

Communication On Progress

Report on the Implementation of 10 Principles of UNGC





Declaration of Advocating
Implementation of 10 Principles

Introduce of the
Organization

Record of Implementation
of 10 Principles



01

Report on the Implementation of 10 Principles of UNGC

Declaration of Advocating Implementation of 10 Principles





Declaration of Advocating Implementation of 10 Principles of UNGC

KOGAS-Tech is a professional LNG facility company that oversees repair, engineering and technical development of entire facilities from introduction to LNG and supply. Since the foundation in 1993, we contributed to the convenience of the public and national economy based on the responsible repair and safety management on facilities for more than 20 years.

To be the world's best energy technology corporate, we are focusing on securing the credibility of safe and stable gas supply through maintenance of nationwide supply pipeline network and safety inspection. Also, to meet the various demands and changes, we challenge toward next generation energy facility such as hydrogen charging station project, underground pipeline management. Furthermore, we communicate with the employees, partners and local communities to proactively cooperate with them.

We joined the UNGC(UN Global Compact) in August 2018, attended various human rights activity to abide by the 10 principles about human rights, labour environment and anticorruption, and have been practicing the principles across the business.

This report contains the major activities of entire employees to implement the 10 principles of UNGC from April 2020 to March 2021. KOGAS-Tech will do our best to be the leader of implementing the core value of UNGC and contribute to sustainable development of the community.

CEO OF KOREA GAS TECHNOLOGY CORPORATION **YONG-DON CHO**



02

Report on the Implementation of 10 Principles of UNGC

Introduce of the Organization





Basis of Foundation

- ✓ Corporation founded on the Commercial Art Article 288(Initiator) and 289(Creation of Article)
- ✓ Korea Gas Corporation Act Article 12(Investment et al.)

Foundation Purpose

- ✓ Safe and stable production and supply of LNG based on preliminary inspection and responsible maintenance of LNG production base and nationwide pipeline network
- ✓ Engineering business such as LNG storage tank and relevant facility, plant design

Major Business

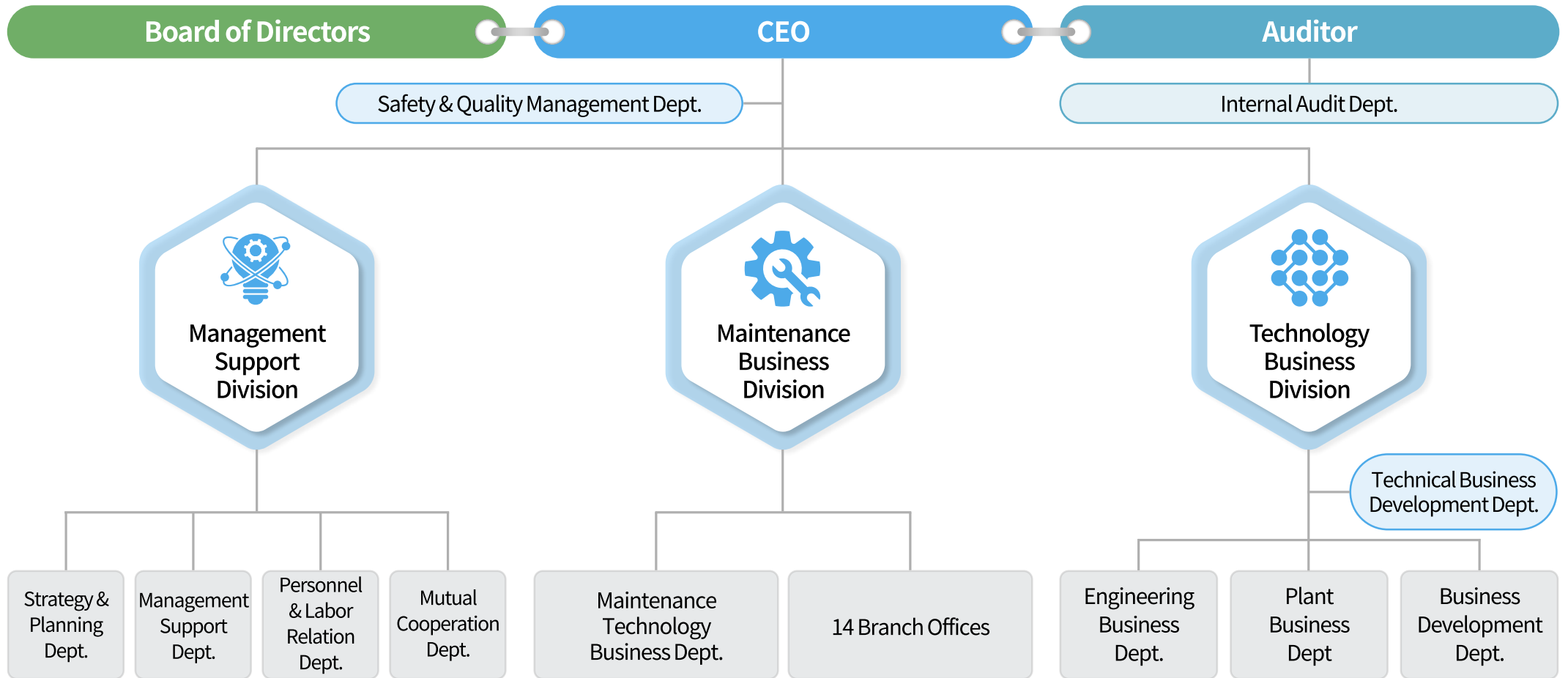
[Article 2]

- 01 Work Relevant to Gas Facility Maintenance
- 02 Safety Inspection and Maintenance of Gas pipeline
- 03 Engineering Consulting Service for Plant Projects
- 04 Any Project relevant to Maintenance / Repair of Plant Facility
- 05 LNG and Hydrogen Gas Charging Projects
- 06 Bio-Gas Making(Purification) Projects
- 07 Plant New Technology Product Making · Sales Projects

History

- 1993.05** ● Founded Korea Gas Technology Industry
- 1993.07** ● Opened 8 branch office (Pyeongtaek, Incheon, Seoul, Gyeongin, Chungcheong, Honam, Gyeongbuk, Gyeongnam) (~1997.01)
- 2001.06** ● Merged with Korea Gas Engineering
- 2002.08** ● Opened 3 branch offices (Tongyoung, Gangwon, South Sea) (~2005.01)
- 2005.03** ● Changed the company to Korea Gas Technology Corporation (KOGAS to Tech)
- 2010.10** ● Relocated head office from Seoul to Daejeon
- 2014.01** ● Established Samcheok Terminal and Incheon Branch Office (Total 13 Offices)
- 2016.01** ● Establsih Plant Business Division (2 divisions, 1 center)
- 2017.02** ● Selected as 'Public Enterprise' according to the law on operating public institutions
- 2018.07** ● Established Social Value Dept and Technological Sales Dept
- 2019.02** ● Modified articles (Expanding Hydrogen, Bio, Thermal and other New Growth Business)
- 2019.11** ● Changed the name of the department (Social Value Dept. – Mutual Cooperation Dept.)

Organization Chart



['As of 21.3.31 : Unit/Man]

| Level | Executive | Grade 1 | Grade 2 | Grade 3 | Grade 4~7 | Special Service | Voluntary Service | Salary Peak | Total |
|-----------------|-----------|---------|---------|---------|-----------|-----------------|-------------------|-------------|-------|
| Number of staff | 4 | 20 | 74 | 180 | 1,320 | 68 | 367 | 35 | 2,068 |

Clean Energy, Safe World, Happy Future

MISSION



VISION

Global Energy Solution Provider



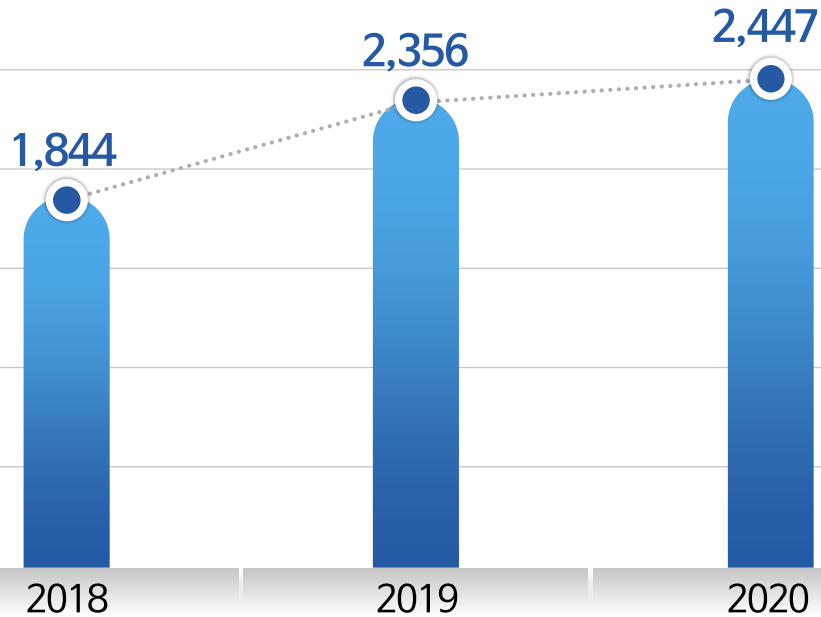
| | | | | |
|-------------------------|--|-------------------------|--------------------------|---|
| Strategic Direction | Enhance Eco-friendly Energy Maintenance Business | Realize Social Value | Secure New Growth Engine | Improve Future-oriented Organization Competence |
| Business Object [2030] | Perfect Maintenance of Eco-friendly Facility | Best Social Value Index | 1 Trillion Sales | Organization Culture Index Over 90 |
| Strategic Projects | 12 Strategic Projects | | | |
| Implementation Projects | 38 Implementation Projects | | | |

Asset Debt

- ✓ Asset : KRW 244.7B
- ✓ Debt : KRW 124.2B (0 financial)
- ✓ Capital : KRW 120.5B

Total Asset by Year

[Unit] 100M

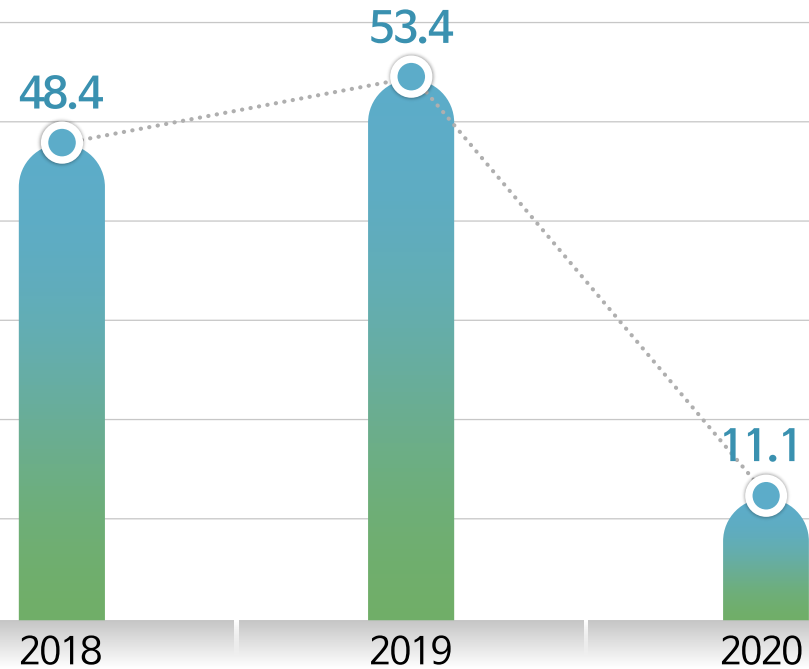


Profit Loss

- ✓ Sales : KRW 272.2B
- ✓ Profit : KRW 1.3B
- ✓ Net Income : KRW 1.1B

Net Income by Year

[Unit] 100M



03

Report on the Implementation of 10 Principles of UNGC

Record of Implementation of 10 Principles

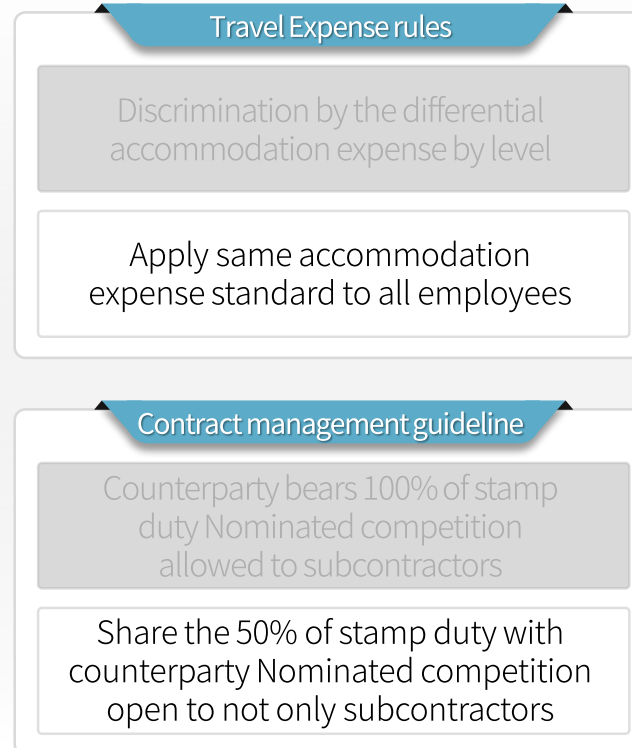


KOGAS-Tech builds human rights business system based on the human rights implementation guideline, **supports and respects the internationally proclaimed human rights**

Strengthening organization, infrastructure to improve the quality of human rights business management



Find human rights invasion Elements from Internal regulation



First human rights influence evaluation on major business



- **Organizing and training**
 - Set up TF team for human rights managers
- **Evaluation and interview**
 - Consulting and evaluation from external professional organization
 - Interview from various levels such as directors, voluntary workers
- **Circulation**
 - Deriving 38 improvement plans including HR policy
 - Reflecting '21 Improvement plan

KOGAS-Tech is doing the best to conduct participatory human rights business management, actively respond to human rights issue, and **to internalize and practice the human rights respect culture.**

Spread the culture with participatory human rights business management

- ✓ Attend human rights experience program led by directors including CEO, senior auditor

Simultaneous implements with 5 human rights experience center from NHRC

- ✓ Participatory activities to feel, share and purpose

| | |
|----------------|---|
| FEEL | Host a Day of mutual respect perform a play to prevent workplace bullying |
| SHARE | Host contest for human rights experience essay and share |
| SUGGEST | Host contest for participatory human rights contents |



Proactive response to social human rights issue

- ✓ Pre-emptive response on human rights issue



- ✓ Customized training to prevent human rights abuse



KOGAS-Tech support the **practical recognition of freedom of association and right to bargain collectively** based on the mutual effort between labor and management, and obeying the relevant legislation

01 Build and operate labor-management negotiation system

- ✓ Discover and promote joint labor-management business tasks (Complete 14 tasks from 4 departments of joint labor-management value promotion team)
- ✓ Achieve the common goal of labor and management through the quarterly conference and Regular, irregular discussion
- ✓ Promote establishing '4 Common response plan of labor-management' to overcome Covid19
 - Run emergency communication channel, joint disaster response meeting, fundraising, improve social value

02 Reinforce communication and management to form consensus

- ✓ Build High-low communication system to expand the labor-management sympathy

HIGH

CEO Communication date, Business update by branch directors, labor-management workshop

MEDIUM

Board of youth directors, Future/Field leader junior board, organization systematization

LOW

Open door day, youth employee talk concert, new employee discussion event

- ✓ Improve cooperation between labor and management by implementing labor-management competence roadmap
 - Reinforce competence of each group by setting training to each level of target
 - Establish the strategical partnership between labor and management by reinforcing the relation-oriented competence
- ✓ Reinforce labor-management participating competence
 - Contest for labor respect slogan, labor respect cultural event, reward departments with good relation

03 Improve labor condition based on labor-management negotiation

- ✓ Complete the salary agreement and discussion by promoting negotiation and collecting meeting agenda based on mutual agreement
 - completed 26 negotiations, and observed 2.8% of government guideline on salary agreement
- ✓ Converted 533 contract workers to permanent worker to realize the win-win relation
- ✓ Certified as family-friendly corporate for 5 consecutive years by spreading the work-life balance system



KOGAS-Tech obeys the labor standards act to exclude any type of forced labor, and **operates PC-OFF system to obey the 52 hour per week.**

“ To support the work-life balance, **we run flexible working system and family day** ”

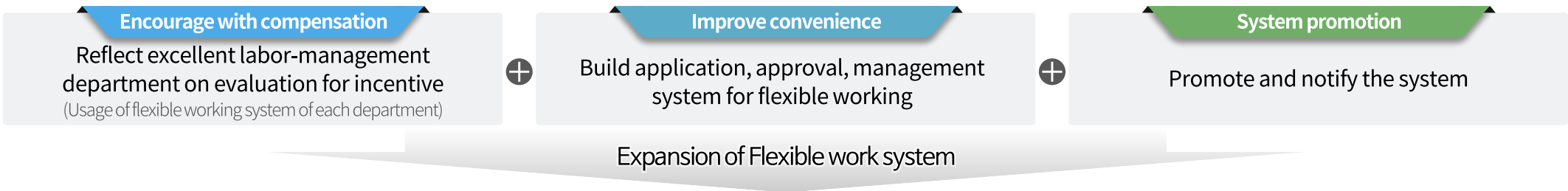
01 Support various forms of labor

Run different working hours

- Actively engage in work-life balance policy from the government
- Workers demand for family care and self improvement

| Flexible Working hours system | Working hours option system | Convertible working hour system |
|-------------------------------|-----------------------------|---------------------------------|
| 4 | 6 | 9 |

Effort to extend the flexible working system



| Type | Flexible working hours system | Working hours option system | Convertible working hour system |
|-----------|-------------------------------|-----------------------------|---------------------------------|
| '19 | 9,203 | 6,877 | 4 |
| '20 | 10,513 | 8,252 | 4 |
| Variation | 1,375(20%▲) | 1,310(14.2%▲) | - |

02 Family-friendly organization culture



Family day

- ✓ HQ : At least 1 “Family day” per quarter decided by each department
- ✓ All departments and office : Encourage to designate “family day” at least once a year



Child care break

- ✓ Grant child care break for occasions such as official event for children, or PTA meetings
- ✓ 2 days for 1 or 2 children, 3 days for more than 3 children



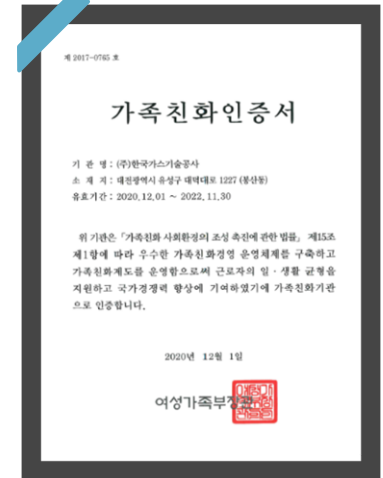
Family care break

- ✓ Grant family care break in case of family member’s illness, accident, old age, childcare
- ✓ 10 days per year (Including days used for child care break)



Family care leave

- ✓ Grant family care leave in case of nursing for family member's illness, accident or old age
- ✓ Maximum 90 days per year (Including days used for child care, family care break, can be split to more than 30 days per leave)



※ Family-friendly business certificate

- Initial: Dec 1, 2017
- Renewed: Dec 1, 2020

03 Implementing work policy for employees during the pregnancy and childcare period

Pregnancy

- ✓ Flexible working hours : 15~35 hrs/week
- ✓ Automatic approval on short working hours during pregnancy
- ✓ Prenatal diagnosis break : 1 day/month (Extra 1 day after 8 months)
- ✓ Secure maternal protection hour (2hrs/day)

Childbirth

- ✓ Expanded operation of maternity leave for multiple birth (120 days)
- ✓ Expanded operation of paternity leave for childbirth (10 days)
- ✓ Paid breast-feeding time (30 minutes, 2 times/day)

Parental leave

- ✓ Flexible working hours : 15~35 hrs/week
- ✓ Secure childcare hours (2 hrs/day)
- ✓ Secure parental leave of maximum 3 years per 1 child

KOGAS-Tech abides by the Convention Concerning the Prohibition and **Immediate Actions Toward the Child Labour** declared by ILO.

01 Reasonable recruitment standard to prevent child labour

- ✓ Exclude child recruitment by suggesting minimal qualification and checking the documents
- ✓ Recruit graduate-to-be for high school graduates, and check the school attendance record
- ✓ Check appropriacy based on identity check and criminal record

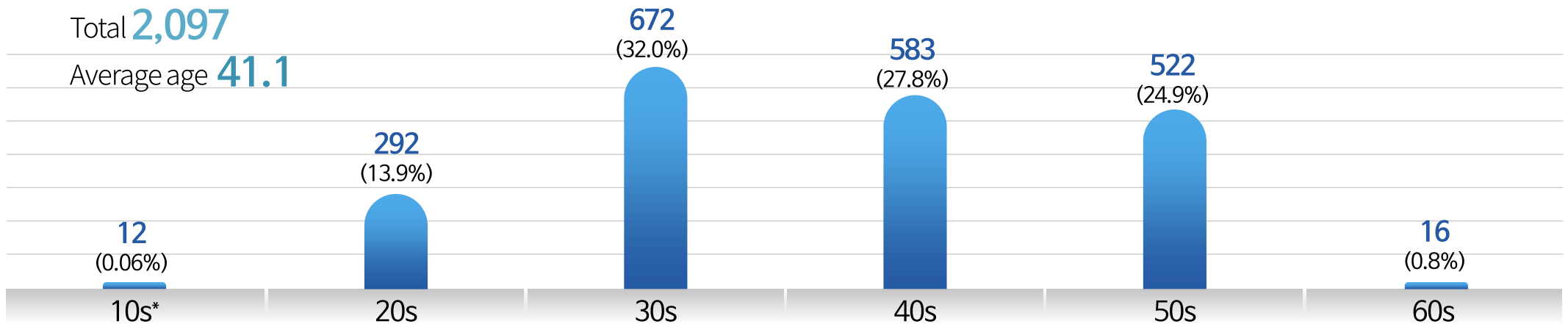
02 Distribution status of employee's age

- ✓ KOGAS-Tech recruits capable personnel for each department and has never recruited child.

As of Dec, 2020

Total **2,097**

Average age **41.1**



* Teenage employees are all over 18, who are recruited as excellent high school graduates to create anti-discriminating recruiting

KOGAS-Tech endeavors to recruit based on talent to ban any form of discrimination and **grant equal opportunity to all employees**

01 Recruitment opportunity open to everyone

Background

- ✓ Need to assess the competence without any personal details such as gender, education, age, nationality, religion, social status, physical condition
- ✓ Need to remove any discriminative element and assessment based on performance



Efforts

Previous

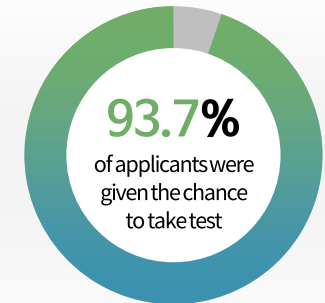
- ✓ Limit the applicants to take test by deciding the pass/fail of document evaluation

Current

- ✓ Simplified document evaluation (all applicant take test)
- ✓ All applicants excluding the disqualified take test to reinforce fair recruitment focusing on competence

Result

- ✓ All applicant granted opportunity to take test excluding the disqualified
- 4,382 Applicants passed document evaluation among 4,675 applicants
- ✓ Fair recruiting opportunity by extending the document evaluation.



02 Spread 'No discrimination Organization Culture' by practicing gender equality



Count maternity leave to length of service to stop discrimination against any form of working condition such as promotion

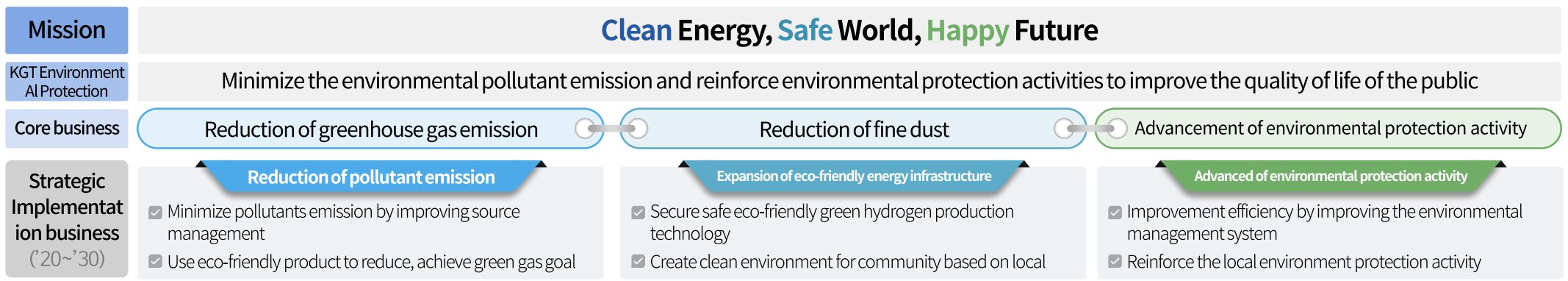


Lead to train female employees by running female employee mentoring program



Establish family-friendly system by Supporting work life balance

KOGAS-Tech promotes environment protection activities by minimizing the pollutant Emission and **practicing the realization of green public corporate**



Reduce green gas based on Green Public Corporate 2030 Roadmap



- ✓ Achieved more than (36.5%) the green gas reduction goal(30%)
- ✓ Using highly energy efficient products on the newly built office -4,765 products including insulating system window, curtain wall

Reduce fine dust based on hydrogen energy technology industry



- ✓ Promote green hydrogen production business cooperation - Expected to reduce CO₂ by 1,500Ton/year
- ✓ Chosen to construct nitrogen transportation complex base at Pyeongtaek port - Expected to improve the fine dust concentration (583μg/m³→47μg/m³)

Win-win with local community with various environment protection activity



- ✓ 5 response training against marine pollution with 56 participants
- ✓ 23 response training against air pollution with 325 participants
- ✓ 29 daily environment cleaning activity with 325 participants

KOGAS-Tech **reinforces its environmental responsibility** and increase it by minimizing the pollutant emission and conducting environment protection activity

Minimized pollutant emission and increase environment protection activity

- ✓ Minimized pollutant emission by improving source management
- ✓ Use eco-friendly products to reduce green gas
- ✓ Secure eco-friendly green hydrogen production technology and vitalize supply of eco-friendly car (Electric, hydrogen car)
- ✓ Create clean environment based on the cooperation with local community

Introduction to eco-friendly cars



| Years | Cars |
|-----------|------|
| 2019 | 4 |
| 2020 | 14 |
| Increment | 10 |

Efforts to practice intensive Energy saving

- ✓ Tighten the power regulation using energy management system (Power control)
- ✓ Designated operation on energy saving department and energy saving program
- ✓ Enhance regulation on electricity overconsumption and run energy saving campaign
- ✓ Promote energy saving(including saving electricity, gas of public building and gas on cars) on entire employees

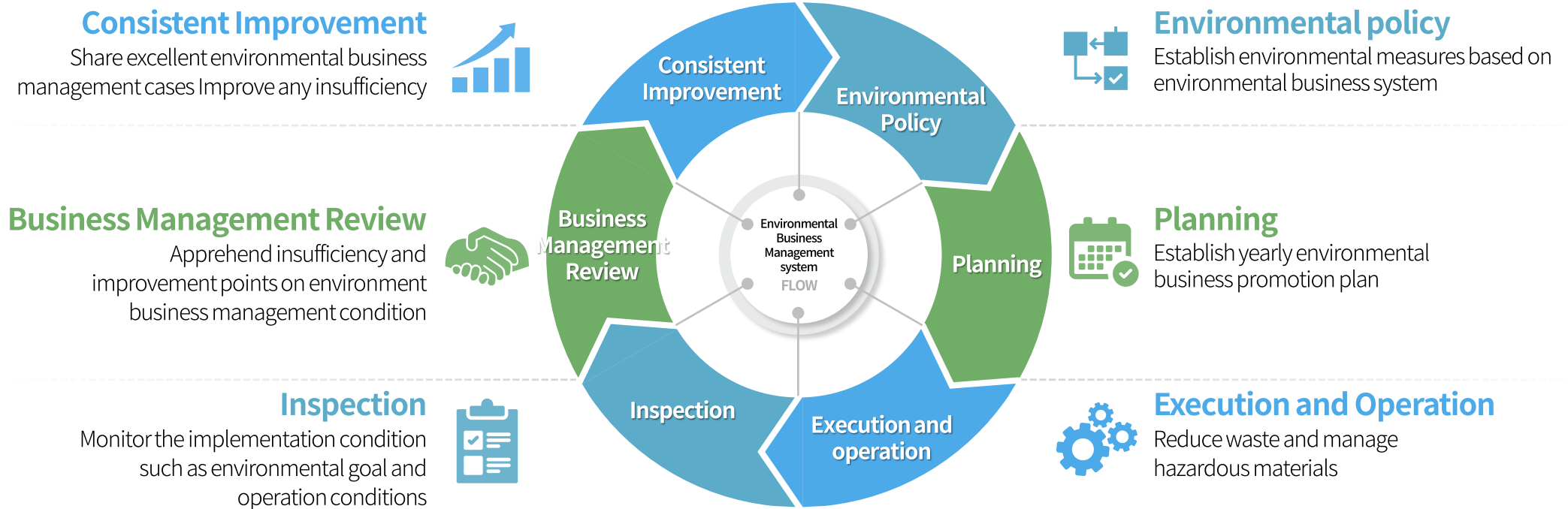
Implementation of Green Public Corporate 2030*

| Category | '19 | '20년 | Variation |
|---------------------|--------|--------|-----------|
| Reduction Goals | 28 | 30 | 2 ▲ |
| Emission(tCO2) | 799 | 939 | 140 ▲ |
| Result(tCO2) | 575 | 596 | 21 ▲ |
| Reduction rate(%) | 28.035 | 36.528 | 8.493 ▲ |
| Achievement Rate(%) | 100.1 | 121.8 | 21.7 ▲ |

* Green gas reduction goal by 2020 : 30%

Businesses should undertake initiatives to promote greater environmental responsibility

KOGAS-Tech identifies, evaluates, manages and improves the environmental issue based on ISO 14001 (Environmental Business System) for the **effective management of environmental risk**



For the improvement of environment business and performance, operates sustainable environmental responsibility based on the internal standard ISO 14001(Environmental business system)

[Initial certificate] 2000.10.27 [Renewed] 2020.10.27

KOGAS-Tech **responds to global energy paradigm** such as carbon neutrality, fine dust reduction by activating the eco-friendly energy supply

Vitalization of national Hydrogen economy industry

⚡ Build hydrogen infrastructure (charging, production base)



- ✓ Built 23 hydrogen charging system
- Plan to build 60 stations by 2022
- ✓ Built 3 hydrogen production base (Pyeongtaek, Busan, Wonju)
- Reduce the cost by building the base
- ✓ Developed and applied de-icing charger for the charging system
- Saved average 50% of charging time
- Prevent safety accident by using nitrogen

Supply clean energy Based on R&D

⚡ Supply clean energy to Baengnyeongdo by demonstrating small LNG supply system



- ✓ Completed 72 hour trial operation (Sep 20)
- Developed remote-based user manual
- 51% decrease in fine dust compared to previous (diesel)
- | Note | Previous (diesel) | improved (LNG) |
|----------------------------|-------------------|----------------|
| Fine dust generation (ppm) | 545.8 | 266.1 |
- ✓ Performance
- Applied for 1 patent "Emergency liquid gas supply system and method"
- Awarded the 2020 Korea Environment – Energy Prize (Nov 2020)

⚡ Operate hydrogen life cycle center to assess and support one stop domestic facility to test from production to supply

✓ Problems of developing hydrogen facility and component development

- No domestic organizations that can test, certify The safety of domestic products from extra high voltage · extra low temperature
- Overloaded risk on development for small corporates at the early stage of nitrogen industry



✓ Role of hydrogen life cycle center

- Providing test facility (28.5 Billion scale) Enabling the safety and performance assessment (43 tests) of products from all cycle
- Support test fee conduct joint R&D

KOGAS-Tech endeavoring to anti-corruption, integrity activity under the ethical vision of **“Global Energy Technology Leader Leading the Clean and Transparent Society”**

Reinforce Ethical Business Management

- ✓ Passed first posterior judgement on anti-corruption business system(ISO 37001)
- ✓ Run autonomous law-abiding system(external + internal monitoring)
- ✓ Run social responsibility violation prevention TF(Matched with 4 departments including unfair trade)

Create Ethical Business Environment

- ✓ Newly built bullying and mutual respect article in complex evaluation (demanding higher moral for higher position)
- ✓ Run social responsibility violation prevention TF(Matched with 6 types, 4 departments including unfair trade)

Spread Ethical Business Culture

- ✓ Conduct “Mobile Integrity Discussion” hosted by the head office and branch offices
 - ✓ Survey about the communication discussion and bullying for the partners
 - ✓ Hold events that the public participates and suggest
- ※ Contents contest and suggesting improvement plan, public participatory budget system, integrity contents contest with Korea Mint Corporation

Active Reporting System

- ✓ Changed to anonymous reporting system to improve credibility and satisfaction
- Previous : Smart Whistle → Now : Red Whistle (First Compliance agency in Korea)
- ✓ Manage intensive reporting period for unfair act using confidential work information
- ✓ Conduct self check regarding the violation of code of conduct or reckless management targeting the entire employees

직무정보(비밀)를 이용한 부당행위 등 관련 자가점검 체크리스트

| 질문 | 답변 | |
|---|-----|----|
| | YES | NO |
| 1. 직무를 수행함에 있어서 직무관련자인 공사 퇴직자와 “직무와 관련하여 함께 골프 등의 행위”를 하였습니까? * | ☐ | ☐ |
| 2. 직무를 수행함에 있어서 직무관련자인 공사 퇴직자와 “직무와 관련하여 식사 및 사형성 오락 등을 하는 행위”를 하였습니까? * | ☐ | ☐ |
| 3. 직무를 수행함에 있어서 직무관련자인 공사 퇴직자와 “직무와 관련하여 여행이나 회합, 행사 등을 함께하는 행위”를 하였습니까? * | ☐ | ☐ |
| 4. 직무를 수행함에 있어서 직무관련자인 공사 퇴직자에게 “직무와 관련하여 알게 된 비밀을 유출하거나 특혜를 제공한 사실”이 있습니까? * | ☐ | ☐ |
| 5. 직무수행 중 알게 된 “미공개 정보를 이용하여 주식 등 유가증권·부동산 등과 관련된 재산상 거래 또는 무차별하거나 타인에게 그러한 정보를 제공하여 재산상 거래 또는 무차별을 하는 행위”를 한 사실이 있습니까? * | ☐ | ☐ |
| 6. 직무수행과 관련하여 “취득한 중요한 정보를 시장의 사전 허가나 승인 없이 제3자에게 누설하는 행위”를 하였습니까? * | ☐ | ☐ |
| Self Check list | | |
| 7. “취득한 중요한 정보”가 있는 자료를 “정보 제공의 사실”이 | ☐ | ☐ |
| 8. “취득한 중요한 정보”를 이용한 부당행위 등에 대한 신고영향을 받고 있습니까? * | ☐ | ☐ |

공직자 직무 관련 투기행위 집중신고기간 운영 알림

공직자의 직무 관련 투기행위 집중신고 기간 운영 '21. 3. 4.~6. 30.

국민권익위원회 | 청렴포럼 | 부패방지보고서, (www.clean.go.kr)

대상인원
-공직자 내부투기행위를 이용한 부동산 투기행위
-타인에게 내부정보를 제공하거나 누설하는 행위
-외국에 투자 관련 정보를 제공하여 이익으로 영리화

신고대상 연 구입금 110, 1390

국민권익위원회

[관련다지]
가. 국민권익위원회의 실시(제1445/0701.3.24) : “공직자 직무 관련 투기행위 집중신고기간 운영 관련 홍보 협조 요청”
나. 직무수행법 370(071.3.26) : “직무정보(비밀)인 미공개 부당행위 등 집중 신고기간 운영행위”

국민권익위원회의 요청으로 우리 공사 임직원 및 타 공공기관 직원 등 내부정보를 이용한 부동산 투기행위 집중신고기간을 운영하시어 이 데 선정 방법에 따라 실수위에 주시기를 바랍니다.

1907년 3월 4일(목) 6:00(수)
1907년 6월 30일(수)
Notice about intensive reporting period

▶ 공직자 직무 관련 투기행위 집중신고기간 운영 300여회 내용 보기 click

Clean Energy Safe World Happy Future

This is the World that **KOGAS-Tech** dreams of

