	28

Topic	Standard	Indicators	Pages
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
Materials	301-1	Materials used by weight or volume	22
	301-2	Recycled input materials used	25
Energy	302-1	Energy consumption within the organization	22
	302-4	Reduction of energy consumption	24
Water and Effluents	303-3	Water withdrawal	24
Emissions	305-1	Direct (Scope 1) GHG emissions	46
	305-2	Energy indirect (Scope 2) GHG emissions	46
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	46
Waste	306-1	Waste generation and significant waste-related impacts	25
	306-4	Waste diverted from disposal	25
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	23
Employment	401-1	New employee hires and employee turnover	27
	401-3	Parental leave	26
Occupational Health and Safety	403-1	Occupational health and safety management system	5-7
	403-2	Hazard identification, risk assessment, and incident investigation	28
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5
	403-8	Workers covered by an occupational health and safety management system	6
	403-9	Work-related injuries	28
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	27
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	27
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	29

External Assurance

Independent Assurance Statement

To readers of KC GreenHoldings Sustainability Report 2022

Introduction Korea Management Registrar (KMR) was commissioned by KC GreenHoldings to conduct an independent assurance of its Sustainability Report 2022 (the "Report"). The preparation of the Report is the sole responsibility of the management of KC GreenHoldings. KMR's responsibility is to issue an assurance statement over the limited scope of data and information specified below.

Scope and Standards KC GreenHoldings described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the assurance standard SRV100 of KMR's Global Management Committee to provide a limited assurance. We evaluated the adherence to the principles of materiality and understandability and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index specified below.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the disclosures below for the confirmation.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
 - Management approach of Topic Specific Standards
 - GRI 201: Economic Performance
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 403: Occupational Health and Safety
 - GRI 404: Training and Education
 - GRI 405: Diversity and Equal Opportunity
 - GRI 416: Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of KC GreenHoldings' partners, suppliers and any third parties.

KMR's approach To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the assurance engagement:

- Reviewing the overall Report;
- Reviewing the procedure and methods of materiality assessment;
- Reviewing the strategies and objectives of sustainable management;
- Reviewing the activities engaging stakeholders; and
- Interviewing people in charge of preparing the Report.

Conclusion and Opinion Based on the document reviews and interviews, we had several discussions with KC GreenHoldings on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, nothing has come to our attention to suggest that the Report was not prepared in accordance with the principles described below. We did not find any evidence that the data included in the scope defined above is not properly described.

- Materiality
 - The reporting boundaries of the KC GreenHoldings' Report include all of its operating sites. The Report provides detailed long-term sustainability strategies and targets. KC GreenHoldings relies on its own materiality assessment process to decide the materiality of issues identified by stakeholder communication channels. We could not find any material issue or stakeholder group that was not covered in the process.

- Understandability

- The Report was prepared in the context of sustainability to provide targets for sustainability issues identified by the materiality assessment and the background of the selection and the management approach. It is our opinion that the metrics are specific and easy to compare.

- Reliability

- The Assurance Team identified errors in the data and information provided, which KC GreenHoldings subsequently corrected before issuing the final version of the Report. We believe the data and information included in the Report are accurate and reliable. Nothing has come to our attention to imply that the Report does not provide a fair representation of KC GreenHoldings' responses to material stakeholder issues.

We did not find any evidence to suggest that the Report was not prepared in accordance with the Core Options of the GRI standards.

Recommendations We expect that the KC GreenHoldings' Report can be utilized as a means of communications with stakeholders. The following recommendations are provided for further improvements:

- KC Green Holdings created a special section dedicated to the Occupational Safety and Health Act and the Serious Accidents and Punishment Act, which are major talking points lately, and provided a balanced report on qualitative and quantitative performances including definitions, approaches, and safety technologies to ensure a better understanding and readability for readers. It also tracked and compared priorities and major topics over the past five years to highlight changes. We recommend that the company provide recent three-year data when reporting quantitative performances where possible to improve comparability.

Independence KMR has no other contract with KC GreenHoldings and did not provide any services to KC GreenHoldings that could compromise the independence of our work.

Aug 2nd, 2022

CEO E.J Hwang



SRV1000
Sustainability Committee Assurance

Membership of Associations

KC Green Holdings	Korea International Trade Association, Korea Association for Chief Financial Officers, Seoul Chamber of Commerce and Industry, Korea Listed Companies Association, The National Academy of Engineering of Korea, Korea Academy of Environmental Science
KC Cottrell	Korea Chamber of Commerce and Industry, Environment and Climate Committee, Construction Association of Korea, Korea Mechanical Construction Contractors Association, Korea Electric Association, Korea Electric Engineers Association, Korea Construction Engineers Association, Korea Association of Machinery Industry, Korea International Trade Association, Korea Fire Facility Association, Korea Council on Systems Engineering, Korea Engineering and Consulting Association, Korea Electrical Contractors Association, Federation of Middle Market Enterprises of Korea, Korea Plant Industries Association, Korea Environmental Industry Association, International Contractors Association of Korea, Environmental Preservation Association, Hyundai E&C H-Leaders, Hyundai Steel ECO Partnership, SK Ecoplant ECO Partners
KC Safety & Technologies	Association of POSCO Gwangyang Steelworks Partners, POSCO Gwangyang Regional Partners Council, Specific Facility Inspection Association, Korea Gas Inspection Association, Specialized Inspection Association, Korea Mechanical Construction Contractors Association, Korea Engineering & Consulting Association, Gwangyang Chamber of Commerce and Industry
NOL-Tec Systems	WPCA
KC EnviroServices	Mutual Aid Association, Construction Association of Korea, Chamber of Commerce and Industry (Yeosu, Changwon, Jeonju), Yeosu Industrial Complex Plant Managers Council, Korea Resource Recycling Energy Mutual Aid Association, Korea Water Treatment Association, Association of Enterprises in MFTZ, Korea Environmental Engineers Association (Gyeongsangnam-do, Jeollabuk-do), Korea Fire Safety Association, Korea Electric Engineers Association, Korea Energy Engineers Association, Gyeongsangnam-do Opera Company Support Association, Community Chest of Korea, Jeollabuk-do Environmental Preservation Association, Jeonju Business Environment Council, Jeonju Wanju Industrial Complex Fire Safety Council, Jeonju Industrial Complex Safety and Health Managers Association
Clestra Hauserman	Chamber of Commerce and Industry, Korea International Trade Association, Korea Specialty Contractors Association, Korea Specialty Contractor Financial Cooperative
KC Glass & Materials	Chungnam Northern Chamber of Commerce and Industry, Korean Red Cross, Korea International Trade Association, Korea Industrial Safety Association, Environmental Preservation Association, Korea Fire Safety Institute, Korea Electric Engineers Association, Korea Automatic Bottle Manufacturing Association, Korea Industrial Technology Association, Korea Institute of Ceramic Engineering & Technology, Korea Core Industrial Technology Investment Association, Korea Glass Industry Cooperative, Korea Trade-Investment Promotion Agency, buyKorea
KC GreenMaterials	Korea Power Plant Byproduct Recycling Association
KC Solar & Energy	Korea Photovoltaic Industry Association, Korea Electrical Contractors Association, Korea New & Renewable Energy Association, International Contractors Association, Small-Scale Distributed Energy Resources Trade Association

KC GreenHoldings

