



Climate-Related Management Incentives

This document provides details on the incentives provided for the management of climate-related issues for the Chief Executive Officer (CEO), Corporate Executive Team, and employees.

Climate-related performances are measured against KPIs which start at the top and cascaded down to the subsidiaries, departments, working teams, and individuals.

Both Base Target and Stretch Target are set as KPIs for departments, teams, and individuals.

Corporate KPIs 2022 of GHG Emission Reduction Scope 1&2 are as follows;

- 2022 GHG Emission Reduction Target: $\geq 40,000$ Million tCO₂e**
- 2022 GHG Intensity Target: ≤ 0.44 kgCO₂e/ton products**





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Management Level	Type of Incentive	Incentivized KPIs	Details
Chief Executive Officer (CEO)	Monetary	Emissions Reduction	<p>GC sets Corporate KPIs that reflected our CEO, executive and employee compensation. GC Corporate KPIs relating to Energy & Climate Strategy consist of Energy Efficiency (energy reduction & GHG emissions reduction). We set this KPI as a part of Operational Excellence Benchmarking. We define criteria to achieve Corporate KPIs to 5-level. Compensation & bonus will be allocated to relevant executives & employees when KPI is succeeded at level 3 or above i.e.</p> <p>1) The individual KPI of management level is ranked on the Dow Jones Sustainability Indices (DJSI) and targeted at Top 5 in DJSI, which requires Climate Strategy and GHG Management strategies. The score on DJSI & CDP also relates to the Corporate KPI. In 2022, GHG emission target has been set as Corporate KPI and related to individual KPI for the management level.</p> <p>2) In climate strategy part, We have the set target to :</p> <ul style="list-style-type: none">- achieve Net zero emissions for scope 1 and 2 and reduce greenhouse gas emissions by 50 percent for scope 3 by 2050- reduce greenhouse gas emissions (scope 1&2) by 20%, within 2030- reduce 50% of scope 3 by 2050 based on Science Based Targets Initiative compared to base year 2020. <p>Monetary reward: Achievement of Individual KPIs will relate to their performance bonus. If the base target is achieved, generally a six month of bonus is awarded (depending on Company performance), and if the stretched target is achieved, more than five months bonus will be awarded to the individual.</p>

Remark: The information is based on GC CDP Climate Change Response (C1.3a)





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Management Level	Type of Incentive	Incentivized KPIs	Details
Corporate Executive Team	Monetary	Emissions Reduction	<p>GC sets Corporate KPIs that reflected our CEO, executive and employee compensation. GC Corporate KPIs relating to Energy & Climate Strategy consist of Energy Efficiency (energy reduction & GHG emissions reduction). We set this KPI as a part of Operational Excellence Benchmarking. We define criteria to achieve Corporate KPIs to 5-level. Compensation & bonus will be allocated to relevant executives & employees when KPI is succeeded at level 3 or above i.e.</p> <p>1) The individual KPI of management level is ranked on the Dow Jones Sustainability Indices (DJSI) and targeted at Top 5 in DJSI, which requires Climate Strategy and GHG Management strategies. The score on DJSI & CDP also relates to the Corporate KPI. In 2022, GHG emission target has been set as Corporate KPI and related to individual KPI for the management level.</p> <p>2) In climate strategy part, We have the set target to :</p> <ul style="list-style-type: none">- achieve Net zero emissions for scope 1 and 2 and reduce greenhouse gas emissions by 50 percent for scope 3 by 2050- reduce greenhouse gas emissions (scope 1&2) by 20%, within 2030- reduce 50% of scope 3 by 2050 based on Science Based Targets Initiative compared to base year 2020. <p>Monetary reward: Achievement of Individual KPIs will relate to their performance bonus. If the base target is achieved, generally a six month of bonus is awarded (depending on Company performance), and if the stretched target is achieved, more than five months bonus will be awarded to the individual.</p>

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Management Level	Type of Incentive	Incentivized KPIs	Details
Employees	Monetary	Emissions Reduction	<p>GC sets Corporate KPIs that reflected our CEO, executive and employee compensation. GC Corporate KPIs relating to Energy & Climate Strategy consist of Energy Efficiency (energy reduction & GHG emissions reduction). We set this KPI as a part of Operational Excellence Benchmarking. We define criteria to achieve Corporate KPIs to 5-level. Compensation & bonus will be allocated to relevant executives & employees when KPI is succeeded at level 3 or above i.e.</p> <p>1) The individual KPI of management level is ranked on the Dow Jones Sustainability Index (DJSI) and targeted at Top 5 in DJSI, which requires Climate Strategy and GHG Management strategies. DJSI also references the CDP, and our score on DJSI & CDP relates to our Corporate KPI.</p> <p>2) In climate strategy part, we have the set target to reduce greenhouse gas emissions (scope 1 and 2) by 20 percent, within 2030 compared to base year (2020)</p> <p>Monetary reward: Achievement of Individual KPIs will relate to their performance bonus. If the base target is achieved, generally a six month of bonus is awarded (depending on Company performance), and if the stretched target is achieved, more than five months bonus will be awarded to the individual.</p>

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