



## ESG (Environmental • Social • Governance) Center

### ESG Risks and Opportunities

Environmental, social, and governance (ESG) issues have become key agendas for the board of directors and management. Investors and regulators are increasingly demanding ESG integration, creating both risks and opportunities for companies.

This is particularly true in Europe, where ESG-related regulations are widespread. In Korea, disclosure of ESG data is expected to become mandatory, including not only corporate governance but also environmental and social factors. The mandatory disclosure of ESG data will increase the need for companies to improve transparency and proactively manage ESG risks.

In addition, the EU Corporate Sustainability Due Diligence Directive (CSDDD), which will be fully implemented in 2027, will require not only large companies but also their suppliers and small and medium enterprises (SMEs) to conduct human rights and environmental due diligence and maintain a certain level of ESG management. Large companies will be required to rigorously manage negative human rights and environmental impacts throughout their supply chains, and suppliers will need to meet ESG standards to do business with them.

While ESG regulations can pose risks to companies, they can also create new opportunities for companies. Companies that proactively manage ESG can reduce costs, attract investment, and expand markets. Effectively managing ESG in this changing environment is a key factor in ensuring a company's future competitiveness.

### Comprehensive ESG Advice

Shin & Kim's ESG Center provides comprehensive ESG advice to our clients. We offer a full range of services covering ESG disclosure and assessment, strategy and governance, investment, due diligence, regulatory advice, and litigation services to support companies in managing their ESG risks and promoting their long-term growth.

Our professionals have extensive expertise in advising on major ESG issues, including preparing sustainability and corporate governance reports, improving ESG ratings, responding to greenwashing issues, conducting ESG due diligence, and establishing ESG investment strategies. We also have professionals who specialize in advising on environmental issues such as carbon emissions, hazardous substances, renewable energy, green bonds, and

biodiversity; social issues such as occupational safety, serious accidents, human rights, and diversity, equity, and inclusion (DEI); and corporate governance issues such as board operations, shareholder activism, anti-corruption, and whistleblowing.

We also offer ESG training programs for executives and employees to help companies improve their understanding of sustainable management and social value creation. In particular, through customized training programs for executives and non-executive directors, we help them gain a deeper understanding of governance processes and identify best practices for effective ESG application in the context of corporate strategic decision-making.

Our ESG Center is composed of talented professionals in various fields such as environment, corporate governance, labor, finance, and antitrust and competition to respond quickly and systematically to the growing interest in and importance of ESG. Under the leadership of the ESG Center Head Soo Young Song and Principal Advisor Young-il Choung, the team includes Yong Kook Lee, who served as Vice President of the Korea Institute of Corporate Governance and Sustainability (KCGS), the most prestigious national organization in the ESG field; Gyu-Seok Baek, who served in various senior positions at the Ministry of Environment; Jiwon Jung, who served as Chairman of the Board of the Korea Exchange; Ji Ho Kang, who served as the first head of the ESG team at the Korea Exchange; Chang-Weon Rhee, a corporate governance expert who served as Deputy General Counsel of Citibank Korea; Byung Tae Kim, a corporate governance expert; Jiwon Kang, a corporate governance expert; Jong Soo Kim, a labor law expert; Jae Wook Ryu, a climate change expert; Minjeong Go, an environmental law expert; Geun-Bae Seok, an antitrust and compliance expert; Kyung Hwa Moon, a financial law expert; Hyun Mi Cho, a renewable energy law expert; Yoosung Chung, a renewable energy law expert; Michael Chang, an Australian lawyer and an ESG-related overseas regulatory expert; Hyomin Pak, a regulatory expert; Annie Soo Yeon Ahn, a California and Minnesota lawyer; and Han Hee Yu, a California lawyer—all with more than 10 years of experience in their respective fields. In addition, our ESG consulting team is led by senior consultants Yujeong Han and Hyunseung Lee, who have extensive consulting experience to ensure that our wealth of experience and expertise in each area can serve as an efficient and integrated ESG consulting solution for our clients' business environment.

## Key Services

Shin & Kim's ESG Center offers the following services.

- **ESG Disclosure and Assessment**

- Prepare sustainability reports in accordance with ESG disclosure standards and frameworks
- Perform dual materiality assessments and make disclosures
- Advise on compliance with Corporate Sustainability Reporting Directive (CSRD) requirements and produce sustainability statements based on European Sustainability Reporting Standards (ESRS)
- Advise on compliance with national sustainability disclosure standards
- Prepare and review corporate governance reports
- Support ESG rating improvement
- Conduct greenwashing risk diagnosis, policy design, and integration
- Prepare and disclose corporate value enhancement plan

- **ESG Strategy and Governance**

## 1. ESG Management Objectives and Operating System

- Establish ESG-related vision and strategy
- Establish mid- to long-term ESG management roadmap
- Establish roles and responsibilities and enhance ESG management capabilities of the board of directors and management
- Establish internal control system for ESG risk management and sustainability reporting

## 2. Management of Key ESG Issues

- Establish strategies to respond to climate change and environmental issues such as carbon neutrality, RE100, and renewable energy transition
- Analyze risks and opportunities and financial impacts of climate change and biodiversity scenarios
- Respond to Digital Product Passport (DPP) regulations such as Product Environmental Footprint and Product Carbon Footprint
- Establish corporate strategies for DEI, serious accidents, HR, and organizational culture reform
- Establish governance strategies for shareholder meetings, board operations, and shareholder activism

### • **ESG Investing**

#### 1. ESG Investment by Institutional Investors

- Conduct ESG due diligence in the M&A process
- Advise on private equity and venture capital (GP) participation in UN Principles for Responsible Investment (PRI) and reporting and on limited partners (LP) reporting
- Advise on ESG bond and fund management

#### 2. Investment Portfolio Management

- Establish ESG management system for each pre- and post-investment phase for investors
- Provide portfolio diagnosis and advice on performance improvement for ESG-related institutional investors
- Analyze environmental activities based on EU taxonomy, calculate financial indicators (sales, investments, operating costs), and set KPIs

### • **ESG Due Diligence**

#### 1. Human Rights and Environmental Due Diligence

- Comply with due diligence regulations such as the CSDDD
- Identify adverse human rights and environmental impacts at company sites and throughout their value chains
- Establish human rights and environmental due diligence systems at company sites and throughout their value chains
- Establish human rights and environmental policies and grievance redress systems

#### 2. Supply Chain Due Diligence and Sustainable Supply Chains

- Respond to laws and regulations related to human rights and environmental due diligence in supply chains such as CSDDD and European Union Deforestation-Free Products Regulation (EUDR)
- Identify adverse human rights and environmental impacts of supply chains
- Establish human rights and environmental due diligence systems for supply chains
- Establish human rights and environmental policies and grievance redress systems for supply chains
- Implement supply chain management systems

- Establish a sustainable supply chain

- **ESG Regulatory Defense and Litigation**

1. ESG-Related National and International Regulatory Defense and Trade Risk Analysis

- Conduct EU ESG and sustainability regulatory impact analysis and develop response strategy
- Conduct US federal and state ESG and sustainability regulatory impact analysis and develop response strategy
- Conduct overseas regulatory trade risk analysis and develop response strategy

2. ESG and Sustainability Litigation

- Represent clients in litigation involving violations of ESG and sustainability disclosure and greenwashing regulations
- Represent clients in litigation involving violations of human rights and environmental due diligence regulations
- Represent clients in litigation involving violations of product-related environmental performance and data disclosure requirements

- **ESG Education and Research**

- Provide integrated ESG training programs for listed and non-listed companies
- Provide ESG training for executives and non-executive directors
- Provide education on the latest regulatory trends and practical issues by E/S/G topic
- Publish ESG policy trends and research reports
- Research and benchmark the latest ESG management trends and best practices from leading companies

Shin & Kim's ESG Center offers comprehensive consulting and legal advisory services on ESG issues across all industries, with seamless collaboration between legal experts and consultants.



Regulatory	Corporate Governance Strategy Center	Center For Environment & Safety Strategies	Corporate Finance	Compliance Center	Industrial Accidents & Safety Center	Labor & Employment	Global Business Strategy Center
Mobility	Entertainment and Sports	Environment	Aviation, Maritime and Transportation	Energy and Resources	Consumer Goods and Retail		
Construction	TMT	Military Procurement & Defense Industry	Digital Technology & Data Law	Healthcare & Life Sciences	Media & Game		

## Experience

### 1. ESG Disclosure and Assessment Sustainability Report

- Prepared SOOP 2023 Sustainability Report
- Prepared Young Poong 2023 Sustainability Report
- Prepared Sustainability Report of leading private equity firm in Korea
- Prepared Task Force on Climate-Related Financial Disclosures (TCFD) Report of leading private equity firm in Korea
- Advised KB Financial Group on laws related to voluntary disclosure of Sustainability Report

### Corporate Governance Report

- Advised Samyang Foods on preparation of corporate governance report
- Advised Shinsung E&G on preparation of corporate governance report
- Advised SD Biosensor on preparation of corporate governance report

### ESG Rating Improvement

- Advised Young Poong on improving ratings from ESG rating agency
- Advised Bukwang Pharmaceutical on ESG assessment and rating improvement
- Advised Chong Kun Dang Holdings in responding to a rating agency on controversial ESG issues
- Advised Asiana Airlines in responding to a rating agency on controversial ESG issues

### **Greenwashing**

- Advised SK Innovation on greenwashing issues for sustainability report
- Advised SK Enmove on greenwashing issues for sustainability report
- Advised Handsome Corporation on its greenwashing audit
- Advised Samsung C&T on addressing greenwashing issues in contracts

### **Value Enhancement**

- Advised Woori Financial Group on disclosure of corporate value enhancement plan
- Advised the Korea Chamber of Commerce and Industry on its proposal for legislative reform regarding corporate value enhancement plans
- Conducted research on overseas corporate value enhancement plan disclosure for SK Group's integrated internal learning platform
- Delivered a presentation on value enhancement plan disclosure for the Korean CFO Association

## **2.ESG Strategy and Governance ESG Management Diagnosis**

- Advised Young Poong on ESG management diagnosis and strategy building
- Advised Bukwang Pharmaceutical on ESG management diagnosis and strategy building
- Advised Silicon Mitus on ESG management diagnosis based on Responsible Business Alliance (RBA) initiatives

### **Governance Improvement**

- Advised POSCO E&C on mid-term governance strategy
- Advised KT on establishment of a new governance system
- Advised Samsung Biologics on the appointment of a Chief Sustainability Officer
- Advised Korean conglomerate M on governance improvement
- Advised Korean conglomerate M in connection with transformation into a holding company
- Advised Korean conglomerates H and J on corporate governance improvement following their establishment of a holding company
- Advised Korean conglomerate A on corporate governance improvement

## **3.ESG Investment Implementation of Sustainable Investment System**

- Advised VIG Partners on establishing an ESG investment system
- Advised STIC Investment on UN PRI and TCFD reporting
- Advised H&Q Korea on establishing an integrated ESG investment policy and management process

- Advised SoftBank Ventures on ESG investment policy and internal business processes
- Advised KDB Bank on response strategy to ESG performance audit of fiduciary managers

#### **ESG Due Diligence and Follow-Up Management**

- Advised MBK Partners on ESG due diligence in connection with its acquisition of an interest in Nexflex
- Advised IMM Investment and Premier Partners on ESG due diligence in connection with their acquisition of a stake in EcoPro Innovation
- Established an ESG management system for portfolio company of VIG Partners

#### **ESG-Related New Business**

- Advised a leading Korean private equity firm on its investment in a resource recycling company
- Advised a subsidiary of Korean conglomerate S on its entry into the alternative meat business
- Advised a leading credit information company on its ESG rating business

#### **ESG Bonds and Funds**

- Advised on Green New Deal Infrastructure ESG blind fund
- Advised Korea Housing Finance Corporation, Korea Land and Housing Corporation, Industrial Bank of Korea, Shinhan Financial Group, and Shinhan Bank on social bonds
- Advised Export-Import Bank of Korea, Korea Electric Power Corporation, and SK Hynix on green bonds

#### **4. ESG Laws and Regulations Consulting Supply Chain Due Diligence and Regulatory Defense**

- Advised Daelim on EU CSRD and CSDDD laws and regulations
- Advised HD Hyundai Marine Solutions (formerly Hyundai Global Service) on supply chain ESG management
- Advised Korea Management Association on CSDDD laws and regulations
- Advised Korea Environmental Industry & Technology Institute on preparing guidelines for complying with EU CSDDD
- Advised the Ministry of Trade, Industry and Energy on the operation of the Indo-Pacific Economic Framework for Prosperity (IPEF) Supply Chain Agreement Crisis Response Network
- Advised S&S INC on ESG legislation and service trends in the automotive supply chain

#### **Human Rights Regulations and Regulatory Defense**

- Conducted an analysis of Japan's human rights guidelines for the Ministry of Trade, Industry and Energy
- Advised DLA Piper UK LLP on human rights regulation in the defense industry
- Advised LG Display on the current status of human rights management and human capital regulations
- Advised Hana Bank on the establishment of human rights-related internal regulations for five departments
- Advised the Seoul Tourism Organization on its response strategy to human rights abuses reported through its anonymous reporting (Red Whistle) channel

#### **Overseas Sustainability Management Regulations**

- Advised Handsome Corporation on EU ESG regulations

- Advised LG Display on EU regulations and directives
- Advised LG Display on US regulation on Uyghur forced labor

### **ESG Disclosure Regulations**

- Advised the Korea Accounting Standards Board (KASB) on sustainability disclosure standards
- Conducted an in-depth analysis of foreign sustainability disclosure systems for the Ministry of Environment
- Advised KASB on IFRS S1 and S2 disclosure drafts and the standards
- Reviewed the translation of the SASB for the KASB

### **5.ESG Research and Education ESG Education**

- Provided ESG video lectures for BizPROS
- Provided ESG training for the Hiseoul Biz Company Association
- Provided ESG lectures at the Next Generation CEO School program for the Korea Federation of Small and Medium Business
- Provided video lectures on ESG issues (such as greenwashing) for Korean conglomerate S
- Provided seminar and training for Dongkuk Steel, Korea Southern Power, Lotte Acropolis, International Management Institute of the Federation of Korean Industries
- Provided lectures on revised guidelines for preparation of corporate governance reports for the Korea Association for Chief Financial Officers
- Analyzed trends in enforcement of the Serious Accidents Punishment Act for Samsung Electronics, revised guidelines for responding to serious accidents, and provided advice and educational training
- Conducted seminar on ESG policy for public institutions in Korea for the Korea Institute of Public Sector

### **Research on ESG Policy and Management**

- Developed guidance on ESG precedents and supply chain due diligence
- Updated guidance manual on dual materiality assessment
- Developed guidance on mining value chain due diligence
- Developed FAQs and guidance on German supply chain due diligence law
- Conducted case study on DEI disclosure
- Conducted case study on disclosure of corporate value enhancement plans in Japan
- Conducted ESG governance case study

### **6.Environmental Climate Change, Carbon Emissions and Pollution Control**

- Advised client on the establishment of environmental management systems
- Advised client on legislation related to carbon taxes and fossil fuel levies
- Advised client on legislation related to greenhouse gas emissions trading schemes
- Represented client in litigation for cancellation of GHG trading allocation plans and orders
- Advised client on Act on Liability for Environmental Damage and Relief There of

- Advised client on the regulation of chemical substances
- Advised client on environmental impact assessments and administrative appeals
- Advised client on the allocation of total allowable emissions under the Clean Air Conservation Act
- Advised client on the discharge and prevention facilities under the Water Environment Conservation Act
- Advised client on the liability for remediation of contaminated soil
- Advised client on administrative litigation relating to administrative orders under the Waste Control Act

## **Renewable Energy**

- Advised on KIAMCO Solar Project, SK E&S Solar Project, Actis Solar Project, and many other land-based and rooftop solar projects
- Advised on Yanggu Floating Solar Project, HaeChang Bay Floating Solar Project, and many other floating solar projects
- Advised on Jeju Hanlim Offshore Wind Power Project, Sinanui Offshore Wind Power Project, Wando Geumil Offshore Wind Power Project, Taean Offshore Wind Power Project, Anma Offshore Wind Power Project, and other offshore wind power projects
- Advised on Wondong Onshore Wind Power Project, Gangwon Wind Power Project, Gyeongju Wind Power Project, and other onshore wind power and repowering projects
- Advised on Dobong Fuel Cell Project, Eneroute Fuel Cell Project, Gangneung Sacheon Fuel Cell Project, Seokmun Fuel Cell Project, Hwaseong Sonsan Fuel Cell Project, Changwon Distributed Fuel Cell Project, Jincheon Fuel Cell Project, and other fuel cell projects, including CHPS projects
- Advised on Jeju long-term Battery Energy Storage System (BESS) centralized contract market and bidding projects
- Advised on hydrogen projects, including hydrogen market bidding, hydrogen tram projects, and hydrogen filling station projects
- Advised SK ecoplant and Genesis Management on acquisition and operation of waste management companies
- Advised SK Group and GS Group on direct renewable energy trading business
- Advised SK Forest, Shinhan Bank, Climate Change Center, and Mocha Company on voluntary carbon credit and CDM projects

## **7.Social Serious Accidents**

- Advised financial companies such as KB Life Insurance, Mirae Asset Life Insurance, and Mirae Asset Global Investments on establishing a regulatory defense system for the Serious Accidents Punishment Act
- Advised CBRE on establishing a regulatory defense system for the Serious Accidents Punishment Act
- Advised Samyang Foods, Lotte Confectionery, and Haitai Confectionery on establishing a regulatory defense system for the Serious Accidents Punishment Act
- Advised SKC, Kolon Industries, and Taekwang Industries on establishing a regulatory defense system for the Serious Accidents Punishment Act
- Advised Bukwang Pharmaceutical, GC Biopharma (Green Cross Corporation), and Cosmax on establishing a regulatory defense system for the Serious Accidents Punishment Act
- Advised Hansol Logistics and Lotte GRS on establishing a regulatory defense system for the Serious Accidents

## Punishment Act

- Advised KT&G on establishing a regulatory defense system for the Serious Accidents Punishment Act

## Occupational Safety and Health

- Advised Hyundai WIA on the Occupational Safety and Health Act
- Advised Hyundai Oil Bank on the Occupational Safety and Health Act
- Advised Dongkuk Steel on the Occupational Safety and Health Act
- Advised Doosan Infracore on the Occupational Safety and Health Act
- Advised Lotte Chemical on the amended Occupational Safety and Health Act
- Advised Daewoo Shipbuilding & Marine Engineering on the Occupational Safety and Health Act
- Advised Hyundai Elevator on the Occupational Safety and Health Act
- Advised Serveone on fatalities caused by industrial falls

## 8. Governance General Meeting of Shareholders and Board of Directors

- Advised Korean listed companies on operation and procedures of their general meeting of shareholders and boards of directors
- Advised Korean company K on the composition and operation of its board of directors (including committees within the board)
- Advised Korean company D on improving the functioning of its board of directors
- Advised SK Hynix on board approval of transactions of affiliates
- Advised Kyobo Life Insurance on the operation of its board of directors
- Advised Hana Financial Group on board approval and reporting of affiliate transactions
- Advised Industrial Bank of Korea on pre-approval by board of directors
- Advised Samsung Biologics on audit committee regulations

## Internal Regulations

- Advised Korean securities company M on revision of internal regulations in accordance with the Act on Corporate Governance of Financial Companies
- Advised a Korean financial holding company and card company on revision of internal regulations in accordance with the Act on Corporate Governance of Financial Companies
- Advised Korean conglomerates H and J on revision of their corporate governance structure following the establishment of a holding company
- Advised Korean listed companies and conglomerates in financial, manufacturing and insurance sectors on amending their articles of incorporation and other internal regulations in accordance with the amendments related to corporate governance in the Commercial Act

## Compliance and Anti-Corruption

- Advised Korean listed companies, financial companies, and affiliates of conglomerates on internal controls, compliance, and response to regulatory investigations

- Advised multinational companies in the medical, defense, and machinery and equipment industries on their internal investigations and response to national regulatory agency investigations
- Advised a Korean company on its response to a data request from a foreign anti-corruption investigative agency
- Advised client in a case involving World Bank sanctions against a corrupt party
- Advised Assa Abloy on its anti-corruption compliance strategy

### Shareholder Activism

- Advised Korean listed company Y on its response strategy to ESG-related shareholder activism by an institutional investor
- Advised on response strategy in connection with the appointment of a director by activist fund
- Advised on activist fund's investment in a Korean company

## Key Contacts

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## Awards and Rankings

- Ranked as Recommended Firm in the Green Guide APAC Legal500 2024