



2021/22 KCC GLASS ESG Report

ACTIONS TOWARDS SUSTAINABLE LIFE

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CEO MESSAGE

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“KCC GLASS will focus on stakeholder-oriented management to grow as an ESG Leading Company.”

Dear stakeholders,

Thank you for your unwavering interest and support for KCC GLASS. Last year marked the second year of KCC GLASS, during which we laid the foundation for sustainable growth. Following the establishment of a dedicated ESG organization, we made notable progress in a short period of time, such as establishment of the ESG strategy system and publication of the first ESG Report.

Now, there are increasing demands from the international community, in terms of corporate responsibility, and KCC GLASS strives to go beyond meeting such demands. We aim to continuously improve corporate value by considering the impact of our business. With communication, innovation, and trust as keywords, we will be pursuing the following tasks:

Talent Development and Corporate Culture Innovation

A company's most valuable asset is its employees. KCC GLASS thus fosters key talents in each field through internal and external professional training and creates an open communication culture through labor-management councils, staff meetings, and ESG committees. Believing that the internal stakeholders, such as executives and employees, are the ones who can lead us to the goal of 2025 ESG Leading Company, we will spare no efforts to establish an environment, where employees can develop an organizational culture for their growth and to realize their potential.

Changes and Challenges

To keep up with rapidly changing trends, an innovative and flexible organizational system has become an essential quality of a company. KCC GLASS will keep pace with the changing times, encouraging innovative ideas and taking initiatives to put them into practice. Just as the world faced unprecedented changes and challenges due to the outbreak of COVID-19, so also will the post-COVID era bring new trials and opportunities. In order to prepare for the future and seize opportunities, we will take a deeper look at old problems to find fundamental solutions and create greater values.

Jeong-Do Management

All business activities of KCC GLASS are conducted based on compliance management observing domestic and international laws and in trust with customers. Customers are not limited just to consumers; instead, stakeholders, such as shareholders, investors, business partners, local communities, and employees, are all considered to be our valuable customers. KCC GLASS listens to our customers' voices and where necessary reflects their opinions in the company's decision-making. For sustainable



management, we encourage the participation of and collaboration among all stakeholders, and spread the philosophy of jeong-do (“the right way”) management. In particular, the dissemination of ESG management within the global supply chain is a critical issue for KCC GLASS. To ensure sustainability of the entire supply chain, KCC GLASS will strengthen supply-chain risk management and expand sustainable growth-related policies for business partners.

I anticipate that 2022 will be a year, in which we focus on setting and achieving specific goals and plans in the respective fields of the economy, the environment, and society. As a company, we will take steps to internalize ESG throughout our business activities. We appreciate your continued interest and support.

Thank you!

July 2022

CEO Kim Nae Hoan

KCC GLASS joined the UN Global Compact (UNGC) in 2021 to promote ESG management in earnest at a global level. Through this report, KCC GLASS declares that we will support and comply with the ten principles of the UNGC in regard to human rights, labor, the environment, and anti-corruption. As a member of the UNGC, we will respect our stakeholders and work harder for the sustainable development of the international community. KCC GLASS will continue to practice and promote values of the UNGC through sustainable management.

2021/22 HIGHLIGHTS

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The Second Regular General Meeting of Shareholders



On March 25, 2022, KCC GLASS held its second regular general meeting of shareholders. Following the first regular general meeting of shareholders, the second regular general meeting was held outdoors with extra precautions to prevent the spread of COVID-19. Audit reports, business reports, financial statements, etc. were shared at this general meeting of shareholders. Additional agenda items included partial amendments to the Articles of Incorporation, appointment of external directors, appointment of external directors to become members of the Audit Committee, appointment of members of the Audit Committee, and the remuneration limits of directors. CEO Kim Nae Hoan, the chairperson of the general shareholders' meeting, expressed his commitment to creating a sustainable company through ESG management, remarking, "Based on the capabilities and solid competitiveness we have accumulated thus far, we will achieve sustainable growth and fulfill our economic, social, and environmental responsibilities."

2020/21 ESG Report LACP Gold Prize



KCC GLASS 2020/21 ESG report won the Gold Prize at the Vision Awards organized by the League of American Communication Professionals (LACP). The LACP is an association that recognizes those who demonstrated exemplary communication capabilities; it assesses various reports in terms of the readability, delivery, design, etc.

Family-friendly Company Certification



In 2021, KCC GLASS received the family-friendly company certification from the Ministry of Gender Equality and Family, in recognition of its achievements in childbirth and childrearing support, flexible working system, and creation of a family-friendly workplace culture. The family-friendly company certification is granted to companies and public institutions that operate an exemplary family-friendly system.

Ranked in the 1st place in three categories in the 2021 Korean Standard Quality Excellence Index (KS-QEI).



Twelve consecutive years in PVC flooring; five consecutive years in low-emission glass; and back-to-back winner in new decoration film

HomeCC interior flooring material, SUP, ranked first in the 2022 Korea Industry Brand Power Index (K-BPI) for seven consecutive years



No. 1 in the household flooring category for seven consecutive years; Received the highest score in all evaluation items, including brand awareness, brand image, and preference

Attended the North American flooring exhibition, TISE 2022



Participated in TISE (The International Surface Event) 2022 for the first time, marking the advancement into the North American and global flooring markets

Started construction of plant in Indonesia



Started construction of a flat glass plant in Batang Industrial Complex in Indonesia, scheduled to be completed by 2024
Prepared a bridgehead for entering the global market

Merger with KOMA Global Co., Ltd.

Created new growth engines through small-scale mergers and acquisitions
Expanded green business areas and secured global raw material supply and demand capabilities

Joined the UNGC (United Nations Global Compact)



Internalized ten principles in the areas of human rights, labor, environment, and anti-corruption
Started participating in the UN SDGs (Sustainable Development Goals)

EcoVadis Gold Rating



Obtained the gold rating with a score in the top 5% of all companies in the ESG evaluation in the fields of environment, labor, human rights, ethics, and sustainable procurement

Sustainvest ESG Rating - AA Rating

Based on the performance in the second half of 2021
Overall: A; by company size: AA

KCC GLASS AT A GLANCE

COMPANY PROFILE

About the Company

KCC GLASS Corporation was established as a spin-off from KCC Corporation on January 2, 2020, in order to strengthen management efficiency and expertise in Glass, HomeCC, Flooring, Film and Interior Stone — as well as to respond quickly to changes in the market environment and policies by separating the company's B2C business. In order to create a new growth engine, on December 1, 2020, we absorbed and merged with Korea Autoglass Corporation and established a comprehensive system for the glass business. To further strengthen digital marketing capabilities, our interior specialty brand, HomeCC Interior, which has been largely based on offline stores, launched an online platform, HomeCC Mall. In April 2022, KOMA Global was absorbed and merged with KCC GLASS in order to create synergies between the businesses as they secure global raw material supply and demand and make transition to green building materials. We will be focusing our corporate competencies on developing one and only, high value-added products that will lead the global market and apply technologies in the architectural materials and glass industries that we have acquired over the course of our history. We will constantly take on challenges to advance as the world's best glass and interior specialist.

Company Overview

Vision	
Number one company that cherishes customer value and leads the global market with green technologies	
Strategic Goals	
1 Stable Growth	Creating high added value and securing financial soundness
2 Customer Management	A company that designs and blends customers' lives and interior spaces
3 Advanced Management	Continuous technological innovation and efficient organizational operation
4 Talent Management	Fostering global talent through active investment in education

Date of Establishment	January 2, 2020
CEO	Kim Nae Hoan
Headquarters	587, Gangnam-daero, Seocho-gu, Seoul, Republic of Korea
Business Areas	Glass, interior distribution/service, flooring, film, interior stone, PHC pile, etc.

* On a consolidated basis, as of December 31, 2021

Net Profit (Unit: KRW 100 million)	Sales (Unit: KRW 100 million)
1,172	11,757
Number of Employees (Unit: persons)	Operating Income (Unit: KRW 100 million)
1,823	1,605

Business Area

GLASS	INTERIOR	PILE
Flat Glass Coated Glass Automotive Safety Glass	Flooring Materials Film VCM	Interior Stone HomeCC Interior
A, B-Type High Strength Pile HD-R High Strength Pile Ultra-High Strength Pile	Sales (Unit: KRW 100 million) 7,936	Operating Income (Unit: KRW 100 million) 1,360
Sales (Unit: KRW 100 million) 3,074	Operating Income (Unit: KRW 100 million) 120	Sales (Unit: KRW 100 million) 747
Operating Income (Unit: KRW 100 million) 124		Operating Income (Unit: KRW 100 million) 124

History

1950
1958 Founded Keumkang Slate Ind. Co., Ltd.

1970
1976 Keumkang Slate Ind. Co., Ltd. renamed Keumkang Limited

1980
1987 Completed construction of the Yeosu Plant

1990
1990 Established Korea Silica Co., Ltd.
1995 Completed construction of the Yeongwol Plant
1996 Completed construction of the Asan Plant

2000
2000 Keumkang and Korea Chemical merged and renamed as Keumkang KCC Co., Ltd.
2000 Founded Korea Autoglass Corp
2005 Keumkang KCC Co., Ltd. renamed as KCC Corporation

2010
2010 Opened HomeCC Interior Incheon Branch
2011 Korea Silica renamed KCC Mineral Resources Corporation (KMR)
2012 Completed construction of Jeonui Plant #2
2015 Merged with KMR
2015 Acquired VCM business unit of Innogratech
2016 Opened HomeCC Interior Ulsan Branch

2016
2016 HomeCC Interior won the first prize in the interior category of 2016 Master Consumer Confidence of Korea Brand Awards

2017
2017 Merged with Sambu Construction Industrial and established the Pile Division

2020
2020 Founded KCC GLASS Corporation
2020 Merged with Korea Autoglass Corp
2021 Ranked no. 1 in Korean Standard Quality Excellence Index (KS-QEI) PVC flooring (12 consecutive years); low-emission glass (five consecutive years); decoration film (two consecutive years)
2021 Published the first ESG Report

2022
2022 Merged with KOMA Global
2022 Ranked No. 1 in 'Korea Industrial Brand Power (K-BPI)' in the residential flooring material section (7 consecutive years)

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BUSINESS PORTFOLIO

Business Sites

As a specialist of glass, interior materials, KCC GLASS operates in a variety of markets including architecture, construction, automobiles, and home appliances. In addition to our Seoul headquarters and large-scale production plants in Yeosu, Jeonui, Asan, Gapyeong, Yeongwol, Deokso and other areas, we are operating showrooms and retail shops in major large cities including Incheon, Ulsan, and other major cities to serve broader communities and promote healthy growth. In May 2021, we held a groundbreaking ceremony for a glass production plant in Batang Industrial Complex, Indonesia, where we are planning to build a comprehensive glass cluster to target overseas markets.

KCC GLASS Domestic Business Sites



1 Headquarters

Address | 587, Gangnam-daero, Seocho-gu, Seoul, Republic of Korea



2 Yeosu Plant

Address | 541, Yeojunam-ro, Ganam-eup, Yeosu-si, Gyeonggi-do, Republic of Korea
Products | Flat glass, Coated glass



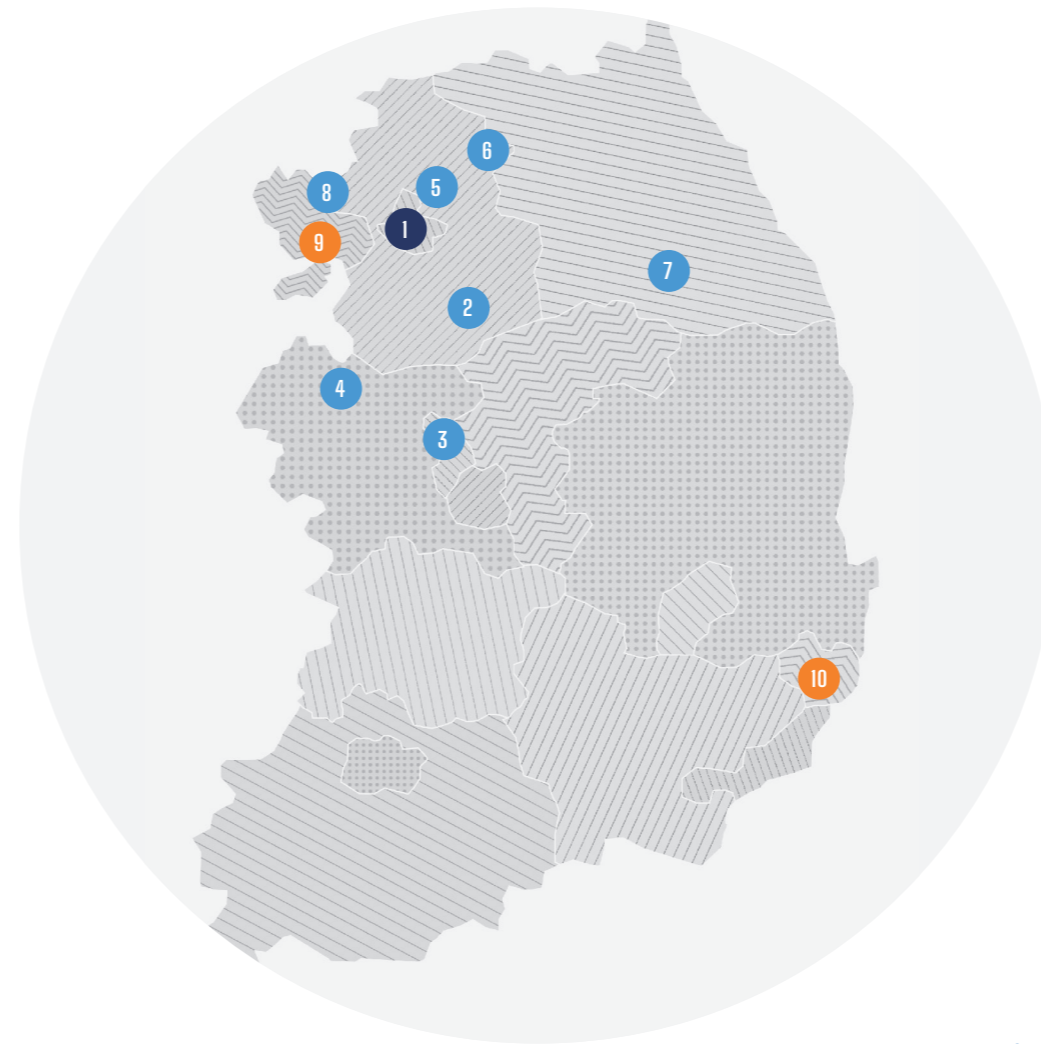
3 Jeonui Plant

Address | 134, Sandan-gil, Jeonui-myeon, Sejong-si, Republic of Korea
Products | Automotive safety glass



4 Asan Plant

Address | 658-33, Asan-ro, Yeomchi-eup, Asan-si, Chungcheongnam-do, Republic of Korea
Products | Flooring material, Film



● HQ ● Plant ● HomeCC Stores

5 Deokso Plant

Address | 244, Sure-ro, Wabu-eup, Namyangju-si, Gyeonggi-do, Republic of Korea
Products | PHC pile



6 Gapyeong Plant

Address | 42, Muransan-gil, Gapyeong-eup, Gapyeong-gun, Gyeonggi-do, Republic of Korea
Products | Silica



7 Yeongwol Plant

Address | 282-54, Wondongjae-ro, Buk-myeon, Yeongwol-gun, Gangwon-do, Republic of Korea
Products | Dolomite



8 Gimpo Plant

Address | Building C, 99-101, Gahyup-ro 85beon-gil, Tongjin-eup, Gimpo-si, Gyeonggi-do, Republic of Korea
Products | Biodegradable plastics



9 HomeCC Incheon

Address | 16, Jungbong-daero 393beon-gil, Seo-gu, Incheon, Republic of Korea
Products | Interior materials



10 HomeCC Ulsan

Address | 28-17, Jinjangyutong-ro, Buk-gu, Ulsan, Republic of Korea
Products | Interior materials

Nationwide sales offices

Metropolitan area sales office	587, Gangnam-daero, Seocho-gu, Seoul, Republic of Korea
Incheon sales office	16, Jungbong-daero 393beon-gil, Seo-gu, Incheon, Republic of Korea
Chungcheong area sales office	92, Munjeong-ro, Seo-gu, Daejeon Republic of Korea

Honam area sales office	524, Imbangul-daero, Gwangsan-gu, Gwangju, Republic of Korea
Ulsan sales office	28-17, Jinjangyutong-ro, Buk-gu, Ulsan, Republic of Korea
Yeongnam area sales office	1628, Jungang-daero, Geumjeong-gu, Busan, Republic of Korea

HomeCC Interior Showroom

HomeCC Seocho	344, Sapyeong-daero, Seocho-gu, Seoul, Republic of Korea
HomeCC Bundang Pangyo	210, Daewangpangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
HomeCC Goyang	2014 Goyang-daero, Deokyang-gu, Goyang-si, Gyeonggi-do, Republic of Korea
HomeCC Busan Geumjeong	1628, Jungang-daero, Geumjeong-gu, Busan, Republic of Korea

HomeCC Gwangju Gwangsan	524, Imbangul-daero, Gwangsan-gu, Gwangju, Republic of Korea
HomeCC Daegu Jung-gu	111, Taepyeong-ro, Jung-gu, Daegu, Republic of Korea
HomeCC Daejeon Seo-gu	92, Munjeong-ro, Seo-gu, Daejeon, Republic of Korea



GLASS

KCC GLASS's glass products, which include flat glass, coated glass, and automotive safety glass, are designed in consideration of customer convenience and functionality. We strive to create a pleasant residential environment and reduce energy consumption.



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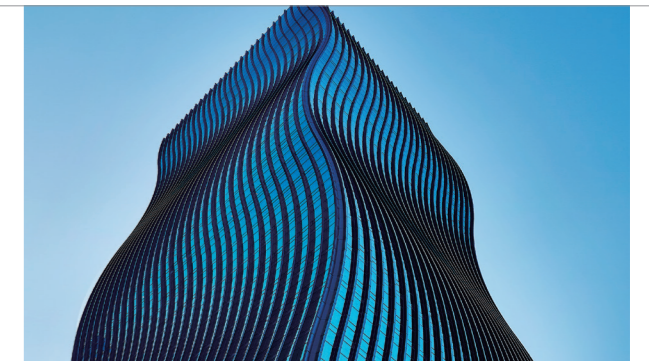
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Flat Glass

Flat glass offers the best viewing experience with adjustable visible light transmittance. It comes in a variety of colors for application in interior and exterior of buildings and helps create new values.

Clear glass, colored glass, design glass



Coated Glass

Coated glass boasts excellent insulation and energy-saving features, as well as protection against solar heat; it is a perfect choice for creating a pleasant indoor environment all year long. It comes in a variety of colors to complement the exterior designs of buildings.

E-MAX: Multi-functional double Low-E glass with excellent solar heat blocking and cooling and heating energy efficiency. It exhibits optimal performance for buildings that require high insulation and are subject to environmental certification, such as high-end offices and commercial facilities.

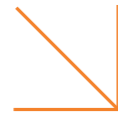
E-GLASS: Economic single Low-E glass with superior cooling and heating energy efficiency. It helps save energy by allowing the solar radiation to be transmitted through the windows and preventing heat loss to the outside in winter time.

EGIS: This is a hybrid product that combines the advantages of hard Low-E glass, which is easy to handle and store, and soft Low-E glass with excellent insulation performance.

Reflective glass: This product effectively blocks solar radiation and reduces cooling energy consumption. Elegant and sophisticated colored glass helps secure privacy, as well.

AUTOMOTIVE GLASS

KCC GLASS's Automotive Glass offers a comfortable driving environment for the driver and passenger while providing additional protection against external impact and reducing the chance of secondary accidents caused by glass breakage. Blocking solar heat, it helps improve cooling efficiency, hence conserving energy and reducing CO₂ emissions.



Standard automotive safety glass

Laminated Glass: Two sheets of glass are laminated with a layer of PVB (Polyvinyl-Butyral) bonding film, which has excellent tensile strength, at high temperature and high pressure. It is mainly used in windshields of automobiles for its high shock-absorption properties.

Tempered Glass: This product achieves strong compressive stress on the surface through a process of heating the glass sheet to 600~700°C, forming, and quenching. It is used in rear and side windows of vehicles, as it has three to five times higher impact strength than regular glass.

Specialized automotive safety glass

Soundproof Glass, Solar Heat Shielding Glass, Panoramic Glass, Privacy Glass, HUD Glass, Wire-Heated Defrosting Glass, Water-Repellent Glass, Photovoltaic Glass



GREENB

GREENB is an eco-friendly brand that features biodegradable plastic technology. GREENB's biodegradable plastics decompose naturally within six months under composting conditions to protect soil and marine ecosystems and produce low carbon emissions even when incinerated. The biodegradable plastics have obtained the environmental label (EL724) from the Korea Environmental Industry and Technology Institute.



Disposable bags, air caps, straws, containers, etc.

CONCRETE PILE



Concrete Pile

This is a fundamental building material for construction work that transfers the load of the building to the ground. Piles are used in various fields, including buildings, multi-use facilities, apartments, and schools, as well as civil works and plants.



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ORGANIC

The Organic package presents a sense of nature, with a focus on rough or organic textures as well as natural tones to allow customers to experience nature within the space.

SOFT

The Soft package has sophisticated, timeless style with calm, neutral base colors and classic elements for kitchen furniture and lighting.



TRENDY

The Trendy package offers a vibrant Nordic style interior with an emphasis on the use of light grey color and patterned tiles. It promotes natural harmony between the space and the lifestyle of the occupants.



HOMECC INTERIOR

HomeCC Interior is dedicated to providing superior-quality building materials produced by KCC GLASS as well as other interior finishing materials. At two interior stores and seven customer-oriented, experiential showrooms, we offer a one-stop interior shopping service. Based on accumulated technology and understanding of customer needs, we propose interior packages for each space that consider lifestyle. We also focus on developing interior concepts and styles that fit the latest trends.





FLOORING

KCC GLASS's HomeCC interior flooring products are designed to offer optimal functionality to meet specific needs of a wide range of living spaces.



Residential Flooring

Eco-friendly residential flooring materials offer various features most suitable for residential spaces. There is almost no product deformation due to underfloor heating, and environmental performance has been verified by various environmental certifications, such as the HB mark and the environmental mark.

Residential Flooring, Hardwood Floor

Flooring for Transportation Vehicles

Special chips and fiberglass layers provide excellent durability and resistance to minimal deformation that may occur due to heat and moisture. Our flooring materials have been certified for various kinds of features and performance, and are perfect flooring materials for buses and ships.

Automotive Flooring, Flooring for Ships

Commercial Flooring

Commercial flooring is highly functional and has diverse applications, including business facilities, hospitals, and schools. While exhibiting physical properties that meet specific requirements, it provides elegant appearance with high durability.

PVC Tile (LVT), Deluxe Tile, Carpet Tile, Rubber Tile

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INTERIOR STONE

With its wide-range of color and material options, HomeCC Interior's Interior Stone can be applied to various spaces from residential to commercial spaces.



FILM

HomeCC Interior Film products are used in furniture and molding as eco-friendly surface finishing materials. The film products come in a variety of patterns and colors to complement a wide range of residential and office spaces. In addition, we offer films with specific features needed for home appliances, advertisements, etc.

VICENTI Deco (PVC/PP), VICENTI Furniture (G-PET/PP), VICENTI Interior Film, VICENTI Glass, VCM (Vinyl Coated Metal), Highly Weather Resistant Sheet, Graphic Film



SENSTONE ULTRA (big slab), SENSTONE QUARTZ (engineered quartz), SENSTONE MARBLE (engineered marble), SENSTONE PLUS (acrylic artificial stone)

RESPONSE TO COVID-19

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The global outbreak of the COVID-19 pandemic in 2020 has brought many changes and difficulties both internally and externally, including economic shocks and a complete change in our daily lives. Various mutants of the COVID-19 that spread in 2021 resulted in further difficulties in both the domestic and international business environments. Through emergency management, KCC GLASS placed the highest priority on protecting the health and safety of its employees and mobilized all its capabilities to prevent plant shutdowns or other management risks related to the nature of the industry.

Preventive Measures

Temperature checks and hand sanitation

KCC GLASS has deployed hand sanitation stations and thermal imaging cameras at all entrances to the business sites to measure people's body temperature and enforce hand sanitation. Any persons with fever or suspected of being infected are prohibited from entering the business sites, and are encouraged to work from home.

Routine sanitation

The company provides face masks to all employees to ensure safety. We have installed partitions in offices, cafeterias, and conference rooms to prevent the spread of the virus. We regularly disinfect places that are frequently touched, such as door knobs, elevator buttons, and rest rooms and have hired a professional disinfection company to conduct scheduled disinfection of the entire business sites. We are also actively utilizing video conferencing to minimize in-person meetings.



KCC GLASS provides face masks to all employees to ensure safety and hires a professional disinfection company to perform scheduled disinfection of the entire business sites.



Store disinfection

HomeCC Incheon and Ulsan branches are visited by the greatest number of customers, and are thus being disinfected with extra care. Prior to store opening and during operating hours, the main corridors, halls, and equipment are disinfected frequently. The entire building is disinfected on a weekly basis through a special disinfection company. At the main entrance of each store, a thermal imaging camera checks temperature to detect potentially infected customers. Hand sanitizer stations are placed throughout the store and antibacterial film is attached to elevator buttons and shopping cart handles to reinforce sanitation efforts.

Distribution of self-test kits

To prevent the spread of COVID-19 in the workplace from employees returning from holidays and vacations, KCC GLASS distributed self-test kits to employees. This was to encourage self-testing before returning to work, so the safety and health of employees are protected.

Telecommuting and Paid vaccination leave

We have established a manual and guideline regarding telecommuting in case employees need to take a paid vaccination leave or work from home. The telecommuting is expanded in line with the government's social distancing levels. In particular, guidelines have been prepared so that public transportation users, employees with young children, and pregnant women can work from home at all times. We are actively promoting paid vaccination leave to further prevent the spread of COVID-19.



Countermeasures to COVID-19 Infections

Establishment of emergency response system

KCC GLASS established an emergency response organization responsible for establishing response guidelines for each business site and ensuring uninterrupted plant and business operation. The organization keeps updated information on people who has received COVID-19 tests, and who has recently been in close contact with someone who has COVID-19, traveled overseas, and has symptoms. By providing employee guidelines and sending alert messages, etc., the company helps prevent the spread of virus in a more systematic manner.

Responses to confirmed cases within the company

In the event of a confirmed case in the workplace, employees working on the same floor and in the

Through emergency management, KCC GLASS prioritizes protection of the health and safety of its employees and mobilizes all its capabilities to prevent plant shutdowns and other management risks related to the nature of the industry.

same space are immediately subjected to PCR testing. The number of people in close contact with the confirmed case is identified and arrangements are made to allow working from home as needed. Persons required to self-quarantine are selected through an epidemiological investigation of the public health center and thorough disinfection in the workplace is performed to prevent further infections. As the number of confirmed cases surged in 2022 due to the spread of the Omicron mutant, the company distributed self-test kits and preemptively conducted tests on close contacts and symptomatic persons to identify suspected cases in advance. Additionally, we expanded telecommuting to ensure that the company's business was not interrupted.

Essential medication assistance

In order to support employees who are receiving home treatment for COVID-19 and suffering from medication shortage, due to the rapid increase in the number of confirmed cases in Korea, KCC GLASS purchased over-the-counter medicines, such as cold medicine and throat spray, and handed them to employees in need. KCC GLASS will continue striving to protect the health and safety of employees, partners, and stakeholders by ensuring compliance with the government's quarantine rules until the end of COVID-19.





Development of New Growth Engines

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VALUE CREATION IN BUSINESS

KCC GLASS will continue to create a virtuous business structure towards sustainable life.

KCC GLASS is concentrating on advancing into the global market and strengthening its B2C business capabilities, in addition to producing high added value products based on energy efficient and eco-friendly technologies.



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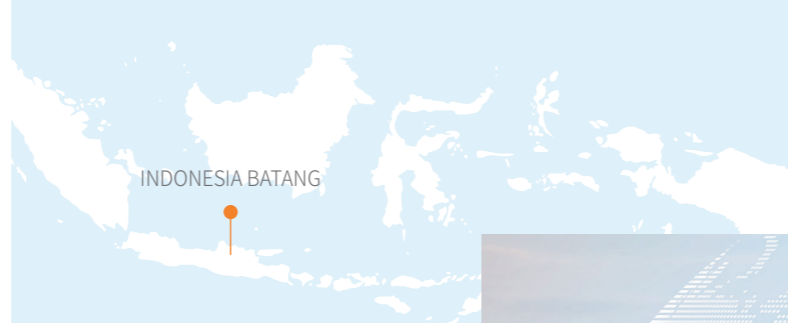
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DEVELOPMENT OF NEW GROWTH ENGINE



INDONESIA BATANG



↓
KCC GLASS Indonesia Plant in Batang Industrial Park, Central Java, Indonesia is scheduled to be completed in 2024.

Approx. **490,000** m²
Plant size
(approx. 148,000 pyeong)

Approx. **438,000** tons
Estimated annual production of flat glass for construction

ACTION #1

Overseas plant construction in Indonesia



On May 6, 2021, KCC GLASS held a board meeting and passed the resolution for the construction of glass plant in Batang Industrial Park, Central Java, Indonesia. On May 20, KCC GLASS held a groundbreaking ceremony at the plant site in Indonesia with the company officials and Indonesian government officials. KCC GLASS Indonesia Plant will be located in Batang Industrial Park, Central Java, Indonesia and cover a total area of 490,000m² (148,000 pyeong). The construction is scheduled to be completed in 2024. Batang Industrial Park is an industrial complex within the Grand Batang City, a strategic project promoted by the Indonesian government, with “smart and sustainable industrial complex” as an objective, covering a total area of 43 million m² (about 13 million pyeong). Upon completion, the plant is expected to produce around 438,000 tons of architectural glass panels per year for the emerging Southeast Asian construction markets, including that of Indonesia.

The plant in Indonesia will be the first overseas manufacturing facility of KCC GLASS since its establishment and is expected to act as a bridgehead for the company’s expansion into the global market. KCC GLASS plans to expand the plant in stages to develop an integrated glass cluster for the overseas market.

ACTION #2

Merger with KOMA Global



KCC GLASS endeavors to secure global raw material supply and demand and new growth opportunities by creating synergies between businesses, such as green building materials. To this end, we absorbed and merged with KOMA Global, a company specialized in manufacturing and distribution of eco-friendly plastics, on April 13, 2022. KOMA Global used to import electric copper used as raw material for electric wires, copper tubes, and coins and had supplied to major domestic companies. It had been the only company in Korea with a one-stop production process from production to post-processing of biodegradable resin (compound). Additionally, GREENB’s eco-friendly plastics are used in daily necessities widely used in daily life. We are also planning to apply it more widely to industrial goods in the future.

Through the merger, KCC GLASS intends to stabilize raw material supply and advance into new markets to strengthen competitiveness. Additionally, KOMA Global’s eco-friendly technologies will help enhance ESG management and secure new growth engines of KCC GLASS.





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→ Development of New Growth Engines

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ACTION #3

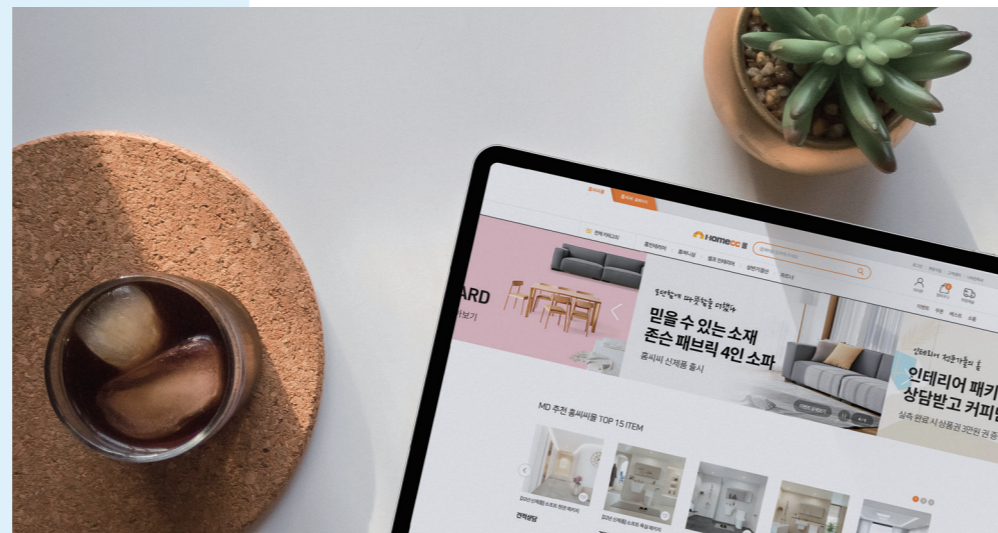
Strengthening online B2C marketing and HomeCC Mall



Last year, KCC GLASS opened HomeCC Mall, an online platform, to strengthen online customer contact points and digital marketing capabilities. HomeCC Mall features products and services of large interior stores like HomeCC Interior Incheon and Ulsan. The biggest advantage is that it makes Korea's largest interior design store available to customers instantly and brings it only one-click away.

Unlike other online shopping malls that simply sell interior products, HomeCC Mall provides interior consultations and services in connection with construction companies. Various contents like online showroom (exhibition space) that uses interior concept images and online community, where customers communicate with each other, add to the fun of shopping. In addition, each page is designed to reflect the customer's area of interest based on the past order. Customer-oriented mobile UI (user interface) and UX (user experience) design, easy login and payment functions, and real-time chat services have improved the convenience of shopping, as well.

Recently, we added a QR code that takes customers to the product page in HomeCC Mall in the product tag in the offline store for all products. This not only allowed customers to check detailed product information through the HomeCC Mall, even when shopping offline, but also strengthened on-line and offline marketing.



ACTION #4

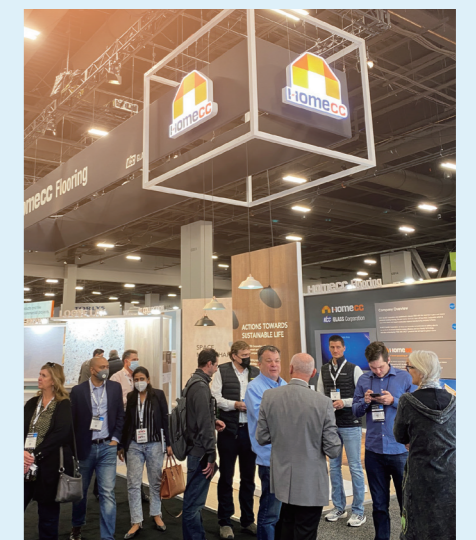
Participation in the North American flooring exhibition, TISE



HomeCC Interior, a specialized interior brand of KCC GLASS, participated in TISE 2022 (The International Surface Event 2022), an international flooring exhibition held in Las Vegas, USA, in February 2022. TISE is the largest flooring exhibition in North America that has been in operation for over 30 years. About 500 companies from 78 countries participated in this year's exhibition to showcase their latest flooring technologies and products.

Being a flooring specialist, KCC GLASS introduced a variety of its latest flooring products, including 34 types of LVT (Luxury Vinyl Tile) and 12 types of PVC sheets (for homes, ships, and buses) at the exhibition. LVT is a popular product line in the U.S. and European markets for easy maintenance and installation, and excellent durability, while having the luxurious appearance of natural wood and stone.

KCC GLASS established an LVT production line at the Asan Plant last year. The company decided to participate in the TISE for advancement into the North American market, the major market of the LVT. KCC GLASS plans to successfully enter the North American market and lay a foundation for global expansion based on the development of customized designs and stable OEM supply through close cooperation between productions and sales.





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- Strategies for Sustainable Management
- Major ESG Goals
- Risk Management
- Stakeholder Engagement
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APPROACH TO ESG

KCC GLASS will continue to pursue sustainable management.

KCC GLASS strives to become a trusted company that protects the environment and respects people. We will incorporate sustainability in our business strategies and become a leading ESG company.

STRATEGIES FOR SUSTAINABLE MANAGEMENT



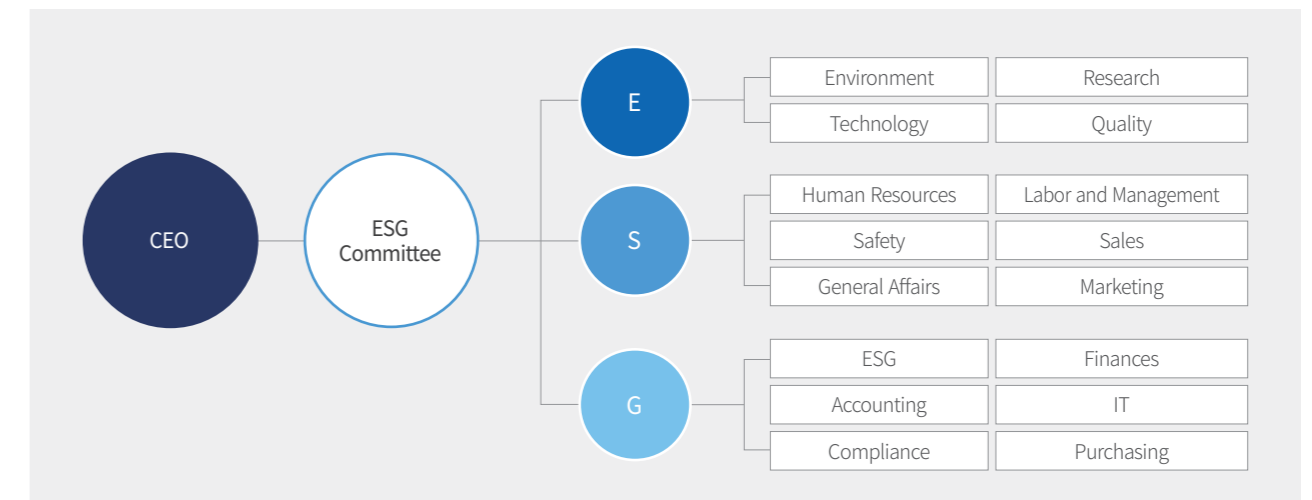
KCC GLASS not only enhances its economic performance through effective management activities, but also fulfills its environmental and social responsibilities to expand its positive impact. Based on the vision of “Number one company that cherishes customer value and leads the global market with green technologies,” the company has established a goal of “2025 ESG Leading Company,” and identified strategic directions and action items for each area of ESG (environment, social, governance). Based on the below ESG strategies, KCC GLASS strives to become a trusted company that protects the environment and respects people. These efforts of KCC GLASS, in connection with the Sustainable Development Goals (SDGs), will contribute to global sustainable development, as well as corporate sustainability.

ESG Organizational Structure

In order to internalize ESG management throughout the entire value chain of the company, KCC GLASS has organized the ESG Committee and Internal Operation Regulations. The committee is chaired by an ESG executive director and regular meetings are held quarterly, led by the ESG Management Team. Through the ESG Committee, which consists of leaders of each department, we are encouraging company-wide collaboration and active participation in ESG issues. Each committee member monitors ESG performance related to his/her duties and reports improvement plans to the committee. Important matters discussed at the committee are reported to the CEO and the board of directors.

KCC GLASS recognizes that ESG is an important issue in corporate management, and thus set up the ESG Committee under the BOD, and upgraded the decision-making system so that related issues can be discussed at the board level.

ESG Committee Organizational Chart



Strategic Tasks for ESG Management

KCC GLASS pledges that all executives and employees will actively participate in the following strategic tasks and action items at the company level in order to achieve the goal of “2025 ESG Leading Company.”

Vision and Strategy



Three Strategic Directions for ESG Management



12 Strategic Tasks

Strategic Task	Action Items
1 Advancement of environmental management system	Reinforce integration and monitoring of environmental management performance at business sites; improve awareness of eco-friendly management
2 Response to climate change	Participate in environmental initiatives (CDP participation, TCFD, etc.); set and achieve goals related to energy and greenhouse gases
3 Creation of eco-friendly business sites	Reinforce waste management; reinforce management of environmental pollutants
4 Development of eco-friendly products	Obtain green technology certification, green business certification, etc.; promote green/recycled products
5 Creation of quality workplace environment	Establish global-level labor practices and human rights management; promote professional development of employees
6 Creation of safe workplace	Establish a company-wide safety and health management system; reinforce safety and health awareness
7 Implementation of social contribution activities	Encourage employees to participate in social contribution activities and strengthen management; develop new social contribution programs
8 Creation of customer value	Establish policies to reduce risks for B2C customers; promote activities to improve customers' awareness of sustainable consumption.
9 Advancement of ESG management	Expand ESG awareness at the company level; encourage all employees to participate in socially responsible management
10 Transparency and diversity of governance	Realize diversity in the composition of the Board of Directors; discuss social responsibility management agenda within the Board of Directors
11 Ethical management	Conduct anti-corruption risk assessment; establish and spread a culture of fair competition.
12 Management of sustainable supply chain	Strengthen ESG risk management in the supply chain; expand CSR training and support for partner companies

MAJOR ESG GOALS

KCC GLASS is striving to establish a strategic response system for sustainable management. At the company-level, we have set key ESG goals and tasks, have established mid- to long-term plans for each task, and are implementing activities to improve corporate value. The ESG Committee has established ESG KPIs for clear goalsetting and performance management; determines annual goals and action tasks; and manages progress on a quarterly basis. As the importance of non-financial information disclosure is increasing, in order to establish a management system of non-financial information and to secure data reliability, we are planning to consolidate management of ESG-related data into one system.

Area	Main Task	UN SDGs	Main KPI	2021 Performance	Mid- to long-term goals	Achievement level
E	1 Reinforce integration and monitoring of environmental management performance at business sites		• ISO 14001 Certification Rate	Three business sites (Yeoju, Jeonui, and Asan)	Six manufacturing sites at 100%	2024 IN PROGRESS
	2 Set and achieve goals related to energy and greenhouse gases.	6 CLEAN WATER AND SANITATION	• Greenhouse-gas reduction rate compared to the base year (Based on emission of 766,916 tCO ₂ e in 2020)	11%	34%	2030 IN PROGRESS
	3 Reinforce waste management	12 RESPONSIBLE CONSUMER POLICIES 13 CLIMATE ACTION	• Waste recycling rate at business site	95.3%	98%	2025 IN PROGRESS
	4 Reinforce management of environmental pollutants		• Air-pollutant reduction rate compared to the base year (Based on emission of 1,895t in 2020)	18.9%	38%	2025 IN PROGRESS
S	5 Establish global-level labor practices and human rights management	3 GOOD HEALTH AND WELL-BEING	• Establish human rights management policy	Establishment in progress	Human rights impact assessments conducted annually	2023 START
	6 Establish a company-wide safety and health management system	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• Health and Safety Management System Certification Rate	Six business sites at 100%	Other than the six manufacturing sites Three HomeCC Large Stores, four logistic centers	2025 IN PROGRESS
	7 Encourage employees to participate in social contribution activities and strengthen management	10 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES	• Employee volunteer service hours	302 hours	800 hours	2025 START
G	8 Expand ESG awareness at the company level		• EPublication of ESG newsletter • ESG training completion rate	• Publication in preparation • 7% (based on office workers)	• Published monthly • 20% (based on office workers)	2022 ACHIEVED 2025 START
	9 Discuss social responsibility management agenda within the Board of Directors	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	• Number of ESG-related agenda items at the board meetings	Five cases per year	Ten cases per year	2025 START
	10 Strengthen ESG risk management in the supply chain		• Rate of receipt of agreements to comply with the Social Responsibility Code of Conduct from business partners • Rate of ESG evaluation of suppliers in the supply chain	• Establishment of Code of Conduct • Pilot operation in eight companies	• 100% (based on tier-1 supplier) • 10% (based on tier-1 supplier)	2025 START 2025 START

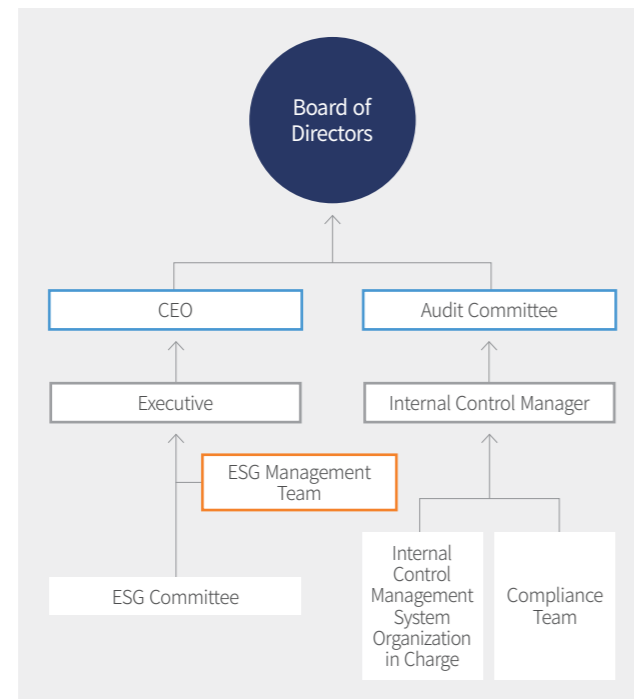
RISK MANAGEMENT

Risk-Management Overview

KCC GLASS is exposed to various types of risks at home and abroad, given the nature of the manufacturing and distribution businesses. Therefore, it is essential to establish a company-wide risk management system that includes preemptive identification of and prompt responses to financial and non-financial risks, which may arise in the course of business activities.

In order to conduct professional reviews and deliberations on major ESG-related issues, KCC GLASS established an ESG Committee to expand social responsibility management, which was previously carried out by the ESG management Team. KCC GLASS also established risk-management policies, such as compliance regulations and a Stakeholder Code of Ethics, and reorganized the risk-management process of risk detection, assessment, and improvement by upgrading the internal control of financial reporting. In addition, a dedicated new internal auditing body, or the Compliance Team, has been established to conduct optimized analyses and monitoring of each risk that is discussed and managed by the Audit Committee.

Risk Management Organizational Chart



Risk Management System

ESG Committee

The ESG Committee was established to set ESG KPIs and to check and improve the implementation status of projects. As a working-level consultative body composed of team leaders for each related task,

the committee strives to internalize sustainability into management strategies. In the future, we plan to accelerate ESG management by moving the ESG committee to fall under supervision of the Board of Directors.

ESG Committee Operation Status

Date	Agenda
April 26, 2022	Report on the plan on how to establish the ESG KPI Management System
	Report on the ESG Report publication plan
	Establishment of the KCC GLASS Low-Carbon Transition Plan
	Reaching consensus on the ESG KPIs; discussing and reviewing action items

Internal Control of Financial Reporting and Dedicated Organization

KCC GLASS recognizes the importance of internal control of financial reporting. Hence, we operate an internal control organization dedicated to securing the transparency of reporting information and reliability of externally disclosed financial statements. In order to ensure effective and objective internal control of financial reporting, KCC GLASS established policies and procedures that define and implement the Code of Ethics and Conduct, with emphasis on the responsibility toward respecting ethical values. Activities related to internal control of financial reporting are conducted in reference to the Design and Operation Standards for the Internal Control of the Financial Reporting System. The organization conducts regular monitoring and independent assessment, as well, and the operation status is evaluated and reported to the BOD and the Audit Committee. The Audit Committee reviews and evaluates the risk-assessment process and results, and conducts periodic and independent audits of internal control activities.

Internal Auditing Organization

In order to evaluate and improve the effectiveness of financial and non-financial risks and governance, KCC GLASS established the Compliance Team, an internal auditing organization. The Team ensures the reliability and timeliness of information management through regular audits conducted on each division. The team prevents fraud and errors, hence minimizing the possibility of occurrence of fraud.

Health and Safety Team

KCC GLASS established the Health and Safety Team to be able to respond to laws and regulations related to safety, health, and serious accidents from the headquarters. The Health and Safety Team monitors the health and safety management system, and compliance with the nine requirements of the Act on the Punishment of Serious Accidents, etc. Then, the team establishes improvement plans based on the results of the inspection.

Risk Types and Response Measures

Category	Risk Types	Details	Response Measures
Financial Risks	Credit risk	<ul style="list-style-type: none"> Credit risk to the account of receivables Cash and cash equivalents and deposits in financial institutions 	<ul style="list-style-type: none"> Transactions with clients with a credit rating above a certain level and operation of policies and procedures for credit reinforcement Adjustment of transaction limit and collateral level after periodic re-evaluation of customer credit rating Transactions with financial institutions with excellent credit ratings
	Liquidity risk	<ul style="list-style-type: none"> Repayment risk for obligations related to financial liabilities 	<ul style="list-style-type: none"> Securing flexibility in financing by maintaining credit extension limits Retaining non-guaranteed overdraft contract limit
	Currency risks	<ul style="list-style-type: none"> Exposure to currency risks from international business activities 	<ul style="list-style-type: none"> Compliance with exchange risk management regulations, such as prohibition of foreign exchange management for speculative purposes Avoiding foreign currency risk in a natural hedge method that matches foreign currency collection and expenditure Regular monitoring of the foreign exchange market and frequent review of the introduction of derivatives
Non-Financial Risks	Environment	<ul style="list-style-type: none"> Damage to corporate image in case of non-compliance with tightening of environmental laws Increased manufacturing costs due to the purchase of emission rights when the allocated GHG-emission allowances are exceeded Restriction of participation in bidding due to non-fulfillment of Net-Zero requirements of global companies 	<ul style="list-style-type: none"> Establishment of company-wide environmental management system Establish environmental audit, report, evaluation, and support system Monthly GHG intensity management and emissions for each business site Establishment and implementation of low-carbon transition plan
	Health and Safety	<ul style="list-style-type: none"> Financial losses due to suspension of operations and fines, and damage to corporate image, in cases of safety and industrial accidents 	<ul style="list-style-type: none"> Establish a company-wide health and safety management system Inspection of safety and health status at each site and compliance with the Serious Accidents Punishment Law by the Safety and Health Committee Quarterly safety and health compliance evaluations
	Human Rights	<ul style="list-style-type: none"> Legal consequences and impact on ESG-management evaluation caused by labor issues, such as workplace harassment, discrimination, unreasonable demands and excessive workload, and gender issues, such as discrimination based on gender and sexual harassment 	<ul style="list-style-type: none"> Human rights management policy and human rights assessment under development Improvement in policies through accurate assessment, visits, and follow-up measures
	Supply Chain	<ul style="list-style-type: none"> Taking responsibility for supply chain management within the corporate ecosystem when ESG is not realized by subsidiaries or subcontractors 	<ul style="list-style-type: none"> Development of ESG evaluation criteria for key business partners Introduction of sustainability management programs for partner companies
	Ethics/Compliance	<ul style="list-style-type: none"> Failure to manage ethical/compliance-related risks resulting in legal problems, as well as financial losses 	<ul style="list-style-type: none"> Establishment and announcement of Stakeholder Code of Ethics Operation of Fair Trade Compliance Program

STAKEHOLDER ENGAGEMENT

Stakeholder identification and classification

KCC GLASS identifies stakeholders according to the legal, financial, and operational responsibilities and degree of impact, in accordance with the standards laid down in accordance with ISO26000. KCC GLASS classifies stakeholders into three groups, namely: core stakeholders; strategic stakeholders; and environmental stakeholders — and encourages each group's participation in the organization's value chain.

Stakeholder Mapping & Grouping

- Groups with legal, financial, and operational responsibilities for KCC GLASS
- Groups that have an impact on the performance of KCC GLASS
- Groups impacted by the operation of KCC GLASS



Core	Core Stakeholders Customers, Employees, Shareholders, Investors
Strategic	Strategic Stakeholders Partners, Local Communities, Government and Related Organizations
Environmental	Other Stakeholders Research Institutions, , Socially Underprivileged, Media

Stakeholder Survey

KCC GLASS conducted a survey to gain a better understanding of the interests of stakeholders, and to reflect them as priorities in sustainability management. A total of 22 issues selected from international standards, ESG evaluation indicators, and major sustainability management issues are included in the issue pool of KCC GLASS. These issues are then classified in terms of level of management for each stakeholder group.

Survey Overview

Period	Feb. 21 ~ Mar. 3, 2022 (11 days)	
Method	Online survey (Five-point scale for each question)	
Stakeholders' type	Internal Stakeholders	Executives and managers Other employees
	External Stakeholders	Shareholders and Investors Customers Government and Related Organizations Partners Research institutions Local Communities and Others
Response rate	493 persons	

Material issues identified by internal and external stakeholders

A total of 328 internal stakeholders

Management of health and safety at workplace	4.74
Management of environmental pollutants	4.72
Product quality and safety	4.71
Human rights	4.70
Management of waste disposal	4.65

A total of 165 external stakeholders

Product quality and safety	4.59
Management of waste disposal	4.58
Management of environmental pollutants	4.57
Management of health and safety at workplace	4.53
Human rights	4.53

Stakeholder Communication

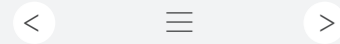
KCC GLASS endeavors to identify pending issues through communication with stakeholders and reflect them in management activities. Going forward, KCC GLASS will strengthen two-way communication and actively listen to stakeholders' opinions.

Engagement Channels & Status by Stakeholder Group

Stakeholders	Key Issues	Response Measures	Communication Channel and Period
Employees	<ul style="list-style-type: none"> Increasing profitability and entering new markets Fair evaluation and compensation Professional development and training Work-life balance 	<ul style="list-style-type: none"> Operation of new market development council Operation of evaluation system based on performance and competency Strengthening competency development programs Improvement of organizational culture and welfare benefits 	<ul style="list-style-type: none"> Groupware (at all times) Dr. KCC GLASS (at all times) SFA* (at all times) Labor-Management Council (Quarterly) Occupational Safety & Health Committee (Quarterly) ESG Report (annually) ESG Newsletter (monthly) Company Newsletter (monthly) Company Website (at all times)
Customers	<ul style="list-style-type: none"> Improve quality and service Enhance customer satisfaction Privacy protection Research and development of eco-friendly products 	<ul style="list-style-type: none"> Strengthen quality standards and secure product reliability On-time delivery and prompt after-sales service Conduct customer satisfaction survey and identify customer needs Establish information security system and conduct security training Develop eco-friendly products and energy-saving technologies 	<ul style="list-style-type: none"> Cyber Whistleblowing Center (at all times) Customer Center (at all times) On-site visit of technical support department (at all times) Call center (at all times) Product seminar (at all times) Customer Satisfaction /NPC (Net Promoter Score) Survey (frequently) TQM** system (at all times) ESG Report (annually) Company Website (at all times)
Shareholders and Investors	<ul style="list-style-type: none"> Protect shareholder's rights and interest Transparent disclosure 	<ul style="list-style-type: none"> Establish Corporate Governance Charter Payment of dividends according to shareholder return policy Holding the general meeting of shareholders and the board meeting in a timely manner Transparent disclosure of company status 	<ul style="list-style-type: none"> Regular general meeting of shareholders (annually) Disclosure and announcements (frequently) IR Meeting (frequently) ESG Report (annually) Company Website (at all times)
Partners	<ul style="list-style-type: none"> Win-win partnerships Fair trade 	<ul style="list-style-type: none"> Provide technological development support, training, and workforce Operation of Fair Trade Compliance Program 	<ul style="list-style-type: none"> Cyber Whistleblowing Center (at all times) Partner training (frequently) Distributor seminar (frequently)
Local Communities	<ul style="list-style-type: none"> CSR activities 	<ul style="list-style-type: none"> Develop and operate social contribution programs Business linkage and regional development projects Operate employee volunteer group 	<ul style="list-style-type: none"> HomeCC Volunteer Group (frequently) CSR program (frequently)
Government and Related Organizations	<ul style="list-style-type: none"> Response to climate change Strengthen environmental and safety management 	<ul style="list-style-type: none"> Establish GHG reduction target Environmental Management System, Health and Safety Management System Certification 	<ul style="list-style-type: none"> Carbon Neutrality Council (frequently) Emissions Market Council (frequently)

* SFA: Sales Force Automation ** TQM: Total Quality Management

STAKEHOLDER ENGAGEMENT



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Strategies for Sustainable Management

Major ESG Goals

Risk Management

→ Stakeholder Engagement

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Discussion with experts on March 14, 2022, in a non-face-to-face meeting via Zoom



“ Professor Jeong Jin-woo | Seoul National University of Science and Technology

In the KCC GLASS Materiality Assessment, “safety and health management in the workplace” rose from 4th place to 2nd place this year, indicating that there is an increasing interest in safety-management issues.

After the safety accident at Korea Western Power, which resulted in the death of Kim Yun-kyung, we have witnessed strengthening of punishments through the enforcement of the Serious Accidents Punishment Act and expansion of strict occupational safety rules comparable to those of international laws. The enacted law reflects the anti-business sentiment repeatedly presented through the media, such as companies avoiding taking responsibility for safety accidents of subcontractors and outsourcing risks. It shows that the current government policy on businesses is focused on supervision and punishment.

Recently, there have been an increasing number of investigations and special supervision on occupational safety conducted by the Ministry of Employment and Labor and the police. The increased level of punishment also adds to the burden of corporate management. Companies have been managing occupational safety as a formal response in the past, but now, they are actively expanding their personnel and budget to ensure occupational safety. The safety and health of the people are of the utmost importance. Therefore, companies should strive to improve their occupational safety capabilities in practice and reality, take the lead in achieving zero industrial accidents, and ease the government’s stance on severe punishment, which can impede the progress of industrial development.

#Improve occupational health and safety capabilities #zero industrial accidents



“ Lee Eun-kyung | UNGC

KCC GLASS is currently in the process of diversifying customer contact points by expanding its B2C business. The process demands a horizontal organizational culture within the company, as well as flexible responses to gender and generational conflicts.

Currently, 90% of the employees are male, and the ratio of female executives is not disclosed. This structure can make the organizational culture vulnerable to gender conflict. However, it should be preceded by the establishment of a hiring system that ensures diversity and inclusiveness in consideration of the nature of the business, environment, and direction of the company. Then, the company can make further improvements by forming a pool of female senior positions, etc.

In addition, KCC GLASS should work on establishing smooth communication channels regarding the development of a grievance-handling mechanism for human rights issues and discussion of reasonable compensation with the labor-management council. As the risk of human rights violations related to customer service increases with the expansion of B2C business, it is also necessary to prepare appropriate measures.

#Human rights risk management
#horizontal, inclusive organizational structure
#Establish communication channels



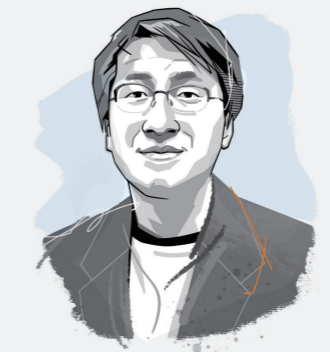
“ Professor Kim Jae-gu | Myongji University

With the recent increase in public interest and awareness of global regulations, polarization, safety, environment, etc., ESG management has become an essential requirement of a company. In this respect, KCC GLASS’s proactive ESG management is an exemplary case of corporate autonomy and responsibility.

In February 2022, the EU announced a regulation related to the sustainable supply chain that applies to more than 30,000 global companies that either have a corporation in the EU or export to EU countries. This meant that the domestic companies would have to preemptively respond to global regulations and EU policies that involve sustainable supply chain development as a core policy.

As the demands for product-lifecycle assessment, efficient resource recycling, and waste management increase, companies must be able to prepare appropriate responses in connection with the relevant global policies. Utilizing ethics and compliance training, etc., companies can establish internal measures to support ESG management and form/maintain sustainable supply chains. For potential issues related to human rights and the environment, a close network of suppliers should be managed through smooth and open communication.

#EU supply chain due diligence act
#global supply chain management system
#Lifecycle assessment



“ Lee Jong-oh, Secretary General | Korea Sustainability Investing Forum

Carbon neutrality and climate change are the most urgent global issues, and are the driving forces that are accelerating corporate ESG management. KCC GLASS conducted an internal survey that revealed that a substantial proportion of the employees were unaware of sustainability management. This shows the need for company-wide ESG management training.

Laws, systems, and infrastructure related to global sustainability and 2050 carbon neutrality are being implemented simultaneously. KCC GLASS’s preemptive response to these changes will become a measure of its competitiveness in the future. Following the passage of the Framework Act on Carbon Neutrality in 2021, there is increasing pressure from international investors to form a Net-Zero alliance.

The announcement of responsible investment of the national pension fund, and the drive for coal-free power indicate that consideration of ESG management indexes will be further activated in the evaluation and investment of companies in Korea.

#NET-ZERO #climate response
#responsible investment activation

MATERIALITY ASSESSMENT

Materiality Assessment Process

KCC GLASS conducted Materiality Assessment to identify various expectations and concerns of internal and external stakeholders, and to identify sustainability management issues affecting management activities. With reference to the evaluation criteria provided by the GRI Standards and the method presented by ISO 26000, the priority of issues was determined through material issue identification, prioritization, and validation. The selected material issues were used in the content compilation of this report.

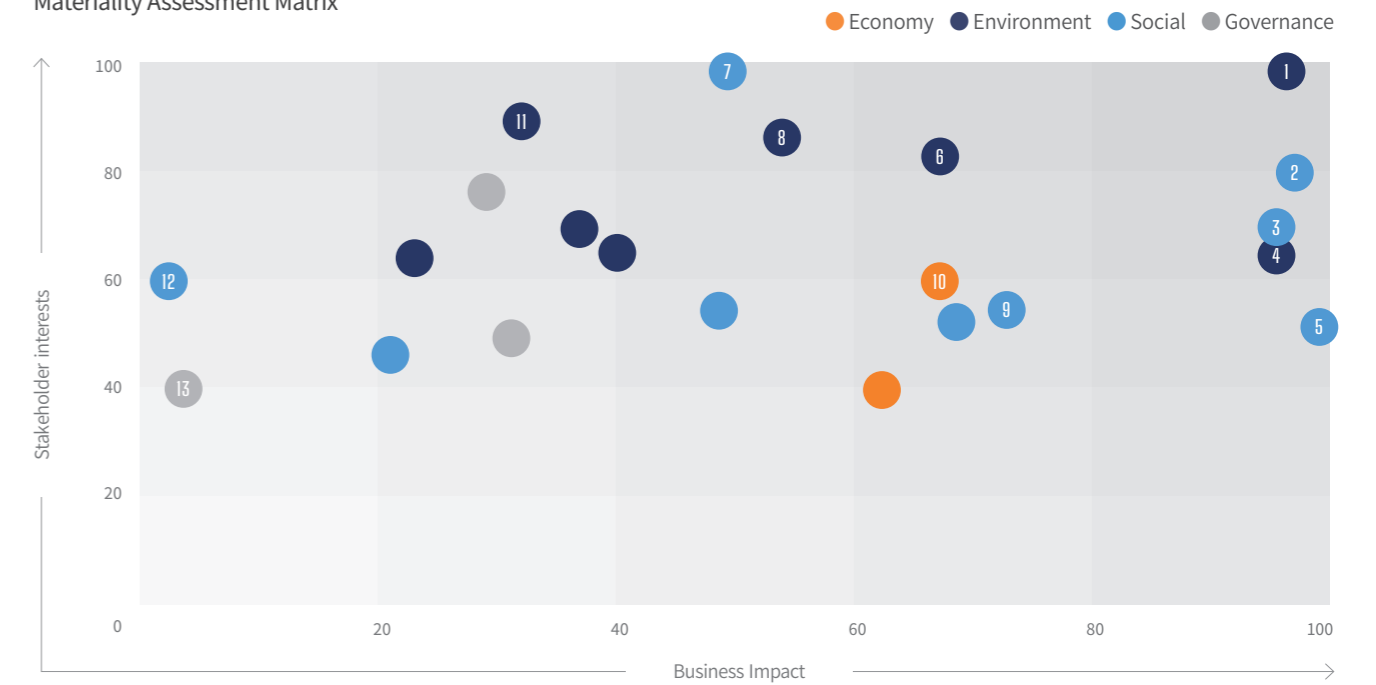
Materiality Assessment Process



Materiality Assessment Results

KCC GLASS identified 22 sustainability issues and evaluated the materiality of each issue. As a result, a total of 13 issues — including two in economy, six in society, one in governance, and four in environment — were identified as high priority issues. In 2021, stakeholders, executives, and employees identified environmental and safety-related issues, including “management of waste disposal,” “health and safety management in the workplace,” “product quality and safety,” and “environmental pollutants” as material issues for the sustainability of KCC GLASS. In the Materiality Assessment Matrix of this report, information on each material issue is presented. Additional information for stakeholders is disclosed when deemed necessary.

Materiality Assessment Matrix



Organizer	Material Issues	GRI Standards Topic	Reporting Boundaries		Page number
			Internal	External	
Environment	1 Management of waste disposal	GRI 306 Effluents and Waste	●		52, 93
Social	2 Management of health and safety at workplace	GRI 403 Occupational Health and Safety	●	●	65-67
Social	3 Product quality and safety	GRI 416 Customer Health and Safety	●	●	63
Environment	4 Management of environmental pollutants	GRI 305 Emissions	●		49-50, 93-34
Social	5 Respect for human rights	GRI 412 Human Rights Assessment	●	●	67, 87
Environment	6 Environmental impact of product and service	-	●	●	47-55
Social	7 Management of sustainable supply chain	GRI 414 Supplier Social Assessment	●	●	75
Environment	8 Efficient management of resources	GRI 301 Materials	●		51, 93
Social	9 Fair evaluation and compensation	GRI 404 Training and Education	●		71-72, 97
Economy	10 Improvement of customer satisfaction	GRI 417 Marketing and Labeling	●	●	61
Economy	11 Research and development of eco-friendly products	-	●		53-55
Social	12 Contribution to local communities	GRI 413 Local Communities	●	●	79-81
Governance	13 Integrated ESG risk management	-	●		36-37

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Environmental Management

SOCIAL

- Customer Value Creation Management
- Human Resource Management
- Sustainable Supply Chain
- Local Community Engagement

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ESG PERFORMANCE

KCC GLASS will create innovative solutions through the integrated ESG management into the value chain.

KCC GLASS promotes integration of ESG factors in the entire process of business operation. We will continue to communicate with stakeholders and actively implement our ESG strategies in order to realize our vision of “Number one company that cherishes customer value and leads the global market with green technologies.”

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01

ESG Performance 01 _ Environment

ENVIRONMENTAL MANAGEMENT

Environmental Management

We will actively respond to climate changes and minimize environmental impacts for a sustainable future.

●● Materiality Issues

Climate action, pollutant management, water resource management, and waste management are key issues that impact the production and profit of a company. In particular, climate-change issues can expose a company to various operational and capital risks as the greenhouse gas emission regulations and international laws become stricter in recent years. KCC GLASS has established an environmental management system to keep pace with these changes of the times.

●● Our Approach

1. Establishment of a company-wide environmental management system
2. Identification of climate-change risks; establishment and implementation of response strategies
3. Installation of advanced atmospheric prevention facilities to minimize air-pollutant emissions
4. Compliance with environmental laws and requirements/expectations of internal and external stakeholders
5. Establishment of central research center to promote new green business and secure growth engines
6. Establishment of waste disposal process; development of recycling plans
7. Enhancement of wastewater-reuse rate through process improvement

●● Future Plans

1. Obtain EMS certifications for all business sites
2. Establish and implement low carbon transition plan
3. Establish an integrated EMS for the entire company
4. Review and implement technologies that help reduce GHG/pollutant emissions
5. Conduct regular inspection on business sites and systematic environmental training
6. Install additional Ceramic Catalytic Bag Filters (CCFs)

Air pollutant reduction
(Compared to 2020)

359 tons (-18.9%)

Percentage of recycling

95.3%

Water reuse rate

42.0%

Environmental accidents

ZERO

Climate-Change Response System

Climate-Change Response Governance

The climate response strategies, risk management, and reduction plans implemented by KCC GLASS demonstrate that the company has a deep understanding of and acknowledges the seriousness of the climate issue. To ensure better management of risk responses, the ESG Committee, a working-level consultative body, has been established.

The ESG Committee makes decisions on overall ESG issues, such as investment decisions in the respective areas of environment, society, and governance; establishes strategies and improvement plans; and discusses detailed action items. Among them, the implementation status of the climate response strategy, internal and external risk management, and reduction plans are checked quarterly and reported to the CEO. We plan to move the ESG Committee to fall under the supervision of the BOD and to hold regular meetings to discuss climate-change response strategies and status.

Climate-Change Risk Management

KCC GLASS analyzes domestic and international GHG policies and changes in emissions trading costs to understand and actively respond to risks and opportunities of climate change at home and abroad. We are planning to expand certification of business sites for the environmental management system. Internally, we are conducting in-house training so that all employees understand the financial and non-financial risks brought about by climate change.

Climate-Change Response Strategies

KCC GLASS manages GHG emissions data for all business sites based on the Ministry of Environment's Guidelines for Emission Reporting and Certification of the Greenhouse-Gas Emissions Trading Scheme. The data will form the basis for the company-wide low-carbon transition plan. We will respond to climate change risks based on the low-carbon transition plan that includes short-, mid-, and long-term reduction goals and measures. Eventually, we want to be able to check the level of GHG-emissions by product and calculate potential reductions through LCA (Life-Cycle Assessment) of each product.

Index and Reduction Target

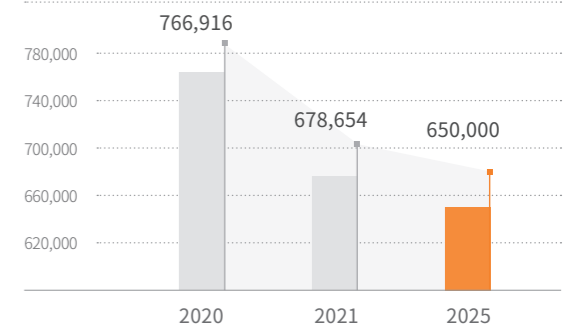
To respond to the climate crisis, KCC GLASS has set its own short-term reduction goals and continuously engages in reduction activities at each business site. Our short-term goal is to reach 650,000 tCO₂e in emissions by 2025, based on 766,916 tCO₂e of 2020. To achieve this goal, we plan to improve facilities (improve efficiency, replace inefficient equipment, etc.) and invest in innovative technologies.

The company is developing a low-carbon transition plan in order to achieve the 2030 NDC (Nationally Determined Contribution, National Greenhouse Gas Reduction Goal); and the 2050 Carbon Neutrality of the Enforcement Decree of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis promulgated in March 2022.

2025 Reduction Goal (compared to 2020 emissions)

-15.2%

GHG Emissions



Note 1) This is based on Scope 1, 2 emission limits.

Note 2) Reasons for reduced emissions in 2021:

- ① Temporary decrease due to decrease in production due to suspension of operation of glass melting facility at Yeosu Plant No. 3 (March 2021 ~ present)
- ② Emissions expected to increase in 2022 with the restart (July 2021) of the alternative glass melting facility (unit 5)

Participation in Climate-Change Initiatives

Since 2021, KCC GLASS has been participating in the Carbon Disclosure Project (CDP), in terms of which the company discloses corporate opportunities and risk factors related to climate change, as well as climate and water-related internal policies and status. Information on climate change and water will also be disclosed in 2022, and details can be found on the CDP website.



<https://www.cdp.net/en>

ENVIRONMENT

→ Environmental Management

SOCIAL

- Customer Value Creation Management
- Human Resource Management
- Sustainable Supply Chain
- Local Community Engagement

GOVERNANCE

- Transparent Management

Renewable Energy and Solar-Power Generation

In efforts to increase the use of renewable energies, KCC GLASS continues to expand its solar-power facilities. Including the first solar-power plant in Yeosu Plant in 2012, the company operates six solar-power plants at three business sites as of 2021. The solar-power plants are installed on the roofs of KCC GLASS business sites to utilize idle space; the total installation area is 44,659m² (13,509

pyeong). The six solar-power plants have a power-generation capacity of 7.9MW, and as of 2021, they produced 9.9 GWh of electricity. 9.9 GWh of electricity is equivalent to the amount used by about 3,588 households for one year (230KWh/month as average monthly electricity consumption) and has the effect of reducing greenhouse-gas emissions by 4,549tCO₂e per year.

Locations	Installation Area (m ²)	Power Generated (MW)	Power Generated in 2020(Gwh)	Power Generated in 2021(Gwh)	Investment (KRW 100 million)
Yeosu Plant	24,732	4.3	5.4	5.3	97
Jeonui Plant	9,260	1.7	2.2	2.1	32
Ulsan Logistics Center	10,667	1.9	2.5	2.5	34
Total	44,659	7.9	10.1	9.9	163

Environmental Impact Management

Environmental Impact Management Policies

Environmental Management Policies

KCC GLASS has established a company-wide EMS and seven environmental management policies to fulfill global environmental requirements.

management system by forming organizations dedicated to environmental management at the head office and business sites. The integrated environmental management system reports directly to the CEO and has a safety and environment general headquarters, consisting of a director of safety/environment and a head office / business-site organization.

Environmental Organization

KCC GLASS has established an integrated environmental

Seven Environmental-Management Policies

Eco-Friendly and Safe Workplaces

- 1 Set and manage detailed goals for systematic environmental improvement.
- 2 Conduct environmental-impact assessments from product planning/development/design stage.
- 3 Consider environmental conservation throughout the process of production, sales, service, and disposal when utilizing resources, developing technologies, etc.
- 4 Conduct periodic environmental inspections of business sites
- 5 Provide stakeholder disclosure of environmental information
- 6 Comply with domestic and international laws, regulations, and other requirements related to the environment
- 7 Provide environmental training for employees, opportunities to improve environmental-conservation awareness, and support for participation in environmental-conservation activities

Environmental Management Organization



Environmental Training and Investment

KCC GLASS complies with legal training requirements and conducts job competency improvement training in several ways, such as online training, group training, and workshops, to improve the job competency of environment managers. In

addition, KCC GLASS continuously expands environmental investment to prevent environmental accidents, respond to environmental policies, etc.

Environmental investment

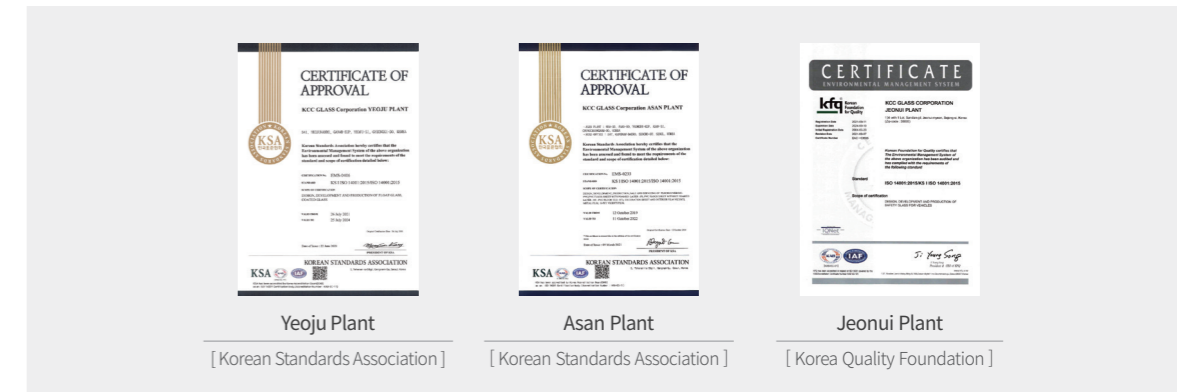
(Unit: KRW 1 million)

Category	2019	2020	2021	Remarks
Energy/air	8,171	242	2,385	· Install energy (electricity) efficient inverters · Replace old water heaters (boilers) · Install environmental facility for new LVT line
Water quality	44	7	16	Improve non-point source treatment facilities
Other	39	1	90	Improve lightning protection facilities in buildings (hazardous chemical management)
Total	8,255	267	2,491	

Environmental-management system certification

KCC GLASS operates six business sites in Korea; the larger three (Yeosu Plant, Jeonui Plant, and Asan Plant) have acquired the environmental management system certification (ISO 14001), and operate in compliance with ISO 14001:2015 standards. We are preparing business sites that do not cur-

rently have an environmental management system certification, i.e. Gapyeong, Yeongwol, and Deokso Plants, to acquire certification to complete a company-wide environmental management system.



Environmental Impact Management Programs

Clean Air Management

KCC GLASS acknowledges that byproducts of our production process, such as NO_x, SO_x, and dust, are major air pollutants and can have a significant impact on local communities and the environment. KCC GLASS will continue to promote production-process improvement activities to reduce air pollutants and increase investment in eco-friendly facilities. Through voluntary agreements, we are making every effort to improve the air quality and minimize potential risks.



Major Activities

- 1 Enter and implement voluntary agreements for fine-dust reduction

Organizers	Agreements	Agreement periods
Gyeonggi Provincial Government	Voluntary agreement to reduce fine dust at work sites	April 2018~December 2021
Ministry of Environment	Voluntary agreement to reduce fine dust during high-concentration season	December 2019~ December 2022
Chungnam Provincial Office	Voluntary agreement on reduction of air pollutants	November 2020~December 2024

- 2 Invest in environmental facilities to reduce nitrogen oxides [low-NOx burner, SCR (Selective Catalytic Reduction), etc.]
- 3 Establish/enforce internal standards that are stricter than the government's emission standards
- 4 Minimize abnormal operation through regular management of prevention facilities

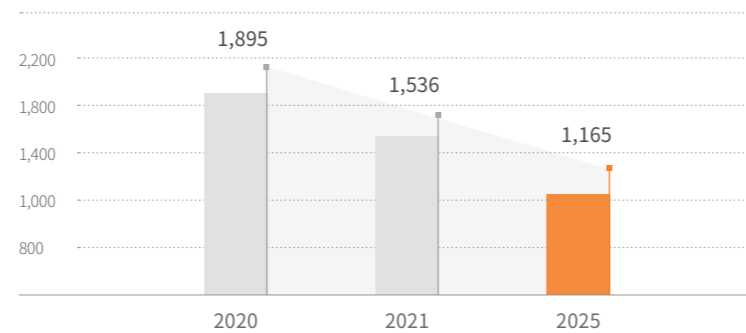
Achievements

(Unit: Ton)

Category	2020	2021
Particulates	37	26
Sulfur oxide	1,061	855
Nitrogen oxide	797	655
Total	1,895	1,536

* Total of six domestic business sites

Air-pollutant emissions

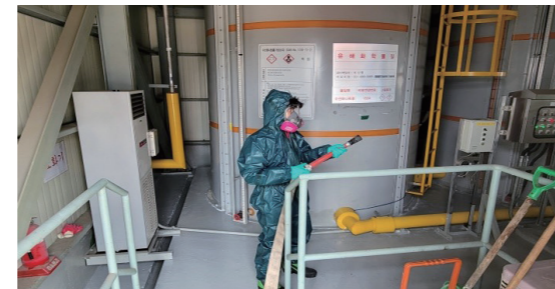


2025 reduction goal (compared to 2020 emissions)

-38%

Hazardous Chemicals Management

KCC GLASS manages hazardous chemicals in accordance with the Chemical Substances Control Act in two of its six domestic sites (Yeosu Plant and Asan Plant). Hazardous chemicals include selenium (7782-49-2), sodium nitrate (7631-99-4), methyl ethyl ketone (78-93-3), and ethyl acetate (141-78-6), which are stored in the legitimate handling facilities and a hazardous chemical manager conducts self-inspection at least once per week, and a regular annual inspection. In addition, we train employees with emergency drills every six months to improve the initial response capabilities of hazardous chemical managers and workers in the event of a hazardous chemical accident.



2021 Emergency Drill at Yeosu Plant

Water intake and reuse by business sites

(Unit: Ton)

Locations	Main water sources	Amount of water intake	Amount of reuse
Yeosu Plant	Underground water	441,799	58,451
Asan Plant		30,098	24,428
Yeongwol Plant		25,210	1,575
Deokso Plant		32,060	12,007
Gapyeong Plant	River water	227,735	225,406
Jeonui Plant	Industrial Water	147,067	57,960
Total		903,969	379,827

Water Resource Management

KCC GLASS uses water for manufacturing, cooling, and fire-fighting, with cooling using the highest amount. Due to the nature of the glass manufacturing business, a large amount of water is used to cool down the furnaces, and we are well aware of the importance of water-resource management, including water supply management and effluent treatment. Among the six domestic business sites, Jeonui Plant sends used water to its own wastewater treatment facility, where used water gets discharged into the terminal treatment plant. In the other five plants, all of the wastewater is reused as industrial water, except living sewage and what is evaporated (in the case of the Yeosu Plant, this includes the amount of indirect cooling water* discharged for water quality stabilization). Yeosu Plant has a particularly high risk of water supply, hence actively prepares for the risk of water shortage by treating the effluent from its own sewage treatment facility and reusing it in the manufacturing process. These efforts have resulted in 380,000 tons of reused water in 2021, with the reuse rate of 42.0%, which is a 0.6%p increase from the previous year. Since 2021, KCC GLASS has been participating in the CDP (Carbon Disclosure Project), under which the company discloses information about climate change and water supply. We will continue to engage in active water-resource management.

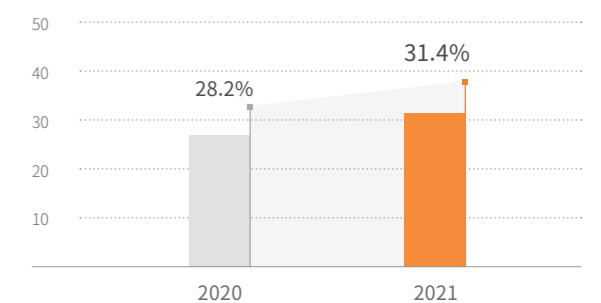
* Indirect cooling water: Cooling water that is used indirectly without direct contact with raw materials or products; not considered as wastewater under the Water Environment Conservation Act.

Managing the Use of Raw and Subsidiary Materials

KCC GLASS uses a number of different raw materials, including silica, dolomite, soda ash, limestone, cullet, PVC, and concrete, to produce glass, flooring, and concrete pile products. Yeosu Plant, which operates glass melting facility, continuously reviews measures to increase the amount of cullet used as the amount of carbonate (soda ash, dolomite, limestone) input and energy (bunker Coil, etc.) consumption decreases as the amount of cullet consumption increases.

Percentage of cullet use (compared to 2020)

+3.2%p



“ CORE STAKEHOLDER INTERVIEW

With the increasing domestic and foreign interest in various environmental issues including carbon neutrality, there are growing calls for innovation and companies in the manufacturing sector are subjected to stricter regulatory requirements. In addition to immediate solutions, companies need long-term solutions and sustainable management systems more than ever. By installing a waste heat boiler in its Yeosu Plant, KCC GLASS not only expanded the use of low-carbon energy, but also showed active R&D for the efficient use of solar energy for the development of new and renewable energy and eco-friendly fields. KCC GLASS has made various efforts to reduce GHG emissions and energy consumption, and showed that its top priority in management is the environment by using recycled cullet, installing inverters to improve the efficiency of electrical equipment, etc. I hope that the company continues to improve its sustainability by actively investing in and improving eco-friendly facilities.

Government | Gyeonggi Provincial Government Environmental Safety Management Division, Director Jeong Gwang-ho

ENVIRONMENT

→ Environmental Management

SOCIAL

- Customer Value Creation Management
- Human Resource Management
- Sustainable Supply Chain
- Local Community Engagement

GOVERNANCE

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Packaging Materials Management

KCC GLASS uses synthetic resin packaging to protect the products during storage and shipping. In 2021, the shipment volume of synthetic resin packaging was 367 tons. We are continuously exploring ways to reduce the use of packaging materials and increase recycling.

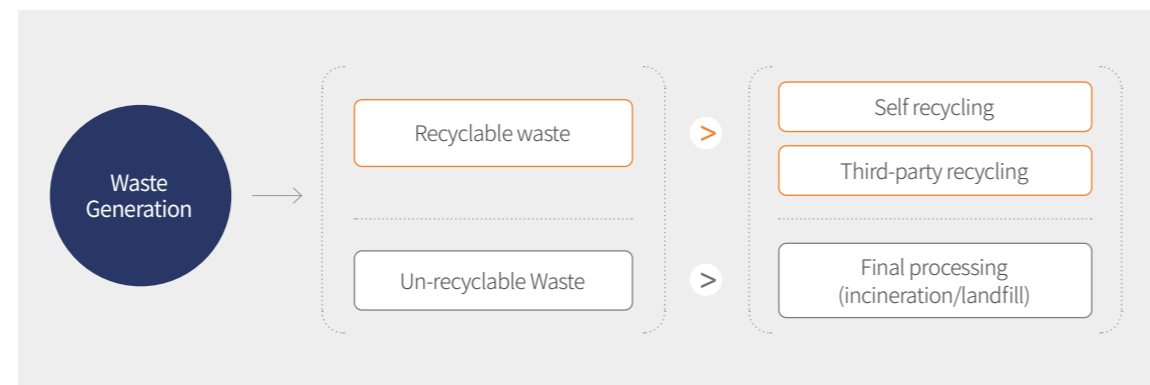
Waste Management

KCC GLASS has established and operates a waste treatment process to minimize waste resource circulation and final treatment (incineration, landfill). In 2021, KCC GLASS generated 24,196 tons of waste at its business sites, which is an increase of 7.7% (1,732 tons) from the previous year. This amount includes waste dust, wastewater sludge, waste synthetic resin, and waste concrete. The waste disposal process from discharge to transportation and treatment is managed

online through the Allbaro System. Consigned waste disposal companies are selected according to the Waste Management Act and regular inspections are conducted to evaluate the disposal process.

In addition, in order to minimize waste that is incinerated or landfilled, each business site reviews recycling methods for each waste type, and selects the most suitable recycling companies. As a result, the waste recycling rate in 2021 turned out to be 95.3%, which is an 8.9%p increase from that of the previous year. KCC GLASS will continue to explore new methods to recycle and minimize waste incineration and landfill to lead the resource circulation.

Waste-Treatment Processes



Waste-Management Status

Category	Unit	2019	2020	2021
Amount of waste generated	Ton	21,310	22,464	24,196
Recycling amount	Ton	17,182	19,420	23,068
Recycling rate	%	80.6%	86.4%	95.3%

Prioritizing Purchase of Eco-friendly Products

KCC GLASS defines environmental label products as green products and prioritizes purchasing of certified products at HomeCC Interior stores. Among its home interior products, over 90% of PVC window profiles and flooring materials are environmental label-certified products.

Eco-Friendly Products Purchased
(Unit: KRW 1 million)

186,149

Eco-Friendly R&D

Introduction of Green Technologies

Green Production Processes

KCC GLASS continuously invests and improves its production processes to reduce the generation of environmental pollutants during the manufacturing process of glass. To improve melting energy efficiency, the world's largest single production line of 1,200 ton/day is in operation, and CCF (Ceramic Catalytic Bag Filter), which can remove contaminants like nitrogen oxide, sulfur oxide, and dust simultaneously, is used in flat glass production lines for automobiles. In addition, facility investment has been made to transition from B-C oil, which emits a lot of environmental pollutants, to clean fuel, LNG. By applying wet magnetic sorting process to the manufacturing of silica sand materials for glass, we have reduced the amount of CO₂ emissions.

We are developing and mass-producing technology for G-PET products that do not emit organic compounds to reduce environmental pollution caused by organic compounds in PVC products. Vinyl-Coated Metal (VCM) home appliance film reduces the amount of gas emissions by applying a solvent-free UV imprint method. We are developing and producing eco-friendly products that use eco-friendly plasticizers and eliminate harmful heavy metals for flooring and laminated films.

Key Research Areas

In the automotive glass field, we are conducting studies to improve fuel efficiency and increase functionality. As a result, we successfully produced low-transmittance, high-iron glass for sunroof, which has the lowest level of transmittance. In addition, we are currently in the process of developing a new solar glass composition with enhanced solar heat shielding effect. We have also developed a 10% lighter windshield, reducing the thickness from 5.0mm to 4.5mm. This is currently being mass-produced and used in various car models. We plan to develop technology to reduce the thickness to 3.6mm.

Other products under development include heating glass and coatings applied to electric vehicles and luxury cars. Since electric cars do not have a heat source, they require a lot of electricity to heat the air inside the vehicle. Using heating glass, however, it is possible to effectively remove frost or ice from the windshield with a small amount of electricity.

In the field of architectural glass, we developed the new Low-E glass that can save additional energy compared to the existing Low-E glass to reduce heating costs for residential buildings even more. Using Low-E glass with high insulation performance in combination with a high insulation window system has an effect of significantly saving building energy. We have also developed EVT186, a coated glass that is applied to zero energy houses. While preventing heat loss of indoor heating during winter with high-performance insulation, EVT186 maximizes transmittance of sunlight, and is thus suitable for use in zero energy homes.

2021 R&D Expenses (Unit: KRW 1 million)

10,699

* Before deducting government subsidy

BEST PRACTICES

Production of Eco-Friendly Shopping Bags

KCC GLASS has produced eco-friendly shopping bags in accordance with ESG management policies. Shopping bags made of environmentally friendly recycled pulp paper are used for internal and external events, as souvenirs for general meetings of shareholders, sales promotion for customers, and public relations for exhibition sales floors.

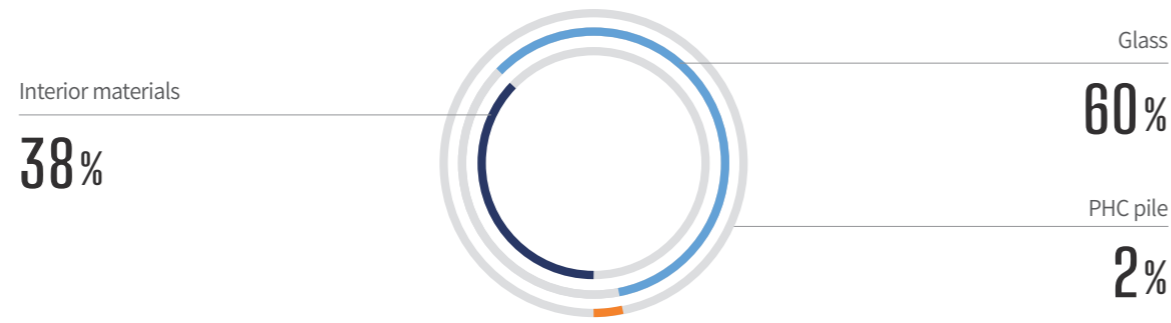


Intellectual Properties

In order to strengthen the competitiveness of intellectual property and improve its quality, KCC GLASS constantly keeps track of intellectual property issues and demands — from the research topic selection stage, to product launch. To secure the rights to the developed technology, and to form a patent network, we are applying for domestic and international patents. Additional efforts are being made to secure business freedom by inspecting patent risks before launching new products. KCC GLASS has applied for domestic and

international patents and utility models in various technological fields, including architectural glass, automotive glass, flooring, lamination film, and PHC piles. We have applied for a total of 391 patents and utility models as of the end of 2021. Domestic and overseas patents and utility models account for 76% and 24%, respectively. Among these, 132 have retained their rights and 53 are pending applications. As for the patents and utility models by technology field, glass accounts for 60%, interior materials 38%, and PHC piles 2%.

Ratio of patents and utility model applications by field (as of December 31, 2021)



Intellectual properties status (Unit: Cases)

Category		2020	2021
Patent	Domestic	227	233
	Overseas	74	92
Utility model	Domestic	64	64
	Overseas	2	2
Total		367	391

* Cumulative total

BEST PRACTICES

Establishment of KCC GLASS Central Research Center

To secure new business and growth engines, KCC GLASS established the KCC GLASS Central Research Center in Mabuk-dong, Giheung-gu, Yongin-si, Gyeonggi-do, in January 2022. By laying the groundwork for eco-friendly R&D of green materials, hydrogen technology, and carbon reduction technology, along with the development of new materials for electronic and home appliances and lightweight materials, the Central Research Center will strive to fulfill its social responsibility and attain sustainable technological innovation.



KCC · KCC GLASS Central Research Center


Green Products

- Low-E Glass**
High-insulation Low-E glass is a product that prevents heat-loss of buildings to conserve energy. High-shielding Low-E glass blocks solar energy from the exterior and helps reduce cooling costs in summer by preventing the building's indoor temperature from rising.
- Solar Heat Shielding Glass**
It is specialized in blocking UV rays and solar heat to reduce a vehicle's load on air-conditioning, fuel consumption, and CO₂ emissions.
- Lead-Free Solder for Vehicles**
The lead-free solder is used to produce automobile rear glass products. Lead-free solder was jointly developed by KCC GLASS and a partner company that supplies raw materials. KCC GLASS received the IR52 Jang Young-Sil Award from the Korea Industrial Technology Association.
- Residential Flooring**
Residential flooring products have acquired the HB mark, the industrial standard certification for eco-friendly building materials and eco-labels.


It does not use three types of dangerous phthalate plasticizers (BBP, DBP, and DEHP) and heavy metals that are harmful to the human body, and it is a product that acquired major domestic eco-friendly certifications, such as the eco-label certification and eco-friendly building material certification.
* Phthalate: it is harmful to the human body and can cause hormone imbalances, female infertility, and decreased immunity.
- G-PET**
VICENTI Furniture is a green G-PET film launched in 2020. It meets the Global Recycling Standards. PET does not emit harmful substances, so it is widely used in tableware for babies and high-end furniture finishing materials. It is excellent at blocking formaldehyde and volatile organic compounds, which are carcinogenic substances that may be contained in furniture.
- LVT (Luxury Vinyl Tile)**
SENSTYLE PRO and SENSTYLE TRENDY are eco-friendly products that meet the Singapore Green Building Council (SGBC) and Floorscore (SCS Global) certification standards.

Green Certifications (As of December 31, 2021)


Name of Certification	Number of Certifications	Product
Eco-Label	3	Flooring materials, films, etc.
Low Carbon Products	4	Flooring materials, etc.
GRS certification	1	G-PET



Eco-Label
A system that requires quantitative assessment of environmental impact of a product or service throughout its lifecycle, from raw material procurement to production, transportation/distribution, use, and disposal, to improve its environmental quality.



Low Carbon Products
Eco-labeled products that meet the Low-Carbon Product Standards.



GRS certification
Certification for a product for using 20% or more of recycled material as raw materials during the production process.

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☰ 🔍 ↺



02

ESG Performance 02 _ Social

CUSTOMER VALUE CREATION MANAGEMENT

2021 Korean Standard Quality Excellence Index

No.1

*PVC flooring material, coated glass, decoration film

Product Safety Certification Status (nine more products compared to 2020)

74 Certifications

- 57 Eco-labels
- 16 HB (healthy building materials) marks
- 1 Atopy free mark

Customer Value Creation Management

We focus on providing sustainable products by listening to the voices of various stakeholders and reflecting them in corporate decision-making.

●● Materiality Issues

As a company specializing in glass and interior solutions, KCC GLASS delivers a variety of high-quality products and interior products based on our understanding of customers. A company's growth is directly linked to the customers' rational decision-making, which is influenced by the quality of products, delivery of accurate product information, and effective communication.

●● Our Approach

1. Analyze customer and market trends for design development.
2. Provide one-stop solutions from interior consultation to after-sales service for customer convenience.
3. Secure quality-competitiveness by providing technical support and network reinforcement to partners.
4. Offer design proposals and expand experiential stores

●● Future Plans

1. Improve customer accessibility through on/offline omni-channel reinforcement.
2. Enhance brand-reputation by securing global customers
3. Reinforce customized design competitiveness.
4. Develop green products and strengthen marketing for sustainable consumption.

Maximizing Customer Satisfaction

Strengthening Market Responsiveness

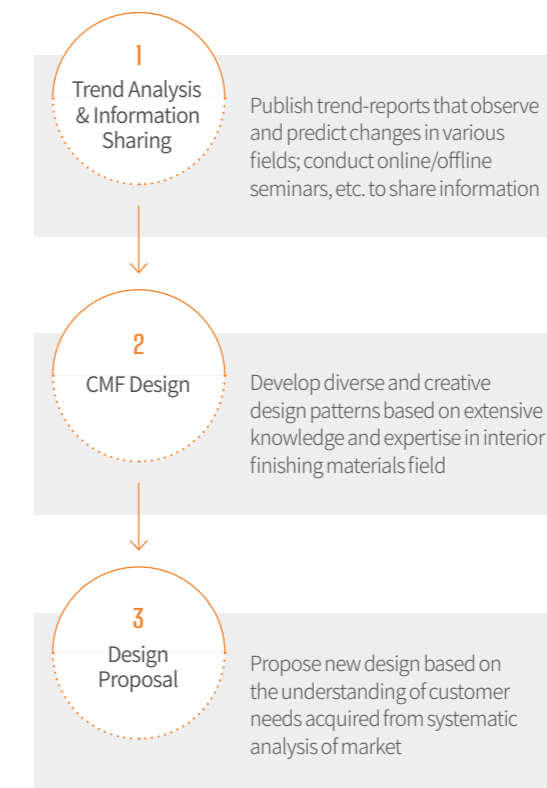
Lead the Market Trends

In order to satisfy the needs in home decoration and old house remodeling resulting from the trend of "home-economy," which refers to the recent trend in customers' consumption activities largely taking place at their residence, KCC GLASS created a separate digital transformation (DT) organization, which is dedicated to building infrastructure to analyze customer experience (CX) and big data on market trends, and providing optimized interior solution services. The design team researches and analyzes trends and trains experts who can apply the information to actual products when communicating with customers. We conducted a Model House Trend Analysis Webinar and developed a space package design based on the analysis. The Technical Support Team analyzes types and causes of defects or faults that can occur during installation service, which is directly related to the customers' final satisfaction level, and strives to provide the best service.

Enhanced product-design and functions

KCC GLASS researches and analyzes rapidly changing trends and trains experts who can apply the information to actual products when communicating with customers.

Design Process



Discover new business opportunities and develop innovative products

2021 Korea Interior Architecture Exhibition

KCC GLASS has been sponsoring the Korea Interior Architecture Exhibition, co-hosting with the Korean Society of Interior Architects/Designers (KOSID) to support the expansion of the interior architecture field and development of talent. A large number of talented future designers participated in the 33rd Korea Interior Architecture Exhibition in 2021, and a total of 254 entries were reviewed. KCC GLASS will continue to support the event to nurture future talents in the interior architecture field and contribute to the further development of the interiors industry.



The 1st HomeCC Interior Design Contest

HomeCC Mall, an online mall specializing in interior design, hosted the first HomeCC Interior Design Contest to discover talents in the interior design field and promote the development of the industry. A total of seven innovative works of many future designers, were selected after a month-long screening. The winners' works are highlighted in the showroom page within the online HomeCC Mall.



https://www.homecc.com/cmnt/cmnt_userConsCase_list.do



Winner of the Grand Prize in the 1st HomeCC Interior Design Contest

- < ≡ >

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- 04

- ESG PERFORMANCE ▾

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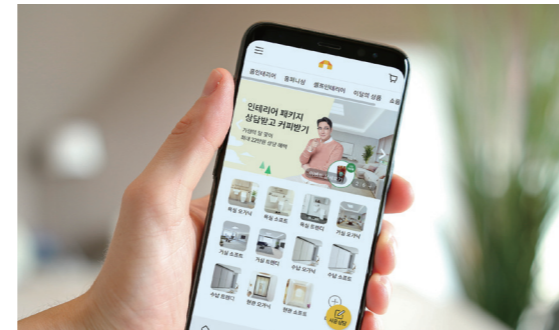
HomeCC Interior

Main Businesses

HomeCC Interior provides a variety of interior packages such as Bath, HomeCC Windows, etc. — based on the technology of building and interior finishing materials and experience accumulated over half a century. Customers can choose space and style according to their own tastes, and receive one-stop interior service from consultation to construction and AS. In particular, the newly released interior packages designed by a professional designer of HomeCC Interior reflect the latest interior trends and propose three types of design styles: organic, soft, and trendy. Size, structure, and customer preference are taken into consideration to deliver customized products. We are operating HomeCC Mall, an online channel, to keep pace with changes in the various shopping ecosystems. The existing showrooms in major metropolitan areas have been redesigned, including the one in Seoul; and new showrooms are opening in various locations to enhance customer convenience and accessibility both online and offline.

HomeCC Mall

HomeCC Mall, the official online platform for HomeCC Interior, features a variety of products — from interior construction package products, to building materials — offering a unique and convenient construction consultation service. It provides interior information, knowledge, and services.



HomeCC Interior Service



Shared-Growth Management

HomeCC Interior has established partnerships with small and medium-sized interior companies — and provides customer referrals, interior package designs, and store consultation spaces. We endeavor to enhance the competence of interior partners through regular training and seminars. HomeCC Interior guarantees quality and provides thorough after-sales service; using the standard contract, we ensure construction quality of our partners.

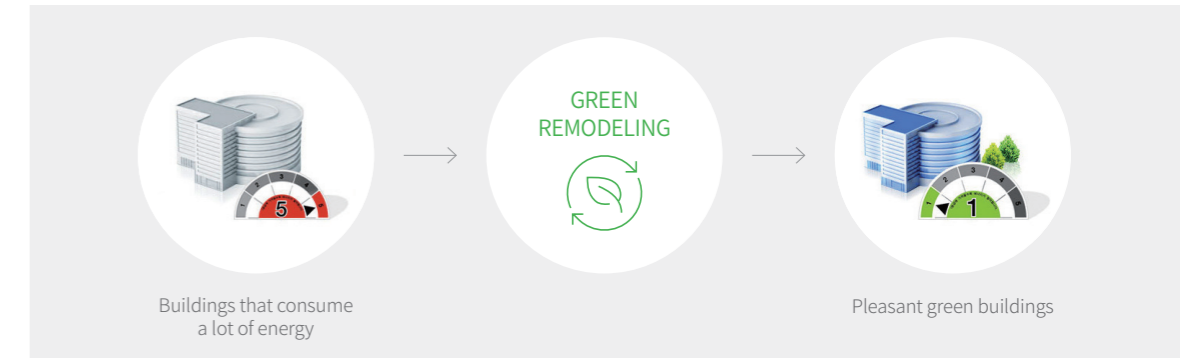


Green Remodeling

KCC GLASS participates in the Green Remodeling Project, jointly sponsored by the Ministry of Land, Infrastructure and Transport, and the Korea Land and Housing Corporation, to build a pleasant and healthy living environment. In this way, we are lowering greenhouse-gas emissions and increasing the energy efficiency of old buildings. The project is being carried out on privately owned buildings such as apartments, houses, and buildings. For up to 60 months, the government subsidizes 3% of the interest, depending on the window energy consumption efficiency rating, up to a maximum of KRW 30 million for apartment homes. HomeCC Interior provides one-stop solutions across all stages of green remodeling,

from interviews with the clients for green remodeling projects, to application preparation and submission, funding and construction, and follow-up management. We offer a 13-year warranty on windows for residential homes installed by our direct construction team. In accordance with the terms of the Window-Quality Assurance, free maintenance and repair service is provided for up to 13 years* from the date of installation, in case of defects caused by faulty construction or materials.

* Classified into 2-year, 5-year, and 13-year, depending on the type



“ CORE STAKEHOLDER INTERVIEW



Due to the prolonged economic downturn from rises in unit prices, labor costs, and transportation costs of raw and subsidiary materials, the overall profitability of the glass industry has been deteriorating. Accordingly, companies have been seeking ways to maintain the quality and resolve the supply-demand imbalance by improving efficiency and stabilizing the unit prices of products. KCC GLASS has made bold investment decisions and conducted active research and development efforts amid fierce competition in the rapidly changing domestic and overseas construction markets. As a result, KCC GLASS has become one of the leading companies in the industry, known for its excellent technological capabilities. In addition, the company strives to create social values that maximize customer satisfaction by continuously improving quality and activating communication channels for shared growth with business partners. In order to sustain this, I believe that building confidence in the supply chain should be prioritized. I believe that close communication with and monitoring of partners through various channels will allow KCC GLASS to understand the market needs and develop business specialties. This will ultimately help improve quality and service for customer satisfaction.

Customer | Geumgang Glass CEO Cha Hwan

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No. 1 in Customer Satisfaction

In the 2021 Korean Standard Quality Excellence Index (KS-QEI) hosted by the Korea Standards Association (KSA) and co-organized with the Korea Society for Quality Management, KCC GLASS ranked first in the categories of PVC flooring materials, coated glass, and decoration film, demonstrating the performance of customer-centered management. In addition, residential flooring products of KCC GLASS ranked first in the 2022 Brand Power of Korea Industry hosted by Korea Management Association Consulting (KMAC), and were recognized as the best product by consumers and professionals.

Enhancing Customer Value

Customer Satisfaction Management

KCC GLASS is a company specializing in glass and interior solutions with customer trust and satisfaction as our top priority. At the core of product development by KCC GLASS are the needs of our customers and the market. We design customized products, enhance quality and safety, manage the product quality of our suppliers, and reflect the VOC (Voice Of Customer) and customer satisfaction surveys to provide optimized services to customers.



2021 Korean Standard Quality Excellence Index (KS-QEI)

No. 1 in the PVC flooring category for 12 consecutive years; No.1 in the low-emission glass category for five consecutive years; and No.1 in the decoration film category for two consecutive years

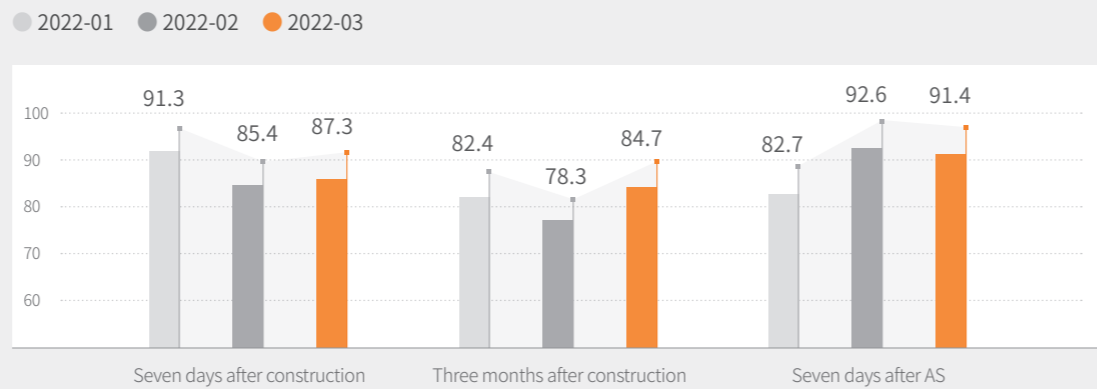


2022 Korea Industry Brand Power Index (K-BPI)

No. 1 in the residential flooring category for seven consecutive years

Customer Satisfaction Survey

Survey Period	January 2022 ~ March 2022
Target	Customers that received construction/AS service (735 customers)
Response rate	Total of 323 customers responded (47.7 %)
Survey method	Conducted Happy Calls via landline phone
Evaluation method	Very satisfied (100); Satisfied (75); Indifferent (50); Not satisfied (25); Very unsatisfied (0)



Ensuring Fair Trade for Consumers

KCC GLASS complies with relevant laws and internal regulations so that there is no harm to consumers in the process of purchasing and using our products. As a consumer protection measure, we operate a fair trade compliance program and conduct in-house training through newsletters. In order to avoid situations that may interfere with consumers' rational choices or result in damages from incorrect display of product information and false advertising, promotions, or sponsorships, the relevant departments are carefully reviewing all information in advance. We ensure that our resolution procedures are in accordance with the latest laws and regulations.



Communication with customers

Operation of various VOC channels

KCC GLASS communicates with customers through various channels, including the company website, the customer service center (1588-9894), SNS, channeling, etc. Using the Salesforce Automation (SFA) system, independently developed by KCC GLASS, we analyze the core requirements of customers, which are promptly communicated to the quality, sales, and design teams to improve the level of customer satisfaction.

Organization changes

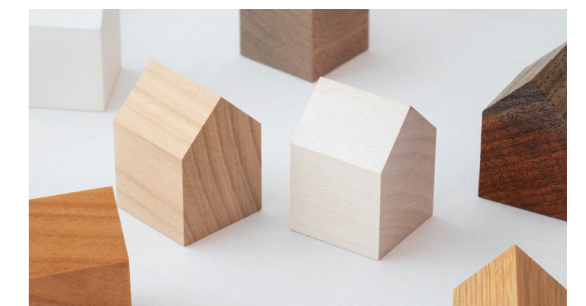
For optimal customer contact management, we have integrated online and offline CS organizations and established a standardized response system. For HomeCC Interior, customer feedback is collected and analyzed to strengthen customer management across all fields, from consultation to construction and after-sales. Through these activities, KCC GLASS provides superior quality products and services to customers, and continuously improves market competitiveness.

Strengthening Product-Quality and Safety

Strengthening Product Quality

Quality-Management System

KCC GLASS has established and operates a 3QP (Quality Product, Quality Process, Quality People) quality-management system, through which we strive to provide the highest-quality products and services to our customers.



Quality Management System Certification

Locations	Quality Certification	Remarks
Yeosu	ISO 9001, KS	- ISO 9001: Quality Management System Certification - KS: Korean Industrial Standards - IATF 16949: Automotive Quality Management System Standards
Asan	ISO 9001, KS	
Gapyeong/Yeongwol	ISO 9001	
Jeonui	IATF 16949	
Deokso	ISO 9001, KS	
Gimpo	ISO 9001	

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▶ QUALITY PRODUCTS

As a company specializing in the glass, interior business, KCC GLASS is concentrating its corporate capabilities on reflecting the diverse needs of customers and markets in product development, production, and service processes. In order to provide customers with high-quality and safe products, we are developing innovative technologies and acquiring and managing the relevant certifications.

▶ QUALITY PROCESS

KCC GLASS is realizing customer satisfaction by minimizing product-defects and customer complaints through the operation of an advanced quality-management system. Through the Total Quality Management (TQM) system, the company automatically collects Critical to Quality (CTQ) of internal and external customers, and coordinates CTQ with Critical To Process (CTP) for overall quality process improvement from development quality to material quality, mass-production quality, customer quality, and quality innovation. By

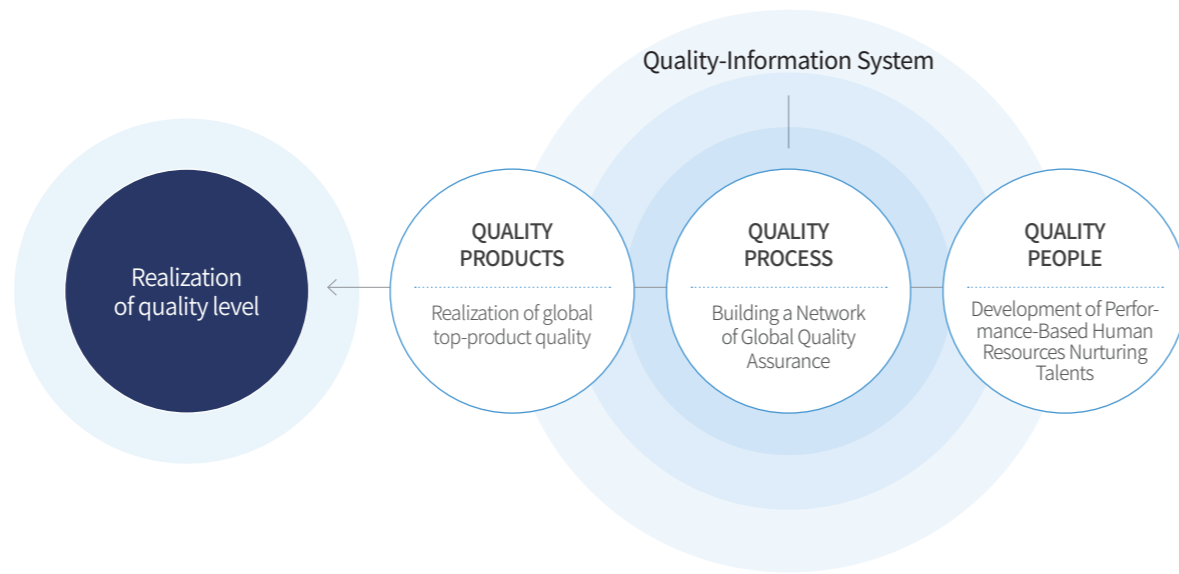
establishing the Manufacture Execution System (MES), we are managing an optimal production process, from ordering to product completion.

▶ QUALITY PEOPLE

KCC GLASS has internalized a high-level quality management system through Six Sigma activities in the development and manufacturing sectors, and by continuously nurturing in-house quality experts (GB, BB, and MBB), customer requirements are actively being reflected in new-product development and production activities.

Six Sigma Certification Status (As of December 31, 2021)

GB	Eight persons
BB	27 persons
MBB	11 persons



▶ BEST PRACTICES

Quality-Innovation Activities: Excellent Innovation Contest

On November 25, 2021, the Excellent Innovation Contest was held, in which excellent innovation tasks were selected for each business unit through pre-screening as an attempt to promote best practices and improve management performance. Until last year, the contest used to be open to the manufacturing sector only. However, in 2021, five teams from the manufacturing division and two teams from the sales division participated — and the grand prize was awarded to the Asan Plant, which submitted the “Quality Improvement through Enhanced VCM Product Printing.” Starting in 2022, the contest will include management and research sectors and will be covering all areas.



Partner Quality-Management, e-MAX Club

The e-MAX Club is a domestic network of glass-processing companies that grants quality certification to those with excellent quality and technology. e-Max Club member companies are subject to regular and irregular quality evaluations and strict quality standards to ensure supply of the highest quality glass to our customers. The e-MAX Club started with 16 member companies that produced double glass in Feb-

ruary 2006. In 2010, it expanded its certification areas to tempered e-MAX club and laminated e-MAX club in 2012. It has become the largest domestic glass processing network with 116 certifications. Each year, membership is reviewed based on strict and comprehensive quality evaluation criteria. Only those who meet or exceed the quality standards maintain their certification status.

e-MAX Club Membership Status (as of December 31, 2021)

83 companies **116** certifications

Categories	2019	2020	2021
Double Glass	70 companies	75 companies	77 companies
Tempered	26 companies	26 companies	28 companies
Laminated	8 companies	9 companies	11 companies

Strengthening product quality

Providing product safety-related information

KCC GLASS discloses product-safety information on its website for easy access by customers.

Activities to improve product safety

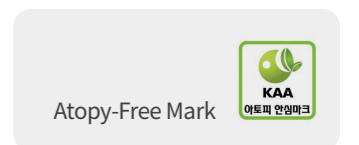
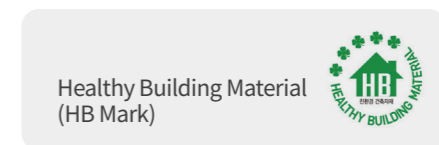
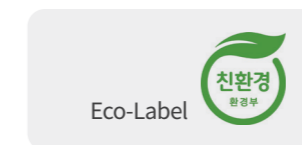
KCC GLASS manufactures and distributes products (including flooring materials for indoor use) that are in compliance with the Electrical Appliances and Household Products Safety Management Act. In order to meet the legal standards required at various sites, including the Indoor Air Quality Act, the Environmental Health Act, and the Health Housing Construction Standards, internal standards for each product group have been developed and are being managed separately. As a result, we have not had any reported violation of product safety and health-related legal standards or internal regulations to this date. In particular, for product groups (flooring materials, LVT, laminated film, GPET) that have TVOC emission limits* stipulated by the Environmental

Technology and Industry Support Act, Enforcement Decree, and Enforcement Rules, we verify the safety of our products, environmental-friendliness of products and formulation through accredited tests and certification. Other toxic substances (HCHO Toluene, etc.), heavy metals (lead, cadmium, mercury, chromium 6+), which are harmful to the environment, radioactive substances, and endocrine-disrupting substances (phthalate plasticizer, etc.) are regularly analyzed and monitored.

By developing and improving products closely related to consumer safety, such as automotive safety glass, non-slip architectural flooring, and flame-retardant film, we will strive to promote environment & safety values.

* TVOC (Total Volatile Organic Compound) emission (mg/m² h): As required by the Environmental Technology and Industry Support Act, its enforcement decree, and rules (Environmental Label Certification)

Name of Certification	Certified products	Product
Eco-Label	57	Flooring, laminated film, LVT, etc.
Healthy Building Material (HB Mark)	16	Flooring, laminated film, etc.
Atopy Free Mark	1	Flooring



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HUMAN RESOURCE MANAGEMENT

Human Resource Management

KCC GLASS is committed to establishing a horizontal organizational culture that respects individuals' human rights, a fair and innovative human resource development system, and a safe and happy workplace.

●● Materiality Issues

People are the source of innovation and growth of a company. KCC GLASS values talented people and strives to create an environment where employees can realize their potential. By establishing a horizontal organizational culture, a fair and innovative talent development system, and a safe workplace, we intend to focus on the people that make use of resources, rather than the resources themselves.

●● Our Approach

1. Establish a health and safety management system
2. Identify potential risks through risk assessment
3. Ensure transparent recruitment and promote diversity
4. Promote work and life balance of employees

●● Future Plans

1. Establish a company-wide health and safety management system through operation of the Safety and Health Committee
2. Reinforce accident-prevention measures
3. Develop a process to listen to and collect employee opinions
4. Strengthen human rights management through regular human rights surveys

Safety and Health

Safety and health management system

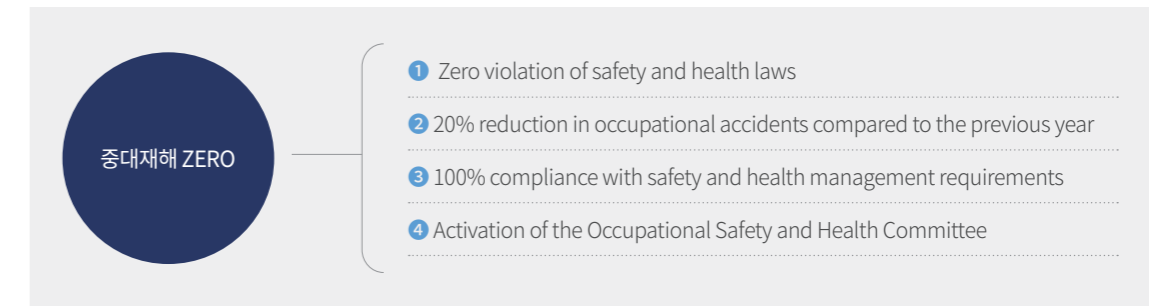
Promoting safety and health management

To prevent industrial accidents and major safety accidents, KCC GLASS established a company-wide safety and health management system in 2021, and dedicated safety and health organizations at the headquarters and business sites. The safety and health organization consists of a Director of Safety/Environment, Safety and Health Team, and the Plant Safety and Health Team. The organization strives to minimize safety and health risks by establishing company-wide safety and health management policies, goals, and action plans for each business site.

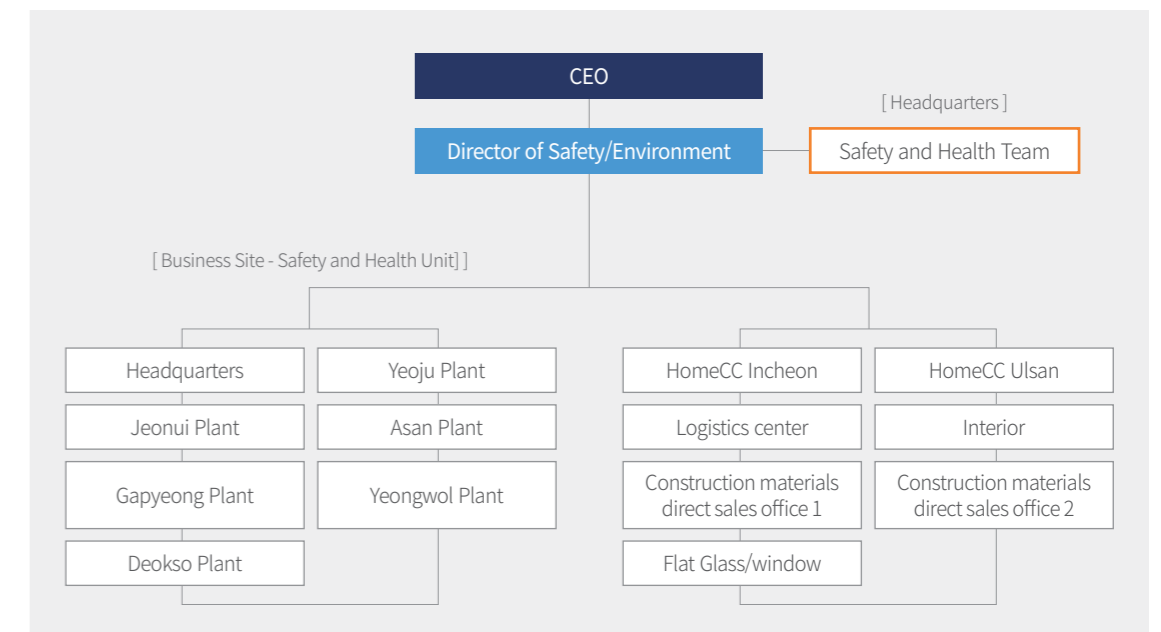
Occupational Safety & Health Committee

KCC GLASS operates an Occupational Safety and Health Committee for each business site in accordance with the Industrial Safety and Health Act. The committee, which holds quarterly meetings, consists of representatives of workers and the employer, and deliberates on various safety and health-related issues, such as establishment of industrial accident prevention plans, safety and health training programs, work environment assessments, and health checkups. At the Yeongwol Plant and Gapyeong Plant, which are not required to have their own Occupational Safety and Health Committee under the Occupational Safety and Health Act, deliberation on workers' safety and health issues are made by the Labor-Management Council every quarter.

2022 Safety and Health Goals



Safety and Health Organization Chart



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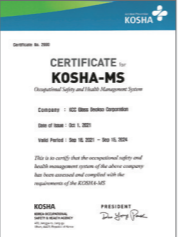


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Health and Safety Management System Certification

All six business sites of KCC GLASS in Korea have acquired the safety and health management system certification. Jeonui Plant has been certified with ISO 45001 and the other plants

(Yeouju, Asan, Gapyeong, Yeongwol, and Deokso Plants), have acquired the KOSHA-MS certification from the Korea Occupational Safety and Health Agency in 2021.

					
Jeonui Plant [Korean Foundation for Quality]	Yeouju Plant [Korea Occupational Safety and Health Agency]	Asan Plant [Korea Occupational Safety and Health Agency]	Deokso Plant [Korea Occupational Safety and Health Agency]	Gapyeong Plant [Korea Occupational Safety and Health Agency]	Yeongwol Plant [Korea Occupational Safety and Health Agency]

* Scope of application of safety and health management system: All employees working at the relevant business site (including partners in residence)

Safety and Health Risk Management

Management of health and safety in the workplace

The Safety and Health Team of KCC GLASS conduct safety and health inspections at all job sites biannually to ensure compliance with safety and health-related laws and to identify and eliminate potential risk factors. The results are reported directly to the CEO, whose feedback on improvement and corrective actions are implemented in each business site. Opinions of safety and health experts are also being reflected in our safety and health activities to make further improvements.

Safety and Health Management of Partners

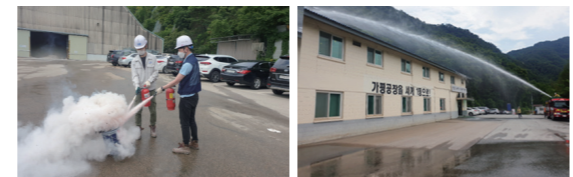
KCC GLASS holds monthly safety and health council meetings to help manage safety and health of business partners. At the meeting, partner companies' safety and health management capabilities and accident-prevention activities are shared, in addition to the latest laws and amendments, the parent company's safety and health policies, and employee feedback.

Emergency-Response Drills

KCC GLASS conducts Emergency-Response Drills for all employees in order to ensure efficient and timely responses to emergency situations, such as fires, explosions, leakages, and earthquakes. Emergency Response Drills are conducted

Safety and Health Training Status

Category	Unit	2021
Total Hours of Training	Hours	45,350
Total Number of Employees that Completed the Training	Persons	1,823



Initial attack for fire suppression (fire extinguisher)

Gapyeong Fire Station fire suppression (fire truck)

on a regular basis according to the annual training plan to prepare employees for actual emergency situations.

Health and Safety Training

KCC GLASS offers safety-training designed for every job function to raise safety and health awareness of employees and executive, eliminate hazards and risk, and be able to respond properly in the event of an accident. Safety and health manager training is provided to employees who oversee business sites; supervisor training is provided to employees in the position of directing and supervising other workers at business sites; and regular safety and health training is provided to all other workers. Additionally, special safety and health training, safety training for new hires, and job-specific training are provided.

Human Rights and Diversity

Promotion of Employees' Health and Welfare

KCC GLASS appoints a health manager for each business site and conducts regular work environment assessments to create a more pleasant workplace. In addition, we are providing health-checkup support and conducting health promotion programs.

Employee Safety and Health Status

Category	Unit	2020	2021
Occupational injury	Case	6	12
Occupational disease	Case	1	1
Occupational fatality	Case	-	-
Total number of labor losses	Case	7	13
Lost Time Injuries Frequency Rate(LTIFR)*	-	1.71	2.97
Lost Time Injuries Severity Rate(LTISR)**	-	0.18	0.22

Partner Safety and Health Status

Category	Unit	2020	2021
Occupational injury	Case	5	1
Occupational disease	Case	-	-
Occupational fatality	Case	-	-
Total number of labor losses	Case	5	1
Lost Time Injuries Frequency Rate(LTIFR)	-	3.67	0.76
Lost Time Injuries Severity Rate(LTISR)	-	0.17	0.05

* LTIFR: (Number of lost-time injuries in the reporting period x 1,000,000) / (Total hours worked in the reporting period)

** LTISR: (Number of lost-time injuries in the reporting period x 1,000) / (Total hours worked in the reporting period)

Human Rights Management

Protection of Human Rights

KCC GLASS complies with the United Nation's Universal Declaration of Human Rights and various other international human rights laws to respect dignity and rights of all stakeholders, including executives and employees, customers, suppliers, and affiliates. Since joining the United Nations Global Compact (UNGC) in July 2021, we have been promoting the ten major principles including human rights, labor, UNGC the environment, and anti-corruption.

KCC GLASS discloses relevant information on the company website through our Stakeholder Code of Ethics. We are committed to creating a sound organizational culture that respects individuality through mutual trust. To resolve



various human rights-related grievances of our employees, every year we conduct various types of training to prevent sexual harassment, and to improve awareness of persons with disabilities — in addition to operating an anonymous grievance board.

Ethics Training Course

(Unit: Hours, Persons, %)

Category	Total hours of training	Number of persons who completed the training	Percentage
Sexual harassment prevention training	1,704	1,704	93.5
Improving awareness of persons with disabilities training	1,704	1,704	93.5

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Grievance-Handling Status

Category		Unit	2021
Dr. KCC GLASS	Number of grievances received	Case	12
	Number of grievances resolved	Case	12
	Process rate	%	100

Human Rights Risk Identification and Improvement Process

KCC GLASS ensures human rights protection at the company level through the Stakeholder Code of Ethics. By operating a Labor-Management Council composed of members elected by employees, as well as an anonymous grievances board, we actively listen to the voices of our employees and protect their human rights. Employees' suggestions and grievances gathered through the anonymous grievances board are handled in a reasonable fashion, and in a way that demonstrates the company's commitment to human rights protection, labor-management communication improvement, and a cooperative organizational culture. In addition, we operate a counseling program through a professional psychological counseling company to help alleviate employees' stresses related to the job, private life, etc. Counseling sessions are provided free of charge to all employees for up to eight times per year, and family members of employees can sign up for the counseling, as well. We attend to employees' grievances and work to resolve them through counseling. We ensure that strict confidentiality is maintained regarding the contents of counseling. We will be focusing on establishing human rights policies throughout 2022 and conducting annual assessments going forward.

Employee Diversity

Diversity Policy

All members of KCC GLASS and related persons have the right to pursue happiness in relation to human dignity, value, and provision of work. KCC GLASS ensures compliance with applicable laws, including the Labor Standards Act and the Maternity Protection Act, and strictly prohibits any form of discrimination that is in violation of the related laws and regulations. In addition, responsibilities for employees are stipulated in the KCC GLASS Stakeholder Code of Ethics, reflecting the company's commitment to respecting diversity and ensuring fair treatment of employees.

Counseling Center Usage Status (Unit: Cases)

52

New Hires in 2021 (Unit: persons)

210



Open Recruitment

KCC GLASS has established principles of open recruitment, through which we hire individuals who are suited to our culture of respect for diversity. Our open recruitment policy ensures equal opportunities to all applicants based on job competency and does not impose any restrictions based on gender, age, or other factors irrelevant to one's job-related competencies.

Corporate Culture Innovation

Creating a Bright and Pleasant Workplace

Working Hours System

KCC GLASS implements a number of different working hour systems, including an estimated working hour system, which is used when it is difficult to calculate exact hours worked due to frequent outside work, such as business trips and dispatches; a flexible working hour system, which is used when employees or certain departments are expecting to work overtime for a project to allow flexible adjustment of working hours; a selective working hour system, which allows an employee to decide the start and end of a work day as long as the employee meets the total number of hours set by the company; a discretionary working hour system, which delegates the method of work at the discretion of the employee in consideration of the nature of work; and a telecommuting system, in which an employee works from home or places other than the company office. In particular, the telecommuting system is becoming more prevalent due to the spread of COVID-19, and for improving employees' concentration and productivity. We are taking various measures to improve the organizational culture as well as infrastructure for establishment of successful remote working. We will continue to strengthen and improve related systems to enhance productivity and promote employees' work-life balance.

Communication Culture

Apart from the Labor-Management Council, we operate various communication channels, including Dr. KCC GLASS and Staff/Assistant Manager Seminars, to handle grievances and feedback of our employees. Dr. KCC GLASS is an online portal for employees to share their complaints and suggestions, which are then addressed by the HR Team and General Affairs Team for immediate action and improvement measures. The Staff/Assistant Manager Seminar is an offline forum held quarterly among employees to share grievances and suggestions. In 2021, we were not able to hold the seminar due to COVID-19, but we plan to hold it regularly once the pandemic is over. Operation of these channels not only promotes two-way communication between employees and executives, but also work efficiency.

Labor-Management Cooperation

KCC GLASS is striving to establish a win-win labor-management culture based on mutual respect and trust. We ensure the three labor rights and basic rights of workers through collective bargaining every year and endeavor to improve the wage and working conditions of skilled workers. The collective bargaining conducted in 2020 was concluded without disputes to achieve community goals based on a mature labor-management culture. Through the collective bargaining in 2021, we signed a non-negotiation agreement delegating all powers to the company to overcome the crisis in the uncertain business environment at home and abroad. The collective bargaining for 2022 is scheduled for after June. KCC GLASS will continue to practice win-win cooperation between labor and management to enhance corporate competitiveness and stability in production.

Labor-Management Council

KKCC GLASS holds a quarterly Labor-Management Council meeting with representatives from labor and management representatives to strengthen the cooperative relationship between employers and workers, to promote the welfare of workers, and to promote the sound development of the company. The council consists of three representatives of the employer and three representatives of the labor. Every quarter, the labor representatives gather agenda items from workers and discusses them in advance with the relevant business departments before submitting them as official agenda items for the Labor-Management Council meeting. Decisions on the formally proposed agenda are made through deliberation of representatives from both parties. The decisions are then notified to all employees through notices and implementation of related matters will begin. At the LMC meeting in the fourth quarter of 2021, the "Introduction of Compensation Leave System" was proposed as an agenda item to replace the existing alternative holiday system and grant extra hours worked on a holiday as compensatory leave. The Compensation Leave System is an improvement on the previous system and shows that the LMC acts as a communication channel and a representative body of employees that work to resolve their grievances.

Labor-Management Council Status

Category		Unit	2020	2021
Headquarters	Number of Agenda Items	Case	27	15
	Number of approved resolutions	Case	25	15
	Resolution Rate	%	92.6	100
Business Sites*	Number of Agenda	Case	71	44
	Number of approved resolutions	Case	71	44
	Resolution Rate	%	100	100

* Yeosu Plant, Jeonui Plant, Asan Plant, Gapyeong Plant, Yeongwol Plant, Deokso Plant

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Work-Life Balance

Family-Friendly Management

In line with the change in the maximum working hours to 52 hours per week, KCC GLASS is taking various measures to create a productive working environment. We make daily end of work day announcements to encourage employees to leave on time and have made Friday a “Casual Dress Day” so that employees can work in comfortable clothes. We have also introduced a “PC-Off System” and “Working Hours Management System” to encourage employees to have dinner with family, avoid overtime, and promote work-life balance. In addition, various work types such as selective working hours and flexible working hours are introduced to enhance employee engagement and efficient work time management. In 2021, KCC GLASS received the family-friendly company certification from the Ministry of Gender Equality and Family, in recognition of its achievements in childbirth and childrearing support, flexible working hour systems, and creation of a family-friendly workplace culture. The family-friendly company certification is granted to companies that operate an exemplary family-friendly system. In accordance with the screening standards of the Korea Management Registrar, the operation status of the family-friendly system undergoes doc-

ument screening and on-site screening before deliberation is made. Even after three years, when the certification expires, we will continue to discover and improve family-friendly systems to not only maintain the certification qualifications, but also enhance and support the work-life balance of our employees.

Employee Welfare and Benefit Program

KCC GLASS strives to create an environment, in which employees are able to fully engage in their work and ensure quality of personal life. In addition to covering the four mandatory insurances and medical expenses, we offer support for various celebrations and condolences and also provide holiday pay, vacation pay, as well as subsidies for housing and living expenses. Furthermore, we are operating a daycare center at the head office and offer company housing and dormitories for the convenience of our employees. KCC GLASS promotes enhanced work efficiency by improving job satisfaction through the welfare benefit system. We believe this strategy will ultimately allow us to create sustainable corporate value.

Major welfare and benefit programs

Category	Details
Support for children's educational expenses	Tuition support for employees' children in high school or above
Family health check-up support	Annual health checkup support including spouse checkup
Family leisure facilities support	Offering condominium and KCC Family Campground at discounted rate
Operation of in-house daycare center	Installation and operation of in-house daycare center
Family medical expense support	Support for medical expenses of employees, their spouses, and children
Support for congratulations and condolences	Congratulations and condolences leave and pay for marriage, death, 60th birthday, and childbirth
Loans	Support for housing loans and other loans related to living expenses, jeonse, etc.
Employee counseling program	Provide mental therapy/counseling support for employees and their spouses
Support for club activities	Support for sports activities, such as basketball, baseball, and marathon, and other club activities, such as band, and volunteer groups

▶ BEST PRACTICES

Renovation of in-house daycare center

In 2021, the company daycare center reopened in the new building next to the KCC Seocho office building. The interior is finished with eco-friendly materials to create a nature-friendly space. It is fully air-conditioned, providing comfort and pleasantness to both children and teachers.



Human Resource Development

Human Resource Development System

Recruiting excellent talent

Based on the belief that a company's sustainability is maintained by the growth and development of each employee, KCC GLASS's HR system promotes mutual growth of individuals and organization. In compliance with employment rules and collective agreements based on the Labor Standards Act, we make various efforts to secure excellent talents in each field. Our open recruitment policy is founded on the principle of respect for diversity, in terms of gender, age, major, region, etc., and considers job competency as the top priority. We are committed to protecting the human rights of women, and persons with disabilities, etc. from discrimination and disadvantages, so they can fully demonstrate their abilities. Starting in 2022, a welcome kit (CEO message, diary, and seven other items) is given to all new hires and an intern conversion gift (CEO message, flower basket, and wine) is provided to interns who have been accepted for full-time positions. This is to enhance a sense of belonging, while welcoming new hires; CEO message also conveys the values pursued by the company.



and knowledge in a prompt manner. In March 2020, we reorganized our education portal with focus on mobile contents to build an ongoing learning system.

Onboarding Program

KCC GLASS provides training to all new hires to introduce the core organizational values, culture, system, and company policies. To help familiarize new hires with the in-house computer system, etc., various onboarding programs and courses are being offered. KCC GLASS will continue to support onboarding for new employees to facilitate their adaptation to new environments in the rapidly changing internal / external conditions.

Training Programs

Online Training

KCC GLASS and KCC Group Training Center have jointly developed online training programs to help our executives and employees learn about their jobs, products, and languages. We have introduced the “Micro Learning System,” which provides our employees with necessary information

Training Programs

Category	Type	Details
Training Center	Basic Training	Overview of company history, business, core values, and working attitude to help new hires adapt to the organization
	Advanced Training	Reinforcement of job competency and leadership development by position
	Onboarding Training for Mid-Term Hires	Learning about core values and improving job related skills by understanding company regulations and systems
	Training for the Newly Promoted	Job competency and management competency training for the newly promoted employees
Online	Job-specific training	Specific job/competency training
	Language Training	Training contents provided in connection with external educational institutions
External	Job-specific training	Specific job training through external educational institutions

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Re-Employment Support for Prospective Retirees

KCC GLASS provides reemployment support in collaboration with external providers for workers over the age of 50 years who involuntarily retired in accordance with the Article 21-3, Paragraph 2 of the Elderly Employment Law. The main training courses are on career design, entrepreneurship, and re-employment. Anyone who wishes to take the course can take it either online or offline. The training provides assistance in life planning, self-development, and finding other opportunities for alternative career after retirement. After providing the training, we survey overall satisfaction and identify matters needing improvement to provide better service.

1 Career Design Course	Job search, career search, career design, etc.
2 Employment Support	Job search basics, competency enhancement, job search strategy, job search execution
3 Life Planning Support	Asset management, health management, and other support

Evaluation and Compensation

Transparent and Fair Evaluation

KCC GLASS strives to operate a transparent and fair human resources management system. We make sure that our executives and staff are motivated and proud of what they do through a “performance and competency oriented” evaluation system, in which individuals set their own goals and improve their performance based on the feedback as well as the final report. Establishing an MBO that is consistent with

the five strategic directions of the CEO (economic expansion, added value expansion, efficient use of resources, strategic distribution of resources, and nurturing new leaders) for the business not only helps individual employees to focus on their work, but also allows objective evaluation of employees. The evaluation results are reflected fairly regardless of gender for all positions and job levels. The results are also used to determine promotion, salary, performance bonus, and job assignments. For a fair and objective evaluation, we comply with the evaluation process and make the process transparent. The progress of work is evaluated not only through year-end evaluation, but also through frequent feedback sessions, which help clarify the direction each employee should take. We also establish a self-development plan in an attempt to efficiently link evaluation and development.

Objective and Fair Compensation

To practice the principle of fair compensation based on competency and contribution, KCC GLASS is moving away from the existing relative evaluation system and introducing an absolute evaluation system based on performance. Instead of setting ambiguous goals, we have established an MBO evaluation system, which establishes and evaluates financial goals, productivity goals, and strategic goals. KCC GLASS adopts a cumulative annual salary system based on the MBO evaluation result, and gives incentives based on the evaluation result of annual work performance.

“ CORE STAKEHOLDER INTERVIEW



KCC GLASS is concentrating its competencies on producing high added-value products through energy-efficient and eco-friendly technologies and advancing into the global market of the glass industry. Moreover, the company strives to achieve diversification of customer-oriented businesses as a B2C strategy for the interior business and internalization of sustainability as a leading company in ESG management. In order to overcome uncertainties and crises in the recent internal and external business environments, companies make various efforts to establish a labor-management culture that encourages worker participation, cooperation, and coexistence. Communication in a horizontal labor-management relationship can help strengthen corporate competitiveness, realize stable production, and enhance corporate reputation. KCC GLASS's recent collective bargaining with the labor union was a non-dispute or non-negotiation type, which indicates that the labor and management partnership is built upon mutual respect, trust, and understanding. I hope that KCC GLASS establishes itself as an exemplary case of a sustainable company by developing labor-management culture of coexistence and cooperation which is the foundation of future growth power.

Employee/Labor Union/ Labor-Management Council | Manager in KCC GLASS Labor Support, Lim Kyung-chai

04

SUSTAINABLE SUPPLY CHAIN

Sustainable Supply Chain

To ensure sustainability of the entire supply chain, we will strengthen supply-chain risk management and expand sustainable growth-related policies partners.

●● Materiality Issues

As global outsourcing increases and the procurement network becomes more segmented, it is important to practice ESG management and create circulation structures with partners in the supply chain throughout the life cycle of KCC GLASS products and services. KCC GLASS supports the growth of competent partners by creating a fair trade culture based on mutual trust, encouraging their participation in socially responsible management.

●● Our Approach

1. Practice fair trade
2. Operate stakeholder whistleblower/reporting channel
3. Enact Code of Conduct for partners
4. Support partner companies' growth infrastructure
5. Strengthen communication with partners

●● Future Plans

1. Improve supply-chain ESG management system
 - Establish identification and categorization system for supply chain
 - Establish supply chain ESG risk assessment criteria and perform assessment
 - Improve/support ESG management in high ESG risk partners
2. Prepare policies related to conflict mineral management
3. Host more meetings with partners

Number of persons that completed Fair Trade Training in the first half of the year

753 persons

Number of persons that completed Fair Trade Training in the first half of the year

767 persons

Advance payment for suppliers

KRW 19,909 million

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Mutual Growth With Business Partners

Fair Trade

Fair Trade Compliance Program

In order to establish a fair order of transactions in the supply chain, KCC GLASS has introduced and has been operating the Compliance Program (CP) since the establishment of the company as a spinoff in January 2020. The Compliance manager hosts the Compliance Committee semi-annually to review progress and results of various improvement activities for BOD report/disclosure. Compliance officers conduct compliance inspection annually



in accordance with the company's compliance standards, and report the results to the BOD.

Compliance Program Status



Four Guidelines of Fair Trade

- 1 Guidelines to Fair Agreement**
Reflect interest of all parties in the contract; prevent abuse of power to ensure fair agreement.
- 2 Guideline to the Selection and Operation of Partners**
Contribute to the establishment of a fair order of subcontracting transactions, and prevent the violation of the Subcontracting Act and other related laws and regulations.
- 3 Guidelines to Setting up an Internal Deliberation Committee**
Perform advanced review on fairness, legality, etc., of subcontracting agreements to ensure the establishment of a fair order in subcontracting transactions.
- 4 Guidelines to the Issuance and Retention of Subcontract Agreement**
Comply with the issuance and retention guidelines recommended by the Fair Trade Commission for the establishment and dissemination of a proper subcontract culture.

Reporting Fair Trade Violations

Operation of Cyber Shinmungo

KCC GLASS operates a Cyber Shinmungo via the company website, which is available for all stakeholders, including business partners, customers, and employees. The identity of Cyber Shinmungo informants is kept strictly confidential

and we ensure that there is no disadvantage to the informant for reporting. Relevant departments verify the validity of the report and 100% of the reported cases are resolved.

What to report

- 1 Unfair trade practices by executives and employees
- 2 Receiving money, goods, entertainment, or convenience from stakeholders
- 3 Improper use of company assets and information
- 4 Other prohibited or unethical conduct

Cyber Shinmungo Reporting Status

Category	2020	2021
Report cases	0	0
Investigation completed	0	0
Resolution/Responses	0	0

Employee Compliance Training

KCC GLASS conducts compliance training every year to establish a culture of fair trade. By providing guidance and instruction about relevant laws and regulations and precautions during work, we are preventing violations of laws in advance.

Compliance Training Status

Category	Unit	2021
Training on Act on Fair Labeling And Advertising (first half)	Hours	1
	Persons	753
Training on Improper Solicitation And Graft Act (second half)	Hours	1
	Persons	767

Win-Win Partnerships

Supply-Chain Management System

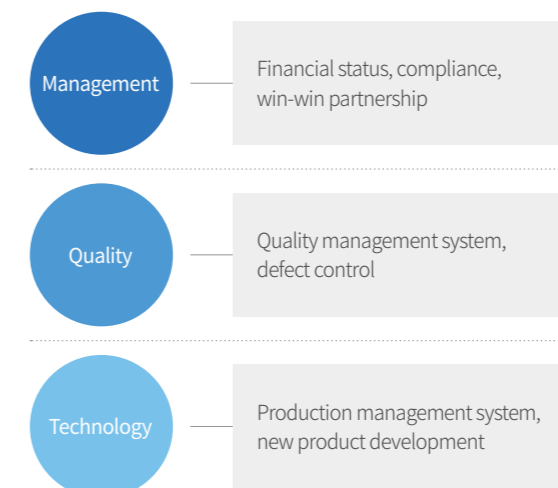
KCC GLASS promotes global competitiveness of partners in terms of management, quality, and technology for the sustainability. To further promote sustainable management of partners, in 2021, we enacted the Code of Conduct for Partners, which reflects issues related to ethics, labor/human rights, safety/health, and environment. In 2022, we plan to establish an ESG evaluation system for partners for ESG risk-management in the supply chain.

Selection and evaluation of partners

KCC GLASS is in business with 222 partners who are subject to subcontracting laws. Before signing a contract with a new partner, qualification of the new partner is evaluated on the criteria established for each product and business area. In the case of existing business partners, we conduct annual inspections in management, quality, and technology for companies with transaction volumes above a certain level. We provide incentives, expand transaction items, etc. for excellent partners; for those with inferior performance, we request improvement and manage the progress continuously.

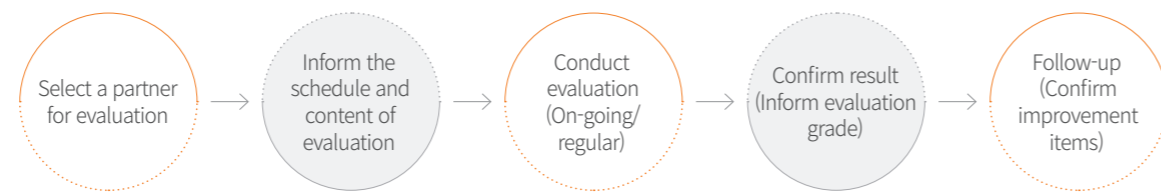
In 2021, we operated a pilot self-diagnosis survey for supply chain ESG risk management. Eight companies with the highest transaction amount in each of the three categories, raw material, product manufacturing consignment, and production, were surveyed as pilot evaluation. However, the results were not reflected in existing transaction relationships. In the future, for continuous supply chain ESG risk management, we plan to establish a supply chain management system that integrates the existing operational capability evaluation and ESG evaluation. Then, we will gradually expand application of the evaluation to more partners.

Management Items



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Evaluation Process



ESG Evaluation Plan

Select a partner for evaluation	Select and notify ESG evaluation target company
Sign the Code of Conduct Compliance Agreement	Receive a consent form to comply with the Code of Conduct for Partners
Evaluate/diagnose	Perform ESG evaluation and analyze results (weaknesses)
Training	ESG Training (environment, ethics, human rights, etc.)
Improvement/support	Support implementation of corrective actions and improvements for ESG risks by partners

Conflict Mineral Management

KCC GLASS is aware of the seriousness of the four major conflict minerals (gold, tin, tantalum, and tungsten) mined in conflict zones in and near the Republic of Congo. In order to prevent labor exploitation and human rights violations in conflict zones, we have eliminated the use of conflict minerals from the raw material purchasing stage. We keep up-to-date information about which partner company manufactures or supplies conflict minerals. Additionally, we collect and manage the RMI (Responsible Minerals Initiative) information. As a principle, we prohibit the use of conflict minerals by partners and provide regular training on the issue.

Win-Win Cooperation Program

To promote the growth and innovation of business partners, KCC GLASS operates win-win cooperation programs, including contract support, cash payment, financial support, training support, and technical support.

Early payments to partners

For smooth cash flow of partners, KCC GLASS makes early payments to suppliers before major holidays. In 2021, we made early payments twice, before New Year's Day and Chuseok.

Win-Win Cooperation Program

Category	Details
Contract support	Priority of bidding opportunity, exemption from performance bonds, etc.
Cash payments	Improved payment conditions
Financial support	Early payment to partners before holidays
Technical support	Production technology, quality control, etc.
Training support	In-person training, online training, etc.

Early payment to partners

(Unit: KRW 1 million)

Category	New Year	Chuseok
All suppliers	11,019	8,890
Partners	4,992	2,794

* Excluding large companies that have a balance of purchase price before holidays; the amount of early payment to partners subject to subcontracting law is indicated separately



Communication with Partners

In order to improve communication with our partners, KCC GLASS operates a Cyber Shinmungo on its website, through which the company is informed of and responds to the grievances of partners, as well as general inquiries. e-Max Club communicates with member companies through quality seminars, processing technology seminars, in-person visit training, regular quality inspections, etc. In 2021, as many as 15 partner companies were visited for evaluation.

In addition, we listen to voices of all employees and reflect customer needs and VOCs in the improvement and development of products and systems. We provide non-face-to-face, online training and operate a new communication channel through the information community.

Training and Technical Support

KCC GLASS holds meetings for each product/business area to help improve the technological capabilities of partners. In 2021, we provided training on processing and construction to employees of partner companies to improve the quality of window products in the interior business sector.

Support for e-MAX Club Members

KCC GLASS provides technical services to improve the quality and productivity of processing networks of e-Max Club. We are working hard to deliver the best products to our customers through active support activities, including quarterly quality evaluation; deduction and application of improvement plans through 4M analysis of non-conforming items; operation of training programs and technical seminars; and process consulting for productivity improvement.

In addition, KCC GLASS provides glass-processing facility funding support for agencies nationwide, including e-MAX Club members; support for KOLAS certification test; support for business connection with domestic KOLAS certification test institutes; and new agency training programs. This is intended to not only help alleviate the burden of expensive equipment and testing, but also to provide a service that integrates product evaluation, quality improvement, and production.

“ CORE STAKEHOLDER INTERVIEW

As outdoor activities continue to be restricted due to COVID-19 and the time spent at home increases, the desire of consumers to improve their interior space is steadily increasing. The recent consumption pattern indicates the need for planning and production of high-end products or products that reflect individual tastes rather than ready-made products. I believe that in order to survive in the fierce market condition, companies must not only meet the needs of customers, but also provide products that meet the environmental standards demanded by society, have excellent design, and functions, and have reasonable prices. Furthermore, they must be able to produce safe products through eco-friendly processes and provide accurate and accessible information to consumers. I look forward to seeing the innovation and sustainable production that KCC GLASS brings to the industry to raise the standard of living of customers.

Partner | CEO of World Bath, Cheon Se-gi



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05

Number of CSR activities

44 cases

CSR Fund

KRW 770 million

Number of employees in volunteer group

151 persons

Employee volunteer service hours

302 hours

ESG Performance 05 _ Governance

LOCAL COMMUNITY ENGAGEMENT

Local Community Engagement

A company is a member of the local community. As such, we will cooperate and communicate with various stakeholders in order to develop and grow with the local community.

Materiality Issues

Respect for people is one of the three ESG strategies of KCC GLASS. In order to become a company that coexists with people, we want to create a sustainable society, promote coprosperity with the local community through various social contribution activities, and assist the marginalized in our society.

Our Approach

1. Aligning social contribution with business
2. Development of social contribution program
3. Operation of in-house volunteer group and spreading culture of voluntary participation

Future Plans

1. Quantitative management of social contribution activities
2. Promotion of employee volunteer groups

Social Contribution System

Vision and Strategy

Social Contribution Strategies and Goals

KCC GLASS seeks to fulfill its corporate social responsibilities and engages in social contribution activities under the vision of 'A Happy World Living Together.' Our social contribution activities are based on the themes of "Happy Society," "Happy Space," and "Happy Sharing." We also utilize KCC GLASS's products and technologies in building materials and interior business to solve various social problems. In connection with the UN SDGs of "creating sustainable cities and residential areas," we are focusing on improving the residential environment of the underprivileged. Our employee volunteer group actively collects employees' ideas to organize more diverse social contribution programs.

Employee Volunteer Group

The HomeCC Volunteer Group was established in March 2021 to cultivate a culture of service and sharing among employees. Initially, a total of 121 executives and staff members voluntarily joined the group. As of the end of 2021, a total of 151 executives and staff employees have joined the group. The first activity of the volunteer group was conducted in a non-face-to-face manner to prevent the spread of COVID-19. Various activities are being planned, and we plan to establish a policy to revitalize participation in social contributions and find a way to quantitatively manage social contribution activities.

Social Contribution Strategy Map



Social Contribution Activities

Major Activities

Love House of Hope

As a part of the house repair project, we are working with the Love House of Hope. Corporation to improve the living environment of the underprivileged. KCC GLASS provides eco-friendly flooring and film; the donated products are used to repair more than two local children's centers or daycare centers every month. From June 2020 to April 2022, flooring in 149 facilities have been repaired.

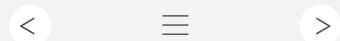
Creating a Warm Space with Habitat for Humanity Korea

We have signed a sponsorship agreement with Habitat Korea to contribute to the improvement of the living environment for the socially disadvantaged. By donating flooring and interior building materials for Habitat's mobile housing

project, home repair project for descendants of persons of distinguished service to independence, customized housing project, etc., we strive to create a more prosperous environment for the beneficiaries.

Saeddeul Maeul Project

We joined the "Saeddeul Maeul Project" organized by the Ministry of Land, Infrastructure and Transport, and Presidential Committee for Balanced National Development to support low-income families. The project is a state-funded project for improvement of the quality of life of people living in slums, in terms of safety, sanitation, living infrastructure and welfare. To support the project, KCC GLASS has donated various building and glass materials for housing repair.



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Collaboration with Universities and Research Institutes

As an industry-university cooperation project for technological development and for nurturing of a professional workforce in the glass field, we are participating in the “Functional Ceramic Material Innovation R&D Project” hosted by the Ministry of Trade, Industry and Energy. KCC GLASS also supports the growth and employment of industrial innovation talents at Korea Aerospace University with Korea Optical Communication Co., Ltd. and KCC Co., Ltd.

Environmental Disease Prevention Project for the Socially Vulnerable

As part of the environmental improvement project supervised by the Ministry of Environment to prevent environmental diseases among the socially vulnerable, we are conducting inspections and diagnoses on harmful factors in indoor living spaces. We are donating eco-friendly flooring materials certified by the Ministry of Environment in efforts to create a cleaner and safer space for the affected classes.

Delivering the Fruit of Love Donation to Neighbors

KCC GLASS donated a total of KRW 1,700 million to the Community Chest of Korea to promote a culture of sharing and strengthen ties with the local community. We divided the donation between Yeosu, Asan, Gapyeong, and Yeongwol, where our major business sites are located, to ensure even distribution of support. The local governments in each region used the donated funds as living expenses and medical expenses for low income families and neighbors in financial difficulties.



Environmental Disease Prevention Project for the Socially Vulnerable



Delivering the Fruit of Love Donation to Neighbors

BEST PRACTICES

HomeCC Volunteer Group, DIY Moss Kit

The first activity of the HomeCC Volunteer Group, an employee volunteer group of KCC GLASS, was a non-face-to-face activity called DIY Moss Frame. We delivered Scandia Moss frames that our employees made by hand to Seongsok Happy Home School, a local children's center. Scandia Moss is produced by applying an eco-friendly technology to a natural moss that grows in the high mountains of northern Europe. When installed indoors, it has the effect of controlling indoor humidity and purifying the air and its unique fiber structure acts as a natural hygrometer for dehumidification and humidification. After installing the moss frame at Seongsok Happy Home School, two more locations have been added. Including two regional centers near HomeCC Incheon Store and Yeosu Plant, we ended up installing a total of 620 moss frames in three locations. A total of 329 employees and their families participated in this DIY Moss Kit program, spending a total of 658 hours on it.



Seoul Seongsok Happy Home School



Incheon Korea University Regional Children's Center



Yeosu Ganam Regional Children's Center

Social contribution expense

(Unit: KRW 1 million)

Theme	Main Program Title	2020	2021
Happy Space (Residential environment improvement)	Ministry of Land, Infrastructure and Transport Saeddeul Maeul Project	88	592
	Environmental Disease Prevention Project for the Socially Vulnerable		
	Love House of Hope		
Happy Society (Community support)	Fruit of Love Donation	382	131
	Scholarships		
	Holiday gifts		
Happy Sharing (Volunteer activities)	HomeCC Volunteer Group (DIY Moss Kit)	-	50
Total		470	773

HomeCC Classroom Building Project

We are improving energy efficiency of various educational institutions and facilities nationwide. Our environmentally friendly products help create a healthier educational environment for children. The renovated facilities are to be reborn as “HomeCC Classrooms.” As we are naming the classrooms as “HomeCC Classroom,” we will be providing mentorship as well as interior design experience. The interior design experience program will be conducted by our employees and university students who have won the Korea Interior Architecture prize. The first HomeCC Classroom will start with a local children's center near HomeCC Bundang Pangyo Store, and a total of five classrooms will open in the future.

Self-Directed Volunteer Program, HomeCC Challenger Volunteer Group

HomeCC Challenger Volunteer Group is a group that originated from the HomeCC Volunteer Group. It is different from the HomeCC Volunteer Group because employees self-direct and plan all activities on their own. Professional coaching and mentoring are provided by the Korea Volunteering Culture for



more organized programming. The group started with seven teams in 2022 but we expect to include more teams in the future. We hope that the challenger group contributes to establishing a foundation for a volunteering culture and lowers barriers to participating in volunteering activities.

CORE STAKEHOLDER INTERVIEW



Due to the spread and continuation of COVID-19, managing construction and construction materials has become increasingly challenging. Despite such difficulties, KCC GLASS is leading the industry's socially responsible management by adapting to the rapidly changing market and actively reflecting environmental issues in its business. I think that KCC GLASS should find a way to communicate its ESG management activities and virtuous circulation of products to the customers. The recycling value of waste building materials has been decreasing recently, and the collection of waste materials generated at job sites is being neglected more often than not. Thus, there is an urgent need to consider sustainable resource circulation in the product-planning and production stages. I believe that KCC GLASS's sustainability in the environmental field will be validated if the company demonstrates its ability to respond sensitively to these issues, suggest solutions, and lead the improvement process by forming a consensus in the relevant industry.

Local Community | Director at Love House of Hope, Lee Jeong-ho



06

ESG Performance 06 _ Governance

TRANSPARENT MANAGEMENT



Transparent Management

KCC GLASS pursues decisions for sustainability through sound corporate governance.

●● Materiality Issues

In order to reflect ESG factors like economic, social, and environmental values in corporate decision-making and manage them as business performance as a sustainable global company, transparent and responsible management is key. With increased non-face-to-face transactions due to COVID-19, strengthening the information protection management system to secure online personal information has become one of the most important tasks for companies.

●● Our Approach

1. Establish a Corporate Governance Charter
2. Extend social responsibility education to employees
3. Establish and operate an ESG Committee as an ESG management execution organization
4. Reinforce communication between external auditors and the Audit Committee to advance the ESG risk management system · Secure transparency and independence through the appointment of external directors recommended by the External Director Recommendation Committee

●● Future Plans

1. Diversify BOD agenda pool in the field of environment and society
2. Install ESG Committee under the Board of Directors to accelerate ESG management
3. Promote diversity of board members to include the broader interests of stakeholders
4. Upgrade information security system and expand internal training

Governance

Board of Directors

The Board of Directors is the highest decision-making body for internal management at KCC GLASS. The BOD deliberates and decides on laws, Articles of Incorporation, matters delegated by the general shareholders' meeting, and matters related to the company's management policies and major business activities. The BOD consists of two internal directors and three external directors. In order to strengthen the independence transparency of BOD management, external directors make up more than 50%. Chung Mong Ik, an inside director, serves as chairperson of the BOD to achieve separation of chair and CEO roles and strengthen checks and balances.



KCC GLASS restricts the voting rights of directors with special interests in certain matters for transparent and fair decision-making of the Board of Directors. In order to respond to the increasingly emphasized ESG management environment, the ESG Management Team operates as a support organization for external directors to strengthen their expertise, and to improve the efficiency of their job performance. Moreover, to ensure faithful execution of duties, the company provides liability insurance for directors at the company's expense.

Operation of the Board of Directors

In principle, the BOD holds regular BOD meetings on the third Wednesday of every month in accordance with the BOD Operation Guidelines. In the event that a separate resolution by the BOD is required, the meeting schedule and agenda are announced in advance and a Special BOD Meeting is convened. The board resolutions require a majority of the board members to attend the meeting and majority of attending members' votes. By reporting important matters and issues to the BOD on an ongoing basis, we strive to continue professional and transparent management activities.

Appointment of Directors

Even though it is not required by the law, KCC GLASS established the External Director Recommendation Committee to ensure the transparency and diversity of the Board of Directors. External directors are appointed from candidates with broad experience and expertise in their respective fields.

Board of Directors

(As of March 31, 2022)

Category	Name	Gender	Title
Internal Directors	Chung Mong Ik	M	BOD Chair/Chairman
	Kim Nae Hoan	M	CEO/President
External Directors	Kwon Soon Won	M	External director/ Chair of the Audit Committee
	Kim Han Soo	M	External director/ Member of the Audit Committee
	Lee Seung Ha	M	External director/ Member of the Audit Committee

Operation of the Board of Directors

Category	2020	2021
Number of Agendas	33	34
Number of Board Meetings	11	10
Attendance Rate (%)	Internal Directors	100
	External Directors	100



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Committees within the BOD

KCC GLASS has established the External Director Recommendation Committee and Audit Committee under the Board of Directors to subdivide work according to the regulations for each committee to enhance professional decision-making. In the case of the Audit Committee, all members are external directors to ensure fairness and transparency.

Composition and Role of Each Committee

Category	Role
Audit Committee (Three external directors)	Evaluate operation of the internal control of financial reporting / Conduct audit on company's business activities and accounting / Communicate with external auditors, etc.
External Director Recommendation Committee (Three external directors / one Internal director)	Nominate new external director candidates / Candidate screening in accordance with the External Director Recommendation Committee Regulations

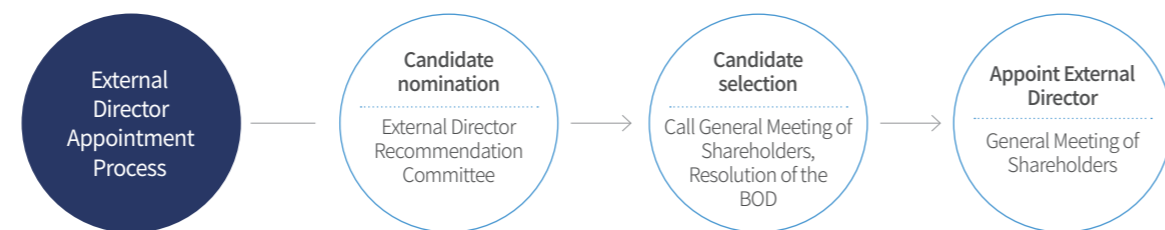
Operation of the Board of Directors

Date	Agenda
Feb. 10, 2021	Review of financial statement for the first period Review of sales report for the first period Current status of operation of internal control of financial reporting in 2020
Mar. 10 2021	Submission of audit report for the first period Approval of the first financial statements by the Board of Directors Submission of the annual internal control of financial reporting evaluation report for 2020 Result of 2022 KCC GLASS Audit
Jun. 9 2021	Communication with external auditors, etc. Report 2021 Internal Audit Plan
Sept. 15 2021	Communication with external auditors, etc. Report the progress of 2021 Internal Audit Plan Audit Committee Training Guide
Dec. 22 2021	Communication with external auditors, etc. Report the progress of 2021 Internal Audit Plan Report 2021 Internal Control of Financial Reporting status

Operation status of External Director Recommendation Committee

Date	Agenda
2022. 02. 07.	Appointment of Chairperson of the External Director Recommendation Committee* Nomination of Kwon Soon Won External Director* Nomination of Kim Han Soo External Director* Nomination of Lee Seung Ha External Director*

* Restricted voting rights of candidates who are interested parties



Expertise and Diversity of Board of Directors

In order to support the rational decision making of the management, our external directors are composed of persons with expertise in corporate management, global networks, and accounting and finance. When needed, external directors can consult outside experts in accordance with company's internal regulations and attend seminars and training.

Training of External Directors

Date	Organized by	Attended by	Details
July 22, 2021	KPMG Samjong	Kwon Soon Won	A case study on the status of enactment and revision of laws and regulations related to the audit committee
November 2, 2021	Korea Listed Companies Association	Kim Han Soo	The internal control of financial reporting and the role of the audit committee
November 5, 2021	Korea Listed Companies Association	Lee Seung Ha	The internal control of financial reporting and the role of the audit committee

Evaluation and Remuneration of Directors

In accordance with Article 388 of the Commercial Law and Article 40 of the Articles of Association, remuneration of directors is decided within the limits determined by the resolution of the general shareholders' meeting. The remuneration cap for directors was set to KRW 6 billion, of which KRW 4.06 billion was paid in 2021. Comprehensive examination of work skills, etc. determine the compensation of internal directors. Remuneration of members of the Audit Committee and external directors is determined at the time of contract signing to ensure independence of the Audit Committee.

Remuneration of the Board of Directors

(As of December 31, 2022)

Category	Number of Directors	Total Payments	Average Payment Per Director
Internal Directors	2	KRW 3,870 million	KRW 1,935 million
External Directors (Audit Committee Members)	3	KRW 192 million	KRW 64 million

Protection of Shareholder Interests

Transparent Disclosure

KCC GLASS provides timely disclosure of information as stipulated by relevant laws and regulations. There were no disclosure related violations in 2021. KCC GLASS conducts IRs for domestic and foreign investors as needed in relation to the provisional performance announcements, quarterly and semiannual reports, etc. (In 2021, there were 91 IRs and 184 participating organizations). The company operates a Disclosure/IR Department to provide sufficient disclosure information in a timely manner. The company's Disclosure/IR Department utilizes phone calls, emails, conference calls, group meetings, etc. for disclosure of information. In order to avoid any discrepancy and unfairness between investors, we disclose information on IR personnel and company on our website. To further improve information accessibility for foreign investors and ensure exercise of their shareholder rights, we provide compulsory disclosure items with high importance and voluntary disclosure items related to performance in English, in addition to operating an English website.

BEST PRACTICES

Establish Corporate Governance Charter

KCC GLASS has enacted the Corporate Governance Charter by resolution of the Board of Directors in September 2021 to establish a sound and transparent governance structure and to advance further as a trusted company. We will practice transparent management as a basic principle for the sustainable growth, promotion of shareholder interests, and protection of stakeholder rights.



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Category	2020	2021
Number of IR (cases)	40	91
Participating organizations (ea.)	59	184

Shareholder status (As of December 31, 2021)

Shareholder name	Number of shares owned (shares)	Ratio of shares owned (%)	Relation to company
Chung Mong Ik and 14 others	6,919,244	43.33	Largest shareholder and related parties
Treasury share	27,179	0.17	Treasury share
National Pension Service	887,577	5.56	N/A
Shinyoung Asset Management	268,163	1.68	N/A
Korea Post	167,489	1.05	N/A
Other	7,700,860	48.22	N/A

Operation of General Meeting of Shareholders

As a measure to protect the rights and interests of shareholders, KCC GLASS is implementing various policies related to shareholder returns, including the operation of the general shareholders' meeting and dividends. The company notifies all shareholders in writing of the holding of the meeting to increase the attendance rate and communicates with them about the meeting through electronic disclosure and website. The participation rate at the 2nd regular general meeting of shareholders was 61.4%. The company also introduced an electronic voting system to increase the attendance and convenience of shareholders. In addition, the company strives to increase corporate value and improve long-term shareholder returns and dividends through continuous growth. The shareholder returns are determined

by considering business performance, investment plans, financial status, and outlook. The quarterly dividend in June 2021 was 1,000 won per share and the settlement dividend was KRW 1,400 per share (KRW 38.2 billion, par dividend rate 240%, dividend yield 3.98%, and dividend payout ratio 32.49% for 2021). The company thoroughly reviews the complex factors affecting shareholder returns, in consideration of investment and shareholder value in a balanced way, to determine the dividend target within the range of dividend payable income.

Dividend/per share	2020	2021
Amount (KRW)	2,100	2,400

“ CORE STAKEHOLDER INTERVIEW



With the demand for rapid changes in corporate responsibilities and obligations around the world, the first priority should be an improvement in the corporate constitution. In order to transition from the corporate growth model, which focused primarily on profit, to a socially responsible company, a company must change the way decisions are made and work is done. While maintaining the conservative nature of KCC GLASS, which has its own strengths, encouraging active listening and flexibility would help further improve communication within the company. I believe that by exploring various systems, KCC GLASS can strive to improve its corporate constitution through smooth communication with employees and build the foundation for sustainable management for individual members rather than the company as a whole. I hope that KCC GLASS continues to be a company that is supported and loved by many stakeholders and presses forward with the employees for innovation and change.

Shareholder/Investor | Shin Dong Yeon, Team Leader, Samsung Securities

Ethical Management

Ethical Management System

Honesty and integrity are the founding values of KCC GLASS and the basis of employees' decision-making. To meet the social demands for corporate transparency and ethics, we have introduced the compliance program in January 2020 and enacted internal compliance regulations and compli-

ance rules. The ESG Management Team is in charge of the company's ethical management, operating an ethics violation reporting channel, compliance program, etc., to ensure implementation of ethical management across all areas of business operation.

Area	Details
Code of Ethics	Create and Announce Code of Ethics
Organization in Charge	Operated by ESG Management Team
Promotion of Ethical Management	Conduct preventive training / Operate internal reporting channels / Operate compliance program
Monitoring	Monitor / follow-up reported cases
Follow-up measures and prevention of recurrence	Investigate violations / Prevent Recurrence of Violations

Internalize ethical management

KCC GLASS has established the Stakeholder Code of Ethics to provide guidance to employees in their decision-making and pursuit of ethical conduct.

Stakeholder Code of Ethics

Category	Details
Basic Principles	Carry out all job duties in accordance with law and the company's regulations / Protect the company's assets and adhere to the ethics between employees
Ethics toward Customers	Provide safe products and correct information to customers / Thoroughly protect personal information
Ethics toward Shareholders	Pursue the promotion of shareholders' value through transparent and sustainability management / Guarantee the legitimate exercise of shareholders' right as much as possible
Ethics toward Partners	Create fair business transactions culture based on mutual trust / Support continuous growth and development of partners
Ethics toward Competitors	Respect market order and pursue fair competition / Obtain and utilize information in a fair manner according to law
Responsibilities toward Employees	Respect human rights and prohibit discrimination / Prohibit forced labor and child labor Provide equitable working conditions and a safe working environment / Support the development of job competence and promote creativity
Responsibilities toward the State and Society	Provide equitable working conditions and a safe working environment / Create a bond with local communities and support vulnerable social groups
Responsibilities for Internal Control Process	Constant monitoring of ethics-related risks / Implement countermeasures in cases of violation

Ethical Management Training

In order to strengthen and practice ethical management, KCC GLASS has posted the Code of Ethics on the company intranet and website to help stakeholders, including employees, customers, and business partners, familiarize themselves with the code. In addition, we regularly train all employees to prevent sexual harassment and to improve awareness of persons with disabilities, which are statutory compulsory education for all employees. We offer ESG training, as well, as part of advancement training by position and newly promoted employee training.

Code of Ethics

- 1 Human Rights Training (sexual harassment prevention training; improving awareness of persons with disabilities)
- 2 Fair Trade Training
- 3 Information security training
- 4 ESG training

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ESG Training Status

(Unit: hour, person)

Course	Training time	Number of employees who completed training
Third year general manager training	2	9
Third year deputy general manager training	2	12
Third year manager training	2	13
Third year associate manager training	2	25
Total	8	59

Reporting Channels for Unethical Practices

Through various channels, such as email, postal mail, telephone, and Cyber Shinmungo, KCC GLASS receives reports from employees, partners, and stakeholders about unethical business practices and feedback on matters needing improvement. All claims and reports received are investigated

in accordance with the internal process. In case any misconduct is confirmed as a result of the investigation, follow-up measures are taken, including disciplinary action, corrective action, and process improvement.

What to report

- | | |
|---|-----------------------------------|
| 1 Illegal acts such as embezzlement, breach of trust, fraud, etc. | 5 Violations of ethical conduct |
| 2 Leaking company secrets and violating trade secrets | 6 Accounting-related misconduct |
| 3 Abuse of company assets and internal position and authority | 7 Violation of ethical management |
| 4 Accepting money, entertainment, favors, etc. | |

Report Handling Process



SELF IMPROVEMENT PLAN

In August 2021, the Fair Trade Commission imposed a fine of KRW 8,898 million on KCC GLASS related to bid-rigging for high-strength concrete piles (PHC piles) in the private market (period: 2008 to January 2017). Sambu Construction Industry, the party involved in bid-rigging, was absorbed, and merged with Korea Autoglass Corporation in March 2017, and Korea Autoglass Corporation was absorbed and merged with KCC GLASS in December 2020. Accordingly, a fine for Sambu Construction Industry was imposed on KCC GLASS.

KCC GLASS has made the full payment of fine of KRW 8,893 million to the Fair Trade Commission and is in the process of litigating against the Fair Trade Commission in relation to the imposition of the fine. Depending on the outcome of the lawsuit, the fine may be reduced or exempted, but it is unpredictable at this moment.

When the company was established in January 2020, KCC GLASS introduced the Compliance Program (CP) immediately and started publishing Fair Trade Newsletter and conducting compulsory compliance training. Additionally, compliance activities are reviewed semi-annually, and improvement measures and status are reported to the BOD and disclosed. We will continue to practice ethical management to fulfill our corporate social responsibility.

Measures against Unethical Practices

(Unit: Cases)

Category	2020	2021
Number of disciplinary actions	0	0
Number of warnings	0	0
Total number of violations	0	0

Conflict of Interest Notice Survey

In accordance with the compliance regulations, KCC GLASS conducts annual investigations and surveys of situations that may cause conflicts of interest in transactions that involve our employees and their family members. Decisions

are made based on prior information for the best interests of the company in accordance with the Conflict of Interest Management Procedure. Stakeholders, who are affected by conflict of interest, are excluded from the decision-making.

Category	2021
Survey Participants*	790 persons
Number of Conflict of Interest Violations	Zero cases

* The survey was conducted on office workers.

Information Security Management System

KCC GLASS strives to protect confidential and private information. In accordance with the Information Security and Communications Network Act, a Chief Information Security Officer (CISO) has been appointed to oversee company-wide information security activities. Through regular self-inspection, we ensure that improvement measures are identified and followed up. We have also established an annual information security training plan and have been monitoring the implementation status.

To strengthen the information security system, a cloud-based document and e-mail system has been established and in operation since the first half of 2022. By introducing an email protection tool optimized for the cloud environment, we are protecting the company intranet against malicious emails.

Information Security System

KCC GLASS has introduced, operates, and manages a database, server access control, firewall and external attack protection, network authentication, harmful site access control, media control, and DRM solution to ensure data

Information security training

KCC GLASS is making continuous efforts to maintain and enhance the security awareness of employees through information security training. We encourage all executives and employees to take the training by advertising the program and checking the progress during training. As such, employees of KCC GLASS are working hard to prevent security accidents by completing regular training.

KCC GLASS Information Security



Information Security Training Data Status

Category		2020	2021
Employees	Total Hours of Training (hours)	1	2*
	Trained people (persons)	452	617*
Persons with Access to / Control of Private Information	Total Hours of Training (hours)	1	1
	Trained people (persons)	45	166

*As of August 2021, based on the First Information Security Training

ESG DATA

BUSINESS

Category	Details	Unit	2020	2021
Distribution of Economic Values	Shareholders and Investors			
	Dividends	KRW 100 million	335	383
	Interest	KRW 100 million	32	34
	Government			
	Other Taxes and Duties	KRW 100 million	25	46
	Employees			
	Wages and Bonus	KRW 100 million	1,152	1,235
	Retirement Benefits	KRW 100 million	58	91
	Benefits and Welfare Expense (including company contributions for the four major insurances)	KRW 100 million	146	258
	Local Communities			
	Social Contribution Funds	KRW 100 million	4.7	7.7
	Partners			
	Purchase Cost*	KRW 100 million	739	1,681
Credit Rating (Corporate Bond)	Corporate Bond			
	Korea Credit Rating	Rating	-	-
	Korea Ratings Corporation	Rating	AA-	AA-
	NICE Investors Service Co., Ltd.	Rating	AA-	AA-
	Commercial Paper			
	Korea Credit Rating	Rating	A1	A1
	Korea Ratings Corporation	Rating	-	-
	NICE Investors Service Co., Ltd.	Rating	A1	A1
	Short-Term Bond			
	Korea Credit Rating	Rating	A1	A1
	Korea Ratings Corporation	Rating	-	-
	NICE Investors Service Co., Ltd.	Rating	A1	A1

* This is for the partners to whom subcontracting law applies.

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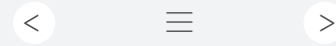
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Category	Details	Unit	2020	2021
Consolidated Statement of Financial Statement	Total Assets	KRW 100 million	17,178	18,779
	Current assets	KRW 100 million	7,610	7,929
	Non-current assets	KRW 100 million	9,568	10,850
	Total Liabilities	KRW 100 million	3,979	4,895
	Current liabilities	KRW 100 million	2,279	3,858
	Non-current liabilities	KRW 100 million	1,700	1,037
	Total Equity	KRW 100 million	13,199	13,884
Consolidated Income Statement	Sales	KRW 100 million	7,087	11,757
	Operating Income	KRW 100 million	358	1,605
	Net Profit	KRW 100 million	1,323	1,172
Business Performance by Business Areas	Glass			
	Sales	KRW 100 million	4,266	7,936
	Operating Income	KRW 100 million	326	1,360
	Interior			
	Sales	KRW 100 million	2,753	3,074
	Operating Income	KRW 100 million	30	120
	Concrete Pile			
	Sales	KRW 100 million	68	747
	Operating Income	KRW 100 million	2	124
	Total			
Sales	KRW 100 million	7,087	11,757	
Operating Income	KRW 100 million	358	1,604	
Sales by Region	Total	KRW 100 million	7,087	11,757
	Rep. of Korea	KRW 100 million	7,024	11,623
	China	KRW 100 million	30	60
	Asia, other	KRW 100 million	29	21
	Other	KRW 100 million	4	53
Stability	Current Ratio	%	333.9	205.5
	Debt Ratio	%	30.2	35.3
Profitability	Ratio of Operating Profit to Net Sales	%	5.1	13.7
	Ratio of Gross Profit to Net Sales	%	17.8	25.2
	Return on Assets	%	7.7	6.3
	Ratio of Operating Profit to Net Sales	%	10.0	8.5

ENVIRONMENT

Category	Details	Unit	2020	2021
GHG Emissions*	Total	tCO ₂ e	766,916	678,654
	Scope 1	tCO ₂ e	592,994	506,748
	Scope 2	tCO ₂ e	173,922	171,906
	Basic Unit of GHG (based on production volume)	tCO ₂ e/MT	0.36	0.34
	Basic Unit of GHG (based on sales amount**)	tCO ₂ e/KRW 100 million	-	57.7
Energy Consumption	Total	TJ(MWh)	9,766(2,712,824)	8,885(2,467,953)
	B-C Oil	TJ(MWh)	5,164(1,434,348)	4,628(1,285,455)
	Power	TJ(MWh)	3,581(994,725)	3,592(997,835)
	Petroleum cokes	TJ(MWh)	471(130,866)	136(37,777)
	LNG	TJ(MWh)	324(89,950)	356(98,760)
	Refined oil	TJ(MWh)	123(34,255)	102(28,291)
	Others (Diesel, etc.)	TJ(MWh)	103(28,681)	71(19,835)
	Basic Unit of GHG (based on production volume)	TJ/MT	0.0045	0.0044
	Basic Unit of GHG (based on sales amount**)	TJ/KRW 100 million	-	0.76
Main Raw Material Consumption	Total	1,000 Ton	2,415	2,134
	Silica (ore)	1,000 Ton	675	528
	Silica	1,000 Ton	486	401
	Concrete raw material	1,000 Ton	484	559
	Soda ash, etc.	1,000 Ton	336	289
	Cullet	1,000 Ton	255	244
	Dolomite (ore)	1,000 Ton	160	91
	PVC (resin, film)	1,000 Ton	19	22
Water and Wastewater Management	Amount of water intake	1,000 Ton	923	904
	Consumption***	1,000 Ton	678	719
	Amount of reuse	1,000 Ton	382	380
Waste Management	Amount discharged	1,000 Ton	245	185
	Total	Ton	22,464	24,196
	General Waste	Ton	16,861	22,656
	Special Waste	Ton	325	335
	Construction Waste	Ton	5,278	1,205
	Waste Disposal	Ton	3,043	1,128
Recycling amount	Ton	19,420	23,068	

* Scope-3 emissions will be measured from 2022 and disclosed in the 2023 report.

** In the case of basic unit data based on 2020 sales of greenhouse-gas emissions and energy consumption, only the sales in December were added to the sales of KCC GLASS due to the merger with Korea Autoglass Corporation in December 2020. On the other hand, greenhouse gas emissions and energy consumption were managed on an annual basis and were not calculated.

*** Consumption: water intake - discharge amount



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Category	Details	Unit	2020	2021
Air-pollution management	NOx	Ton	797	655
	SOx	Ton	1,061	855
	Dust	Ton	37	26
Water-pollution management	BOD	kg	523	874
	COD	kg	1,075	2,383
	SS	kg	225	471
Chemical emissions	Total	Ton	12.3	13.3
	Methyl ethyl ketone	Ton	10.3	10.2
	Ethyl acetate	Ton	1.5	2.3
	Toluene	Ton	0.5	0.7
Number of people who have completed environmental training	Number of employees who completed training	Persons	11	11
Environmental investment	Total	KRW 1 million	267	2,491
	Energy	KRW 1 million	-	131
	Air	KRW 1 million	242	2,254
	Water quality	KRW 1 million	7	16
	Other	KRW 1 million	18	90
Environmental facility operating cost		KRW 1 million	3,459	4,597
Green-certification status	Eco-Label	Type	10	3
	Low-carbon products	Type	6	4
	GRS certification	Type	1	1

SOCIAL

Category	Details	Unit	2020	2021
Employee status	Total employees	Persons	1,704	1,823
	Gender	Total	1,704	1,823
Male	Persons		1,581	1,672
	%		92.8	91.7
Female	Persons		123	151
	%		7.2	8.3
By Age	Total		1,704	1,823
	20's	Persons	122	181
30's	%		7.2	9.9
	Persons		506	556
40's	%		29.7	30.5
	Persons		558	582
50's or older	%		32.7	31.9
	Persons		518	504
By position	%		30.4	27.6
	Total		1,704	1,823
Executive	Persons		24	36
	%		1.4	2.0
Manager or above	Persons		261	336
	%		15.3	18.4
Associate manager or below	Persons		1,419	1,451
	%		83.3	79.6
By employment type	Total		1,704	1,823
	Permanent	Persons	1,665	1,754
Temporary	%		97.7	96.2
	Persons		39	69
By job group	%		2.3	3.8
	Office	Persons	732	817
Technical	%		43.0	44.8
	Persons		972	1,006
New hire (by gender)	%		57.0	55.2
	Total		88	210
Male	Persons		61	172
	%		69.3	81.9
Female	Persons		27	38
	%		30.7	18.1
New hire (by age)	Total		88	210
	30 or younger	Persons	37	109
Between 31 and 50	Persons		26	98
	Aged 50 years or older	Persons	25	3
Retired or resigned	Total		73	186
	Male	Persons	62	168
Female	%		84.9	90.3
	Persons		11	18
	%		15.1	9.7

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Category	Details	Unit	2020	2021	
Employee Diversity	Female ratio (by rank)				
		Percentage of female employees	%	7.2	8.3
		Percentage of female managers*	%	3.1	5.7
	Female ratio (by employment type)				
		Percentage of female temporary employees	%	41	26.1
		Percentage of female permanent employees	%	6.4	7.6
	Other				
		Percentage of veterans	%	1.7	1.6
		Percentage of disabled	%	1.5	1.4
	Parental Leave Usage Status	Employees eligible for parental leave (A)			
		Total	222	368	
Male					
		Persons	209	353	
Female					
		Persons	13	15	
Actual persons that used parental leave (B)					
		Total	14	10	
Male					
		Persons	5	5	
Female					
		Persons	9	5	
Parental leave rate (B/A*100)					
		%	6.3	2.7	
Male					
		%	2.4	1.4	
Female					
		%	69.2	33.3	
Employees who are to return to work (C)					
		Persons	6	10	
Male					
	Persons	3	4		
Female					
	Persons	3	6		
Persons that actually returned to work (D)					
	Persons	6	10		
Male					
	Persons	3	4		
Female					
	Persons	3	6		
Work return rate (D/C*100)					
	%	100	100		
Male					
	%	100	100		
Female					
	%	100	100		
Number of employees who have been reached 12 months after returning from parental leave in the year (E)					
	Persons	8	6		
Male					
	Persons	5	3		
Female					
	Persons	3	3		
Number of employees who have been retained for 12 months after returning from parental leave in the year (F)					
	Persons	8	5		
Male					
	Persons	5	2		
Female					
	Persons	3	3		
Retention rate after parental leave (F/E) × 100					
	%	100	83.3		
Male					
	%	100	66.7		
Female					
	%	100	100		

* Manager: Manager or higher

Category	Details	Unit	2020	2021
Employee Training Status*	Training budget per person			
		KRW 1000	190	346
	Training hours per employee			
		Hours	16.2	24.3
Regular performance evaluation	Male			
		Hours	17	24.7
	Female			
		Hours	12.0	22.8
	Number of employees subject to review			
		Persons	1,487	1,503
	Percentage of employees subject to review			
		%	87.3	82.4
	Gender			
	Male			
	Persons	1,398	1,407	
	%	88.4	84.2	
Female				
	Persons	89	96	
	%	72.4	63.6	
By job group				
Office				
	Persons	625	621	
	%	85.4	76.0	
Technical				
	Persons	862	882	
	%	88.7	87.7	
Grievance handling (Dr. KCC GLASS)	Received			
		Case	7	12
	Processed			
	Case	7	12	
Process rate				
	%	100	100	
Labor-Management Council	Agenda received			
		Case	98	59
	Agenda resolved			
	Case	96	59	
Resolution rate				
	%	98.0	100	
Labor Union Membership Status	Total number (technical)			
		Persons	972	1,006
	Number of Union Members			
	Persons	457	466	
Percentage				
	%	47	46	
Employees subject to collective bargaining	Number of employees subject to collective bargaining			
		Persons	972	1,006
Percentage of employees subject to collective bargaining				
	%	57	55	
Retirement Pension Enrollment Rate	Enrollment rate			
		%	100	100
Number of Employees				
	Persons	1,704	1,823	
Employee Safety and Health Status	Occupational injury			
		Case	6	12
	Occupational disease			
		Case	1	1
	Occupational fatality			
		Case	-	-
	Number of Total Lost Time			
		Case	7	13
Lost Time Injuries Frequency Rate (LTIFR)**				
	-	1.71	2.97	
Lost Time Injuries Severity Rate (LTISR)**				
	-	0.18	0.22	
Partner Safety and Health Status	Occupational injury			
		Case	5	1
	Occupational disease			
		Case	-	-
	Occupational fatality			
		Case	-	-
	Number of Total Lost Time			
		Case	5	1
Lost Time Injuries Frequency Rate (LTIFR)**				
	-	3.67	0.76	
Lost Time Injuries Severity Rate (LTISR)***				
	-	0.17	0.05	

* Based on office worker

**LTIFR: (Number of lost-time injuries in the reporting period x 1,000,000) ÷ Total hours worked in the reporting period

***LTISR: (Number of lost-time injuries in the reporting period x 1,000) ÷ Total hours worked in the reporting period

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Category	Details	Unit	2020	2021
Safety and Health Training Status	Total hours of training	Hours	42,372	45,350
	Total number of employees that completed training	Persons	1,730	1,823
Compliance Violation Reporting System (Cyber Shinmungo)	Number of cases reported	Case	-	-
	Investigation completed	Case	-	-
	Resolution/Responses	Case	-	-
Compliance Training Status	First Half	Hours	1	1
		Persons	543	753
	Second Half	Hours	1	1
		Persons	676	767
Social contribution expense	Happy Space (Residential environment improvement)	KRW 1 million	88	131
	Happy Society (Community support)	KRW 1 million	382	592
	Happy Sharing (Volunteer activities)	KRW 1 million	-	50
Employee Volunteer Group	Volunteer Hours	Hours	-	302
	Participants	Persons	-	151

GOVERNANCE

Category	Details	Unit	2020	2021
Operation of the Board of Directors	Number of agenda items	Case	33	34
	Number of Board Meetings Held	Ea.	11	10
	Attendance rate (internal directors)	%	100	100
	Attendance rate (external directors)	%	100	100
Remuneration of Directors*	Internal Directors			
	Number of Directors	Persons	3	2
	Total Payment	KRW 1 million	1,213	3,870
	Average Payment Per Director	KRW 1 million	404	1,935
	External Director (Audit Committee Member)			
	Number of Directors	Persons	3	3
	Total Payment	KRW 1 million	192	192
ESG Training Status	Average Payment Per Director	KRW 1 million	64	64
	Number of courses	Ea.	1	4
	Training time	Hours	2	8
	Number of employees that completed training	Persons	25	59
Measures against Unethical Practices	Number of disciplinary cases	Case	-	0
	Number of warnings	Case	-	0
	Total number of violations	Case	-	0
Information Security Training Status	Employees			
	Training time	Hours	1	2**
	Number of employees completed training	Persons	452	617**
	Persons with Access to /Control of Private Information			
	Training time	Hours	1	1
Reported Case of Privacy Leakage	Number of employees completed training	Persons	45	166
		Case	-	-

* The amount of the four major social insurances are excluded.

** Based on the first 2021 Information Security Training

ISO 26000 PERFORMANCE ASSESSMENT RESULTS



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Assessment Standard

As part of the service provided to the Korean Agency for Technology and Standards, Korea Standards Association developed a checklist for the evaluation of performance of social responsibility by KCC GLASS in accordance with ISO 26000, which is a guidance standard for implementing social responsibility. This report provides the results and improvements in KCC GLASS's performance related to social responsibility processes and seven core subjects in ISO 26000.

Scope of Assessment

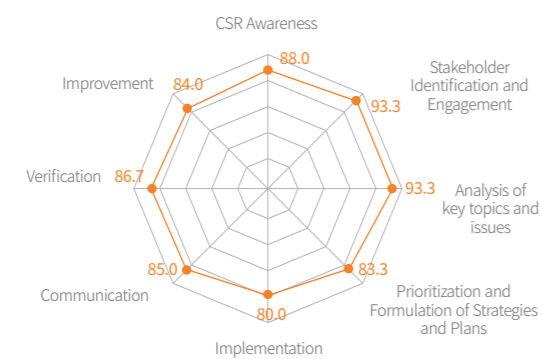
We assessed processes and performance by KCC GLASS regarding social responsibility. More specifically, we assessed long-term strategies and execution thereof by KCC GLASS, as well as its stakeholder engagement, social responsibility activities, etc.

Method of Assessment

KSA performed the following activities to collect the necessary data and information based on the assessment criteria of ISO26000.

- Review of KCC GLASS's internal data related to activities and performance in corporate social responsibility.
- Interviews with KCC GLASS's personnel in charge of each corporate sustainability subject.

Social-Responsibility Process-Assessment Results



I . Results of ISO 26000 CSR Process Assessment

In order to strengthen socially responsible management, KCC GLASS regularly inspects its business processes and actively implements tasks based on ESG management strategies. The result of process assessment based on ISO 26000, the socially responsible management implementation guidelines, showed a score of 312 out of 360 points (satisfaction rate of 86.7%), which is 38 points higher than that of the previous year. All eight major areas related to the process, including social responsibility awareness, were rated as superior. Areas that showed significant improvement from the previous year were implementation areas. This indicates systematic implementation of performance management through KPI management. We hope that KCC GLASS continues to enhance the impact of social responsibility through continuous monitoring of CSR performance, analysis of the causes of shortcomings, and implementation of improvement measures.

CSR Awareness	Assessment of the current organization based on the management's will
Stakeholder Identification and Engagement	Examination of stakeholders' interests and needs, and formulation of strategies to promote their participation
Analysis of Key Issues and Stake	Formulation of a list of key topics through examination of issues and analysis of internal competencies
Prioritization and Formulation of Strategies and Plans	Prioritization of core issues to be improved and formulation of strategies and plans based on organizational capacities
Implementation	Implementation of the strategies, vision, goal and implementation plans, and regular monitoring of social responsibility performance
Communication	Communication with stakeholders through performance reports
Verification	Communication with stakeholders through performance reports
Improvement	Periodical evaluation of performance for continued improvement

II . ISO 26000 7 Core Subject Analysis Results

Governance

KCC GLASS established strategic directions and tasks to achieve the goal of "2025, ESG Leading Company." All employees are actively engaged in implementation of tasks in the respective areas of environment, social, and governance. To promote systematic management of social responsibility, the ESG Committee, a working-level consultative body, was established. The committee consists of E (environment), S (social), and G (governance) divisions, and holds regular quarterly meetings. In order to strengthen the social responsibility of the organization, the ESG Committee, a working-level consultative body, is scheduled to be elevated/moved to be under the BOD in 2023. In addition, in order to establish sound and transparent governance and to advance further as a trusted company, we have enacted the Corporate Governance Charter and are striving to promote shareholder interests and protect the rights of stakeholders. We believe that the operation of the ESG Committee under the BOD and active reporting and decision-making of the organization's social responsibility management issues can help KCC GLASS become a leading company in socially responsible management.

Human Rights

KCC GLASS is preparing establishment of employment rules, compliance regulations, and collective agreements to protect the human rights of executives and employees/partners. In order to establish an organizational culture that respects human rights, we regularly conduct human rights training (sexual harassment prevention, improving awareness of the disabled, etc.). In addition, we continuously attend to resolving various human rights-related grievances of our employees through operation of an anonymous grievance bulletin board, etc. We recommend establishing human rights policies for the early instilling of human rights management in the organization and human rights protection/promotion. Furthermore, we recommend identification of human rights risks in all areas of the value chain through human rights impact assessments and continuously implementing improvement measures.

Labor Practices

KCC GLASS carries out various activities to improve the working environment of employees. Based on the Labor Standards Act, the company is striving to secure and retain excellent talent in each field by complying with employment rules and collective agreements and promoting work-life balance through the operation of family days, PC-Off System, selected working hour system, casual dress day, etc. In addition, various online/offline training courses are being offered to allow professional development of employees. Jeonui Plant has obtained ISO 45001 and the remaining five plants have obtained KOSHA-MS certification. Moreover, the Safety and Health Team has been established and safety training continues to be offered to employees of partner companies. Lastly, KCC GLASS operates a health promotion program and a psychological counseling center to promote health of employees. Through these efforts, we expect more efficient operation of employee/partner safety management.

Environment

KCC GLASS has declared seven environmental management goals to realize eco-friendly and safe workplaces and strengthened the environmental management organization to implement these goals. The company has installed an environmental management unit under the Safety and Environment Director (Executive Director) at the head office and operates separate units for each business site (6 plants). To respond to climate change, the company has set a greenhouse-gas emissions target for 2025 and is carrying out systematic reduction activities. Through the participation in the Carbon Disclosure Project (CDP), the company discloses information about GHG gas. In addition, the use of cullet (Yeosu Plant) is being expanded to strengthen waste management and increase the recycling rate of raw materials. For a more proactive response to climate issues, we suggest measurement and management of GHG Scope 3. Since it is difficult to improve environmental issues in a short period of time, we recommend that KCC GLASS establishes and implements an investment plan from a mid- to long-term perspective.

Fair Practices

We understand that KCC GLASS is striving to establish an anti-corruption organizational culture through ethical management, compliance with regulations, establishment of a Stakeholder Code of Ethics, and Declaration of Compliance Management. To this end, the Compliance Program (CP) was introduced; voluntary compliance with fair trade practices was declared; a compliance manager was appointed; fair trade guidebook and fair trade newsletter were published; and compliance training was provided. Details of the activities are reviewed and reported semi-annually to the BOD for improvements. Going forward, we suggest expanding social and environmental impact assessment gradually when evaluating new/existing partners to further spread socially responsible management in the value chain.

Consumer Issues

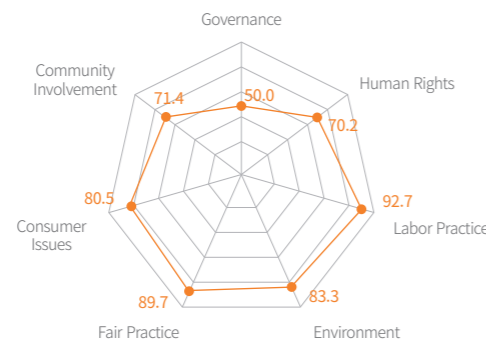
KCC GLASS is operating a recall system and establishing a Product Liability (PL) process to minimize the occurrence of consumer issues and promptly respond to the issues that arise. The company provides fact-based product information and some undergo legal review of the internal compliance team when it is considered as necessary. Since the provided information tend to be difficult to understand and supplier-oriented, the company is working to include more useful information for end-users. In addition, although privacy protection guidelines are in place to protect consumer data and privacy, we recommend establishing systematic measures to prepare for personal information leakage and to prevent recurrence after leakage.

Community Involvement

KCC GLASS has set "Happy Space" (improvement of residential environment), "Happy Society" (local community support), and "Happy Sharing" (volunteer activities) as three core social contribution themes and is actively carrying out related activities. Major social contribution activ-



Social Responsibility Assessment Results



Governance	Practices that comply with the principles of social responsibility and incorporate those principles into existing systems, policies, and practices.
Human Rights	Practices that protect and have respect for human rights within the organization and the area where its influence reaches.
Labor Practice	Labor policies and practices that affect employees' labor conditions, within the organization and its suppliers.
Environment	Comprehensive approach to minimizing the environmental impact of the decisions and practices of the organization.
Fair Practice	Practices that are concerned with maintaining ethical behavior in transactions between the organization, its partners, and suppliers.
Consumer Issues	Activities for protecting consumer rights such as consumer education, disclosure of fair and transparent marketing information and promotion of sustainable consumption.
Community Involvement	Recognizing and having respect for communities' rights and maximizing the support and opportunities towards ensuring those rights.

ities include Love House of Hope, Creating a Warm Space with Habitat for Humanity Korea, Saeddeul Village Project, etc. To address community problems, the HomeCC Volunteer Group, which consists of executives and employees of KCC GLASS, and the Korea Volunteering Culture (NGO) have been creating various programs in collaboration, as well. As such, social contribution expenses increased significantly (64.5%) compared to the previous year, demonstrating the commitment of KCC GLASS toward social contribution. To further enhance employee participation, we propose establishing a system such as volunteer mileage system. We look forward to seeing KCC GLASS's continued contribution to the development of local communities through community-based projects that reflect the needs of local communities.

III. Conclusion

The results of ISO 26000 compliance assessment show that KCC GLASS scored a total of 834 points, which is equivalent to SR level 4, with 312 out of 360 points in the process and 522 out of 640 points in performance. SR level 4 means high level of awareness among members

of the organization about social responsibility and the organization's operating system, policies and practices are in place. The integrated operation of social responsibility activities is observed in all stages, which implies effective performance management. It can also be seen that the organization should seek to enhance social responsibility within the influence of the organization and the strengthen solidarity with the community. In order to step up from the current level, we suggest setting organizational performance indicators (KPIs) through agreement with relevant departments to encourage company-wide participation in socially responsible management in terms of process. To identify the performance/impact, we propose regular review with external stakeholders through operation of council/committee. In terms of performance, we expect to see improvement activities in the areas of governance, human rights, and community participation and development, which were evaluated as low.



The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider which distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS and ISO certifications. KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, UN CDM DOE (development operational entity), and assurance provider of the Korean government's greenhouse gas energy target management system.

Myung Soo Kang

June 2022

KSA Chairman & CEO **Kang Myung-Soo**

THIRD PARTY ASSURANCE STATEMENT

Dear KCC GLASS Management and Stakeholders

Foreword

The Korean Standards Association (hereinafter, "KSA") has been commissioned by KCC GLASS Corporation (hereinafter, "KCC GLASS") to perform a third-party assurance of 2021 / 22 KCC GLASS ESG Report (hereinafter, "the Report"). KSA presents independent opinions based on the feasibility of the data contained in the Report. KCC GLASS has the sole responsibility for content and performance contained in this Report.

Independence

As an independent assurance agency, KSA has no commercial interest in the businesses of KCC GLASS apart from undertaking a third-party assurance on the Report. KSA has no other contract with KCC GLASS that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards and Level

This Assurance Engagement followed the AA1000 Assurance Standard v3 to provide Moderate Level assurance. The four principles of inclusiveness, materiality, responsiveness, and impact in combination with data credibility of the Report have been verified. Additionally, the Assurance Engagement was performed in accordance with the GRI Standards.

Assurance Type, Scope, and Limitation

This Assurance Engagement followed the AA1000AS v3 (Type 2), which means that the assurance assessed the accuracy of the company's statements and performance data provided in the Report. Generally, the Report includes performance from January 1, 2021 to December 31, 2021, except some from the first half of 2022 is included. The Assurance Engagement primarily includes systems and initiatives undertaken by KCC GLASS, including its sustainable management policies, goals, projects, standards, and performance. While the company's environmental and social data, as well as financial data, was verified, the scope of review concerning stakeholder engagement was limited to the materiality analysis process.

Assurance Methodology

To gather information, documents, and evidence concerning the assurance scope, KSA employed the following methods:

- Review and analyze media coverage on sustainability management of KCC GLASS
- Review of the management system and process used in improving the sustainability management performance and preparing the Report
- Review of the consistency between the financial data in company's audit report(s) and disclosure(s)
- Examination of internal documents and basic materials through in-person visits

Assurance Results and Opinions [Principle and Process]

The Report has been revised based on the suggestions made by KSA upon review of draft. KSA has not found any material errors or inappropriate statements in the Report. KSA offers the following opinions on 2021/22 KCC GLASS ESG Report.

Inclusiveness

Has KCC GLASS engaged stakeholders in the process of strategically responding to issues of sustainability management?

KSA verifies that KCC GLASS places an immense importance on stakeholder engagement and has established a process that promotes stakeholder engagement. KSA verifies that KCC GLASS has identified its employees, customers, shareholders and investors, partners, and local community as its stakeholders, and operates communication channels for each group, through which it gathers opinions.

Materiality

Has KCC GLASS included material information in the Report to help stakeholders make informed decisions?

KSA verifies that KCC GLASS has not omitted or excluded material information from stakeholders. Additionally, KSA confirms that KCC GLASS has conducted a materiality assessment of key issues derived from internal and external environmental analyses and reported on its actual results.

Responsiveness

Has KCC GLASS responded appropriately to stakeholder requirements and interests?

KSA confirms that KCC GLASS has reflected the opinions of its stakeholders in the Report and responds to stakeholder feedback. KSA has not seen any evidence showing false report of KCC GLASS's response to material stakeholder issues.

Impact

Has KCC GLASS monitored the impact on stakeholders in an appropriate manner?

KSA confirms that KCC GLASS has been monitoring the impact of its business activities on stakeholders in an appropriate manner and reflects it in the Report.

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GRI Standards Application

KSA confirms that this Report has been prepared in accordance with the Core Option of the GRI Standards. Based on the data provided by KCC GLASS, KSA confirms the validity of the contents related to Universal Standards and Topic-Specific Standards.

Universal Standards

KSA has verified that the Report complies with the requirements of the Universal Standards of Core Option, upon reviewing of the following indexes:

102-1 to 102-13 (Organizational profile), 102-14 (Strategy), 102 -16 to 102-17 (Ethics and Integrity), 102-18,102-19, 102-20, 102-22, 102-23, 102-24, 102-36 (Governance), 102-40 to 102-44 (Stakeholder Engagement), 102-45 to 102-56 (Reporting Practice), 103 (Management Approach)

Topic-Specific Standards

KSA has verified the specific disclosure list derived from a materiality analysis process, and examined the following indexes:

3301-1, 301-2, 302-1, 302-3, -1-3, 303-4, 303-5, 305-1, 305-4, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 401-1, 401-2, 401-3, 403-10, 404-3, 405-1, 412-2, 413-1, 414-2, 416-2, 417-2, 417-3

Opinions and Recommendations by Area [Performance/Issues]

KSA proposes the following for the implementation of sustainability management strategies in response to the issues with coherence at an organizational level:

Economic Performance

Despite high economic uncertainty due to the unstable international situation, KCC GLASS showed remarkable performance through efforts to strengthen corporate competitiveness, create synergies between businesses through the merger of Korea Autoglass Corporation, and increase the proportion of high value-added products based on stable technology. With the receipt of the gold rating from EcoVadis and Sustainvest ESG rating of AA grade, the company's ESG performance is get-

ting external recognition. In order to be able to achieve the company vision of "Number one company that cherishes customer value and leads the global market with green technologies," we recommend that KCC GLASS establishes a management system and systematic performance management for sustainable growth in the rapidly changing business environment.

Environmental Performance

Recognizing the impact of corporate activities on the environment, society, and the economy, KCC GLASS has published the ESG report in line with global environmental trends. Collecting and disclosing environmental indicators as part of responsibility to global climate response is considered as a positive effort. These efforts are expected to contribute to reducing environmental pollution and mitigating climate change. Although the company monitors environmental indicators such as energy, greenhouse gas, water quality, and waste, accuracy, and appropriateness of the reporting basis for the Global Sustainability Report appears to be needing improvement in terms for quantitative data. In addition, it seems necessary to establish standard calculation rule and strengthen the data collection system. In addition, it is recommended that KCC GLASS enhances its internal processes and discloses information in a series of process from setting goals to execution, review, and evaluation.

Social Performance

Since its founding in January 2020, KCC GLASS introduced ESG management and made various efforts to improve the ESG level within the organization. By joining the UNGC, ESG management practices were announced internally and externally, and it was confirmed that ESG operation status and plans are being monitored by area. In addition, we highly regard the enactment of Code of Conduct for Partners, which helped spread ESG in the supply chain, and use of self-checklist during pilot evaluation of 8 suppliers to identify ESG risks within suppliers. We recommend refining the criteria and classification of suppliers for the future and establishing a mid- to long-term roadmap for ESG application in the supply chain.



Myung Soo Kang

June 2022

KSA Chairman & CEO **Kang Myung-Soo**

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GRI CONTENT & ISO 26000 INDEX

GRI Standards	Disclosure	ISO26000	Page number	
GRI 102: General Disclosures				
Organizational profile	102-1	Organizational name	6.3.10/6.4.1	6
	102-2	Major brand, product, and service	6.4.2/6.4.3/6.4.4/	6-21
	102-3	Location of the headquarters	6.4.5/6.8.5/7.8	6
	102-4	Location of business site		8, 9, 26
	102-5	Structural characteristics and legal forms of organization		6
	102-6	Market scope		6-21
	102-7	Organization size		6
	102-8	Information on employees and other workers		6, 95-97
	102-9	Supply chain		6-21, 73-77
	102-10	Significant changes to the organization and its supply chain		6-7, 26-27
	102-11	Precautionary principle or approach		36-37
	102-12	External initiatives		109
	102-13	Membership of associations		109
Strategy	102-14	Statement from highest decision-maker	4.7/6.2/7.4.2	2-3
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	4.4/6.6.3	87
	102-17	Ethics advisory and reporting mechanisms		74-75, 88
Governance	102-18	Governance structure	6.2/7.4.3/7.7.5	83-86
	102-19	Authority delegation procedure		32
	102-20	Executive-level responsibility for economic, environmental, and social topics		32
	102-22	Composition of the highest decision-making body and committee		83-85
	102-23	Chair of the highest decision-making body		83
	102-24	Appointment and selection of the highest decision-making body		4, 83-85
	102-28	Process for performance evaluation of the highest decision-making body		85
	102-29	Identification and management of economic, environmental, and social impacts by the highest decision-making body		36, 83-85
	102-30	The effectiveness of the risk management process of the highest decision-making body		36, 83-85
	102-31	Review of economic, environmental, and social topics by the highest decision-making body		34
102-33	Procedures for reporting material issues to the highest decision-making body		36	
102-35	Remuneration policy for the highest decision-making body and senior management		85	
102-36	Remuneration decision process		85	
Stakeholder engagement	102-40	List of stakeholder group	5.3	38-39
	102-41	Ratio of employees subject to collective agreement		97
	102-42	Stakeholder identification and classification		38
	102-43	Approach to stakeholder engagement		38-41
	102-44	Key topics and concerns raised by stakeholder engagement		38-41
Reporting practice	102-45	Consolidated financial statement of organization	5.2/7.3.2/7.3.3/	92
	102-46	Reporting contents and topic boundary	7.3.4	42-43
	102-47	List of material topics		43
	102-48	Restatements of information		N/A
	102-49	Changes in material topics and scope		42-43
	102-50	Reporting period of information provided	7.5.3/7.6.2	110
	102-51	Date of most recent report		110
	102-52	Reporting cycle		110
	102-53	Contact point for questions regarding the report		110
	102-54	Reporting style in accordance with the GRI Standards		110
	102-55	GRI index		105-107
	102-56	External assurance		103-104

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GRI Standards	Disclosure	ISO26000	Page number
Topic-specific Standards (core option: Satisfies reporting of at least 1 index of the shaded topic)			
GRI 200 Economic Standard Series			
GRI 201: Economic performance 2016	201-1	Direct economic value generation and distribution	6.8.1-6.8.2/6.8.3/6.8.7/6.8.9
	201-2	The financial impact of climate change on an organization's activities, and other risks and opportunities	6.5.5
		201-3	Defined benefit plan obligations and other retirement plans
GRI 205: Anti-corruption 2016	103	Management Approach	82
	205-2	Communication and training about anti-corruption policies and procedures	6.6.1-6.6.2/6.6.3
		205-3	Confirmed incidents of corruption and actions taken
GRI 206: Anticompetitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6.1-6.6.2/6.6.5/6.6.7
GRI 300 Environmental Standards Series			
GRI 301: Materials 2016	103	Management Approach	46
	301-1	Weight or volume of raw materials used	6.5.4
	301-2	Ratio of recycled raw materials used	51, 93
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6.5.4
	302-3	Energy intensity	93
		303-1	Awareness and access to water as a shared resource
GRI 303: Water and Wastewater 2018	303-2	Discharge-related impact management	51, 93
	303-3	Amount of water intake	93
	303-4	Amount water discharged	93
	303-5	Water consumption	93
	103	Management Approach	46
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.5.5
	305-2	Indirect energy (Scope 2) GHG emissions	93
	305-4	GHG-emissions intensity	93
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	6.5.3
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GRI 306: Waste 2020	103	Management Approach	46
	306-1	Waste generation and significant waste-related impacts	6.5.3/6.5.4
	306-2	Management of significant waste-related impacts	52
	306-3	Amount of waste generated	93
	306-4	Waste diverted from disposal	93
GRI 307: Compliance 2016	307-1	Number of fines and sanctions for violating environmental laws	4.6
			Not applicable

GRI Standards	Disclosure	ISO26000	Page number
GRI 400 Social Standards Series			
GRI 401: Employment 2016	401-1	Newly hired and resigned employees	6.4.3
	401-2	Welfare benefits provided to full-time employees	6.4.4/6.8.7
	401-3	Parental leave	6.4.4
GRI 403: Occupational Health and Safety 2018	103	Management Approach	64
	403-1	Occupational safety and health management system	6.4.6
	403-2	Hazard identification, risk assessment, and incident investigation	65-66
	403-3	Occupational health services	67
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.4.5 / 6.4.6
	403-5	Worker training on occupational health and safety	6.4.6
	403-6	Promotion of worker health	67-68
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66-67
	403-8	Workers covered by an occupational health and safety management system	66
	403-9	Occupational injury	6.4.6/6.8.8
GRI 404: Training and Education 2016	403-10	Occupational disease	67
	103	Management Approach	64
	404-1	Average hours of training per year per worker	6.4.7
	404-2	Programs for upgrading employee skills and transition assistance programs	6.4.7/6.8.5
GRGRI 405: Diversity and Equal Opportunities 2016	404-3	Percentage of employees receiving regular performance and career development reviews	6.4.7
	97		
	405-1	Composition of governance bodies and workers by category	6.2.3/6.3.7/6.3.10/6.4.3
GRI 412: Human Rights Assessment 2016	103	Management Approach	64
	412-2	Employee training on human rights policies and procedures	6.3.5
GRI 413: Local Communities 2016	103	Management Approach	78
	413-1	Operations with local community engagement, impact assessments, and development programs	6.3.9/6.5.1-6.5.2/6.5.3/6.8
GRI 414: Supplier Social Assessment 2016	103	Management Approach	73
	414-2	Negative social impacts of supply chain and actions to be taken	6.3.5/6.4.3/6.6.6/7.3.1
GRI 416: Customer Health and Safety 2016	103	Management Approach	56
	416-1	Assessment of safety and health impacts of product and service groups	6.7.1-6.7.2/6.7.4/6.7.5/6.8.8
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.6/6.7.1-6.7.2/6.7.4/6.7.5/6.8.8
GRI 417: Products and Service Labeling 2016	56		
	103	Management Approach	56
	417-1	Information and labeling requirements for products and services	6.7.1-6.7.2/6.7.3/6.7.4/6.7.5/6.7.9
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.6/6.7.1-6.7.2/6.7.3/6.7.4/6.7.5/6.7.9
GRI 418: Customer Privacy 2016	417-3	Incidents of non-compliance concerning marketing communications	4.6/6.7.1-6.7.2/6.7.3
	418-1	Number of complaints that prove customer privacy violations and loss of customer information	6.7.1-6.7.2/6.7.7
			Not applicable

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The Sustainability Accounting Standards Board (SASB) standards are industry-specific sustainability accounting standards announced by the U.S. Sustainability Accounting Standards Board, which was launched in 2011. For the first time, the SASB standard systematized financially important sustainability information into 77 industries in 11 areas according to the Sustainable Industry Classification System (SICS) in consideration of the specificity of each industry. According to the SASB, KCC GLASS belongs to the “Building Products & Furnishings” group, and the company reports on its major activities through this report.

Sustainability Disclosure Topics & Accounting Metrics

Topic	Category	Category	Unit	Code	Response and page number
Energy Management	(1) Total energy consumption	Quantity	TJ, %	CG-BF-130a.1	(1) 8,885 p. 93
	(2) Grid power usage rate				(2) 0
	(3) Renewable-energy usage rate				(3) 0
Chemical Substances Management	Discussion of processes for assessing and managing risks or risks associated with chemicals in products	Discussion and analysis	N/A	CG-BF-250a.1	Hazardous Chemicals Management p. 50
	VOC (volatile organic compounds) emissions and contents	Quantity	Sales share (%)	CG-BF-250a.2	100 p. 63
Product Lifecycle Impact on the Environment	Percentage of target products that meet the standard	Discussion and analysis	N/A	CG-BF-410a.1	Green certification status p. 55
	Describe efforts to manage product lifecycle impact and meet demand for sustainable products		Ton, %	CG-BF-410a.2	
	(1) Weight of collected waste materials	Quantity			(1) 23,068
Lumber-Supply-Chain Management	(2) Recycling rate		Ton, %	CG-BF-430a.1	(2) 95.3 p. 93
	(1) Total weight of lumber purchased	Quantity			The main raw materials that KCC GLASS purchases are silica sand, dolomite, soda ash, limestone, and PVC; we do not purchase wood. If we undertake business expansion that requires the use of wood as a raw material in the future, we will manage it in accordance with the SASB.
	(2) Percentage of third-party certified forest areas				
	(3) Percentage of standard certification				
	(4) Percentage that was certified by other lumber standard				
(5) Percentage of standard certification					

Activity Metrics

Category	Category	Unit	Code	Response and page number
Annual production volume	Quantity	Ton/1000 sheets/km/Ton	CG-BF-000.A	(1) 787,997
				(2) 24,137
				(3) 23,599
				(4) 567,713
				Business Report II . Content of the Business 3. Raw materials and production facilities D. Production performance and operation rate
Area of production facility	Quantity	m ²	CG-BF-000.B	(1) 276,143
				(2) 142,503
				(3) 36,195
				(4) 72,572
				(5) 4,635
				(6) 45,851
				(7) 9,478
				(8) 1,224

UN GLOBAL COMPACT / MEMBERSHIPS OF ASSOCIATIONS

UN Global Compact

KCC GLASS has joined the UN Global Compact (UNGC) in 2021 and is committed to practicing the 10 principles on human rights, labor, environment, and anti-corruption. We submit a Communication On Progress (COP) every year.



Category	Principles	Page number
Human Rights	Businesses should:	
	Principle 1. Support and respect the protection of internationally proclaimed human rights;	67
	Principle 2. Ensure that they are not complicit in human rights abuses.	67~69
Labor Standards	Principle 3. Uphold freedom of association and effective recognition of the right to collective bargaining;	69
	Principle 4. Eliminate all forms of forced and compulsory labour;	87
	Principle 5. Effectively abolish child labour;	87
Environment	Principle 6. Eliminate discrimination in respect of employment and occupation.	68, 87
	Principle 7. Support a precautionary approach to environmental challenges;	32~35
	Principle 8. Undertake initiatives to promote greater environmental responsibility;	34~35, 46~52
	Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	53~55
	Principle 10. Combat corruption in all its forms, including extortion and bribery.	87~89

Memberships of Associations

Korea Chamber of Commerce and Industry	The Korea Institute Of Building Construction	Citizen Safety Management Council
Construction Workers Mutual Aid Association	The Korean Society Of Mineral And Energy Resources Engineers	Korea Industrial Safety Association
Korea Flat Glass Window Association	Emissions Market Council	NFRC (National Fenestration Rating Council)
UN Global Compact (UNGC)	Seoul Metropolitan Area Fair Safety Council	Korea Quality Foundation
The Korea Institute Of Building Construction	Korea Glass Industry Cooperative	Gyeonggi East Industrial Safety Council
The Mineralogical Society Of Korea	Korea Vinyl Environmental Council	Korea Laboratory Accreditation Scheme
Korea Listed-Companies Association	Korea Fire Safety Institute	Korea Pretensioned Spun High Strength Concrete Piles Association
Korea Specialty Contractor Financial Cooperative	Korea Energy Engineers Association	Korea Packaging Recycling Cooperative (KPRC)
The Korean Society Of Economic And Environmental Geology	Korea Environmental Preservation Association	Korean Standards Association
Korea Enterprises Federation	Korea Electric Engineers Association	Korea Conformity Laboratories
Korea Construction Engineers Association	Korea Mining Industry Association	International Congress On Glass (ICG)
The Geological Society Of Korea	Korea Exchange	Gangwon Central Health Managers Association
Korea Fair Competition Federation	Korea Interior Management Association	Korea Mechanical Construction Contractors Association

ABOUT THIS REPORT

This is the second ESG Report of KCC GLASS. Through the 2021/22 KCC GLASS ESG Report, we would like to communicate our ESG strategies, activities, performance. Every year, we will publish an ESG report and communicate with our stakeholders.

Reporting Guidelines	GRI Standards(Core Option)
Reporting Scope	Headquarters and domestic business sites
Reporting Boundaries	KCC GLASS
Reporting Period	Jan. 1, 2021 ~ Dec. 31, 2021 (And selected performance during first half of 2022)
Reporting Frequency	Annual
Latest Report Date	October 2021
Assurance	Korean Standards Association
Publisher	KCC GLASS 587, Gangnam-daero, Seocho-gu, Seoul (27-8 Jamwon-dong)
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COVER STORY

The landscape of home filled with natural light through transparent glass reflects the business characteristics of KCC GLASS. The stairs placed on one side of the house symbolize KCC GLASS taking further steps toward sustainable management.



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2021/22 KCC Glass ESG Report

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