

THINK THE

GREEN

KC GreenHoldings
2024 Sustainability Report

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 2024, the 13th report edition was published.

Reporting Standards	Report target*	Reporting Frequency	Reporting Period	Reporting Criteria	Distribution	Inquiries Related to the Report
GRI Standards 2021	KC GreenHoldings and its domestic subsidiaries (KC Cottrell, NWL Pacific, KC Safety&Technologies, KC Landfill Service, Clestra Hauserman, KC Glass & Materials, KC GreenMaterials, KC Solar & Energy)	Annually	January to December 2023 (including part of the 2024 performance)	Information for a minimum of three fiscal years (Unit: USD, 1USD=1,289.4KRW) Financial data is prepared based on K-IFRS consolidated standards	Full-time disclosure on the KC GreenHoldings website and electronic disclosure system	KC GreenHoldings Sustainable Management Team Email Sustainability@green-kr.com

* Due to the transfer of shares and equity securities of KC EnviroServices, which was a subsidiary of KC GreenHoldings, on February 27, 2024, KC EnviroServices was excluded from the scope of reporting in the 2024 Sustainability Report. To maintain data comparability, environmental and social data from KC EnvrioServices for the years 2021 to 2023 have been excluded from cumulative data. However, the economic data and financial statements reflect the financial performance of KC EnviroServices.

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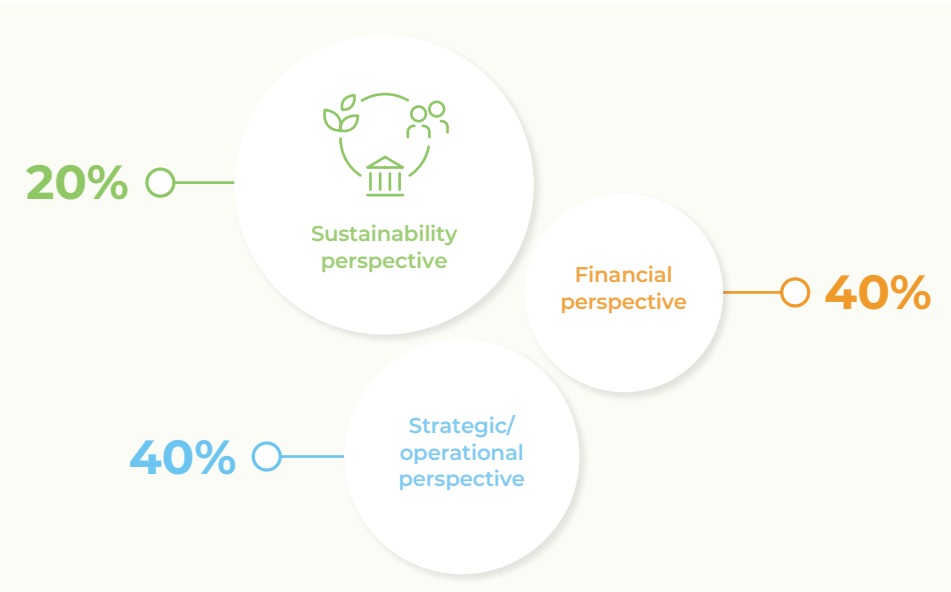
Introducing Sustainability KPIs

KC GreenHoldings introduced Sustainability KPIs (Key Performance Indicators) in 2019 to emphasize sustainable management and to integrate it into the business activities of its affiliates by incorporating sustainability items into their performance evaluation. Comprehensive performance evaluations of affiliates are conducted by combining strategic/operational performance with sustainability management performance evaluation from the previous year's financial performance. The evaluation results are used to reward affiliates for their sustainability management efforts.

Affiliate Comprehensive Scorecard Overview

Evaluated companies: Domestic Subsidiaries
Evaluation period: January through December of the previous year

Comprehensive Performance Evaluation Process of Affiliates



Sustainability Management Evaluation System for Affiliated Companies

The sustainability management performance identifies sustainability items that are particularly important to KC GreenHoldings and its affiliates as common strategic tasks, thereby allowing affiliates to plan detailed activities accordingly.

	Pilot Phase (2019-) Introducing Sustainability KPIs	Settling-in Phase (2022-)	Advanced Phase (2025-)
Sustainability Strategy Tasks	Safety, environment, work-life balance, shared growth	Safety, environment, work-life balance, shared growth	Advanced strategic direction: Setting strategic tasks and planning advanced activities considering the business and capabilities of each affiliate
Evaluation Methods	Post-activity unplanned evaluation approach	Plan sustainability activities for the next year, and then evaluate them accordingly	
	KC GreenHoldings provides consistent evaluation metrics for each strategic task	Changed to allow affiliates to voluntarily establish KPIs for sustainability strategy challenges based on their capabilities	
Evaluation Scoring Methods	Give equal weights (25%) to evaluation items	Changed to allow adjusting the weighting of assessment items to consider the conditions and business characteristics of affiliates	
	Pass-and-fail (P/F) system for safety items	Introduce a scoring system (extra points for external awards, points deducted for safety incidents and legal violations)	

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CEO Message



Greetings, esteemed stakeholders

The year 2023 was marked by ambivalence for KC GreenHoldings. As we celebrated our 50th anniversary, we simultaneously encountered numerous challenges stemming from adverse internal and external conditions. This 2024 Sustainability Report has been prepared to communicate the concerted efforts undertaken by KC GreenHoldings and its affiliates to uphold sustainable management practices amid these difficulties.

We anticipate that the challenging conditions of the previous year will persist into 2024. Nevertheless, KC GreenHoldings views these challenges as critical opportunities for growth. As we aim to evolve into a centennial enterprise, we intend to address these challenges by revisiting our foundational principles.

To begin with, we will thoroughly analyze the underlying causes of the current crisis, assess the risk management frameworks of our affiliates, and enhance our management systems to avert future occurrences. Furthermore, rather than resting on our laurels from the achievements of the last half-century, we will reignite our foundational spirit of innovation and challenge to ascend to new heights. We are also continuously adapting to the rapid advancements and widespread adoption of AI technology. Additionally, in this pivotal era of transitioning to carbon neutrality, KC GreenHoldings plans to utilize its 50 years of experience in the environmental sector to proactively explore new portfolios that contribute to a sustainable planet and society.

We earnestly seek the continued engagement and support of our stakeholders.
Thank you.

June 2024
Taeyoung Lee
CEO and Chairman, KC GreenHoldings

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Company Overview

KC GreenHoldings was established on November 27, 1973 as Korea Cottrell Co., Ltd, a manufacturer of air pollution prevention equipment, and has grown into a company specializing in the green industry through geographical market diversification of air pollution prevention equipment and diversification of environmental businesses. In 2010, to improve management efficiency and establish transparency in corporate governance, the company separated its manufacturing business and converted into a holding company, and through continuous reorganization of its business portfolio, KC GreenHoldings is now engaged in environmental engineering, environmental services, office environment, circular economy, and energy businesses.

Name of the Organization	KC GreenHoldings Co., Ltd.		
Location	11F, 34 Sangamsan-ro, Mapo-gu, Seoul, Korea		
CEO	Taeyoung Lee	Date of Establishment	November 27, 1973
Number of Employees	702 (December 31, 2023)	Shareholding Structure	Taeyoung Lee 31.95%
Business Area	Holding businesses, including management advisory and investment		Sanyeon Co., Ltd. 7.09%
Credit Rating	A0 (Nice D&B, April 21, 2023)		Jaeyoung Lee 6.95%
ESG Rating	B (Sustainvest, 2023) C (KCGS, 2023)	Website	www.kcgreenholdings.com



About Our Business Divisions

Environmental Engineering

Emissions resulting from the combustion of fossil fuels in industrial facilities such as steel mills and power plants and in transportation modes such as ships and subways contain air pollutants. The environmental engineering business designs, manufactures, installs, operates, and manages air pollution control facilities that eliminate or minimize these air pollutants.



Key products and services

- Electrostatic precipitator
- pneumatic conveying systems
- dampers
- safety diagnosis and consulting, etc.
- gas treatment system
- filter bags
- VOC control system

Financial Performance of Environmental Engineering Division (Unit: Million USD)

	2021	2022	2023
Operating Revenue	388	434	473
Operating Income (loss)	4	3	(17)
Net Income (loss)	8	(17)	(27)

*The amount before elimination of internal transactions by business division.

Affiliates

Company Name	Location	Major Subsidiaries
KC Cottrell	12F, 34 Sangamsan-ro, Mapo-gu, Seoul, Korea (Factory) 253, Shingiri, Seoun-myeon, Anseong-si, Gyeonggi-do, Republic of Korea	KC Cottrell India, KC Cottrell Taiwan, Nol-Tec Korea, KC Air Filtertech, KC VCS, KC Cottrell Engineering Service
KC Cottrell Vietnam	23F, MD Complex Tower, My Dinh 1, Cau Dein Ward, Nam Tu Liem District, Ha Noi, Viet Nam	-
Changchun KC Envirotech	No.9576 Donghuancheng Rd., Changchun City, Jilin Province, 130033, P.R China	-
Lodge Cottrell	Trinity Point East Halesowen B63 3HY, UK	-
Nol-Tec Systems	425 Apollo Drive Lino Lakes, MN 55014, USA	Nol-Tec Systems(Shanghai)
NWL Pacific	89-20, Shingiyangchon-gil, Seoun-myeon, Anseong-si, Gyeonggi-do, Republic of Korea	-
KC Safety&Technologies	29, Sineumsandan 1-gil, Okgok-myeon, Gwangyang-si, Jeollanam-do, South Korea	KC Inspection Technologies, TS Inspection

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About Our Business Divisions

Environmental Services

The Environmental Services business division manages the hygienic disposal of industrial waste that is difficult to incinerate or recycle by burying it in a landfill in a sanitary manner.

Key products and services

- sanitary disposal of industrial waste through landfill

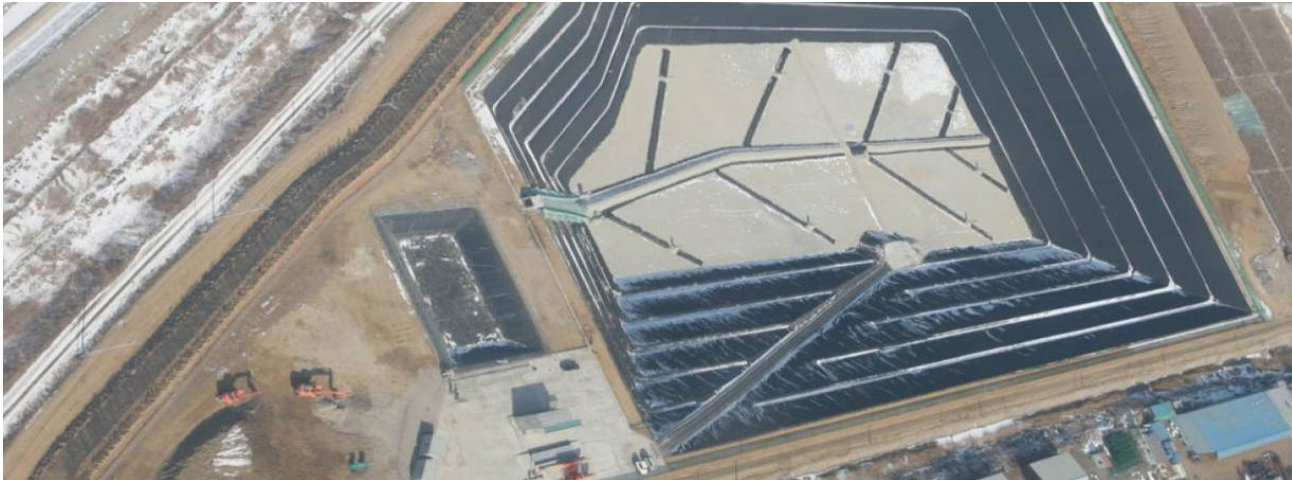
Financial Performance of Environmental Engineering Division (Unit: Million USD)

	2021	2022	2023
Operating Revenue	63	77	82
Operating Income (loss)	4	4	(1)
Net Income (loss)	1	(6)	(17)

*The amount before elimination of internal transactions by business division.
*The financial results of the Environmental Services business division include the financial results of KC EnviroServices, which is not subject to reporting in the 2024 Sustainability Report.

Affiliates

Company name	Location	Major Subsidiaries
KC Landfill Service	118, Eunsupobuk-gil, Songsan-myeon, Hwaseong-si, Gyeonggi-do, Republic of Korea	-
KC Construction	310-75, Jindallae-gil, Yeosu-si, Jeollanam-do, Republic of Korea	-
KC Bio Chip	61-1, Haengje-gil 55beon-gil, Geumwang-eup, Eumseong-gun, Chungcheongbuk-do, Republic of Korea	-
KC Green Energy	48-44, Jageunhansul-gil, Bibong-myeon, Cheongyang-gun, Chungcheongnam-do, Republic of Korea	-



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Office Environment

Our Office Environment business not only builds environmentally sound office spaces where we spend the most time of the day, but also designs interiors with our users' health in mind.

Key products and services

· movable partitions · office interiors · cleanrooms, and more

Financial Performance of Environmental Engineering Division (Unit: Million USD)

	2021	2022	2023
Operating Revenue	162	109	31
Operating Income (loss)	(1)	(6)	0.2
Net Income (loss)	(4)	(3)	1

*The amount before elimination of internal transactions by business division.
*The financial performance for 2021 and 2022 includes the results of Clestra Hauserman SAS. However, due to the sale of Clestra Hauserman SAS shares in 2022, the financial performance of this entity is excluded from the 2023 results.

Affiliates

Company name	Location	Major Subsidiaries
Clestra Hauserman	11F, 34 Sangamsan-ro, Mapo-gu, Seoul (Factory) 20, Okgye 2-gongdan-ro, Gumi-si, Gyeongsangbuk-do	Clestra Hauserman Ltd. (Hong Kong), Clestra K. K (Japan), Clestra Hauserman (Taicang) Architectural Product



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Circular Economy

As the earth's resources are limited, they must be utilized efficiently. The Circular Economy business division contributes to resource circulation through projects that utilize waste resources as raw materials to make new products.

Key products and services

- glass bottles
- eco-friendly construction materials

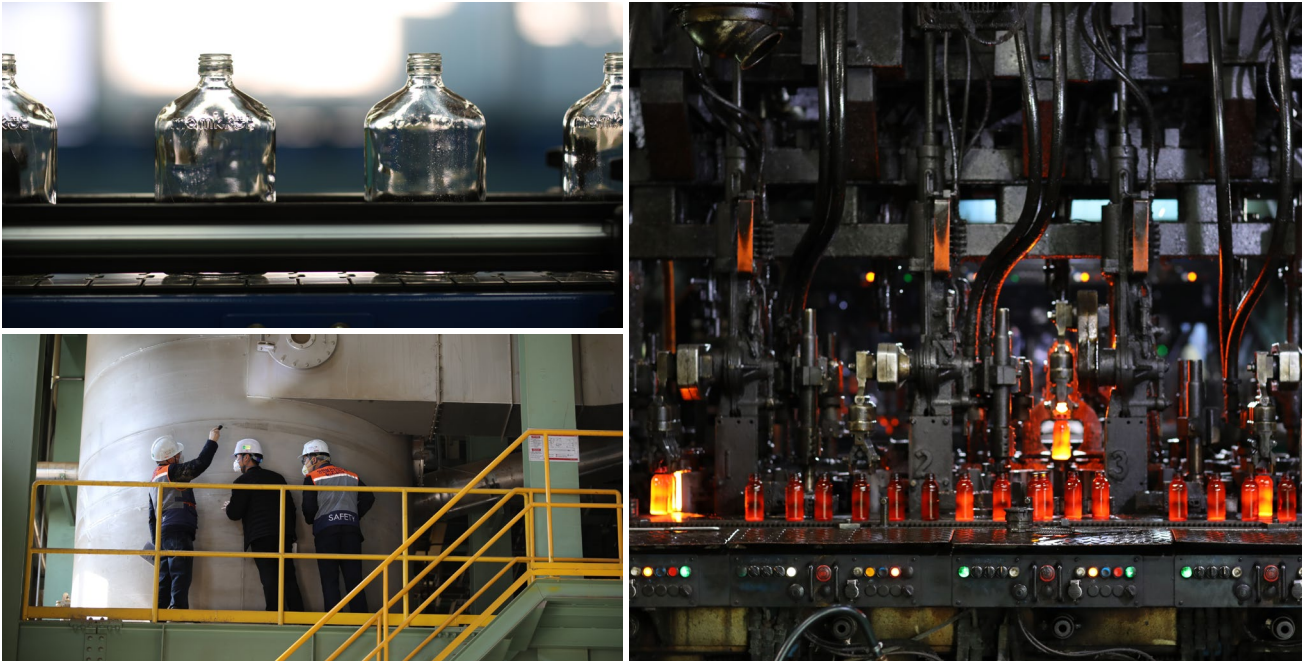
Financial Performance of Environmental Engineering Division (Unit: Million USD)

	2021	2022	2023
Operating Revenue	46	45	49
Operating Income (loss)	2	3	2
Net Income (loss)	1	(1)	(3)

*The amount before elimination of internal transactions by business division.

Affiliates

Company name	Location	Major Subsidiaries
KC Glass & Materials	1105 Seongjin-ro, Seobuk-gu, Cheonan-si, Chungcheongnam-do	KC Glass Resources
KC GreenMaterials	373, Imgok-ro, Gangdong-myeon, Gangneung-si, Gangwon-do	Samcheok Eco Construction Materials



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About Our Business Divisions

Energy

All human activity requires energy, but resources to generate energy are limited and energy production has many significant environmental impacts. The Energy Business division generates energy without harming the environment.

Key products and services

- solar panel installation
- solar power generation and sales
- solar power plant maintenance and management

Financial Performance of Environmental Engineering Division (Unit: Million USD)

	2021	2022	2023
Operating Revenue	5	7	8
Operating Income (loss)	0.4	1	1
Net Income (loss)	0.1	1	1

*The amount before elimination of internal transactions by business division.

Affiliates

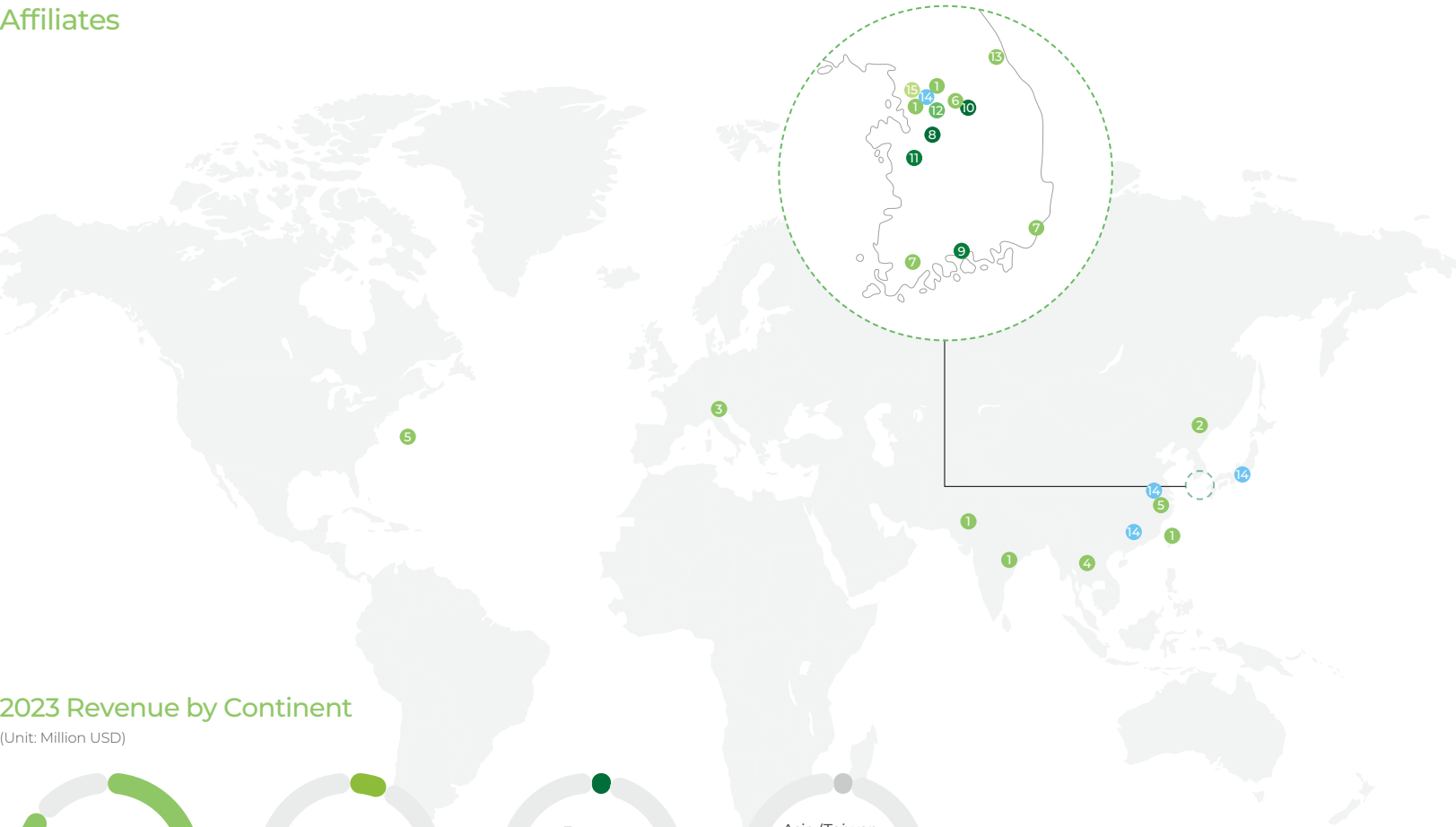
Company name	Location	Major Subsidiaries
KC Solar & Energy	11F, 34 Sangansan-ro, Mapo-gu, Seoul, Korea	-



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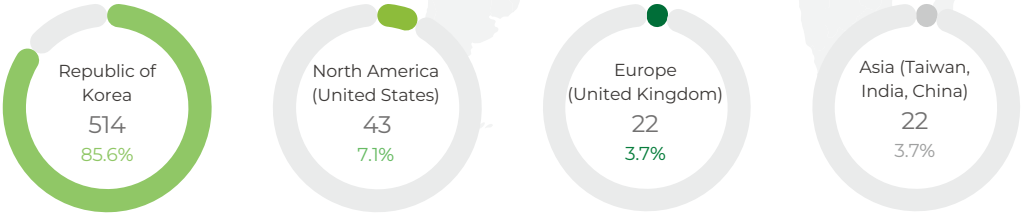
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2023 Revenue by Continent

(Unit: Million USD)



*In the 2023 Revenue by continent, discontinued operations revenue of USD 59 million is included.

Environmental Engineering

- 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
- 7-2. TS Inspection

Environmental Services

- 8 KC Landfill Service
- 9 KC Construction
- 10 KC Bio Chip
- 11 KC Green Energy

Circular Economy

- 12 KC Glass & Materials
- 12-1. KC Glass Resources
- 13 KC GreenMaterials

Office Environment

- 14 Clestra Hauserman
- 14-1. Clestra
- 14-2. Clestra K.K
- 14-3. Clestra Hauserman (Taichang) Architecture Product

Energy

- 15 KC Solar & Energy

* The status of affiliates includes only subsidiaries and grandchildren companies of KC Green-Holdings.

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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 2023, a total of 25 BOD meetings were held and 25 agenda items were presented for approval. The average attendance rate of outside directors and auditor was 100%.

Director and Auditor Composition (As of April 2024)

Type	Name	Experience	Appointment	Gender
Inside Directors	Taeyoung Lee (Chairman)	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)	March 2024	Male
	Jongkyu Kim	Currently, COO of KC GreenHoldings Seoul National University, (BA in business administration)	March 2024	Male
Outside Directors	Hankyung Lee	Currently, CEO of Echo & Partners Currently, Korea Credit Guarantee Fund ESG Committee Member Currently, member of the 5th Advisory Board of the National Institute of Ecology under the Ministry of Environment (ESG) Currently, member of the Environmental Education and Training Council of the National Environmental Human Resources Development Institute under the Ministry of Environment Sogang University (MA in business) Konkuk University (BA in Chemical Engineering)	March 2023	Female
Auditor	Haengmin Kwon	Formerly, CEO of KT Powertel Formerly, CEO of KTF KAIST (MA in Business Administration) Seoul National University (BA in Business Administration)	March 2023	Male

Assessment and Renumeration

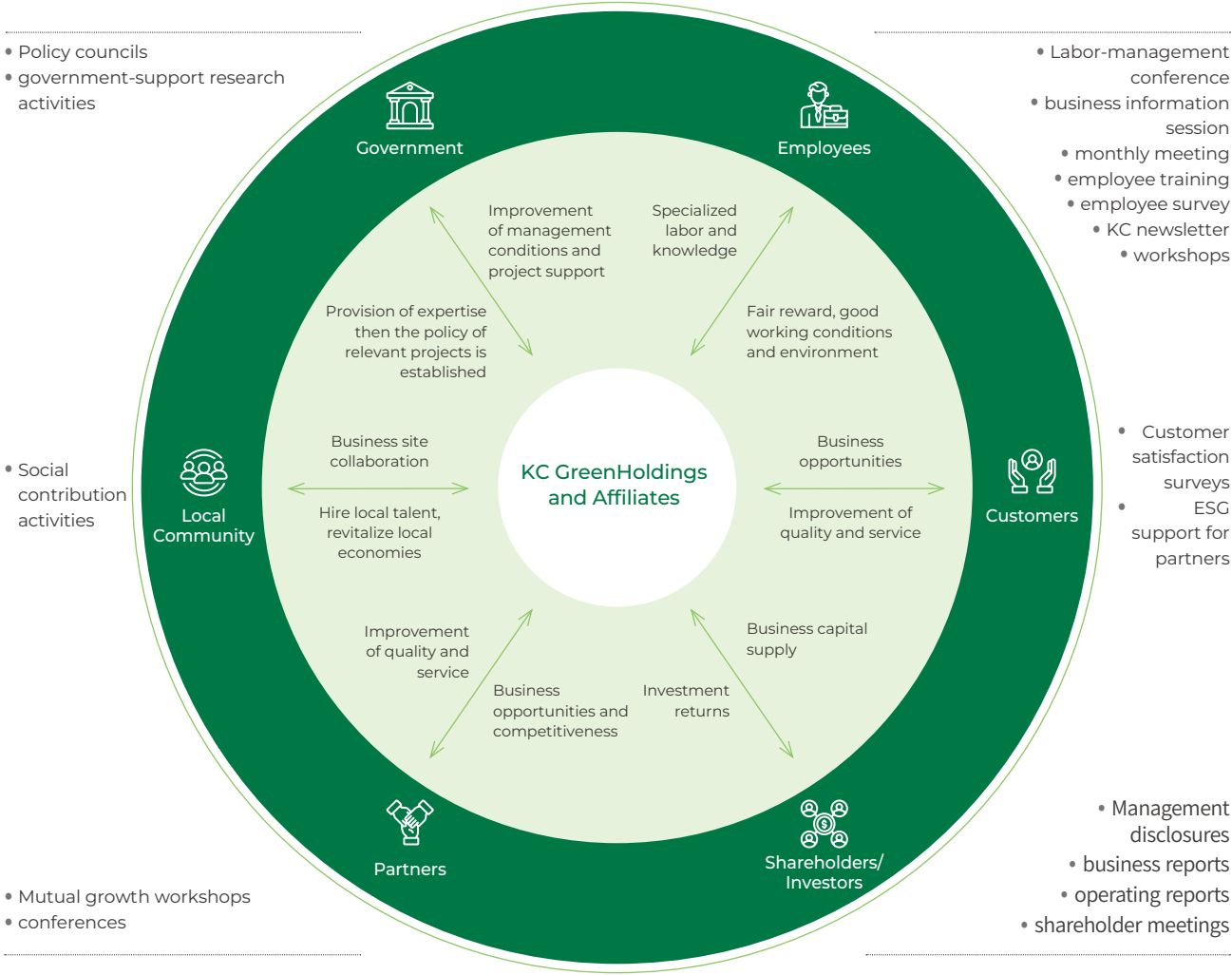
The remuneration of directors and auditor was paid in amounts calculated by adding basic salaries and performance bonuses according to financial and nonfinancial performances of the organization within the upper limit of annual remuneration approved at the general shareholders' meeting in March 2023. The upper limit of total remuneration for the four directors and auditor approved by the BOD in 2023 was USD 1,939 thousand, and the amount actually paid in 2023 was USD 539 thousand.

(Unit: Million USD)				
Type		No. of Persons	Upper Limit of Total remuneration	Amount Paid
Director	Inside Directors	2	1,511	473
	Outside Directors	1		33
Auditor	Auditor	1	388	33

Stakeholder Engagement

Stakeholders of KC GreenHoldings and Its Affiliates

KC's stakeholders are defined as groups that either influence or are influenced by the management activities of KC GreenHoldings and our affiliates including customers, employees, local communities, partners, shareholders/investors, and government agencies, and engage them through the following activities.



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Materiality Assessment




KC GreenHoldings has been reporting sustainable management topics that are considered significant to the stakeholders, and we have been conducting a materiality assessment to systematically manage the material topics. In particular, the 2024 materiality assessment specifically applied the Double Materiality assessment method. This method considers both financial materiality, which examines the impact of changes in the environment and society on the company, and environmental and social materiality, which evaluates the impact of the company's business activities on society and the environment.

Step 1 Lay out issues

GRI Standards 2021 and ISO26000 and the 2024 business plan have been reviewed to lay out 25 topics that considered KC GreenHoldings and affiliates.

Step 2 Conduct materiality surveys

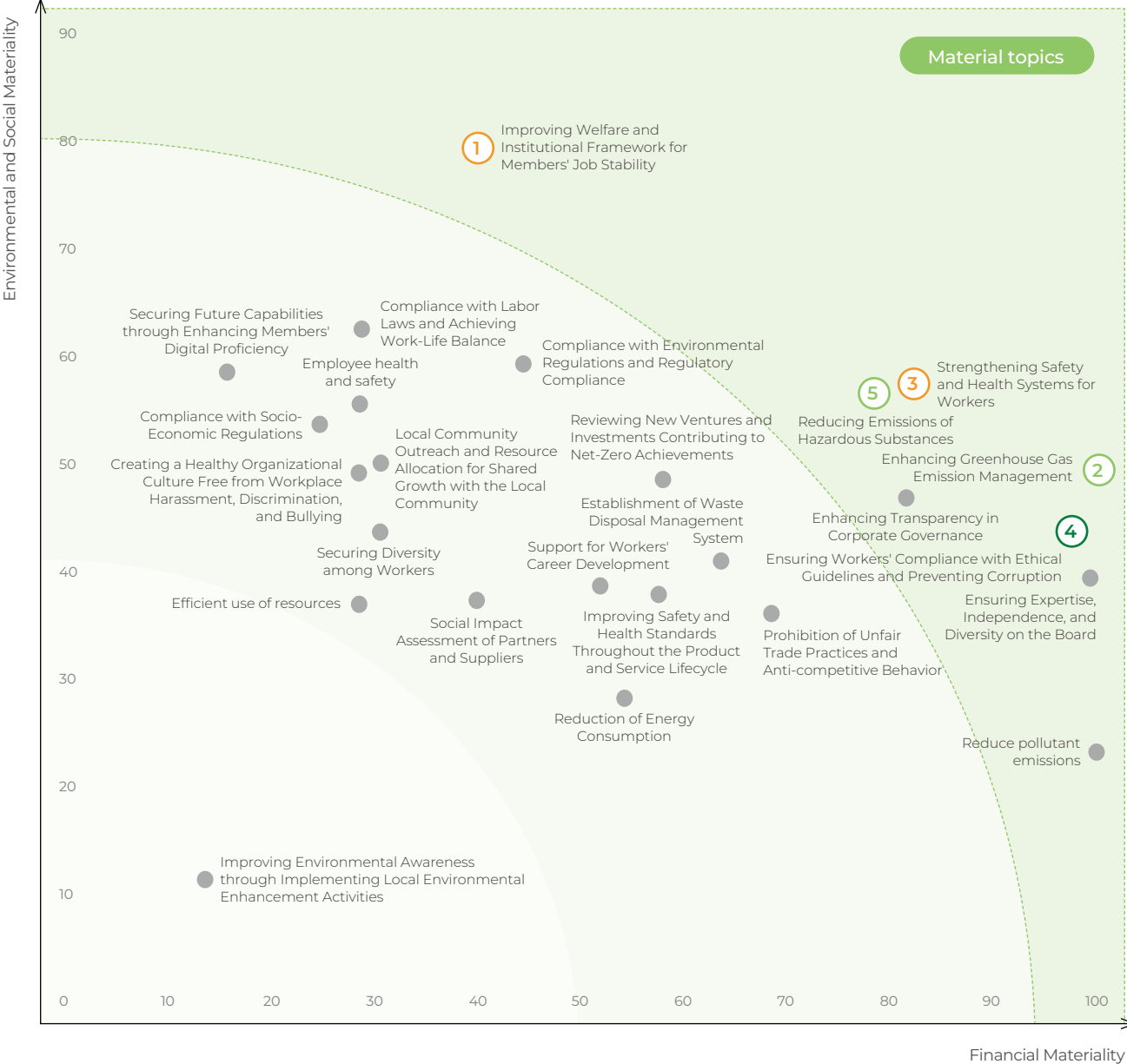
A total of 94 issues has been categorized and narrowed down to 25 topics in three areas (economy, environment, and society), based on which a materiality survey was conducted on external stakeholders and employees.

Target	Survey Duration	Survey Methods	Number of Respondents
<div></div> <div>Shareholders</div>		<div>· Mail</div> <div>· Website pop-ups</div> <div>· SNS</div>	42
<div></div> <div>External Stakeholders</div>	January 24 to February 7, 2024 (two weeks)	<div>· Website pop-ups</div> <div>· Instagram</div>	25
<div></div> <div>Employees</div>		<div>· Groupware announcements</div>	70

Step 3 Select material topics

To understand the financial significance of environmental and social changes to the company, conducted a survey targeting shareholders and investors to determine the topics they consider most important. We also analyzed external norms such as GRI Standards 2021 and ISO26000. To assess the environmental and social significance of KC GreenHoldings and its affiliates' business activities on society and the environment, conducted surveys among external stakeholders, executives, and employees, excluding shareholders and investors. We draw the top 5 topics by combining financial materiality (x-axis) and environmental and social materiality (y-axis).

- Social ●
- Environment ●
- Economy ●



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Material Topics Ranking

1	Improvement of benefits and systems for employee job security	Year-over-year ▲ 3 Financial Materiality 15th Environmental and Social Materiality 1st Reporting Page 26-27 GRI disclosures 401
2	Better management of greenhouse gas emissions	Year-over-year NEW Financial Materiality 1th Environmental and Social Materiality 10st Reporting Page 23 GRI disclosures 305
3	Strengthening health and safety systems for employees	Year-over-year ▼ 2 Financial Materiality 5th Environmental and Social Materiality 6st Reporting Page 27-28 GRI disclosures 403
4	Ensuring member compliance with the code of conduct and preventing corruption	Year-over-year ▲ 4 Financial Materiality 4th Environmental and Social Materiality 14st Reporting Page 29 GRI disclosures 205
5	Reducing pollutant emissions	Year-over-year - Financial Materiality 7th Environmental and Social Materiality 5st Reporting Page 24 GRI disclosures 306

Step 4 Analysis of material topics

The 2024 materiality assessment showed that improvement of welfare and systems for employee job security was selected as the most material and influential topic. This reflects the growing social awareness and demand for job stability amid increasing uncertainty in the business environment. In particular, the strengthening of greenhouse gas emission management was selected as a new material topic in 2024, reflecting the social demand for reducing greenhouse gas emissions in response to the escalating global climate crisis. Other material topics for 2024 are similar to those of the previous year.

Step 5 Report material issues

The materiality assessment results were reviewed by the executives of KC GreenHoldings.

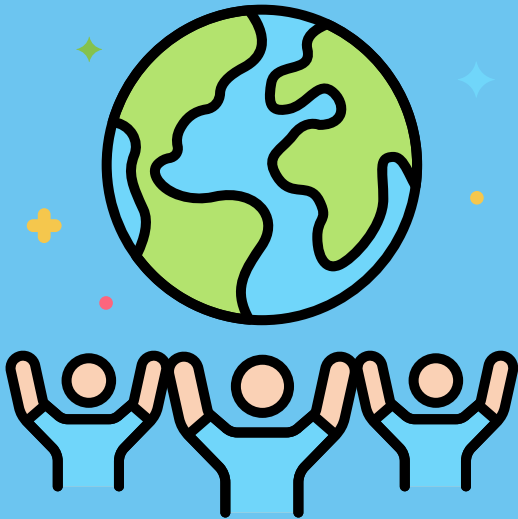
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Economic Performance



Creating Economic Value

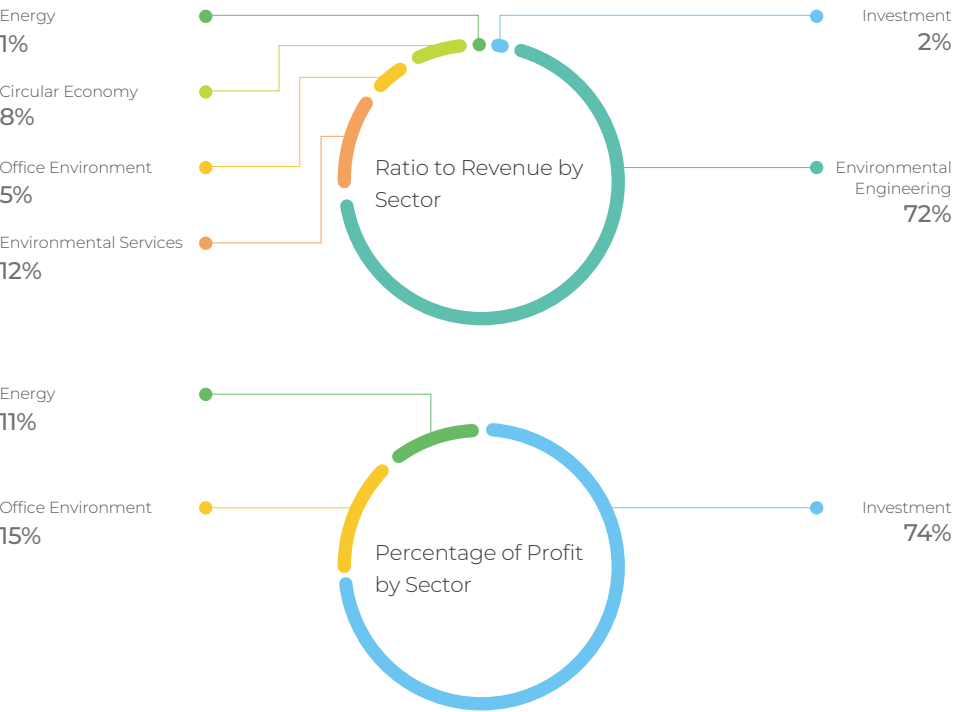
Creating economic value and distributing it to stakeholders is considered the traditional purpose of a company's existence. In 2010, KC GreenHoldings transitioned to a holding company system to help its affiliates operate professionally and efficiently.

Economic Performance in 2023 (consolidated)

<div>Operating Revenue</div> <div>542</div> <div>Million USD</div>	<div>Operating Income (loss)</div> <div>(23)</div> <div>Million USD</div>	<div>Net Profit (loss)</div> <div>(43)</div> <div>Million USD</div>
<div>Total Assets</div> <div>711</div> <div>Million USD</div>	<div>Total Debt</div> <div>544</div> <div>Million USD</div>	<div>Total Equity</div> <div>167</div> <div>Million USD</div>

2023 Economic Performance (by business sector)

By business sector, the Investment business recorded revenue of USD 11 million and profit of USD 4 million. Environmental Engineering business recorded operating revenue of USD 473 million and loss of USD 27 million. Environmental Services business recorded revenue of USD 82 million and loss of USD 17 million. Office Environment business recorded revenue of USD 31 million and profit of USD 1 million. Circular Economy business recorded revenue of USD 49 million and loss of USD 3 million. Energy business recorded revenue of USD 8 million and profit of USD 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)



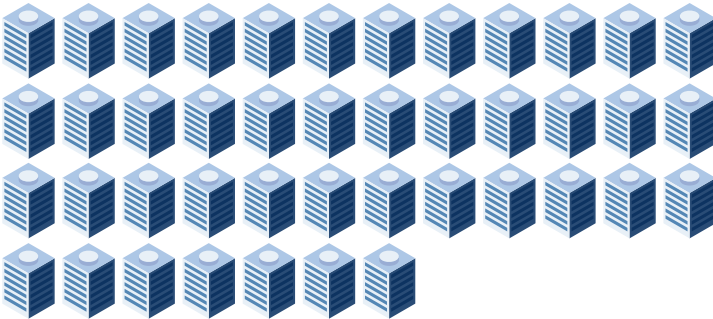
*The Environmental Engineering, Environmental Services, and Circular Economy business divisions are missing from the share of net income by business segment graph because they incurred a net loss.

2023 Value Redistribution

(Unit: Million USD)

Partners

426
78.6%



Employees

85
15.7%



Shareholders,
investors

19
3.6%



Government

8
1.5%



Local Community

0.1
0.0%



*The percentage(%) below the amount is the ratio of consolidated operating revenue.

Risk Management

It is important to identify and proactively manage potential risks in order to grow as a sustainable company. KC GreenHoldings manages financial risks through the internal accounting management system and manages ESG risks of affiliates through the affiliate Sustainability KPIs.

Internal Accounting Management System

KC GreenHoldings has introduced an internal accounting management system to ensure that employees actively practice the internal accounting management system, and since 2023, the implementation of the internal accounting management system is also evaluated during performance reviews.



Business Environment Response

Responding to the constantly changing business environment is essential for sustainable growth. KC GreenHoldings is constantly reviewing its business portfolio to respond to changes in government regulations and policies, as well as changes in the environmental industry market, and social needs.

Circular Economy Business - White Glass Bottle Production

When recycling glass bottles, the collected bottles are sorted by color, such as brown, green, and white, and then crushed. Following the production of glass bottles using brown and green cullet, KC Glass & Materials completed the construction of Furnace 3 in 2023, dedicated to producing white glass bottles, along with the expansion of mechanical facilities. The addition of the latest machinery will not only enhance production efficiency but also contribute to improving the recycling rate of recycled glass through increased production of white glass bottles.

Developing New Technologies

KC GreenHoldings established a technology research institute in 1992 with the intention of localizing technology and achieving self-reliance. Since then, KC GreenHoldings' affiliates have been continuously developing technologies and conducting research collaborations with external institutions and other companies to respond to various environmental issues. As of 2023, KC GreenHoldings' affiliates employed a total of 18 R&D personnel and invested a total of USD 2 million in R&D, while government subsidies received in connection with R&D activities amounted to USD 1 million.

Research Personnel by Affiliate



2023 Newly Granted Patents

Patent Name	Patent Right Holder	Registration Date	Registration No.
Comprehensive gas treatment system for desulfurization and denitrification of flue gas from coke ¹⁾	KC Cottrell	May 9, 2023.	10-2530890
Dust Collector Cleaning Unit for Electrostatic Precipitators ²⁾	KC Cottrell	June 13, 2023	10-2544299
Air conditioning system with low ozone electrostatic precipitator and dry-cleaning unit ³⁾	KC Cottrell	June 30, 2023	10-2618104

1) The comprehensive gas treatment system for desulfurization and denitrification of flue gas emitted from coke can efficiently and reliably remove sulfur oxides, nitrogen oxides, and dust simultaneously. It is highly efficient because the flue gas from coke can be desulfurized, dust collected, denitrified, and discharged while moving through the duct, and then replaced, cleaned, and maintained without interrupting the operation of the entire system.

2) We have improved the structure of the dust collector cleaning device to effectively and quickly clean and remove fine dust from the dust collector plates of large electric dust collectors installed in public places such as subways and train stations.

3) The amount of ozone generated can be reduced, dust adsorbed on the electrostatic precipitator can be automatically dry-cleaned to maintain dust collection performance for a long period of time, and the structure has been improved so that sparks or arcs do not easily occur even if impurities are adsorbed on the dust collector plate.

Environmental Performance



Enhanced greenhouse gas emission management Material Topic ②

Since the signing of the Paris Agreement on Climate Change in 2015, South Korea declared "2050 Carbon Neutrality" by 2020 and enacted the "Carbon Neutrality Basic Act" in 2021 for implementation. In accordance with its 2030 national greenhouse gas reduction targets, companies are actively striving for short-term emissions reductions and long-term net-zero goals.

In 2023, KC GreenHoldings and its affiliates emitted greenhouse gases as follows: direct emissions (Scope 1) were 20,193 tCO₂eq., and indirect emissions (Scope 2) were 18,158 tCO₂eq. The main emitters were KC Glass & Materials, which emitted 19,712 tCO₂eq. of direct emissions and 17,034 tCO₂eq. of indirect emissions. Clestra Hauserman, due to challenges in analyzing energy efficiency and consumption per process and identifying energy waste factors, supported the establishment of carbon-neutral smart factory projects in 2023 but was not selected. However, they plan to continue exploring greenhouse gas emission management strategies, including inventory building and supporting smart factory projects in the future.

Reducing Pollutant Emissions Material Topic ⑤



Companies need to fulfill their responsibilities to the community and the environment by reducing pollutants emitted from their business activities. KC GreenHoldings' affiliates regularly measure and aggregate the pollutants they emit to manage their environmental impact.

In 2023, KC GreenHoldings and its affiliates emitted a total of 80 tons of air pollutants from business activities, 22,334 tons of wastewater, and 52 tons and 40,000 liters of waste.

Introduction of the Allbaro system

KC Cottrell, KC Glass & Materials, and Clestra Hauserman adopted the Allbaro system in 2023 to manage waste emissions. The Allbaro system enables the automatic management of the entire process of waste discharge, transportation, and final disposal in real time. Its advantages include ensuring transparency in waste discharge and management through proper waste disposal, as well as effectively managing environmental pollution caused by waste in the workplace.



Resource Usage

It is important for companies to use finite resources efficiently to minimize negative impacts on the environment and provide sustainable products. The resources used by KC GreenHoldings' affiliated companies are mainly used to construct facilities that prevent environmental pollution or to manufacture products with reusable raw materials.

Raw Materials Usage

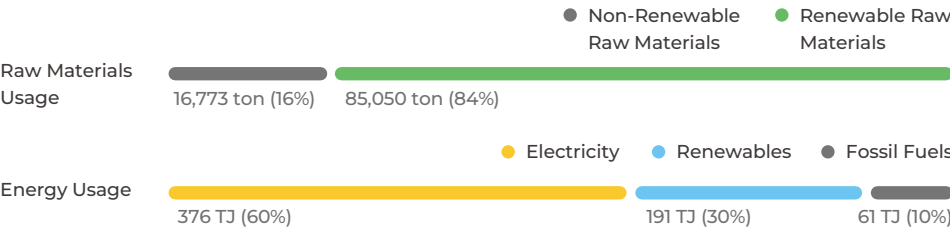
In 2023, KC GreenHoldings' affiliates used a total of 101,823 tons of raw materials, of which 85,050 tons were renewable, accounting for approximately 84% of total raw material usage. Of the 85,050 tons of renewable raw materials, 29,387 tons and 50,963 tons were used by KC Glass & Materials and KC Green Materials, respectively, including glass cullet for manufacturing glass bottles and coal ash for manufacturing building materials.

Energy Usage

In 2023, KC GreenHoldings and its affiliates used a total of 629 TJ of energy, primarily for operating equipment and vehicle transportation. Of this total, 376 TJ was electricity, 191 TJ was renewable energy, and 62 TJ was fossil fuels. By utilizing 30% renewable energy, KC Glass & Materials contributed to reducing greenhouse gas emissions.

Water Usage

In 2023, the total water usage by affiliates of KC GreenHoldings was 108,425 tons. The usage by water source was as follows: groundwater 101,852 tons, and tap water 6,573 tons, with groundwater being the most utilized.



Environmental Management

The business of KC GreenHoldings and its affiliates focuses on minimizing air pollutants generated from burning fossil fuels, reducing pollution caused by various human activities such as industrial and general waste, recycling waste resources to create new products, and developing office spaces and generating energy with minimal environmental impact. While our business itself aims to reduce environmental impacts, KC GreenHoldings and its affiliates also consider the environmental impacts that may occur in the course of our business, and in particular, three of KC GreenHoldings' affiliates have acquired ISO14001 certification and are striving to thoroughly manage pollutants through environmental management.

2023 ISO14001 Certification Status

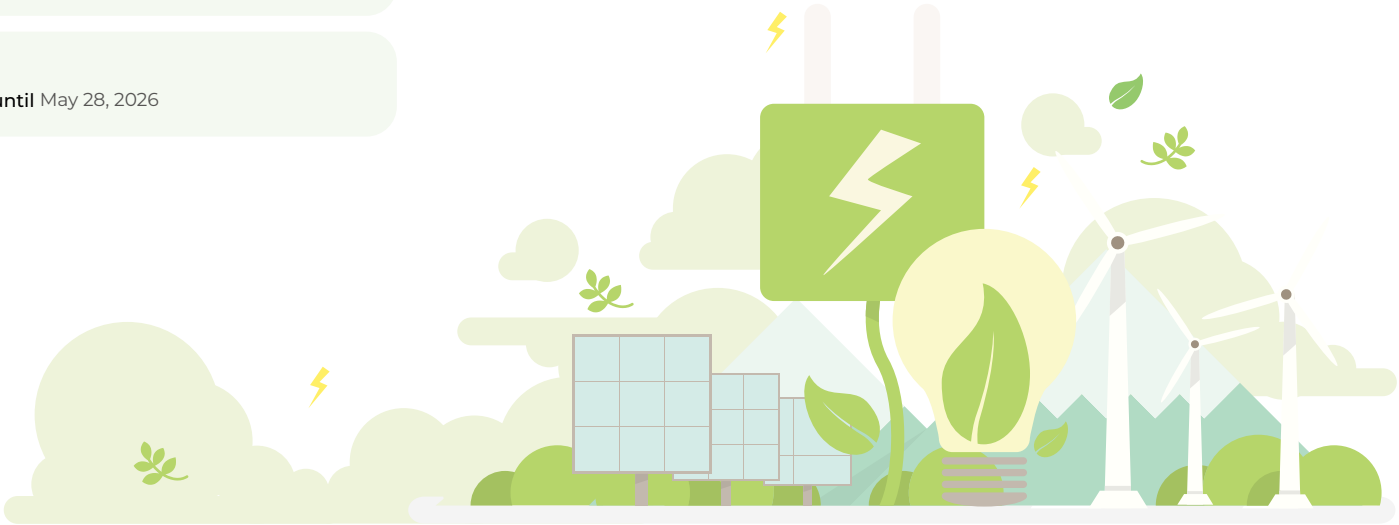
KC Cottrell Initial certification date December 18, 2007 Valid until July 11, 2025
KC Glass & Materials Initial certification date November 3, 2014 Valid until November 1, 2026
Clestra Hauserman Initial certification date 2008 Valid until May 28, 2026

Environmental Regulation Violations

In 2023, Clestra Hauserman was fined around USD 370 for violating Article 33, Paragraph 3 of the Water Quality Conservation Act due to failure to report changes in emission facilities. The company paid the fine and reported a new emission facility for water pollution substances. There were no other related affiliates fined or subjected to non-monetary sanctions for violating environmental laws and regulations.

Environmental Impact Assessment

In 2023, KC Glass & Materials conducted an assessment covering health, water, air, waste, soil, and aversion for one of its products and was informed that there were no significant environmental impacts.



Social Performance

- Employees
- Local Community
- Customers and Partners



Employees

Improving Benefits and Systems for Employee Job Security Material Topic①

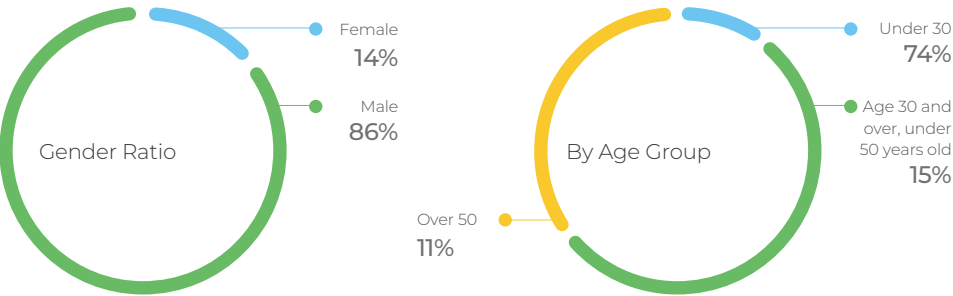


Creating and maintaining stable jobs is a fundamental corporate social responsibility. KC GreenHoldings and its affiliates recruit employees fairly without discrimination based on gender, religion, nationality, or other factors. In addition, all KC affiliates comply with the standards of working conditions set by the Labor Standards Act, including the minimum wage and the 52-hour workweek system, and there were no violations related to the Labor Standards Act in 2023.

2023 Employees

As of December 31, 2023, KC GreenHoldings and its domestic subsidiaries have a total of 702 employees. The total number of employees is 604 males and 98 females, with 73 under 30 years old, 380 between 30 and 50 years old, and 249 over 50 years old. In 2023, we hired 136 new employees, 115 men and 21 women, with 33 under 30, 62 between 30 and 50,

and 41 over 50. Of the 93 employees who left or retired, 82 were men and 11 were women, with 13 under 30, 63 between 30 and 50, and 17 over 50.

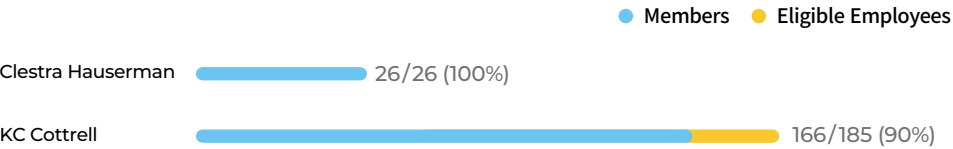


Fair Performance-based Compensation

KC GreenHoldings and affiliates assess the performances and work attitudes of employees over a period of one year. The subjects of evaluation vary in each affiliate, depending on the tenure and job duties. The number of performance evaluations, criteria, and the assessment results also vary by affiliate.

Labor Union

Labor unions serve a vital role in enhancing working conditions and adjusting the balance between labor and management. Employees of KC GreenHoldings and its affiliates have the right to freely form unions in the workplace, and two of KC GreenHoldings' affiliated companies, KC Cottrell and Clestra Hauserman, have labor unions. In 2023, labor-management councils of KC Cottrell and Clestra Hauserman were held four times, once every quarter. Out of 211 eligible employees, 192 joined the labor union, resulting in a membership rate of 91%.



Strengthening Health and Safety Systems for Employees Material Topic③



It is also the role and responsibility of a company to create a desirable work environment by improving welfare system and organizational culture. To systematically manage employee safety and health, KC GreenHoldings has established the Safety and Technology Department within KC Safety&Technologies to regularly check and improve the safety and health standards across its affiliates. Additionally, regular training sessions are provided to office workers to prepare them for various disasters and health and safety accidents.

Health and Safety Council

KC GreenHoldings manages the safety and health of its affiliates through KC Safety&Technologies. Every quarter, KC Safety&Technologies holds a safety and health council for representatives from affiliates to discuss and share safety and health-related issues and cases. In addition, the level of safety and health activities of affiliates are regularly evaluated by checking safety and health matters and reviewing progress. The evaluation is conducted in two areas, including the safety and health management system and management activities. KC GreenHoldings provides internal awards to the top and second-ranked affiliates in terms of evaluation scores. In 2023, KC Cottrell and KC Green Materials were awarded the Grand Prize and Excellence Award in the safety and health category, respectively.

Health and Safety Management

As the Fatal Accident Punishment Act will be applied to all businesses with fewer than 50 employees from 2024, affiliates maintained and acquired safety-related certifications such as ISO45001 through KPIs in 2023.

2023 Health and Safety Certification Status

ISO45001		
KC Cottrell		
Initial certification date	August 2, 2020	Valid until August 1, 2026

NWL Pacific
Initial certification date March 20, 2023 Valid until March 19, 2026

KC Safety& Technologies
Initial certification date May 14, 2021 Valid until May 13, 2027

KC Green Materials
Initial certification date October 23, 2023 Valid until October 22, 2026

KC Solar & Energy
Initial certification date October 10, 2023 Valid until October 10, 2026

KOSHA MS

KC Cottrell Valid date December 10, 2022 ~December 9, 2025. 12. 09

KC Glass & Materials Valid date July 28, 2023 ~ July 27, 2026

Clestra Hauserman Valid date September 8, 2022 ~ September 7, 2025

Korea Risk Assessment System

KC Cottrell November 30, 2021 ~ November 29, 2024

In particular, KC Cottrell has established 9 safety rules and developed posters outlining 6 actions that should never be done; ①Entry prohibited without safety harness at locations with risk of falling, ②Access and inspection, repair prohibited near operating equipment, ③Access prohibited within radius of heavy machinery and equipment operation, ④Handling prohibited near explosive, flammable substances; oxygen, ⑤Entry prohibited into confined spaces before hazardous gas measurement. ⑥Electrical work prohibited before power shutdown and inspection and 3 actions that are essential for maintaining a

safe work environment; ⑦Hazard assessment before work, confirmations during TBM and operations, ⑧Adherence to ILS procedures during repair operations, ⑨Wear appropriate safety protective equipment as per regulations.

Employee Health Care System

KC Cottrell, KC Glass & Materials, and Clestra Hauserman, which employ production line workers, manage employee health in collaboration with hospitals. They conduct regular special medical examinations, particularly for workers in hazardous work departments.

Employee Safety Training

KC GreenHoldings conducted safety training for employees of KC GreenHoldings and its affiliates in Sangam to enhance their ability to cope with safety accidents and secure their health and safety in the event of various accidents and disasters.

Training Date	Training Content	No. of Participants
February 16th	CPR simulator: What to do in the event of cardiac arrest	About 120
July 24th	Fire Extinguisher Simulator: How to use fire extinguishers and hydrants	About 130
September 21st	Disaster VR experience: Tips for coping and evacuating during various disasters	About 60



Health and Safety Incidents and Compliance

In 2023, one accident each occurred in Clestra Hauserman and KC Solar & Energy (involving an employee of a project partner). There is no other case of accident or violation of the Occupational Safety and Health Act.

Ensuring member compliance with the code of conduct
preventing corruption Material Topic④



It is important for companies to conduct ethical management to build trust with stakeholders and manage risks. KC GreenHoldings emphasizes the importance and practice of corporate ethics through the Code of Ethics pledge, ethics education, and channels for reporting ethics violations.

KC GreenHoldings Code of Ethics

KC GreenHoldings established the Code of Ethics in July 2011 and revised it in October 2015 to align with the increasing level of ethical awareness and social demands. The Code of Ethics comprises five chapters, addressing the basic attitude of employees, fair trade and fair competition, responsibility to customers and shareholders, social responsibility, and the application of the Code of Ethics. Every year, all employees of KC GreenHoldings sign the KC Code of Ethics pledge to reaffirm their commitment to the Code of Ethics. Since 2023, KC Cottrell and KC Glass & Materials have also introduced the practice of having employees pledge the Code of Ethics. Notably, KC Glass & Materials created a Code of Ethics page on its website in 2023 to publicly reinforce the ethical responsibilities of its employees.

[The full text of KC GreenHoldings Code of Ethics](#)

Reporting Ethics Violations

KC GreenHoldings has established the KC Ethics Investigation Committee to identify and actively respond to ethical violations within KC GreenHoldings and its affiliates. In 2022, we launched an ethics violation reporting channel to strengthen ethics management, enabling both internal and external stakeholders to report ethics violations related to employees of KC GreenHoldings and its affiliates. In 2023, two cases of ethical violations were received through the ethics violation reporting channel. Following investigations, it was determined that both cases had already been addressed by the human resources committee of the respective affiliated companies. As a result, both cases were completed.

Strengthening Employee Capability

It is important for companies to strengthen the capabilities of their employees to drive productivity and competitiveness. KC GreenHoldings and its affiliates believe that the growth of employees contributes to the growth of the company, and we provide various support for the development of their capabilities.

KC GreenHoldings Education System Diagram

Position	Common Training		Training by Position		Legally Required Training			
Executive	New-comer training	KC Team Unity training	New executive training		Sexual harassment prevention training	Personal information protection training	Training to improve awareness of people with disabilities	Retirement pension training
Team Leader			Leadership training					
Chief			Training for persons promoted to manager/chief					
Manager			Training for persons promoted to senior staff/assistant manager					
Assistant Manager			Growth mindset training					
Staff								

KC GreenHoldings Education

KC GreenHoldings and its affiliates organize and conduct training programs tailored to employees' positions and tasks to enhance their competencies. In 2023, KC GreenHoldings conducted rank-specific training sessions, which included training for employees promoted to the position of Senior Manager from Manager, and Assistant Manager from Supervisor. The participation rates for the promoted individuals were 87.5% and 100%, respectively.

Programs		Training in 2023	No. of Participants
Training by Rank	Manager-Senior Manager Promotion Training	April 24-25	7
	Supervisor-Assistant Manager Promotion Training		6
Professional Development Training	Report Writing and Presentation Training-Basic	June 1	33
	Report Writing and Presentation Training -Intermediate		36
	Report Writing and Presentation Training-Advanced		9

In addition, employees have the opportunity to participate in language, certification, and other training programs as needed through the online training website (KC Academy) or offline, with partial support for training costs. In 2023, the average training hours per person at KC GreenHoldings and its affiliates were 11.9 hours for women and 15.6 hours for men.

Humanities Lectures

KC GreenHoldings offers lectures on non-business topics to employees of KC GreenHoldings and its affiliates to expand their interests and perspectives in various fields. In 2023, we held two lectures (one in the first half of the year, and one in the second half) focusing on the impact of emerging technologies like Chat GPT and strategic methods for its utilization.



Activities on Social Responsibility

In 2019, KC GreenHoldings established the KC CSR Initiative, setting the standard for CSR activities and involving employees from affiliated companies in various activities. Phase 2 of the KC CSR Initiative, which started in 2023, aims to raise employee interest and awareness, and expanded the scope of CSR activities to increase opportunities for employee participation.

Goals	Activities Planned		Finished	Activity Details
Environmental Issues	Environmental campaigns	Environmental campaigns	○	Green camping campaign in June
Local Community Collaboration	Activities for Improved Environment	Planting trees	○	At Noeul Park on April 27
		Beach-combing	○	Replaced with plogging activities on the Namsan Dulle-gil Trail
Health and Safety	Employee health and safety training	CPR training	○	February 16th
		Safe VR experience	○	July 24th
		Fire safety training	○	September 21st

Job Creation

KC GreenHoldings conducts an annual intern program targeting university students in order to enhance their understanding of the environmental industry, and provide them with work experiences. The winter internship program in 2023 lasted for about two months, running from January 2 to February 24. During this period, a total of four interns were assigned to the Strategic Management Team and Sustainability Management Team. They were tasked with assignments related to business analysis, ESG, and human resources. All interns successfully completed the program.

Intern Program Progress (3 years)

	2021	2022	2023
Duration	Jan 20 to Feb 26	Jan 3 to Feb 25	Jan 2 to Feb 24
No. of Interns Finished the Program	2	5	4

2023 Donations and Sponsorships

In 2023, KC GreenHoldings, as a green environmental company, sponsored the UN Biodiversity Youth Forum, a program to raise awareness of the climate crisis and carbon neutrality among youth and train them as future environmental leaders. In addition, NWL Pacific contributed to the year-end donation drive for neighbors, and KC Green Materials held a kimchi making event for the elderly living alone. In total, KC GreenHoldings and its affiliates donated USD 107,027 to the local community in 2023.

Donations as a Percentage of Revenue (3 years)

(Unit: million USD)	2021	2022	2023
Donations	0.1 (0.02%)	0.2 (0.03%)	0.1 (0.02%)
Operating Revenue	582	552	542

Customers
and Partners

Responsible Product Management

It is the duty and responsibility of a company to develop safe and high-quality products, enhancing consumers' quality of life and fostering trust in the safety and quality of their products. In 2023, six affiliates of KC GreenHoldings maintained ISO9001 certificates, ensuring stringent quality standards throughout the entire process from production to sales of products and services. 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. Similarly, there were no cases of violations of laws by other affiliated companies for their products and services.

2023 Affiliates Certified with ISO 9001

KC Cottrell
Initial certification date August 20, 2002 Valid until August 19, 2026

NWL Pacific
Initial certification date July 23, 2004 Valid until July 22, 2026

KC Glass & Materials
Initial certification date November 3, 2014 Valid until November 1, 2026

KC Green Materials
Initial certification date August 11, 2020 Valid until August 10, 2026

Clestra Hauserman
Initial certification date 1996 Valid until May 28, 2026

KC Solar & Energy
Initial certification date October 22, 2016 Valid until October 21, 2025

Conduct ESG Training

KC GreenHoldings values shared growth and win-win cooperation with its partners. Recognizing the increasing significance of supply chain ESG management in 2023, KC GreenHoldings has conducted ESG training sessions for its affiliates and their partners.



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Financial Information

Independent Auditor's Audit Report

KC GreenHoldings, Inc.
Shareholders and Board of Directors

Audit 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, 2023, and December 31, 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for both years 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, 2023 and December 31, 2022 and its consolidated financial performance and its consolidated cash flows for both years then ended in accordance with Korean International Financial Reporting Standards (“K-IFRS”).

Basis of Audit Opinion

We conducted the audit in accordance with the auditing standards of the Republic of Korea. Our obligations under those standards are described in the paragraph entitled ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ in this report. We affirm our independence from the Company in accordance with the ethical requirements of the Republic of Korea related to audits of consolidated financial statements and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate as a foundation for our audit opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, are of utmost significance in our audit of the consolidated financial statements. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole, contributing to the formation of our opinion and we do not provide a separate opinion on these matters.

Goodwill Impairment Assessment

As disclosed in Note 13 to the consolidated financial statements as of December 31, 2023, the Group maintains goodwill totaling KRW 41,023 million as of the date of the business combination with a subsidiary. The Group conducted an impairment test on the goodwill using the discounted cash flow method and other applicable methods based on the fair value calculation.

We considered goodwill impairment to be a key audit matter as it involves significant judgments and estimates made by the Group's management, including discount rates, growth rates, and future cash flow projections.

How the Key Audit Matter Was Addressed in Our Audit

We performed the following procedures to audit the impairment review of goodwill of the consolidated entity as of the end of the current year:

- Assessed the overall market environment to identify impairment indicators;
- Evaluated the qualifications and independence of external experts utilized by the Group to assess the value in use of cash-generating units; -
- Reviewed the Group's determination of cash-generating units and the appropriateness of the net assets allocated to each cash-generating unit; -
- Validated key inputs, such as revenue estimates and perpetual growth rates, by reviewing

internal data such as business plans and available external data;
- Tested the appropriateness of the value in use by verifying the accuracy of the valuation calculation.

Emphasis

As described in Note 23 to the consolidated financial statements, in May 2016, the Group secured a contract from the Russian company PJSC POWER MACHINES ("PM") for the construction of a thermal power plant in Long Phu District, Vietnam (the prime contractor is Vietnam State Corporation ("PVN")) and has been in the process of delivering dust collection and desulfurization equipment since then. In late January 2018, PM was included in the US Treasury's economic sanctions list, and the project is currently suspended due to the freezing of financial transactions. There were no significant construction activities during the current year, and as of December 31, 2019, the fair value of the project was estimated approximately 77.43% for the dust collection equipment and 56.37% for the desulfurization equipment. PVN, the original contractor, is pursuing the resumption of construction through a contract with the Group after the termination of the contract with the PM and is expected to resume construction in the fourth quarter of 2024, considering that most of the dust collection equipment is awaiting delivery. As of December 31, 2019, the contract amount of the project (dust collection and desulfurization equipment) was USD 71,371,600, and the outstanding contract amount was USD 27,675,680.52. The ultimate impact of this situation on the consolidated financial statements cannot be estimated at this time.

Management's and Governing Body's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards and for establishing and maintaining effective internal control to ensure the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for the preparation of the consolidated financial statements, for assessing the Group's ability to continue as a going concern, for making disclosures about going concern, as applicable, and for using the going concern basis of accounting unless management intends to liquidate the entity or cease operations.

The governing body is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance that the consolidated financial statements are free from material misstatement, whether due to fraud or error, in all material respects, and to issue an audit report expressing our opinion. Reasonable assurance means a high level of confidence, but it does not guarantee that all material misstatements will be detected. Misstatements, whether from fraud or error, are considered material if they could reasonably affect the decisions of users relying on the financial statements.

In conducting our audit in accordance with auditing standards, we exercise professional judgment and maintain professional doubt throughout the audit:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether arising from fraud or error. We design and perform audit procedures tailored to address these risks effectively. Our audit procedures are aimed at obtaining sufficient and appropriate audit evidence to support our audit opinion. Recognizing that the risk of failing to detect material misstatements due to fraud is greater than that due to error, we remain vigilant for signs of fraudulent activity, which may involve collusion, forgery, intentional omissions, misstatements, or the circumvention of internal controls.
- While we consider internal control relevant to our audit process, our evaluation is not intended to express an opinion on the effectiveness of the company's internal control system.
- We evaluate the appropriateness of the accounting policies utilized by management and assess the reasonableness of accounting estimates and related disclosures in the preparation of the consolidated financial statements.
- We assess the appropriateness of the going concern basis of accounting adopted by management, considering whether events or conditions exist that may raise material uncertainties about the Group's ability to continue its operations. If we identify such uncertainties, we evaluate the adequacy of disclosures in the consolidated financial statements and modify our opinion accordingly. It's important to note that our conclusions are based on evidence available up to the date of our audit report, and future events could impact the Group's ability to operate as a going concern.
- We scrutinize the overall presentation, structure, and content of the consolidated financial statements, including disclosures, to ensure they fairly represent the underlying transactions and events.
- We gather sufficient and appropriate audit evidence related to the financial information of the entity and its business activities to form an opinion on the consolidated financial statements. As auditors, we are responsible for the direction, supervision, and execution of the group audit, and our opinion is based solely on our assessment of the audit evidence.

We engage in ongoing communication with the governing body regarding various aspects of the audit process, including the proposed scope and schedule of the audit, as well as any notable findings or significant internal control weaknesses discovered during our examination.

Furthermore, we furnish the governing body with an assurance that we adhere to all pertinent ethical standards for independence. We disclose to them any relationships or other factors that we consider pertinent to our independence, and where necessary, we outline relevant safeguards put in place to mitigate any potential conflicts of interest.

We identify and communicate to the governing body the key audit matters that are most pertinent to our examination of the current year's consolidated financial statements. These matters are outlined in our auditor's report unless there are legal or regulatory constraints that prevent public disclosure or, in exceedingly rare situations, we determine that the adverse repercussions of disclosing the matter in our report outweigh the public benefits.

The engagement director who conducted the audit on which this report is based is Kim, Jung Wook.

407, Bongeunsa-ro, Gangnam-gu, Seoul, Korea (Samseong-dong)

Samhwa Accounting Corporation
Chief Executive Officer Lee, Dong Ju

March 19, 2024

This audit report is valid as of the date it was issued. Therefore, events or circumstances affecting the company's consolidated financial statements may occur between the date of the audit report and the date of review. As a result, this audit report may be subject to revision.

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Consolidated Statement of Financial Position

KC GREENHOLDINGS CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2023, 2022, and 2021

(in Korean won)

	2023	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment-net	164,754,526,664	253,574,427,660	261,780,587,267
Investment property	11,518,924,140	11,612,899,668	11,706,875,196
Non-current account receivables	26,719,704,601	14,271,523,328	16,647,364,561
Investments in associates	17,021,338,283	12,456,211,699	17,863,894,511
Goodwill	41,023,145,792	46,551,600,928	49,108,725,279
Other intangible assets	3,148,318,755	5,741,496,830	7,226,144,550
Deferred tax assets	6,591,219,593	3,950,246,117	0
Non-current derivative assets	0	0	60,401,838
Defined benefit assets	3,148,415,404	4,419,131,859	0
Other non-current financial assets	16,091,921,012	36,194,065,434	40,005,713,637
Other non-current non-financial assets	7,391,547,049	6,232,104,271	3,316,546,895
Total non-current assets	297,409,061,293	395,003,707,794	407,716,253,734
Current assets			
Assets held for sale	141,278,685,023	4,615,456,975	5,610,112,720
Inventories	39,088,573,153	45,610,664,138	37,838,732,910
Account receivables	153,812,796,500	112,866,777,637	113,985,189,106
Unbilled account receivables	156,963,022,447	99,356,849,986	94,283,219,901
Other current receivables	6,304,373,294	9,002,582,778	28,512,734,631
Current derivative financial assets	1,270,682,000	218,642,897	786,590,755
Current tax assets	1,020,986,069	898,139,911	1,497,872,336

Consolidated Statement of Financial Position

KC GREENHOLDINGS CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2023, 2022, and 2021

(in Korean won)

	2023	2022	2021
Other current non-financial assets	46,840,281,282	42,405,991,319	48,781,461,600
Other current financial assets	28,170,820,674	16,589,868,581	8,207,920,456
Cash and cash equivalents	44,419,114,202	66,291,996,454	159,385,530,278
Total current assets	619,169,334,644	397,856,970,676	498,889,364,693
Total assets	916,578,395,937	792,860,678,470	906,605,618,427
EQUITY			
Equity attributable to owners of the parent	143,081,040,829	165,122,892,158	160,553,743,362
Issued capital	11,217,490,000	11,217,490,000	11,217,490,000
Capital surplus	55,072,062,111	53,956,975,133	50,873,717,212
Other components of equity	-1,424,862,090	-1,436,455,090	
Accumulated other comprehensive income	17,660,958,098	18,482,636,755	17,904,728,601
Retained earnings	60,555,392,710	82,902,245,360	80,557,807,549
Non-controlling interests	72,065,971,932	92,864,943,476	99,412,716,250
Total equity	215,147,012,761	257,987,835,634	259,966,459,612
LIABILITIES			
Non-current liabilities			
Other non-current provisions	21,039,446,737	19,740,339,189	26,093,945,928
Non-current account payables	22,691,473,754	16,615,875,586	18,778,638,972
Long-term borrowings	77,502,201,816	33,531,935,524	79,681,181,248
Debentures	46,448,562,555	-	20,348,697,414
Post-employment benefit obligations	1,674,425,573	4,293,419,555	8,330,993,370
Derivative financial liabilities	3,907,697,994	7,702,900,170	3,665,298,994

Consolidated Statement of Financial Position

KC GREENHOLDINGS CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2023, 2022, and 2021

(in Korean won)

	2023	2022	2021
Non-current lease liabilities	2,858,815,533	4,776,102,991	12,588,364,848
Other non-current financial liabilities	1,586,985,343	7,742,803,871	7,273,550,516
Other non-current non-financial liabilities	2,700,081,007	1,513,076,641	1,280,820,196
Deferred tax liabilities	10,704,929,529	8,758,358,139	3,392,632,669
Total non-current liabilities	191,114,619,841	104,674,811,666	181,434,124,155
Current liabilities			
Liabilities held for sale	78,390,510,013	-	-
Other current provisions	3,019,496,682	1,408,883,667	714,469,761
Short-term borrowings	120,964,754,002	105,719,851,806	80,265,322,976
Debentures	25,288,530,412	32,932,518,411	-
Account payables	124,207,488,822	93,223,270,802	113,486,448,963
Other current liabilities	42,931,904,206	46,158,374,792	62,514,280,693
Overcharged account receivables	61,668,379,808	60,585,043,295	143,514,230,293
Current tax liabilities	1,037,567,452	2,567,020,222	4,416,639,358
Derivative financial liabilities	11,776,979,484	22,061,621,408	10,483,557,618
Current portion of long-term borrowings	18,632,959,531	42,659,551,274	19,246,936,689
Current lease liabilities	1,892,113,925	2,248,959,018	5,608,761,137
Other current non-financial liabilities	20,506,078,998	20,632,936,475	24,954,387,172
Total current liabilities	510,316,763,335	430,198,031,170	465,205,034,660
Total liabilities	701,431,383,176	534,872,842,836	646,639,158,815
Total equity and liabilities	916,578,395,937	792,860,678,470	906,605,618,427

Consolidated Statement of Comprehensive Income

KC GREENHOLDINGS CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years ended December 31, 2023, 2022, and 2021

(in Korean won)

	2023	2022	2021
CONSOLIDATED NET PROFIT			
Operating income	698,466,593,657	643,354,458,253	531,150,793,970
Sales	695,607,647,403	640,191,658,967	522,365,576,551
Gain from valuation of associates	1,677,998,060	1,968,571,037	7,209,144,001
Rental	1,180,948,194	1,194,228,249	1,576,073,418
Operating expenses	728,329,260,975	631,933,907,856	508,192,809,511
Cost of sales	655,174,498,525	564,441,416,416	456,410,272,147
Loss from valuation of associates	6,501,822,251	6,020,059,261	0
Selling, general and administrative expenses	66,652,940,199	61,472,432,179	51,782,537,364
Profit(Loss) from operations	-29,862,667,318	11,420,550,397	22,957,984,459
Other income	7,226,479,100	21,327,312,378	21,582,525,957
Other expenses	27,716,182,513	7,191,497,644	13,489,883,378
Financial income	48,194,291,693	46,359,367,190	17,454,105,187
Financial costs	53,792,207,264	73,918,303,820	25,931,785,109
Profit(Loss) before income tax	-55,950,286,302	-2,002,571,499	22,572,947,116
Income tax expense	6,832,333,716	4,605,920,021	6,450,679,245
Profit(Loss) from continuing operations	-62,782,620,018	-6,608,491,520	16,122,267,871
Profit(Loss) from discontinued operations	6,854,396,199	-10,428,040,760	-6,328,646,796
Profit(Loss) for the year	-55,928,223,819	-17,036,532,280	9,793,621,075
COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to income(loss):	-2,171,146,815	2,867,416,137	5,795,649,321
Revaluation surplus	11,264,422	298,693,817	4,341,921,031

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KC GREENHOLDINGS CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years ended December 31, 2023, 2022, and 2021

(in Korean won)

	2023	2022	2021
Re-measurement factor on defined benefit plans	-2,205,672,451	2,837,999,864	1,488,765,443
Net change in fair value of FVOCI assets	23,261,214	-261,654,984	-35,037,153
Gain or loss on disposal of FVOCI assets	-	-7,622,560	-
Items that will be reclassified subsequently to income(loss):	-1,046,439,067	653,407,640	908,273,638
Currency translation differences	-881,390,809	637,495,808	532,419,908
Equity changes in equity method investee	-165,048,258	15,911,832	375,853,730
TOTAL OTHER COMPREHENSIVE INCOME	-3,217,585,882	3,520,823,777	6,703,922,959
TOTAL COMPREHENSIVE INCOME	-59,145,809,701	-13,515,708,503	16,497,544,034
Profit attributable to:			
Owners of the parent	-22,502,262,382	-3,031,937,069	2,707,505,746
Non-controlling interests	-33,425,961,437	-14,004,595,211	7,086,115,330
Profit for the year	-55,928,223,819	-17,036,532,280	9,793,621,076
Total comprehensive income attributable to:			
Owners of the parent	-24,475,269,603	1,955,334,329	14,984,081,672
Non-controlling interests	-34,670,540,098	-15,471,042,832	1,513,462,362
Total comprehensive income for the year	-59,145,809,701	-13,515,708,503	16,497,544,034
Earnings per share(in Korean Won)			
Continuing operations			
Basic EPS	-1,221	132	729
Diluted EPS	-1,221	132	-286
Discontinued operations			
Basic EPS	204	-269	729
Diluted EPS	204	-269	-286

Sustainable Management Data

Environmental data by affiliate

			Unit	2021	2022	2023							
						KC Cottrell	KC Safety & Technologies	NWL Pacific	KC Landfill Service	KC Glass & Materials	KC Green Materials	Clestra Hauserman	Total
Raw materials	Non-renewable materials used		Ton(s)	7,184	6,756	-	-	-	-	16772.97	-	-	16,773
	Renewable materials used		Ton(s)	80,581	106,752	4,700	-	-	-	29,387	50,963	-	80,350
Energy	Fossil fuels	Gasoline	TJ	248	1	-	0.4	-	-	0.3	-	-	1
		Kerosene	TJ		-	-		0.1	0.0	1.0	-	-	1
		Diesel	TJ		1	0.1	1.5	0.0	0.9	0.0	-	-	3
		LNG	TJ		47	-	-	-	-	52.7	-	5.3	58
		LPG	TJ		191	-	-	-	-	-	-	-	-
	Renewable energy	Biomass	TJ	-	-	-	-	-	-	191.2	-	-	191
	Electrical energy		TJ	329	345	10.2	0.7	0.5	6.2	355.9	1.0	1.8	376
	Unit of energy usage ¹⁾		TJ/ 100 Mil KRW	1.09	0.91	-	-	-	-	-	-	-	0.90
	Raw water	Groundwater	Ton(s)	87,746	71,454	1,440	-	-	-	100,412	-	-	101,852
Raw water produced by the organization		Ton(s)	-	23,155	-	-	-	-	-	-	-	-	
City water supply		Ton(s)	3,823	5,520	-	387	-	1,619	1,882	-	2,685	6,573	
Wastewater	Wastewater discharge	Ton(s)	14,349	16,387	-	-	-	-	21,400	-	934	22,334	

Environmental data by affiliate

			Unit	2021	2022	2023								
						KC Cottrell	KC Safety & Technologies	NWL Pacific	KC Landfill Service	KC Glass & Materials	KC Green Materials	Clestra Hauserman	Total	
Greenhouse gas emissions	Direct greenhouse gas emissions (Scope 1)		tCO ₂ eq	19,668	19,231	5	131	6	65	19,712	-	274	20,193	
	Indirect greenhouse gas emissions (Scope 2)		tCO ₂ eq	13,988	14,308	490	34	23	298	17,034	46	232	18,158	
	Unit of GHG emissions ²⁾		tCO ₂ eq/ 100 Mil KRW	63.38	52.16	-	-	-	-	-	-	-	54.94	
Air pollutant emissions	NOx		Ton(s)	23.0	20.0	-	-	-	-	27.7	-	0.7	28	
	Sox		Ton(s)	49.0	45.0	-	-	-	-	49	-	-	49	
	PM(dust)		Ton(s)	5.9	2.0	-	-	-	-	2.5	-	-	3	
Waste emissions	Recycling	General Waste	Ton(s)	182	26	-	-	-	-	-	-	-	-	
		Hazardous Waste	Ton(s)		14	-	-	-	-	-	-	-	-	
	Incineration (energy retrieving)	General Waste	Ton(s)	27	10	25.4	-	-	-	-	-	-	25	
		Burning	General Waste		Ton(s)	-	-	-	-	-	-	-	8.4	8
		Hazardous Waste	Ton(s)	42	-	-	-	-	-	-	-	-	-	
	Landfill	General Waste	Ton(s)	104	345	-	0.6	-	-	-	-	0.7	1	
		Hazardous Waste	Ton(s)		100	-	-	-	-	-	-	-	-	-
	Other	General Waste	Ton(s)	-	-	-	-	-	-	-	-	14.2	14	
		General Waste	Liter(s)		60,000	-	-	40,000	-	-	-	-	-	40,000
		Hazardous Waste	Ton(s)		-	-	-	-	-	-	-	-	3.1	3

*Totals may differ from data totals in the 2021 and 2022 reports due to recalculation with data from 2023 reportable affiliates for data trends.
*2021 data includes only KC Cottrell, KC Safety & Technologies, NWL-Pacific, KC Glass & Materials, KC GreenMaterials, and Clestra Hauserman, while 2022 data includes only KC Cottrell, KC Safety & Technologies, NWL-Pacific, KC Landfill Service, KC Glass & Materials, KC GreenMaterials, and Clestra Hauserman.
*Data totals are rounded to the nearest whole number.
1) Unit of energy consumption= energy consumption of the reporting company / consolidated operating revenue of KC GreenHoldings.
2) Unit of GHG emissions = Total GHG emissions of the reporting company / consolidated operating revenue of KC GreenHoldings.

Social data by affiliate

			2021	2022	2023									
					KC Green Holdings	KC Cottrell	KC Safety & Technologies	NWL Pacific	KC Landfill Service	KC Glass & Materials	KC Green Materials	Clestra Hauserman	KC Solar & Energy	Total
Total number of employees	Gender	Female	86	95	6	39	9	3	0	26	2	8	5	98
		Male	580	595	15	223	125	21	5	100	30	59	26	604
	Total		666	690	21	262	134	24	5	126	32	67	31	702
	By age ¹⁾	30 years old or younger		83	3	24	22	2	0	8	2	11	1	73
		Over 30 and under 50		374	12	146	80	18	2	49	17	33	23	380
		50 years of age or older		233	6	92	32	4	3	69	13	23	7	249
	Total		0	690	21	262	134	24	5	126	32	67	31	702
New hires	Gender	Female	9	24	0	8	2	0	0	9	2	-	0	21
		Male	115	82	0	23	28	0	0	45	1	9	9	115
	Total		124	106	0	31	30	0	0	54	3	9	9	136
	By age ¹⁾	30 years old or younger		34	0	5	15	0	0	5	2	5	1	33
		Over 30 and under 50		53	0	16	9	0	0	29	1	2	5	62
		50 years of age or older		19	0	10	6	0	0	20	0	2	3	41
	Total		0	106	0	31	30	0	0	54	3	9	9	136

Social data by affiliate

			2021	2022	2023										
					KC Green Holdings	KC Cottrell	KC Safety & Technologies	NWL Pacific	KC Landfill Service	KC Glass & Materials	KC Green Materials	Clestra Hauserman	KC Solar & Energy	Total	
Number of turnovers/retirees	Gender	Female	9	25	0	4	0	1	0	3	3	0	0	11	
		Male	85	93	1	14	21	0	0	39	1	4	2	82	
	Total		94	118	1	18	21	1	0	42	4	4	2	93	
	By age ²⁾	30 years old or younger			0	1	7	0	0	3	0	2	0	13	
		Over 30 and under 50			1	14	9	1	0	31	4	1	2	63	
		50 years of age or older			0	3	5	0	0	8	0	1	0	17	
	Total		0	0	1	18	21	1	0	42	4	4	2	93	
Parental leaves	Eligible employees	Female	3	7	0	0	0	2	0	0	0	2	2	6	
		Male	4	31	0	35	24	4	0	0	0	0	3	66	
	Users	Female	3	4	0	0	0	1	0	0	0	2	0	3	
		Male	3	6	0	0	00	0	0	0	0	0	0	0	
	Returners	Female	0	2	0	1	0	0	0	0	0	1	0	2	
		Male		0	0	0	0	0	0	0	0	1	0	0	
	Total external training hours		Female			275	114	108	111	0	146	216	18	183	1,171
		Male			801	756	3,605	1,067	8	1,521	943	215	477	9,393	
Workers who received a performance and career development review ³⁾	Female			15	5	23	8	2	0	5	0	8	5	56	
	Male			278	10	138	80	21	0	45	6	28	14	342	

1) In 2021, we did not collect employee data by age.
2) In 2021 and 2022, we did not collect employee data by age of turnover staff and retirees.
3) All employees of domestic affiliates, excluding non-regular and production workers, underwent performance evaluations.

Economic data by affiliate

	KC Green Holdings	KC Cottrell	KC Safety & Technologies	NWL Pacific	KC Landfill Service	KC Glass & Materials	KC Green Materials	Clestra Hauserman	KC Solar & Energy
Retirement Pension System	DB	DB+DC	DC	DB	DB	DB+DC	DB+DC	DB+DC	DB

KC GreenHoldings Code of Ethics

1. The Basic Mindset of Employees

1-1 Shared Mission and Vision

- ① All employees of KC GreenHoldings and KC Network affiliates understand and share our mission, vision, and core values.
 - (a) Employees promote personal growth through self-development with the power of positivity and contribute to the sustainable development of global society through the development of green and environmental industries.
 - (b) Based on Leadership by Everyone, Open Communication, and Mutual Respect, we strive to realize our core values of 1) People, 2) Value Creation, and 3) Challenging Spirit.

1-2 Maintain Dignity

Keep in mind that your behavior directly impacts the trust and reputation of the company, and strive to maintain a level of decorum that is in line with social norms and values.

1-3 Work with Integrity and Responsibility

- ① Clearly recognize authority and responsibility and conduct business based on the principle of mutual trust.
- ② Employees recognize that their work is important and adds value to the company and perform their jobs efficiently.
- ③ Do not hold a second job, dual job, side job, etc. that is unnecessary for the performance of duties. However, exceptions may be made with the prior approval of the Company due to work relatedness to the Company and other reasons.

1-4 A Healthy and Safe Organization

- ① Do not engage in harmful behavior, such as sexual harassment, misconduct, or violence, whether it is between superiors and subordinates or among coworkers.

- ② Create an autonomous and healthy organization by maximizing the efficiency of our work time to balance work and family life, and by avoiding unproductive work, excessive drinking, etc.
- ③ 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 Establish a mindset to place the highest priority on safety by participating in the regular safety education.

1-5 Protect Company Assets and Information

- ① All of the company's tangible and intangible assets are resources for creating future value, so they must be treated with care and not diverted for private gain.
- ② Do not disclose the Company's intellectual property or confidential information to anyone, including competitors, regardless of the source, whether under a confidentiality agreement or not.
- ③ If a situation arises or is likely to result in a loss to the Company, you must immediately report it to the Company and take the necessary steps to prevent or minimize the loss.
- ④ Do not make decisions that are contrary to the interests of the Company for personal gain.

1-6 Political Involvement and Activity

- ① Voluntary and active participation in civic obligations such as referendums is encouraged. However, executives and employees should be careful that their personal political behavior or views are not mistaken for political views or activities on behalf of the company.
- ② Employees must be careful not to allow their personal political affiliations and expressions to affect the company's operations or the work of other employees.

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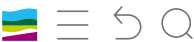
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2. Fair Trade, Fair Competition

2-1 Fair Business Practices

- ① You may not accept any bribe, gratuity, or entertainment offered by a stakeholder in connection with the Company's business, or provide it to a stakeholder.
 - (a) Souvenirs and gifts of congratulatory or condolence money that are deemed acceptable by social norms are exceptionally permitted.
 - (b) If you unavoidably receive anything of value, return it immediately or, if that is not possible, report it first and attribute it to the company.
- ② Do not engage in any conflict of interest with the Company, either directly or through a third party.
 - (a) Doing business with a business or competitor in which you have an interest, either directly or through a third party.
 - (b) Holding a position with a business entity in which you have an interest without the company's approval.
 - (c) Holding stock or bonds of a business entity in which you have an interest without the company's approval.
 - (d) Entering into a loan, co-investment, loan guarantee, or lease of real or personal property with a company with which you do business, either directly or through a third party.

2-2 Shared Growth

- ① We recognize our partners as strategic companions that create joint value through customer satisfaction.
- ② The selection of partners shall be conducted in an honest and reasonable manner and without discrimination.
- ③ Do not engage in unfair behavior using a superior position in transactions with partners.

1) Partners: Equipment suppliers, equipment manufacturing and installation companies, and various service providers that work with KC GreenHoldings and KC Network affiliates.

- ④ We actively support partner companies in enhancing their competitiveness through technology development, financial management, and necessary training. Additionally, we actively encourage them to fulfill their social responsibilities, such as workplace safety and respect for human rights.

2-3 Fair Competition

- ① We compete fairly by respecting the order of a free competitive market by complying with international standards and domestic fair trade laws and regulations.
- ② Secure a competitive edge through legitimate means such as enhancing the quality of products and services, proposing new business models, and competing fairly according to market rules.
- ③ Utilize only information obtained through legitimate channels. Do not acquire competitors' secrets through non-consensual processes or illegal means.

3. Responsibility to Customers and Shareholders

3-1 Customers

- ① Recognizing that our customers are our raison d'être and our goal, we accurately identify their needs and provide the right facilities, products, and services in the most efficient manner.
- ② We always listen to our customers and humbly accept their feedback so that we can quickly and accurately implement necessary improvements.
- ③ We are committed to protecting customer information.

3-2 Shareholders

- ① We increase corporate value through transparent and just management activities and continuous management innovation.
- ② We maintain a system of transparent and accurate accounting records in accor-

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dance with generally accepted international accounting standards and domestic laws so that accurate financial information can be provided to shareholders and investors.

- ③ We respect the rights of shareholders and investors and do its best to ensure that the Board of Directors plays a faithful role, and do its best to provide key management information such as business results and financial changes in a timely manner.

4. Social Responsibility

4-1 Sustainability Management

- ① We contribute to the sustainable growth of the global society by fulfilling social responsibility and protecting the environment while pursuing economic value.
- ② We endeavor to redistribute the economic value generated through efficient management and continuous innovation activities to stakeholders and strive to create job opportunities.
- ③ We comply with environmental laws and regulations and strive to improve our environmental impact in all processes, including product production and facility operations.
- ④ We actively participate in social contribution activities such as community outreach programs.

4-2 Respect for Human Rights

The Company and its employees shall not engage in unreasonable discrimination against the Company's stakeholders, including customers, employees, and others, based on race, nationality, gender, age, religion, place of origin, disability, marital status, and other reasons, and shall respect the basic human rights of all members.

5. Application of the Code of Ethics

5-1 Purpose

The purpose of this Code of Ethics is to provide clear standards of judgment and behavior so that employees of KC GreenHoldings and KC Network affiliated companies can comply with the Code of Ethics and practice it properly when performing their duties.

5-2 Applicability and Compliance Obligations

- ① This Code of Ethics applies to KC GreenHoldings and KC Network affiliated companies and employees.
- ② If employees are aware of any violation of this Code of Ethics, they should report it to the head of the Strategic Management Team of KC GreenHoldings.

5-3 Signature

All employees of KC GreenHoldings and KC Network affiliated companies have fully understood and familiarized themselves with the contents of this Code of Ethics, and express their willingness to actively participate and implement it through their signatures.

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External Assurance

Independent Assurance Statement

Introduction

Korea Management Registrar (KMR) was commissioned by KC GreenHoldings to conduct an independent assurance of its 2024 Sustainability Report (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 GRI standards 2021 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 205: Anti-Corruption
 - GRI 305: Emissions
 - GRI 306: Waste
 - GRI 401: Employment
 - GRI 403: Occupational 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.

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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 has made significant progress by progressively implementing sustainability management KPIs and conducting comprehensive evaluations of its affiliates. However, we recommend further improving the report content by including more detailed information on the sustainability management system, thoroughly addressing material topics as recommended by GRI, offering additional insights into the governing body's role in specific environmental and social issues, and reducing redundancies.

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.

July, 2024

CEO

E. J. Hwang

Affiliated associations

KC GreenHoldings	Korea International Trade Association, Korea Listed Companies Association, National Academy of Engineering of Korea, Korean Academy of Environmental Science, Seoul Chamber of Commerce and Industry
KC Cottrell	The Environment and Climate Committee at Korea Chamber of Commerce and Industry, Construction Association of Korea, Korea Mechanical Construction Contractors Association, Korea Electric Association, Korea Electric Engineers Association, Korea Construction Engineers Association, Korea Association of Mechanical Engineers, Korea Association of Machinery Industry, Korea International Trade Association, Korea Fire Facility Association, The Korean Society of Systems Engineering, Korea Engineering&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, Korea Environmental Conservation Institution, Hyundai E&C H-Leaders, Hyundai Steel ECO Partnership, SK ecoplant ECO Partners
NWL Pacific	Korea Electrical Contractors Association, Korea International Trade Association
KC Safety & Technologies	Korea Gas Inspection Association, Korea Mechanical Construction Contractors Association, Korea Specialty Contractors Association, Korea Engineering&Consulting Association, Gwangyang Chamber of Commerce and Industry
Clestra Hauserman	Seoul Chamber of Commerce and Industry, International Trade Association, Korea Construction Engineers Association, Korea Finance for Construction, Gyeongbuk Enterprises Federation
KC Glass & Materials	Korea International Trade Association, Korea Glass Industry Cooperative, Korea Industrial Technology Association, Korea Industrial Safety Association, Daejeon Chungnam Environmental Conservation Association, Korea Electric Engineers Association, Northern Chungnam Chamber of Commerce and Industry, Korean Red Cross, Korea Fire Safety Institute, 한국자동제병사협의회, Korea Institute of Ceramic Engineering and Technology, Korea Core Industrial Technology Investment Association, KOTRA, buyKOREA
KC Green Materials	Korea Power plant Byproduct Recycling Association
KC Solar & Energy	Korea Photovoltaic Industry Association, Korea New&Renewable Energy Industries Association, Korea Electrical Contractors Association, International Contractors Association of Korea

KC GreenHoldings

