

Beyond Green, Colorful Green

KC GreenHoldings
The 131st KC Newsletter

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INQUIRIES : yuseung@green-kc.com

KC Solar&Energy Secures a Contract for Overhauling 41MW Solar electric power plant on the water

KC Solar & Energy has successfully won a contract worth approximately 2.3 billion won to overhaul the Korea Western Power Co's 41MW Solar electric power plant on the water. Its facility located at the Iwon Embankment in Taejeon-gun, Chungcheongnam-do, is the subject of this project, with KC Solar&Energy set to provide maintenance services for the next three years.



KC Solar&Energy stated, "The total capacity of the solar power generation facilities managed by our company has surpassed 240MW," adding, "Based on our extensive experience and expertise accumulated over the years in the EPC (Engineering, Procurement, and Construction) and O&M (Operations and Maintenance) fields, we plan to further expand our market influence through the diversification and differentiation of our services."

Meanwhile, as the importance of energy efficiency management is emphasized at a national level, the significance of maintenance services for solar power plants is also increasing. With the expansion of this market, we expect KC Solar & Energy to seize significant opportunities to provide various tailored solutions to meet diverse customer demands. (End)

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KC Cottrell Completes the Construction of its Carbon Dioxide Capture Model Plant

On March 13th, the inauguration ceremony for KC Cottrell's carbon dioxide capture model plant was held at the KC Glass & Materials Factory.

The ceremony was attended by over 100 relevant industry professionals, including members of the Presidential Commission on Carbon Neutrality and Green Growth, Seoul Metropolitan Government's Climate and Environmental Policy Division, Busan Metropolitan City's Hydrogen Economy Team, the Korea Environmental Industry & Technology Institute, the Environmental Corporation of Incheon, the Research Institute of Medium & Small Shipbuilding, Korea Electric Power Corporation, and Southern Power Corporation.

In his opening remarks, KC Cottrell's President Hyunsoo Kim stated, "This facility will provide new opportunities to effectively manage carbon emissions from industrial activities while minimizing their environmental impact," and expressed his commitment to sharing the knowledge and experience gained from this facility to contribute to achieving carbon neutrality goals both in Korea and globally. He concluded, "Our efforts will be a significant step towards transforming the world."

This technological advancement was developed through a collaboration between KC Cottrell and Carbon Korea. The carbon dioxide capture model plant, which utilizes eco-friendly potassium carbonate as an absorbent, is expected to capture approximately 1 ton of carbon dioxide per day, contributing to the reduction of greenhouse gas emissions and achieving carbon neutrality. (End)

50th
Anniversary

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KC GreenHoldings 2024 New Year's Kick-off Meeting

On January 2nd, with all its employees in attendance in the meeting room, KC GreenHoldings conducted its 2024 New Year's kick-off meeting. This meeting consisted of an introduction to the application of AI in business, the presentation of long-service awards, and New Year's greetings, in this order.



President Jongkyoo Kim, in his New Year's address, acknowledged that while KC GreenHoldings was proud of its achievements in 2023, marking its 50th anniversary, it was also one of its most challenging years. He mentioned overcoming difficulties amidst deteriorating internal and external conditions and emphasized laying the groundwork for its push to reach 100 years.

Furthermore, he asked for cooperation within the KC Network to enhance profitability for sustainable growth and emphasized internalizing KC's core values. He particularly stressed the need for innovation based on 'leadership by everyone', saying that he believes in the power of a concerted effort from its employees to achieve this year's goals. (End)

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KC GreenHoldings Conducts a Fire Drill

In response to more frequent winter fires due to the increased use of heating devices, and the dry weather, KC GreenHoldings conducted a fire drill on March 4th to ensure a swift response from its members to minimize casualties and reduce property damage during fire emergencies in the workplace.

Before the drill, participants were briefed on the locations of the firefighting facilities and emergency exits, the usage of fire extinguishers and fire hydrants, evacuation procedures, the formation of an in-house firefighting team, and the drill scenarios.

The fire drill was conducted with employees divided into notification/reporting teams, an initial firefighting team, an evacuation team, and an emergency rescue team. The notification/reporting team was responsible for reporting the fire to the fire department and building management, and notifying the relevant personnel from affiliates in the building. The initial firefighting team used fire extinguishers and hydrants to extinguish the fire, while the evacuation team assisted in keeping track of the headcount and the distribution of the evacuation supplies to ensure swift and safe evacuation to the designated safe areas. The emergency rescue team was responsible for providing emergency rescue and support activities to protect and evacuate any injured individuals.

Starting with a simulated fire in the conference room, the in-house firefighting team performed their duties accordingly. The employees were swiftly evacuated to the designated safe area on the first floor within 7 minutes.

The Sustainable Management Team, which conducted safety education, emphasized the importance of remembering the roles each team member played during the drill, as it will be crucial for them to perform their roles within the in-house firefighting team during any future emergencies. Given that fire training directly impacts the safety of all employees, establishing fire response scenarios for all affiliates within the first half of the year is encouraged. A fire drill day will also be designated in the second half of the year, where all affiliates will conduct fire drills. (End)



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Q1 Health and Safety Council Meeting

KC Network's Q1 Health and Safety Council meeting was held on March 22nd at Seoul City Hall. Sixteen safety managers from ten different companies attended this meeting.

During the meeting, the results of the evaluation of safety levels at affiliates of KC's workplaces, and information sharing on the government-supported Industrial Safety Diagnosis project were presented. Additionally, strategies for compliance with the Serious Accident Punishment Act were discussed. In particular, it was pointed out that despite most KC affiliates having obtained certification for their health and safety management systems, many companies remained at a "basic level" in their health and safety diagnosis results. It was suggested that companies, especially those with a mix of manufacturing and construction sectors, should supplement documentation in the installation and construction departments.

Furthermore, to comply with the Serious Accident Punishment Act, five guidelines were highlighted for businesses with fewer than 50 employees: recognition of the CEO as both management supervisor and health and safety management supervisor; designation of supervisors for each task unit; formation of the basic format of the Serious Accident Punishment Act; compilation of case studies of accidents and the establishment of prevention measures; and the preparation of emergency manuals. (End)



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KC GreenHoldings 51st Regular Shareholders' Meeting

KC GreenHoldings held its 51st regular shareholders' meeting on March 27th on the 12th floor of its headquarters in Sangam-dong.

The meeting covered audit reports, business reports, and the operational status of the internal accounting management system. Items on the agenda including the approval of the financial statements and consolidated financial statements, amendments to the articles of incorporation, the reappointment of directors, and the approval of director and auditor compensation limits, were passed as proposed.

Representing the meeting, CEO Taeyoung Lee stated, "Uncertainties in the global economy are expected to continue in 2024. However, through the continuous strengthening of our fundamentals and innovation, we will use uncertainty as an opportunity to prepare for the next 50 years." He also stated that KC GreenHoldings will focus on enhancing the profitability of all affiliates at the holding company level. To this end, he expressed his commitment to strengthening their corporate structure, considering investing in the business strategies, and supporting PMI activities by reviewing their business plans and critical issues. He also expressed his commitment to adapting to rapidly changing business environments and leading the green industry by focusing on internalizing and spreading the core values to employees.

KC GreenHoldings achieved a separate basis operating revenue of 13.8 billion won, an operating profit of 8.2 billion won, and a net profit of 5.3 billion won. On a consolidated basis, the company saw operating revenue of 698.5 billion won, an operating loss of 29.9 billion won, and a net loss of 55.9 billion won. The dividend per share was set at 50 won, with a face value dividend rate of 10%. (End)

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KC Cottrell 14th Regular Shareholders' Meeting

KC Cottrell held its 14th regular shareholders' meeting at its headquarters in Sangam-dong on March 27th. At this meeting, reports including the audit report, business report, and the operational status of its internal accounting management system for 2023 were presented, and a total of five proposals were submitted and approved as proposed.

KC Cottrell proposed amendments to the articles of incorporation regarding changes to the planned total number of issued shares, changes to the allowable limit for issuing new shares, and changes in the issuance limit for convertible bonds and bonds with warrants, and approved them as proposed. The proposal for the appointment of an internal director was also presented and approved, reappointing director Jongkyoo Kim as an internal director.

In 2023, KC Cottrell achieved a consolidated operating revenue of 436.6 billion won, an operating loss of 21.1 billion won, and a net loss of 44.4 billion won. The financial statements presented at the shareholders' meeting were approved as proposed. (End)

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Taesung Plant Inspection, Selected as an Outstanding ESG Management Partner



△ Taesung Plant Inspection opened its website in March. Click to visit it.

On April 3rd, Taesung Plant Inspection participated in the ESG management evaluation of its major client, SK Innovation, and was selected as an “Outstanding ESG Management Partner” for the second consecutive year. Of the 163 partner companies that participated in the evaluation, Taesung Plant Inspection achieved the highest score, securing first place and receiving recognition.

Being selected as an outstanding partner unlocks various benefits such as ESG gift vouchers worth ten million won, an exemption from the contract and defect performance deposit, support for loan interest, and investment in introducing carbon reduction facilities. This recognition is expected to serve as an opportunity for the company to expand its sustainable management and collaboration opportunities as a key partner.

Taesung Plant Inspection stated its commitment to further enhancing ESG management by actively pursuing measures such as employees obtaining “ESG Expert Qualifications.” (End)

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New CEO Appointed for KC Solar&Energy

As of March 1st, 2024, Mr. Kunhyun Na was appointed as the new CEO of KC Solar&Energy.

With this appointment, he concurrently serves as the CEO of KC Solar&Energy and KCVCS.

CEO Kunhyun Na joined KC Network in 2015 and has been involved in management support, finance, and planning activities at Nol-Tec Korea, KC Solar&Energy, and KC Cottrell. Based on his diverse experience, he is expected to maintain the competitiveness of the existing businesses and lead the growth of KC Solar&Energy's new business areas. (End)

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[HR] Practical Considerations Regarding Voluntary Retirement

Voluntary retirement refers to selecting individuals who voluntarily choose to retire, which is similar to retirement in that it involves the termination of an employment contract through a mutual agreement between the employee and the employer. However, voluntary retirement is commonly carried out for purposes such as restructuring.

Companies initiate voluntary retirement for several reasons. Firstly, to enhance competitiveness and maintain an adequate headcount in response to an increasing number of employees with pending promotions, and the structure focused on high ranking and high wages. Secondly, involuntary reduction measures such as layoffs can lead to extreme labor-management confrontation and have strict legal limitations on procedures. In contrast, voluntary retirement avoids such legal limitations and reduces the risk of lawsuits, employee resentment, and lack of motivation. Thirdly, it can be part of an effort to avoid layoffs. To implement voluntary retirement in a company, the following considerations are necessary.

- ① Since voluntary retirement is not regulated by labor laws, companies can decide whether to implement it, as well as determine the specific operational methods such as retirement criteria, application procedures, and retirement benefits. However, if there are agreements such as employment stability pacts between labor unions and employers that stipulate "voluntary retirement shall be implemented through a labor-management agreement," the consent of the labor union is required to implement voluntary retirement.
- ② Since voluntary retirement is an arbitrary system implemented by companies for management reasons, companies can determine the range of eligible positions and ages before selecting voluntary retirees.
- ③ Unless there are special regulations such as those stipulating that voluntary retirement is carried out based solely on the employee's application in the employment rules, companies have considerable discretion in reviewing and deciding on voluntary retirement applications.
- ④ Regarding the criteria for determining retirement benefits, there are no legal regulations, so companies can determine them based on factors such as financial capabilities. However, once retirement benefits are determined, they can serve as a standard for future voluntary retirement implementations, so careful decisions are necessary. Furthermore, concerning eligibility for receiving unemployment benefits, in case of turnover of the applicants due to a deterioration in management, many employees with pending promotions, or similar reasons under the current Employment Insurance Act, the applicants may be eligible for unemployment benefits.

Voluntary retirement is generally not a favorable system for both the company and employees, as it is implemented to reduce personnel and costs due to declining company situations. However, the timing and method of implementation are crucial, and both companies and employees need to implement it in a mutually acceptable direction. (End)

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[Environment] STOP: FAST FASHION

Fast fashion is an industry that rapidly produces and distributes products to quickly provide consumers with the latest fashion trends. Coined from fast food, which is served immediately after ordering, fast fashion prioritizes design over material and is characterized by low prices. Fast fashion adopts the Specialty Retailer of Private Label Apparel (SPA) system, which produces a small number of different products throughout the entire life cycle, from production to distribution. Representative global SPA brands are Zara, Uniqlo, Forever 21, Gap, H&M, and Shein.

While regular clothing companies introduce new products four to five times a year according to the season, fast fashion companies replace products every one to two weeks, sometimes even every three to four days. This frequent turnover, coupled with its affordability and trend sensitivity, makes fast fashion popular among consumers. However, it results in approximately 33 billion discarded garments annually. Moreover, synthetic fibers used in garment production take hundreds of years to decompose completely, negatively impacting the climate.

Due to concerns that fast fashion promotes clothing overconsumption and causes environmental pollution, French lawmakers proposed a bill in March of this year to impose fines on fast fashion companies. Citing Shein, the world's largest SPA brand with a 13% market share in the French fashion market, lawmakers argued that "the overflowing quantity and low prices of fast fashion leads to unnecessary and relentless impulse purchases, which ultimately affect the environment, society, and the economy."

In contrast to fast fashion, there is slow fashion. Slow fashion refers to clothing made from good-quality materials that are well-made and can be worn for a long time. It aims to extend product lifespan and reduce waste by adopting environmentally friendly and sustainable production methods. However, due to its higher prices, it can be burdensome for consumers depending on their income levels. Therefore, some foreign media criticize the bill proposing fines for fast fashion, saying that "since there are people who have no choice but to buy cheap clothes, it will be difficult to determine the criteria for imposing fines."

Ultimately, this is a sensitive issue regarding consumer freedom. As overconsumption of fast fashion by trend-sensitive consumers is the problem, consumers need to seek sustainable alternatives through careful consumption, such as obtaining second-hand clothing or utilizing upcycling, and properly managing purchased clothing. Furthermore, clothing companies need to make efforts to promote responsible clothing production and consumption. (End)

[Safety] Functional Foods are Better When Consumed with Better Understanding

We often rely on functional foods to maintain and improve our health. At the end of health-related TV programs, home shopping channels and online platforms usually start selling products containing those advertised nutrients. While every food item boasts its efficacy, purchasing and consuming them doesn't guarantee the complete effects as advertised. It's essential not to fall prey to exaggerated advertising and to understand the health benefits of the foods before consuming them.

There are three categories known to people for health improvement: regular foods (or a healthy diet), functional foods, and pharmaceuticals, which can be explained as follows:

1. Regular Foods : These are foods known to be good for health and can be freely purchased. They refer to products that have not undergone verification by the Ministry of Food and Drug Safety (MFDS) and do not have indications of "functionality."
2. Functional Foods : These products maintain normal bodily functions or activate physiological functions to maintain and improve health. Evaluated by the MFDS based on scientific evidence such as animal trials and human application tests, they are made using recognized functional ingredients. They are labeled as "functional foods" or carry certification marks, indicating their functionality, along with a recommended daily intake. Like regular foods, they can be freely purchased.
3. Pharmaceuticals : These are items used to treat or prevent diseases according to the Pharmaceutical Affairs Act, and their efficacy (diagnosis, treatment, relief, care, or prevention of diseases) is indicated. They are manufactured by hospitals or pharmacies based on a doctor's prescription, and, like functional foods, their intake amount is specified.
When consuming functional foods, there are side effects and precautions to consider. Firstly, non-compliance with product labeling can lead to rare adverse reactions (such as headaches, diarrhea, or rashes) if the recommended intake amount is exceeded or if consumed after the expiration date. Secondly, certain individuals should avoid consumption based on their health or existing conditions. Examples of commonly consumed foods and their considerations are as follows: (Continue)

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[Safety] Functional Foods are Better When Consumed with Better Understanding

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Categories	Effects	Cautionary Groups	Reasons for Caution
Red Ginseng	Immune enhancement, fatigue recovery, blood circulation, memory improvement, aid in antioxidation	Diabetics, users of anticoagulants	Potential hypoglycemia, excessive bleeding/bruising due to enhanced blood circulation
Green tea extract	Antioxidant effect, reduction of body fat, improvement of blood cholesterol levels	Patients with liver disease, pregnant/breastfeeding women, children	Potential restlessness, and insomnia due to caffeine content
Ginkgo biloba extract	Memory improvement, blood circulation enhancement	Pregnant/breastfeeding women, children, patients before/after surgery, users of anticoagulants	Potential bleeding/nosebleeds due to enhanced blood circulation
Chitosan	Improvement of blood cholesterol levels, reduction of body fat	Individuals with crustacean allergies	Often derived from crustaceans like crabs or shrimp
Probiotics	Proliferation of beneficial bacteria, inhibition of harmful bacteria, aid in bowel movement	Individuals weakened by illness, patients before/after surgery, users of immunosuppressants	Potential inflammation or infection due to beneficial bacteria

As adverse effects can occur due to excessive/overlapping/prolonged intake depending on individual health conditions, it is advisable to consult a doctor if you are taking prescribed medications. Rather than prolonged continuous consumption of a single functional food, it is necessary to take breaks to allow for recovery. (End)

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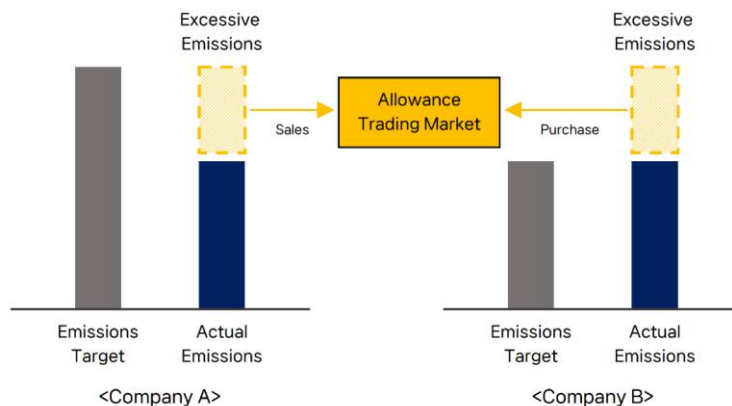
[ESG] Corporate Endeavor to Reduce Greenhouse Gas Emission – ① Emissions Trading Scheme

The effort to reduce greenhouse gas emissions requires contributions from the government, businesses, and individuals, with a particular emphasis on the role of companies. Given that companies are major emitters of greenhouse gases and possess the capacity and resources to develop emission reduction technologies, their role is considered pivotal. Recent trends indicate that corporate efforts and active participation are increasingly recognized as essential for sustainability beyond mere profit generation.

Recognizing the significance of corporate involvement, many countries have implemented Emission Trading Schemes (ETS), following the protocols established by the Kyoto Protocol. These schemes aim to impose mandatory limits on greenhouse gas emissions for countries and companies exceeding certain thresholds. In South Korea, for instance, the Act on the Allocation and Trading of Greenhouse Gas Emission Permits (ETS Act) was enacted in 2012, setting national reduction targets in 2014 and allocating annual emission allowances to individual companies since 2015.

<Overview of Emission Trading Schemes (ETS)>

- Target entities: Among greenhouse gas emitters in the conversion, transportation, industry, waste, buildings, public, and other sectors, those with an average annual greenhouse gas emission of 125,000 tons or more or more than 25,000 workplaces
- Scope: Direct emissions (Scope 1) and indirect emissions (Scope 2)
- Mechanism:



The emission trading system has the advantage of helping companies develop low-carbon technologies to promote technology development, and the creation of new markets such as the carbon allowance trading market can boost the economy. It is a fundamental role to fulfill as a member of the international community. However, since the trading system itself is being implemented for companies with high emissions and there are no restrictions on excess emissions, it has limitations in that it may be a passive policy to reduce carbon emissions itself. It is clear that the role of companies is important to reduce carbon emissions, but the role of the voluntary carbon offsetting market will also be important to help more companies reduce their greenhouse gas emissions in a variety of ways. (End)

Reasons why corporate involvement
in achieving net zero emissions is crucial

Scale &
Influence

Capital &
Investment

Technology
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