

## Undue Influence Policy

**Kukdong Corporation shall never condone any attempt to exercise undue influence over third party auditors or any other external inspectors, thus ensuring accurate and integral audit results are highly protected based on the facts observed during the audit or inspection. This policy applies to all those who work for or belong to Kukdong Corporation.**

\* Definition of Undue Influence: Internal and external commercial, financial and other types of pressures that may undermine integrity of the audit result, which includes but not limited to bribery, blackmailing, threats or abuse of dominant power.

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### **Undue influence procedure (Head Office)**

Kukdong Corporation hereby set up the Undue Influence Procedures to prevent any undue influence by internal staff members, manufacturers, or business partners doing business with Kukdong Corporation.

All above-mentioned parties should be fully aware of this procedure, so that they can properly identify, inform, prevent any type of attempts exercise the Undue Influence

- **Training / Education on Undue influence:** Kukdong Corporation shall conduct an internal training/education on an annual basis for appropriate staff members and any time necessary for newly hired employees. If substantive changes to the Undue Influence policy/procedure are made, the appropriate staff members should be retrained regarding the changes. Above-mentioned trainings/education conducted on a regular basis shall be documented in a training log with signature of all participants as proof of actual occurrence of the events.
- **Identification of Undue Influence:**
  - 1) Any misconducts perceived as a pressure of a dominant party
  - 2) Manipulation of data for a better result of the audit.
  - 3) Bribing / offering money to inspectors or third-party labs or any of its representatives
  - 4) Offering gifts or any form of compensation whether direct or indirect
  - 5) Harassment / Blackmailing / Threatening inspector or 3<sup>rd</sup> party lab representatives
  - 6) Use of personal connections (Friends, relatives, associated, etc.) to seek favor from buyer / inspector
- **Reporting of Undue Influence:** All Kukdong staff members or anybody working under supervision of Kukdong Corporation should immediately notify C&S team or top management of Kukdong HQ of any allegations / attempts to exercise the Undue Influence at the following numbers:

- 1) Kukdong Corp. HQ President, Mr. Fred Joo  
Tel: 822-3407-7949, joofred@kd.co.kr
- 2) Kukdong Corp. C&S team, Sustainability Director, Mr. John Yoon  
Tel: 822-3407-7742, Email: dhyoon1@kd.co.kr

- **Disciplinary Actions:**

Anybody accused of professional misconducts or violations against Kukdong 'Undue Influence' policy and procedure shall be subjected to this disciplinary actions / punitive actions as follows:

- ⇒ Termination of employment, demotion, monetary penalty: The level of disciplinary action will be determined by the result of internal investigation as per severity of the corruption and undue influence incurred by the accused.