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## INNOCEAN

### Environmental Management Policy

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C E O

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## **1. Overview**

### **A. Purpose**

INNOCEAN enacts this environmental policy to continuously improve environmental performance through eco-friendly management and to minimize negative environmental impacts throughout its business activities and value chain.

<INNOCEAN's environmental management guidelines>

- 1) It shall recognize the environment as key to corporate success, creates corporate values through proactive eco-friendly management, and fulfills its corporate social responsibility.
- 2) It shall set out implementable targets to respond to climate change and evaluate their implementation performance..
- 3) It shall comply with domestic and international environmental laws and conventions and establish and implement necessary policies to promote environmental management..
- 4) It shall disclose its environmental management performance to corporate members and stakeholders per reasonable and objective criteria.

### **B. Scope**

This environmental management policy applies to INNOCEAN, its affiliates and their worldwide business units. INNOCEAN recommends that its supply chain, including all suppliers and contract partners, adhere to this environmental management policy and provides the necessary support.

INNOCEAN complies with each country's relevant environmental laws and regulations before this policy. It references this policy when local authorities' environmental laws and regulations do not cover or do not have special provisions regarding environmental management.

#### **① The supply chain**

INNOCEAN buys more products (raw and subsidiary materials) and services certified for eco-friendliness.

#### **② Production and Business sites**

INNOCEAN's production and business sites shall establish an environmental management system based on internationally recognized standards or national guidelines, and at the same time, they shall introduce internal policies to reduce environmental impacts and pollution and engage in continuous performance-enhancing activities.

**③ Goods and services**

INNOCEAN shall improve environmental performance from the lifecycle perspective based on assessment results of environment impacts.

**④ Sales and Marketing**

INNOCEAN reflects eco-friendly factors in the product brand strategy, and promotes sales and marketing activities linked to the brand strategy. In order to strengthen the eco-friendly product brand, we conduct stakeholder opinions gathering activities, and disclose and disseminate the results of eco-friendly products and services.

**⑤ M&A**

INNOCEAN shall run a process to conduct environmental due diligence in the case of M&A. Based on environmental data, it will review compliance risks regarding M&A target organization's environmental and potential adverse environmental impacts. Then, it will develop countermeasures to address compliance risks, and the review results of environmental impacts will be factored into the valuation of the target organization. As such, it shall engage in activities to mitigate the environmental impacts.

**⑥ Others (New business and project investment)**

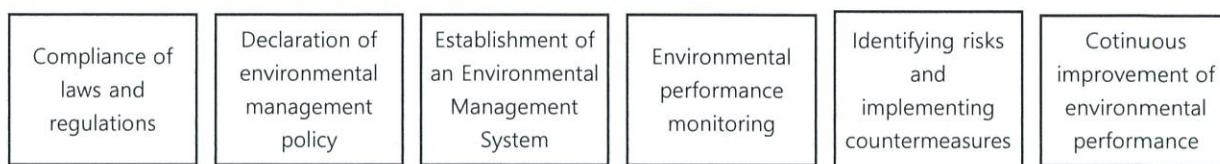
INNOCEAN shall outline procedures to identify and improve environmental impacts and risks when it operates a new business or a project or makes an internal or external investment outside the scope above.

**C. Implementation plan**

INNOCEAN's environmental management shall

1. Comply with environment-related laws and regulations
2. Declare policies to implement the environmental management
3. Establish an Environmental Management System and introduce management guidelines
4. Monitor environmental performance
5. Discover risks and implement measures to address them
6. Engage in continuous improvement for better environmental performance

The organization in charge of environment management shall capture new or revised regulations and changes in social and corporate environment to refine corresponding implementation measures.



## 2. Basic principles

INNOCEAN is committed to natural capital conservation, carbon neutrality & energy transition, developing clean tech products & services, activating circularity, and operational eco-efficiency. INNOCEAN defines the following basic principles for each environmental element to facilitate environmental management.

### A. Energy

INNOCEAN will deploy energy-saving activities daily, such as discovering and implementing energy efficiency tasks and staging energy-saving campaigns..

#### ① Energy conservation

It shall run activities for energy conservation, such as replacing outdated low energy-efficient facilities, using high efficient energy facilities and launching energy campaigns.

#### ② Operation of an Energy Management System

It shall establish a system to monitor energy and GHG and review a measure to boost energy management efficiency based on the data analysis in the system.

### B. GHG

INNOCEAN shall actively respond to climate change and to achieve the Net Zero goal, prepare practical greenhouse gas reduction measures, promote the transition to the renewable energy system in stages, and consider the current status of the business to achieve the carbon-neutral goal. It shall establish and implement policies for greenhouse gas management and carbon neutrality, including carbon absorption/offset activities.

#### ① Reduction of goods and services

Minimize GHG emissions in the process of providing products and services, and contribute to GHG reduction by providing eco-friendly products and services.



### **C. The local community**

INNOCEAN shall recognize that the company and its employees are local community members and develop measures to manage the environmental issues reasonably considering their impacts on the local community. INNOCEAN shall prepare procedures necessary to disclose its environmental information to the local community, reflect opinions from the local community, and continuously engage in communication with the stakeholders.

## **3. Implementation system**

### **A. Governance**

#### **① The role of the senior management**

INNOCEAN shall manage environmental management risks and oversee overall performance-enhancing activities through the senior management meetings where CEO or main decision-makers attend. The primary role of the senior management meetings is to establish or revise environmental management policies, review environmental management risks, check ecological management performance, discuss countermeasures to environmental management risk, and others that are considered necessary to spread environmental management..

#### **② The role of a dedicated organization**

INNOCEAN shall form an organization dedicated to implementing environmental management and have it handle the tasks. The primary role of the organization is to draft and enforce policies for the establishment and operation of an Environmental Management System, protection and restoration of ecological capital, and the management and execution of policies to manage pollutant emissions generated from business operations, identification and reduction of environmental risks, the spread of environmental management, receipt and handling of environmental grievances and other external cooperation activities.

### **B. Training and dissemination**

#### **① Environmental training**

INNOCEAN shall conduct environmental training for employees, executives, and other stakeholders to raise their awareness of the need for environmental management. In addition, the training aims to induce participants to attain an eco-friendly way of thinking.

#### **② External cooperation**

INNOCEAN shall build a cooperative system with specialized external organizations to enforce environmental management efficiently and make environmental management performance more efficient. It will strengthen its EMS built on external partners' expertise and experiences in establishing an EMS.

## **C. Communication**

### **① Government agencies**

It shall share its environmental management performance with the government agencies and confirm the government's policy direction to respond preemptively. In addition, it shall adequately understand and comply with the respective nation's environmental laws and regulations.

### **② Shareholders and investors**

It shall generate environmental management performance meeting the requirements of the shareholders and investors, building trust among them, and increasing the investment for a higher corporate value.

### **③ The supply chain**

It shall share its know-how and experiences in implementing environmental management with the supply chain and run a communication channel to consult with the supply chain to create environmental values.

### **④ Customer**

It shall provide environmental information about products and services to customers, capture their opinions gathered through a customer contact channel, and reflect them in the development process for eco-friendly products and services.

### **⑤ The local community**

It shall gather views from the local community and public-private consultative council to alleviate environmental impacts of business operations to identify and resolve grievances raised from the local community.

### **⑥ Employees and executives**

It shall share an environmental management policy with employees and executives and raise their awareness of environmental management. When implementing environmental management, their views to improve environmental performance shall be considered.

#### **D. Performance management**

##### **① Setting performance targets**

INNOCEAN shall set up mid-to-long-term performance targets for environmental factors that impact business operations severely. These targets shall be determined by taking into account emissions and usage data outlook (Business As Usual) and external economic conditions, the government's policy direction, and internal business strategies.

##### **② Examining the implementation status**

INNOCEAN shall check the implementation status of mid-to-long-term performance enhancement targets regularly. It shall comprehensively check the progress rate against the target, efficiency of activities implemented to achieve the targets, and challenges in the target achievement process. If necessary, mid-to-long-term targets will be adjusted based on the check results.

##### **③ Performance Assessment of the senior management**

The senior management's performance evaluation indicators (KPIs) shall include the mid-to-long-term environmental performance improvement goals and implementation status. In addition to environmental performance improvement, the performance evaluation for the senior management shall comprehensively consider significant ESG evaluation results at home and abroad and internal ESG improvement tasks.

#### **4. Supplementary provision**

- ① This environmental management policy is written in Korean and English, and if there is any discrepancy between the Korean and English versions, the Korean version shall prevail.