

BETTER ENERGY, BETTER WORLD



About this Report

Korea Gas Corporation (KOGAS), a state-owned gas supplier, is committed to providing reliable natural gas for the public good while upholding strong corporate social responsibility (CSR) values. Under its guiding vision, "Better Energy, Better World," KOGAS is dedicated to creating sustainable social value. The 2024 KOGAS Sustainability Management Report highlights our ESG management philosophy and achievements in business operations and the environment, society, and governance (ESG) areas. It focuses on our response strategies and activities for each core issue, based on a double materiality assessment that incorporates our ESG integration plans and stakeholders' input. Additionally, we are publishing a separate ESG report in a web format to expand the scope of ESG information. By publishing a sustainability report, we aim to transparently disclose our business strategies, goals, and performances to our stakeholders.

Reporting Overview

This report is based on the GRI Standards, the global benchmark for sustainability reporting. It includes the ten principles of the UN Global Compact, covering areas such as human rights, labor, environment, and anti-corruption, along with activities aimed at achieving the UN SDGs. Additionally, the report adheres to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and Sustainability Accounting Standards Board (SASB) industry standards to address industry-specific issues.

Reporting Period and Scope

This report covers our achievements in sustainability management from January 1 to December 31, 2023. It includes quantitative data spanning the past four years (or 2-3 years for certain items) from 2020, and qualitative data reflecting the latest information from the first half of 2024. The reporting scope includes the headquarters, domestic branches, KOGAS Research Institute, overseas subsidiaries, and partners. The financial data is based on consolidated financial statements in accordance with K-IFRS.

Assurance

This report was verified by an independent third-party assurance provider to ensure its reliability and quality. The assurance statement can be found in the appendix.

Report Publication History

KOGAS has been publishing an annual sustainability report since its first in 2006. This is the 18th report in the series.

Additional Information

This report is available for download on the KOGAS website. For inquiries about our commitment to sustainability management or feedback on the report, please contact us at the following:

Website	http://www.kogas.or.kr	Email	jaehyeonkim@kogas.or.kr
Address	(41062) Korea Gas Corporation, 120 Cheomdan-ro, Dong-gu, Daegu, Republic of Korea	TEL	053)670-0608
Department	CSR Department CSR Planning Team	FAX	053)670-1527

Contents

Overview	Message from the CEO	04
	KOGAS: An Overview	06
	Business Overview	10
	Better Energy with KOGAS	12
Sustainable Focus Sustainable KOGAS	Sustainability Management System	20
	Stakeholder Engagement	24
	Double Materiality Assessment	26
	Focus 1. Enhancing our Climate Change Response System	28
	Focus 2. Implementing Safety Responsibility Management and Enhancing Negligence-induced Accident Prevention	34
	Focus 3. Ethics and Anti-corruption	40
Environmental Leader in Green Energy	Environmental Commitment	48
	Energy Management	50
	Pollutant Management	52
	Biodiversity and Ecosystem Protection	54
Social Society Living in Harmony	Fostering Mutual Prosperity	60
	Partnering with the Local Community	64
	Enhancing Employee Capacity and Inclusiveness	68
	Creating and Sharing Job Opportunities	72
	Enhancing Customer Value	74
	Fostering Information Security	76
Governance Robust and Transparent Governance	Governance	82
	Human Rights Management	86
	Risk Management	92
Appendix	Data Center (Economy Environment Society Governance)	97
	GRI Index	110
	SASB	114
	UNGC	116
	Third-party Assurance Statement	118
	Greenhouse Gas Assurance Statement	120
	Awards and Certification Memberships	122

Message from the CEO



“**Better Energy, Better World**”

This is KOGAS' core corporate philosophy and a commitment to our stakeholders. We will keep evolving to fulfill our mission.

Dear Esteemed Stakeholders,

Since its founding in 1983, KOGAS has been providing safe and reliable natural gas for over 40 years, playing a key role in national economic development and public benefit. As the world's leading LNG importer, we operate globally to drive energy independence. As of June 2024, we have grown into a world-class natural gas supplier with 5 LNG terminals and 5,190-kilometer pipeline. Our achievements are a testament to the steadfast support and interest of our shareholders, customers, partners, local communities, and employees. On behalf of all KOGAS employees, I want to express our sincere gratitude to all our stakeholders.

We are committed to integrating ESG principles into our business practices, with a strong focus on reducing greenhouse gas emissions, upholding the highest safety standards, and fostering a culture of integrity and ethics. We strive to minimize our carbon footprint by transitioning to high-efficiency equipment and optimizing our operational processes. Additionally, we have implemented a tailored disaster response system and established the "SAFE 4u" safety management framework, prioritizing the protection of our employees. Furthermore, we have created a dedicated department for the Fair Trade Compliance Program to promote fair trade and strengthen our governance structure.

Going forward, KOGAS is committed to earning the unwavering trust of all our stakeholders and becoming a public enterprise that brings hope to the nation. To achieve this, we make the following promises:

First and foremost, we will enhance our safety systems to make safety the top priority in all our business operations.

Safety is our guiding principle and an absolute core value that we hold above all else. We have implemented the "Safety Management System (SAFE 4u)" to ensure the safest possible workplace. Additionally, we operate a tailored disaster response system to protect the public's life and safety from natural disasters like typhoons, wildfires, and earthquakes, while ensuring a reliable supply of natural gas. Furthermore, we run a smart safety management system that leverages advanced technologies, such as intelligent surveillance, to ensure comprehensive safety oversight. We will continue to prioritize safety firmwide and upgrade our systems to become the leading public energy supplier with the best safety management practices.

Second, as a public enterprise, we are committed to earning the trust of the people through unwavering integrity.

For state-run organizations like KOGAS, which exist to serve the nation and its citizens, integrity is not just a management principle—it's a sacred promise to the public. To systematically prevent corruption, we have obtained the ISO 37001 anti-corruption management system certification and developed our own anti-corruption framework. Additionally, we have implemented a fair trade compliance program and a conflict of interest prevention system, leading the way in embedding fairness and compliance into our operations.

Guided by the belief that 'our success lies in integrity and ethics,' we will continue to evolve as a gas supplier that upholds these values, striving to foster a transparent organizational culture."

Third, we are committed to being a reliable partner to the public by fostering mutual prosperity and support.

At KOGAS, we've launched the "On, 온" initiative to drive a range of community-focused activities. These include improving energy efficiency for vulnerable individuals, offering scholarships to nurture future leaders, and creating jobs for people with disabilities. Through these efforts, we extend our support to those in need within our community. The year 2023 is especially significant as it marks a decade since we established our presence in Daegu. Over the past ten years, we have worked hard to become a valued part of the community. We look forward to continuing this journey together with the people of Daegu.

Last but not least, we will build an organizational culture of harmony and open communication geared toward creating results that will satisfy the public.

As there is a saying, "teamwork makes the dream work," all of us at KOGAS, which are over 4,000, will work together to create a dynamic organizational culture to drive even greater success. We will continue to engage with our stakeholders, upholding our core mission to create a better world through better energy. We look forward to your continued support for and trust in us to become a leader in energy innovation.

Thank you.

CEO and president of KOGAS, **Choi Yeon-hye**

Introducing KOGAS

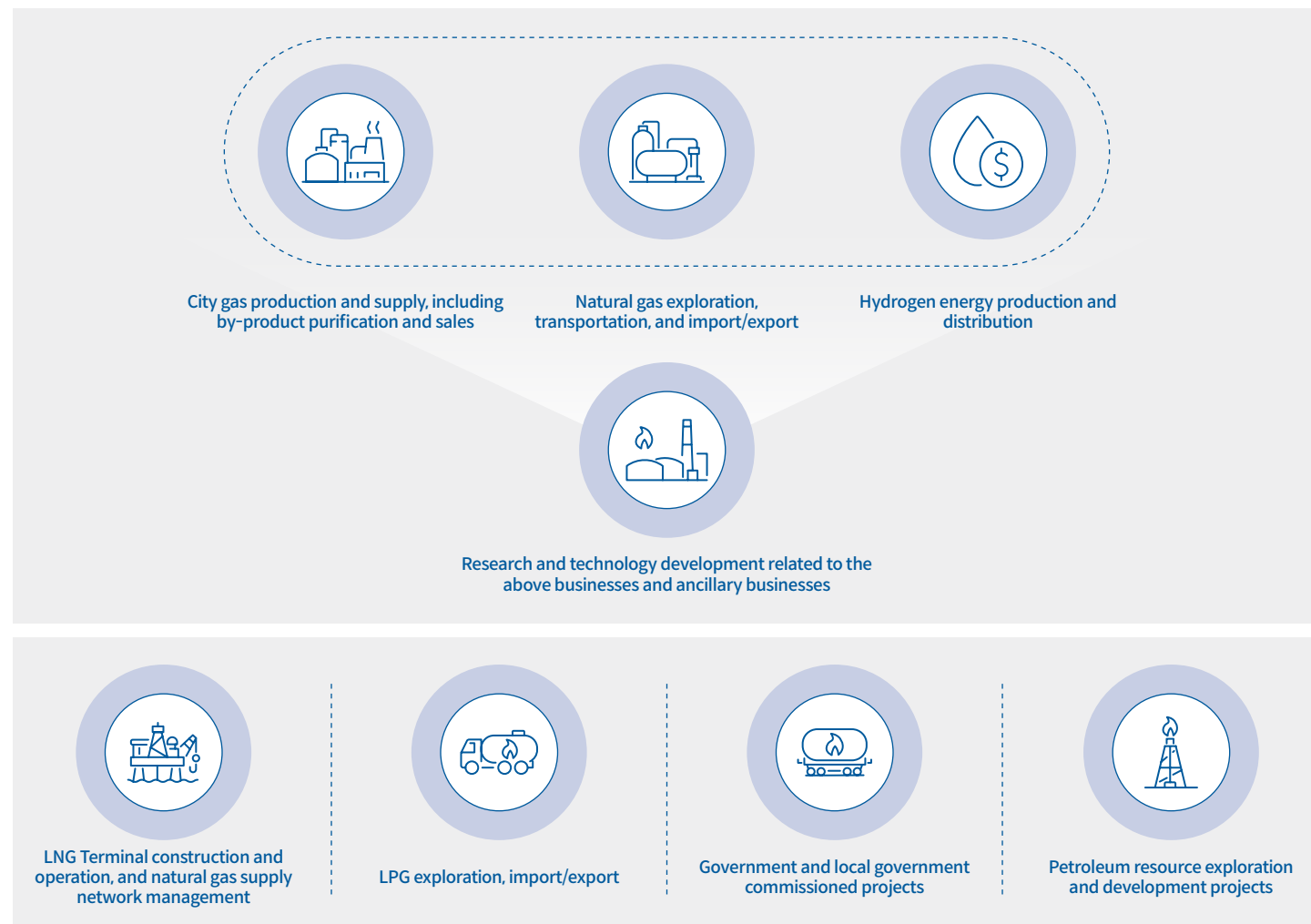
Company Overview

KOGAS was founded in August 1983 with the goal of enhancing public convenience and welfare through the supply of natural gas, a clean energy source. To achieve this, we have built LNG receiving terminals and natural gas supply pipelines. We import LNG from overseas and reliably distribute it to city gas suppliers and power plants. Additionally, we are leading the way in future energy sectors by undertaking LNG-based eco-friendly initiatives.

(End of March, 2024, based on consolidated financial statements)

Company Name	Korea Gas Corporation	Sales	KRW 44.6 trillion	Equity	KRW 57.3 trillion
Business Type	Fuel gas production and pipeline distribution	Asset	KRW 9.8 trillion	Liabilities	KRW 47.4 trillion
Headquarter Location	120 Cheomdan-ro, Dong-gu, Daegu, Republic of Korea				
CEO and President	Choi Yeon-hye				
Establishment Date	August 18, 1983				
Legal Foundation	Korea Gas Corporation Act (No. 3639)				
Type of Corporation	Market-oriented public enterprise				
Employees	4,167 people				

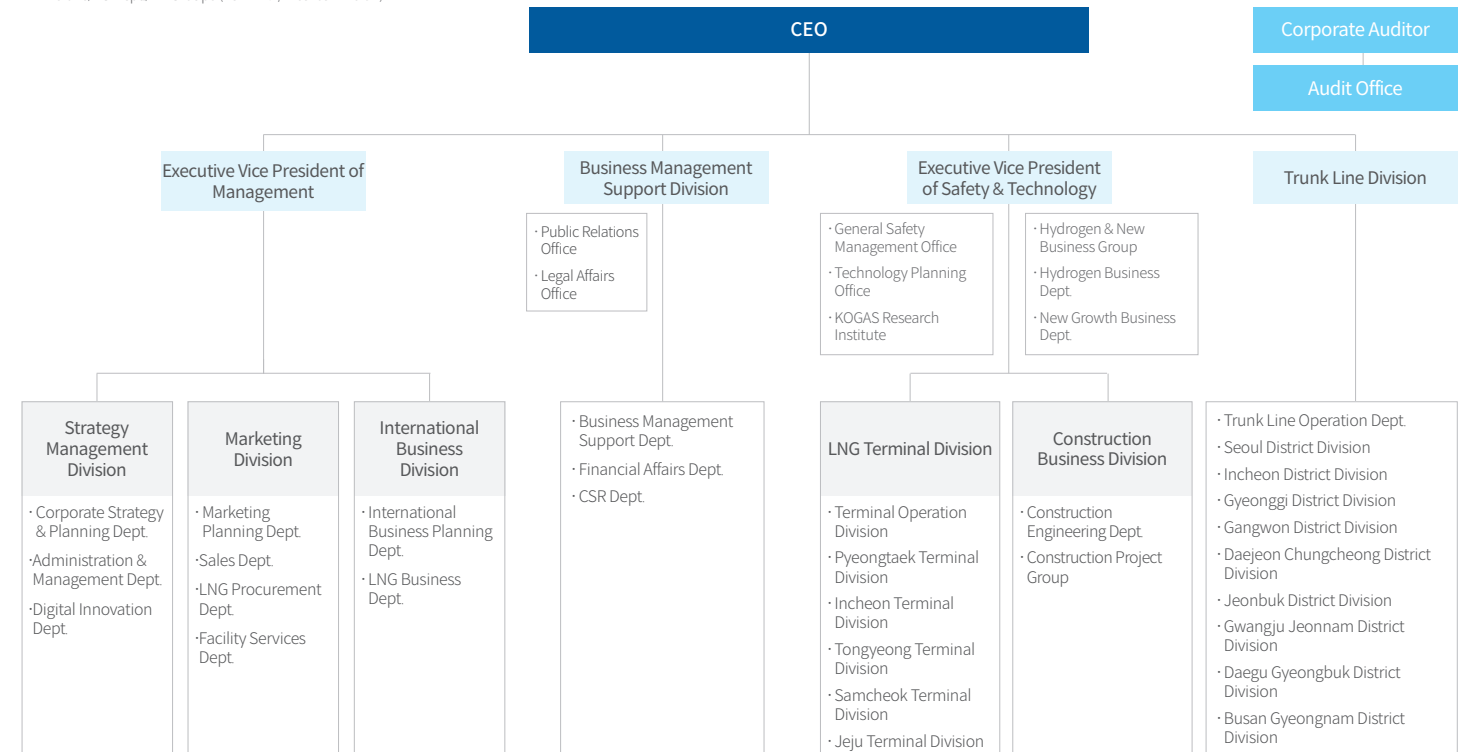
Our Business



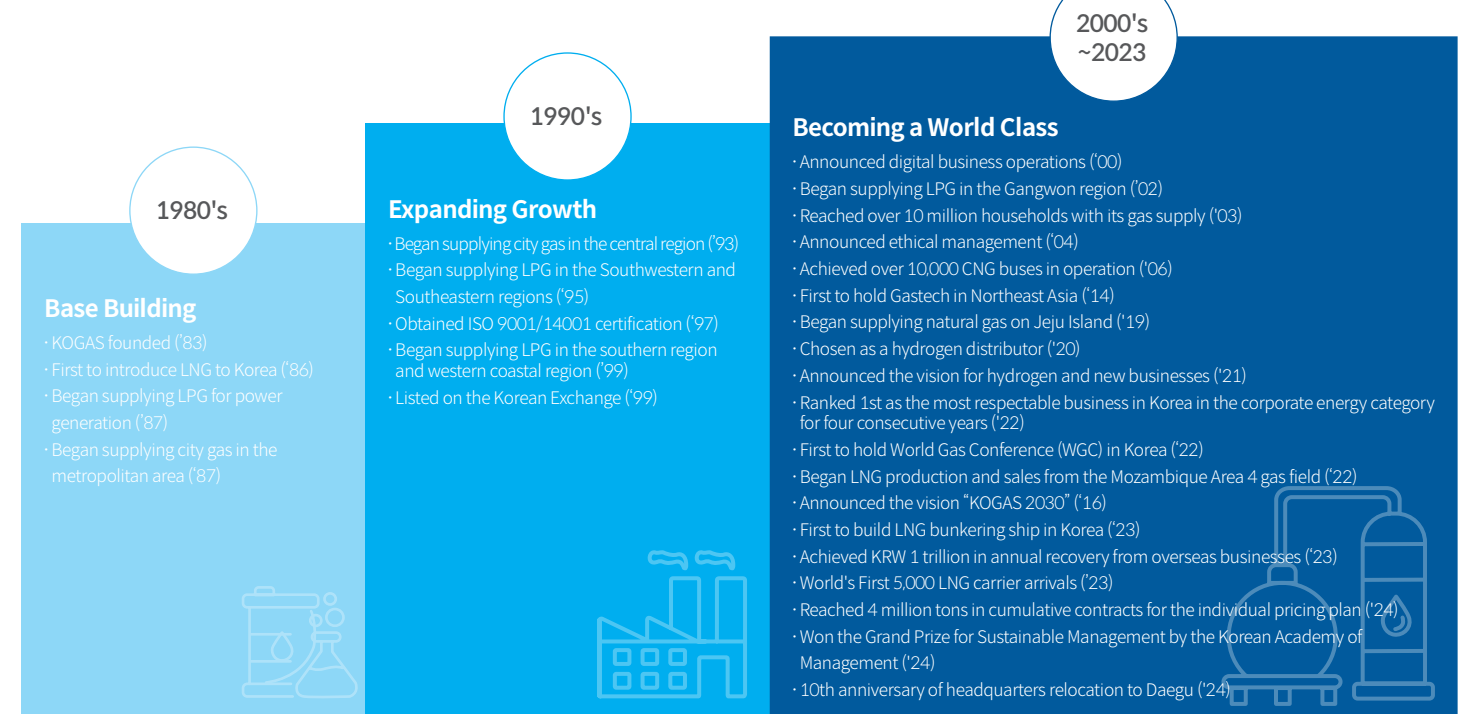
Organization

7 Divisions, 26 Dept., 14 Groups (Terminal/District Division)

(As of July 1, 2024)



Chronology

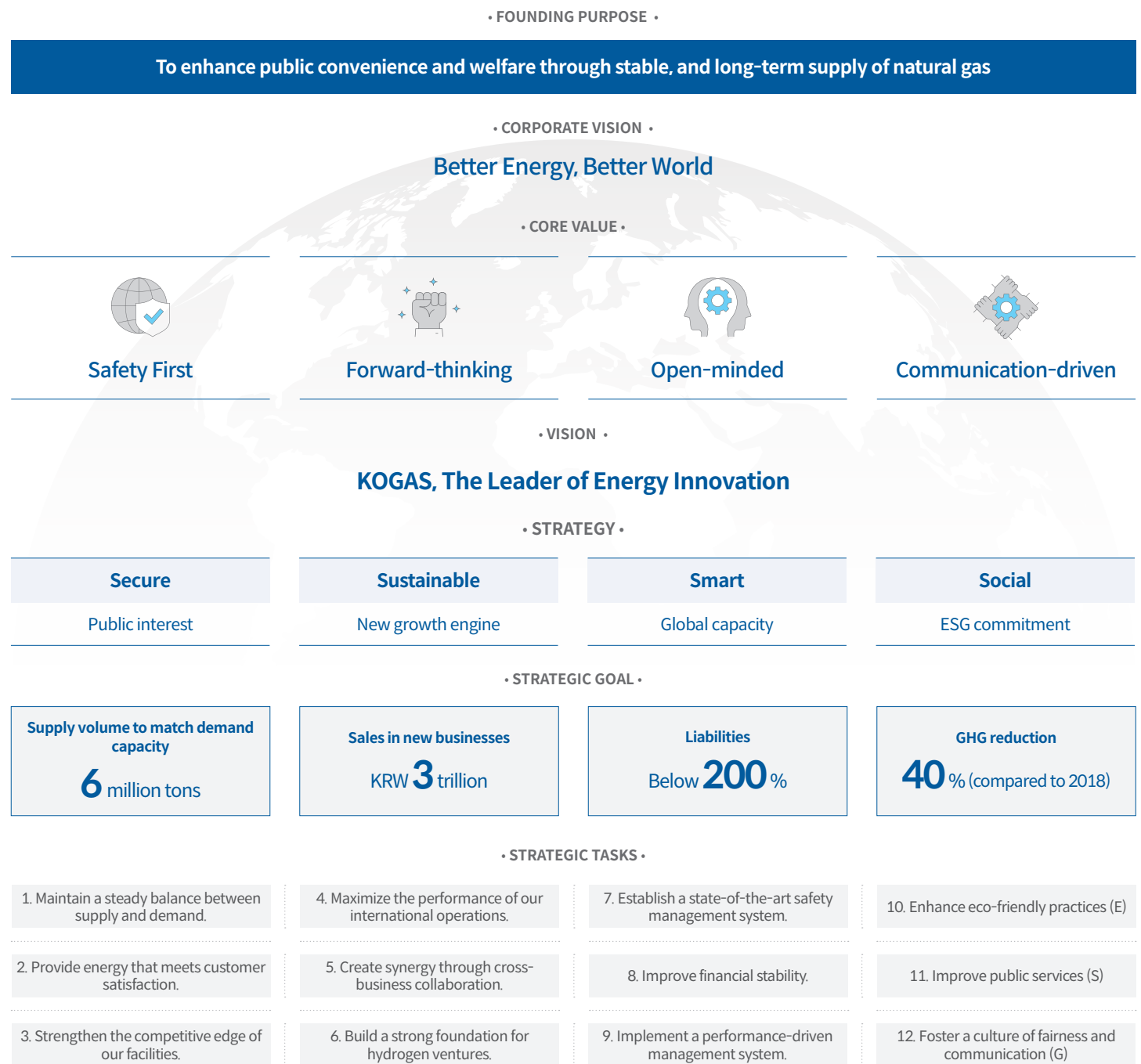


Introducing KOGAS

Vision 2030

We at KOGAS have redefined our "Vision 2030" to embody our future as a leader in energy innovation. Through this updated vision, we have established new strategic goals and initiatives to adapt to the rapidly changing business environment, aiming to become a trusted company for the public. Moving forward, we will continue to ensure the stable supply of natural gas to all citizens, fulfilling our founding purpose of enhancing public welfare and convenience. At the same time, we are committed to leading the way in building a low-carbon, eco-friendly system by reducing greenhouse gas (GHG) emissions.

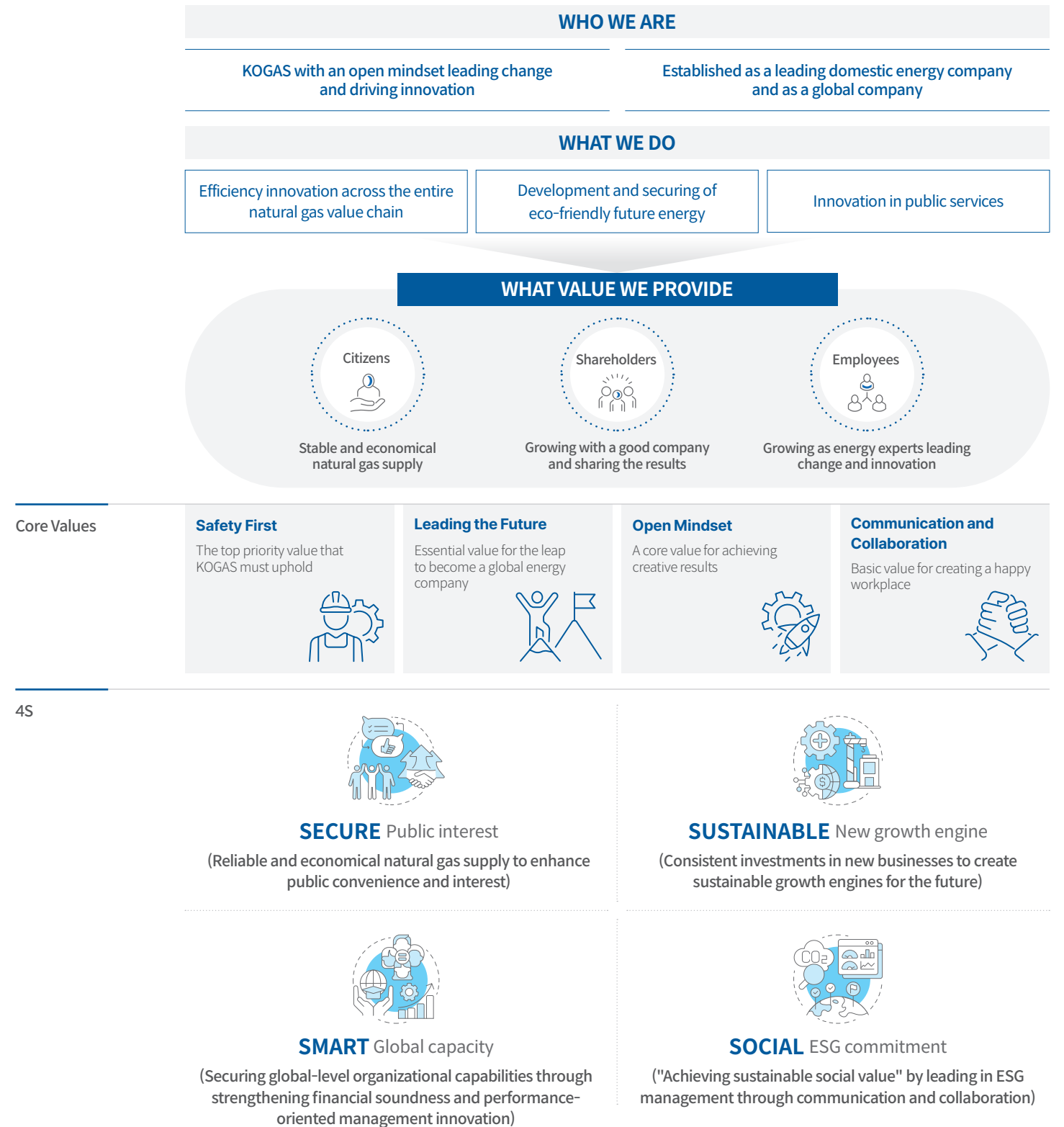
KOGAS Vision 2030



Vision

KOGAS, The Leader of Energy Innovation

The Leader of Energy Innovation, KOGAS



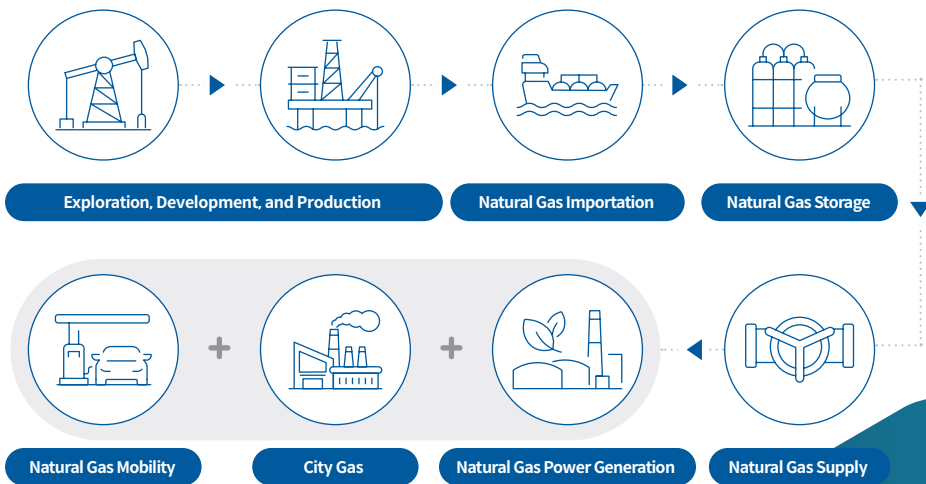
Business Overview

KOGAS with the People
KOGAS, Advancing Towards a Sustainable Future

Leading the natural gas industry

Over the past 40 years, KOGAS has been at the forefront of importing natural gas from abroad, supplying it to the nation, and leading the transformation and advancement of the natural gas industry, as well as contributing to construction, shipbuilding, finance, and insurance. We will continue to strive for the enhancement of public convenience through the safe and stable supply of natural gas.

Natural Gas Value Chain



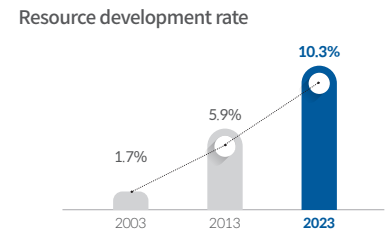
1. Enhancing public convenience through stable natural gas supply

- Reducing LNG import costs and ensuring supply stability**
 - Achieved a reduction of KRW 56.5 billion in LNG import costs in 2023 through new long-term contracts and price renegotiations of existing contracts.
 - Maintained zero emergency supply situations in 2023
- Promoting individual tariff system and shared facility services**
 - Secured funding for a gas rate reduction totaling KRW 1.15 trillion over the next 10 years through new sales demand under the individual tariff system
 - Utilized revenues from shared facility services as a resource for gas rate reduction
- Nationwide natural gas infrastructure development and operation**
 - As of 2023, KOGAS operates 5,178 km of main pipelines and 430 supply management centers
 - Possesses the world's largest LNG storage capacity (Total 77 tanks, 12.16 million kl)
 - Achieved a 94.3% city gas penetration rate (by local government) in 2023

2. Strengthening energy security through overseas resource development

Securing gas resources through overseas resource development projects

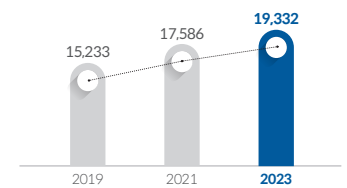
- As of the end of 2023, KOGAS participated in 3 natural gas exploration projects and 8 development and production projects
- Secured 200 million tons of resources with a resource development rate of 10.3%



Contribution to reducing public burden through expanded overseas business profits

- Utilized cumulative overseas resource development business profits of KRW 2 trillion as resources for gas rate reductions

Cumulative overseas project orders with private enterprises (million USD)



Joint entry into overseas markets with private enterprises

- Contributed to securing USD 19.3 billion (cumulative) in orders through joint entry with private companies in sectors such as construction, shipbuilding, finance, and insurance

3. Preparation for energy transition linked to natural gas

Activation of LNG bunkering for environmentally friendly marine fuel supply

- Established a dedicated bunkering tariff system in 2023
- Successfully conducted the first simultaneous refueling and unloading operation for a container ship in August 2024 in Korea



Low-carbon LNG production

Contributing to carbon emission reduction and energy security by reducing carbon emissions in the LNG production process (LNG Canada, Mozambique Rovuma LNG)



Establishment of hydrogen supply infrastructure and stabilization of supply and demand

- By the end of 2023, KOGAS operated 46 hydrogen refueling stations nationwide, including two directly operated stations in Gimhae and Daegu
- As the dedicated hydrogen distribution agency, KOGAS plays a role in managing supply and demand for hydrogen in power generation and industrial markets



Development of carbon-neutral energy sources

Preparing for the transition to eco-friendly energy by developing E-methane, which can utilize existing natural gas infrastructure



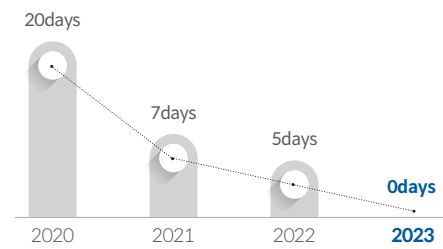
* E-methane: A synthetic methane gas produced by combining clean hydrogen with carbon dioxide captured from industrial facilities

Better Energy with KOGAS

Enhancing public convenience through stable natural gas supply

Since its establishment in 1983, KOGAS has played a vital role in strengthening South Korea's energy security by safely and reliably importing and supplying natural gas. For over 40 years, we have contributed to the improvement of public convenience and the development of the national economy. Moving forward, KOGAS remains committed to ensuring the stability of natural gas supply and enhancing the convenience of daily life for the public.

Days of supply emergencies



Achieving a stable natural gas supply through systematic supply management

KOGAS is continuously improving its demand forecasting systems to enhance accuracy in predicting demand fluctuations, with the goal of achieving stable LNG supply management. To systematize demand forecasting, we developed an AI-based demand forecasting model to increase demand adequacy. Additionally, we secured supplies preemptively to prepare for the winter season, where demand surges, and established an emergency response team to address uncertainties in supply due to factors such as wars. As a result, despite the global energy crisis triggered by the prolonged Russia-Ukraine war and deteriorating conditions in the Middle East, we successfully reduced the number of supply emergencies, achieving zero days of supply emergencies in 2023.

Enhancing public convenience through LNG import cost reduction

KOGAS imports LNG and supplies it to city gas companies and power generation companies across the country through a nationwide pipeline network and tankers. By reducing LNG import costs through new long-term contracts and price renegotiations of existing contracts, KOGAS contributes to lowering household city gas rates and fuel costs for power generation, thereby enhancing public energy convenience. Additionally, KOGAS is working to stably supply competitively priced natural gas through its overseas resource development projects. In 2023, we achieved a reduction of KRW 56.5 billion in import costs through proactive renegotiation of long-term contracts.

Safe and convenient domestic natural gas infrastructure

To ensure a stable supply of natural gas, KOGAS has established production bases and pipeline networks at optimal locations nationwide. As of the end of December 2023, KOGAS operates five LNG terminals across the country, housing a total of 77 storage tanks (12.16 million KL in total), the largest storage capacity in the world. We are also constructing the Dangjin LNG Terminal, which is scheduled for completion in 2025.

The nine regional offices across the country safely supply regasified natural gas from LNG terminals to power plants and city gas companies through a national circular pipeline network, with pressure appropriately reduced. As of the end of 2023, KOGAS operates 5,178 km of main pipelines and 430 supply management centers. The pipeline network is designed as a circular network, allowing reverse-flow supply to prepare for emergencies, such as supply interruptions.

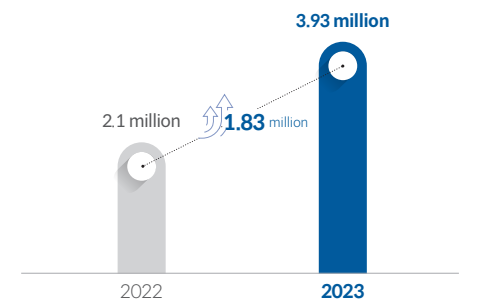
Expansion of urban gas supply to underserved areas to improve energy welfare

Since 2008, KOGAS has been promoting the expansion of natural gas supply to underserved areas that previously lacked city gas pipelines, as part of its efforts to achieve balanced regional development and implement energy welfare. By supplying natural gas to regions that had been excluded due to lack of economic feasibility—such as Cheongyang, Hapcheon, Sancheong, and Taebaek—KOGAS established a gas supply system across all 229 local governments in the country by March 2022. Starting in 2020, KOGAS began expanding supply within existing supply regions by comprehensively evaluating both profitability and public interest (such as regional underdevelopment). This led to additional investments in supply facilities in 13 regions, including Gapyeong. As a result of these efforts, the city gas household penetration rate increased from 84.3% in 2022 to 84.6% in 2023.

Securing new sales demand through the individual tariff system

To flexibly respond to the rapidly changing LNG market environment and the diverse needs of power generation companies, KOGAS introduced the individual tariff system in 2020. Unlike the average tariff system, which charges power consumers the average price of LNG import contracts, the individual tariff system directly with each power plant, supplying gas based on the specific price and conditions of that contract. As power generation demand increases, KOGAS's facility utilization rate rises, leading to lower supply costs and subsequently reducing gas rates. In 2023, KOGAS secured an additional annual sales demand of 1.83 million tons through the individual tariff system, projecting a total gas rate reduction of KRW 1.15 trillion over the next 10 years. As of the end of 2023, the cumulative sales demand under the individual tariff system amounted to 3.93 million tons.

Cumulative sales demand under individual tariff system (Unit: tons)

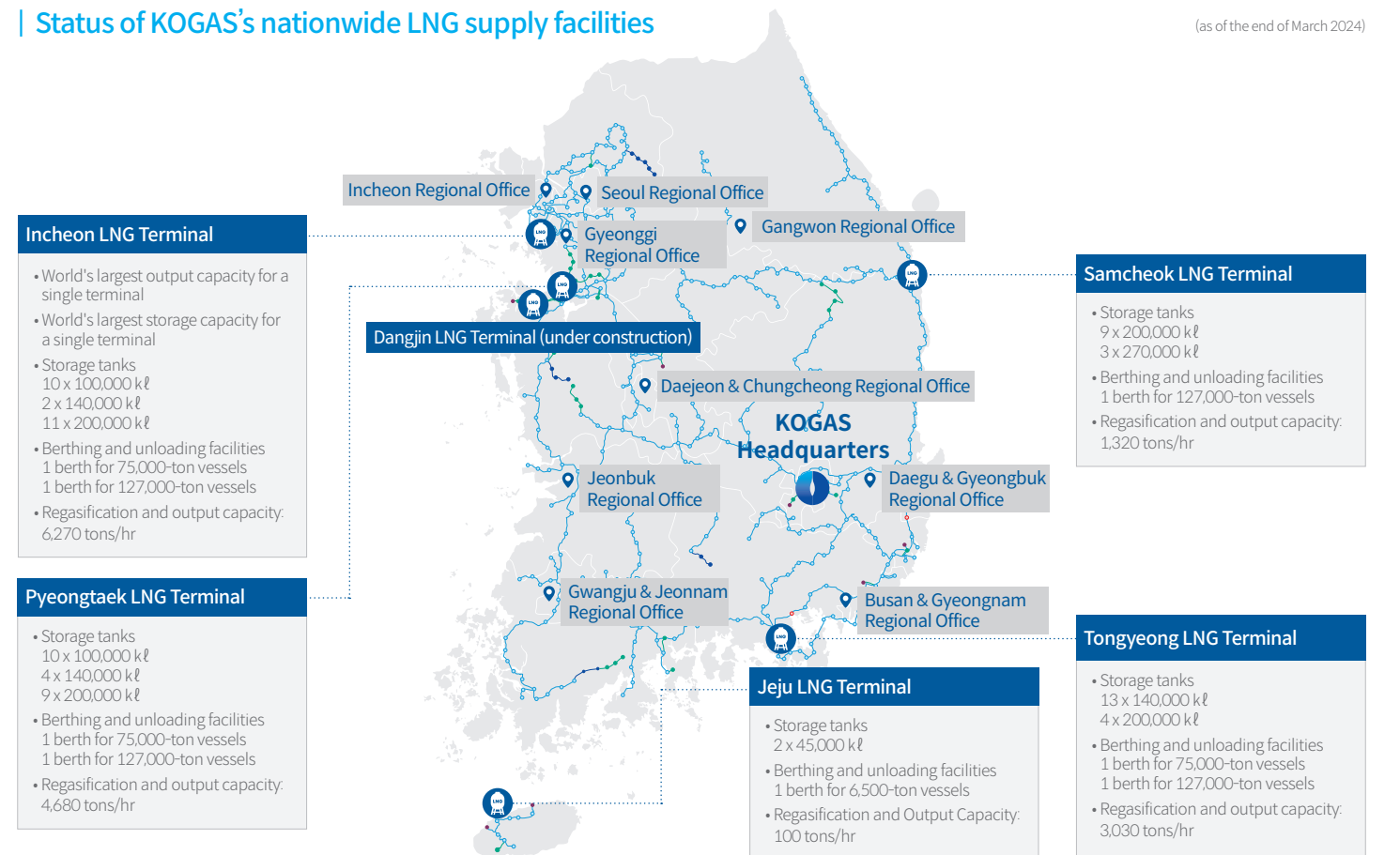


Contribution to gas rate reduction through the activation of shared facility services

KOGAS provides services that allow private companies to jointly use its world-class LNG storage facilities and the 5,178 km circular pipeline network. This shared facility service prevents inefficient redundant investments and the creation of stranded assets, enhancing the efficiency of gas facilities. The revenue generated from these facility usage services is fully utilized as a resource for gas rate reduction, benefiting all citizens. As of the end of 2023, the capacity of KOGAS's shared manufacturing facilities was approximately 1.5 times larger than that of private terminals, underscoring its leading role in contributing to the public value of natural gas.

Status of KOGAS's nationwide LNG supply facilities

(as of the end of March 2024)



LNG sales volume
34.64 million tons

City gas household penetration rate
(by local government)
94.3%

City gas household penetration rate
(by household)
84.6%

Better Energy with KOGAS

Strengthening energy security through overseas resource development

KOGAS has been actively pursuing overseas resource development projects to enhance national energy security and generate stable profits. With the recent increase in global energy market uncertainties, the importance of "energy security" has become a critical issue worldwide. In response, KOGAS is dedicated to securing overseas resources to ensure that the public can receive natural gas in an economical and stable manner.

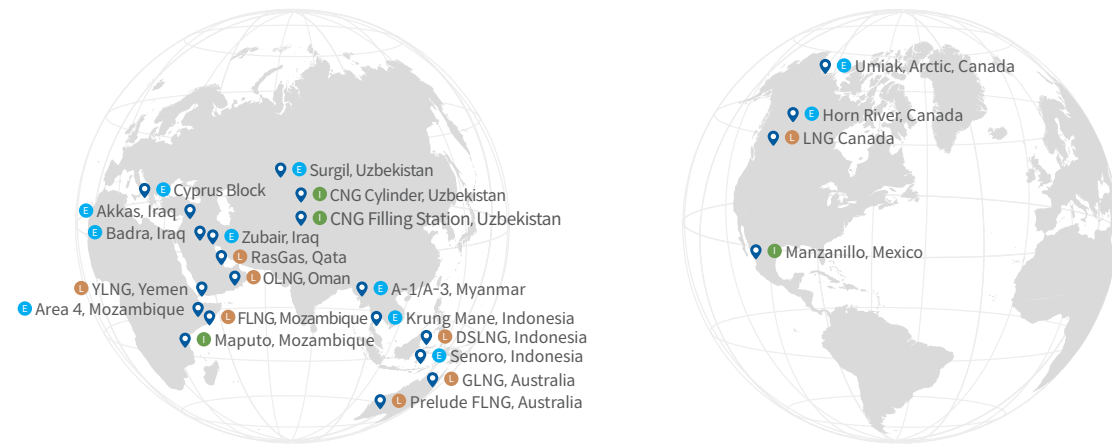
Overseas business overview

As South Korea's leading energy company, KOGAS is involved in 23 overseas projects across 12 countries, striving to secure a stable supply of natural gas resources. The company has established an unparalleled integrated natural gas value chain that spans upstream (Exploration & Production - E&P), midstream (LNG), and downstream (Infrastructure) operations.

KOGAS global projects

(as of the end of 2023)

E E&P projects L LNG projects I Infrastructure projects



Major aspects of overseas projects

Overseas E&P project The starting point for securing natural gas resources

As of the end of 2023, KOGAS is participating in three exploration projects and eight development and production projects. Notably, the Area 4 project in Mozambique, which contains one of the largest gas fields of the century (74.1 Tcf), marks the first instance where KOGAS has participated across the entire LNG value chain, from exploration to gas field development and LNG production. Through phased development, this project is expected to continue contributing to the nation's energy independence.

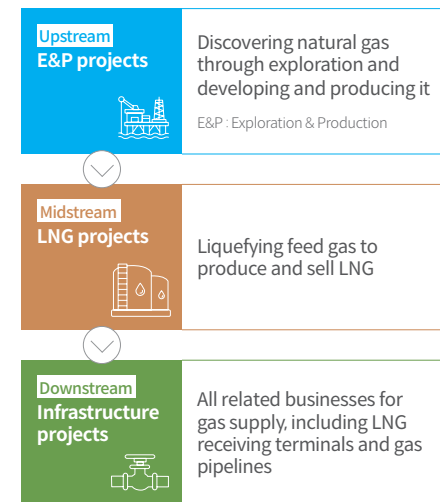
Overseas LNG projects The backbone of national energy independence

KOGAS has evolved from being a mere equity investor to a leading player in LNG projects. Through ventures such as Australia's Prelude (the world's first FLNG project) and LNG Canada (the first LNG project on the western coast of North America), KOGAS has secured equity volumes with autonomous disposal rights, making a significant contribution to strengthening national energy security. KOGAS remains committed to leading the way in reinforcing South Korea's energy security by developing new, competitive LNG projects.

Overseas infrastructure projects pioneering the export of South Korean technology with the private sector

Leveraging over 40 years of accumulated expertise and capabilities in the natural gas industry, KOGAS collaborates with private companies to showcase South Korea's outstanding technological prowess worldwide. The Manzanillo Terminal project in Mexico is particularly noteworthy as the first instance where KOGAS achieved overseas LNG receiving terminal investment and technology export in collaboration with the private sector.

Natural gas business value chain



Major achievements in overseas projects

To ensure a stable supply of natural gas, KOGAS has actively engaged in securing overseas resources, achieving the following milestones.

KOGAS, a reliable guardian of national resource security

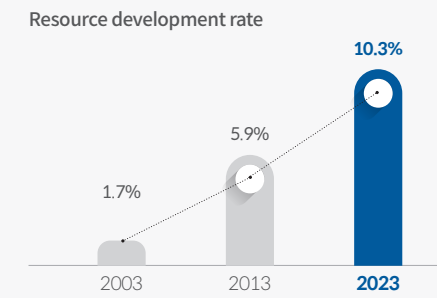
Through its overseas resource development projects, KOGAS has secured gas resources equivalent to approximately 4.3 years of the nation's annual gas consumption, and is steadily producing gas at a level that meets 10.3% of the company's annual LNG import volume. KOGAS remains committed to safely and reliably supplying energy to the public.

Secured resources 200 million tons

Secured resources equivalent to approximately 4.3 years of domestic annual gas consumption

Resource development rate 10.3%

Stable overseas resource production at 10.3% of annual kogas lng import volume



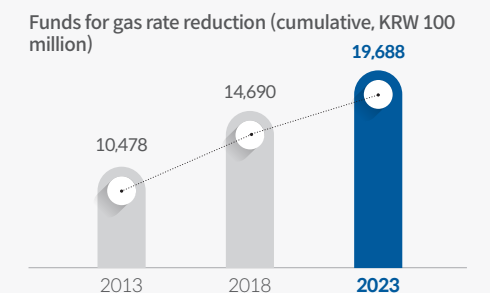
KOGAS, the leading public energy corporation serving the public

KOGAS has utilized approximately KRW 2 trillion (cumulative) in profits from overseas resource development projects to fund gas rate reductions, thereby contributing to the reduction of energy costs for the public.



KRW 2 trillion (cumulative) for gas rate reduction

Contributing to public benefit by utilizing profits from overseas resource development projects for gas rate reduction



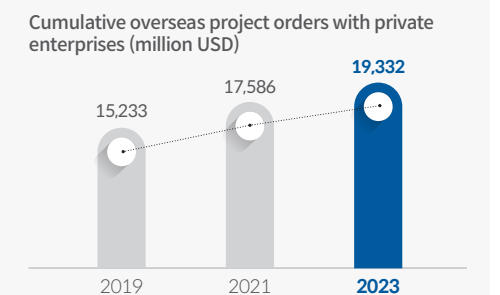
KOGAS, growing together with private companies on the global stage

Through its overseas resource development projects, KOGAS has supported the overseas expansion of private companies across various sectors, including construction, shipbuilding, finance, and insurance, fostering mutual growth. KOGAS will continue to take the lead in enhancing the global stature of South Korea through cooperation with private enterprises.

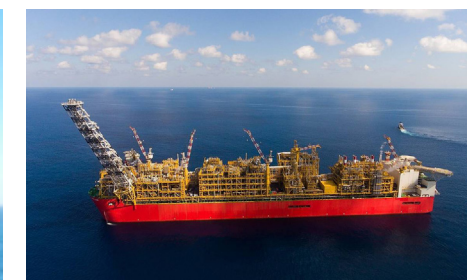


USD 19.3 billion (cumulative) in joint overseas ventures

Contributing to a total of USD 19.3 billion in contracts awarded to domestic construction and shipbuilding companies, as well as interest income for financial institutions



Area 4 Exploration Project, Mozambique



Prelude FLNG, Australia

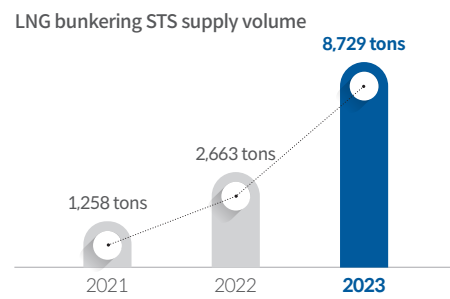


Manzanillo LNG Terminal, Mexico

Better Energy with KOGAS

Preparation for energy transition linked to natural gas

As a key public corporation at the center of the national energy industry, KOGAS recognizes the severity of the global climate crisis and is actively preparing for energy transition in response to rapidly changing climate conditions. Our initiatives include LNG bunkering, the development of low-carbon LNG, and the creation of E-methane. KOGAS is committed to securing sustainable growth engines for the future and realizing our corporate philosophy of "Better Energy, Better World."



LNG bunkering simultaneous operation



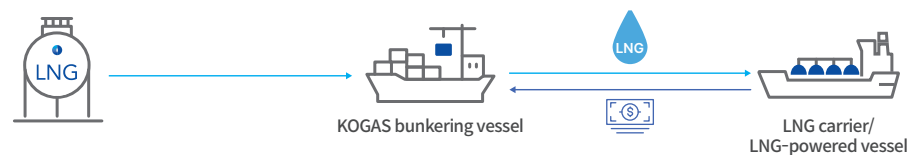
KOLB vessel naming ceremony



Completion ceremony of Tongyeong's manufactured hydrogen refueling stations

Supply of environmentally friendly marine fuel

Since 2020, the International Maritime Organization (IMO) has enforced stricter environmental regulations, reducing the sulfur content in marine fuel from 3.5% to 0.5% or less. This has positioned LNG as a new alternative fuel for ships, capable of replacing traditional marine fuels. To support LNG bunkering using the ship-to-ship (STS) method, which supplies LNG fuel to ships at sea, KOGAS completed the construction of a dedicated LNG bunkering vessel, the Blue Whale, in May 2023. In October of the same year, KOGAS laid the groundwork for activating LNG bunkering by successfully conducting the nation's first simultaneous fuel supply and unloading operation. In December 2023, KOGAS introduced a dedicated bunkering tariff system, and in August 2024, the company achieved another milestone by successfully conducting the first simultaneous fuel supply and unloading operation for a container ship at Busan Port, marking the beginning of a new era in environmentally friendly marine fuel.



Ship to Ship (STS)	Truck to Ship (TTS)	Port-to-Ship (PTS)
· LNG is supplied to ships using a dedicated bunkering vessel	· LNG is supplied to ships using tank trucks at the port	· LNG is supplied to ships using loading facilities at receiving terminals

Reduction of greenhouse gases using LNG cold energy

LNG cold energy is generated during the process of regasifying LNG from -162°C to 0°C for use as natural gas. This energy can substitute approximately 0.23 kWh per kilogram of LNG. KOGAS developed a methodology to certify greenhouse gas reductions from the cold energy business and obtained approval from the Ministry of Environment. As a result, KOGAS secured 1,500 tons of greenhouse gas emission credits over 10 years from the Incheon cryogenic warehouse project and disclosed the certification methodology, laying the foundation for the utilization of LNG cold energy.

Establishment of hydrogen supply infrastructure and stabilization of supply and demand

As the government-designated hydrogen distribution agency, KOGAS is responsible for forecasting supply and demand in the power and industrial hydrogen markets and managing supply and demand statistics. To support the hydrogen economy, KOGAS has a hydrogen supply infrastructure. We have completed the construction of hydrogen production bases using natural gas in Gwangju and Changwon. By the end of 2023, KOGAS was operating 46 hydrogen refueling stations nationwide, including two directly managed stations in Gimhae and Daegu Innovation City, thereby laying the groundwork for the adoption of hydrogen electric vehicles. Additionally, to lay the foundation for the expansion of hydrogen electric buses, we have completed the construction of an on-site hydrogen refueling station at the Tongyeong city bus depot, which has been in operation since June 2024.

Low-carbon LNG production

KOGAS is committed to producing low-carbon LNG. Low-carbon LNG, which reduces carbon emissions during the LNG production process, represents a new business model for carbon reduction. Depending on the production site, it can reduce greenhouse gas emissions by up to 50% based on the Well to Port standard. In the LNG Canada project in Canada, electric motors powered by hydropower are used to generate the necessary electricity, while the Rovuma LNG project in Mozambique reduces carbon emissions during the LNG production process by utilizing high-efficiency combined power generation. These efforts to produce low-carbon LNG not only help reduce carbon emissions but also contribute to energy security, promising a more sustainable future.



LNG Canada Project

Development of clean hydrogen and hydrogen transport infrastructure

KOGAS, in collaboration with Jeju Energy Corporation and Korea Midland Power (KOMIPO), is participating in a national project titled "Development of Hydrogen and Battery Storage System Technology Utilizing Green Hydrogen Production Technology" linked to the Hangwon Wind Power Generation Complex in Jeju. This project aims to accumulate the foundational technology for the future production of green hydrogen through the development, operation, and analysis of a green hydrogen production and storage system. In July 2024, KOGAS successfully produced green hydrogen for the first time in Korea using a 1MW PEM electrolyzer system in Jeju, aligning with the government's carbon neutrality policy. In response to the government's plan to open a clean hydrogen power generation bidding market with a capacity of 6,500 GWh in 2024, and to gradually expand this capacity, KOGAS is planning to build a hydrogen pipeline network in phases to establish the infrastructure needed for carbon reduction. Additionally, to ensure the safety of blending hydrogen into the existing natural gas pipeline network, KOGAS is constructing a hydrogen blending test bed in Pyeongtaek. Through phased demonstrations, KOGAS plans to progressively verify the safety of hydrogen blending in natural gas pipelines.



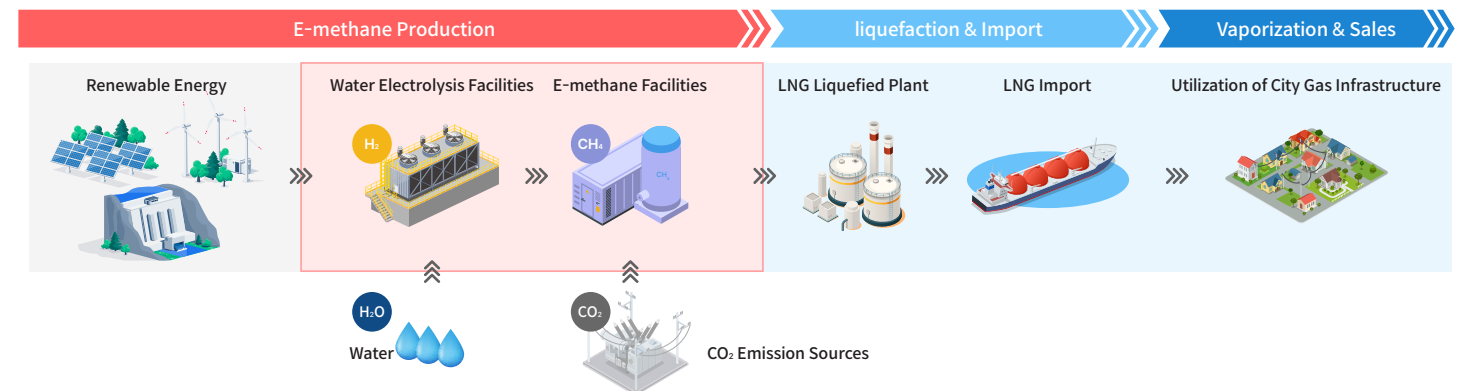
Hangwon Green Hydrogen Demonstration Complex, Jeju

Development of carbon-neutral energy sources

KOGAS is preparing for the transition to eco-friendly energy by developing E-methane, which can be utilized in the existing natural gas infrastructure in Korea. E-methane is a carbon-neutral energy source produced by synthesizing clean hydrogen with carbon dioxide captured from industrial facilities and the atmosphere. E-methane has similar chemical and physical properties to natural gas, allowing it to be used in existing natural gas receiving terminals and pipelines. The development of E-methane is expected to expedite the introduction of carbon-neutral energy sources in Korea because it has relatively low technological barriers and requires no additional investment in domestic facilities.



Hydrogen Blending Test Bed, Pyeongtaek



Sustainable Focus

Sustainable KOGAS



Sustainability Management System	20
Stakeholder Engagement	24
Double Materiality Assessment	26
Focus 1. Enhancing our Climate Change Response System	28
Focus 2. Implementing Safety Responsibility Management and Enhancing Negligence-induced Accident Prevention	34
Focus 3. Ethics and Anti-corruption	40

Sustainability Management System

ESG Strategy System

As global carbon neutrality and energy transition accelerate, significant environmental changes are occurring both domestically and internationally. These include fiercer energy competition, skyrocketing energy prices, and resulting regulations and policies. As the largest natural gas supplier in Korea, we at KOGAS are committed to minimizing our environmental impact and combating climate change while ensuring a stable energy supply. To achieve this, we respect and listen carefully to our stakeholders from all walks of life to practice sustainable business while upholding balanced ESG values. With our vision of "KOGAS, the leader of energy innovation," we have established an ESG strategy system to manage ESG tasks organically. Additionally, we have developed a mid- and long-term roadmap to make ESG integration second nature and to share our ESG management system domestically and internationally.

ESG Strategies and Goals

Vision 2030

“ **KOGAS, The Leader of Energy Innovation** ”

ESG Vision

KOGAS, Pioneering Clean Energy for a Sustainable Future

ESG Goals



40 percent reduction of GHG 2030



Rated grade 1 in safety management



Rated grade 1 in overall integrity

Strategic Direction and Tasks

Environmental	Social	Governance
<ul style="list-style-type: none"> Strengthen climate change response systems Promote the circular economy and reduce environmental pollutants Develop hydrogen businesses Enhance the environment with new initiatives Protect biodiversity and the environment 	<ul style="list-style-type: none"> Fostering mutual prosperity Enhancing public benefits of gas Practicing safety responsibility management Creating and sharing job opportunities Enhancing employee Capacity and Inclusiveness 	<ul style="list-style-type: none"> Operate an ESG decision-making body Promote a culture of integrity Establish a compliance management system Promote fair trade standards and practices Tighten information disclosure and security

ESG 경영 중장기 로드맵



Establishing ESG Governance

KOGAS regularly reports material matters related to ESG management, including business strategies and goals—considering climate change, carbon neutrality, and CSR—to the BOD for decision-making. In 2021, we established the ESG Committee within the BOD, composed of three independent outside directors, to make informed decisions based on expertise. The ESG Committee reviews and oversees the implementation of the company's ESG strategies and policies and meets at least once a quarter. Furthermore, we created the ESG Management Committee, comprised of executives including the CEO and standing directors, to enhance our ESG management practices. This committee reviews major ESG issues and submits them as agenda items to the BOD. Additionally, we receive advice and consultation on key ESG management plans on a regular basis through the ESG Advisory Group, which consists of six external experts. As an organization committed to environmental protection, we operate the Climate Change/Energy Committee, which includes the Executive Vice President and executives from key divisions, to integrate ESG management policies and strategies into our business activities. Additionally, we enhance our expertise and execution capabilities by establishing dedicated committees for each key agenda, including the Integrity/Ethics Committee, Human Rights Management Committee, Gender Equality Committee, Labor-Management Joint Committee, and the Occupational Safety Committee.

| KOGAS' ESG Governance



| ESG Committee meetings held (2023)

Member	Meetings held	Agenda	Attendance
3 independent external directors (Kim Jeong-min, Yi Seok-sun, Jo Hong-jong)	April 7, 2023	· 2023 anti-corruption and integrity policy plan (proposal)	100%
	July 5, 2023	· report on the performance of the 2023 safety responsibility management plan for the first half of 2023 · 2023~27 KOGAS job creation plan (proposal)	100%
	October 26, 2023	· ESG Committee chief appointment · KOGAS ESG management plan (proposal)	100%
	December 22, 2023	· 2024 safe management responsibility plan (proposal) · budget and execution plan (proposal)	100%

ESG Awards (2023)



Best Practice Prize at the Global ESG Management Awards
(in the environment category, Korean Academy of International Business)



Partnerships with Corporates and SMEs Awards
(Commendation of Prime Minister)



Energy Efficiency Awards
(Commendation of Minister of Trade, Industry and Energy)

Sustainability Management System

ESG Performance

KOGAS has concentrated on enhancing its climate change response system, implementing safety responsibility management, fostering a culture of integrity, and developing compliance management system, all in a concerted effort to create better energy and a better world.

KOGAS is dedicated to enhancing public convenience and benefits in everyday life through the stable supply of clean natural gas. We strive to integrate environmental considerations into our business practices, creating both social and economic value, and establishing robust and transparent governance. We will continue to realize our vision, "KOGAS, The Leader of Energy Innovation," by fulfilling our Vision 2030 strategies and engaging in ESG-based business activities.

Environmental Leader in Green Energy

- Enhancing our Climate Change Response System
- Vitalizing the circular economy and reducing pollutants
- Establishing a foundation for hydrogen businesses
- Advancing new business initiatives to improve environmental conditions
- Biodiversity and environmental protection



Enhancing our Climate Change Response System

- Sustainable LNG terminal operations with eco-friendly and high-efficiency equipment
 - Enhanced performance of seawater vaporizers (Super-ORV)
 - Introduction of domestic high-efficiency, large-capacity vapor gas compressors
 - Expansion of pre-cooler installations for vapor gases
 - Achieving an annual electricity savings of 11.8 million kWh and a reduction of 17,559 tons of CO₂-eq in GHG
- Promotion of Low-Carbon LNG Business
 - Advancing Low-Carbon LNG Production through LNG Canada and Mozambique

Promoting Circular Economy and Reducing Environmental Pollution

- Achieved a 97% recycling rate for construction waste
- Reduced total greenhouse gas emissions by 13%
 - From 752,034 tons CO₂-eq in 2022 to 654,229 tons CO₂-eq in 2023

Building a hydrogen infrastructure and supply foundation to realize clean energy welfare

- Completed two hydrogen terminals, one in Gwangju and one in Changwon, capable of charging over 2,800 hydrogen vehicles daily
- Added 13 more hydrogen stations compared to 2022
 - 95.3 percent availability rate at company-operated hydrogen stations
 - Total revenue from all hydrogen stations reaching KRW 5.6 billion

· Awarded the Outstanding Institution Prize in the Environment Category at the Global ESG Management Awards

Advance new initiatives to improve the environment

- Reducing air pollution by transitioning from traditional Bunker C oil to LNG bunkering
- For LNG bunkering business expansion, we constructed LNG bunkering ships, conducted simultaneous operations, and developed a bunkering-specific rate system
 - Achieved a 3.3-fold increase in LNG bunkering supply using the ship-to-ship (STS) method compared to 2022.

Biodiversity and Environmental Protection

- Achieved zero loss in biodiversity protection areas domestically and internationally
- Increased the spoon-billed sandpiper population by 30 pairs

Social Society Living in Harmony

- Fostering Mutual Prosperity
- Enhancing Public Benefits of Bas
- Implementing Safety Responsibility Management
- Creating and Sharing Job Opportunities
- Enhancing Employee Capacity and Inclusiveness



Mutual Cooperation and Joint Growth

- Supported 1,302 partners for mutual prosperity
 - An increase of 38 companies from 2022
- Reduced fees for 1.75 million vulnerable households
 - An increase of 130,000 households from 2022
- Localization of key natural gas equipment components
 - Cumulative localization of 732 key facility components and 79 key components by 2023
- Charity Miles campaign
 - KRW 150 million donated to 1,023 vulnerable individuals
 - Reduction of over 20 tons of carbon emissions
- Improved energy efficiency for vulnerable individuals (225 locations nationwide)

Enhancing Public Benefits of Gas

- Mitigating gas rate increases through dividend income from overseas operations
 - Secured KRW 175.1 billion as a resource to offset gas rate hikes by maximizing dividend income
- Secured KRW 507.4 billion in resources to reduce supply costs by expanding joint facility usage (by 2027)
- Reduced import costs by KRW 56.5 billion through LNG price renegotiation
- Zero days of supply emergency occurrence

· Rated excellent in the public sector mutual prosperity assessment
 · Received the Partnerships with Corporates and SMEs Award (Prime Minister)

Implementing safety responsibility management using smart technology

- Established the "Advanced Disaster Safety Management System" using digital technology (April 2023)
 - Build a VR fire training center by utilizing public disaster data
 - Zero incident of gas supply suspension due to disasters in 2023

Creating and sharing job opportunities

- Created 13,021 jobs, including positions in both the industry and private sectors

Enhancing Employee Capacity and Inclusiveness

- Family-friendly certified company for 9 consecutive years
- "Achieved" the proactive measures for gender equality in employment

· Received the Disaster Drill Merit Award (Presidential Prize)
 · Re-certified as a Best Practice Disaster Reduction Company by the Ministry of Public Administration and Security
 · Received the Anti-Drone System Construction Merit Award (Presidential Prize)

Governance Robust and Transparent Governance

- ESG Decision-making Bodies
- A Culture of Integrity
- Compliance Management System
- Fair Trade Culture
- Improving Information Disclosure and Security



ESG Decision-making Bodies

- Introduction and stable operation of the labor BOD
- ESG-based decision-making body operation
 - ESG Management Committee
 - ESG Committee
- Introduction and Operation of the Employee Director System

Establishing a Culture of Integrity

- Embedding and promoting integrity in the workplace
 - On-site integrity support sessions (9 times)

Established an anti-corruption business management system

- Maintained ISO 37001 certification for anti-corruption business management
- Strengthened governance among high-ranking employees
- Enhanced internal and external communication for integrity

· Recognized as an outstanding institution for voluntary disclosure by the Ministry of Strategy and Finance
 · Received a commendation for improving the information protection level of national infrastructure from the Ministry of Science and ICT and the Ministry of Science and ICT

Established a support system to promote fair trade as an organizational culture

- Created a new fair economy sharing platform to establish a fair economic order
 - Engaged with stakeholders in the construction and service sectors
- Presented a KOGAS business transaction model:
 - Prevented payment arrears to partners (327 cases reported to Subcontractor Guardian and 74 contracts for direct payment to subcontractors)
 - Built a regular monitoring system for unfair subcontracting (zero cases reported in 2023)

Improving information disclosure and security

- Expanded ESG disclosures to take the lead in ESG management (43 items in 2022 → 53 items in 2023)
- Strengthened Control System Security
 - Improved information protection system for critical infrastructure (97.1 points in 2022 → 97.4 points in 2023)
- Improved the information security evaluation conducted by the Ministry of Trade, Industry, and Energy (97.8 points in 2022 → 98.5 points in 2023)



Utilizing STS for LNG bunkering



Emergency Response Drill for "Safe Korea"



Platform for cooperation among industry, academia, research, and public sectors in the Daegu area



Prime Minister Prize at Mutual Prosperity Merit Awards



Good Will Store opening ceremony



Signing Ceremony of the Ethical Cooperation Agreement between KOGAS and its Subsidiaries

Stakeholder Engagement

Stakeholder Communication Channel Operation Policy

We at KOGAS define stakeholders as individuals or groups significantly affected by our business activities and services. We gather stakeholders' needs and opinions on economic, environmental, and social issues to identify new opportunities and risks, promote service innovation, and effectively incorporate these insights into our business operations. Through these efforts, we aim to continuously maintain and develop mutually beneficial and trustworthy relationships with our stakeholders, creating greater value and becoming a world-class model company for sustainable management.

Customized Channels of Communication for Stakeholders

We classify our key stakeholders into four types: internal leadership, public cooperation, private cooperation, and community engagement. For each type, we operate customized communication channels to accurately identify their needs and expectations. Additionally, we strive for two-way communication, cooperation, and transparent information disclosure to actively listen to our stakeholders' feedback.

	Internal leadership type	Public cooperation type	Private cooperation type	Community engagement type
Stakeholders	Employees, labor union	Central government, local governments, relevant institutions	City gas and power providers, partners	General public, local communities
Traits	Business execution, communication leadership	Basis for system and technology	Partnership and participation	Sharing and advertisement
Communication environment	Building a foundation for a new vision strategy to celebrate KOGAS' 40th anniversary	Increased demand for cooperation on new government policies and national initiatives	Volatile external environment highlighting ESG commitment and declining gas sales	Rising public interest in utilities and increased gas bills
Communication needs	<ul style="list-style-type: none"> Sharing vision, strategy, management issues, and core values Strengthening field-focused communication 	<ul style="list-style-type: none"> Joint Response to Heating Cost Issues Collaborating with and supporting government policies on hydrogen and public data 	<ul style="list-style-type: none"> Joint Response to the Gas Market, coordinating between wholesale and retail gas suppliers Supporting the growth of private sector partners 	<ul style="list-style-type: none"> Addressing Gas Bill Rate Reductions Providing information on energy savings Emphasizing social responsibility
Communication channel	<ul style="list-style-type: none"> KOGAS & Tomorrow (direct communication with CEO) On-site communication team Blind feedback portal 	<ul style="list-style-type: none"> Energy saving advertisement TF Demand and supply council for Hydrogen in transport Public Institution Innovation Promotion Team 	<ul style="list-style-type: none"> City Gas Growth Committee KOGAS Mutual Prosperity Council 	<ul style="list-style-type: none"> KOGAS social media channel Gen Z and Millennial College Student Communication Team Public Communication Team
Activities	<ul style="list-style-type: none"> CEO-Employee Meetings (3 times) - Provided opportunities for employees to ask questions and share their opinions directly with the CEO. On-Site Meetings with Executives (29 times): Held at all business locations to discuss the company's vision, strategy, and current management issues. 	<ul style="list-style-type: none"> Established Hydrogen Industry Infrastructure: Laid the groundwork for hydrogen infrastructure in transportation. Public-Private-Government Consultative Body Held 3 meetings with 27 participating institutions, including government agencies, organizations, and businesses. 	<ul style="list-style-type: none"> Joint Workshops with City Gas Providers: Conducted 2 workshops to assess customer needs, share market information, and identify areas for improvement. Feedback from Small and Medium-Sized Partners: Conducted 7 in-depth interviews 31 complaints filed and handled—4.4 times more than the previous year 	<ul style="list-style-type: none"> Increased Content Production: Expanded content related to fees, projects, and more from 150 in 2022 to 184 pieces in 2023. Engagement with Gen Z and Millennials: Identified 9 key tasks for communication and increased social media advertisements to 638 instances
Results	<ul style="list-style-type: none"> Core Value Compliance improved by 0.5 points, from 89.3 in 2022 to 89.8 in 2023. Vision Shaaring increased by 0.7 points, from 86.2 in 2022 to 86.9 in 2023. 	<ul style="list-style-type: none"> Minister of Industry Award received for energy conservation advertisement (November) Hydrogen supply provided a stable supply of 5,500 tons of hydrogen for transportation, a 45% increase from the previous year. 	<ul style="list-style-type: none"> Customer satisfaction achieved an excellent rating, increasing from 88.8 points to 93.5 points Prime Minister's Award in recognition for contributions to mutual prosperity (November) 	<ul style="list-style-type: none"> Satisfaction with KOGAS social media increased by 2.9 points, from 62.9 in 2022 to 65.8 in 2023 Interest in KOGAS PR Channels ranked 1st among individuals in their 20s, with (49.4%)

Public Communication Channels

E-Complaint Center

- unfriendliness
- budget waste
- inconvenience
- request for information disclosure

Corruption Reporting Center

- lax management
- illegal subcontracting
- power abuse
- safety concerns
- human rights infringement
- corruption

General Inquiries Center

- Suggestions
- Q&A (gas, investment, construction, employment, etc.)

Classification	Activities
Public Communication Team	<ul style="list-style-type: none"> · Comprised of 108 members, including civil organizations, suppliers, and experts · Reviews comprehensive innovation plans, shares and suggests innovative practices, and analyzes best practices
KOGAS webzine	<ul style="list-style-type: none"> · Replaced company newsletter with in-house webzine (600 subscribers), starts a Kakaotalk channel (13,000 friends), creates and distributes emoticons
Social media, You Tube, and other media	<ul style="list-style-type: none"> · Produces and distributes KOGAS business-related customized publicity content (128 on social media, 19 You Tube videos, etc.)
Professional basketball team	<ul style="list-style-type: none"> · Creates jobs in local community, CSR activities contributing to creating an image as a company that represents the region
LnG mentoring program	<ul style="list-style-type: none"> · Mentoring program designed for long-term bonding between KOGAS employees and young locals. Twinned with 47 teams as of 2023
KOGAS Safety alarm	<ul style="list-style-type: none"> · Reports and takes action on safety issues (work suspension, risk factors, etc.) at the business sites · A total of 130 reports filed and action taken in 2023, a total of 35 reports filed and action taken in 2024 (as of June)
Daegu Problem Solving Platform	<ul style="list-style-type: none"> · A public-private partnership platform for local community solutions · Empowerment Program for Women with Career Gaps in Daegu (completed in 2023)
Information disclosure to the public	<ul style="list-style-type: none"> · Responds to public requests with review results within 7 days



KOGAS Pegasus basketball team



KOGAS Innovation Leader kick-off ceremony

Double Materiality Assessment

Materiality Assessment

KOGAS conducts materiality assessments annually to analyze sustainability issues from environmental, social, and governance perspectives. These assessments help us understand their relevance to KOGAS' business strategy and activities, as well as their importance for intensive management and reporting of key issues. This year, we conducted a double materiality assessment, referring to the impact identification and assessment method recommended in the 2021 GRI Standards (Global Reporting Initiative). The assessment evaluated both the impact of KOGAS' business activities on society and the environment, and the impact of external sustainability factors on KOGAS' business and financial situation. We established a sustainability issue pool highly relevant to KOGAS, considering changes in the gas/energy industry, current issues, and other factors. Three key issues were identified by comprehensively considering environmental/social impact (Inside-Out) and financial impact (Outside-In). The effectiveness of these key issues was reviewed through internal assessments (aligned with risk analysis, ESG strategies, and company-wide risks) and Third-Party Assurance. This report discloses the risks and opportunities of each issue, their impact on business and strategy, and the activities carried out to address them, providing transparency to our stakeholders.

Double Materiality Assessment Process

STEP 01



Create a sustainable management issue pool

We conducted a comprehensive analysis of the characteristics and recent changes in both internal and external environments, business management strategies and policies, and current issues. Using our analysis framework, we identified a total of 18 key issues in environment (5), society (7), and economy and governance (6).

STEP 02



Identify impact and assess priority

We evaluated the impact of these issues from environmental, social, and financial perspectives. Based on a thorough priority assessment, which considered their interconnectedness, we identified three key issues.

Environmental and social impact (inside-out)

- Evaluated environmental and social impact and assessment indicators (GRI, UN SDGs, ISO 26000, UNGC Advanced, etc.)
- Benchmarked six domestic and international peer companies (6 at home and abroad)
- Analyzed press releases (321)
- Conducted an external stakeholder survey

Financial impact (Outside-In)

- Analyzed international standards and assessment indicators based on financial performance (S&P Global, MSCI, KCGS, SASB, TCFD, etc.)
- Analyzed relevant laws and systems
- Analyzed internal strategies and guidelines
- Conducted an employee survey

Stakeholder survey

Survey Period: May 3-9, 2024

Target: Employees and external stakeholders

Method: Online, multiple-choice questions

Results: A total of 273 respondents from internal and external stakeholders

STEP 03



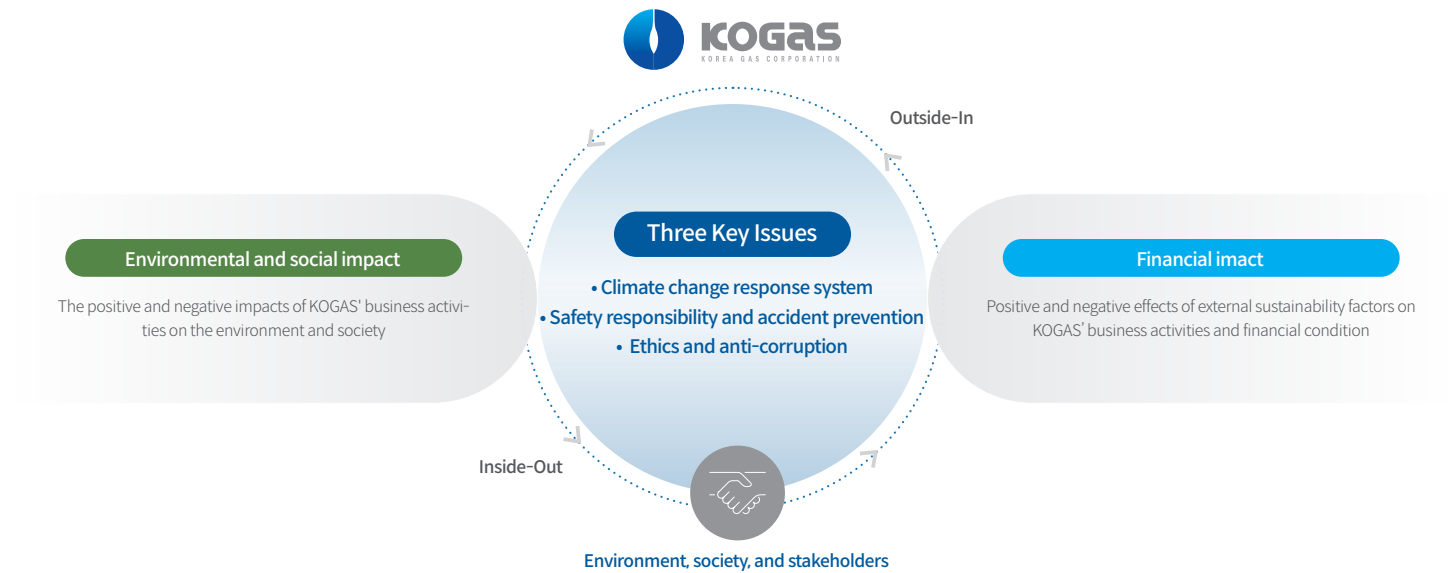
Choose key issues and review validity

We identified three key issues and 15 reporting/management issues from the double materiality assessment. We then reviewed their relevance to KOGAS' sustainability management in terms of scope, boundary, and time frame, among other factors.

The results of the double materiality assessment are reported to and reviewed by the management and the Board of Directors (ESG Committee). The report includes strategies and objectives for key issues, promotion strategies, major activities, and achievements.

Materiality Assessment Result Analysis

Double Materiality Assessment Result



2024 KOGAS Material Issues

Classification	Sustainability Management Issues	GRI Index	Environmental and Social Impact	Financial Impact	Page (s) in the Report	
Key Issues	Environment	Climate change response system	201-2, 305-1~6	High	High	28-33
	Society	Practice of safety responsibility business and negligence-induced accident prevention	403-1~10, 416-1	High	High	34-39
	Economy and governance	Ethics and anti-corruption	205-1~3, 206-1	High	High	40-45
Reporting/ Management Issues	Environment	Environmental pollutant discharge management		Medium	High	52-53
	Environment	Proactive integration of environment into business management system		Medium	Medium	48-49
	Environment	Biodiversity and ecosystem protection		Medium	Low	54-56
	Environment	Eco-friendly technology development and investment growth		Low	Medium	48
	Society	Sustainable supply network management and mutual prosperity with partners		High	Low	62-63
	Society	Mutual prosperity and local community engagement and growth		High	Low	64-67
	Society	Job creation and sharing		Medium	Low	72-73
	Society	Diversity and inclusiveness		Low	Medium	68
	Society	Performance management and remuneration		Low	Low	68
	Society	Talent management and capability building		Medium	High	69
	Economy and governance	Stakeholder communication		Low	Low	24-25, 61, 74, 90
	Economy and governance	Integration of human rights management into business operations		Medium	Medium	86-91
	Economy and governance	Identification of new businesses and economic value creation		High	Medium	30-31, 61, 75
	Economy and governance	Stable natural gas production and supply		Low	Medium	12-15
	Economy and governance	Financial robustness and profitability		Low	High	97

Focus 1. Climate change response system

Goal

· **40% reduction of GHG by 2030**
(compared to 2018)

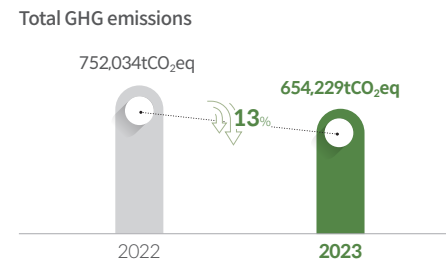
Our Approach

Since committing to environmental responsibility and obtaining ISO 14001 certification in 1997, we have excelled in environmental management. We oversee policy execution and departmental responsibilities, authority, and procedures according to our in-house standard document, "Environmental Management Review Procedure," which includes environmentally conscious business practices. We have established pollutant discharge standards that are stricter than legal requirements at our worksites and actively manage air and water quality. By addressing climate change risks and integrating key stakeholders' demands for climate response into our business operations, we are leading the way in sustainable development.

Climate Change Response System

Climate Change Response System

To address climate change and the growing environmental interest both domestically and internationally, we have voluntarily established a GHG inventory and calculated emissions since 2008. We have developed a KOGAS GHG reduction plan and are striving to reduce emissions in line with the national GHG emissions reduction target (NDC). Our domestic offset goals will be achieved through internal reductions, such as energy-efficient CO₂ capture (CCUS), and external reduction projects, such as cold energy utilization. Our overseas offset goals will be met through international GTP projects. Additionally, we are strengthening our GHG emissions responsibility to contribute to the "national carbon neutrality by 2050" goal, in line with the carbon neutrality announcement made by countries like the United States and those in Europe. As a result of these efforts, we achieved GHG emissions of 654,229 tCO₂e in 2023, a 13 percent decrease from the baseline year of our reduction target.



| KOGAS Carbon Neutrality Plan

Securing corporate competitiveness:	Regulatory Compliance:	Corporate responsibility
<p>Developing new competitive advantages</p> <p>Establishing a carbon credit revenue model</p> <ul style="list-style-type: none"> Identifying Emission Trading Revenue Opportunities Domestically and Internationally ※ Generating additional profit through carbon offset credit sales <p>Securing investment value</p> <ul style="list-style-type: none"> Carbon neutrality as a core of ESG management ※ Significant influence of non-financial performance evaluations by global investors on investment decisions 	<p>Comprehensive response to carbon regulations</p> <p>Efficient management of the emissions trading system</p> <ul style="list-style-type: none"> Ensuring flexibility in emissions trading ※ Reinvesting surplus carbon credits into reduction projects <p>Responding to low-carbon energy demand</p> <ul style="list-style-type: none"> Providing eco-friendly energy solutions to meet carbon neutrality goals for end-users 	<p>Creating social value</p> <p>Contributing to national GHG reduction efforts</p> <ul style="list-style-type: none"> Implementing GHG reduction in alignment with the national NDC goal (40% reduction compared to 2018) <p>KOGAS Collaboration</p> <ul style="list-style-type: none"> Supporting global climate change response Sharing energy welfare and benefits with customers

Climate Change Governance

The Carbon Neutrality Environment Department, responsible for managing the company's environmental impact and climate change response, works closely with stakeholders at each business site. KOGAS also provides suppliers with environmental management guidelines to reduce GHG emissions, save energy, and minimize environmental risks. The Working-Level Council, composed of heads of relevant teams and departments related to climate change response and energy, monitors climate change issues consistently. It reports important matters to the Climate-Change/Energy Committee at least annually, which consists of the Executive Vice President of Safety & Technology and division heads. The ESG Management Committee, which was established in 2021 comprising the CEO and executives, deliberates on major climate change agendas and reports to the BOD. The ESG Committee, composed of three independent outside directors within the BOD, is responsible for deliberating and consulting on carbon neutrality and other environment-related mid- to long-term business plans and strategies. Key climate change issues are first reported to the Climate Change/Energy Committee, then to the ESG Management Committee, and finally to the BOD (including the ESG Committee), ensuring consistent monitoring of relevant goals and results. Climate-related issues are discussed at least once a year during BOD meetings. Additionally, the ESG Advisory Group, made up of external experts, reviews these issues to provide informed advice and ensure the expertise of the decisions made by the ESG Management Committee and ESG Committee.

| KOGAS Climate Change Response Governance



| Employee GHG Emissions Management Incentive Program

CEO	The CEO's performance bonus is determined based on the results of the management performance evaluation and must comply with government regulations regarding bonus limits and payment ratios. The management performance evaluation indicators for the CEO's bonus include various areas related to the successful implementation of energy transition policies, such as GHG emission reductions, energy savings, and carbon neutrality. The CEO's incentives play a crucial role in improving environmental performance and achieving the organization's climate goals, which are key to enhancing the company's sustainability and long-term competitiveness.
Executives excluding the CEO	Annual emission reduction targets are set and incorporated into the company's medium-term management plans. Key tasks for achieving these targets are used as performance indicators in government management evaluations and internal performance assessments, providing incentives to relevant executives, including heads of departments and divisions. The performance-based salary for these executives, particularly those responsible for GHG reduction efforts, is determined based on the overall results of internal performance evaluations, including the achievement of emission reduction targets.
Other employees	As a public enterprise, KOGAS undergoes an annual government management evaluation. The "Safety and Environment" indicators in this evaluation quantitatively assess achievements in GHG reduction, energy savings, green product procurement, and environmentally friendly new business initiatives, along with qualitative efforts and outcomes. Every month, we receive a management evaluation from the government, including an environmental management assessment. Based on these results, performance bonuses for employees are awarded in accordance with our internal performance management manual.

Focus 1. Climate Change Response System

Climate Change Risk Management

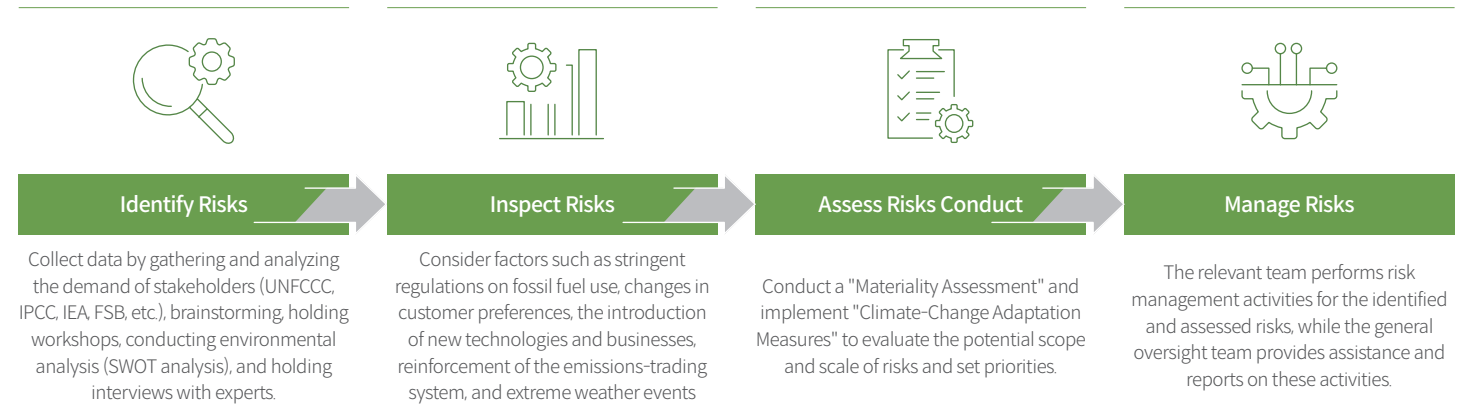
Climate Change Risks and Opportunities

Climate change-related risks and opportunities significantly impact our overall business management, including operations, management, facility investment, and technology development to adapt to and mitigate climate change effects. To respond to climate change, we have established adaptation measures by identifying the physical risks that heat waves, cold waves, and heavy rain pose to gas supply facilities and by evaluating their priority. From a risk perspective, we address both current and potential regulations, as well as technological, legal, and market risks in the short- and mid-term. From an opportunity perspective, we are developing and applying eco-friendly technologies. We are also creating a plan to mitigate physical and potential climate risks over the next 5 to 10 years.

Climate Change Risk Management Procedure

We have implemented a risk management procedure to identify, assess, and manage potential climate change-related risks and opportunities that could impact our business operations and overall management.

| KOGAS Climate Change Risk Management Procedure



Climate Change Scenario Analysis

KOGAS conducted a climate change risk scenario analysis using RCP 8.5, the most extreme climate change scenario. This scenario sets GHG concentration values, calculates potential climate changes, and determines GHG reduction policies for each social and economic sector as countermeasures based on the results. The RCP 8.5 scenario assumes that GHGs are emitted at the current rate without any reductions.

Climate Change Response Strategy

Strategic Direction for Response Planning

We identify and investigate potential climate change-related risks and opportunities that may financially impact KOGAS in the short, medium, and long term through a materiality assessment of our climate change risk management procedure. Based on this assessment, we establish appropriate response strategies.

Response Strategies for Transition-Related Risks and Opportunities

The natural gas business is expected to grow due to stricter fossil fuel regulations and increasing consumer interest in the environment. We aim to contribute to GHG reduction by improving LNG carbon intensity, developing new technologies such as CCUS, and launching new projects like LNG bunkering. Additionally, we will acquire new technology for these businesses and projects through independent research and collaboration with relevant institutions, ensuring competitiveness in natural gas prices. With the expected rise in carbon credit prices due to a global push for carbon reduction, we plan to minimize the need to purchase credits. We'll do this by securing CERs through promoting energy efficiency, transitioning to renewable energy, reducing GHG emissions with carbon capture, and external reduction projects. Amid consistent tight regulations within the natural gas value chain, such as the methane tax in the United States and the methane regulation laws in the EU, KOGAS is developing strategies to lead in methane discharge regulation rather than merely comply. We are actively participating as a founding member in the MMRV¹⁾ Framework, led by 13 nations, and have joined CLEAN²⁾, collaborating with Japan on joint efforts to reduce methane emissions.

1) MMRV: Methane Measurement, Monitoring, Reporting, and Verification System
2) CLEAN: Korea-Japan LNG Buyer Methane Reduction Cooperation Body

Response Strategies for Physical Risks and Opportunities

Rising average temperatures can reduce natural gas demand, and the narrowing temperature differences between summer and winter lower facility productivity. Additionally, greater temperature variations between day and night increase equipment failures, while recurring droughts and floods weaken the ground supporting the supply chain. At KOGAS, we pay special attention to these chronic climate changes as potential financial risk factors. To ensure a stable and sustainable energy supply, we have identified and assessed six climate change impact factors (heat waves, cold waves, heavy rain, heavy snow, strong winds, and sea level rise) that affect our facilities. We also have developed adaptation measures consisting of 18 tasks in three areas to enhance our adaptability to climate change, executing and monitoring these measures annually.

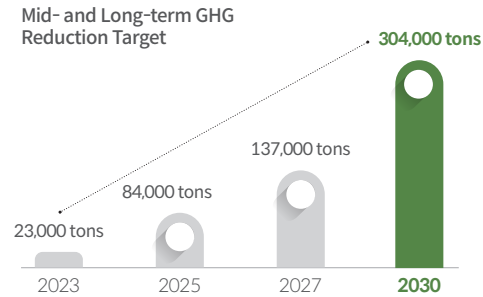
Vision	KOGAS: Leading the Way to a Climate-Safe Future		
Goal	Stable gas supply through proactive response to the climate crisis		
Implementation Strategies	Facility Sector <ul style="list-style-type: none"> - Stable gas supply through proactive facility inspection and maintenance - Risk-prone facility inspection, repair, and upgrades for climate change preparedness - Cold wave facility safety inspection for production and supply systems - Winter season stable supply measures operation - Waterproofing measures to prevent electrical leakage and humidity sensor installation - Disaster prevention facility and equipment inspection and maintenance - Stability assurance through climate change adaptation system establishment - Survey and enhancement of preventive measures in soft ground vulnerable areas - Disaster classification system improvement and communication protocol standardization - Disaster response framework enhancement and manual update - Natural gas supply and demand field action manual update - Boil-off gas (BOG) event preparedness and load-level contingency plan establishment during heatwaves - Climate change adaptation measure implementation evaluation system establishment 	Facility Management Sector <ul style="list-style-type: none"> - Improvement of WORK CONDITIONS IN RESPONSE TO CLIMATE IMPACTS - Health protection supplies for outdoor workers during extreme heat and cold waves - Heat wave relief shelter establishment - Development and revision of guidelines for worker protection against climate-induced hazards - Capacity enhancement through climate change education - Climate change adaptation expert training and employee knowledge dissemination - On-site action guidelines communication in response to weather advisories 	Public Service Sector <ul style="list-style-type: none"> - Public awareness enhancement through climate change education and outreach - Distribution of climate crisis response guidelines and promotional materials to the public

Focus 1. Climate Change Response System

Response Goals and Performance Management

Goals and Management Indicators

In a bid to join the national effort to address climate change and achieve carbon neutrality, KOGAS has voluntarily established a GHG inventory and calculated emissions since 2008. We have also completed third-party verification of GHG emissions and energy usage data. With the ESG goal of targeting a 40 percent reduction in GHGs by 2030, we have set management indicators to strengthen our climate change response system among major issues. Methane emission regulations is one of the four key focus areas, with tasks set to establish international standards and promote international cooperation. As a performance indicator, the methane reduction amount is monitored and managed. Additionally, to build a carbon-neutral workplace, KOGAS has set climate change response goals by identifying reduction tasks, promoting activities like the cooling and heating industry, and establishing performance indicators such as the GHG reduction rate. Management indicators are in place to achieve these goals.



Results and Prospects of GHG Reduction

In response to the demand for low-carbon energy, we are promoting a low-carbon LNG business by upgrading key facilities currently powered by gas turbines to use green power starting in 2025. We expect this initiative to reduce GHG emissions by 460,000 tons by 2030, contributing to international GHG reduction targets. Additionally, we have installed various renewable energy facilities at our headquarters and 14 business sites, using them to generate power for building energy consumption. Moreover, we have signed an MOU with Tokyo Gas to lay the foundation for an eco-friendly energy transition for KOGAS facilities. We have also formed a partnership among industry, academia, researchers, and the public sector in Daegu to develop carbon-neutral technology using natural gas infrastructure. We are implementing a test bed for hydrogen blending in natural gas pipelines in stages, establishing a foundation for reducing national emissions by 7.66 million tons per year. Additionally, we conduct energy assessments every five years for buildings with a floor area of 3,000 square meters or more, which provide us with opportunities to improve energy performance.

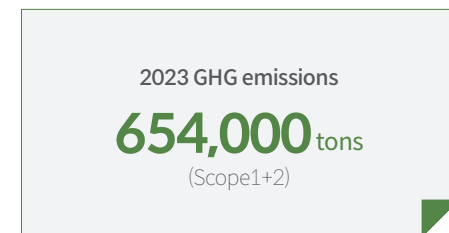
GHG Management Target

At KOGAS, the team responsible for GHG and energy at each business site analyzes and assesses energy consumption targets and performance every quarter. They develop energy reduction plans based on these analyses and feedback.

Each year, we set GHG and energy goals that reflect our natural gas sales and reduction targets in our mid- and long-term business management plan. In 2023, our GHG emissions were 654,229 tCO₂eq, approximately 13% lower than the previous year's emissions of 752,034 tCO₂eq.

| KOGAS GHG Emissions¹⁾

Classification	Unit	2020	2021 ²⁾	2022	2023	
Natural Gas Sales	1,000 tons	32,367	36,914	38,397	34,642	
Total GHG Emissions (Scope 1+2)	Emissions	tCO ₂ eq	595,262	687,660	752,034	654,229
	Unit in KRW	tCO ₂ eq/1,000 tons	18.391	18.629	19.586	18.885
Direct Emissions (Scope 1)	Emissions	tCO ₂ eq	206,510	279,215	324,820	249,923
Indirect Emissions (Scope 2)	Emissions	tCO ₂ eq	388,752	408,452	427,221	404,313
Other Indirect Emissions (Scope 3) ³⁾	Emissions	tCO ₂ eq	102,469,800	117,254,384	121,863,755	103,308,976



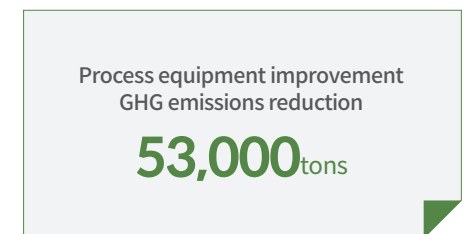
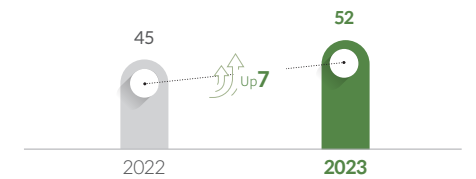
1) Prepared based on the GHG inventory
 2) Due to climate change, increased sales of natural gas for power generation and city gas for heating have led to higher operation of production facilities (vaporizers, SCVs, etc.), resulting in increased emissions
 3) Other Indirect Emissions (Scope 3): This includes emissions generated from the use of sold products (emissions from power plants and city gas supply), upstream and downstream transportation and distribution (emissions from handling natural gas), investments (emissions from natural gas production for overseas resource development), and more

GHG emissions reduction efforts

GHG Emissions Reduction in business sites

As a GHG-emitting company, KOGAS is committed to fulfilling its GHG reduction goals at all its business sites each year, striving to minimize direct and indirect GHG emissions generated in the natural gas production process. We are reducing GHG emissions at each business site by replacing old, long-term operating facilities, expanding high-efficiency facilities, optimizing process operations, and generating eco-friendly renewable energy. In 2023, we executed 52 GHG emissions reduction tasks identified through a company-wide contest. These tasks were incorporated into our internal assessments and company-wide communications. We reduced GHG emissions at our business sites by enhancing high-efficiency facilities and improving air compressor operations. In 2023, to achieve realistic task implementation, KOGAS enhanced task execution by integrating internal evaluations and company-wide promotion, resulting in the execution of a total of 52 greenhouse gas reduction tasks submitted by employees. In addition, we reduced GHG emissions by over 53,000 tons, a 120 percent increase from the previous year.

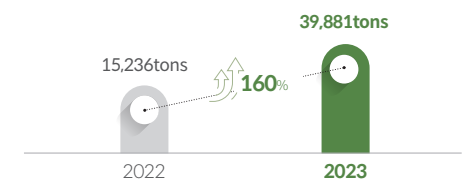
Entries for the GHG reduction program contest



GHG Emissions Reduction through LNG Bunkering Business

In accordance with the tightened regulations of IMO 2020 (January 2020) established by the International Maritime Organization (IMO), all ships must use marine fuel with a sulfur content of less than 0.5 percent. KOGAS is contributing to the reduction of GHG emissions by undertaking the LNG bunkering business, supplying LNG fuel to domestic and foreign shipping companies equipped with LNG propulsion ships. To expand the LNG bunkering business, which has a lower air pollution impact compared to traditional bunker C oil, we have built an LNG bunkering ship, demonstrated simultaneous operations, and developed a bunkering-specific rate system. In 2023, we increased LNG bunkering supply using the Blue Whale, our LNG bunkering ship, by 3.3 times from the previous year. LNG sales for ships grew to 39,991 tons, up 160 percent from the previous year's 15,236 tons. Additionally, we have replaced gas-powered combustion vaporizers, leading to a reduction in GHG.

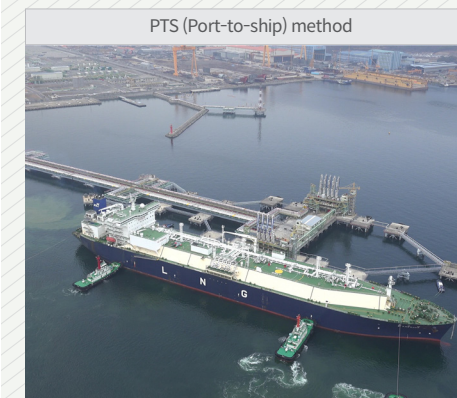
LNG sales for ships



We utilized large-capacity evaporator compressors of domestic origin, cutting power consumption by 12 percent and increasing recondensation efficiency by 57 percent. As a result, we reduced GHG emissions by 1.4 times (17,559 tCO₂eq) compared to the previous year's reduction (12,284 tCO₂eq).

Transport LNG Business Team

LNG bunkering : the process of supplying LNG fuel to ships



• Using facilities, at LNG terminals for large-scale supply to LNG carriers



• Using tank lorries, for small-scale supply to LNG propulsion ships at ports



• Using LNG bunkering ships, for medium-scale supply to ships, regardless of vessel type or location

Focus 2. Safety Responsibility Management and Negligence-related Accident Prevention

Goal

· **Zero serious incidents through a strong emphasis on safety systems and safety culture** (grade 1 in safety management until 2027)

Our Approach

KOGAS prioritizes safety, health, and environmental management to build an autonomous safety culture and strengthen the safety cooperation system with stakeholders. By promoting worker safety and health, we aim for a transparent and sustainable safety, health, and environment system. Through the establishment of a safety and health management manual, we identify the organization's situation and stakeholders' needs and work to reduce safety and health risk factors.

Safety and Health Management Strategy System

KOGAS's Safety, Health, and Environmental Management Policy

1. We consistently improve our safety, health, and environmental management system through worker participation and communication, aiming to proactively prevent accidents.
2. We foster a proactive safety culture, eliminating hazards and risks in advance to create a safe and pleasant working environment.
3. We recognize all stakeholders as partners for safety, health, and environmental management, strengthening safety cooperation through communication and mutual respect.
4. We comply with domestic and international laws and standards, ensuring the robustness of gas facilities through inspections and upgrade on a regular basis.
5. We actively contribute to addressing the climate crisis by building an eco-friendly ecosystem and minimizing environmental pollutants.

Safety and Health Management Strategies and Goals

KOGAS prioritizes safety, health, and environmental sustainability in its business practices, striving for a transparent and sustainable system that safeguards employees and stakeholders. In his 2023 inauguration speech, the new CEO highlighted "safety" as the most critical aspect of our operations. KOGAS aims to achieve "zero casualties and disasters" and "Grade 1 in safety management" by 2027, positioning itself as an organization committed to safety management. We have obtained ISO 45001 (Occupational Safety and Health Management System) and KOSHA-MS (Industrial Safety and Health System) certifications for our headquarters and 14 business sites nationwide, reflecting our world-class safety and health management standards. Additionally, we have updated our occupational safety and health management manual to address issues identified by KOSHA-MS and ISO 45001, focusing on the plan-do-check-action cycle. Our Dangjin Construction Safety Education Center has received KOSHA No. 30 certification from the Occupational Safety and Health Agency (KOSHA), designating it as an official occupational safety education provider. We are also operating the KOGAS safety brand, "SAFE 4u," which we have enhanced to prioritize public life and safety. Furthermore, we have established eight tasks to achieve our ESG goals.

KOGAS Safety and Health Management Tasks

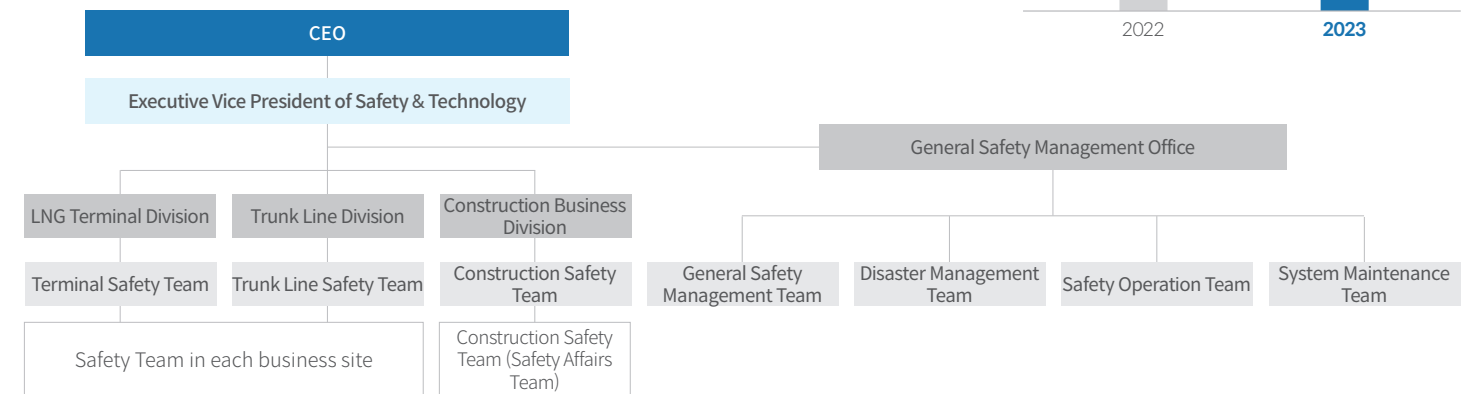
• Digital-based disaster management new	• Manual operability enhancement new
• Initial response capacity building new	• Prompt recovery system new
• Risk assessment-based accident prevention new	• Revision and operation of SAFE 4u Improvement
• Safety culture re-building new	• Focus on mental health management new

Safety and Health Management Organization

KOGAS is strengthening its safety management organization to prioritize and address "safety as its top priority." We have elevated the safety department, which oversees safety at our worksites, to a vice-presidential office and restructured it by creating a patrol inspection team and increasing the budget and workforce. We established safety teams, supervised by headquarters, in the terminal, trunk line, and construction divisions, which are key sectors of our LNG supply business. Each worksite and construction division also has a specialized safety team. Our direct and indirect workforce dedicated to disaster and safety management now totals 1,535, an increase of 45 from the previous year. The budget for safety management has also risen by 30 percent to KRW 173.4 billion, enabling us to invest in the renovation and maintenance of hazardous gas facilities.



KOGAS Safety and Health Management Organization



Safety and Health Management Indicator Management

KOGAS manages various detailed indices to achieve the KPIs for safety and health management, maintain certification for all business sites, achieve zero fatal and serious accidents and disaster rate, and receive an excellent rating in safety management.

KOGAS Safety and Health Management Index Management (2023)

Classification		Performance	Classification		Performance	
Strategic Goals (KPI)	Maintenance of safety and health management certification	100%	Detailed indicators	Supply disruptions due to disaster	0	
	Fatal/serious accident occurrence	0%		Facility damage due to forest fires/flooding	0	
	Disaster rate ¹⁾	0.36%		Facility damage due to lightning	1	
	Safety management rating	Level 3		Explosion/fire due to gas	0	
Detailed indicators	No. of deaths related to work	0		Facility damage due to unauthorized drones	0	
	Employees	0		Serious occupational accidents including workers of suppliers	1	
	Subcontractors	1		Serious civil accidents involving users of KOGAS facility	0	
	LTIFR ²⁾	0.1%		Deaths of workers including civilians	0	
	Employees	1.48%				
	Subcontractors					

1) Based on the disasters that occurred during government-funded construction projects reported by the Ministry of Employment and Labor
 2) Lost-Time Injuries Frequency Rate (LTIFR): Total number of accidents at work X 1,000,000 / Total working hours

Focus 2. Safety Responsibility Management and Negligence-related Accident Prevention

Health and Safety Program: comprehensive Disaster and Safety Management System

KOGAS's Occupational Safety and Health Manual outlines the requirements for an Occupational Safety and Health Management System designed to improve safety and health performance in the workplace. This manual is designed to systematically manage occupational safety and health to ensure organizational sustainability and provide value to all stakeholders using our facilities. It embodies our four principles for occupational safety and health management, including:

01
Enhancement of occupational safety and health performance



02
Continuous improvement of occupational safety and health performance



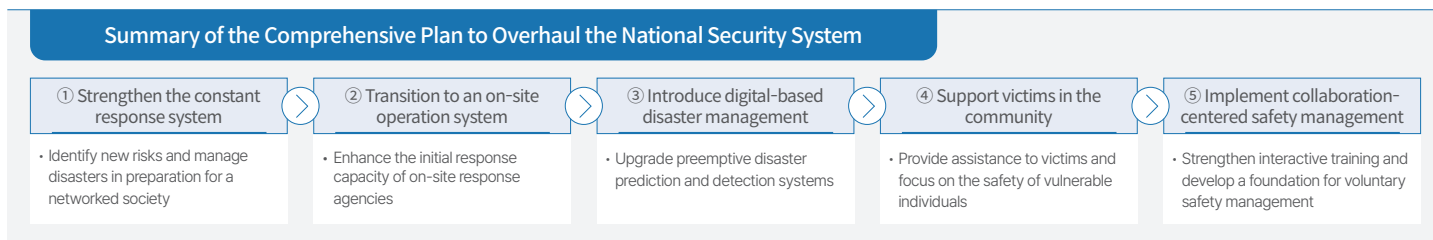
03
Compliance with legal and other requirements



04
Achievement of occupational safety and health goals



Following the updates to the disaster management system in the Comprehensive Plan to Overhaul the National Security System in April 2023, we have implemented the KOGAS Disaster and Safety Management System.



Customized Natural Disaster Response System

To prepare for natural disasters caused by climate change, such as localized heavy rain, typhoons, forest fires, and earthquakes, we have established a tailored disaster response system and operate a 24/7 surveillance network using warning and disaster prevention facilities. Starting in 2023, we have introduced advanced disaster management equipment utilizing digital technology, including an anti-drone system to improve detection. We have also updated our disaster-specific manuals and reorganized our wildfire safety assessment procedures. Our training programs now include comprehensive disaster response and fire suppression using VR technology. We collaborate closely with relevant organizations to enhance our initial response capabilities. Additionally, we have developed a Continuity of Operation Plan (COOP) to ensure a steady supply of gas during any disaster and enable rapid recovery. This plan includes establishing a disaster reduction management system and setting emergency operation standards for the central control center, among other measures.

2023 Safety and health management performance

Ministry of the Interior and Safety Action Manual Contest
(Minister of the Interior and Safety Prize)

Zero incidents of facility damage caused by wild fires, earthquakes, and others

KOGAS Customized Natural Disaster Response System

Classification	Action Taken	Result
Establishment of a Preemptive Disaster Management System Utilizing Digital Technology	<ul style="list-style-type: none"> • Utilized disaster safety data: • Operated and upgraded the anti-drone system <ul style="list-style-type: none"> - detected over 600 drones at the Incheon Terminal • Developed an AI-based pipeline network analysis system 	<ul style="list-style-type: none"> • Established Guidelines for Wildfire Risk Safety Assessment • Received a merit award for the development of the anti-drone system <ul style="list-style-type: none"> - Won Presidential award (January 2023) • Retained a prompt disaster response system
Enhancement of On-Site Operability Through Consistent Training and Manuals	<ul style="list-style-type: none"> • Conducted complex disaster response training • Conducted VR fire drills • Overhauled the action manual • Established a wildfire safety assessment procedure • Enhanced the control system security management interface • Addressed control system cyber attacks <ul style="list-style-type: none"> - Conducted mock training to respond to ransomware attacks 	<ul style="list-style-type: none"> • Received a merit award for disaster training <ul style="list-style-type: none"> - Won Presidential award (February 2023) - Named a best practice training center (August 2023) • Won a prize at the manual contest (December 2023) • Third-party control system information security evaluation <ul style="list-style-type: none"> - National Intelligence Service from 95.1 points to 96.5 points - The Ministry of Commerce, Industry, and Energy from 97.84 to 98.45 points
Enhancing Collaboration with Relevant Organizations for Effective Disaster Response	<ul style="list-style-type: none"> • Expanded the use of the disaster safety communication network • Designated an emergency text messaging service provider • Developed a disaster cooperation system • Appointed 15 disaster safety officers • Conducted heavy rain emergency response (July 2023) • Conducted Typhoon "Kanun" emergency response (August 2023) 	<ul style="list-style-type: none"> • Enhanced Initial Response Capabilities Through Disaster Safety Communication Network Training (29) • Improved collaboration among related organizations by establishing a permanent contact system • Achieved zero gas supply interruptions through effective responses to disasters such as wildfires, typhoons, and earthquakes
Establishing a Rapid Recovery System to Maintain Functional Continuity	<ul style="list-style-type: none"> • Built the Business Continuity Management System (BCMS) to focus on disaster-related affairs • Formulated the central control room emergency operation standards (August 2023) • Direct use of telecommunication lines by the Supply Management Office • Enhanced data management at local control centers • Prioritized control system recovery • Established a support system for local residents, including bereaved families 	<ul style="list-style-type: none"> • Ministry of Public Administration and Security Disaster Reduction Excellent Company Certification (August 24) • Ensured continuity of natural gas system operations during disasters and accidents, saving KRW 1.6 billion by performing service work in-house • Maintained public relations by revising the disaster action manual (December 2023)



VR Fire Drill

Focus 2. Safety Responsibility Management and Negligence-related Accident Prevention

Upgrading the S.A.F.E 4u Life Protection System

We are operating the "S.A.F.E 4u Life Protection System" for worker safety management. This includes using smart safety equipment, providing safety support for vulnerable workers, conducting feedback safety inspections, and offering interactive and field education. We are increasing support for vulnerable workers such as the elderly, foreigners, and high-risk groups by utilizing an integrated safety management system that features a smart safety control center and smart safety equipment at construction sites. In 2023, we made the use of smart safety equipment mandatory and provided it for free to small businesses. Following regular on-site safety inspections and consulting, we monitor feedback, conduct surprise disaster site inspections, and operate an anonymous reporting app to track the handling of improvement requests. Additionally, we run a safety training center and a mobile VR training center. In 2023, our Dangjin Construction Site obtained certification as an official safety education institution, and a total of 1,949 people received training there, marking a 77 percent increase from the previous year.

| KOGAS Safety Brand "S.A.F.E 4u" Comprehensive Safety Management Program

	Current SAFE 4u	Action Taken	Result
S Smart technology Utilization of Smart Equipment	<ul style="list-style-type: none"> (Scope of Application) Applied only to projects with a total construction cost of over KRW 30 billion, leading to low equipment utilization -Some items, such as smart helmets, has malfunctioned -Incorporated into the design but not practical for field use - Expensive equipment, placing a financial burden on small businesses Equipment designed by the headquarters (5 types) -Feedback from the field has not been considered. 	[Smart safety equipment in construction sites] <ul style="list-style-type: none"> Improved ways to utilize Expanded and mandated the use of safety measures across all construction projects. -Increased utilization by adjusting operating costs and incorporating field feedback -Expanded and improved the range of items (total of 7 types) 	Use of smart safety equipment in construction sites 6% (2022) → 71% (2023) (+65%P)
A Assistance Support for Vulnerable workers	<ul style="list-style-type: none"> Loss and damage compensation - Costs for loss or damage are borne by the responsible businesses - Complicated rental process (eight steps) - Low interest from partners and insufficient advertising have resulted in a lack of applications 	[Free safety equipment for small and microbusinesses] <ul style="list-style-type: none"> Revised loss and damage compensation policy -All costs for lost or damaged equipment covered by KOGAS -Simplified the rental process to encourage usage (reduced to 4 steps). -Increased utilization by promoting rental procedures before construction begins 	Free safety equipment for small-scale businesses 59 (2022) → 92 (2023) (+56%P)
F Feedback Feedback Safety Inspection	<ul style="list-style-type: none"> Safety feedback, including concerns about hazardous factors, is collected from the field but not acted upon Field inspections are primarily focused on performance evaluation Follow-up monitoring of the implementation of recurrence prevention measures is inadequate 	[Stakeholder feedback and post-inspection] <ul style="list-style-type: none"> Enhanced process for incorporating stakeholder feedback (twice a year) Conducted safety inspections and consulting to ensure the work safety of partner company employees Comprehensive site inspections to verify the implementation of recurrence prevention measures (24 sites) 138 follow-up inspections completed 	<ul style="list-style-type: none"> Inquiries increased by 14.5 times - from 234 (2022) to 340 (2023) Completed inspections (916) Provided consulting service (511) Discovered 19 incomplete inspections - 100% finished
E Experience Mobile Interactive Training	<ul style="list-style-type: none"> The permanent safety training facility at the Dangjin site is not certified as a professional training institution and lacks advertising Incentive standards for completing the training are not established, leading to low participation in interactive training programs 	[Certification of Dangjin Construction Site as professional training center] <ul style="list-style-type: none"> Obtained certification as a professional safety training institution (June 2023, Korea Occupational Safety and Health Agency) Expanded advertising and encouraged participation among employees, partners, and local community members Established incentive criteria for completing training: -Certification benefits, including doubling the regular safety and health training hours for trainees 	No. of people who completed safety training at the Dangjin Construction Site 1,100persons (2022) → 1,949persons (2023) (+77%P)

Establishing Safety Management and Safety Culture

Risk Assessment-centered On-site Safety and Risk Factors Management

After analyzing the causes and evaluating risk factors at new, expanded, or revised facilities, we regularly conduct improvement and safety inspections to reduce or eliminate these risks. We collect and analyze risk factor data, manage key factors intensively, and continuously enhance the efficiency of our safety inspections. Additionally, we reviewed major types of industrial accidents at our partner sites over the past 10 years and identified four primary risk areas: falls, heavy equipment, electric shocks, and suffocation. To address these risks, we have introduced new safety technologies, including fall protection airbags to prevent falls from work platforms, non-contact live line cleaning equipment to prevent electric shocks, and a confined space inspection robot to prevent suffocation. In 2022, we established a big data-based quantitative risk assessment (QRA) system for underground pipes and performed a performance-based risk assessment. Building on this in 2023, we improved and verified the system, establishing a plan to use quantitative data—such as risk ranges, personal risk graphs, and social risk graphs—in advance to implement safety measures. In 2023, we developed a standard model for risk assessment based on our existing hazard analysis and laid the groundwork for its effective implementation. To raise awareness and highlight the importance of risk assessment, we organized quiz competitions and identified best practices. We are also planning ongoing improvements to further advance safety. Additionally, to ensure safety capabilities, we evaluate safety and health activities for compliance with the Serious Disaster Punishment Act for all partners every six months. We also conduct safety and health consulting using KOGAS's own checklist for companies that receive a grade of C or lower in these evaluations.

Performance Indicators in Safety and Health Culture (2023)

- Voluntary participation in activities related to safety culture increased by over **2** times
 - Near miss accidents reported and handled: from 61 to 123
 - Negligence-related accidents: 54 → 130
- Employees' work-related stress decreased by **12** percent
- Mental health counselors increased by **108** percent

On-site Workers' Well-being and Health Management

We prioritize employee health and occupational disease prevention through annual health checkups and our in-house health management office. For workers showing symptoms, we coordinate closely with health managers and health management agencies. In 2023, we launched the Life Guardian Program to manage high-risk groups, assigning team leaders to monitor their team members' mental well-being. We also included suicide risk factors in our work stress assessments and increased the number of mental health counselors as part of our worker support program.

Safety Training Consulting and Safety Culture

We enhance on-site safety management through strong leadership from top management, including regular site safety checks by the CEO and a focus on fostering a safe work environment. We conduct special on-site safety inspections regularly to raise awareness among our employees and those of our partners about the importance of safety management. Each month, we hold a "Safety Inspection Day" campaign to draw public attention to safety at our headquarters and various worksites, partnering with local governments and relevant organizations and encourage citizens to participate in safety assessments and safety drills. We also engage the general public by focusing on seasonal topics, such as thawing season and wildfire prevention, to promote a safety culture. In 2024, we conducted a company-wide workshop to build a bottom-up safety culture through voluntary employee participation and cooperation. This effort led to the identification of eight improvement tasks based on our safety culture assessment results and the development of a three-year roadmap to advance our safety culture. We are committed to elevating our safety culture by consistently and systematically implementing safety initiatives across the organization.

Improving Safety Culture

Content	Performance
<ul style="list-style-type: none"> Internalization of Everyday Safety Awareness (linked to regular safety and health education) <ul style="list-style-type: none"> - CPR, AED, and fire extinguisher usage safety training - Raising awareness of traffic safety and educating on traffic culture - Education on suicide prevention and stress relief 	All business sites
<ul style="list-style-type: none"> Mental Health Promotion Activities <ul style="list-style-type: none"> - Gatekeeper training for managers and supervisors 	182/215(86%)
<ul style="list-style-type: none"> Sharing Safety Cases and Expanding Safety Culture <ul style="list-style-type: none"> - Workshop on accident case studies hosted by the Safety General Manager - Technical exchange meeting for the business safety field at the Production Headquarters - Workshop on raising safety awareness at the Supply Headquarters 	1session(60participants) 1session(17participants) 2session(142participants)
<ul style="list-style-type: none"> Habituating Safety Information by Field in Everyday Life <ul style="list-style-type: none"> - Providing safety information by field (industrial safety, construction safety, disaster, etc.) using PC screensavers 	Implemented throughout the year



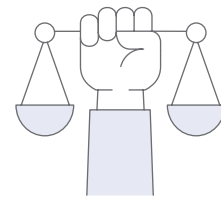
Focus 3. Ethics and Anti-corruption

Goal

- Zero corruption occurrence
- Grade 1 in comprehensive integrity (~2027)

Our Approach

As our stakeholders, including the public and the government, continue to raise expectations for integrity and ethics in public institutions, we at KOGAS are united in our commitment to creating a culture that eliminates misconduct and makes integrity second nature. We are dedicated to embedding integrity and ethics into the core of our business operations to build and maintain public trust



Ethical Management Strategy

Advancing Ethical Management Strategic Framework

Driven by the CEO's conviction that "integrity is essential for fairness and common sense," KOGAS is dedicated to embedding integrity and ethics into our business operations. Our goal is to become a World-class public energy supplier with transparency rooted in fairness and common sense. To achieve this, we have divided our strategy into three parts: "Mind-Up, System-Up, and Value-Up." Additionally, we are committed to fostering a clean corporate culture where employees adhere to the code of ethics and are free from corruption.

| KOGAS Ethical Management Strategy

Goal	World-class public energy supplier with transparency rooted in fairness and common sense		
Roadmap	2023 (Step 1) Initiate system reforms led by management Assess and manage corruption risks	2024 (Step 2) Establishing an ethical management standard model Implementing a clean certification system and building a hydrogen infrastructure and supply foundation to realize clean energy welfare	2025 (Step 3) Lead efforts to foster a culture of integrity in the public sector Become a best practice institution of integrity
Strategy	Upgrade ethical management infrastructure	Strengthen internal controls in vulnerable areas	Create a corporate culture rooted in ethical management

| KOGAS Ethical Management System Advancement

	High-ranking employees set the example	Nurture an ethical mindset
Mind-Up	<ul style="list-style-type: none"> Conduct code of conduct training for organization leaders and hold integrity meetings (16 times) Quarterly review of on-site integrity activities performance by organization leaders - Reporting to the Management Committee, ESG Committee, and Audit Committee Implement an integrity policy responsibility system for department heads, office heads, and business site managers (44 integrity ministers) 	<ul style="list-style-type: none"> Focus on internal performance assessment and "communication and ethics policy" assessment Shift worker training (16 times), special training for private police executives Audit training completion and certification for special auditors (57 people firmwide) Introduce an internal auditor certification system (1 person certified)
	Increase internal and external engagement activities	Reorganize the system
System-Up	<ul style="list-style-type: none"> Participate in risk identification and selection by the Integrity Policy Committee (21) Create the integrity and Power Abuse Elimination Policy Committee and subcommittees in each business site Feedback from integrity citizen ombudsmen and audit advisory committee members (3 times, risk assessment, ethical management implementation plan, anti-corruption and integrity policy) 	<ul style="list-style-type: none"> Enhance transparency of the LNG supply network public service system Develop the guidelines for the operation of the Internal Control Committee (including both financial and non-financial) Create the Fair Recruitment Assurance Committee and reorganize regulations including award and punishment regulations
	Integrate corporate culture	Develop external partnerships for promoting ethical management
Value-Up	<ul style="list-style-type: none"> Revise the corporate culture diagnosis model that incorporates the business environment (79 points) Review the feedback posted on "KOGAS Blind" on a regular basis 	<ul style="list-style-type: none"> KOGAS - Joint integrity activities with Korea Gas Technology Corporation Operate an "Open Mind Council" in each business site (subsidiaries, construction & maintenance, and special security)

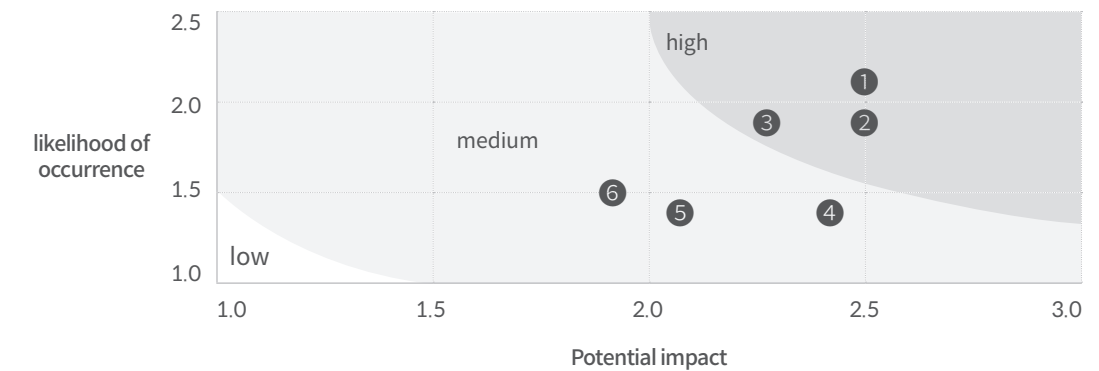
Ethical Risk Management

Ethical Risk Assessment

KOGAS conducted an ethics risk assessment to proactively identify potential ethical risks and enhance reliability in risk identification in the workplace. This assessment aimed to enhance the reliability of detecting ethical issues and evaluating internal control systems. Ethical risks were identified by various departments and divisions and further quantified with input from external experts to ensure objectivity and expertise. We categorized the risks into unique, common, and third-party types, considering both their likelihood of occurrence and potential impact.

Ethical Risk Assessment Result

As a result of KOGAS's 2023 ethical risk assessment, six risk factors were identified. General contracts, personnel affairs, and introduction and sales were classified as high-risk factors, while construction and maintenance, accounting reliability, and public finances were classified as medium-risk factors. We developed a company-wide control activity plan based on these findings to actively support ethical management. The plan prioritized high-risk areas and implemented department-specific mitigation measures tailored to each risk. Additionally, we demonstrated our commitment to ethical management by setting deadlines for improvement measures. As a result, we achieved post-certification for ISO 37001 (Anti-Corruption Management System) in November 2023, enhancing the application of our ethical management standards.



Risk Level	Type	Risk Factors	Actions Taken to Control Risks
High risk	Third-party	① Fair Competition and Subcontracting: Restrictions on fair competition and violations of subcontracting agreements	<ul style="list-style-type: none"> Launched joint fair trade initiatives in the Terminal, Trunk Line, and Construction Divisions Operated an Illegal Subcontracting Reporting Center Utilized the Gas Research Institute's retiree management database
	Common	② Personnel Affairs: Issues with improper recruitment procedures, transfers, and inappropriate requests related to personnel matters	<ul style="list-style-type: none"> Established the Employee Recruitment Review Committee (September) Reviewed open-ended contract positions by the Management and Personnel Committee Restricted mileage accumulation for misconduct cases
	KOGAS only	③ Reception/Sales: Misuse of manufacturing and piping facilities, and unclear settlement of transportation costs	<ul style="list-style-type: none"> Publicly released plans for using manufacturing facilities for the first time Established the Pipeline Facility Utilization Committee (formalized with an increase from 2 to 5 external members)
Medium risk	KOGAS only	④ Construction and Maintenance: Risks of bribery and corruption in payment settlements, service quality, and safety	<ul style="list-style-type: none"> Formed the Integrity Advisory Committee for construction sites (a public-private joint group) and appointed an integrity inspector Created a Standing Maintenance and Repair Committee to discuss topics such as cost estimation
	Common	⑤ Accounting Reliability: Lack of oversight by a dedicated superior body and potential for errors in financial reporting	<ul style="list-style-type: none"> Established an Internal Control Committee to strengthen planning and execution Implemented an early warning system by selecting key risk indicators Expanded Internal Accounting Management Systems to include subsidiary companies
	Third-party	⑥ Public Finance: Risks of budget waste and improper execution of donations	<ul style="list-style-type: none"> Enhanced transparency and efficiency in donation spending by incorporating feedback - implementation of mandatory audit reports from accounting firms, and others by risk type Established a manual for managing hydrogen new business operating costs (subsidiaries)

Focus 3. Ethics and Anti-corruption

Promoting and Embedding Ethical Practices

Operation of an Integrated Reporting Channel and Protection of Reporters

KOGAS operates an integrated online and offline corruption reporting center to block unethical behavior early and strengthen the organization's self-correcting abilities. Reporters can easily report cases of corruption, including reckless management, power abuse, illegal subcontracting, and solicitation, via the Civil Rights Commission's Integrity Portal, the anonymous reporting system (Red Whistle), and the mobile reporting center. Reported incidents are automatically notified to the relevant personnel in the Audit Office through a 24-hour hotline. In 2023, we promoted the reporting programs through meetings and job training to emphasize confidentiality. Additionally, we required visitors to KOGAS to watch a video clip about the integrated reporting channel and increased program visibility through card news. We also conducted two mock reporting training sessions in 2023, which included a "praising employees" initiative to raise awareness of the program.

Strengthening Internal and External Communication

To enhance the reliability of our ethical management culture and make it second nature, KOGAS has increased both internal and external communication efforts. In 2023, we installed an integrity chatbot in our internal messaging program and promoted our vision for ethical business practices through in-house broadcasts to raise employees' awareness. The "KOGAS Blind" reporting program has been established as a key internal communication channel. Additionally, we have actively engaged with external stakeholders by collecting feedback from open-ended councils led by business heads. Of the 45 opinions submitted anonymously, we incorporated 43, including suggestions for streamlining administrative documents. We also promoted anti-bribery initiatives and reporting programs through YouTube videos featuring our employees.

Integrity and Monitoring Led Directly by Chiefs

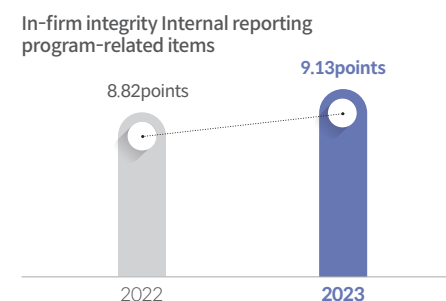
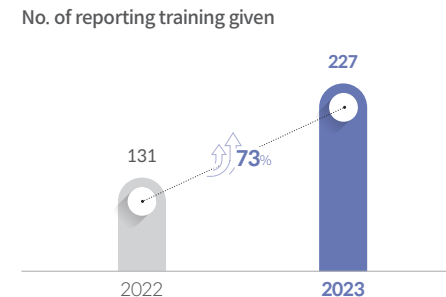
Following our CEO's declaration of commitment to ethics in the New Year's address, we have upgraded our integrity performance monitoring system, with institutional heads taking the lead in 2023. Every department, office, and worksite now reports its integrity performance directly to the firmwide Performance Management Committee, following approval by the division chiefs every quarter. Additionally, we have expanded our finance-centered internal control system to include non-financial aspects, aiming to enhance ethical management by addressing broader issues.

Strategy for the Improvement of Comprehensive Integrity Assessment

We at KOGAS developed a strategy for 2024 aimed at enhancing our comprehensive integrity evaluation. This strategy focuses on both internal policies and external communications to ensure systematic and efficient improvements. Our goals are to fundamentally strengthen our organizational culture and achieve an excellent grade (grade 2) in the comprehensive integrity evaluation by revitalizing our integrity and ethics management practices.

| KOGAS Strategy for the Improvement of Comprehensive Integrity Assessment

Internal Policy	External Communication
<ul style="list-style-type: none"> • Launching a long-term project to revitalize integrity culture (with external consulting) <ul style="list-style-type: none"> -Implementing bold and practical ethics management initiatives -Strengthening on-site responsibility for integrity through the introduction of an "Integrity Certification Program" 	<ul style="list-style-type: none"> • Enhancing Communication with External Stakeholders, Including Partners <ul style="list-style-type: none"> - Developing strategies to strengthen ongoing dialogue, empathy, and collaborative efforts - Aiming to achieve a unified standard of ethical management that meets public expectations



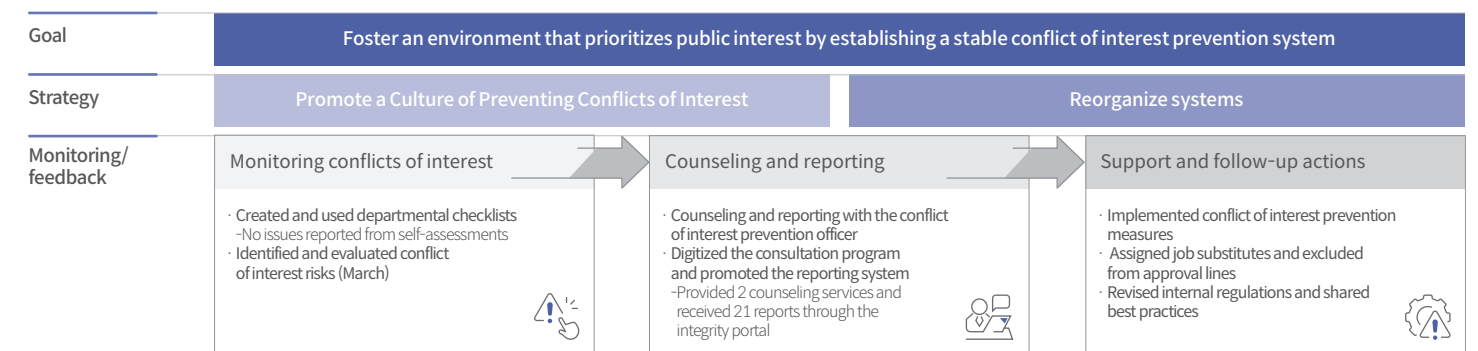
Integrity performance monitoring directly supervised by the Head

Avoiding Conflicts of Interest

Strategy for Enhancing the Conflict of Interest Prevention System

Following the establishment of the guidelines for the conflict of interest prevention system Operation and management standards in April 2022, we developed a strategy and detailed implementation plan in 2023 to ensure the system's effective and timely establishment through systematic management. Since the enforcement of the Conflict of Interest Prevention Act in May 2022, KOGAS has had zero violations of laws or regulations.

| KOGAS Strategy for Conflicts of Interest Prevention System Operation



Raising Awareness and Integrating the Conflict of Interest Prevention System

KOGAS strengthened conflict of interest prevention by providing field-oriented education through nine on-site integrity support activities and training sessions for external stakeholders at business sites. We expanded the scope of proxy reporting and counseling by lawyers to include conflict of interest issues, in addition to corruption and public interest violations. We also distributed business manuals and casebooks with authoritative interpretations to draw attention from employees. To further raise awareness, we organized the integrity quiz contest and implemented integrity manifesto systems across departments to set integrity goals and define detailed action plans.

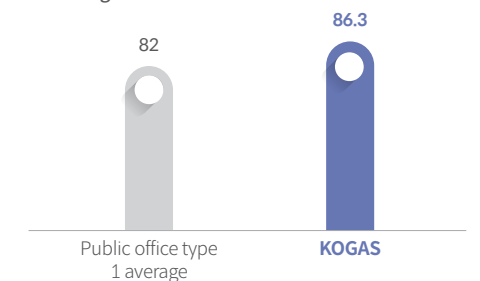
Identifying and Addressing Blind Spots in the Conflicts of Interest System

We are examining areas within our systems and activities that may be overlooked, even when legal violations or corruption occur, to promote fairness and a culture of ongoing integrity. We assessed the progress and shortcomings from the previous year and identified key areas for improvement in 2023 based on these findings.

| KOGAS Blind Spot System Improvement

Classification	Performance in the Previous Year	Areas for Improvement	2023 Improvement Initiatives
Stakeholder Involvement Prevention	42 committees and 16 procedures established in job regulations	Bias toward specific firms in legal consultations	<ul style="list-style-type: none"> • Revised legal affairs processing guidelines (May) • Established a Legal Review Committee (Chair: Vice President)
Real Estate	Incidents of self-transactions by employees occurred; prevention measures insufficient	Potential purchase or lease of real estate owned by employees' families	<ul style="list-style-type: none"> • Created a Housing Purchase and Lease Committee (January) - Conducted substantial checks on employee self-dealing
Contact with Former Employees	Mandatory reporting of private contact with former employees	Contracts with former employers of retired employees due to job nature	<ul style="list-style-type: none"> • Built and utilized a database of retired Gas Research Institute employees (August) - Plan for phased expansion for company-wide management
Job-Related Matters	Incidents of frequent external speaking engagements and secondary employment activities occurred	Lack of or updated regulations on external speaking engagements and secondary employment	<ul style="list-style-type: none"> • Established regulations for external speaking engagements (June) and secondary employment (October) - Strengthened criteria for job relevance and appropriateness of external activities
Private Gains/Use of Public Supplies	Installed automatic driving recorders to prevent personal use of fleet vehicles	Instances of excessive and improper use of overseas travel accommodation expenses	<ul style="list-style-type: none"> • Revised travel expense regulations (October) - Applied standards for government employee travel expenses

"Pursuit of Individual Gain" item in Anti-Corruption & Civil Rights Commission's Internal Awareness



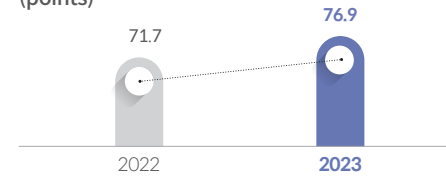
Focus 3. Ethics and Anti-corruption

Promoting and Embedding Integrity

Enhancing Integrity Awareness among Employees through Training and Activities

To boost integrity awareness among employees, we conducted anti-corruption training for executives (2 sessions), integrity education for institutional heads, and face-to-face training for shift workers and other previously underserved groups (16 sessions). Additionally, we held an integrity quiz contest with 178 participants to raise awareness across the organization. We also carried out joint campaigns with the Korea Gas Technology Corporation, which included integrity training and the creation of a casebook on preventing abusive practices.

Internal awareness of integrity awareness (points)



Integrity assistance training at a business site

Promoting Integrity among Partners

To foster a culture of integrity and create a fair trading environment, we KOGAS have enhanced our outreach efforts to include not just employees but also our partners. We have upgraded the operation of our Integrity Support Team, expanding its focus from construction and maintenance companies to include contractors, suppliers, buyers, and other partners. We conducted nine training sessions on preventing corruption and abusive practices, using specific examples to illustrate proper behavior and reporting procedures. Additionally, we published a casebook on unfair practices related to contracts and services and shared it across the company. Before finalizing contracts through negotiations, we review this casebook and require partners to sign a commitment to prohibit unfair practices (11 agreements signed).

Embedding Fair Trade into Corporate Culture

Strategy for Developing a Fair Trade Culture

KOGAS has developed a strategy to cultivate a fair trade culture, with the goal of eliminating unfair practices and fostering a competitive environment while protecting vulnerable groups such as small and medium-sized enterprises (SMEs) and microbusinesses. To actively implement this strategy, we have established a new Fair Economy Sharing Platform and improved our contract systems to prioritize customer needs, among other initiatives.

2023 Received
"excellent evaluation"
 from the Fair Trade Commission for anti-collusion measures in bidding

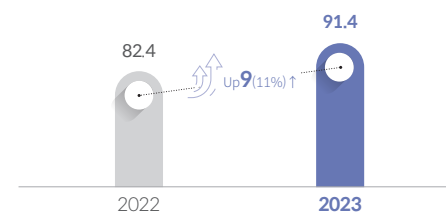
| KOGAS Strategy for Developing a Fair Trade Culture

Goal	Establish principles of fair competition and ensure fair compensation to uphold a just economic order		
Strategy	Expand fair trade	Foster a culture of mutual prosperity	improve trading practices
Task	<ul style="list-style-type: none"> Expand implementation of the delayed payment prevention system Proactively introduce the price adjustment clause 	<ul style="list-style-type: none"> Foster a customer-centered transaction culture Strengthen collaboration with local and small businesses 	<ul style="list-style-type: none"> Build a fair economy sharing platform Operate customer-specific advisory committees

Creating a Fair Bidding/Contracting Environment

We have improved our customer-centric contracting system to create a fair bidding and contracting environment. By gathering customer feedback, we enhanced our system and fostered a mutually beneficial trading environment. In 2023, we collected opinions on fair trade from primary contractors and implemented four measures, including disclosing the reasons and scores of the comprehensive evaluation bidding system. Additionally, we identified and addressed issues related to ensuring fair compensation, expanding bidding opportunities, and increasing the scope of public disclosure.

Integrity in contracting



| KOGAS Strategy for Customer-Centric Contracting System

Classification	Areas for Improvement	Actions taken
Ensuring Fair Compensation	<ul style="list-style-type: none"> Concerns about quality degradation due to low bid thresholds Ensuring fair compensation for small and medium-sized enterprises 	<ul style="list-style-type: none"> Increased the minimum bid threshold (from 86.745% to 87.745%) -Target: Strengthened protection for small and medium-sized enterprises in construction projects worth 300 million to KRW 1 billion
Expanding Bidding Opportunities	<ul style="list-style-type: none"> Considering relative fairness: applying the same credit rating standards to large corporations and small businesses Lack of opportunities for local companies: expanding bidding opportunities to boost the local economy 	<ul style="list-style-type: none"> Introduced new preferential terms: -Applied full credit rating scores for small businesses and micro-enterprises (for contracts below the notice amount) Expanded opportunities for local companies: -Required Daegu-based companies to submit estimates for small electronic quotation announcements
Increasing Scope of Disclosure	<ul style="list-style-type: none"> Promoting fair competition: Establishing opportunities and standards for fair competition Disclosing base amounts only for open competitive bidding Difficulty in determining reasonable bid prices leading to decreased fairness 	<ul style="list-style-type: none"> Established an invited competition system: -Promoted competition for designated suppliers of government-recommended policy products eligible for private contracts Expanded scope of base amount disclosure -Previously limited to open competitive bidding, now includes contracts by negotiation and more

Establishing Fair Trade Practices

To establish a fair economic order, KOGAS has newly installed a fair trade platform for primary contractors and an unfair subcontract reporting center for subcontractors. We have also improved the Business Growth Response Center for SMEs and the Pipeline Facility Usage Committee for private companies. Through these initiatives, we listen to the companies closely connected with KOGAS and use this feedback to improve our systems and practices.

<p>Primary Contractors</p> <p>Fair Trade Platform</p> <ul style="list-style-type: none"> New Gathering feedback from stakeholders in construction and service sectors <ul style="list-style-type: none"> - [Target] 9 companies, including construction firms and technical service providers - [Feedback] 4 requests for system and procedural improvements were implemented <p>Representative examples of feedback incorporated (2 cases)</p> <ul style="list-style-type: none"> Extended document submission period for PQ, etc. → Addressing participant concerns Disclosure of qualitative evaluation scores → Enhancing bidding fairness 	<p>Subcontractors</p> <p>Unfair Subcontracting Reporting Center</p> <ul style="list-style-type: none"> New Operating an Unfair Subcontracting Reporting Center within the electronic procurement system <ul style="list-style-type: none"> - [Scope] Cases of unpaid subcontracting payments before or after project completion, etc. - [Method] Reporting through the electronic procurement system, Unfair Subcontracting Reporting Center Performance Establishing a continuous monitoring system for unfair subcontracting <ul style="list-style-type: none"> - Number of unfair subcontracting reports in 2023: ZERO
<p>SMEs</p> <p>Business Growth Response Center</p> <ul style="list-style-type: none"> Enhanced Listening to feedback on management challenges faced by SMEs <ul style="list-style-type: none"> - Improved website functionality for better accessibility 7 improvements in systems and regulations implemented based on feedback <ul style="list-style-type: none"> Examples Reduced entry barriers for supplying domestically developed products and construction projects 	<p>Private Companies</p> <p>Pipeline Facility Usage Committee</p> <ul style="list-style-type: none"> Enhanced Expanded the role of the committee in managing complaints <ul style="list-style-type: none"> - Revised the Pipeline Facility Usage Regulations Committee (from a simple consultative body to a review body) Added new guidelines and revised 13 regulations, including <ul style="list-style-type: none"> Examples Realistic deadlines for contract applications and shortened review periods, etc.

Environmental

Leader in Green Energy



Environmental Commitment	48
Energy Management	50
Pollutants Management	52
Biodiversity and Ecosystem Protection	54

ENVIRONMENTAL

ESG Goals

Contributing to achieving national GHG emissions reduction goals



Strategy and tasks

- Develop climate change response systems
- Promote a circular economy and reduce environmental pollutants
- Build a foundation for hydrogen projects
- Advance new initiatives to improve the environment
- Enhance biodiversity and environmental protection



Risk and Opportunity Factors

Climate change presents significant risks and opportunities that impact KOGAS across its operations. From a risk perspective, climate change affects our operations, management, equipment investments, and technology development efforts aimed at adaptation and mitigation. To address these risks, we identify and prioritize physical risks and impacts on gas supply infrastructure due to extreme weather events such as heatwaves, cold snaps, and heavy rainfall. We have established and are implementing climate adaptation measures to manage these risks systematically. Our climate risk assessment includes current regulations, potential future regulations, technical risks, legal risks, and market risks, considering both short-term and long-term horizons. On the opportunity side, we actively leverage the development and application of environmentally friendly technologies. KOGAS assesses climate change risks by considering current and potential regulations, technical risks, legal risks, and market risks. We are also setting plans and goals with a 5-10 year timeline to mitigate physical and potential climate risks.

Our Response Policy

KOGAS has set the vision of "The Leader of Energy Innovation" with core goals of enhancing the public benefits of gas, expanding new growth drivers, strengthening global capabilities, and leading ESG management. To develop and secure environmentally friendly future energy, we are intensifying our R&D in green energy and setting targets to reduce GHG while expanding new growth drivers through overseas GTP and bunkering initiatives. Additionally, we are securing and increasing supply response volumes to enhance the public service benefits of gas and address international market volatility.

2023 Environmental Performance

Facility Improvements
GHG reduction

53,000 tons

ESG environmental rating
improvement Upgraded from

KCGS, B+ -> **A**

LNG bunkering business
reduced particulate matter by

2,537 tons

City gas demand reduction
program: Reduced demand by

176,000 tons

Endangered species conservation
Increased population of critically
endangered spoon-billed
sandpipers to

30 pairs

Construction waste
Recycling rate

97 %

Environmental Commitment

Environmental Policy

KOGAS Environmental Management Policy

KOGAS prioritizes environmental management as a core value and strives to become a global leader in sustainability.

1. We continuously improve the environmental management system based on employee participation and consultation.
2. We recognize all stakeholders as partners in environmental management and strengthen cooperation through communication and mutual respect.
3. We comply with relevant domestic and international regulations and standards.
4. We actively contribute to addressing climate change by establishing eco-friendly systems and minimizing environmental pollutants.

| KOGAS Environmental Goals and Tasks

Goal	2030 GHG reduction by 40% (compared to 2018)				
Strategic Tasks	Step up climate change response systems	Enhance environmental commitment and biodiversity	Promote circular economy and reduce environmental pollutants	Build a foundation for hydrogen projects	Improve the environment through new business initiatives
Execution Tasks	<ul style="list-style-type: none"> • Develop and implement climate change adaptation measures • Reduce greenhouse gases through internal reduction initiatives • Establish facilities focused on low-carbon, eco-friendly energy 	<ul style="list-style-type: none"> • Enhance environmental management systems • Systematically manage biodiversity and forest conservation 	<ul style="list-style-type: none"> • Increase construction waste recycling rates and use of recycled materials • Develop CO₂ capture and liquefaction technologies • Build capabilities in CCS (carbon capture and storage) 	<ul style="list-style-type: none"> • Conduct hydrogen blending demonstrations • Establish hydrogen safety management systems • Secure core hydrogen technologies • Formulate strategies for hydrogen and new growth technologies 	<ul style="list-style-type: none"> • LNG bunkering

Environmental Commitment Structure

Based on our environmental policy, KOGAS is transitioning to a climate change-focused, eco-friendly business structure to advance our carbon neutrality plan. We manage policy implementation and departmental responsibilities, authority, and procedures through an internal standard document known as the Environmental Commitment Review Procedure, which is reviewed annually by management. Additionally, we monitor major environmental laws and regulations quarterly, reviewing amendments and new regulations across 32 relevant statutes, and checking compliance at each business site. For legal environmental management aspects such as pollutant and waste emissions, we set and adhere to stricter standards than the allowable limits. Furthermore, we convene an annual Climate Change and Energy Committee to review and report on our environmental management system. In 2023, there were zero violations of environmental regulations related to the products and services we provide.

Environmental Commitment Activity

Production and Facility

We maintain ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) certifications, and we evaluate and improve the environmental impacts of all our processes while publicly disclosing relevant information. The Carbon Neutrality Department oversees environmental impact management, working closely with relevant departments at each site and providing environmental management guidelines to our partners to mitigate environmental risks. As interest in LNG cold energy grows and more examples of its use emerge, the need for a methodology to certify greenhouse gas reductions from LNG cold energy became clear. KOGAS, in collaboration with LNG cold energy buyers, developed Korea's first 'LNG Cold Energy Utilization Methodology.' By utilizing this methodology, we have established a foundation that will allow us to secure 1,500 tons of greenhouse gas emission allowances over the next 10 years as we advance future greenhouse gas reduction projects.

Products and Services

We supply natural gas as our primary product. In accordance with Article 111 of the Occupational Safety and Health Act and Article 160 of its Enforcement Regulations, we provide Material Safety Data Sheets (MSDS) that detail the hazards, risks, emergency procedures, and handling methods of the supplied materials. These are available to our clients and posted on our website. Additionally, we are committed to continuous R&D to advance and implement eco-friendly technologies. This includes innovations in hydrogen, LNG, and natural gas supply pipelines, future energy technologies, market-ready technologies, and optimization of production and supply equipment.

Distribution and Logistics

In order to minimize the negative environmental impacts that may arise during the distribution process after product production, we rigorously manage emissions of pollutants, chemicals, and waste at LNG terminals and facilities. Especially, our business sites in densely populated areas like the metropolitan region (Incheon, Pyeongtaek) are classified as total emission management business sites under the Air Quality Control Act and we ensure they operate within the prescribed emission limits through systematic management. Additionally, when constructing or relocating LNG pipelines, which are crucial for natural gas distribution, we implement environmental impact assessments and vulnerability improvement measures to minimize adverse environmental effects.

Environmental Training

We manage compliance with relevant regulations through mandatory training programs for all environmental and energy personnel. To enhance their job skills and continuously improve environmental performance, we organize and conduct role-specific training courses. Each year, we invite external experts to provide ISO 14001 (Environmental Management System) internal auditor training, helping to develop internal specialists. Additionally, we offer separate training programs to increase internal stakeholders' understanding of environmental management policies and raise awareness of environmental impacts.

Environmental Impact Assessment

Our goal is to promote environmentally sound and sustainable development, maintaining and creating a pleasant environment. To achieve this, we conduct Strategic Environmental Assessments (SEA) and Environmental Impact Assessments (EIA) to comprehensively predict, analyze, and evaluate the environmental impacts of policies, plans, programs, and projects. Particularly after the construction of LNG reception terminals and storage facilities, we operate Environmental Monitoring Committees comprised of local environmental experts, organizations, and residents to assess and ensure the effective implementation of mitigation measures for any impacts on the surrounding environment. Additionally, we have proactively replaced all brine with timely updates to minimize the environmental impact of sodium borates in brine solutions used as a heat-transfer fluid in LNG terminal storage tanks, adhering to stricter environmental regulations. We also conduct ongoing assessments of environmental impacts and worker safety in collaboration with relevant departments.

Environmental Impact Assessment		
Environmental Impact Assessment (large-scale development project)	Strategic Environmental Impact Assessment (policy plan, basic development plan)	Carbon Scale Environmental Impact Assessment (small-scale development project)
Conduct a thorough investigation, prediction, and assessment of the potential environmental impacts when approving or licensing plans and projects that impact the environment, such as implementation and execution plans, to develop measures that avoid, eliminate, or reduce harmful effects	When establishing higher-level plans that affect the environment, verify their alignment with environmental conservation plans and set and analyze alternatives to evaluate the adequacy of the plans and the suitability of their locations from an environmental perspective in accordance with the Environmental Impact Assessment Act	Before proceeding with development projects in areas that require environmental protection or where there are concerns about uncontrolled development, assess the feasibility of the location and the potential environmental impacts, and formulate measures to ensure environmental conservation

| Environmental Impact Assessment

(As of the end of December 2023)

Classification	No. of business sites in operation (business sites)	Area (hectare)
No. of business sites and size	15	793
No. and size of business sites conducting environmental impact assessments	5	505

Energy management

Energy Management Activities

KOGAS has been implementing an Energy Management System (ISO 50001) since 2011 to enhance energy efficiency and manage greenhouse gas emissions. After securing the international ISO 50001 certification, we achieved integrated certification for both the Trunk Line Division and the LNG Terminal Division in 2018, ensuring continued adherence to our certification standards. Furthermore, we have been operating an IT-based integrated management system to manage all greenhouse gas emissions and energy usage efficiently across our operations. This system includes a real-time monitoring capability to track energy consumption and drive energy savings. It is also used for various analytical purposes. Each year, we hold an internal competition to identify and implement new GHG reduction initiatives, actively engaging in diverse activities to reduce emissions and energy use. Additionally, we conduct internal energy-saving training for employees at least once a year. Our energy management staff undergo over eight hours of specialized training from professional institutions.

Energy Efficiency Initiatives

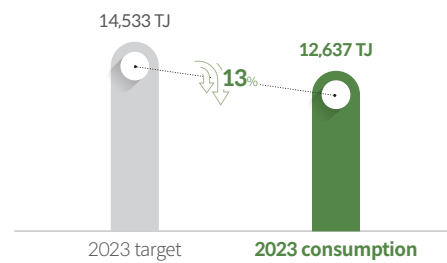
Energy Saving Campaign Implementation

KOGAS is implementing an energy-saving and carbon-neutrality campaign aimed at end users. In 2023, we collaborated with KEPCO and the Energy Citizen Alliance to promote and execute campaigns through various media channels. Key initiatives included the "Carbon Neutral Youth Leaders" and "Reducing 1kWh per Day" energy-saving campaigns. We selected approximately 200 youth carbon-neutral leaders nationwide, providing them with expert lectures, and encouraged households to practice energy saving, resulting in a reduction of over 1,907 kWh of energy across 153 households. Additionally, we conducted energy-saving campaigns targeting 17,403 members of the Dure Co-op, which operates 117 stores nationwide, as well as approximately 7,000 middle school students and teachers in 17 regions. We will continue our efforts to enhance public awareness of energy efficiency through ongoing activities.

Energy Management Goals

The GHG and energy managers at all business locations analyze and evaluate the actual energy usage against targets on a quarterly basis. Based on this, the energy manager of the headquarters reviews and assesses the energy performance semiannually and develops energy-saving plans. Each year, through the company-wide Climate Change and Energy Committee, we set GHG and energy targets that reflect natural gas sales and the reduction rates outlined in our mid-to-long-term management plans. In 2023, KOGAS's energy consumption totaled 12,637 TJ, achieving a reduction of about 13 percent from the target of 14,533 TJ.

Total energy consumption



Transition to Renewable Energy

We have introduced various renewable energy systems (solar power, wind power, solar thermal, geothermal, fuel cells, etc.) at our headquarters, 14 business sites, and gas supply facilities, enabling us to partially cover the energy consumption of our buildings with self-produced energy. Additionally, we are transitioning our fleet vehicles to eco-friendly models, aiming to convert all 383 vehicles to electric or hydrogen cars by 2030, achieving a 100 percent eco-friendly vehicle adoption rate. In 2024, eco-friendly vehicles account for 30.4 percent, with 146 out of a total of 481 vehicles being electric or hydrogen-powered.

Renewable energy installation

(As of the end of December 2023)

Classification	Capacity	Unit
Solar panels	2,802.2 kW	80
Solar thermal	266.8 m ²	4
Geothermal (cold)	1,283.9 kW	1
Geothermal (heat)	1,212.7 kW	1
Wind	9.3 kW	3
Fuel cell	880.0 kW	1



Pollutant Management

LNG bunkering Air pollutant reduction rate (compared to bunker C oil)

- SOx: **99%** reduced
- NOx: **80%** reduced
- CO₂: **25%** reduced

Strengthening Environmental Pollutant Emission Management

Air Pollutant Management

KOGAS significantly contributes to reducing nitrogen oxides, sulfur oxides, and soot by supplying environmentally friendly natural gas. To minimize particulate matter during the natural gas supply process, we ensure that nitrogen oxide concentrations from emission facilities remain within legal limits. We also manage monthly emissions to prevent exceeding annual target levels, continuously exploring reduction measures such as adjusting operating hours and inspecting equipment. Key facilities at KOGAS's production and supply sites that emit air pollutants include Submerged Combustion Vaporizers (SCV), Seawater Heaters (SWH), and boilers. Major pollutants from these facilities are NOx, SOx, and dust. The Incheon and Pyeongtaek terminals are classified as NOx total quantity control sites, where emissions are continuously managed and reduced. Additionally, our LNG bunkering operations contribute to substantial greenhouse gas reductions, cutting SOx by 99 percent, NOx by 80 percent, and CO₂ by 25 percent compared to bunker C oil.

Water Pollutant Management

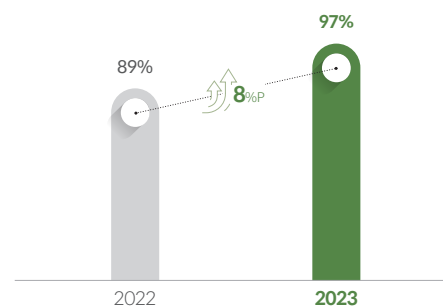
Most of the wastewater generated by KOGAS is treated by external contractors, with regular facility inspections and water quality analyses conducted. For in-house treatment, we utilize neutralization facilities, non-point pollution reduction facilities, and oil-water separation facilities, measuring and managing water quality periodically. We have installed preventive facilities for water softeners to stabilize the quality (ecotoxicity) of discharged water. To prevent marine pollution, we conduct monthly inspections of marine facilities and pollution control equipment, and hold annual pollution control drills in cooperation with relevant agencies. Additionally, we collect water usage data recorded in water meters for tap water, groundwater, and seawater biannually through KOGAS's KOSMOS environmental management system. This data is collected to identify improvement measures, which are reported to management and disclosed on our website and external sites. We've implemented a water softening device for boiler feed water at the Incheon terminal and recycle condensate water from vaporizers at the Jeju LNG headquarters with the Jeju City municipality. Our water usage is verified by third parties and disclosed in our sustainability report. Tap water and groundwater usage are verified through bills issued by relevant administrative authorities. For seawater usage, we manage it more efficiently by regularly verifying planned and actual usage with the local port authority and city and provincial offices.

Chemical and Waste Management

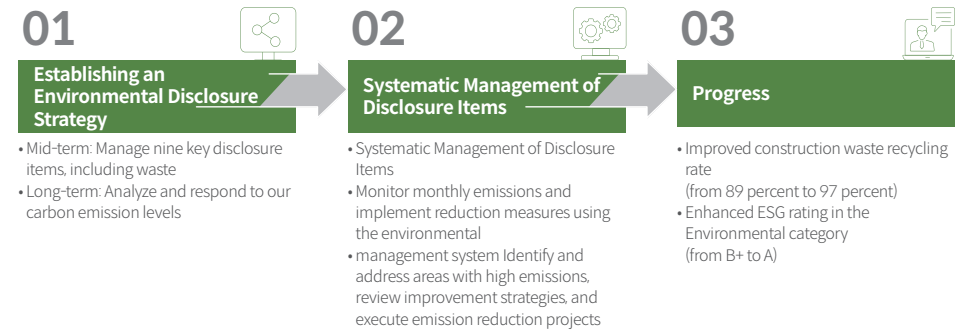
At KOGAS, we ensure the safety and non-toxicity of chemicals used in the production and supply of natural gas by thoroughly assessing their hazards when purchasing, manufacturing, or importing them. We use low-concentration products for caustic soda (NaOH), hydrochloric acid (HCl), and potassium hydroxide (KOH) that are not classified as hazardous chemicals. Additionally, the odorants added to detect natural gas leaks and sodium hypochlorite used to prevent marine biofouling do not contain hazardous chemicals.

We are doing our best to minimize waste generation from all business activities and segregate waste by type and purpose. We also promote the use of recycled materials in construction projects and impose environmental fees for single-use cups at our headquarters' cafe as part of our company-wide resource-saving initiatives. In November 2022, we signed a voluntary agreement with the Ministry of Environment to ensure eco-friendly disposal of construction waste. Starting in 2023, our ESG management plans include recycling construction waste and using recycled aggregates as key performance indicators (KPIs). Furthermore, we revised the "Resource Circulation and Waste Management Guidelines" to mandate waste minimization and proper sorting in construction contracts, distributing these guidelines across all sites. Using our internal IT system, we analyze monthly waste and recycling rates, identifying causes of increases and implementing corrective measures. In 2023, KOGAS achieved a construction waste recycling rate of 97 percent, an 8 percent improvement from 2022. We also improved our environmental ESG rating from KCGS, moving from a B+ (Good, 2022) to an A (Excellent, 2023).

Construction waste recycling rate



Waste Management Procedures and Performance

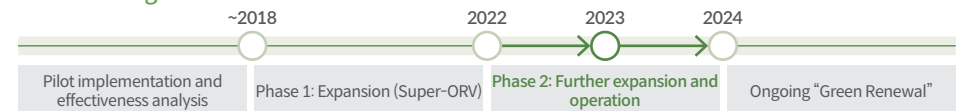


Minimizing Environmental Impact

Building a Sustainable LNG Terminal with Eco-Friendly Equipment

In response to the need for upgrading aging equipment over the past 30 years, KOGAS is leading the way in establishing a sustainable LNG terminal by transitioning to eco-friendly and high-efficiency long-term operational equipment. As the need for renewal of the metropolitan terminals and proactive responses to stricter environmental regulations arise, we are implementing phased equipment upgrades and expansions linked with existing infrastructure in the metropolitan area. This is also aimed at alleviating local residents' concerns about flame and soot issues from gas flaring at combustion stacks. Last year, we completed the performance enhancement of large-scale seawater vaporizers (Super-ORV). Building on this success, KOGAS introduced and began operating the first domestic large-scale vaporizer gas compressors at our Incheon facility. This development has led to a reduction of 846 tons of CO₂ annually. We also installed a Pre-Cooler for efficient handling of vaporized gas at the Incheon and Pyeongtaek facilities, improving re-liquefaction efficiency by 57 percent and reducing CO₂ emissions by 4,156 tons per year. To address residents' concerns about incineration, we introduced a sealed incineration system, achieving the first-ever elimination of flame and soot emissions.

(Focusing on the Metropolitan Area) Phased Equipment Upgrades and Expansions Linked with Existing Infrastructure



Reusable Container Promotion Initiative

KOGAS is committed to enhancing the self-sufficiency of social economy enterprises by providing tailored follow-up support. In collaboration with the Daegu Social Economy Support Center (selected by Korea Social Enterprise Promotion Agency), we are working to expand sustainable social impact. We have supported the establishment of two new reusable container cleaning facilities, along with the development of container manufacturing and rental services. To further this, we have demonstrated the production and recycling of reusable containers and supported their use at festivals and events. We have signed MOUs with Kyungpook National University and local community welfare centers in Daegu. As a result, the usage of reusable containers at cafes and events in the Daegu area increased from 105,000 units in October 2022 to 451,000 units in 2023, marking a 330 percent rise.



MOU signing ceremony for reusable container programs



Biodiversity and Ecosystem Protection

Biodiversity Protection

KOGAS recognizes the importance of biodiversity conservation for sustainable development and understands the potential risks that biodiversity loss poses to our operations. Humanity depends on the essential services provided by diverse species within ecosystems. Additionally, biological resources offer significant economic benefits and services across various industries, including medicine, food, environment, and energy. However, threats to biodiversity, such as habitat destruction, continue to persist, making biodiversity conservation a critical and urgent global issue. KOGAS takes all necessary measures to minimize negative impacts on biodiversity across our entire business value chain and have established the following biodiversity policy, which has been approved by the Board of Directors. KOGAS will strive to achieve a net positive impact (NPI) in terms of biodiversity by 2026.

Biodiversity Commitment

- We will not operate in areas with exceptional natural ecosystems and rich biodiversity that are particularly valuable for conservation, including
 - wildlife protection areas, ecological and landscape conservation areas, wetland protection zones, and specific islands.
- We will also refrain from operating in internationally protected areas, such as
 - Ramsar wetlands, UNESCO World Heritage Sites, biosphere reserves, global geoparks, and IUCN protected areas categorized as I-IV.
- We will seek external assistance to fulfill our biodiversity conservation commitments.
- We will support local, national, and global initiatives aimed at protecting ecosystems and endangered species.
- To enhance understanding of the importance and severity of biodiversity issues, we will effectively provide relevant information to our employees and stakeholders.
- (Target): Zero loss of international and domestic biodiversity protection areas.

We will integrate these commitments into our internal management systems, aiming not only for the quantitative goal of zero loss in biodiversity protection areas but also to faithfully implement all our commitments. We will review and disclose our achievements annually. As a public institution, we will continuously strive to set an example in ESG corporate management and advance our dedication to biodiversity conservation.

* "We" refers to KOGAS and its subsidiaries under its direct control

Biodiversity Conservation Activities

From the planning stages, we systematically assess the potential impacts of our projects on surrounding ecosystems and environments, implementing measures to minimize environmental effects. We also diligently perform post-operation management and monitoring. In 2023, following our efforts in 2022, we installed safety nets at Namdong Wetland, a key breeding site for the critically endangered class-1 wildlife spoon-billed sandpiper. These measures improved the environment by protecting nests from predators such as raccoons, leading to a 12 percent increase in breeding pairs and achieving a 0 percent predation rate. We are actively involved in various initiatives, holding public awareness campaigns and running citizen monitoring groups, among others. Through our "Adopt an Endangered Species" program, KOGAS continues to protect the habitats of otters and flying squirrels, as well as transplant and preserve rare plants like willow at our sites. Additionally, we distributed the endangered plant, "birds-nest ferns," to 900 elementary school students in Daegu, fostering its conservation. We also planted 1,250 trees around school fences, which annually absorb 1,300 kilograms of CO₂. These efforts have enabled us to achieve its goal of zero loss in both international and domestic biodiversity protection areas.



Spoon-billed Sandpiper Predator Prevention Fence Installation in Incheon Namdong Wetland

Biodiversity Risk Assessment

Environmental impact assessments evaluate all environmental risks, including those related to biodiversity, for our projects. This process involves investigating and assessing potential impacts, incorporating stakeholder feedback, and developing action plans to mitigate or eliminate these impacts. The biodiversity risk assessment within our environmental impact assessment encompasses all our facilities and their surrounding areas. This procedure is carried out throughout the entire project lifecycle, including before, during, and after implementation. All relevant documents are officially submitted to the Ministry of Environment and are publicly accessible through the Environmental Impact Assessment Information Support System (EIASS).

Classification	No. of Work Sites in Operation (Unit: business sites)	Area (Unit: hectares)
Total number of business sites and site area used in operations	15	793
Total number of business sites and site area that have conducted biodiversity impact assessments and have had significant biodiversity impacts	5	505
Total number of business sites and site area that have conducted biodiversity impact assessments and experienced significant biodiversity impacts	5	505
Total number of business sites and site area with biodiversity management plans among those with significant or proximal impacts	5	505



Vegetation control and threats management activities on Yeongjongjeodo Island, Incheon



citizen-participated habitat monitoring research results published

Biodiversity and Ecosystem Protection

Forest Protection

At KOGAS, we are acutely aware of the importance of preventing deforestation for sustainable development and the potential risks that deforestation poses to our operations. Forests are essential for life; they cover 30 percent of the earth's surface and play a critical role in carbon absorption and biodiversity. However, according to the Food and Agriculture Organization of the United Nations, environmental pollution and wildfires are causing the loss of forests worldwide, equivalent to about 73 percent of South Korea's land area each year. This loss contributes to species extinction and accelerates climate change. As a result, deforestation has become a critical issue that must be urgently addressed globally. KOGAS takes all necessary measures to minimize negative impacts on forests across our entire business value chain and have established the following forest policy, which has been approved by the Board of Directors. KOGAS is committed to achieving zero deforestation by 2026.

Forest Commitment

- We will not operate in areas with significant forest resources that are particularly valuable for conservation, such as:
 - wildlife protection areas, ecological conservation zones, wetland protection areas, and specific islands
- We will also refrain from operating in internationally protected areas, including:
 - Ramsar wetlands, UNESCO World Heritage Sites, biosphere reserves, global geoparks, and IUCN protected areas categorized as I-IV.
- We will seek external assistance to fulfill our pledge to avoid forest destruction.
- We will support local, national, and global initiatives aimed at protecting forests and preventing their destruction.
- To enhance understanding of the importance and severity of forest destruction issues, we will effectively provide relevant information to our employees and stakeholders.
- (Target): Zero loss of international and domestic forest protection areas.

We will integrate these commitments into our internal management systems, aiming not only for the quantitative goal of zero loss in forest protection areas but also to faithfully implement all our commitments. We will review and disclose our achievements annually. As a public institution, we will continuously strive to set an example in ESG corporate management and advance our commitment to preventing forest destruction.

* "We" refers to KOGAS and its subsidiaries under its direct control.

Forest Conservation Activities

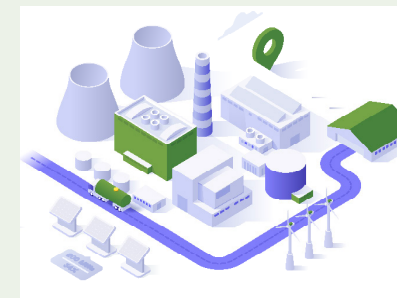
From the planning stage of our projects, we have systematically assessed the potential impacts on surrounding forests and the environment, implementing measures to minimize environmental effects. We continued to carry out diligent follow-up management and monitoring. We have established a wildfire monitoring system, including risk assessments, joint response mechanisms for high-risk areas, and improvements to our wildfire situation control system. These efforts not only protect our facilities but also support initial wildfire suppression activities in nearby areas, contributing to forest resource conservation. Through the "Ansim Station Urban Forest Project" we have developed green spaces in urban areas, achieving an annual carbon absorption effect of 10 tons. Additionally, our "Climate Crisis and Biodiversity Awareness Education Program" highlights the importance of forests in carbon sequestration.



Ansim Station Urban Forest Project

Environmental Value Chain

INPUT



Energy consumption

12,637 TJ
 Fuel 4,156 TJ
 Electricity 8,388 TJ
 Steam 93 TJ



Water consumption

1.68 billion m³
 Seawater 1,674,858 thousand m³
 Tap water 627,515 m³
 Groundwater etc. 13,463 m³



Chemical consumption

1,677 tons

OUTPUT



Air pollutant emissions

GHG emissions

654,229 tCO₂eq
 Direct emissions 249,923 tCO₂eq
 Indirect emissions 404,313 tCO₂eq

NOx

182,746 kg
 Basic unit 5.28 kg/1,000 tons

SOx

1,008 kg
 Basic unit 0.03 kg/1,000 tons

Dust

3,024 kg
 Basic unit 0.09 kg/1,000 tons

Water pollutant emissions

Individual wastewater treatment facilities

BOD	SS	T-N	T-P
7.3 ppm	6.3 ppm	33.1 ppm	1.5 ppm

wastewater discharge facilities

TOC	SS
23 ppm	29 ppm

Waste discharge

general

1,141 tons

designated

105 tons

construction

183,416 tons

97% of construction waste recycled

Social

Society Living in Harmony



Fostering Mutual Prosperity	60
Partnering with the Local Community	64
Enhancing Employee Capacity and Inclusiveness	68
Creating and Sharing Job Opportunities	70
Enhancing Customer Value	74
Fortifying Information Security	76

SOCIAL

ESG Goals

Maintaining safety management level 1 or above



Strategy and Tasks

- Fostering Mutual Prosperity
- Enhancing public benefits of gas
- Advancing Disaster and Safety Systems
- Creating and Sharing Job Opportunities
- Enhancing Employee Capacity



| Crisis and Opportunity Factors

The risk of disasters is increasing due to the occurrence of natural calamities and the rise in large-scale, long-distance construction projects involving massive storage tanks and nationwide gas pipelines. Unpredictable new threats are emerging, and with the implementation and revision of the Severe Disaster Punishment Act, worker safety has become more critical than ever. Additionally, the importance of social equity in workforce utilization, ensuring equal opportunities, promoting mutual growth and cooperation, supporting vulnerable groups, and strengthening local infrastructure is growing. Now is the time for us, a public energy supplier, to enhance its capabilities and address these challenges effectively.

| KOGAS Response Strategy

We are committed to identifying potential risks associated with facilities and operations, analyzing their causes, and evaluating outcomes. We conduct safety inspections throughout the year to recommend and implement measures to mitigate and eliminate these risks. Additionally, we operate optimal gas facilities that are resilient to disasters, supported by a systematic and advanced disaster response system, regular disaster drills, and close coordination with relevant agencies. We also contribute to local economic development through various CSR programs and job creation initiatives. Notably, we actively leverage energy welfare programs to fulfill our social responsibilities as a public energy enterprise.

| 2023 Performance

Strengthening Partnerships with Corporates and SMEs
Prime Minister's commendation for outstanding organization

Presidential award for Excellence in Disaster Training

Private sector job creation **13,021 jobs** created (108.9 percent of target achieved)

High-efficiency industrial heater replacements **130 units** replaced

2023 Rated **excellent** at the public enterprise mutual prosperity assessment

The 2023 proactive employment improvement measures for female workers employment standards **"Met"**

Support for vulnerable groups' gas bills **8-fold** increase compared to the previous year

Percentage of female managers Achieved **6.5 percent** target

Energy Welfare commendation by the Ministry of Strategy and Finance

Family-friendly certified company Awarded for **9 consecutive** years

2023 PCSI Rated **Excellent**

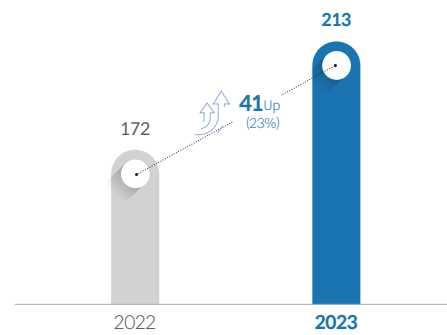
Presidential award for excellence in developing anti-drone system

Fostering Mutual Prosperity

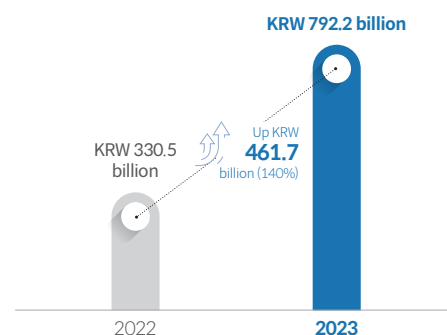
Rated **Excellent** in the public sector mutual prosperity assessment 2023

Prime Minister's Prize at the Partnerships with Corporates and SMEs Awards

Payment System for Mutual Prosperity



Subcontractor Guardian

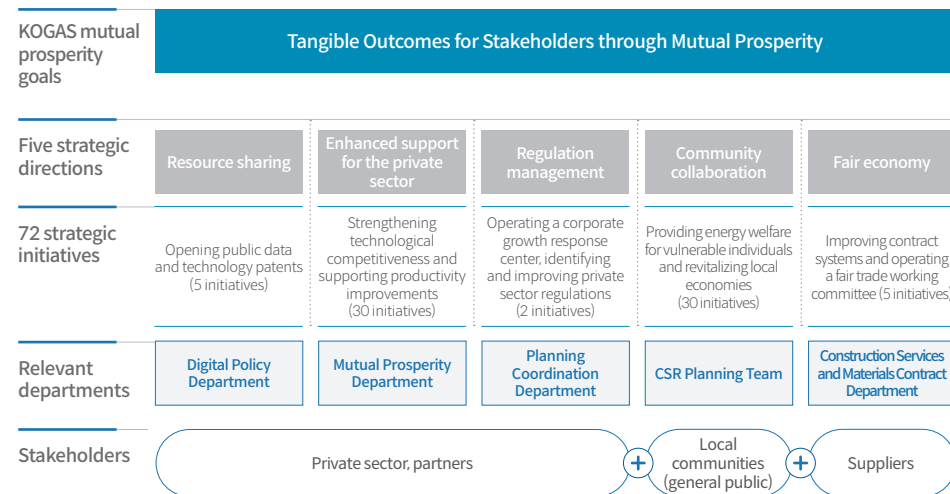


Mutual Prosperity Strategy

Mutual Prosperity Strategy and Goals

We at KOGAS are dedicated to "creating tangible outcomes for stakeholders through mutual prosperity." To achieve this, we implement tailored support programs for SMEs and microbusinesses. Our unique strategies and activities aim to enhance resource accessibility, boost support for the private sector, manage regulations effectively, foster regional mutual prosperity, and promote a fair economy, ensuring substantial benefits for all stakeholders.

| KOGAS Mutual Prosperity Strategy



Promoting a Trust-Based Culture of Fairness and Mutual Growth

We have established the 'KOGAS Model for Best Practice Transactions' by identifying and addressing unfair trading practices. We also regularly operate the Fair Trade Practice Council, which includes relevant subcommittees. In 2023, we enhanced our customer-centric contract system to collect customer feedback, ensure fair compensation, and expand bidding opportunities. Additionally, we launched separate communication platforms for contractors and subcontractors, and upgraded the existing platforms for SMEs and the private sector.

Improving Financial Conditions for Partners

In 2023, we enhanced financial conditions to alleviate the financial difficulties of our partners. We mandated that bidding announcements specify that up to 80 percent of the contract amount be paid in advance. We also expanded the scope of our mutual support payment system to cover contracts worth KRW 200 million, down from the previous threshold of KRW 300 million. We are the first public enterprise in Daegu to introduce a price adjustment clause program. This program adjusts payment amounts when the prices of key raw materials fluctuate beyond a certain level, contributing to supply chain stability. We promoted the program to our partners, increasing participation rates, which resulted in 131 companies confirming their involvement. This initiative laid the foundation for stabilizing the supply chain by incorporating a price adjustment clause linked to raw material costs into our standard contract. We promoted the program to our partners, resulting in 131 partners joining. This initiative laid the foundation for incorporating a price adjustment clause into our standard contract.

Support for Partners

Supporting SMEs to Stand on Their Feet

We support SMEs by helping them manage financial liquidity, foster technology development and protection, expand sales and market opportunities, and promote performance sharing and innovative growth. These efforts enhance SMEs' competitive edge in various areas, enabling them to overcome market entry barriers and achieve tangible sales growth.

| Partner Support Programs (2023)

Financial Liquidity	Technology Development and Protection	Sales Increase/Market Development	Performance Sharing/Innovative Growth
<ul style="list-style-type: none"> Advance payment <ul style="list-style-type: none"> - up to 80% of down payment - up 45% (Previous year KRW 153.0 billion → KRW 222.2 billion) 	<ul style="list-style-type: none"> Task identification <ul style="list-style-type: none"> - Set eyes to green areas beyond natural gas and new business - Firmwide essential technology contest 	<ul style="list-style-type: none"> Market promotion <ul style="list-style-type: none"> - support for government certification and sales of quality technological products - Fault prediction warning system, mobile laser gas detectors, etc. 	<ul style="list-style-type: none"> Sharing profits and outcome <ul style="list-style-type: none"> - Purchased new-technology products (6 products worth KRW 419 million) - Incentives for SME productivity enhancement (57 incentives worth KRW 13 million) - Registered 133 performance sharing tasks, including 19 performance sharing tasks for government policy-related startups, 14 performance sharing tasks for market opening through showroom support, 133 performance sharing tasks
<ul style="list-style-type: none"> Mutual Prosperity Payment System <ul style="list-style-type: none"> - Bond issuance two days before payment - The system expanded to apply to KRW 200-million contracts and above, down from KRW 300 million - Up 23% from previous year (172 → 213) 	<ul style="list-style-type: none"> Task Operation <ul style="list-style-type: none"> - Technology transfer performance sharing - R&D mentoring, technology consulting, and other practical support (4 times) 	<ul style="list-style-type: none"> Key equipment manufacturers registration <ul style="list-style-type: none"> - for partners and manufacturers of 5 products including natural gas ball valves, 19 standards, → Added two partners in 2023 	<ul style="list-style-type: none"> Support for innovation and growth <ul style="list-style-type: none"> - support for the obtaining AEO certification: one partner → reduced export custom inspection by 10%, saving KRW 900 million in logistics - Support for the industrial property rights protection: 1 partner - Support for productivity, process, innovative process facility building → Financial performance worth KRW 1.73 billion through lowered defect rate, cost reduction, etc.
<ul style="list-style-type: none"> Mutual Prosperity Fund <ul style="list-style-type: none"> - Low-interest loans (KRW 500 million per applicant for 5 years) - KRW 178.5 billion for 815 applicants 	<ul style="list-style-type: none"> Follow-up support <ul style="list-style-type: none"> - Government certification for excellent technology and sales promotion 	<ul style="list-style-type: none"> Market opportunities for verified localized products <ul style="list-style-type: none"> - 55% of ball valves purchased are localized products (KRW 7.6 billion/KRW 13.8) 	
<ul style="list-style-type: none"> Emergency loans for microbusinesses <ul style="list-style-type: none"> - social finance for microbusinesses in Daegu with reduced sales (interest-free) → Prevented the closure of 123 	<ul style="list-style-type: none"> Localization of key facilities par <ul style="list-style-type: none"> - Localization of ultra-freezing ball bearing production - Commercial operation of depressurized power facility (1.5MW) built in Korea - Localization of parts in natural gas area 82.6% → 85.6% 	<ul style="list-style-type: none"> Purchase of products by SMEs <ul style="list-style-type: none"> - KRW 557.0 billion 	
	<ul style="list-style-type: none"> Market readiness of locally developed products by SMEs products <ul style="list-style-type: none"> - Sharing natural gas infrastructure for comprehensive support (submerged cryogenic pump, ultrasonic flow meter) Technology personnel support for verification tests, financial support for certification tests (75% of total expenses), etc. 	<ul style="list-style-type: none"> Joint participation in international shows <ul style="list-style-type: none"> - support for international shows, including 2023 GASTECH, twice (operation of KOGAS Mutual Prosperity Hall, etc.) → joined by 19 SMEs, exported products worth USD 18 million, 465 potential customers 	
	<ul style="list-style-type: none"> Support for depositing key technological data <ul style="list-style-type: none"> - 30 cases in 2023 	<ul style="list-style-type: none"> Joint international market entries and export expansion <ul style="list-style-type: none"> - USD 171 million 	
	<ul style="list-style-type: none"> Technology protection awareness training <ul style="list-style-type: none"> - 3,472 completed online training 		

Enhancing Communication and Collaboration Channels

We maintain a range of communication and collaboration channels to address the concerns of our partners, SMEs, and microbusinesses. Issues are collected through the Business Growth Response Center, meetings, and in-depth interviews with individual businesses. In 2023, we conducted a satisfaction survey on our partnership communication to assess and improve our program. We also significantly expanded the Subcontractor Guardian system and conducted four scheduled and two unscheduled inspections to ensure proper subcontracting practices. Additionally, to enhance communication and cooperation with SMEs, we hosted the "2023 KOGAS Mutual Prosperity Forum" to outline mutual prosperity policies government and KOGAS strategies, and support programs. The forum also covered the future of global natural gas and industry strategies. Furthermore, we held six business meetings to gather feedback and expand our SME support programs for efficiency.

Partner VOC and grievances handled (2023)

- 6 meetings and Seminars
- 6 Subcontract Guardian Compliance Inspections

Hosted a Mutual Growth Forum

with the participation of the KOGAS CEO, executives, and representatives from 34 small partner companies.

Mutual Prosperity Expansion

ESG Management in the Supply Chain

Supply Chain ESG Strategy and Implementation

Under the strategic goal of Advancing ESG Management Systems, we are reinforcing compliance management and establishing ESG practices within the supply chain to support mutual growth. We have developed and shared a Supplier Code of Conduct, which outlines the environmental, human rights, health and safety, and ethical standards that suppliers must adhere to. This Code of Conduct applies to suppliers, their employees, agents, and any secondary or lower-tier suppliers they engage with. All suppliers are required to comply with relevant laws, the Code of Conduct, and the terms specified in their contracts. To ensure adherence, we provide guidance on the Code of Conduct compliance through bidding announcements for all suppliers entering into contracts with KOGAS.

Supplier Selection

KOGAS selects and manages key suppliers for essential equipment with 19 specifications across five categories including natural gas ball valves. The evaluations consider the financial stability of the suppliers to manage suppliers' risks, such as bankruptcy, and the appropriateness of the items to our need. We require proof of delivery performance when submitting applications for registration despite the limited opportunities to achieve delivery due to the nature of the gas industry. To support domestic equipment suppliers and new suppliers without delivery records, we have implemented a reliability evaluation system. This system assesses the durability and performance of equipment, allowing it to substitute for delivery performance records. All related information, including the status of contract eligibility reviews and contract execution, is transparently disclosed

Supply Network

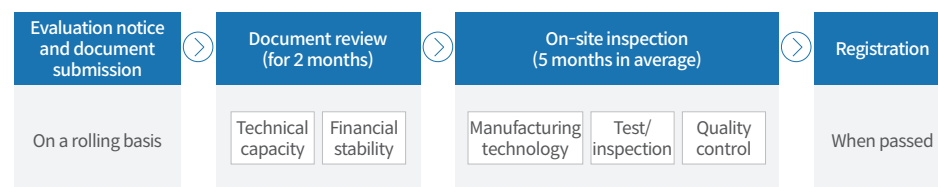
Classification	No. of Suppliers
Tier-1 suppliers ¹⁾	707
Key tier-1 suppliers ²⁾ (proportion of total purchase cost)	28(11%)
Key tier-2 suppliers ³⁾	253
Total key suppliers ⁴⁾	281

1) All businesses that contracted directly with KOGAS
 2) Businesses that are managed through Key Equipment Management System (as of December 2023)
 3) Suppliers of key tier-1 suppliers (up 138 from the previous year)
 4) Key tier-1 suppliers and key tier-2 suppliers combined

Potential Risk Identification Process

We operate a key equipment manufacturer registration system to ensure a safe gas supply. This system allows us to evaluate manufacturers based on their production capacity and financial stability, ensuring quality-certified equipment and improving the efficiency of the bidding process. Applications for all major equipment categories are accepted on a rolling basis and evaluated through a five-step process, from document review to on-site inspection. This process helps identify potential risks associated with each supplier. As of the end of December 2023, 30 businesses are registered for five categories of major equipment, encompassing 19 specifications.

Equipment manufacturer registration procedure



Managing Supplier ESG Risks

We have systematically established strategies and action plans for managing supplier ESG risks, reporting these to executives and management relevant procurement. When dealing with partners and major equipment suppliers, we incorporate ESG factors, including the supplier code of conduct, to manage supply chain risks beyond business relationships. In the supplier selection and retention process, we include ESG criteria such as ethics, human rights, and safety in our evaluation standards and stipulate compliance with the code of conduct in our contracts. For construction services, we conduct biannual subcontractor inspections in accordance with the "Subcontractor Management Guidelines," assessing on-site conditions such as subcontractor management, labor environment and compensation, safety and health conditions, environmental management, and grievance handling. These evaluations cover all construction projects, with immediate sanctions for violations and penalty points impacting future bids if issues are not corrected. For major equipment suppliers, we prioritize evaluating five key business capabilities, including quality systems, delivery performance, financial status, and production capacity, considering risks by country, sector, and product. We also review their performance in sustainable management. Additionally, we provide training on integrated supply chain ESG risk management for KOGAS procurement staff and partner company employees.

Quality	Technological capacity	Continuity	Delivery	Transparency in selection
ISO 9001 Certification	Confirming design and manufacturing capabilities based on delivery performance	Risks in business operations (merger, consolidation, etc.)	Practical manufacturing capacity (on-site inspection)	Bidding

Assessing Supplier ESG Risks

In 2023, we conducted document and on-site evaluations of 7 candidates (20 percent of key suppliers). As a result, one of them was identified as having negative ESG-related risks. We have requested this candidate to submit a corrective action plan and implement the necessary improvements.

Supplier ESG Risk Assessment Results (2023)

Supplier type	No. of suppliers whose ESG risks are assessed	No. of suppliers whose assessment shows high ESG risks	Suppliers with high ESG risks (%)
Key tier-1 suppliers	7	1	14

Strengthening Supplier ESG Capabilities

As societal demands for ESG management increase, they are creating regulatory barriers for SMEs in export and import activities. In 2023, we provided consulting services to one partner to obtain AEO (Authorized Economic Operator) certification from the Customs Service and supported facility upgrades for process improvement and innovation for 25 partners in the natural gas and hydrogen sectors. Additionally, we offered targeted consulting services to address ESG weaknesses through expert training (10 experts from 5 companies) and ESG management support (KRW 55 million for 11 companies) to help SMEs improve their ESG management capabilities.

Supply network ESG management KPI

KPI	Goal (2023)
Joint R&D	R&D cases: 18 Participants: 16 R&D budget: KRW 630 million
Supplier training	Technology and research training: 0 Hands-on training: 0 On-line training: 243

Mutual Prosperity with Local Communities

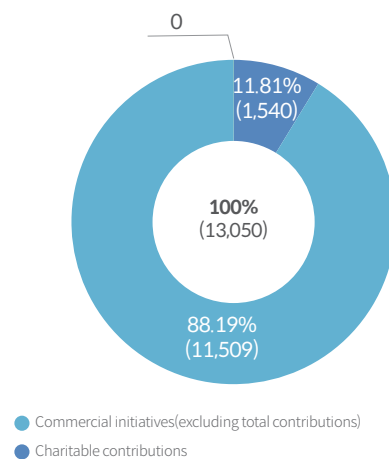
Local Community Engagement System

CSR Strategy

Under its corporate philosophy of "Better Energy, Better World," KOGAS has established the "KOGAS CSR Charter" to define and guide its CSR activities. In alignment with this charter, we are committed not only to our core business activities that contribute to the national economy and public welfare but also to actively listening to our customers and ensuring the social return of corporate profits. Additionally, we strive to preserve the environment and culture, and to spread dreams and hope to local communities and the underserved, working towards creating a "Happy World with Green Energy." We have developed the "Hope On" brand, symbolizing the delivery of hope through warmth, and are actively engaged in diverse support activities for vulnerable groups. We have also launched regional cooperation programs related to energy welfare, future generation development, and citizen and employee engagement, all aligned with the nature of the energy industry.

CSR Motto	Green Energy, Happy World			
Core Value	Energy	Future	Coexistence	Sharing
Tasks	Creating a green environment · Thermal efficiency improvement project · Support for energy startups · Establishing carbon-neutral school forests · Creating urban forests at safe stations	Nurturing future talents · LnG scholarship programs · LnG mentoring · Support for school basketball teams	Revitalization of local economy · Support for the independence of disabled individuals · Promoting reusable container businesses · Startup competitions · Expanding safe factory projects · Supporting entry into online markets	Leading culture of sharing · Seasonal support for communities in need · Employee walking donation campaigns · Disaster relief social contributions · Making relief kits for disaster victims · Coal briquette and kimchi sharing events · Onnuri Silver Sharing · Joint social contributions in innovation cities · Donating corporate card points · Brightening neighborhoods with streetlights · Support for crime victim rehabilitation
Relevant UN Sustainable Development Goals, Key Performance Indicators (KPI)	SDGs 3, 6, 7, 8, 9, 11, 13, 17 · Annual energy savings from thermal efficiency improvement project: KRW 54 million · Participation in thermal efficiency improvement project: Revenue of social enterprises participating in thermal efficiency improvement projects: KRW 1,425 million · Satisfaction with energy startup support projects: 89.22 points	SDGs 3, 4, 7, 8, 10, 11, 13, 15, 17 · Number of scholarship beneficiaries: 158 · Satisfaction of children participating in LnG mentoring: 92.88 points · Social contribution satisfaction among beneficiaries/employees: 87 points	SDGs 1, 2, 3, 4, 5, 8, 9, 12, 13, 17 · Revenue from safe factory initiatives: KRW 2,313 million · Donations to Goodwill Store from the independence support project for disabled people: 75,701 items · Usage of reusable containers: 451,000 units · Number of beneficiaries from inclusive job creation programs: 149	SDGs 1, 3, 10, 11, 12, 16, 17 · Revenue of socio-economic organizations participating in seasonal support for communities in need: KRW 367 million · Number of beneficiaries from follow-up projects of the walking donation campaign: 1,023 · Corporate card point donations: KRW 44 million

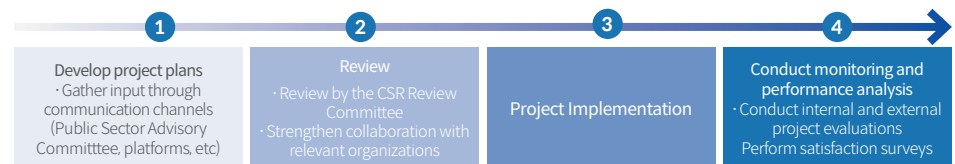
CSR Expenditure (2023, KRW million)



Local Economy Engagement Projects

KOGAS has implemented collaborative projects to engage with local communities and stimulate the regional economy, following our mutual prosperity project guidelines. First of all, we use communication channels such as public agency councils and the Daegu Regional Problem-Solving Platform to develop plans incorporating community feedback. Next, the CSR Review Committee reviews these plans to decide whether to proceed with the projects. Finally, we conduct internal and external evaluations of the implemented projects and carry out satisfaction surveys to identify areas for improvement. In 2023, we expanded our satisfaction survey partners to include public enterprises, government offices, and social economy organizations. We also broadened the survey scope from direct beneficiaries to include local residents, thereby enhancing our existing satisfaction survey process.

Project Implementation Process



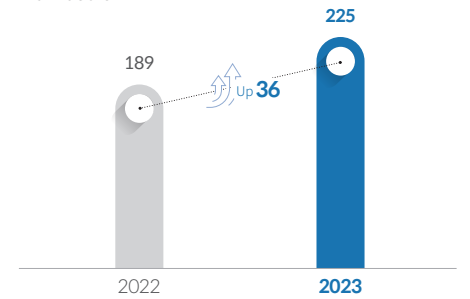
Creating a Green Environment

EERS (Energy Efficiency Enhancement Program)

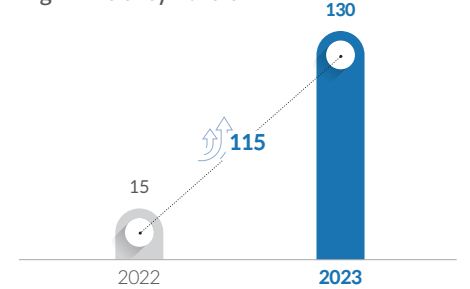
Since 2019, KOGAS has been advancing the EERS (Energy Efficiency Enhancement Program) as part of its role as an energy supplier. The EERS initiatives include replacing outdated insulation, heaters, windows, and lighting with energy-efficient alternatives in low-income households and social welfare facilities, upgrading old industrial heaters to high-efficiency models, and distributing communication-based gas metering devices.

In 2023, we increased our support to 225 facilities and households, up by 36 from 2022. Additionally, we expanded the donation of high-efficiency heaters to 130 units, an increase of 115 from the previous year. To promote voluntary energy cost reduction, we have donated a total of 55,000 real-time metering devices as of 2023 and supported the installation of new cogeneration systems, contributing to energy efficiency improvement in industries.

Heat efficiency improvement for vulnerable individuals



Replacement of Industrial and Other High-Efficiency Boilers



Expansion of energy welfare programs

In response to rising city gas rates for residential and general use, KOGAS has expanded its tailored city gas rate reduction benefits for vulnerable groups, social welfare facilities, small business owners, and the general public. To alleviate the energy cost burden on vulnerable groups and social welfare facilities, the maximum monthly rate reduction has been increased from KRW 18,000 to KRW 148,000. This benefit was provided to a total of 1.79 million locations, amounting to KRW 483.9 billion in total rate reductions. Furthermore, we implemented a city gas cashback program, where users receive a cash refund based on their reduction in gas consumption. This initiative helped 110,000 households reduce their gas usage, and a total of KRW 750 million was refunded to users between December 2022 and March 2023. Additionally, the scope of deferred gas payment eligibility was expanded to include not only vulnerable groups but also small business owners. Gas rate discounts were also provided to those whose homes were damaged in disaster special zones due to summer heavy rains and typhoons. In 2023, a new installment payment system was introduced for small business owners, allowing them to evenly distribute the payment of winter gas bills over four months, thereby reducing their financial burden.

Green environment creation through forest projects

KOGAS is actively working towards carbon neutrality and creating a green environment in the Daegu region by establishing classroom forests within schools and urban forests near the Ansim Station in Daegu Innovation City. Two elementary schools in the Daegu area were selected, where 1,250 trees, including evergreens, were planted around the school fences. Additionally, 900 elementary students were provided with companion flowerpots, and environmental education was conducted. Moreover, KOGAS created the "Ansim Station Urban Forest" on public land at the entrance of Daegu Innovation City. This urban forest provides an annual carbon absorption effect of 10 tons and offers a recreational space for local residents. KOGAS also engages in environmental cleanup activities with the local community to foster a green environment.

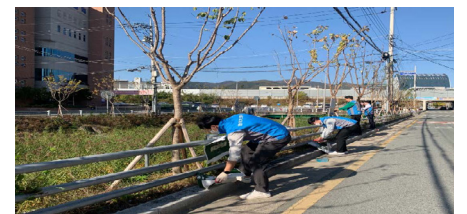
Fostering Energy Startups

KOGAS established a support system for energy startups in the Daegu region, laying the foundation for corporate growth and regional economic development. We provided mentoring, consulting, support for overseas expansion, and ESG (Environmental, Social, and Governance) education to startups less than seven years old that are engaged in the production, storage, and use of energy. The total sales of the 20 companies selected for the incubation program amounted to approximately KRW 8.9 billion, an increase of about KRW 600 million compared to 2022. Additionally, the number of patent registrations and applications, as well as external investment attracted, increased by two cases and KRW 1.6 billion, respectively, compared to 2022.

Won prizes for Energy welfare by Ministry of Strategy and Finance (economic development)



Net-zero School Forests



Ansim Station Urban Forest Project

Mutual Prosperity with Local Communities



LnG Scholarship Awards Ceremony



LnG Mentoring Ceremony



Supporting school basketball teams with supplies



Supporting the establishment of a "Goodwill Store"

Nurturing future talents

LnG scholarship programs

To foster future talent, KOGAS provided scholarships of KRW 2 million per student to 158 low-income college students from socially disadvantaged groups across the country. This support was aimed at allowing these students to focus on their studies without worrying about living expenses.

LNG mentoring

KOGAS is committed to forming and maintaining long-term, mutual relationships with future generations, including children, adolescents, and college students in the region. We operate the LnG mentoring program, which matches employees, college students, and children/adolescents in a 1:1:1 format. In 2023, 14 children/adolescents, 14 college students, and 14 employees from the Daegu area participated in the program. It provided opportunities for academic guidance, cultural experiences, career counseling for college students, and support for academic achievement and growth for children.

Support for school basketball teams

Following the establishment of Daegu KOGAS Pegasus, a professional basketball team, in 2021, KOGAS has been supporting school basketball teams in the Daegu area. This initiative aims to nurture talented local students and enhance the competitiveness of local schools. We provided basketball and sports equipment to 106 students across nine school basketball teams in Daegu. Additionally, the company supported ten vulnerable students within these teams by providing essential living supplies, contributing to the revitalization of regional sports.

Revitalization of Local Economy

Support for the independence of disabled individuals

KOGAS supported the establishment of the Goodwill Store Milal Banyawol branch, a workplace for people with developmental disabilities, in November 2023. This initiative aims to create sustainable jobs for people with developmental disabilities who face economic challenges. Since the opening of the Goodwill Store, a total of 633 donors contributed 75,701 items, and five individuals with developmental disabilities secured employment, simultaneously promoting local economic revitalization and creating social value.

Promotion of reusable containers

To achieve both local economic revitalization and carbon reduction, KOGAS supported a project to promote the use of reusable containers in the Daegu region. This initiative contributes to the creation of a sustainable local circular economy. We produced and supported the reuse of 89,350 reusable cups, signed agreements with related organizations such as Kyungpook National University to expand the use of reusable cups, and achieved results such as generating sales for social economy enterprises (KRW 118 million) and expanding the use of reusable cups (451,000 units).

Strengthening local economic vitality through industry-academia-research-government collaboration

In 2023, KOGAS established a new industry-academia-research-government collaboration body to facilitate continuous communication with universities and research institutions in the Daegu region. This initiative supports the development of technologies tailored to local characteristics and fosters regional cooperation. The number of technology development cooperation projects with local companies increased from four in 2022 to six in 2023, with KRW 310 million in support. As a result of continuous collaboration, the purchase of products from companies developing localized ball valves in the region increased by KRW 1.9 billion, reaching KRW 7.6 billion in 2023 compared to 2022. KOGAS also reduced costs by using domestic ball valves. Given our superior competitiveness compared to foreign products, it is expected that the sales of localized ball valve development companies and the cost savings for KOGAS will continue to grow in the future.

Leading a Culture of Sharing

Seasonal support for communities in need

KOGAS provided seasonal supplies to 4,900 residents of vulnerable communities across the country, enhancing energy welfare. Through a collaborative public-private job program, KOGAS also worked to improve the self-sufficiency and morale of residents in these communities. Additionally, we purchased supplies in collaboration with social economy organizations (nine locations, KRW 367 million) and simultaneously carried out projects such as the production of wooden goods and the operation of a self-sufficiency workshop cafe for homeless and vulnerable community residents in the Daegu area, striving to improve their living conditions.

Employee walking donation campaigns

KOGAS engaged in a walking donation campaign, encouraging participation from both employees and the public to support disadvantaged neighbors and contribute to the government's carbon reduction policy. In 2023, the campaign exceeded its goal of 150 million steps, achieving a total of 200 million steps. Following the achievement of this goal, KOGAS donated KRW 150 million raised by employees to support 1,023 vulnerable individuals, including low-income children, female adolescents, and individuals with spinal cord injuries, and also contributed to reducing approximately 20 tons of carbon emissions.

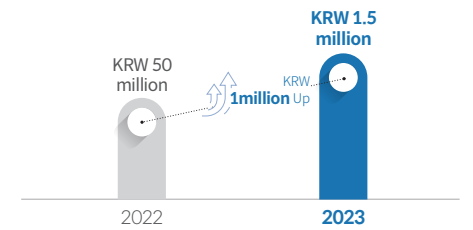
Corporate card points for social contribution

KOGAS utilized the points accumulated from corporate card usage in 2022 (KRW 44 million) to purchase rice from social enterprises and facilities that sell products made by individuals with severe disabilities. The rice was then donated to 121 local social welfare facilities and other entities. Furthermore, in collaboration with its 16 branches nationwide, KOGAS supported a total of 3,107 bags of rice to social welfare facilities and vulnerable groups across the country, promoting the consumption of local agricultural products and caring for marginalized communities.

Tailored community social contribution

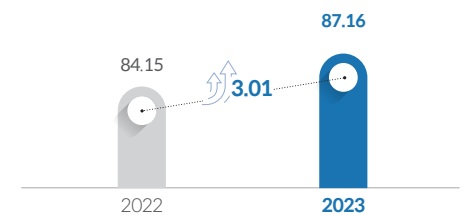
By opening up local facilities to the public, KOGAS strengthened cooperation with local residents and businesses, infusing vitality into the community. The safety experience education center at the Dangjin LNG terminal, equipped with 14 types of safety experience facilities, was opened to the public and local businesses, becoming the first in the industry to be certified as a safety education institution. Additionally, the sports field at the Samcheok LNG terminal was utilized as a venue for the Wondeok-eup Energy Festival in Samcheok City. Through social contribution projects tailored to local needs, identified through community feedback, the satisfaction score among beneficiaries in 2023 reached 92.53 points, an increase of 0.76 points compared to 2022. KOGAS also received the highest grade in the Ministry of Health and Welfare's recognition for community contribution institutions.

Charity Miles campaign fund

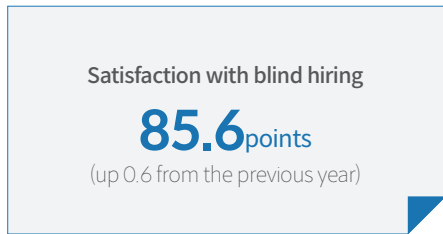


Donated funds from the Charity Miles campaign

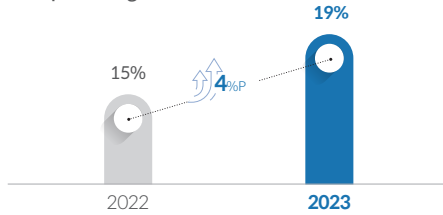
Satisfaction with employee contributions



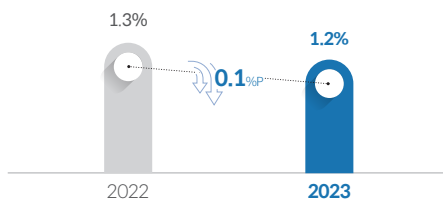
Employee Capacity and Inclusiveness



High school graduates without college degrees (as a percentage of total new hires)



Turnover rate for employees with disabilities



2023
“Achieved”
the proactive measures for gender equality in employment

Employee Diversity and Inclusiveness

Transparent and Fair Hiring Practice

KOGAS ensures that hiring decisions are based on competence rather than age, education, major, or region. We have enhanced fairness and transparency by implementing blind hiring with observers in presence for new employee interviews. Also, we used the National Competency Standards (NCS), aiming to select prospective candidates based on their job-related skills. Additionally, we have introduced a comprehensive recruitment audit management system and established a recruitment oversight committee to prevent hiring irregularities and maintain the integrity and transparency of our hiring processes.

To support diversity, we implement preferential measures for individuals who need special consideration in employment, although there are no significant racial or cultural differences in our society. This includes people with disabilities, job seekers with special employment support needs (such as veterans), low-income individuals, North Korean defectors, multicultural families, women re-entering the workforce, and youth preparing for independence. We offer targeted recruitment and additional points for these groups. As a result, in 2023, we surpassed our legal obligations for social equity in all categories, including local talent, individuals with disabilities, and high school graduates without college degrees. Moreover, we ensure that all employees are treated equally under the same HR policies to prevent discriminatory practices.

| Socially Equitable Hiring (2023)

Classification	Legal Hiring Quotas (as of 2023)	Outcome(% relative to the statutory requirement)
Youths	High school graduates without college degrees 8% of the total hires (4)	9 (225%)
Local talents	Relocated talents 30% of the mandated quota (4)	6(150%)
	Non-capital region talents 35% of the total hires (17)	29(171%)
Social equity	Those eligible for preferential treatment for employment 9% of the regular workforce(365)	371(101.6%)
	People with disabilities 3.6% of the total regular employees (143)	163(114.0%)

1) Based on the data submitted to the Korea Employment Agency for the Disabled

Fair Evaluation and Compensation

We operate a fair compensation system based on the value of job performance, ensuring that pay is distributed rationally. We adhere to laws on gender equality and work-life balance, providing equal pay for equal work regardless of gender and avoiding wage discrimination based on sex. However, due to a recent increase in the proportion of female hires, there is a temporary disparity due to women generally having shorter average tenures and higher representation in lower job grades, leading to relatively lower base salaries and bonuses compared to men. This situation is a reflection of the current employee composition and is not indicative of systemic gender-based pay discrimination. We are committed to addressing and eliminating any unjust disparities in evaluation, promotion, and compensation, particularly for high school graduates without college degrees, women, and individuals with disabilities.

We have developed annual team performance KPIs based on balanced scorecard to implement both individual and team performance evaluations with differential rewards based on the 'results. Evaluations are weighted according to both individual and team goals. We continually refine our assessment system to encourage healthy and creative performance competition. Additionally, in 2023, we introduced a formal process for appealing promotion recommendations and improved our human resources regulations and guidelines to enhance the transparency and fairness of our human resources operations.

Employee Capacity Building and Talent Nurturing

Human Resources Development Strategy

KOGAS has established a new talent development strategy to enhance its internal capabilities and foster a healthy organizational culture based on collaboration, communication, and empathy for the stable production and supply of natural gas. Aiming to cultivate a specialized workforce aligned with our management strategy, we focus on enhancing basic job performance skills, improving relationship-building skills based on communication, and boosting the effectiveness of educational implementation. Key initiatives include refining a job-centered education system, strengthening communication training across different organizational levels, and improving the full-time faculty system. Additionally, we evaluate our achievement against set goals using performance indicators such as training satisfaction, on-the-job applicability, budget execution efficiency, and the quality of digital educational content.

| 2023 KOGAS Human Resources Development(HRD) Strategy

HRD Goal

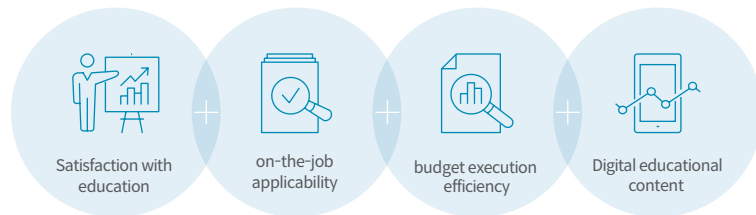
Nurture specialized workforce aligned with our management strategy for 'Vision 2030'

HRD Focus

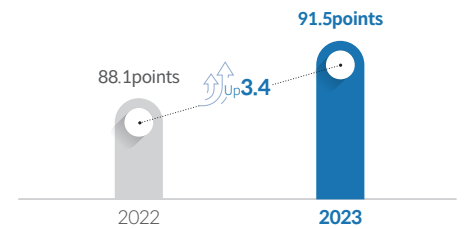
Enhance basic job performance skills	Enhance relationship-building skills based on communication	boost the effectiveness of educational implementation
<ul style="list-style-type: none"> Refine a job-centered education system Enhance digital capacity 	<ul style="list-style-type: none"> Focus on communication training across organizational levels 	<ul style="list-style-type: none"> Improving the full-time faculty system Improving practical application

Action Tasks

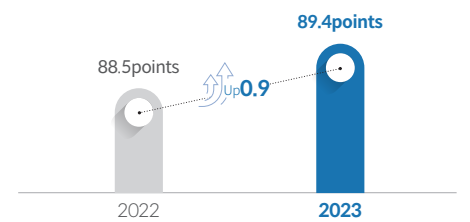
Performance Indicators



Satisfaction with education



On-the-job applicability



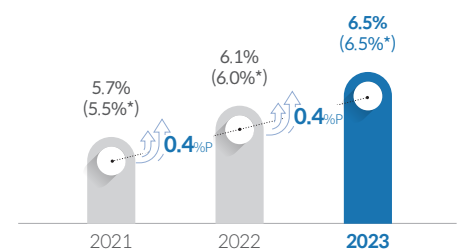
Nurturing Female Talent

In line with our plan to nurture female talent, we have identified and implemented proactive policies to achieve our goals for female managers, ensuring fair and transparent procedures to address inequalities and barriers to growth in our human resources system. However, due to the technical nature of KOGAS's operations, the proportion of women in technical roles and managerial positions remains relatively low. To address these structural issues, we have created a work environment that supports women through gender-neutral human resources policies, parental leave, flexible working hours, and in-firm childcare facilities. Additionally, we have developed and implemented a female talent development roadmap aimed at increasing the proportion of female employees and managers from a long-term perspective. As of 2023, women make up 25 percent of KOGAS's independent board members and 6.5 percent of managers. We have set a target to increase the proportion of women in management positions to 40 percent by 2026.

Talent Development Program

We run a human resource development program based on strategic goals and employee needs to cultivate outstanding core talent that will lead the future of the energy industry. We measure the effectiveness of our training using three key indicators: training satisfaction, academic achievement, and on-the-job applicability. We review the entire process from the design and quality of the curriculum to the overall operation of the program. We enhance the relevance of training by strengthening the link between candidate selection, organizational performance, and job placement. Our offerings include a three-stage digital competency enhancement program and a field-specific technical skills development program. To provide high school graduates without college degrees with self-directed opportunities, we are implementing support measures for career development and skill enhancement, including tuition assistance after hiring, preferential treatment for job transfers, and improvements to flexible working arrangements.

Percentage of female managers



* Target percentage of female managers

2023 Three-stage Digital Competency Enhancement Program

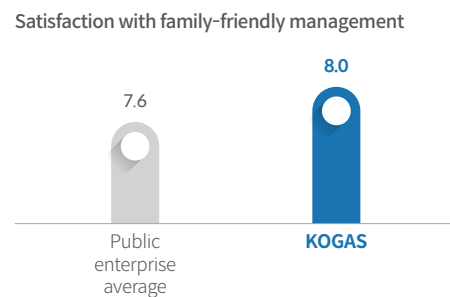
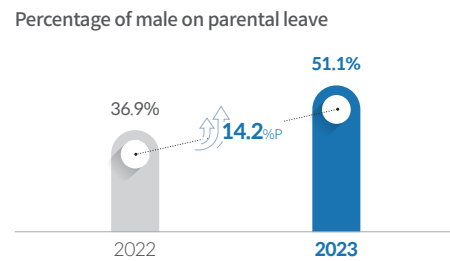
98.7% Participation

Field-specific Technical Skills Development Program

31.06% Participation
(Based on total employees)

Employee Capacity and Inclusiveness

2023
family-friendly certified company (9 consecutive years)



Special lecture given by a German celebrity

Fostering a Positive Work Environment

Implementing Strategies for Work-Life Balance

We are developing and advancing strategic initiatives to harmonize work and family life, incorporating feedback from employees who seek diverse work arrangements and a better work-life balance. In 2023, we focused on enhancing parental leave policies and creating work environments that support work-life balance, working to foster a culture that supports both work and family life.

| Creating a Gender-Equitable Work Environment to Support Work-Life Balance



Increasing Gender Equality Awareness

To foster a gender-equal work environment, KOGAS has implemented several initiatives, including the operation of the Gender Equality Committee, expanding job roles for female employees through improvements in operational areas, and conducting surveys and forums. From April to December 2023, we offered diversity and inclusion training across all organizational levels. In April, we held a keynote lecture on "Perspectives on Gender Equality in Korea from a German Viewpoint" As a result of these efforts, we achieved a gender equality satisfaction score of 90 in 2023, marking a 4.7 percent increase compared to 2022.

Enhancing Support for Pregnancy, Childbirth, and Childcare

We are reducing the burden of child rearing through various support measures, including shortened work hours during pregnancy, childbirth subsidies, fetal check-up leave, infertility treatment leave, nursing breaks, family care leave, and on-site childcare facilities. We have also revised our policies to ensure that employees on parental leave are not disadvantaged in terms of promotions or other personnel matters. Family care leave is generally unpaid. However, according to Article 30 of our Employment Regulations, leave to care for minor or disabled children is paid for up to two days annually. Employees with more than one child or a child with physical disabilities receive up to three paid days of leave.

Classification	Length
Prenatal checkup leave	Two days a month
Infertility treatment leave	Three days a year
Nursing time	One hour per day
Family care leave	10 days a year

Fostering Collaborative Labor-Management Relations

Aiming to "advance towards a future-oriented cooperative relationship based on mutual respect," we maintain various channels for collaboration and communication between labor and management. In 2023, we held quarterly labor-management council meetings, occupational safety and health committee meetings, labor-management management issue sharing sessions, and workshops for Gasneer and innovation leaders. Additionally, we established the company's first "Labor-Management Cooperative Development Task Force" to promptly resolve long-standing issues and rebuild trust between labor and management. These efforts led to the dramatic renewal of a collective agreement with the labor union after six years. Furthermore, we lead ESG management by operating a "labor director system" and a "labor respect hub center," and conducting joint labor-management CSR activities, establishing a partnership in management.

Improving Working Conditions to Enhance Job Satisfaction

To boost productivity, we have revamped the CEO reporting system and meeting structures. We are enhancing job satisfaction by implementing a flexible work environment (flexible working hours, staggered shifts, compressed workweeks), remote work, and part-time work, and introducing office automation. We assess job satisfaction through online surveys using our in-house system, which includes metrics on work-related happiness and stress levels. Additionally, our employee assistance program includes psychological testing and counseling to professionally manage the mental challenges arising from work or personal life. To improve overall welfare, we provide various health promotion activities and operate facilities like gyms, clinics, and beauty salons. Furthermore, by identifying and implementing selective non-monetary benefits to increase employee satisfaction, we raised the welfare satisfaction score to 74.7 points in 2023, up 2.2 percent from the three-year average.

Family-friendly program (2023)

Classification	Outcome (Unit: person)	
Pregnancy	Shortened working hours during pregnancy	19
	Prenatal checkup leave	21
	Infertility treatment leave	14
Childbirth	100% use of maternity leave	30
	Spouse maternity leave	109
Childcare	Childcare time option	175
	Childcare leave	884

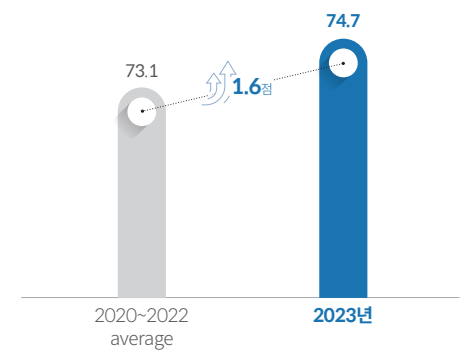
Employees who are members of the labor union
 (as of December 31, 2023)

99.99%

Union members*(3,734)/Number of employees eligible for unionisation(3,735)

*The total number of union members, combining Union 1 (3,451 members) and Union 2 (283 members), matches the information disclosed by Ailo.

Welfare satisfaction



Creating and Sharing Job Opportunities

Job Creation Strategy Framework

Job Strategy and Goals

Reflecting changes in both external environments, such as government and industry, and our internal environment, KOGAS has developed a job creation strategy under the vision of "KOGAS Job Together for a Better Society." This strategy focuses on promoting efficient job initiatives within the industry, supporting private sector employment, and creating sustainable and inclusive jobs. In 2023, we aim to create 11,961 private sector jobs by linking them with industry needs, optimizing public sector jobs, supporting private sector-led job creation, fostering private sector innovation and growth, creating jobs for vulnerable individuals, and strengthening the quality of inclusive jobs.

Job Creation Strategy (2023)

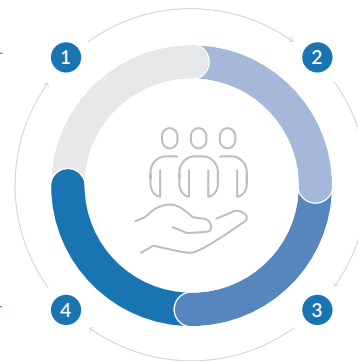
Classification	Description		
Strategic Focus	Push efficient job initiatives within the industry	Support for jobs in the private sector	Create sustainable inclusive jobs
Tasks	Create private sector jobs	Support for private sector-led job creation	Create jobs for vulnerable individuals
	Streamline public sector jobs	Support for private sector innovation and growth	Enhance the quality of inclusive jobs

Job Creation System

Job Creation PDCA Process

Plan

- Reflect changes in the business environment and collect feedback from relevant internal and external departments, the ESG Committee, and the Job Advisory Group



Do

- Implement tasks through the company-wide job network
- Collaborate with joint public-private councils

Check

- Conduct monthly performance reviews (Headquarters Performance Management Committee)
- Report semi-annual assessment results (Job Advisory Group)

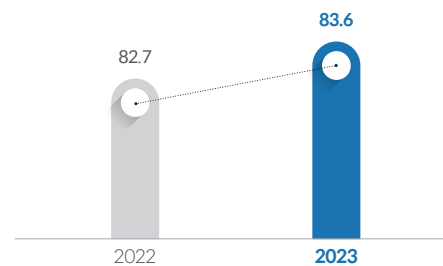
Act

- Establish corrective measures for underperformance based on interim assessments, and incorporate performance analysis into next year's plans.

Quantitative Measurement of Job Creation Efforts: The "Job Index"

Along with the traditional quantitative metric of job creation numbers, we developed qualitative indicators in 2020, such as employment stability and social value, to create the KOGAS Job Index. We have continuously measured and strived to improve this index. Using the KOGAS Job Index, we first measured the job qualitative aspects of our partners in 2021. In 2022, we refined the index by improving indicators like compensation fairness. In 2023, we further enhanced the index to reflect the uniqueness of private companies and introduced an incentive system to encourage private sector-led improvements in job quality, resulting in an increase of 0.9 points in partners' job scores from 2022, achieving a score of 83.6.

KOGAS partner job index



Job Creation Activities and Outcome

Creating Private Sector Jobs Based on Core Business Activities

The company is generating private sector jobs through extensive industry partnerships, such as expanding domestic natural gas infrastructure and joint overseas LNG ventures. In 2023, the construction of the Dangjin Terminal ramped up, creating 2,168 jobs, an increase of 642 from the previous year. To ensure timely construction of the terminal, we have formed a joint public-private council and continue to operate it, contributing to the local community through regional contracts and hires (KRW 5.42 billion). Additionally, we successfully completed the construction of an eco-friendly LNG bunkering vessel in May 2023, creating a total of 539 jobs during the construction period (2021-2023) and 24 jobs for vessel operations.

Creating Private Sector Jobs

13,021 persons

(achieved 108.9% of the target)

Creating Jobs through Support for the Private Sector

By providing mentoring and investment consulting services to prosperous startups in the energy sector, we have created new jobs for 50 individuals. Additionally, by opening our facilities for testing and supporting technology development with both human and material resources, we have created jobs for 172 people in SMEs. Furthermore, our efforts to support SMEs through ESG management, low-interest loans, and domestic and international market expansion were recognized in 2023, earning us the "Prime Minister's Award for Contributions to Mutual Prosperity."

2023
Prime Minister's Commendation
for Contributions to Mutual Prosperity

Creating Sustainable Jobs for Inclusion

Since the basic agreement in 2021, ongoing discussions and coordination have led to the completion of subsidiary employment for 1,288 non-regular workers as of April 2024, an increase of 144 from the initially planned 1,144. This transition from non-regular to regular status has improved working conditions and job security for these workers. Beyond non-regular employees, we have also supported job independence for socially vulnerable groups, including youth, people with disabilities, women, and the elderly. Notably, to ensure continuous employment for individuals with developmental disabilities, we supported the establishment of the region's first "Goodwill Store" in Daegu, creating 9 new jobs, including 5 for people with disabilities. Additionally, through the Daegu Regional Problem-Solving Platform, we contributed to the reemployment of 3 women with career gaps by providing support such as internship opportunities (with 5 interns completed).

9 jobs created
including 5 for people with physical disabilities

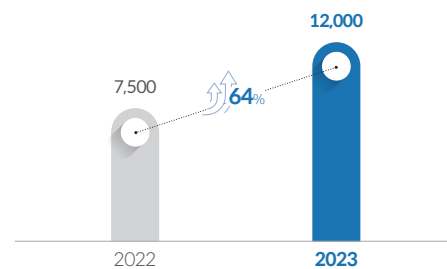
Job Reallocation through Workforce Optimization

To efficiently allocate human resources and manage supply facilities, we, in the first phase, operated 16 supply sites without on-site staff, relying on remote work and periodic inspections. This change allowed us to reassign 50 workers to safety and maintenance roles. In the second phase, we adopted a fully unmanned operational model, securing KRW 100 million for new hires. Additionally, by expanding RPA (Robotic Process Automation), we reduced 9,276 hours of work and saved KRW 250 million, which enabled us to create new job opportunities by hiring 55 youth interns.



No. of public opinions collected

No. of public opinions collected



2023
Received an "excellent" rating in Public-service Customer Satisfaction Index (PCSI)
(95.9points)

Customer Satisfaction Strategy and Implementation

KOGAS serves a wide range of customers, from city gas suppliers and power plants to the general public, both directly and indirectly. Based on our Customer Charter and Service Delivery Standards, KOGAS actively pursues various service innovations tailored to meet customer needs. Additionally, we have maintained ISO 9001 (quality management system) and ISO 29001 (quality management system for the petroleum, petrochemical, and natural gas industries) certifications, providing a customer-centric one-stop service to enhance product and service quality, safety, accessibility, and overall customer satisfaction.

Open Communication with Customers

To actively incorporate customer feedback into our management practices, we have established an open communication system focused on enhancing customer engagement and interaction. We operate various forums for communication, including joint workshops, customer briefings, and CS (Customer Satisfaction) committees at individual business units, aimed at improving services for city gas suppliers, power plants, and local governments. We also analyze key VOCs (voice of customer) for each client to identify and address areas for improvement. In 2023, we introduced new channels, such as the GenZ and Millennials University Student Communication Group and Field Communication Group, and established a national opinion evaluation process. Additionally, we created a communication channel coordination committee to manage and systematize our communication channels effectively. In the same year, we improved our cashback program as well, by relaxing the criteria for cashback and streamlining the application process based on customer needs related to cashback benefits and accessibility. We have also enhanced our communication system by expanding online and offline channels, selecting key communication tasks through surveys, and measuring customer satisfaction with our communication efforts to ensure that customer participation and feedback are effectively integrated into our business operations.

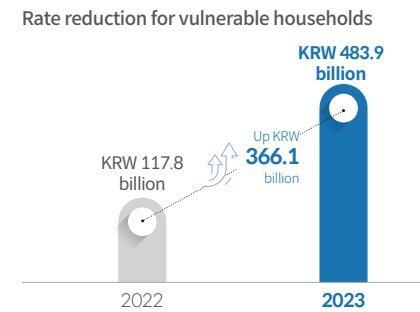
Public Participation Communication Channels

Classification	Description	Outcome
Enhancing communication basis	<ul style="list-style-type: none"> Expanding feedback through on- and offline communication channels Strengthening engagement motivation through feedback-based communication 	64% increase in the No. of public opinions
Establishing a communication procedure	<ul style="list-style-type: none"> Identifying 12 preliminary communication tasks through the operation of the Communication Channel Coordination Committee Selecting key communication tasks through general public surveys 	Key communication tasks selected 1) Answers to public inquiries 2) Response to public requests 3) Reaching out to the public
Communicability and feedback	<ul style="list-style-type: none"> measuring customer satisfaction with our communication efforts Advertising the results of the section of three tasks and outcome 	"Excellent" rating in public communication satisfaction (80.4 points)

Additionally, we ensure transparency in our operations, including business execution and organizational management, by actively implementing systems such as business accountability, advance information disclosure, and information disclosure requests to meet the public's right to know. In 2023, we improved our information disclosure rate by 4.5 percent points compared to the previous year (from 83 percent to 87.5 percent) and achieved a 0 percent processing delay rate. As a result, we received excellent ratings in the Public-service Customer Satisfaction Index (PCSI) and the Ministry of the Interior and Safety's public data disclosure evaluation. We also achieved the highest grade for public data quality certification for two consecutive years.

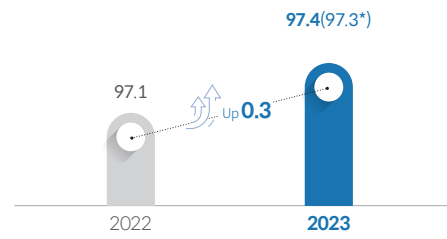
Products and Services Creating Social and Environmental Value

We have improved our gas infrastructure investment criteria to supply gas to underserved and remote areas. By comprehensively considering factors such as regional development, the number of new households, and local government commitment, we have established a system that eases the conditions for supplying natural gas to these areas. In 2023, we expanded our supply to additional regions, including Jinhae, Pyeongtaek, and Chungju, will provide gas to a total of 169,000 households by 2034. Additionally, we updated the gas rate reduction management system by incorporating the government's welfare database and city gas suppliers' customer information database to identify previously excluded social welfare facilities. As a result, in 2023, we extended gas rate reduction benefits to 1.751 million socially disadvantaged households (an 8 percent increase from 2022) and 38,795 social welfare facilities (a 20 percent increase from 2022). We are undertaking an energy efficiency improvement program suitable for the gas sector to reduce energy consumption and lower GHG and NOx emissions. Key initiatives include replacing industrial and building heaters, upgrading heaters for vulnerable households, and installing low-NOx burners in direct-fired absorption chillers/heaters to reduce air pollutants from gas cooling and heating systems. In 2023, we increased the investment in energy efficiency improvement projects from KRW 2.6 billion to KRW 7.3 billion. Additionally, we supported gas cooling subsidies with KRW 9.1 billion and provided KRW 800 million in peak demand substitution contributions to mitigate peak demand issues.



Enhancing Information Security

Level of infrastructure information protection system (Unit: point)



*Goal of the year

The Ministry of EST commendation for the improvement of infrastructure privacy protection level

Information Security Strategy System

Information Security Strategy

As a leading public energy public enterprise, KOGAS is dedicated to enhancing its information security measures to counter the ever-increasing cyber threats. Our goal is to boost our credibility and provide safe services to the public.

In an effort to fulfill our goal, we first obtained ISO 27001 (information security management system) certification in April 2016 and successfully renewed it in May 2024. We also undergo annual evaluations, including the National Intelligence Service's protection measures assessment and the Ministry of Trade, Industry and Energy's vulnerability analysis and evaluation. Through these assessments, we analyze information security risks and develop measures to address vulnerabilities. In 2023, KOGAS achieved a score of 97.4 in the infrastructure information protection system assessment, an increase of 0.3 points from 2022. Additionally, we were awarded a commendation by the Minister of Science and ICT for our efforts in improving the national infrastructure information protection level.

Information Security Management Organization

We have established a privacy management system and strengthened our information security infrastructure and response capabilities to proactively address cyber security incidents. To specialize in information security and privacy management and to enhance security policies and facilities, we operate designated teams, including the Security Planning Team and Security Operation Team under the Information Security Office. To systematically manage the cyber security strategy process, a senior executive with extensive experience in information security serves as the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO).

Information Security Basic Guidelines

We have established the Information Security Basic Guidelines by reinterpreting relevant regulations and guidelines to suit our environment. These guidelines are accessible to all employees on our portal. We designate divisional security officers in each department, beginning with the information security officer, and conduct annual information security audits. Every third Wednesday is designated as "Cyber Security Inspection Day," during which we perform cybersecurity checks. For information projects (including the development, construction, operation, and maintenance of information communication networks and systems), we evaluate the appropriateness of security measures and verify their implementation throughout the project. To raise awareness about the importance of information security, we have established a training plan and conduct training for all employees at least once a year. Each year, we disseminate key issues and relevant regulations related to information security and privacy protection to all employees.

Privacy Protection Policy

To protect the personal information of internal and external customers, we have established and comply with seven documents and procedures based on the Privacy Protection Act, including the Privacy Protection Guidelines and the Internal Management Plan for Privacy. For the secure management of personal information, we operate a privacy protection body consisting of a privacy protection chief staffer, privacy protection staffers, private data handling team, and private data handlers in consideration of the type, importance, quantity, environment, and handling methods of the data.

We conduct risk analyses and implement necessary security measures to prevent the loss, theft, leakage, forgery, alteration, or damage of personal information. These risk analyses follow the Personal Information Risk Analysis Criteria or involve identifying and assessing risk factors. Additionally, we have established crisis response procedures and systems to prevent the loss or damage of personal information during disasters. We also have backup and recovery plans for personal information processing systems. These protection measures and procedures apply equally to all KOGAS partners, with annual inspections and training.

In case of personal information violations, we enforce disciplinary actions, including dismissal for serious infractions like misuse or unauthorized disclosure. Annually, the Personal Information Protection Committee conducts evaluations of our private information management level. We are also inspected by the Personal Information Protection Commission and the Ministry of Trade, Industry, and Energy. To identify potential issues proactively, we perform an annual inspection under our Internal Management Plan for Personal Information.

On the other hand, to ensure the public's right to know, we disclose information about our personal information files, collection purposes, outsourced processing activities, third-party disclosures, collection items and retention periods, and security measures on our website at least once a year. This information is presented in an easy-to-understand format on our privacy policy page. As a result of these efforts, there were no violations or complaints regarding customer information protection in 2023.

Personal Information Processing Policy

We disclose the basis for personal information collection, the types of information held, retention periods, and third-party providers through our main website. To ensure customer rights (data subject rights), we provide guidance on how to request information modifications or deletions.

Key Personal Information Processing Labels	Table of Contents
<p>General private information collection</p>	<ol style="list-style-type: none"> Purpose of Processing Personal Information Processing and Retention Period of Personal Information Categories of Personal Information Processed Third-Party Provision of Personal Information Outsourcing of Personal Information Processing Rights and Obligations of Data Subjects and Legal Representatives, and How to Exercise Them Installation, Operation, and Refusal of Automatic Personal Information Collection Devices Destruction of Personal Information Personal Information Protection Officer and Access Request Procedures Measures to Ensure the Security of Personal Information Remedies for Infringement of Rights Changes and Implementation of the Personal Information Processing Policy
<p>Sensitive information collection</p>	
<p>Collection of unique identifying information</p>	
<p>Outsourcing of private information processing outsourcing</p>	
<p>Provision of private information</p>	
<p>Request for access to private information</p>	

Fortifying Information Security



Unauthorized Cable Removal Prevention Device



ISO 27701 Certification (private information protection management system)

Information Protection Risk Management

Ongoing Monitoring and Protection System

To ensure the security of our information and communication networks and systems, we have implemented several defense mechanisms. These include physical separation of internal and external networks, the use of DRM (Document Rights Management) to prevent document leaks, and the installation of threat detection systems on our mail servers. Additionally, we maintain a cybersecurity monitoring system around the clock in cooperation with relevant agencies. We have also adopted advanced persistent threat (APT) response solutions for continuous, year-round monitoring.

In 2023, we allocated 26 percent of our IT budget (KRW 14.4 billion) to information security, amounting to KRW 3.69 billion. This investment focuses on enhancing our security infrastructure, operating monitoring centers, and preventing hacking and data breaches. To strengthen disaster and safety management, we implemented an anti-drone system using jammers to neutralize illegal drones at the Incheon LNG Terminal. This achievement earned us a presidential citation in January 2023. Additionally, to address the increasing risks from natural disasters and attacks on national infrastructure, we upgraded our cybersecurity monitoring for the natural gas control system. This included a complete overhaul of our monitoring interface and the installation of unauthorized cable removal prevention devices to block physical intrusions.

Personal information collected during business activities is securely managed through appropriate security technologies and procedures from collection to use to destruction. We collect only the minimum amount of personal information required by law, encrypt it for storage, and implement measures to restrict unauthorized individuals from accessing the data. Through 100 percent encryption of personal information database and targeted training for data handlers, we ensure compliance with laws and regulations. As a result, we had no external data breaches in 2023.

In May 2024, we were evaluated by an international certification body for our compliance with global standards in personal information protection, encryption, and data subject rights. The evaluation covered 49 items in eight areas, resulting in KOGAS obtaining the ISO 27701 certification for our personal information management system.

External (Third-Party) Vulnerability Analysis

KOGAS undergoes information security evaluations and audits conducted by the National Intelligence Service and the Ministry of Trade, Industry, and Energy. In February 2024, we were assessed by the National Intelligence Service for our information security management practices, followed by an information security audit by the Ministry of Trade, Industry, and Energy in March in the same year. These evaluations helped us identify and improve our security status and vulnerabilities. In 2023, we received an excellent rating from the National Intelligence Service and at least a satisfactory rating from the Ministry of Trade, Industry, and Energy based on on-site inspections. Additionally, to enhance our response to information security incidents, the Ministry of Trade, Industry, and Energy conducted a simulated hacking test on 20 of our systems, including the main KOGAS website. This test allowed us to identify vulnerabilities and implement necessary improvements.

Information Security Incident Response

We operate an integrated response system and processes to promptly identify, report, and recover from information security incidents, such as cyber threats and internal information leaks. These procedures are reviewed at least twice a year. Our cybersecurity action manual provides detailed response actions for each threat level and includes annual internal drills based on the manual. Response actions are categorized into four alert levels: interest, caution, warning and severe. Incidents at the interest and caution levels are reported to the chief of the Information Security Office, while incidents at the warning and severe levels are reported to the Executive Vice President of Safety & Technology. Any security incident must be immediately reported to the Executive Vice President of Safety & Technology, who is the chief security officer. In KOGAS employee internal performance management, we place three points to the "Enhancing Cyber Safety Level" indicator. This indicator evaluates participation in information security and privacy protection training, performance in the My PC Keeper program, and efforts in malware response training and prevention. These evaluations are reflected in the internal assessments of each division and office. In cases of information security violations, the Cybersecurity Compliance Effort indicator is penalized by three points. In the event of a cybersecurity incident, such as data leakage, disciplinary actions, including potential dismissal, are implemented following an audit.

Information Security Incident Response Procedures



Security Inspections and Training

We conduct regular security inspections and monitoring, including an annual information security assessment of our headquarters-managed infrastructure and quarterly internal security management checks. Additionally, we carry out practical ransomware response drills tailored to the specific characteristics of our business locations. At the Incheon LNG Terminal, we perform comprehensive crisis response training, simulating scenarios such as terrorism, disasters, and control network disruptions, to ensure thorough preparedness against cyber threats.

Governance

Robust and Transparent Governance

GOVERNANCE

ESG Goals

Grade 1 rating in Comprehensive Integrity Assessment



Strategic Focus and Tasks

- ESG Decision-making Bodies
- A Culture of Integrity
- Anti-corruption Management System
- Fair Trade Culture
- BOD Operation



| Risks and Opportunities

In recent years, ethical management has become a significant societal focus. Within the internal and external environments surrounding KOGAS, establishing a people-centered ethical and human rights management system to ensure people's energy rights has become an undeniable mission of our time. It is now crucial to lay a solid foundation to meet the expectations and demands for respect for human rights and integrity from our various stakeholders, including the public, customers, partners, and the government.

| KOGAS Response Strategy

Building on our ISO 37001 certification (anti-bribery management system) from the previous year, we are enhancing leadership governance at senior levels and expanding integrity communication both internally and externally. We have strengthened our conflict-of-interest prevention measures beyond legal requirements, conducting comprehensive implementation checks and improving systems to ensure fair business practices. We have advanced our human rights impact assessment methods to align with domestic and international human rights management trends, identifying 17 critical human rights issues. Additionally, we have observed a decreasing trend in human rights violations over the past three years, demonstrating our commitment to rigorous compliance management.

| 2023 Outcome

66.7% of the BOD members are independent outside directors of the board members are independent outside directors

25% of independent outside directors are women

BOD activation index increased by **2.64 points**

Successfully introduced and stabilized **the labor director system**

Obtained ISO 37001 (Anti-Bribery Management System) recertification

Zero corruption incidents resulting in deductions in the overall integrity corruption survey

Public contract integrity, overseen by the Anti-Corruption and Civil Rights Commission, rose by **11%**

Internal perception of integrity evaluation increased by **5.2 points**

Subcontractor utilization increased by **140%** year-over-year (KRW 7.922 trillion in 2023)

Improved Korea ESG Standards evaluation rating from **B+ to A**

Identified **17** human rights issues in vulnerable areas

Reduced human rights violation cases by **20%** year-over-year

Governance	82
Human Rights Management	86
Risk Management	92

Governance

Robust BOD Structure and Operation

BOD Structure

KOGAS's BOD operates in accordance with the "Act on the Management of Public Institutions" and its bylaws. The BOD consists of up to 7 executive directors, including the CEO, and up to 8 outside directors. As of the end of March 2024, the BOD includes 4 executive directors (including the CEO) and 8 outside directors (with one new labor director), totaling 12 members. This means that outside directors make up 66.67 percent of the board. Outside directors are appointed by the Minister of Strategy and Finance following a recommendation process by the Nomination Committee and approval by the Public Institution Management Committee, as stipulated by the "Guidelines for Management of Public Enterprises and Quasi-Government Organizations." Appointments are based on relevant knowledge and experience in fields such as economics, management, law, and energy, including gas. Regarding shareholder voting rights, the bylaws do not restrict cumulative voting, thus ensuring the lawful exercise of minority shareholders' rights. However, to date, no directors have been elected through cumulative voting.

As of the end of March 2024

BOD Structure

Classification	Name	Gender	Position	Term	Expertise and Career
Executive directors	Choi Yeon-hye	Female	CEO	December 9, 2022 ~ December 8, 2025	(Business administration/Management) Former member of the National Assembly (20th)
	Im Jong-soon	Male	Executive VO of Management	March 29, 2023 ~ June 30, 2024	(Business administration/Management) Former Head of Administration & Management Dept. of KOGAS
	Kang Jin-gu	Male	Senior auditor	June 19, 2023 ~ June 18, 2025	(Audit/public) Former secretary general of Seoul Supreme Prosecutor's Office
	Kim Hwan-yong	Male	Vice President of Safety & Technology	June 12, 2023 ~ June 11, 2025	(Safety/technology) Former Chief of Incheon Terminal Division
Independent outside directors	Lee Seok-soon	Male	OD chairman/ESG Committee	June 13, 2023 ~ June 12, 2025	(Gas industry) Former CEO of KOGAS
	Ji Hyun-mi	Female	Audit Committee	June 13, 2023 ~ June 12, 2025	(Audit/accounting) Professor of Keimyung University Accounting and Taxation Department, outside director of Hana Securities
	Lee Ju-chan	Male	Overseas Business Committee	June 13, 2023 ~ June 12, 2025	(Gas industry) Vice-chief of KOGAS Incheon Terminal, former Vice-chief of Tongyeong Terminal, Vice-chief of Middle East Business Division
	Kim Jung-min	Male	ESG Committee	September 27, 2023 ~ September 26, 2025	(Public) Special appointment professor of Suwon University Public Administration Department, former CEO of BK Credit Information
	Seong Si-heon	Male	Overseas Business Committee	September 27, 2023 ~ September 26, 2025	(Public) Former president of the Korea Evaluation Institute of Industrial Technology
	Park Sang-ho	Male	Audit Committee	September 27, 2023 ~ September 26, 2025	(Public) Member of the Peaceful Unification Advisory Council, former secretary general of Intellectual Property High Court
	Cho Hong-chong	Male	ESG Committee	September 27, 2023 ~ September 26, 2025	(Energy/economy) Professor of Dankook University Department of Business Administration, Energy Committee of the Ministry of Commerce, Industry, and Energy
	Sin Dong-mi	Female	Overseas Business Committee	January 10, 2022 ~ January 9, 2024	(Law) Lawyer with Law Firm Deoksu

* In accordance with Article 28, Paragraph 5 of the Act on the Operation of Public Institutions, the BOD members are obligated to fulfill their duties until their successors are appointed, regardless of the duration of their terms in office.

Ensuring BOD Independence

To strengthen the board's oversight function, we maintain stringent criteria for the independence of outside directors. Candidates are disqualified if they have worked for a company involved in significant transactions or competition with KOGAS, or if they were employed by KOGAS in the past two years, or if they are family members of executives. However, as an exception under the "Act on the Management of Public Institutions," labor directors can be appointed from employees who have served the institution for over three years. Directors must not serve as advisors, consultants, or senior executives at KOGAS, nor should they have relationships with major clients or suppliers. Additionally, employees of companies that hold more than 1 percent of KOGAS's total issued shares, or have transacted with KOGAS in amounts exceeding 10 percent or more of their total assets in any of the past three fiscal years, are ineligible. The law also limits directors to holding no more than two other concurrent positions (directorships, executive roles, or audit positions).

The roles of CEO and BOD Chair are separated, with the BOD Chair selected following review and approval by the Public Institution Management Committee. Since 2007, we have appointed outside directors as BOD Chair for 17 years.

Independent outside director named the BOD chairperson
17 consecutive years

Outside directors account for **66.7%** of the BOD
(As of the end of March 2024)

Outside Director Independence

As of the end of March 2024

No.	Independence Disqualification Criteria	Outside directors							
		Lee Seok-soon	Sin Dong-mi	Ji Hyun-mi	Lee Ju-chan*	Kim Jung-min	Seong Si-heon	Park Sang-ho	Cho Hong-chong
1	Individuals who have been employed by KOGAS or its affiliates within the last 2 years from the date of nomination as a non-executive director candidate	x	x	x	o (Labor director)	x	x	x	x
2	Employees of a company that, within the last 3 fiscal years, had transaction volumes with KOGAS amounting to 10% or more of the company's total assets or revenue	x	x	x	x	x	x	x	x
3	Employees of a company that, in the current fiscal year, entered into a single transaction agreement with KOGAS amounting to 10% or more of the company's total revenue	x	x	x	x	x	x	x	x
4	Individuals who have been employed by a company engaged in significant transactions (excluding lending relationships) or in competition with KOGAS within the last 2 years from the date of nomination	x	x	x	x	x	x	x	x
5	Employees of the companies that conduct accounting audits or tax services for KOGAS	x	x	x	x	x	x	x	x
6	Employees of the companies that have major legal, management, or technical advisory contracts with KOGAS	x	x	x	x	x	x	x	x
7	Individuals who have participated in the BOD's review or decision-making process for forming the Nomination Committee during the relevant period	x	x	x	x	x	x	x	x
8	Spouses and direct relatives (both ascendants and descendants) of KOGAS executives and major shareholders	x	x	x	x	x	x	x	x

*Under the Act on the Management of Public Institutions, labor directors are appointed from among employees who have served at the institution for at least three years

BOD Diversity and Expertise

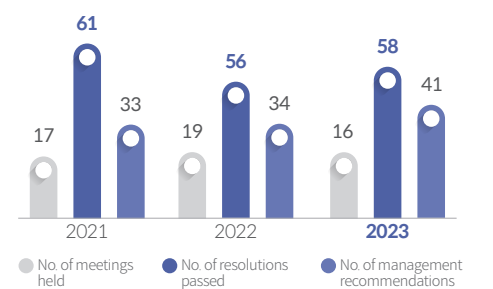
In line with our bylaws and the regulations of the Executive Nomination Committee, we do not impose any restrictions based on gender, age, race or ethnicity, nationality, cultural background, or religion when appointing directors. We provide fair opportunities to all qualified and capable individuals. Specifically, to enhance gender diversity, we aim to ensure that at least 20 percent of our board members are women and are actively taking measures to improve the accessibility of female candidates. Since appointing our first female outside director in 2018 and our first female CEO in 2022, we have achieved a female director ratio of 25 percent (25% among outside directors) as of the end of December 2023. In 2023, we extended the pre-meeting briefing period for outside directors from 2 days to 7 days and provided individual briefings on key agenda items. To leverage the expertise of our female outside directors, we have appointed a female outside director as the chair of the Overseas Business Committee. Additionally, as of the end of March 2024, we have 2 outside directors with industry experience, ensuring a high level of expertise on our board.

Female directors accounts for **25%** of the independent outside directors.

Efficient BOD Operation

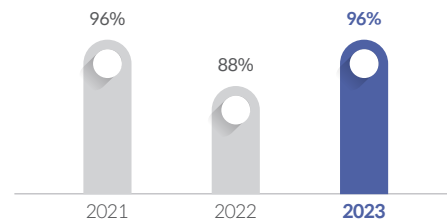
Directors serve terms in accordance with the Act on the Management of Public Institutions: CEOs for 3 years, auditors for 2 years, and outside directors for 2 years, with the possibility of reappointment annually. To ensure efficient BOD operation, we limit outside directors or other non-executive directors to holding no more than two other positions as stipulated by the Commercial Act. The BOD meets monthly, with a rule of at least 70 percent attendance and a requirement for meeting notices to be issued at least 5 days in advance, as outlined in our BOD regulations and bylaws. As of the end of 2023, the average attendance rate is 96 percent. BOD meeting outcomes are made public, excluding confidential business information, on our website and through management disclosures (www.alio.go.kr). Decisions are made by a majority vote of the BOD members.

BOD operation



Governance

BOD attendance



To ensure transparent board operations, performance management, and to prevent conflicts of interest, we adhere to Article 14-4, Paragraph 1 of the Public Service Ethics Act. According to this regulation, if the CEO, deputy CEO, or standing audit committee member of a public enterprise holds stocks exceeding a total value of KRW 30 million, they are required to sell or place these stocks in a trust. This rule prioritizes public interests, such as anti-corruption efforts, over the managerial benefits that could arise from executives holding company stocks. (Note: Directors other than the CEO, deputy CEO, and standing audit committee member are allowed to hold stocks.)

KOGAS Executive Stock Ownership Status (as of the end of 2023, limited to voting shares)

Classification	Name	No. of shares owned (Unit: share)	Basic salary multiplier of shares owned
Registered executive	Lee OO	246	
Non-registered executive	Jeong OO	2,394	
Non-registered executive	Cho OO	307	0.83 times*
Non-registered executive	Kim OO	500	
Non-registered executive	Hong OO	2,195	

* Registered executives(excluding labor director) receive their compensation according to the "Public Enterprise and Quasi-Government Institution Executive Compensation Guidelines," which includes a fixed monthly salary (KRW 2.5 million) and attendance allowances. The basic salary for non-registered executives is calculated based on the average salary per individual.

BOD Subcommittee Operations

To ensure expertise in BOD decision-making, we operate three subcommittees: the Audit Committee, the ESG Committee, and the Overseas Business Committee. These subcommittees, composed of diverse and experienced outside directors, perform oversight and governance functions, thereby enhancing operational efficiency.

Subcommittee Structure and Operations (2023)

Subcommittee	Structure	Responsibility	Outcome
Audit Committee	1 executive director and 2 outside directors	· Reporting violations of laws or bylaws by directors · Delegating and addressing matters specified by laws or bylaws	· 12 times held · Discussed 50 items (including comprehensive audits in the production sector and specific audits on hydrogen and cold chain)
ESG Committee	3 outside directors	· Reviewing, deliberating, or advising on major ESG-related issues - Environmental and hydrogen projects, carbon neutrality - Integrity and ethical management, and realization of social value - Safety management and corporate governance improvement	· 4 times held · Discussed 7 items (including the anti-corruption and integrity policy implementation plan [proposal], etc.)
Overseas Business Committee	3 outside directors	· Deliberating or advising on overseas resource exploration, development, and production · Deliberating or advising on overseas plants and other international projects	· 4 times held · Discussed 7 items (Myanmar A-1/A-3 4 stage preliminary development plan [proposal], etc.)

Transparent BOD Assessment and Compensation

To ensure fair and transparent compensation for the BOD, KOGAS has implemented a management system that tracks directors' activities and performance, including attendance, management suggestions, and participation in discussions. An annual self-evaluation survey is conducted, and the results are analyzed and incorporated into the following year's BOD operation plan to foster continuous improvement. Regular performance evaluations are conducted for board members, with results transparently disclosed in business reports and electronic disclosure systems. The compensation for the CEO and standing directors includes a base salary, performance bonuses, and retirement benefits. These are determined based on financial performance, external evaluations, and ESG (Environmental, Social, Governance) assessments, as well as the annual government performance evaluation results. To enhance the mid- and long-term performance of the business activities, the executives' performance in fulfilling the management contract is evaluated using the government's "Leadership Indicator." Based on these evaluation results, directors' compensation is determined according to the institution grade and payment rate and is distributed over three years. The "Leadership Indicator" sets annual goals for carbon neutrality, private sector cooperation, and leadership in safety and ethical commitment to continuously enhance social value. Additionally, appropriate duty allowances are provided to outside directors. The annual base salary for the CEO, standing directors, and auditors is decided by the BOD within the compensation limits approved at the shareholders' meeting.

BOD Compensation Payment (2023)

Disclosed on ALIO website at the end of December 2023 (based on perfect attendance)

Classification	No. of BOD members	Total Compensation (KRW 1,000)	Average Compensation per person (KRW 1,000)	Remarks
Board directors(excluding the independent outside directors and Audit Committee members)	3	385,964	128,655	
Outside directors*	8	222,800	29,898	KRW 2.5 million for job allowance
Audit Committee member	1	118,758	118,758	

*According to the Guidelines for Executive Compensation at the Public Enterprises and Quasi-Government Organizations," job allowances included a fixed monthly amount and attendance fees. Additionally, in line with the Guidelines for Management of Public Enterprises and Quasi-Government Agencies," no compensation is provided for labor directors (from June 2023 onwards) for their duties as labor directors."

CEO Compensation

Under Chapter 3 (Compensation and Benefits) and Article 10 (Performance Bonuses) of the Performance Agreement between the government and the KOGAS' CEO signed in March 2023, the CEO's performance bonuses are based on the results of the management performance evaluation conducted from March to June, in accordance with the Public Institutions Operation Act. The evaluation incorporates financial performance management indicators. Additionally, the specific criteria for the limit and payout rate of performance bonuses are determined by the government based on evaluation results and communicated to the company via official documentation. The company incorporates these criteria into the Public Institution Management Evaluation Manual and awards performance bonuses to the CEO accordingly. For instance, the criteria for 2023 are as follows:

2023 Public Enterprise CEO Performance Bonus Payment Criteria (%) (based on December 31, 2023)

Target	Payment Rate Criteria	S	A	B	C	D,E
CEO	Relative to Base Salary	100	80	60	40	0

The evaluation criteria for government management assessments are divided into qualitative and quantitative indicators. Detailed metrics are finalized each year through consultations between the organization, the government, and other stakeholders. In 2023, the focus was on improving the organization's profitability, leading to an increased emphasis on operating profit margin and EBITDA-to-revenue ratios.

CEO Long-Term Incentive Linkage

The CEO's performance bonus is paid based on the evaluation results of management performance, within the limits set by the "Guidelines for Executive Compensation at the Public Enterprises and Quasi-Government Organizations." According to these guidelines and Article 8 of the "Regulations on the Remuneration of Executive Directors and Auditors," the CEO's performance bonus is converted into a medium-term bonus and distributed over three years. For CEO performance, the Management Performance Agreement (p. 25) stipulates that performance goals are set for a three-year period. The agreement for the three-year (2023-2025) period is established, and the CEO's performance is evaluated by an external institution based on this agreement, leading to the payment of the performance bonus. The maximum performance evaluation period for CEO compensation is one year. Typically, the annual performance bonus is paid the following year based on the evaluation results. However, adjustments to the bonus may be made in the event of specific circumstances. The maximum adjustment period for variable CEO compensation is two years. In cases of criminal charges or dismissal due to the acceptance of bribes, embezzlement, or misuse of funds, the payment of the medium-term performance bonus may be suspended or limited and any already paid bonuses may be reclaimed in accordance with the "Guidelines for Executive Compensation at the Public Enterprises and Quasi-Government Organizations." Related content is also outlined in Article 11 (Adjustment After Bonus Payment) of the Management Performance Agreement (p. 4). The proportion of the CEO's short-term incentives, if deferred in the form of stocks or stock options, is 0 percent in 2023.

CEO-to-Employee Compensation Ratio

KOGAS determines and disburses salaries for the CEO and employees in accordance with government guidelines. The CEO's compensation is 171 percent of the median salary of all employees and 155 percent of the average salary. The methods used to calculate the CEO's compensation and the average total annual salary for employees are outlined below.

- CEO compensation = Total annual salary for the CEO in 2023 based on full attendance (base salary + performance bonus)
- Average total employee salary = Total annual salaries paid to employees in 2023 ÷ Average number of employees

Shareholder Composition

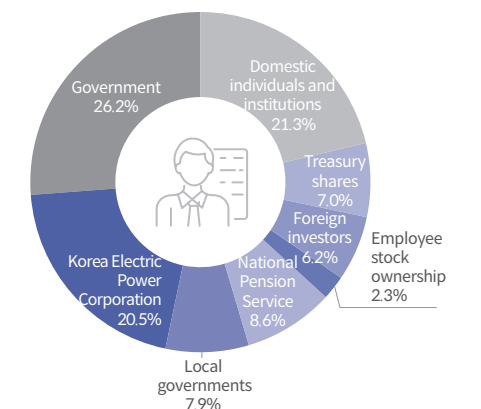
KOGAS was listed on the Korea Exchange's securities market on December 15, 1999. As of the end of March 2024, the company's registered capital is KRW 461.6 billion. Public shareholders, including the government, Korea Electric Power Corporation, and local governments, hold 54.55 percent of the shares. Among these, the largest shareholder is the South Korean government, with a 26.15 percent stake.

CEO Variable Compensation Recovery Clause

Management Performance Agreement (p. 4) Article 11 (Adjustment After Bonus Payment)

- ① If there are changes due to tax refunds, discovery of errors, or other reasons that require adjustments to the bonus amount after it has been awarded, these adjustments will be made during the bonus payment of the following year
- ② If the CEO leaves the position before the bonus is adjusted in the next year and there are grounds for additional payments, the organization will make these additional payments. Conversely, if there are grounds for reductions, the departing CEO must return any excess amounts to the organization.

Shareholder Composition by Percentage (as of March 31, 2024)



Human Rights Management

Human Rights Management System

Human Rights Management Strategy

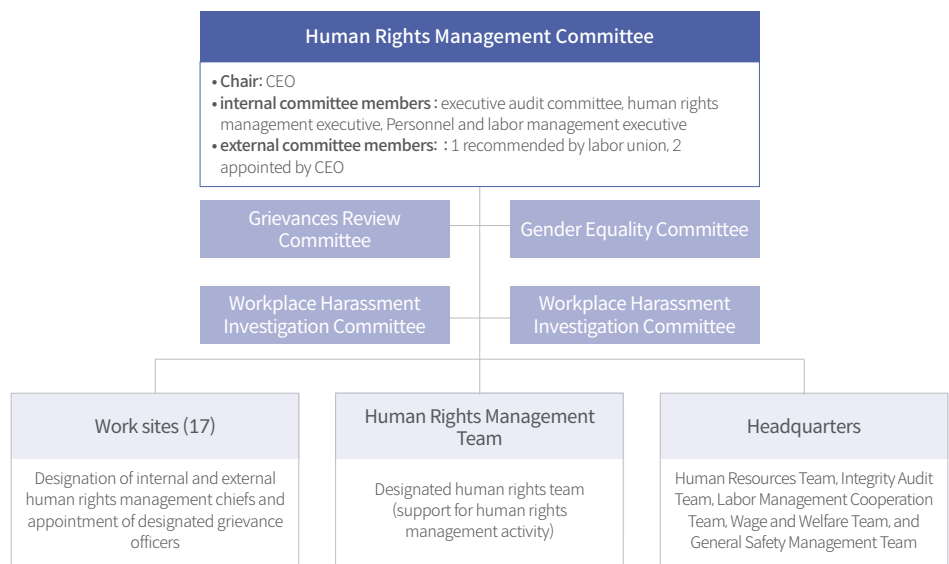
KOGAS aims to become a global leader in human rights management by establishing a comprehensive human rights management roadmap. We have built a foundation by expanding human rights impact assessments across key operations. For 2023-2024, our focus is on three major initiatives to enhance our human rights management system: improving human rights governance, expanding human rights practices throughout the supply chain, and advancing grievance procedures. We are also implementing detailed action plans for each of these initiatives

| KOGAS Short- and Long-term Human Rights Management Roadmap

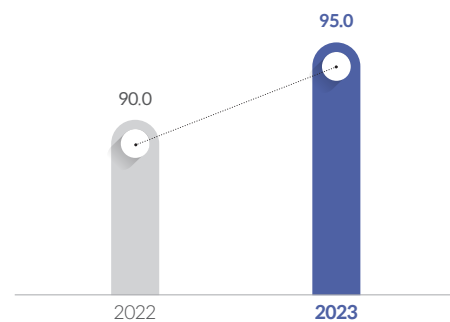
Roadmap (stage)	Human Rights Management Roadmap (short-term: 2023-2024)			Embedding and Spreading Human Rights Management (mid- and long-term: 2025-)	
Tasks	Enhancing Human Rights Governance	Expanding Human Rights Management in the Supply Chain	Enhancing Grievance Procedures	Embedding Human Rights Management	Raising Awareness of Human Rights Management Internally and Externally
Detailed tasks	<ul style="list-style-type: none"> Strengthening the capabilities of dedicated human rights management staff (including training, guidelines, and manuals) Revising and announcing human rights policies and regulations to cover all business activities and the value chain 	<ul style="list-style-type: none"> Strengthening collaborative activities to promote human rights protection among partner companies Prohibiting forced labor and child labor across all supply chains, including international suppliers 	<ul style="list-style-type: none"> Establishing a data analysis system for receiving and processing grievance procedures Improving grievance procedures through external effectiveness evaluations 	<ul style="list-style-type: none"> Enhancing the evaluation and reward system for human rights management personnel Improving human rights management policies and programs tailored to internal and external stakeholders 	<ul style="list-style-type: none"> Disclosing and promoting human rights management achievements (ensuring objectivity through third-party assurance in compliance with domestic and international reporting standards)

Human Rights Management Organization

KOGAS has established a systematic and efficient structure to effectively implement human rights management. The core decision-making body is the Human Rights Management Committee, supported by the Grievances Review Committee, the Gender Equality Committee, and the Workplace Harassment Investigation Committee. Each committee supports comprehensive human rights management aligned with their specific goals and roles. The CEO participates in listening to human rights issues, making decisions based on this input and reviewing the outcomes of human rights management. The Human Rights and Management Team leads company-wide efforts, including policy development, education, and monitoring, to ensure effective human rights management. Additionally, each business unit and relevant department works collaboratively to identify human rights risks and develop improvement tasks. This collaboration ensures that every department fulfills its role and responsibility in mitigating human rights risks, achieving an integrated approach to human rights management across the organization.



Assessment of human right management activity



Human Rights Management Normative System

KOGAS is committed to respecting the fundamental rights of stakeholders and advancing systematic and effective human rights management through the establishment of various standards. To strengthen the respect and protection of human rights within the organization and to maintain a safe and respectful work environment, we have implemented four key policies: the "Human Rights Management Charter," "Human Rights Management Regulations," "Human Rights Management Implementation Rules," and "Guidelines for Preventing Workplace Harassment." Through these efforts, we uphold our responsibility in human rights management.

Policy	Target	Description
Human Rights Management Charter	Employees and all other stakeholders	This Charter commits to fostering a fair and equitable society by prioritizing human rights management. It includes pledges to eliminate discrimination, protect labor rights, prohibit forced and child labor, ensure industrial safety, manage suppliers responsibly, and respect and protect the human rights of local communities.
Human Rights Management Regulations	Employees and all other stakeholders	These regulations establish policies for the protection and promotion of human rights, including the creation and operation of a Human Rights Management Committee, implementation of human rights impact assessments, and procedures for redress.
Human Rights Management Implementation Rules	Employees and all other stakeholders	These rules detail the procedures for receiving, investigating, and addressing complaints related to human rights violations, as stipulated in the "Human Rights Management Charter" and "Human Rights Management Regulations."
Guidelines for Preventing Workplace Harassment	Employees	These guidelines specify measures for preventing workplace harassment and handling related complaints, as mandated by Chapter 6-2 of the Labor Standards Act and KOGAS employment regulations.

Human Rights Management Charter

We at KOGAS are committed to the principle of "Better Energy, Better World" and to enhancing the quality of life for the public through the reliable supply of natural gas. We strive to achieve this mission by promoting a fair and inclusive society and prioritizing human rights management that places people first. To this end, we adhere to international human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the Ten Principles of the UN Global Compact (UNGC). We have established the KOGAS Human Rights Management Charter as a guideline for all employees, ensuring that their actions and judgments uphold human dignity and value throughout all business activities. We hereby declare our commitment to these principles and pledge to put them into practice.

1. We respect and uphold international and domestic standards that support values related to human rights, labor, the environment, and anti-corruption.
2. We do not discriminate against any stakeholders, including employees, based on race, religion, disability, gender, place of birth, or political views.
3. We guarantee the freedom of association and collective bargaining to protect and advance the human rights of our employees.
4. We do not tolerate any form of forced labor or child labor.
5. We ensure a safe and clean working environment to protect occupational safety and health rights.
6. We strive for mutual growth with our partners and support them in practicing human rights management.
7. We respect and protect the human rights of local communities in the areas where we operate.
8. We comply with domestic and international environmental regulations and work to protect the environment and prevent environmental disasters.
9. We ensure that our business activities do not compromise public safety and that we protect personal data collected in the course of our work while safeguarding consumers' right to access information.
10. We provide prompt and appropriate remedies for any human rights violations that occur in our business operations.

We are committed to protecting the human rights of all stakeholders, including employees, and will make every effort to establish and promote human rights management.

Human Rights Management Performance

KOGAS has established a quantitative performance measurement system for human rights management by using indicators such as employee human rights training completion rates, workplace harassment prevention training completion rates, stakeholder engagement and communication, and the disclosure and dissemination of achievements. Additionally, to ensure continuous improvement in human rights management performance, we will evaluate and refine our performance measurement methods and indicators through ongoing assessment and feedback.

| Human rights management activity indicators

(As of the end of December 2023)

Item	Human rights training (30 pt.)	Harassment prevention training (20 pt.)	Stakeholder communication (25 pt.)	Performance disclosure (25 pt.)
Score	30	20	25	20
2024 feedback	Enhanced KOGAS' reputation as a leader in human rights through transparent reporting and widespread communication of our human rights performance			

95 points

Human Rights Management

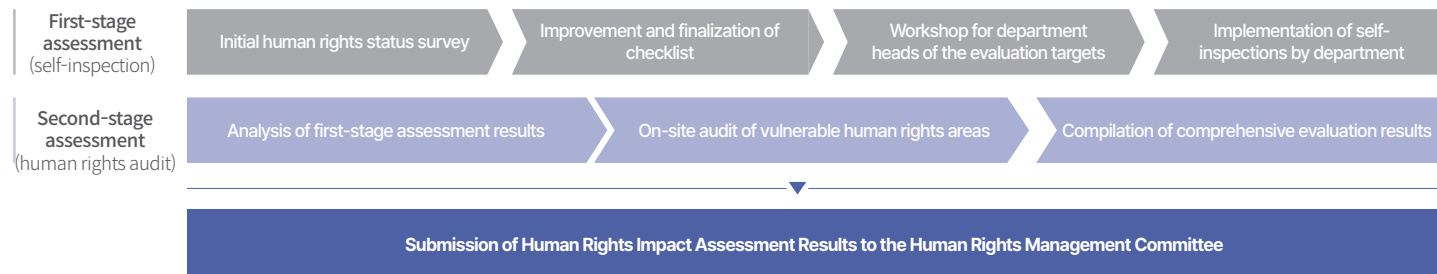
Human Rights Risk Assessment

Conducting Human Rights Impact Assessments

KOGAS conducts annual human rights impact assessments to identify and address potential human rights risks associated with our operations and key business areas. In 2023, we overhauled our assessment approach to include not only partners and local communities potentially affected by our management but also vulnerable groups such as minors, pregnant women, and individuals with disabilities. This comprehensive approach aims to systematize human rights protection for both internal and external stakeholders. We have prioritized the evaluation of business areas with the highest potential for human rights risks and developed specialized indicators to assess both actual and potential risks. Human rights experts have been involved in the assessment process to ensure professionalism and objectivity. We identified 17 key improvement areas and selected 4 top priorities, which we are addressing according to their urgency.

* The human rights impact assessment includes not only employees but also children, local residents, foreign workers, and staff from overseas subsidiaries and partners.

Human Rights Impact Assessment Process

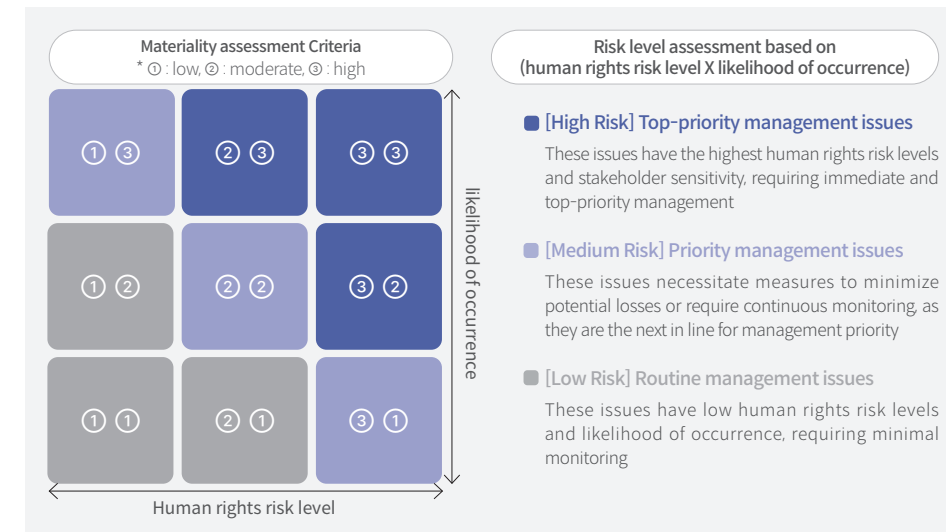


Human Rights Impact Checklist

	Areas	Key elements	
Human Rights Impact Assessment of Institutional Operations	1. Establishment of human rights management system 2. Non-discrimination in employment 3. Guarantee of freedom of association and collective bargaining 4. Prohibition of forced and child labor 5. Assurance of occupational health and safety 6. Responsible supply chain management 7. Protection of local residents' human rights 8. Environmental rights assurance 9. Respect for workers' dignity and labor rights 10. Gender equality in employment and support for work-life balance 11. Protection of consumer rights	: Assessment of human rights management governance in alignment with international standards : Evaluation of non-discrimination elements in employment : Monitoring and compliance checks of collective agreements : Verification of the absence of forced and child labor : Implementation of safety and health management systems to ensure occupational safety : Preventive and responsive measures for supply chain management : Protection of local residents' human rights and prevention of human rights violations : Review and continuous monitoring of environmental management systems : Prevention and specific responses to various types of human rights violations : Promotion of gender equality and support for work-life balance : Protection of personal data and safeguarding consumer rights	11 areas/247 indicators
	Human Rights Impact Assessment of Major Operations	1. Supply operation business planning 2. Supply operation technology development 3. Supply operation management 4. Equipment operation	

Human Rights Impact Analysis Result

KOGAS conducted a materiality assessment to identify the "key human rights issues" that require priority attention. This assessment targeted various human rights issues identified through human rights audits of institutional operations and major business activities. By establishing criteria based on the level of human rights risk and stakeholder sensitivity, we categorized the risks and identified key human rights issues that require top-priority management, priority management, and routine management.



Enhanced human rights impact assessment (2023)

- Established evaluation indicator system
- Identified **17** improvement tasks
- Prioritized tasks for improvement

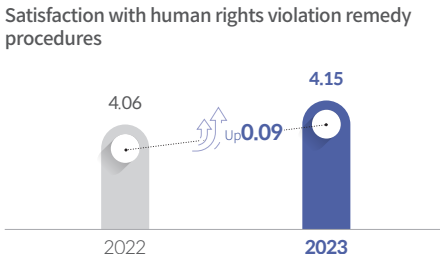
Human Rights Risk Levels (Remediation Difficulty Range)	Human Rights Risk Levels (Stakeholder Scope)	Likelihood of Occurrence
Remediation Difficulty ⊙ High: Lack of feasible means for restoration, significant cost for loss recovery, high technical complexity ⊙ Moderate: Remediable through established procedures, some cost for loss recovery, moderate technical requirements ⊙ Low: Remediable through agreement and communication, minimal cost for loss recovery, simple technical requirements	Stakeholder Scope ⊙ Wide: All stakeholders, identified stakeholders per risk ⊙ Moderate: Two groups of identified stakeholders per risk ≥ 2 ⊙ Narrow: One group of identified stakeholders per risk ≥ 1 *Based on stakeholder identification results indicated in the comprehensive part of the human rights impact assessment improvement tasks	Likelihood of Occurrence ⊙ High: Occurred several times in the past year within the company or industry; very high frequency ⊙ Moderate: Occurred multiple times in the past within the company or industry; relatively lower frequency ⊙ Low: Rarely occurs within the company or industry, but the possibility exists; very low frequency

Classification	Detail
Priority human rights issues	<ul style="list-style-type: none"> Specifically include the prohibition of child labor in contracts with partners Consider terminating relationships with supply chains where child labor issues arise Consider terminating relationships with supply chains where forced labor issues arise Establish a process to identify and address grievance types, trends, and patterns, and improve transparency through data-driven actions
Key human rights issues	<ul style="list-style-type: none"> Regularly review and improve the human rights policy declaration Refine the exclusionary clauses in the human rights policy declaration for specific stakeholders Enhance the content of human rights management performance reports Establish a selection process for partners that reflects their level of human rights compliance Implement a system for gathering feedback from users to improve grievance procedures Ensure the objectivity and independence of human rights management performance verification in reports Create a system for monitoring and improving human rights management training Develop a performance evaluation and reward system for human rights management officers Provide guidelines or manuals for dedicated human rights management staff Execute support and promotional activities for small business owners and energy-vulnerable groups
Routine human rights issues	<ul style="list-style-type: none"> Develop a performance evaluation and reward system for dedicated human rights management staff Ensure the objectivity and consistency of human rights management performance reports Guarantee maternity leave pay for temporary and dispatched workers at the end of their employment contracts

Human Rights Management

Human rights violations (2023)
 - Workplace harassment : **2** cases
 (60% decrease from the previous year)

Performance of human rights violation remedy procedures (2023)
 - **100%** processing rate for handling human rights violation reports



Human Rights Prevention and Remedies

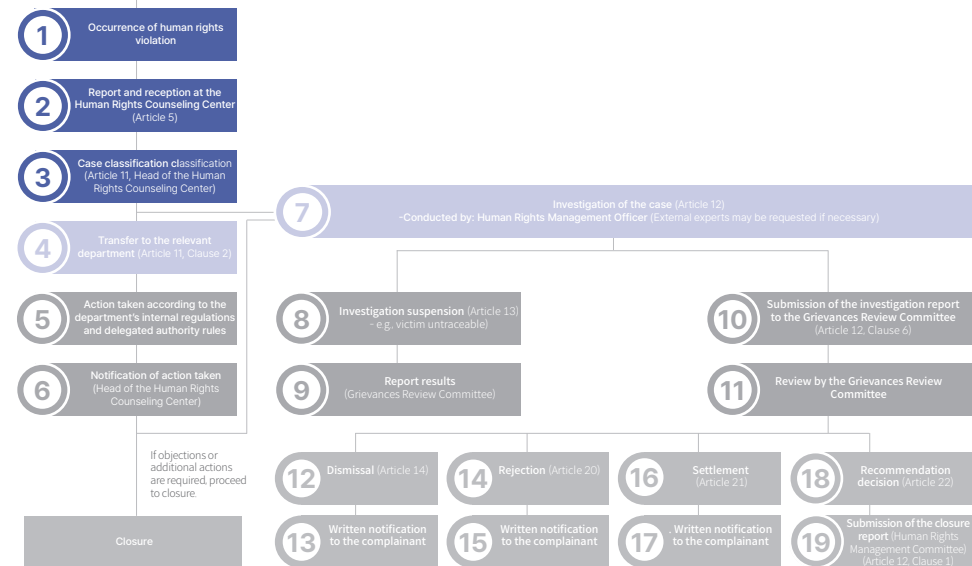
In 2023, based on the findings from the previous year's vulnerability survey, we recognized the need to improve grievance handling procedures by strengthening confidentiality protections for whistleblowers. We also identified the importance of regular surveys, proactive promotion of remedial procedures, and enhanced communication to raise human rights awareness. Consequently, we have strengthened confidentiality protections for whistleblowers by operating an external (labor law firm) consultation channel and outsourcing investigations to prevent secondary harm. We ensured fair handling by including non-negotiable reasons for disciplinary actions against human rights violations (such as workplace harassment) at every business site. To promote the use of grievance procedures, we expanded the distribution of human rights letters to partners and overseas branches. We are also enhancing communication through YouTube content and publishing joint corporate culture casebooks with partners. Additionally, in 2023, 254 individuals utilized psychological counseling services, and we received nine human rights-related grievances (workplace harassment). Following formal investigations, we acknowledged two cases and took appropriate measures to protect victims, separate them from offenders, and implement disciplinary actions. For issues related to workplace harassment and sexual harassment, apart from the existing remedial procedures, our Human Rights Management Department offers human rights violation remedy procedures through the Human Rights Counseling Center, which includes both internal and external stakeholders.

Integrated Human Rights Reporting Center (Red Whistle)	<ul style="list-style-type: none"> A reporting system managed by an external third-party organization. When a human rights violation is reported, it is forwarded to the appropriate department based on the type of violation. Reports are encrypted and ensure strict anonymity from the moment they are submitted.
Workplace Harassment, Sexual Harassment/ Sexual Violence	<ul style="list-style-type: none"> Operates channels for reporting workplace harassment and sexual harassment/violence. Anonymous reporting is available, and reports can be submitted around the clock. Confidentiality is maintained throughout the entire process, including separation of the reporter from the accused during investigations, and implementation of protective measures such as disciplinary actions and separation of offenders.
Human Rights Counseling Center	<ul style="list-style-type: none"> The Human Rights Counseling Center serves as a remedy mechanism for human rights violations related to the company's operations, addressing concerns from both internal and external stakeholders. Multiple reporting channels are available, including in-person, phone, mail, email, and fax.

Human Rights Violation Remedy Process

To ensure smooth handling of human rights violations, we have created the "Human Rights Counseling Center Consultation and Case Handling Manual," which outlines principles and considerations for case management, guidelines for counseling complainants, and procedural steps. Additionally, we operate a Grievances Review Committee to ensure that reviews of human rights violation cases are conducted fairly and independently.

Satisfaction with human rights violation remedy procedures



Promoting a Culture of Human Rights Respect

Human Rights Education

KOGAS operates various human rights education programs to embed human rights management within its employees. These programs emphasize the importance of corporate human rights obligations and due diligence, aiming to raise awareness about human rights firmwide. They help all employees understand human rights management and recognize the significance of mutual respect and compliance with human rights. The training covers human rights due diligence, prevention of workplace harassment, eradication of power abuse, and codes of conduct. This focus helps identify and prevent unfair treatment and issues within KOGAS. Additionally, we provide human rights counseling guidance for customer service staff and extends human rights management education to our partners, ensuring they operate in safe and respectful environments.

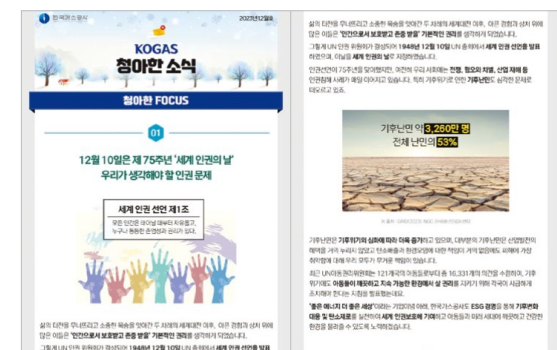
Satisfaction with human rights management training
95.4

Human rights training program (2023)

Topic	Target	Training hours	Held by
Corporate human rights obligations and due diligence	Job level 2 and above	3H	Human Rights and Management Team
prevention of workplace harassment, eradication of power abuse, and codes of conduct	All employees working in the headquarters and business sites	2H	Human Rights and Management Team
human rights counseling	Work site counselors	3H	Human Rights and Management Team
Human rights training for each job level	New hires and promotees	2H	Human Rights and Management Team
Human rights training tailored for shift workers	Work sites and partners	1H	Work sites

Stakeholder Human Rights Promotion Activities

KOGAS is committed to preventing and remedying human rights violations among stakeholders from all walks of life, including employees, partners, local residents, and consumers. We also work to promote human rights by ensuring equality, occupational safety, information rights, and mutual development. To this end, we have undertaken several initiatives: We have sent a CEO human rights letter to employees to encourage active anti-corruption and ethical human rights management activities in the workplace in 2023. We also had a ceremony to announce KOGAS' Human Rights and Integrity & Ethical Management Charter, to mark our 40th anniversary, demonstrating the management's strong commitment to these principles. To address human rights gaps, we reduced city gas bills by KRW 480 billion for energy-vulnerable people and social welfare facilities. We established the Red Whistle reporting channel for foreign workers and built a Goodwill Store to create job opportunities for people with disabilities. Through these efforts, we strive to enhance human rights for all stakeholders.



"KOGAS Letter" in celebration of World Human Rights Day



Human rights Charter declaration ceremony

Risk Management

Risk Management System

Risk Management Strategy and Goals

We at KOGAS define uncertainties and obstacles that hinder the achievement of our management strategies and business objectives as risks. We operate a risk management system to identify, evaluate, and respond to risks that may arise throughout our management activities. This year, we have strengthened our risk management function by establishing internal control systems. These systems set and enforce standards and procedures for our employees to follow, addressing risks encountered during business operations, ensuring public accountability, complying with laws and regulations, enhancing operational efficiency and effectiveness, and protecting resources and assets.

KOGAS 12 Major Strategic Tasks

Public interest	New growth engine	Global capacity	ESG commitment
1. Maintain a steady balance between supply and demand 2. Provide energy that meets customer satisfaction 3. Strengthen the competitive edge of our facilities	4. Maximize the performance of our international operations 5. Create synergy through cross-business collaboration 6. Build a strong foundation for hydrogen ventures	7. Establish a state-of-the-art safety management system 8. Improve financial stability 9. Implement a performance-driven management system	10. Enhance eco-friendly practices (E) 11. Improve public services (S) 12. Foster a culture of fairness and communication (G)

Risk Management Governance

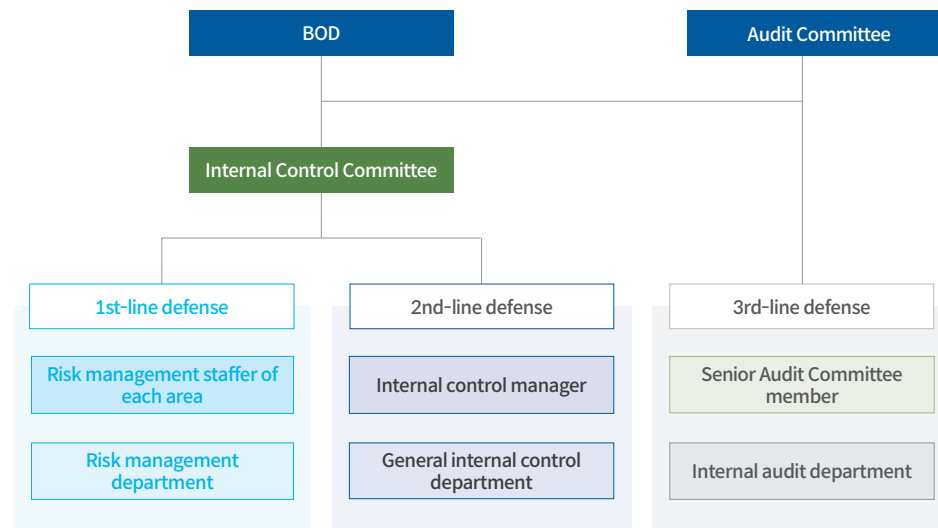
We established the Internal Control Committee as the highest deliberative and decision-making body overseeing internal control policies. By enacting internal control regulations, we have clarified the roles and responsibilities of each management unit within the three lines of defense framework, ensuring effective risk management operations.

Establishment and Strengthening of Internal Control System

- Establishment of an Internal Control Committee
- Creation of internal control regulations to establish three lines of defense system

Appointment of Area-specific Risk Management Officer

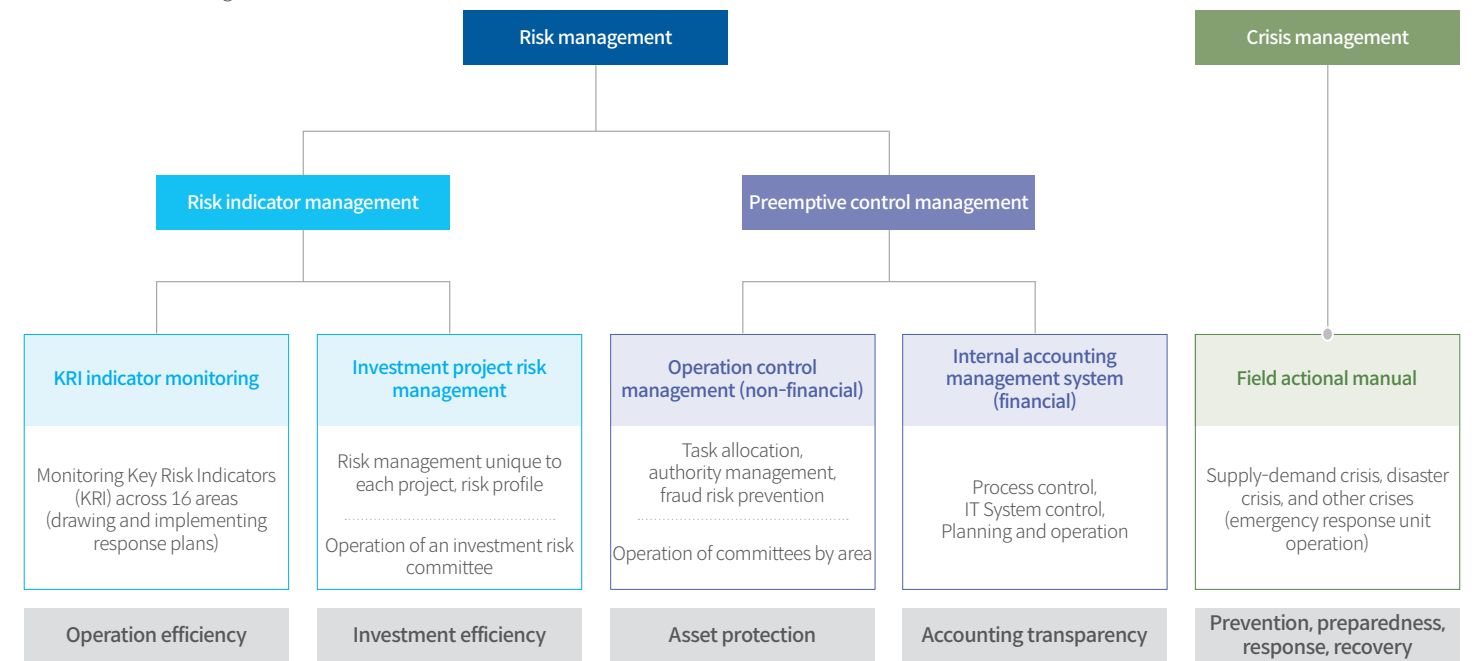
- Designation of Risk Management Officer by area through resolution by the Internal Control Committee
- Oversight of risk management tasks by area
- Development and implementation of response measures



Management Body	Functions and Responsibilities
Internal Control Committee	Acts as the control tower for internal control, deliberating on major policies, selecting risk management areas, and appointing Risk Management Officers for each field
Risk Management Staffer	Responsible for first-line defense in their respective fields, overseeing risk management tasks, identifying and assessing risks, and developing and implementing response plans
Internal Control Management	Oversees the operation of the internal control system, reviews the current state of risk management, and reports findings (instructions for improvements)
Internal Audit	Conducts independent evaluations of the appropriateness and effectiveness of risk management activities, reporting to the Board of Directors and the Audit Committee

Risk Management Process

Our risk management system is divided into risk management and crisis management. Individual risks are managed through risk indicator monitoring and preemptive control procedures, based on the nature of each risk. Additionally, to prepare for significant threats or crises, we have developed field action manuals for each area to ensure that emergency response units can operate promptly. The Internal Control Department evaluates the management status of each risk management department (twice a year) and the effectiveness of the overall risk management system, reporting the results to the Internal Control Manager.



Risk Management Areas

In revamping our risk management system, we have established a procedure to reassess risk management areas each fiscal year, taking into account changes in both internal and external environments and management strategies. The Internal Control Committee has reorganized the previous five risk areas (business operations, finance, supply and demand, overseas business, and domestic business) into sixteen more specific areas for more systematic and responsible risk management. Each risk management area has been assigned a responsible executive who oversees risk identification, evaluation, and the monitoring of key risk indicators (KRIs) on a regular basis.

Reorganization of risk management system

- Five Risk management areas subdivided into 16

Supply and demand	Business operation	Production	Construction	Overseas investment	Safety	Financial robustness	Mutual prosperity
Reception	Carbon neutrality	Supply	Quality control	Domestic investment	Information security	Capital	Ethics

Risk Management



Expansion of internal accounting management system across KOGAS Group

- Implementation of the internal accounting management system, including major subsidiaries within the KOGAS group

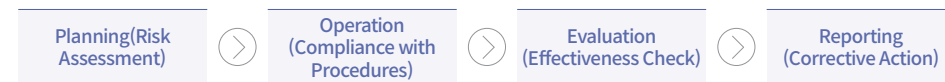
Risk Management Activity

Investment Project Risk Management

Domestic and international investment projects are carried out through a process, including preliminary selection, feasibility studies, investment review, and approval. To ensure rational investment decisions that consider risks associated with each project, we have established a two-tier review process (Investment Risk Committee and Investment Review Committee). When starting a new project, we use objective risk assessments conducted by external experts on the Investment Risk Committee to identify potential risks early in the process. This approach helps ensure effective risk management from the very beginning of the project.

Internal Accounting Management System

To enhance accounting transparency we operate an internal accounting control system designed to assess and manage the risk of financial information distortion by targeting business processes that affect financial statement preparation. Since 2023, we have expanded the scope of this system to include major subsidiaries within the KOGAS Group. The oversight and management departments review the effectiveness of internal controls annually, taking changes in the business environment, operational procedures, and other factors into consideration. Any changes are updated accordingly, and all control activities are documented in accordance with relevant regulations, policies, and a risk control matrix (RCM). The CEO monitors the operation of the internal accounting control system and reports the results to the Audit Committee, BOD, and at general meetings. The Audit Committee independently evaluates the appropriateness of risk identification and assessment, as well as the effectiveness of control design and operations, and prepares a separate operational evaluation report for the Audit Committee and the Board of Directors. Additionally, to ensure effective internal control and management responsibility, we incorporate performance metrics such as records of deficiencies and training completion for each control officer and relevant staffers into our internal performance evaluation indicators. We undergo external audits of our internal accounting control system and comply with relevant laws and regulations, including those pertaining to external audits of corporations.



Emerging risk management

We at KOGAS not only manage current risks but also identify emerging risks that could arise over the next 3 to 5 years. We analyze the emerging risk factors associated with them to formulate appropriate response strategies

Classification	Emerging Risk 1	Emerging Risk 2
Risks	Decreased demand for power generation	Intensification of carbon emission regulations
Definition	The 15th Long-Term Natural Gas Supply Plan anticipates an increase in direct LNG imports, leading to a forecasted decline in KOGAS's demand for power generation.	Increase in international carbon emission prices due to stronger climate change measures (e.g. EU CBAM implementation in 2026)
Key Impact	Reduced sales volume for power generation Decreased utilization of manufacturing and pipeline facilities	Rise in natural gas prices driven by higher carbon emission costs Acceleration of transition to carbon-free energy sources
Mitigation Activity	Securing demand through enhanced competitiveness of individual pricing plans Improving facility efficiency by expanding the rental of manufacturing facilities	Efforts to reduce carbon emissions through CCUS technology development and the establishment of a methane emissions roadmap Exploration of new carbon-neutral business opportunities

Risk Management Training

We at KOGAS recognize the importance of risk management and conduct various training programs to enhance awareness and strengthen operational capabilities. We have established an Overseas Business Committee within the BOD to provide quarterly reports on overseas business risks, ensuring that board members have a clear understanding and can make informed judgments about these risks. For internal controls related to financial reporting, we develop an annual training plan and offer tailored risk management education, including training for control owners and control performers (basic/advanced) to approximately 400 employees. Additionally, this year, we held two briefing sessions for the risk management department to facilitate understanding of the revamped risk management system.



Appendix

Data Center (Economy Environment Society Governance)	97
GRI Index	110
SASB	114
UNGC	116
Third-party Assurance Statement	118
Greenhouse Gas Assurance Statement	120
Awards and Certification Memberships	122

Economic Data

Economic Performance (Consolidated basis)

Classification	Unit	2020	2021	2022	2023
Sales	KRW 100 million	208,337	275,208	517,243	445,560
Operating profit	KRW 100 million	8,989	12,397	24,634	15,534
Current net income (loss)	KRW 100 million	(1,607)	9,645	14,970	(7,474)

Key financial statement (Consolidated basis)

Classification	Unit	2020	2021	2022	2023	
Growth indicators	Sales growth rate (loss)	%	(16.61)	32.10	87.95	(13.86)
	Net income growth rate (loss)	%	(375.76)	Turnaround to Profit	55.21	Turnaround to Loss
Profitability indicators	ROA (loss)	%	(0.43)	2.42	2.82	(1.25)
	ROE (loss)	%	(2.24)	11.63	15.67	(7.68)
Stability indicators	Liquidity ratio	%	104.37	93.77	81.91	77.24
	Debt ratio	%	364.24	378.87	499.62	482.68
	Capital adequacy rate	%	21.54	20.88	16.68	17.16

Statement of Financial Position(Consolidated basis)

Classification	Unit	2020	2021	2022	2023	
Asset	Current assets	KRW 100 million	75,279	131,477	250,916	174,303
	Non-current assets	KRW 100 million	283,819	305,222	373,334	398,244
	Total assets	KRW 100 million	359,098	436,699	624,250	572,547
Liabilities	Current liabilities	KRW 100 million	72,128	140,217	306,346	225,664
	Non-current liabilities	KRW 100 million	209,618	205,289	213,796	248,623
	Total liabilities	KRW 100 million	281,746	345,506	520,142	474,287
Equity	Paid-in capital	KRW 100 million	17,651	17,651	17,651	17,651
	Other	KRW 100 million	57,159	71,040	84,220	78,618
	Parent company equity (subtotal)	KRW 100 million	74,810	88,691	101,871	96,269
	Non-controlling interests	KRW 100 million	2,542	2,502	2,237	1,991
	Total Equity	KRW 100 million	77,352	91,193	104,108	98,260

R&D

Classification	Unit	2020	2021	2022	2023
R&D investments	KRW 100 million	519	482	364	306
Technology patents (accumulated)	patents	430	446	461	446

Economic value creation and distribution(consolidated basis)

Classification	Unit	2020	2021	2022	2023
Sales	KRW 100 million	208,337	275,208	517,243	445,560
Operating profit	KRW 100 million	8,985	12,397	24,634	15,534
Current net income (loss)	KRW 100 million	(160,683)	9,645	14,970	(7,474)
Employee salaries and benefits	KRW 100 million	4,570	5,897	5,777	6,032
Dividends	KRW 100 million	0	2,341	0	0
Interest	KRW 100 million	7,124	6,419	9,649	16,762
Corporate tax	KRW 100 million	(1,082)	4,028	4,482	(1,144)
Community investment	KRW 100 million	174	160	155	142

Environment Data

(* The reporting scope on environmental performance was calculated at 100% based on domestic business sites including HQ, domestic offices and KOGAS Research Institute etc.)

GHG emissions¹⁾

Classification	Unit	2020	2021 ²⁾	2022	2023	
Natural gas sales	1,000 tons	32,367	36,914	38,397	34,642	
Total GHG emissions (Scope 1+2)	Emissions	tCO ₂ eq	595,262	687,660	752,034	654,229
	Unit in KRW	tCO ₂ eq / 1,000 tons	18.391	18.629	19.586	18.885
Direct emissions (Scope 1)	Emissions	tCO ₂ eq	206,510	279,215	324,820	249,923
Indirect emissions (Scope 2)	Emissions	tCO ₂ eq	388,752	408,452	427,221	404,313
Other indirect emissions (Scope 3) ³⁾	Emissions	tCO ₂ eq	102,469,800	117,254,384	121,863,755	103,308,976

1) Drafted based on the GHG statement.
 2) Increased emissions due to more frequent operation of production facilities (e.g. carburetors, SCVs) associated with higher sales of natural gas and city gas for office heating systems, a result of climate change.
 3) Other indirect emissions (Scope 3) include emissions from:
 - The use of sold products (e.g. emissions from power plants and city gas supply)
 - Upstream and downstream transportation and distribution (e.g. emissions from natural gas processing)

Energy Consumption

Classification	Unit	2020	2021	2022	2023	
Natural gas sales	1,000 tons	32,367	36,914	38,397	34,642	
Total energy consumption ¹⁾	Usage	TJ	11,384	13,254	14,503	12,637
	Unit in KRW	TJ/1,000 tons	0.352	0.359	0.378	0.365
Direct energy (fuel usage)		TJ	3,351	4,686	5,561	4,156
Indirect energy (electricity usage)		TJ	8,033	8,523	8,871	8,388
Steam usage ¹⁾		TJ	-	51	78	93

1) Reporting began in 2021, with past data excluded

Classification	Unit	2020	2021	2022	2023
Total renewable energy consumption	MWh	1,777,673	2,203,777	2,490,861	2,055,036
Non-renewable fuel consumption (purchased or used as energy sources)	MWh	930,820	1,301,740	1,544,920	1,155,425
Non-renewable electricity purchase	MWh	830,706	887,773	924,057	873,719
Purchase of steam/heating/cooling and other energy	MWh	16,147	14,264	21,884	25,892
Total renewable energy consumption ¹⁾	MWh	3,199	3,201	3,970	5,050
Total energy consumption cost ²⁾	KRW 100 million	1,347	1,512	2,366	2,535

1) Includes KOGAS' renewable energy generation and the amount of green premium electricity purchased from KEPCO.
 2) 2022 data errors corrected

Water Consumption

Classification	Unit	2020	2021	2022	2023
Total water consumption ¹⁾	1,000m ³	1,568,931	1,769,849	1,863,085	1,675,499
Seawater	1,000m ³	1,568,327	1,769,101	1,862,338	1,674,858
Tap water	m ³	589,917	732,893	736,537	627,515
Others (surface water and groundwater included)	m ³	14,556	14,535	11,026	13,463

1) Increased Total water consumption increased due to frequent operation of ORVs in an effort to reduce the use of combustion vaporizers.

Chemical consumption

Classification	Unit	2020	2021	2022	2023
Chemical consumption	ton	2,091	1,906	1,808	1,677

Air and Water Quality

Classification	Unit	2020	2021	2022	2023			
Natural gas sales	1,000 tons	32,367	36,914	38,397	34,642			
Air pollution ¹⁾	NOx	Discharge	kg	148,880	198,868	227,152	182,746	
		Unit in KRW	Kg/1,000 tons	4.60	5.39	5.92	5.28	
	SOx	Discharge	kg	743	1,062	1,319	1,008	
		Unit in KRW	Kg/1,000 tons	0.02	0.03	0.03	0.03	
	Dust	Discharge	kg	2,229	3,187	3,956	3,024	
		Unit in KRW	Kg/1,000 tons	0.07	0.09	0.10	0.09	
Water pollution	Individual sewage treatment facility	BOD	Discharge concentration	ppm	10.5	9.6	4.2	7.3
		SS	Discharge concentration	ppm	9.0	9.8	3.6	6.3
		T-N	Discharge concentration	ppm	14.9	55.3	47.1	33.1
		T-P	Discharge concentration	ppm	2.1	7.1	5.3	1.5
	Colon bacillus bacterial count	Discharge concentration	ppm	64.6	62	5	2,715	
		Wastewater discharge facility	COD	Discharge concentration	ppm	-	-	-
	Wastewater discharge facility	TOC	Discharge concentration	ppm	9.2	39	24	23
		SS	Discharge concentration	ppm	7.1	19	26	29

1) NOx emissions increased in 2022 from the previous year due to increase in sales of natural gas and internal consumption of emitting facilities such as SRV

Waste

Classification	Unit	2020	2021	2022	2023		
By type ¹⁾	General	ton	10,878	1,829	1,336	1,141	
	Designated	ton	98	118	4,092	105	
	Construction	emissions	ton	77,132	123,838	46,731	183,416
		Unit in KRW	ton/1,000 tons	2.72	3.41	1.36	5.33
	Processing type	Recycle/reuse	ton	33,408	98,719	43,932	179,965
		Disposal	ton	54,700	27,066	8,227	4,697
Landfill		ton	-	-	-	-	

1) Waste emissions declined year-on-year due to a reduction of facility repair works and construction projects

Biodiversity Assessment (based on end of 2023)

Classification	No. of Work Sites	Area (Hectares)
Total number of business sites and area	15	793
(Assessment) business sites that have conducted biodiversity impact assessments	5	505
(Risk Exposure) business sites that have conducted biodiversity impact assessments and have had significant biodiversity impacts	5	505

* Relevant information is accessible through the Environmental Impact Assessment Support System (<https://eias.go.kr>) for more information

Environment Data

Eco-friendly purchase (green purchase)

Classification	Unit	2020	2021	2022	2023
Eco-friendly purchasing ¹⁾	KRW 1,000	-	6,962,483	1,294,515	2,389,557
Eco-friendly purchasing rate ²⁾	%	-	49	20	30

1) Eco-friendly purchasing (green purchasing): Environmental mark certified products, low carbon products, and GR (Good Recycled Product) certified products
 2) Eco-friendly purchasing ratio: (Purchase amount of eco-friendly products and services / total purchase amount) * 100

Violation of Environmental Act and Environmental Regulations

Classification	Unit	2020	2021	2022	2023
Legal duty/regulation violation	case	0	0	0	0
Fine	KRW	0	0	0	0

* Cases with fines of less than 10 million KRW are excluded

Environmental training

Classification	Unit	2020	2021	2022	2023
No. of employees subject to environmental training	person	-	3	525	262
No. of employees who participated in environmental training	person	-	75	589	306
No. of employees who participated in environmental training	%	-	2500	112	117

* Data for 2020 not compiled. Number of employees subject to environmental education (mandatory training participants) and number of participants in environmental education (those who completed the training).
 * In 2022, the number of target participants increased due to the expansion of environmental technology training for general air quality.

Gas leakage rate

Classification	Unit	2021	2022	2023
Gas transportation leakage rate	%	0.0039	0.0038	0.0037
Gas storage leakage rate	%	0.0025	0.0014	0.0013

Social Data

(*The reporting scope for social performance was calculated at 100% based on domestic business sites including headquarters, domestic offices, and the KOGAS Research Institute.)

Employees

(End of December 2023)

Classification	Unit	2020	2021	2022	2023		
Total employees	person	4,225	4,311	4,258	4,167		
Employment type	Regular	Male (including standing executives)	person	3,712	3,738	3,670	3,593
		Female	person	513	573	588	574
	Irregular	Male	person	0	0	0	0
		Female	person	0	0	0	0
Work type	Full-time	person	4,213	4,293	4,249	4,160	
	Part-time	person	123	18	9	7	
Workplace Location	Domestic	person	4,142	4,226	4,191	4,099	
	Overseas	person	83	85	67	68	
Age	30s and younger	person	1,821	1,875	1,817	1,740	
	40s	person	1,031	910	861	856	
	50s and older	person	1,373	1,526	1,580	1,571	
Female	Sales departments	person(%)	2(4.4)	2(3.77)	5(9.43)	31(4.02)	
	Employees in engineering	person(%)	3(6.0)	2(3.77)	2(3.33)	29(3.92)	
	Executives	person(%)	513(12.1)	573(13.3)	588(13.8)	574(13.8)	
	Deputy-heads or below	person(%)	41(6.07)	41(6.09)	41(6.14)	45(6.5)	
	Deputy-heads or above	person(%)	10(0.24)	13(0.3)	17(0.4)	18(6.3)	
	Female managers among the total managers ¹⁾	%	5.4	5.7	6.1	6.5	
Equity workforce	Employees with physical disabilities	person	159	156	150	163	
	Persons of merits	person	386	383	374	371	

1) The criteria for female managers have been changed from Level 2 and above to Level 3 and above. The target percentage of female managers to achieve by 2026 has been adjusted to 8%.
 * All KOGAS employees are Korean nationals.

New Hire

(As of the end of December 2023)

Classification	Unit	2020	2021	2022	2023	
Total Number of Newly Hired Employees	person	102	142	66	47	
Age	30s or younger	person	98	137	62	46
	40s	person	2	4	1	0
	50s or older	person	4	1	3	1
Gender	Male	person	86	107	47	40
	Female	person	18	35	19	7
Job Level	Level 2 and above managers	person	5	1	3	1
	Level 3 (deputy head level)	person	0	0	0	0
	Level 4 and below	person	99	138	63	46
	Researcher	person	0	3	0	0
Job positions filled with internal candidates (job transfer)	%	93.3	89.7	95.3	99.52	

Social Data

Employee Turnover

Classification	Unit	2020	2021	2022	2023	
Total turnover	person	129	109	122	134	
Male turnover	person	119	102	115	114	
Female turnover	person	10	7	7	20	
Turnover (regular employees)	%	3.01	2.54	2.83	3.15	
Type	Dismissal	person	1	5	1	2
	Voluntary turnover ¹⁾	person(%)	32(0.75)	34(0.79)	42(0.98)	58(1.36)
	Involuntary turnover ²⁾	person	96	70	79	74
Age	30s or younger	person	20	23	24	31
	40s	person	6	5	7	12
	50s or older	person	103	81	91	91
Job level	Level 2 and above managers	person	4	10	4	8
	Level 3 (deputy head level)	person	2	6	3	5
	Level 4 and below	person	119	92	110	115
	Researcher	person	4	1	5	6

1) Voluntary turnover: Includes voluntary retirements, resignations, and dismissals initiated by the employee (excluding regular retirement, involuntary dismissals, disciplinary terminations, etc).
 2) Involuntary Turnover: Includes mandatory retirement, automatic dismissal, or contract expiration, which result in the automatic termination of their employment relationship.

Employee Retirement

Classification	Unit	2020	2021	2022	2023
Retirement Pension fund balance	KRW 100 million	3,100	2,991	3,391	3,129

Executive Training

Classification	Unit	2020	2021	2022	2023
Education and training	KRW 1 million	6,790	7,330	8,285	7,710
Training duration per person	hr.	96.7	112.5	108.8	108.0
Training cost per person	KRW 1,000	1,614	1,727	1,992	1,888

* Regular employees only with executive excluded

Training Completion (mean)

Classification	2021		2022		2023		
	Training Hours	Training Cost (KRW 1,000)	Training Hours	Training Cost (KRW 1,000)	Training Hours	Training Cost (KRW 1,000)	
Age	30s or younger	116.6	1,790	106.7	1,953	114.7	2,006
	40s	117.0	1,796	119.4	2,185	110.7	1,936
	50s or older	104.7	1,607	105.4	1,929	99.3	1,736
Gender	Male	112.8	1,732	109.0	1,994	106.9	1,870
	Female	110.6	1,697	107.7	1,972	115.2	2,014
Job Level	Level 2 and above managers	120.6	1,851	110.9	2,030	104.9	1,834
	Level 3 (deputy head level)	134.4	2,063	134.7	2,466	115.4	2,017
	Level 4 and below	110.1	1,691	105.6	1,933	107.3	1,877
	Researcher	99.3	1,524	107.7	1,972	108.2	1,892

*Omitted past year data due to new reporting items introduced in 2021

Employee Support and Grievance Management

Classification	Unit	2020	2021	2022	2023
No. of grievances accepted	case	6	11	10	9
No. of grievances handled	case	0	7	5	4
Grievances handled	%	0	64	50	44

*Based on full-time employees with executives excluded

Family-friendly Program Utilization

(As of the end of December 2023)

Classification	Unit	2020	2021	2022	2023	
Parental leave users	total	person	91	97	149	178
	Male	person	28	33	55	91
	Female	person	63	64	94	87
Employees with reduced hours for childcare	person	1	1	4	12	
Employees using maternity leave	total	person	125	136	161	139
	Female	person	27	31	42	30
	Male	person	98	105	119	109
Employees using family care leave	person	1,457	1,534	907	937	
Flexible work system users	person	3,532	3,745	2,641	2,834	
Workplace daycare center	number	6	6	7	7	

Work-Life Balance Program

Classification	Unit	2020	2021	2022	2023
Alternative working schedule	person	37	35	44	30
Flextime	person	2,579	2,530	2,662	2,787
Work from home	person	3,328	3,483	2,213	17

Employee Return from Maternity Leave

Classification	Unit	2020	2021	2022	2023
Maternity leave applicants	person	91	97	149	178
Male maternity leave applicants	person	28	33	55	91

Employee Performance Evaluation

Classification	Unit	2020	2021	2022	2023
Performance evaluation applied	%	95.2	96.4	96.1	96.4
Employees who have received multidimensional evaluation	%	15.9	13.9	14.0	15.5

* We conduct individual performance and competency evaluations for all employees (excluding those on leave or in training). We also conduct comprehensive peer evaluations to enhance leadership and ensure a fair human resources system.

Social Data

Salary by Gender

(As of the end of December 2023)

Classification		Average salary for female employees (KRW 1,000)	Average salary for male employees (KRW 1,000)
Executives	Salary	148,448	118,758
	Salary + Incentive	148,448	118,758
Managers	Salary	65,500	71,082
	Salary + Incentive	97,326	107,053
Non-managers		44,503	47,184

* Manager and non-manager salaries are determined by averaging the annual net amounts paid or the annual average salary.
 * All employees receive at least the legal minimum wage

Gender Wage Gap (as of end of 2023)

Classification	Male -female Wage Gap (%)
Average gender wage gap	16
Median gender wage gap	18
Average bonus gap	21
Median bonus gap	18

* Average wage (including bonuses) by gender: Total annual salary (including bonuses) by gender divided by the annual average current wage by gender.
 * Average wage gap by gender: (Average wage of males - Average wage of females) divided by the average wage of males.
 * Median wage gap by gender: (Median wage of males - Median wage of females) divided by the median wage of males.
 * Although wages are the same regardless of gender, the proportion of female new hires has increased in recent years. Since female employees are likely to have shorter tenures and hold non-managerial positions, their wages are generally lower.

Occupational Safety and Health

Classification	Unit	2020	2021	2022	2023
Accident rate ¹⁾	%	0.535	0.310	0.390	0.360
Occupational fatalities	Employees	person	0	0	0
	Contractors	person	1	0	0
Lost-Time Injuries Frequency Rate (LTIFR) ²⁾	Employees	%	0.11	0.11	0.10
	Contractors	%	0.79	1.49	1.64

1) Ministry of Employment and Labor's Report on public sector construction accident statistics
 2) Lost-Time Injuries Frequency Rate (LTIFR): Number of lost-time injury incidents × 1,000,000 / Total work hours
 * The proportion of workers represented by the Joint Labor-management Occupational Safety and Health Committee is 89.6% (as of the end of 2023, total employees: 4,167).
 * In accordance with Article 24 of the Occupational Safety and Health Act and Article 37 of its Enforcement Decree, the committee is responsible for establishing accident prevention plans and safety/health measures related to the introduction of hazardous machinery or equipment.
 * To prevent work-related illnesses, we conduct annual health check-ups for all employees and special health examinations for shift workers and security personnel.
 * The number of employees used in calculating working hours is based on the current workforce disclosed in the ALIO public announcement

Labor Union Membership

Classification	Unit	2020	2021	2022	2023 ¹⁾
No. of labor union members	person	3,856	3,839	3,754	3,734
Labor union membership rate	%	90.2	89.1	88.2	99.9

* We provide prior written notification of changes in the articles of association and organizational structure, amendments to labor conditions, and matters related to the rights and interests of union members discussed and decided at shareholders' meetings, board meetings, and management committee meetings. These provisions are also specified in the collective bargaining agreement.
 1) Labor union membership rate calculation method changed starting in 2023

Employee Satisfaction

Classification	Unit	2020	2021	2022	2023
Satisfaction with internal training	pts	86.5	86.7	88.1	91.5
Satisfaction with human resources system ¹⁾	pts	76.0	75.2	74.3	79.3

1) The survey is conducted online using our in-house survey system, ensuring all responses are anonymous to maintain the reliability of the results (7-point scale).

Partners

Classification	Unit	2020	2021	2022	2023
No. of partners (primary suppliers) ¹⁾	number	26	33	35	28
Self-assessment rate	%	100	100	100	100

1) Companies that managed through the Major Equipment Management System (as of the end of December 2023)

Partner Product Purchase Contract

Classification	Unit	2020	2021	2022	2023
SME product purchase	KRW 100 million	2,692	3,393	4,766	5,570
SME product purchase rate	%	35.5	48.4	50.1	65

Support for Partner Competitiveness

Classification	Unit	2020	2021	2022	2023
Joint R&D	No. of R&D	projects	25	19	14
	Participating businesses	companies	25	19	13
	R&D budget	KRW 100 million	18	12	11
Training for employees of SME partners	R&D personnel training	person(s)	-	-	-
	Job-related training	person(s)	-	-	-
	Online training	person(s)	376	229	254
	Subtotal	person(s)	376	229	254

Partner Grievances Management

Classification	Unit	2023
No. of grievances reported	case	38
No. of grievances handled	case	27
Grievance handling rate	%	71.05

Social Data

Customer Satisfaction

Classification	Unit	2020	2021	2022	2023
Public-service customer satisfaction index (PCSI)	Grade (pts.)	89.5	88.8	93.5	95.9
	Rate (%)	85.2	89.0	100	100

Product and Service Information and Labeling

*We supply natural gas and provide customers with Material Safety Data Sheets (MSDS), which explain the hazards, risks, emergency measures, and handling procedures of the supplied material. These MSDS are accessible to our customers and available on our website.

*This information is provided in accordance with Article 111 of the Occupational Safety and Health Act and Article 160 of its Enforcement Rules. We had no violations of these regulations in 2023.

CSR Activity

Classification	Unit	2021	2022	2023
Cash donation (including sponsorship)	KRW 1 million	16,047	15,467	14,171
Employee volunteer activities during work hours (excluding weekend)	hr	3,566	918	888
CSR project expenses	KRW 1 million	590	746	652

*New reporting item added in 2020

Job creation through CSR programs (2023)

Classification	Program cost (KRW 1 million)	No. of jobs created	Remarks
Energy welfare (Onnuri Heat Improvement, support for dosshouse residents)	3,200	71	Including indirect jobs
Onnuri programs for seniors, Support for the self-reliance of people with physical disabilities and women returning to the workforce	360	68	Direct jobs
Promotion of the use of reusable containers	200	10	Direct jobs
Subtotal	3,760	149	-

Sponsorship

Classification	Unit	2020	2021	2022	2023
Total sponsorship amount (for industry associations or tax-exempt organizations)	KRW 1 million	3,060	2,794	2,272	1,121

* In accordance with the Political Funds Act and Article 8 of the KOGAS Code of Conduct, no direct or indirect political donations, including lobbying, interest representation, or political activities, are provided.

Top Five Sponsorship Amount

Classification	Unit	2020	2021	2022	2023
Korea Foundation for Cooperation of Large & Small Business, Rural Affairs	KRW 1 million	919	1,267	1,023	1,066
Korea Gas Union	KRW 1 million	-	890	919	50
Korea Energy Agency	KRW 1 million	600	490	300	-
Korea Accounting Institute	KRW 1 million	-	-	20	-
The Society of Air-conditioning and Refrigerating Engineers of Korea	KRW 1 million	10	10	10	5
Total	KRW 1 million	1,529	2,657	2,272	1,121

*These organizations provide donations for the development of related associations but they do not offer direct or indirect political contributions.

Information Security

Classification	Unit	2020	2021	2022	2023
Customer information protection violations	case	0	0	0	0
IT infrastructure accidents	case	0	0	0	0

Customer Privacy Concerns

Classification	Unit	2020	2021	2022	2023
Concerns raised by external institutions	case	0	0	0	0
Concerns raised by regulatory authorities	case	0	0	0	0

Governance Data

| BOD Operation

Classification	Unit	2020	2021	2022	2023
BOD meetings held	times	15	17	19	16
Resolutions	resolution	54	61	56	58
Pre-approval rate	%	7	65	95	75
Amended resolutions	resolution(%)	2(3.7)	1(1.6)	0(0)	0(0)
Reports	reports	22	28	26	22
BOD attendance	%	89	96	88	96
Independent outside director attendance	%	87	96	89	95

| Average/Median Employee Compensation and CEO Compensation

Classification	Unit	2021	2022	2023
CEO Compensation	KRW 1,000	145,092	208,062	148,448
Employee compensation	Median	KRW 1,000	78,439	84,020
	Average	KRW 1,000	87,220	93,710
CEO-to-employee pay ratio	Median	%	185	248
	Average	%	166	222

*Please refer to the 2022 Integrated Regular Disclosure Report for details on executive salaries and average employee compensation

| Ethics Code Compliance Rate (2023)

Classification	Rate (%)	Ethics Code Awareness Signed (%)	Training Provided (%)
Employees	100	100	99.64
Contractors/suppliers/service providers	100	100	-
Subsidiaries	100	100	-

| Anti-corruption Prevention and Violations

Classification	Unit	2020	2021	2022	2023
Cases of anti-corruption Violations	case	0	0	0	0

Violation (2023)	Case(s)
Violation of professional conduct	6
Bribery	0
Workplace harassment	2
Process violations	20
Disciplinary action (2023)	Case(s)
Dismissal	2
Suspension	6
Salary Deduction	6
Reprimand	14

*We have established an internal control system that regularly monitors all business activities across all locations.
 *We operate an internal whistleblowing system and conduct advisory and oversight activities through integrity ombudsmen and integrity auditors to prevent corruption and manage business risks.
 *There have been no incidents of corruption in 2023, and there are no investigations by or involvement with external agencies.

| Anti-corruption prevention education

Classification	Unit	2020	2021	2022	2023
Ethics education	person	3,927	3,934	3,911	3,909
Online code of conduct education	case	8,003	7,767	7,575	7,805

| Human Rights Assessment and Actions (as of end of 2023)

Classification	Unit	Internal management activities ¹⁾	Contractors and Tier 1 suppliers	Joint ventures ²⁾
Total percentage evaluated over the past 3 years	%	100	100	100
Percentage of evaluations identifying risks	%	6	2	0
Percentage of identified risks with mitigation and improvement measures applied	%	100	100	100

* Scope of internal management activities: KOGAS employees/ Contractors and Tier 1 suppliers: Stakeholders in the gas supply sector
 1) Includes joint ventures where KOGAS holds management rights
 2) Includes holdings of 10% or more

| Employee Training on Human Rights Policy and Procedure

Classification	Unit	2020	2021	2022	2023
Human rights education completed (Employees)	person	3,985	3,933	4,157	4,133
Training hours provided to employees on human rights policies and procedures related to the business	hour	1	1	1	1
Percentage of employees who have received training on human rights policies and procedures related to the business	%	97	98.5	96.7	98.8

| Corrective Actions for Discrimination

Classification	Unit	2020	2021	2022	2023
No. of reports received and handled regarding discrimination (e.g., based on educational background, gender, disability, etc.)	case	0	4	5	0

GRI(Global Reporting Initiative) Standards

Statement of use	KOGAS reports its sustainability management activities and key achievements for the period from January 1 to December 31, 2023, in accordance with GRI standards.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11 : Oil and Gas Sector 2021

Index	Description	Page	GRI 11	Remarks
GRI 2_ General Disclosures				
2-1	Organizational details	6-9p		
2-2	Entities included in the organization's sustainability reporting	2p		
2-3	Reporting period, frequency and contact point	2p		
2-4	Restatements of information			Annotated separately within the data
2-5	External assurance	118-121p		
2-6	Activities, value chain and other business relationships	10-17p, 105p		
2-7	Employees	101p		
2-8	Workers who are not employees	101p		
2-9	Governance structure and composition	82-83p		
2-10	Nomination and selection of the highest governance body	82-83p		
2-11	Chair of the highest governance body	82p		
2-12	Role of the highest governance body	21p, 82-84p		
2-13	Delegation of responsibility for managing impacts	92-94p		
2-14	Role of the highest governance body in sustainability reporting	21p, 29p		
2-15	Conflicts of interest	82-83p		
2-16	Communication of critical concerns	21p, 29p, 35p, 40p		
2-17	Collective knowledge of the highest governance body	82-83p		
2-18	Evaluation of the performance of the highest governance body	84p		
2-19	Remuneration policies	84-85p		
2-20	Process to determine remuneration	84-85p		
2-21	Annual total compensation ratio	85p, 108p		
2-22	Statement on sustainable development strategy	4-5p		
2-23	Policy commitments	34p, 48p, 54p, 56p, 86p		
2-24	Embedding policy commitments	34-36p, 48-49p, 54-55p, 56p, 86-87p		
2-25	Processes to remediate negative impacts	30-31p, 40-41p, 62-63p, 78-79p, 90p, 92-95p, 103p, 105p		
2-26	Mechanisms for seeking advice and raising concerns	84p		
2-27	Compliance with laws and regulations	48p, 77p, 100p, 106p		
2-28	Membership associations	122p		
2-29	Approach to Stakeholder Engagement	24-25p		
2-30	Collective bargaining agreements	71p, 104p		
GRI 3_ Material Topics				
3-1	Process to determine material topics	26-27p	-	
3-2	List of material topics	27p	-	
3-3	Management of material topics	28-47p	1111/1121/ 1131/1191/ 11191/11201	

Index	Description	Page	GRI 11	Remarks
GRI 201_ Economic Performance				
201-1	Direct economic value generated and distributed	97p	11.142/ 11.212	
201-2	Financial implications and other risks and opportunities due to climate change	30-31p	11.2.2	
201-3	Defined benefit plan obligations and other retirement plans	102p	-	
201-4	Financial assistance received from government		11.21.3	Website (disclosed on Alio)
GRI 202_ Market Presence				
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	104p	-	
GRI 203_ Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	10-11, 119p	11.14.4	
203-2	Significant indirect economic impacts	10-17p	11.14.5	
GRI 205_ Anti-corruption				
205-1	Operations assessed for risks related to corruption	41p	11.20.2	
205-2	Communication and training about anti-corruption policies and procedures	40-45p, 109p	11.20.3	
205-3	Confirmed incidents of corruption and actions taken	108p	11.20.4	
GRI 206_ Anti-competitive Behavior				
206-1	Legal actions against anti-competitive behavior, anti-trust, and monopoly practices	46p	11.19.2	No violations
GRI 302_ Energy				
302-1	Energy consumption within the organization	98p	11.1.2	
302-2	Energy consumption outside of the organization	98p	11.1.3	
302-3	Energy intensity	98p	11.1.4	
302-4	Reduction of energy consumption	50-51p	-	
302-5	Reductions in energy requirements of products and services	50-51p	-	
GRI 303_ Water and Effluent				
303-3	Water withdrawal	98p	11.6.4	
303-5	Water consumption	98p	11.6.6	
GRI 304_ Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	55p	11.4.2	
304-2	Significant impacts of activities, products, and services on biodiversity	55p	11.4.3	
304-3	Habitats protected or restored	56p	11.4.4	
304-4	IUCN Red List species and national conservation list species with habitats	54-56p	11.4.5	
GRI 305_ Emissions				
305-1	Direct (Scope 1) GHG emissions	32p, 98p	11.1.5	
305-2	Energy indirect (Scope 2) GHG emissions	32p, 98p	11.1.6	
305-3	Other indirect (Scope 3) GHG emissions	32p, 98p	11.1.7	
305-4	GHG emissions intensity	32p, 98p	11.1.8	
305-5	Reduction of GHG emissions	28-33p	11.2.3	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	52p, 57p, 99p	11.3.2	

GRI(Global Reporting Initiative) Standards

Index	Description	Page	GRI 11	Remarks
GRI 306_ Waste				
306-1	Waste generation and significant waste-related impacts	52-53p	11.5.2	
306-2	Management of significant waste-related impacts	52-53p	11.5.3	
306-3	Waste generated	57p, 99p	11.5.4/11.8.2	
306-4	Waste diverted from disposal	47p, 52-53p, 99p	11.5.5	
306-5	Waste directed to disposal	99p	11.5.6	
GRI 308_ Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	62-63p	-	
308-2	Negative environmental impacts in the supply chain and actions taken	62-63p	-	
GRI 401_ Employment				
401-1	New employee hires and employee turnover	101p, 102p	11.10.2	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70-71p, 103p	11.10.3	
401-3	Parental leave	70-71p, 103p	11.10.4/ 11.11.3	
GRI 403_ Occupational Health and Safety				
403-1	Occupational health and safety management system	34-35p	11.9.2	
403-2	Hazard identification, risk assessment, and incident investigation	39p	11.9.3	
403-3	Occupational health services	38-39p	11.9.4	
403-4	Worker participation, consultation, and communication on occupational health and safety	38-39p	11.9.5	
403-5	Worker training on occupational health and safety	38-39p	11.9.6	
403-6	Promotion of worker health	39p	11.9.7	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34-39p	11.9.8	
403-8	Workers covered by an occupational health and safety management system	34-35p	11.9.9	
403-9	Work-related injuries	35p, 104p	11.9.10	
403-10	Work-related ill health	35p, 104p	11.9.11	
GRI 404_ Training and Education				
404-1	Average hours of training per year per employee	102p	11.10.6/ 11.11.4	
404-2	Programs for upgrading employee skills and transition assistance programs	69p	11.7.3/ 11.10.7	
404-3	Percentage of employees receiving regular performance and career development reviews	102-103p	-	
GRI 405_ Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	68p, 82p, 101p	11.11.5	
405-2	Ratio of basic salary and remuneration of women to men	68p, 104p	11.11.6	
GRI 406_ Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	109p	11.11.7	
GRI 413_ Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	25p, 61p, 64-65p	11.15.2	
GRI 414_ Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	62-63p	11.10.8/ 11.12.3	
414-2	Negative social impacts in the supply chain and actions taken	62-63p	11.10.9	

Index	Description	Page	GRI 11	Remarks
GRI 416_ Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	48p, 106p	11.3.3	
GRI 417_ Marketing and Labeling				
417-1	Requirements for product and service information and labeling	48p, 106p	-	
417-2	Incidents of non-compliance concerning product and service information and	106p	-	
GRI 418_ Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	107p	-	

Topics in the applicable GRI Standards determined as not material

Index	Remarks
Topic 11.4 Biodiversity	
Topic 11.5 Waste	
Topic 11.6 Water and Effluents	
Topic 11.7 Closure and Rehabilitation	
Topic 11.8 Asset Integrity and Critical Incident Management	
Topic 11.10 Employment Practices	Although not selected as a material issue, related Topic Standards within the Other GRI Index have been reported
Topic 11.11 Non-discrimination and Equal Opportunity	
Topic 11.12 Forced Labor and Modern Slavery	
Topic 11.14 Economic Impacts	
Topic 11.15 Local Communities	
Topic 11.21 Payments to Governments	
Topic 11.13 Freedom of Association and Collective Bargaining	
Topic 11.16 Land and Resource Rights	
Topic 11.17 Rights of Indigenous Peoples	N/A
Topic 11.18 Conflict and Security	
Topic 11.22 Public Policy	

SASB(Sustainability Accounting Standards Board)

Classification	Measurement Indicators	KOGAS Policy and Activities	Reporting Page
Energy Affordability	Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only	<ul style="list-style-type: none"> · Liquefied natural gas wholesale rate · Commercial natural gas rate · Natural gas wholesale gas rate · Information on the cost of natural gas wholesale rate, etc. 	Website (Jisik IN Natural gas rate)
	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	-	-
	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	-	-
End-Use Efficiency	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	<ul style="list-style-type: none"> · Enhanced Energy Welfare Programs - Gas rate reduction system to support individuals with high essential living expenses - Discounted gas rates for social welfare facilities - Expanded gas bill payment deferral to include microbusinesses (previously limited to vulnerable groups) - Gas bill reduction for homeowners in disaster-stricken areas - Installment payment options for microbusinesses - Customized gas rate benefits - Cashback program for users of city gas rates 	65
	Customer gas savings from efficiency measures, by market, either (1) decoupled or (2) with a Lost Revenue Adjustment Mechanism (LRAM) included	<ul style="list-style-type: none"> · Reduction of LNG import costs · Decrease in gas rates through a separate tariff system for power generation · Enhancement of supply management systems · Increase in the distribution of gas-powered cooling system 	12-13, 65, 75
Integrity of Gas Delivery Infrastructure	Reduction of customer gas consumption through market-specific efficiency measures	-	-
	Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) violations of pipeline safety statutes	<ul style="list-style-type: none"> · Zero incidents of disasters or gas supply interruptions due to emergencies or gas leaks · No related violations 	10, 100
	Percentage of distribution pipeline comprising (1) cast or wrought iron and (2) unprotected steel	-	-
	Percentage of gas (1) transmission and (2) distribution pipelines inspected	<ul style="list-style-type: none"> · Comprehensive Disaster and Safety Management System - Comprehensive Disaster and Safety Management System - Operation of a smart safety monitoring center and integrated safety management system at storage tanks and gas pipeline construction sites - Mandatory use of smart safety equipment - Ongoing site safety inspections and consulting, with follow-up unannounced inspections and an anonymous reporting app to track and manage compliance with improvement requirements - Operation of a permanent safety learning center and promotion of virtual reality (VR) training - Implementation of proactive disaster management systems using digital technologies, such as anti-drone systems - Development of a Continuity of Operations Plan (COOP) 	36-39
Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	-	-	
Number of: (1) residential, (2) commercial, and (3) industrial customers served	-	-	-
Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	<ul style="list-style-type: none"> · Sales of natural gas (for city gas and power generation) 	Website (Clean Energy Natural Gas Business sales)	
Length of gas (1) transmission and (2) distribution pipelines	<ul style="list-style-type: none"> · Main pipelines 5,178km · Distribution pipelines 39,639km 		11

TCFD(Taskforce on Climate-related Financial Disclosures)

Classification	Measurement Indicators	KOGAS Policy and Activities	Reporting Page
Governance	Describe the board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> · The ESG Committee is composed of three independent outside directors who possess extensive expertise in ESG matters. Their primary responsibility involves reviewing and making decisions on mid- and long-term business plans and strategies related to the environment, such as carbon neutrality, hydrogen initiatives, and similar areas. 	21, 29
	Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> · The ESG Management Committee, comprising executives, including the CEO, is responsible for assessing agendas concerning climate change responses and presenting them. 	
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> · More stringent regulations on fossil fuels · Changes in consumer preference · Introduction of new technologies/businesses · Doubling down on GHG emissions trading scheme · Extreme weather and climate 	
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> · Decrease in the demand for natural gas, increase in sales and profits of hydrogen-related businesses · Decreased uncertainty of investing in low-carbon technology · Increased financial soundness risks due to new technology development and introduction of new businesses · Reduced risk of being exposed to fossil fuel price increases · Inclusion of companies in the third planning period subject to paid allocation, with an expected increase in the paid allocation ratio · Increased financial burden from purchasing natural gas from external sources · Increased operating expenses due to facility malfunction and supply pipeline getting weaker 	30-31
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Development of Climate-Change Response Measures incorporating the RCP 8.5 scenario	
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> · KOGAS climate-change risk management procedure - Stage 1) Risk Identification · Analysis of diverse demands of stakeholders (UNFCCC, IPCC, IEA, FSB, etc.), brainstorming, workshops, environmental analysis (SWOT analysis), expert interviews, and data collecting - Stage 2) Risk Determination · Determination of risks linked to climate change from short- and long-term perspectives - Stage 3) Risk Assessment · Evaluation of the potential scope of risks and prioritization through "materialist assessment" and "climate change response measures" - Stage 4) Risk Management · Fulfillment of the task of managing risks identified and assessed by each relevant department. Task assistance and reporting by the supervising department 	30
	Describe the organization's processes for managing climate-related risks		
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		
Metrics and Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> · GHG emissions (status, reduction performance, goal) · Environmental pollutant emissions · Energy consumption (current consumption, consumption reduced, target) · Short-, mid-, and long-term reduction goals for the fulfillment of the · Implementation plans for KOGAS carbon neutrality, etc. 	
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<ul style="list-style-type: none"> · KOGAS GHG emissions and reduction plans 	28, 32, 50-51, 98-99
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"> · KOGAS GHG emissions and reduction performance and goals · Environmental pollutant emissions · Energy consumption (current consumption, consumption reduced, target) 	

UNGC(UN Global Compact)

In 2007, KOGAS became a signatory of the UN Global Compact (UNGC), an international agreement emphasizing the social responsibility of global corporations. We are fully committed to upholding the 10 principles in four key areas: human rights, labor, the environment, and anti-corruption. These principles are integrated into all aspects of our business operations.

Classification	Principles	KOGAS Policy and Activities
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	We have enhanced our human rights management governance following the establishment of the Human Rights Management Charter, the formulation of a basic plan and long-term roadmap for human rights management, the creation of related regulations and implementation guidelines, and the expansion of human rights impact assessments for major projects. Under the Human Rights Management Committee, led by the CEO, we established a systematic human rights management structure with subcommittees for grievances, gender equality, and workplace harassment investigations. Additionally, we have implemented three key initiatives and detailed action plans to further elevate our human rights management. To ensure the effective implementation and evaluation of these efforts, we developed and now operate human rights management activity indicators. These indicators are applied not only to employees at our domestic and overseas offices but also to our business partners, local communities, minors, pregnant women, people with disabilities, and other internal and external stakeholders affected by our business activities. To assess actual and potential human rights risks, we developed specialized indicators and ensured expertise and objectivity through the involvement of human rights management experts. Based on these assessments, we have identified and prioritized improvement tasks, implementing mitigation measures accordingly.
	Principle 2 make sure that they are not complicit in human rights abuses.	
Labor	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	
	Principle 4 the elimination of all forms of forced and compulsory labor;	We conduct a transparent and unbiased hiring process without imposing any restrictions on educational background or age. We are committed to respecting employee diversity and actively work to eliminate unreasonable discrimination against women, high school graduates, permanent contract workers, and special positions, ensuring fair treatment for all. We apply the same compensation and benefits system across the board without discrimination based on gender or educational background. To foster a future-oriented, mutually respectful relationship, we maintain various collaboration and communication channels, including quarterly labor-management councils, the Occupational Safety and Health Committee, labor-management management issue sharing meetings, and workshops for Gasneer and innovation leaders. Additionally, we operate a Labor-Management Task Force to promptly resolve long-standing issues and have implemented a labor director system to lead the way in ESG management, based on a collaborative labor-management partnership.
	Principle 5 the effective abolition of child labor; and	
	Principle 6 the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7 businesses should support a precautionary approach to environmental challenges;	
	Principle 8 undertake initiatives to promote greater environmental responsibility; and	To address the accelerating climate change, KOGAS has developed and implemented a carbon neutrality plan. We manage air and water pollutant emissions by setting stricter standards than legally required. Through environmental impact assessments, we identify and mitigate the effects of our business activities on the surrounding environment. To further minimize our environmental footprint, we are transitioning long-term operational facilities to eco-friendly, high-efficiency systems. As an environmentally responsible company, KOGAS is committed to preserving biodiversity and forests, building a hydrogen economy infrastructure by lowering hydrogen costs and expanding LNG-based green businesses such as LNG bunkering and cold energy supply. Through these efforts, we are contributing to sustainable development.
	Principle 9 encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	To achieve the goal of becoming a world-class and transparent public energy enterprise through fair and principled operations, we have enhanced our integrity and ethical management system by focusing on three key areas: Mind-Up (awareness reform), System-Up (system improvement), and Value-Up (culture promotion). We conducted an ethics risk assessment with the participation of external experts to identify potential ethical risks at our workplaces and implemented mitigation measures based on the prioritized results of the assessment. As a result, we successfully obtained the ISO 37001 certification for our anti-bribery management system. Additionally, to proactively prevent corrupt practices, we have established and operate an integrated online and offline whistleblowing center. To further strengthen internal and external communication, we have integrated a chatbot for integrity-related inquiries into our internal messenger system and are continuously running the "KOGAS Blind" platform for employees.

UN SDGs(UN Sustainable Development Goals)

The UN SDGs, which were adopted by the UN, are a universal call to action to end problems we face everyday, to protect the planet, and address socio-economic problems. We are doing our best to fulfill our corporate social responsibility by making the best of our business activities for the creation of social values.



No Poverty

- Customized city gas rate benefits
- Gas fee reduction program for energy-vulnerable individuals
- Employees Charity Miles campaign
- LNG scholarships
- Coal briquette and gimchi donations



Zero Hunger

- Relief kits for disaster victims
- Employees Charity Miles campaign



Good Health and Well-being

- Relief kits for disaster victims
- LnG scholarships, LnG mentoring
- Onnuri programs for seniors
- Employee health checkups
- Support for crime victims' daily recovery
- Disaster recovery support as part of our CSR initiatives



Quality Education

- LnG mentoring
- Human resources development programs for energy businesses for the future
- Goodwill Store operation



Gender Equality

- Support for women's reintegration into the workforce
- Hosting meetings and lectures by celebrities to enhance workplace treatment and promote gender equality
- Family-friendly business certification



Clean Water and Sanitation

- Environmental campaign to enhance water quality
- Environment protection activities, including river cleaning
- Support for home improvement for underprivileged people



Affordable and Clean Energy

- Energy welfare program providing gas donations for residents in remote areas, including mountainous regions and islands
- Building hydrogen economy infrastructure
- Gas fee reduction program for energy-vulnerable individuals
- Replacement of outdated and inefficient heaters
- Distribution of carbon monoxide detectors



Decent Work and Economic Growth

- Heat efficiency improvement initiatives
- Support system for energy startups
- Creation of private-sector jobs based on core businesses
- Startup competitions and online market entry programs
- Implementation of payment systems and fund operation for mutual prosperity
- Collaboration on technology development with SMEs, R&D mentoring, and support for innovative growth



Industry Innovation and Infrastructure

- Support for the installation of gas piping systems nationwide, five national LNG terminal infrastructures, gas service lines, etc.
- Building hydrogen economy infrastructure
- Contribution to sustainable industrial development through social investments in fuel cell installation and dispersed generation



Reduced Inequalities

- Establishment of Goodwill Stores for the employment of people with developmental disabilities
- Gas fee reduction program for energy-vulnerable individuals
- Replacement of outdated and inefficient heaters
- Distribution of carbon monoxide detectors



Sustainable Cities and Communities

- Development of Ansim Station urban forest
- Improving park facilities to enhance street lighting and reduce crime risks
- Dae-gu Metropolitan City Industry-academia-researcher-government Platform
- Joint CSR initiatives in innovation cities
- Ansim Factory and related projects
- Heat efficiency improvement initiatives
- Providing safety training facilities and opening school playgrounds to local residents



Responsible Consumption and Production

- Development of smart gas gauge to provide support for sustainable consumption
- Smart LNG terminal for efficiency and safety
- Steady supply of natural gas and efficient facility operation through expansion of production and supply infrastructure
- Installation of various renewable energy facilities to power company building operations
- Development of hydrogen infrastructure and establishment of a supply foundation



Climate Action

- Establishing a hydrogen energy base to reduce GHG emissions
- Implementing eco-friendly facilities and streamlining processes for maximum energy efficiency
- Expansion of eco-friendly LNG initiatives, including LNG bunkering
- Operation of a test bed for blending hydrogen with natural gas pipelines
- Transition of long-term operational facilities to eco-friendly, high-efficiency systems
- Imposition of an environmental fee on single-use cup beverages purchased at the company's café
- Energy conservation and carbon neutrality awareness campaigns



Life Below Water

- Inspection of marine facilities and spill response equipment and treatment and recycling of waste condensate
- LNG bunkering business for the protection of the marine environment
- Setting up a marine pollution control network and monitoring the implementation of environmental impact assessment agreements



Life on Land

- Building a light pollution-free clean supply management center and minimizing natural damage during gas pipeline installation
- Development of Ansim Station urban forest and carbon neutrality school forest
- Enhancing the onshore environment through the use of large LNG vehicles
- Promoting environmental improvement through projects that foster increased demand for natural gas, a clean fossil fuel
- Adopt an Endangered Species protection activity
- Protection of the key breeding grounds for the endangered spoon-billed sandpipers (grade 1 wildlife) and distribution of endangered plant species, such as birds-nest ferns



Peace, Justice and Strong Institutions

- Holding a social contribution contest and providing citizens with the opportunity to turn their ideas into business



Partnerships for the Goals

- Effort to build stronger partnerships with developing nations for overseas business
- Joint participation in international fairs, including 2023 GASTECH
- Signing of an MOU with Tokyo Gas to establish a foundation for transitioning to eco-friendly energy



Third-party Assurance Statement

Dear Stakeholders of Korea Gas Corporation

Korean Foundation for Quality (further 'KFQ') has been requested Korea Gas Corporation to conduct an independent verification on the 'Korea Gas Corporation Sustainability Report 2024'(hereafter 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of verification as specified below. Korea Gas Corporation has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- Verification Criteria : AA1000AS(v3) and AA1000AP (2018)
- Verification Type: Type 1 [Verification of compliance of four reporting principles]
- Verification Level : Moderate [Verification based on limited evidence collected]
- Verification boundary : The reporting boundaries of Korea Gas Corporation as stated in the Report(Headquarters, domestic branches, KOGAS Research Institute, overseas subsidiaries, and partners)
- Verification Scope : Compliance with the 4 reporting principles(Inclusivity, Materiality, Responsiveness, Impact) according to AA1000AP and the GRI Standards 2021 reporting requirements

※ GRI Standards (2021) Reporting Principles

- Universal Standards : Reporting in accordance with GRI Standards (2021), compliance with the following requirements

Requirements	Compliance	Requirements	Compliance
1. Reporting principles	○	6. Provide reasons for omission	○
2. General Disclosures	○	7. Publish a GRI content index	○
3. Determine material topics	○	8. Provide a statement of use	○
4. Report the disclosures in GRI 3: Material Topics 2021	○	9. Notify GRI	○
5. Report disclosures from the GRI Topic Standards for each material topic	○	-	-

- Topic Standards

Requirements	GRI Standards/Topic Disclosure
Reporting material issues according to the GRI Topic Standards	<ul style="list-style-type: none"> • GRI 201 : Economic Performance • GRI 205 : Anti-corruption • GRI 206 : Anti-competitive Behavior • GRI 305 : Emissions • GRI 403 : Occupational Health and Safety • GRI 416 : Customer Health and Safety

Methodology

To assess the reliability of the sustainability performance in the Report against the aforementioned criteria, the audit team reviewed sustainability-related processes, systems, internal control procedures, and available performance data. The documentation the audit team reviewed by the audit team during the verification includes:

- **Non-financial information e.g.**, data provided by Korea Gas Corporation, disclosed Business Reports, and information obtained from media and/or the internet; and
- **Financial information i.e.**, Data disclosed data disclosed in the electronic disclosure system of the Financial Supervisory Service (dart.fss.or.kr) and Public Institutions Management Information disclosure system (alio.go.kr), and data posted on the homepage were used, but these contents are not included in the scope of verification.

The assessment was performed through document review and interviews with the responsible personnel. The validity of the materiality assessment process in the Report and the material issues selection considering stakeholders, data collecting & management, and validity of the report preparation procedures as well as the description in the Report were assessed, but external stakeholder interviews were not conducted. Afterwards, it was confirmed that any errors, inappropriate information, and misstatement identified during the assessment were appropriately revised before publishing the Report.

Competency and independence

The audit team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the National Pension Service business that could threaten the impartiality of verification, aside from providing third-party verification services

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, we only assessed the information and evidence provided by the Korea Gas Corporation.

Findings and Conclusions

As a result of the verification, the Report was found to be prepared in accordance with the requirements for 'report in accordance with GRI standard 2021' and the audit team found reasonable objectives to guarantee the AA1000AP (2018) and AA1000AS (V3) Type 1 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

• Inclusivity

Korea Gas Corporation classified 9 key stakeholder(Employees, Labor union, Central government, Local governments, Relevant institutions, City gas and power providers, Partners, General public, Local Communities) into 4 types(Internal Leadership, Public Cooperation, Private Cooperation, Community Engagement) and is hearing their opinions through the communication channels considering the characteristics of each group for effective communication. The audit team could not find any major stakeholders that were omitted during this process and was able to confirm that Korea Gas Corporation is making efforts to reflect the opinions of stakeholders collected in its management strategy.

• Materiality

Korea Gas Corporation formed a pool of 18 issues through analysis of the characteristics and recent changes in both internal and external environments, business management strategies and policies, and current ESG-related issues. And conducted a priority assessment considering their interconnectedness after identifying environmental · social impacts and financial impacts, and selected a final 3 key issues. During this process, they reviewed the opinions of stakeholder groups through surveys to enhance the justification for selecting these material issues. The audit team confirmed that the identified material issues resulting from the materiality assessment were described in the Report without any omission.

• Responsiveness

Korea Gas Corporation is committed to responding promptly to the needs and key interests of stakeholders. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

• Impact

Korea Gas Corporation identifies and monitors the impact of material issues related to stakeholders throughout its management activities and reports them in the Report as much as possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

Recommendation for improvement

- We hope that by gaining a deeper understanding of the reporting requirements of the GRI Topic Standards, defining the necessary data for management, and continuously managing this data, the ESG management activities and performance of the Korea Gas Corporation can be more fully communicated to stakeholders.
- In particular, we expect meaningful data to be collected and interpreted for the key issues identified, enabling comprehensive and transparent communication of performance related to these material issues with stakeholders.

August, 2024
Seoul, Korea

Ji Young Song, CEO
Korean Foundation for Quality (KFQ)



Ji Young Song

GHG Assurance Statement

GHG Emissions (Scope 1 & 2) Verification Statement

Subject of Verification

Statement on Greenhouse Gas Emissions and Energy Consumption for 2023, Korea Gas Corporation (KOGAS)

Verification Criteria

Guidelines for the Operation of the Greenhouse Gas Emission Trading Scheme, Guidelines for the Reporting and Certification of Emissions under the Greenhouse Gas Emission Trading Scheme, and the Emission Calculation Plan distributed through the National Greenhouse Gas Management System (NGMS)

Verification Procedures

The verification was conducted following the Guidelines for the Reporting and Certification of Emissions under the Greenhouse Gas Emission Trading Scheme and the Emission Calculation Plan distributed through NGMS. The level of assurance for the verification was performed to satisfy a reasonable assurance level.

Limitations of Verification

This verification was based on the "prescribed guidelines and the Emission Calculation Plan distributed through NGMS." The greenhouse gas emissions statement, related data, information, and the associated systems provided by KOGAS were subjected to a sampling method as per the verification plan recognized by the National Institute of Environmental Research. Therefore, this process includes inherent limitations that may arise from potential detection errors due to sampling.

Verification Opinion

- Materiality Assessment Result:

$[(\text{Final Result after Verification} - \text{Statement Result Value}) / (\text{Total Greenhouse Gas Emissions as Reported in the Finalized Statement})] \times 100, [(654,298 \text{ tCO}_2\text{eq} - 654,298 \text{ tCO}_2\text{eq}) / 654,298 \text{ tCO}_2\text{eq}] \times 100 = 0\%$

- The 2023 greenhouse gas emissions statement of KOGAS meets the materiality assessment criteria (2.5% of the total emissions for entities allocated between 500,000 tCO₂eq and 5 million tCO₂eq) and was generally prepared using accurate parameters and activity data.

- Therefore, the greenhouse gas emissions reported in the statement are deemed "appropriate" according to the Guidelines for the Reporting and Certification of Emissions under the Greenhouse Gas Emission Trading Scheme.

Comprehensive Opinion

The greenhouse gas emissions and energy consumption for 2023 reported by KOGAS were properly collected, prepared, and reported according to the guidelines. The emissions from major emission facilities were calculated and reported without omission, as confirmed through verification.

March 25, 2024

Verification Agency: Shinhwa Engineering Co., Ltd.

Representative **Kim In-soo**



GHG Emissions (Scope 3) Verification Statement

Verification No KQA-T2426

Company Korea Gas Corporation

Business Registration No 120-82-00557

Representative Choi, Yeon-Hye

Address 120, Cheomdan-ro, Dong-gu, Daegu, Korea

KQA confirms that under the limited assurance, the verification of the above company's Scope 3 greenhouse gas emissions is appropriate. Based on verification according to relevant standards, We did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

Verification Standard

- SO 14064-1:2006, ISO 14064-3:2006

- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

Verification Scope

Other indirect GHG emissions of 2023 (Scope 3)

Level of Assurance

Korea Gas Corporation's GHG emissions satisfies the under Limited Assurance (less than ±5.0% of total emissions).

Scope 3 emissions : 103,308,976 ton CO₂eq

Category		Scope 3	Emissions(tCO ₂ -eq)
1	Purchased Goods and Services	Fuel	5,806,901
		Water	149
2	Capital Goods	Computer, Monitor etc	14
3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Upstream emission	32,190
4	Upstream transportation and distribution	Upstream transportation	753,017
5	Waste Generated in Operations	Waste	6,785
		Domestic	535
6	Business travel	Oversea	582
		Employee Commuting	2,702
9	Downstream transportation and distribution	Downstream distribution	937,073
11	Use of sold products	City & Natural Gas	95,168,611
15	Investments	Resource development	600,418
Total Amount			103,308,976

※ 1. Categories 8, 10, 12, 13, and 14 were not included in the calculation.
2. The total for each company is rounded off to decimal points and expressed as an integer.

13 Aug 2024



Awards and Certification/Memberships

Awards and Certification

Award	Given by	Year
Best Practice Prize at the Global ESG Management Awards	In the environment category, Korean Academy of International Business	2023
Partnerships with Corporates and SMEs Awards	Commendation of Prime Minister	2023
Energy Efficiency Awards	Commendation of Minister of Trade, Industry and Energy	2023
Outstanding Space Innovator in the Public Sector	Minister of the Interior and Safety	2022
2022 Overseas Resources Development Award	Minister of Trade, Industry and Energy	2022
Gender Equality Employment Award	Minister of Employment and Labor	2022
Presidential Commendation for United Defense	Minister of the Interior and Safety	2022
Commendation for Korea Employment	Presidential Employment Committee	2021
Commendation for Advancements in IC Infrastructure and Information Protection	Minister of Science and ICT	2021
Commendation for Achievement in Privacy Protection	Minister of Trade, Industry and Energy	2021
Disaster Management Award (Safety and disaster response plans)	Minister of Trade, Industry and Energy	2021
2021 National Industrial Award (Mutual prosperity)	The Institute for Industrial Policy Studies	2021
15th National Sustainability Management Award (Mutual prosperity)	Korean Commission for Corporate Partnership	2021
Contribution to Fire Administration Development Award (CPR training given to all employees)	Mayor of Daegu	2021
Public Office Discipline and Anti-Corruption Award	Minister of Trade, Industry and Energy	2021
National Human Resources Development Award (Human resources development)	Prime Minister	2021
GHG Emissions Reduction Award	Minister of Environment	2020
Corporate Social Responsibility and Mutual Prosperity for Social Value Award	Minister of Trade, Industry and Energy	2020
Sustainability through Mutual Prosperity Award	Korean Commission for Corporate Partnership	2020
Hydrogen Economy Vitalization Award	Minister of Trade, Industry and Energy	2020
Regional Development Award (Local talent recruitment, etc.)	Minister of Land, Infrastructure, and Transport	2020

Memberships

Organization	Year
Korea Gas Union	1985
WEC Korean Member Council	1985
GIIGNL (International Group of Liquefied Natural Gas Importers)	1985
Korean Environmental Preservation Association (KOGAS Pyeongtaek LNG Terminal)	1997
Energy & Mineral Resources Development Association of Korea	2008
IGU (International Gas Union)	2014
Korea Emissions Market Association	2018
Daegu Integrity Society Civil Council	2018
Hydrogen Council	2018
Korea New & Renewable Energy	2021
Korea Society of Energy and Climate Change	2021

