



ESG (Environmental • Social • Governance)

Risks and Opportunities Posed by ESG

Environmental, social and governance (ESG) issues are on the emerging agenda of many boards of directors and corporate management. ESG has become more than a reputational issue, posing both risks and opportunities not only for investors but also for various economic players and throughout various regulatory systems.

This trend is expected to spread more widely as ESG information disclosure becomes mandatory. In 2022, disclosure of corporate governance reports was made mandatory for companies with total assets of KRW 1 trillion or more and in 2026, disclosure of corporate governance reports will become mandatory for all companies listed on the stock market. In addition to corporate governance, ESG disclosures on environmental and social factors are also expected to become mandatory. Based on ESG disclosure information, it is expected that domestic and foreign institutional investors will increase ESG investing and corporate engagement regarding ESG issues. Various stakeholders including investors will ask the board of directors to be held responsible for monitoring ESG issues.

Not only large corporations but also small and medium-sized enterprises (SMEs) and public institutions are exposed to ESG-related risks and opportunities and can create opportunities by taking preemptive action in the face of the changing business environment. Companies that properly manage ESG risk and performance can expect to grow through risk management as well as cost reduction, investment attraction and market expansion.

Comprehensive Counsel on ESG Issues

Shin & Kim LLC seeks to support corporate risk management and long-term value creation by providing comprehensive advice on ESG issues for clients.

Shin & Kim's ESG professional group (PG) closely monitors international and domestic trends in environmental, social and governance-related issues, including the expansion of ESG-related disclosure scope, communication with investors and stakeholders and responses to domestic and foreign finance and regulations. We also provide advice to companies that are not subject to corporate governance reports and ESG disclosures to manage ESG-related risks and opportunities in accordance with their business environment and scale. With our advice, the companies can prepare for supply chain due diligence and trade regulations and continuously increase their corporate value.

The strength of Shin & Kim comes from its rich advisory experience on each ESG issue. We have extensive experience in providing advice on environmental issues such as carbon credits, environmentally hazardous substances, new and renewable energy and green bonds as well as on social issues such as industrial safety, major disasters, subcontracting and fair competition and on governance issues relating to the formation of board of directors, audit committees, risks involving affiliates, shareholders' meeting agenda, anti-corruption and whistleblowing.

Our ESG PG consists of talented experts in various fields of environment, corporate law, labor, finance and fair trade so that we can respond promptly and systematically in consideration of the growing interest and importance of ESG.

Experts with more than 10 years of experience are able to cater to clients' requests based on their rich experience and expertise in each field to provide a comprehensive ESG advisory solution suitable for each client's current and future business environment. Shin & Kim's ESG PG is led by Senior Partner Kyung Don Lee who is the chair of the ESG Center, Partner Soo Young Song, vice-chair, Advisor Yoonjae Jang, head of ESG Research, and consists of dedicated experts including Senior Advisor Yong Kook Lee, who was the former Vice President of the Korea Corporate Governance Service, one of the most authoritative bodies in the ESG sector, Senior Advisor Gyu-Seok Baek, who served in various important posts in the Ministry of Environment, Senior Advisor Ji Ho Kang, who served as the first ESG team leader of the Korea Exchange, Partner Daeyong Baek, a member of the Personal Information Protection Committee, Partner Chang-Weon Rhee, who served as the vice chairman of Citibank Korea, Partner Byung Tae Kim, Partner Jiwon Kang, who are experts in corporate governance, Partner Seong Ik Hwang, an expert in the environment sector, Partner Jae Wook Ryu, an expert in response to climate change, Partner Jong Soo Kim, an expert in labor, Partner Geun-Bae Seok, an expert in fair trade, Partner Kyung Hwa Moon, an expert in finance, Partner Hyun Mi Cho, an expert in renewable energy, Senior Foreign Attorney Michael Chang, an expert in overseas ESG regulation and Partner Hyomin Pak.

Key Services

Shin & Kim provides counseling on the following ESG related services:

- **ESG Regulations:** Advise on compliance with individual laws and regulations related to environmental, social and corporate governance, respond to EU and global regulations related to ESG and respond to supply chain due diligence.
- **ESG Reports:** Advise on the preparation and review of sustainability reports and the preparation and disclosure of corporate governance reports.
- **ESG Investment:** Advise on responsible investment/sustainable investment, ESG due diligence related to ESG investment, ESG finance such as green bond, social bond and sustainable loan, new and renewable energy, low-carbon, eco-friendly investment.
- **ESG Strategy, ESG Risk Management and Performance Enhancement:** ESG due diligence, ESG strategy design, ESG evaluation improvement advice, engagement with ESG rating agencies and investors, advise on ESG issues related to high-level decisions including shareholders meeting items, boardroom decisions and management's issues.

Experience

Comprehensive ESG Advisory

- ESG evaluation of a credit information company;
- Green New Deal Infrastructure ESG blind fund;
- ESG-related diagnosis of listed corporations and response to evaluation agencies;
- Venture capital investment policy and internal business process advice;
- Respond to limited partner's inspection of ESG performance of private equity;
- Consultation of ESG government policies on listed corporations;
- Korea Institute of Public Sector Seminar on ESG policy for public sector institutions;
- Seminars, education sessions, etc. for Dongkuk Steel, Korea Southern Power Co., Ltd., Lotte Academy and FKI International Management Institute.

Environmental & Climate Change and Carbon Emissions, Environmental Pollution

- Legislation related to carbon tax and impositions on fossil fuel use, and other regulations;
- Legislation related to laws on greenhouse gas emission trading and litigations on cancellation of emission rights allocation plans and dispositions;
- Act on the Integrated Control of Pollutant-Discharging Facilities;
- Act on Liability for Environmental Damage and Relief Thereof;
- Regulation of chemical substances;
- Administrative trials related to environmental assessments;
- Total mass emission caps under the Clean Air Conservation Act;
- Discharge and prevention facilities related to the Water Environment Conservation Act;
- Responsibilities of soil contamination purification;
- Administrative litigation on orders to take action under the Radioactive Waste Management Act.

Environmental & New and Renewable Energy

- Fuel-cell generation PF counseling in Noeul, Petroconergy, Gwangju Sangmu district;
- Wind farm PF counseling in Yak-su in Young-gwang, Gyeongju, Gangdong, Youngyang 2, Jeju Gimnyoung, Euiryoung, Daegiri, Noraesan, Honam Wind Farm;
- Acquisition of Gangwon wind power generation, Youngdeok wind power generation;
- West Namhae Offshore wind power PF, and acquisition of the offshore wind power generation in Ulsan, Busan, and Jeju areas;
- Shinan Anjwado, Gumi-si Taepyeong Units 1, 2, 3, Dongnam Solar PV, Chuncheon Boongeo Island, Goheung Bay, Geumma Iksan, Achim Solar PV generation project, Dangjin Seokmoon Lake, Saemangeum Hydro Solar PV generation PF;
- Shin-Pyeongtaek LNG CCP (#3), and Combined Heat and Power Plant projects in Hanam, Misa, Naepo;
- Disposition of SK E&S Pyeongtaek Energy Service (Osung Natural Gas Power Generation), Gimcheon Energy Service (Gimcheon CCP), Jeonbuk Integrated Energy (Jeonbuk CCP);

- Installation and PF of ESS connected solar PV projects and wind power generation projects;
- Biomass generation PF in Gunsan, Yeosu, Jeju, Gangneung;
- Dongducheon, Changnyeong SRF power generation investment.

Environmental & Green Bonds and ESG Bonds

- Korea Housing Finance Corporation: EUR1,000,000,000 Social Covered Bonds;
- Korea Export Import Bank: EUR700,000,000 Green Bonds;
- Korea Land & Housing Corporation: CHF200,000,000 Social Bonds;
- Korea Electric Power Corporation: USD500,000,000 Green Bonds;
- Industrial Bank of Korea: USD500,000,000 COVID-19 Social Bonds;
- Korea Housing Finance Corporation: EUR500,000,000 COVID-19 Social Covered Bonds;
- Shinhan Financial Holdings: USD500,000,000 COVID-19 Social Bonds;
- Shinhan Bank: AUD400,000,000 COVID-19 Social Bonds;
- SK Hynix: USD2,500,000,000 Green Bonds.

Social & Data Protection, Privacy (Personal/Credit Information Protection)

- Data protection law counseling for government departments, including the Personal Information Protection Commission, Ministry of the Interior and Safety, Korea Communications Commission, Financial Services Commission, Ministry of Science and ICT, etc.;
- Data protection counseling for General Insurance Association of Korea, Korea Securities Depository, Korea Internet & Security Agency, etc.;
- Legal counseling for Korean financial holdings companies on the operation of a common group-wide database and a common company-wide credit assessment system;
- Legal counseling related to the reformation of internal personal information management system for key public agencies;
- Legal counseling related to the Credit Information Act and the Personal Information Protection Act pursuant to split-offs and mergers of financial institutions;
- Legal counseling for major firms in Korea in relation to personal information when renovating internet websites;
- Data protection counseling for Korean insurance companies for the establishment of a risk management model for big data;
- Legal counseling on smart car service based on GPS information for multinational motor companies;
- Comprehensive consulting on personal data management and reform of the protection system for high profile companies in Korea;
- Legal counseling on personal data and credit data for financial holdings companies, card companies, banks, and other financial institutions.

Social & Industrial Safety, Material Hazards

- Company H case of a fall accident and death of an employee;

- Company S case of a fire and explosion accident and death of an employee;
- Company H case of asphyxiation and death of an employee;
- Company S case of asphyxiation and death of an employee;
- Company J case of a fall accident and serious injury of an employee;
- Company H case of drowning and death;
- Company D case of a site fire accident;
- Company D case of an fall accident and death of an employee;
- Company K counseling on Occupational Safety and Health Act;
- Company D counseling on Occupational Safety and Health Act.

Social & Subcontract Act/Franchise Business Act/Large Retail Act

- Company G (Brand B): Franchise Business Act violation investigation case;
- Golf Company G (Brand G): Conversion to franchise business;
- LMP International(Brand La Mère Poulard): Information disclosure registration, etc.;
- GS Retail: Franchise Business Act violation investigation case;
- Parnas Hotel: Franchise Business Act counseling;
- Motor parts manufacturer, Company M: Subcontract Act violation investigation case;
- SK Planet: Subcontract Act violation investigation case;
- Construction company and shipbuilding company: Subcontract Act violation investigation case;
- Semiconductor company H: Subcontract Act violation investigation case;
- SK C&C, Lotte Data Communication and other key SI company: Subcontract Act violation investigation case;
- CJ Olive Networks: Large Retail Act related counseling;
- Lotte Home Shopping: Large Retail Act related counseling;
- 6 Major Home Shopping companies: Large Retail Act related counseling.

Social & Unfair Transactions

- Company S unfair inducement of client case: Represented the client in the deliberation procedure before the Fair Trade Commission and the administrative litigation;
- Company P binding conditional deal: Represented the client in the deliberation procedure before the Fair Trade Commission;
- Corporate counseling for day-to-day unfair transactions for high-profile, large firm clients.

Governance - Corporate Governance/Internal Rules

- Legal counsel for domestic financial holdings companies and card companies related to the rearrangement of internal rules pursuant to the enforcement of the Act On Corporate Governance Of Financial Companies;
- Korean group M: Governance improvement;
- Korean company M: Conversion to holding company;

- Korean company K: Board of directors (committee under the board of directors) formation and operation;
- Korean securities company M: Internal rules and rearrangements pursuant to the enforcement of the Act On Corporate Governance Of Financial Companies;
- Korean groups H, J: Rearrangement related to governance after the launch of the holdings company;
- Legal counseling for financial companies, manufacturing companies, insurance companies, etc. and other numerous listed companies and large companies in relation to the rearrangement of internal rules and the articles of association pursuant to the amendment related to governance under the Commercial Act;
- Korean group A: Governance reformation.

Governance & Control Disputes, Control Defense

- Schindler's Shareholder: Derivative Suit against Hyundai Elevator (Provisional Disposition to peruse and copy accounting records, claim to peruse and copy minutes of board of meeting, provisional disposition of prohibition of new share issuance, derivative suit worth KRW 780 billion, etc.) currently ongoing;
- Representing Samsung Medison in an ongoing control dispute raised by minor shareholders; Defending an application of provisional disposition of suspension of enforcement of director's duties raised by Geumho Petrochemical Group against the management of Asiana Airlines (Geumho Asiana Group);
- Represented and defended Savezone in a management control dispute between E-Land and Savezone;
- Counseling and litigation of control disputes of B-Dent, Btone, Bithumb;
- Counseling and litigation of various hostile M&A and control disputes.

Governance - Compliance/Anti-Corruption

- Counseling related to internal control, compliance and regulation authority investigation of numerous domestic listed companies, financial companies and large group affiliates.
- Internal investigation and domestic regulation authority investigations on multinational corporates related to the medical industry, the defense industry, and machinery and equipment sector;
- Request for provision of documents to Korean companies by foreign antitrust investigation authorities;
- World Bank's sanctions against unfair traders;
- Review of Samil PWC anticorruption policy;
- Assa Abloy anti-corruption compliance case.

Governance & Formation and Operation of Board of Directors/Auditors

- SK Hynix BOD: Approval obligation regarding a transaction by its affiliate;
- Kyobo Life Insurance: BOD operation;
- Hana Financial Holdings: BOD approval and report related to subsidiary operations;
- IBK: BOD prior approval related legal inquiries;
- NOVOMETAPHARMA: BOD operation appropriateness inquiries;
- Samsung Biologics: Rules on board of auditors.

Key Contacts

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Awards and Rankings

- Ranked as Recommended Firm in the Green Guide APAC
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