

Sustainable Future Through Innovative Energy Solution

About This Report

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Report Overview

This report is the first sustainability report of Dongsung Finetec Co., Ltd. We aim to communicate transparently with our stakeholders regarding our activities and performance related to sustainability issues. This report includes Dongsung Finetec Co., Ltd.'s sustainability management activities, the resulting performance in the areas of Environment (E), Social (S), and Governance (G), and our future plans.

Reporting Principles

This report has been prepared in accordance with the reporting principles of the GRI Standards 2021, the international standard for sustainability reporting, and reflects ISO 26000 and the United Nations Sustainable Development Goals (UN SDGs). Our financial information is presented in accordance with the Korean International Financial Reporting Standards (K-IFRS) on a consolidated basis.

Reporting Period

This report covers our sustainability management activities and performance from January 1, 2024, through December 31, 2024, and includes information up to the first half of 2025 for certain performance indicators. In quantitative performance, data from the past three years (2022–2024) are included to show our year-to-year trends.

Reporting Cycle

Beginning with the first publication in 2025, Dongsung Finetec Co., Ltd. plans to publish this report annually.

Reporting Scope

This report includes the activities and performance of our domestic workplaces (Busan, Anseong, Yeongnam, and Tongyeong) of Dongsung Finetec Co., Ltd., as a stand-alone corporation.

Report Assurance

An independent assurance provider(Korea Productivity Center Quality Assurance) conducted a third-party verification to secure reliability and enhance the quality of the report's content, as per the international verification criteria, AA1000AS v3 Type 1, and official assurance procedures. The results are included in the Independent Assurance Statement.

Publication Date and Contact Information

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^M : Materiality

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CEO Message



“Each page of this report represents both our achievements and our commitment to future generations.”

Greetings. Dear valued stakeholders,

Today, the world faces growing uncertainties in the business environment due to expanding geopolitical risks, economic downturns, and abnormal weather events caused by climate change. Nevertheless, with our steadfast mindset of “The Right, The Best,” Dongsung Finetec has continued to pursue technological innovation and has grown in step with society. This year, as part of these efforts, we are publishing our first sustainability report. This report reflects our firm commitment to transparently sharing our performance and challenges, and to placing sustainability management at the core of our corporate strategy. To put this commitment into practice, Dongsung Finetec is strengthening specific implementation foundations across all areas of Environment, Social, and Governance.

We will expand eco-friendly competitiveness based on carbon neutrality.

We recognize the global importance of responding to climate change and are accelerating efforts to advance eco-friendly management practices, including reducing the environmental impact of corporate activities and prompting resource circulation. Through systematic initiatives—such as actively identifying ideas, setting actionable tasks, and implementing measures to improve energy efficiency and reduce carbon emission—we aim to achieve tangible environmental management outcomes. Going forward, we will establish systems that minimize environmental impacts across all stages of the product cycle, thereby driving sustainable and long-term change.

We will protect our employees through safety and health management striving for ZERO serious accidents.

Under the mission of building a “sustainable and global safety culture,” Dongsung Finetec has set “ZERO serious accidents” as top priority and is implementing safety and health management as a core value.

Based on three key strategies—establishing global standards, adopting and implementing a safety culture, and enhancing on-site safety management—we are strengthening a systematic and proactive safety management system by obtaining and maintaining ISO 45001 and KOSHA-MS certifications across all our workplaces. We will continue to establish a safety culture in which all employees participate and create a workplace where everyone can work safely.

We will realize sustainable win-win outcomes through responsible supply chain management.

Recognizing building a sustainable supply chain ecosystem as a core management task, Dongsung Finetec established a supply chain management policy and a Supplier Code of Conduct that reflect global standards in 2025. Based on these policy and the Code of Conduct, we will further strengthen the foundation of our supply chain management, reduce risks across the supply chain, and build an ecosystem that creates sustainable value with our suppliers.

Through innovative energy solutions, Dongsung Finetec will continue to serve as a reliable supplier and a company that generates positive value for the environment and society. We are grateful for your ongoing interest and support, and we look forward to building a sustainable future together.

Thank you.

CEO, Dongsung Finetec Co., Ltd. Yong-Seok Choe



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Company Overview

Dongsung Finetec is a global energy solutions company established in 1985. Leveraging its world-leading cryogenic insulation technology, we became the first in Korea in 1990 to develop polyurethane using alternatives to freon gas (CFCs), substances known to cause ozone depletion. Since then, we have continued to innovate-becoming the first in Korea to acquire UL certification and commercialize flame-retardant polyurethane foam. We also localized cryogenic insulation materials for LNG pipelines, developed R-PUF cryogenic insulation for LNG vessels, and cryogenic insulation materials for Korea's LNG onshore storage tanks. Dongsung Finetec continues to strengthen its position as a global leader in the cryogenic insulation sector based on our world-class Low BOR technology.

Company Profile

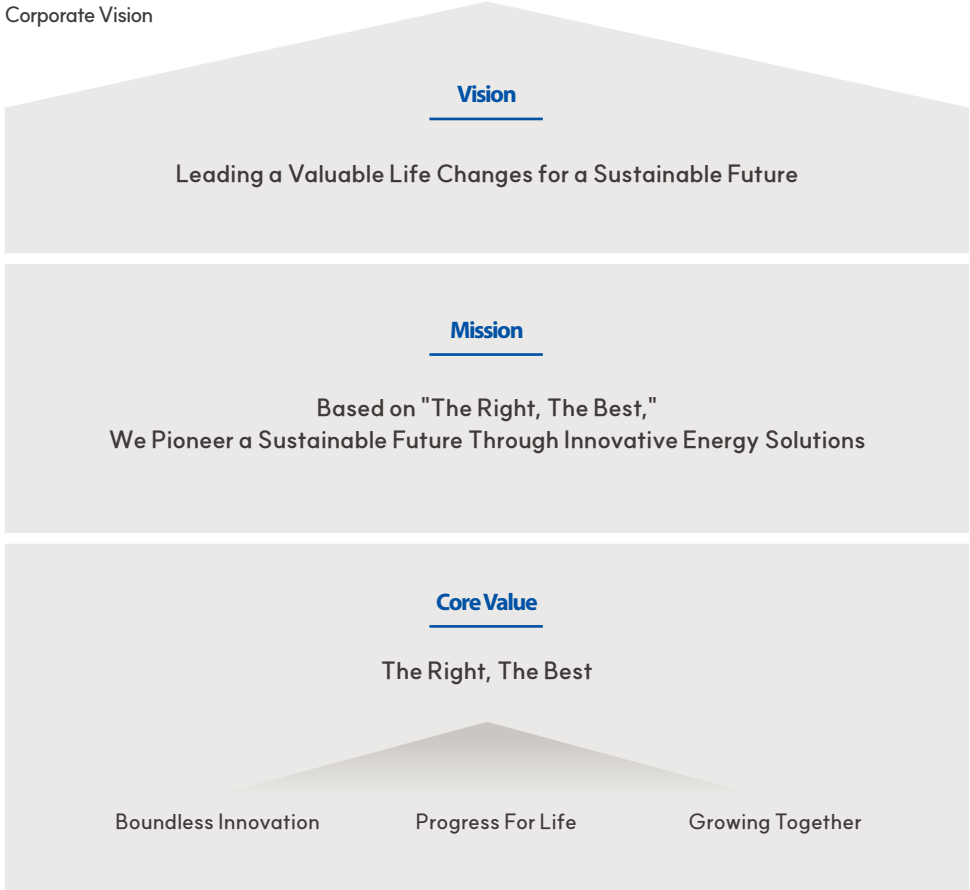
Company Name	Date of Establishment	CEO	IPO	Head Office
Dongsung Finetec Co., Ltd.	July 1985	Yong-Seok Choe	KOSDAQ (December 1997)	99, Sinsan-ro, Saha-gu, Busan, Republic of Korea
Business Sites	Major Products	Employees	Capital	
Busan Headquarters, Seoul Office, Anseong Plant, Tongyeong Plant, Yeongnam Plant, Anseong R&D Center	Cryogenic insulation materials, LNG fuel tanks, refrigerants, etc.	625	KRW 15.3 billion (29,989,494 shares)	

2024 Financial Performance

(Unit: KRW 100 million)

Revenue	Total Assets
4,390 2022	4,554
5,337 2023	
5,974 2024	Operating Profit
	539

Corporate Vision





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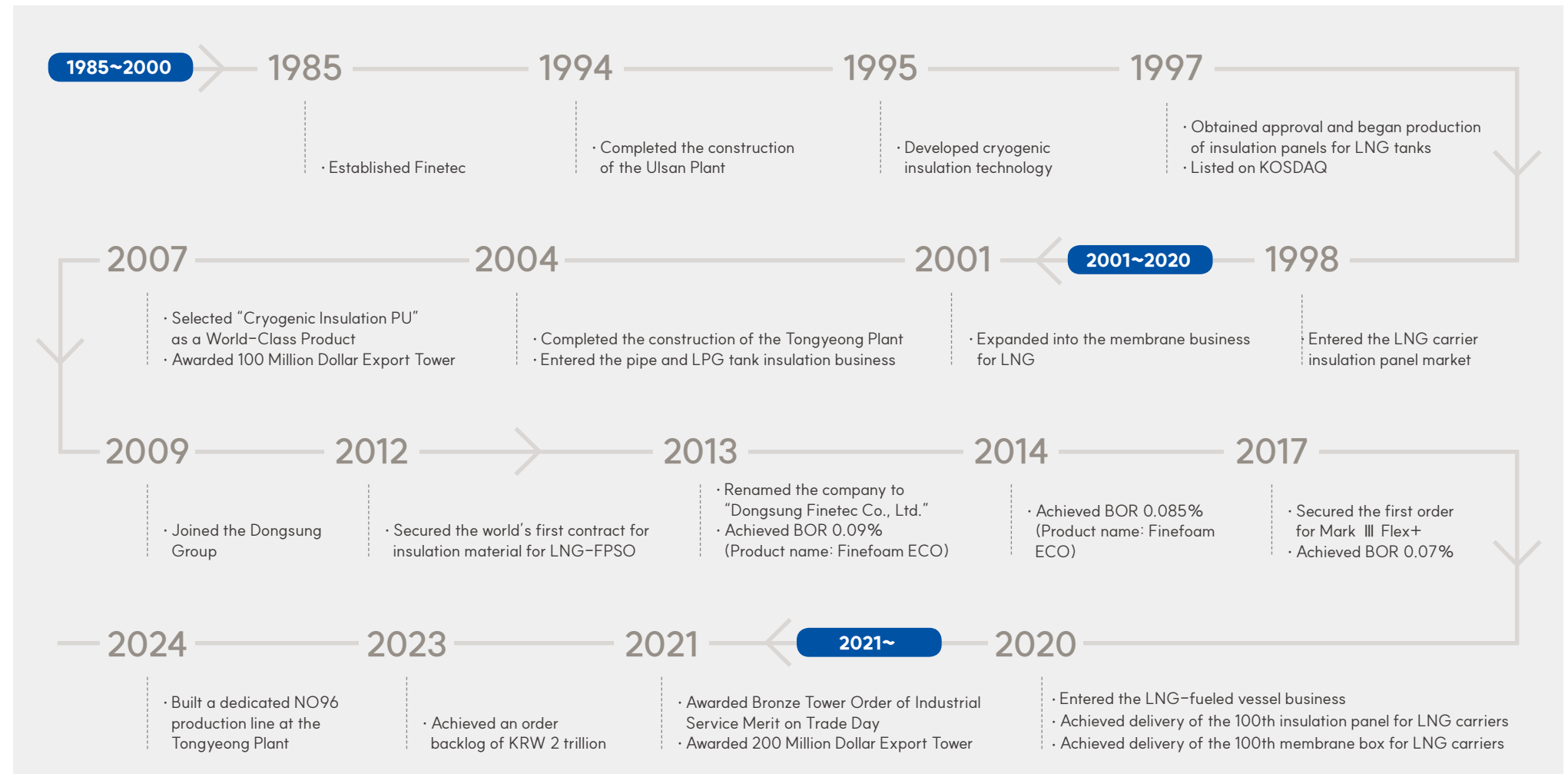
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History

Under the vision of "Leading a Valuable Life Changes for a Sustainable Future," Dongsung Finetec pioneers a sustainable future through innovative energy solutions with a steadfast mindset of "The Right, The Best."




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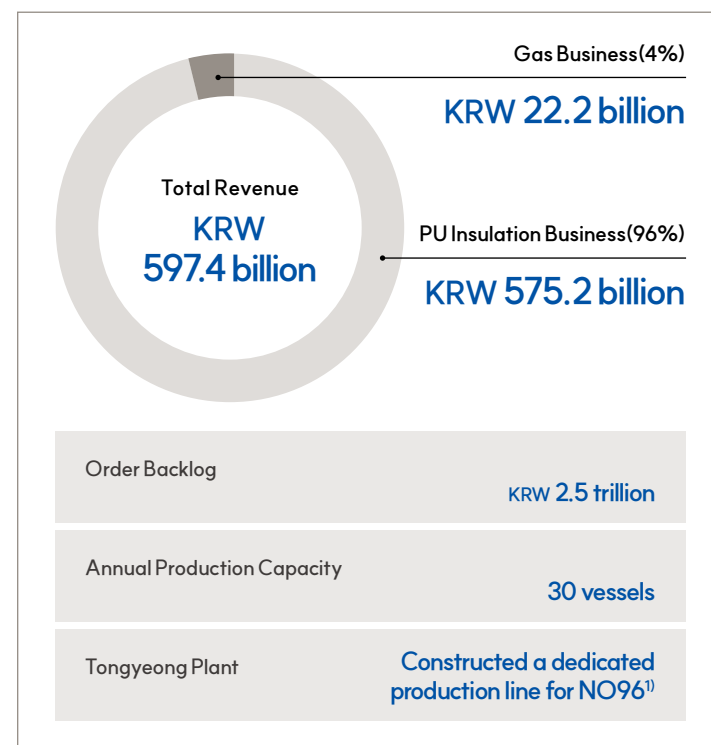
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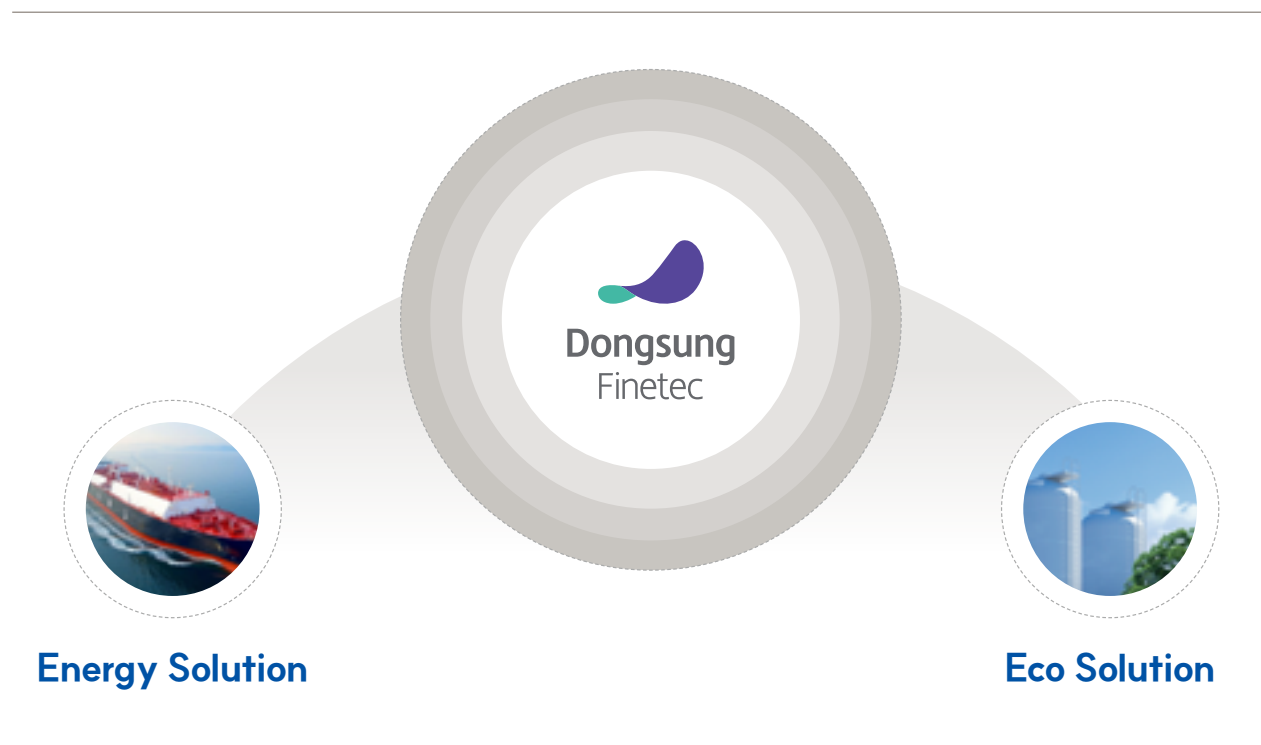
Business Overview

Dongsung Finetec's Energy Solution business focuses on PU (polyurethane) and cryogenic insulation materials. Based on our proprietary technologies and system house capabilities, we produce and sell foam and non-foam PU to meet the growing demand for energy transport such as LNG transportation and storage. In particular, we became the first in Korea to localize cryogenic insulation materials essential for LNG transportation and storage, and we now supply them to LNG receiving terminals and vessels. Meanwhile, our Eco Solution business focuses on minimizing environmental impacts throughout our products and processes. Dongsung Finetec Co., Ltd. is researching and developing R-PUF products using HFO-based blowing agents to offer eco-friendly insulation materials that meet global climate change response requirements. In addition, we contribute to greenhouse gas reduction and the circular economy by producing and selling reclaimed refrigerants recovered from HVAC systems, waste appliances, scrapped automobiles, and other sources in accordance with regenerated refrigerant standards.

Key Business Achievements in 2024



1) Cryogenic insulation made from glass wool applied to membrane-type LNG carriers that store LNG in liquefied form below the hull





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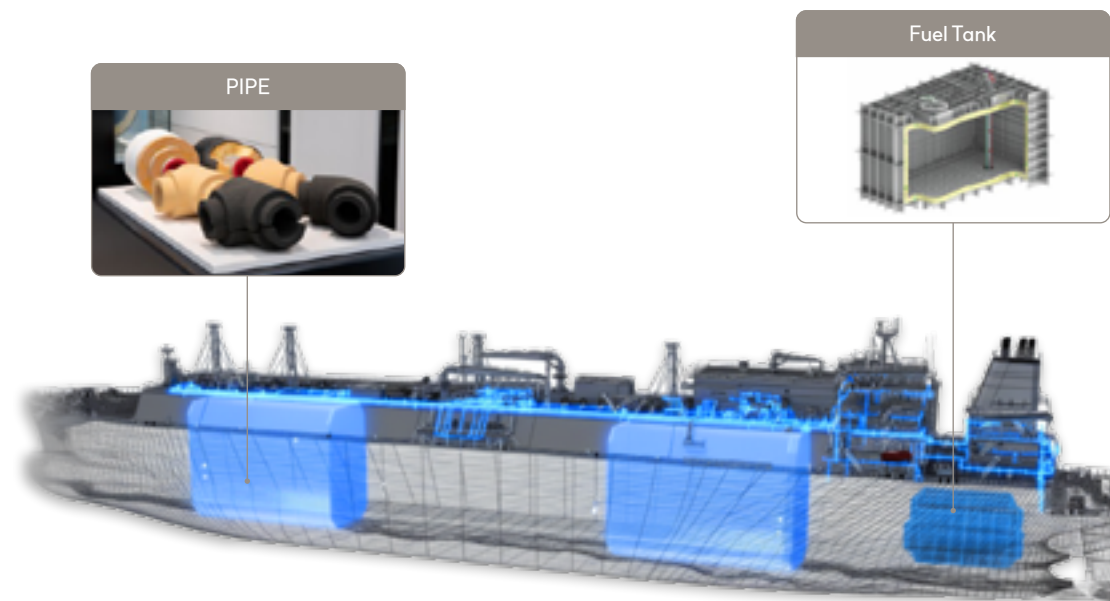
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Energy Solution

In line with market demands for insulation technologies that ensure safety and transport efficiency, Dongsung Finetec provides insulation solutions and cryogenic insulation materials for the stable and efficient transportation of various fuels, including LNG and LPG, and is proactively responding to zero-carbon fuel-propelled vessels and the liquefied hydrogen sector. Based on our accumulated technological capabilities and innovation capacity, Dongsung Finetec delivers sustainable value and practical solutions in the energy transport sector.

Liquefied Natural Gas (LNG)

LNG is recognized as a key fuel for the transition to eco-friendly solutions due to its lower greenhouse-gas emissions, high thermal efficiency, and transport efficiency. Dongsung Finetec became the first in Korea to localize cryogenic insulation materials essential for LNG transportation and supply them to domestic and global shipbuilders. We possess the technical capabilities required to maintain extreme conditions of -163°C or below. Our cryogenic insulation materials are applied to LNG carriers and transfer pipes, enabling the safe and efficient transport of LNG and providing sustainable solutions in the energy market.



Liquefied Petroleum Gas(LPG)

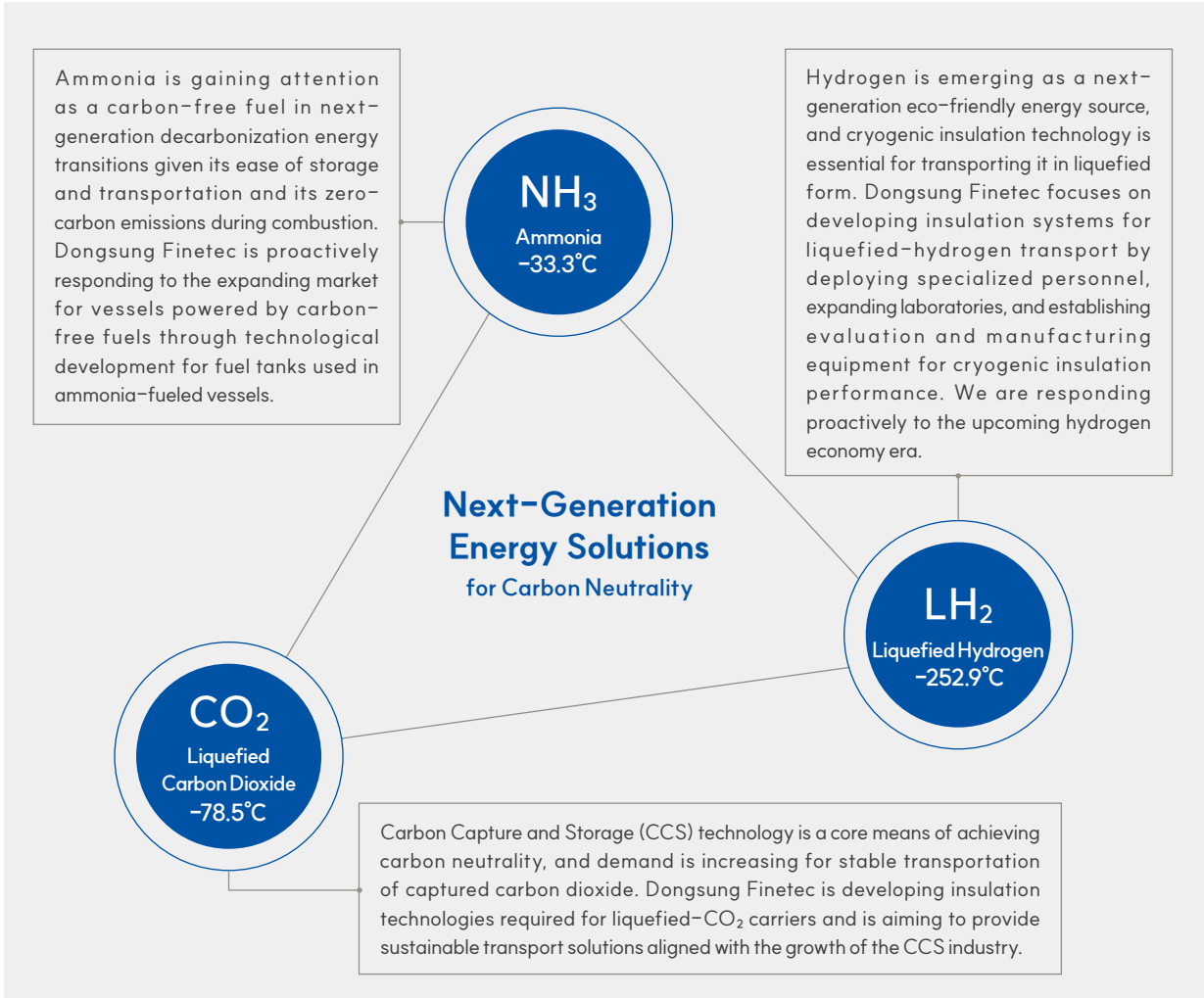
LPG is widely used in daily life as automobile fuel and for heating and cooking, and is highly economical for long distance marine transport for its volume is reduced to about one-250th when liquefied. Dongsung Finetec provides tank insulation solutions for LPG carriers to support the safe and efficient marine transportation of LPG.



Spray Foam

Business Overview

Energy Solution



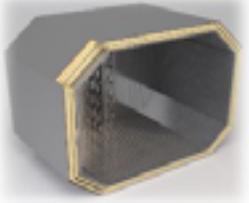
Research on Eco-Friendly Liquefied Hydrogen (LH_2) Insulation Materials for Storage

Dongsung Finetec has been selected as the lead institution for national R&D projects on developing cryogenic insulation materials for liquefied-hydrogen storage containers used in hydrogen commercial vehicles (hereinafter, "hydrogen commercial vehicles") and specialized materials for liquefied-hydrogen cargo tanks used in vessels (hereinafter, "hydrogen cargo tanks"). In the hydrogen commercial vehicle project, we are developing HMLI (High-performance Multi Layer Insulation) materials and performing insulation performance verification when applied to liquefied-hydrogen fuel tanks. In the hydrogen cargo tank project, we will apply our internally developed materials to a mock-up and ultimately conduct performance verification of the completed mock-up. To effectively carry out these research projects, our Technology Research Center conducts annual reviews and seminars on R&D projects related to hydrogen commercial vehicles and hydrogen cargo tanks.

Expected Mock-up Designs for Liquefied-Hydrogen Cargo Tanks by Type



C-type



Membrane-type



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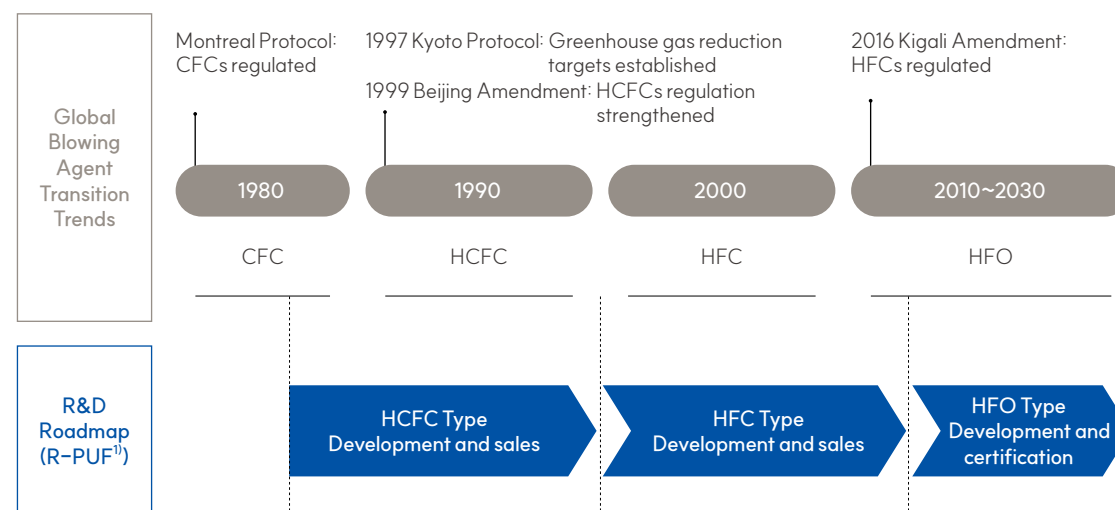
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Eco Solution

Development of R-PUF Using HFO-Based Blowing Agents

Dongsung Finetec has continuously shifted to more eco-friendly blowing agents in insulation products to respond to global environmental regulations and strengthen competitiveness in the LNG insulation market. In accordance with international regulations, we have transitioned step-by-step from HCFC to HFC and then to HFO-based blowing agents, continuing research and development to reduce product environmental impacts and meet regulatory standards. Since the mid-2010s, we have developed R-PUF products using HFO blowing agents to proactively respond to regulatory changes. Through these efforts, we provide products that contribute to key environmental goals, such as reducing greenhouse gases and ozone-depleting substances. Dongsung Finetec will continue to closely review global environmental regulation trends and develop products that meet such standards to reliably respond to customer and market needs.



1) Reinforced Polyurethane Foam¹

Refrigerant and FINEXG Fire-Extinguishing Agent Recycling Business

Refrigerants can cause ozone depletion and greenhouse gas effects when released into the atmosphere, making their management essential for a proactive climate change response. Dongsung Finetec has operated a comprehensive full life-cycle management process that integrates the supply, recovery, and purification of refrigerants. As part of this system, we are steadily expanding our recycling facilities. In 2024, we built a refrigerant recycling facility with an annual capacity of 720 tons at the Yeongnam Plant. Using this facility, Dongsung Finetec collects waste refrigerants generated from buildings and industrial sites and converts them into certified reclaimed refrigerants through rigorous analysis and purification. Subsequently, in 2025, we introduced a FINEXG[®] fire-extinguishing agent purification facility with an annual processing capacity of 120 tons. Through this facility, we separate and purify residual refrigerants (R22, R123, R124, etc.) recovered from fire-extinguishing cylinders in complex buildings, power plants, and manufacturing plants to produce regenerated refrigerants that meet domestic regulatory standards.



Refrigerant recycling and purification system

FINEXG[®] recycling system

Business Overview

LNG Insulation Solution Value Chain

Dongsung Finetec provides PU-based LNG insulation materials through an integrated production system that performs all processes as a total insulation solution provider. We procure basic raw materials and produce polyol, the core raw material for insulation materials, and manufactures PU (polyurethane) foam and R-PUF (reinforced polyurethane foam) based on this polyol. The insulation materials produced are applied to cargo tanks on LNG carriers and LNG fuel tanks on LNG-fueled vessels, and then delivered to customers. Through this, Dongsung Finetec plays a key role in strengthening the LNG value chain, particularly in the transportation stage.

LNG Value Chain



LNG Insulation Solution Value Chain





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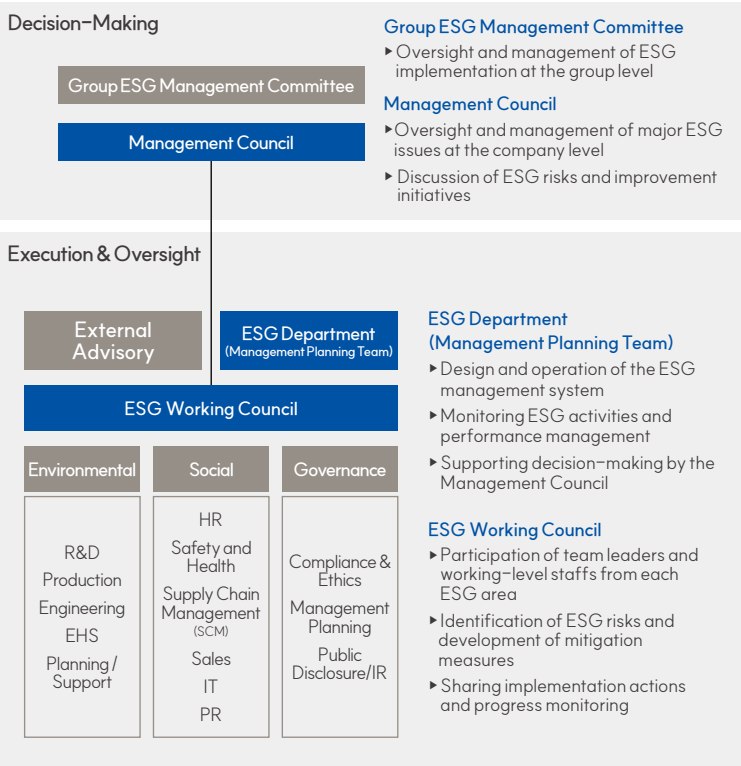
ESG in Practice

ESG Implementation System

ESG Governance

To manage major issues and risks that may arise in ESG management activities, Dongsung Finetec has designated an ESG department and established an ESG Working Council composed of team leaders and working-level staffs from the departments responsible for each ESG area. We have established a system that allows major ESG issues and risks to be reported directly to the CEO, and related matters are shared with the Group ESG Management Committee to align with the group-wide management structure.

ESG Management Organizational Structure Chart



ESG Policy Establishment

Dongsung Finetec is establishing policies on key ESG issues to meet domestic and global stakeholder expectations and enhance the systematic nature of our ESG management activities. We aim to lay the foundation for managing ESG activities under clear company-level policy standards and implementation principles. These will ensure consistency and accountability across our activities and serve as internal standards for future strategy and action plan development.

[Overview of Key ESG Policies]

Policy Name	Latest Enactment/Revisions	Key Content
EHS Management Policy	2025. 01.	▶ EHS Code of Conduct ▶ EHS Management Policy ▶ Environmental Management Policy
Human Rights Management Regulations	2025. 12.	▶ Fundamental principles of human rights management ▶ Human rights management framework ▶ Human rights risk management system
Security Policy	2021. 08.	▶ Scope of security and organizational structure ▶ Management of information-related documents ▶ Personnel security ▶ Physical security ▶ Information system security ▶ Other security management
Global Code of Ethics ¹⁾	2021. 09.	▶ Standards for ethical conduct ▶ Provisions of the Code of Ethics
Supply Chain ESG Management Policy	2025. 12.	▶ Supplier Code of Conduct ▶ Supplier ESG management areas ▶ Supply chain ESG risk management

1) Dongsung Group Global Code of Ethics



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ESG in Practice

Stakeholder Engagement

Dongsung Finetec communicates with a wide range of stakeholders—including customers, shareholders and investors, employees, government and related institutions, suppliers, and local communities—spreading the values of innovation and a spirit of challenge.



Category	Customers	Employees	Suppliers	Shareholders/Investors	Government/Related Organizations	Local Communities
Communication Channels	▶ Website ▶ Naver Blog ▶ 1:1 Inquiry ▶ Surveys ▶ HOT-LINE	▶ HOT-LINE ▶ Company bulletin board ▶ Communication mailbox	▶ Supplier meetings ▶ Shared growth programs ▶ Support and education	▶ Website ▶ General shareholders' meeting ▶ Online/telephone consultation ▶ Trade shows and conferences	▶ Policy briefings ▶ Policy advisory bodies ▶ Collaborative programs	▶ Social contribution activities ▶ Local community councils ▶ Donation and volunteer organizations
Key Content	▶ Providing corporate and product information ▶ Listening to and addressing VOC (Voice of the Customer)	▶ Strengthening safety and health ▶ Improving working environment ▶ Enhancing employee capabilities ▶ Employee benefits	▶ Promoting fair trade and shared growth ▶ Supporting technology development ▶ Supporting ESG capability enhancement	▶ Reporting business performance ▶ Shareholder communication ▶ Strengthening financial transparency ▶ Technology demonstrations	▶ Reporting key industry issues ▶ Co-operating in support programs for SMEs ▶ Assessment response	▶ Supporting local festivals ▶ Supporting socially disadvantaged groups ▶ Protecting ecosystems near workplaces



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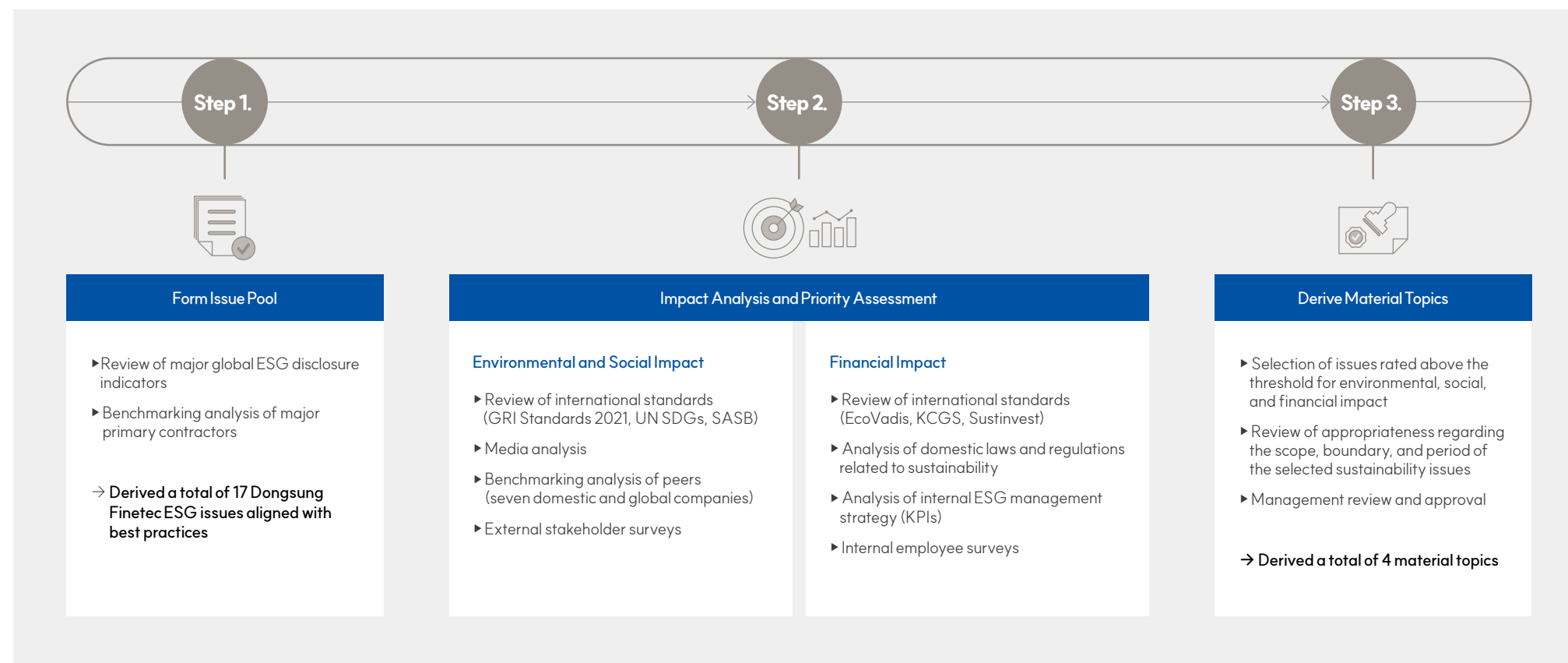
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ESG Topic & Trend

Double Materiality Assessment

Double Materiality Assessment Process

Dongsung Finetec conducted a double materiality assessment in accordance with the reporting-topic selection principles and assessment methodology of the GRI (Global Reporting Initiative) Standards 2021 to identify our key sustainability management issues. This approach evaluates the overall impact of Dongsung Finetec's business activities on the environment and society while also assessing the potential impact that external ESG-related factors may have on Dongsung Finetec's business operations and financial position. Through this process, we set issue priorities and derived four material topics and thirteen reporting topics.





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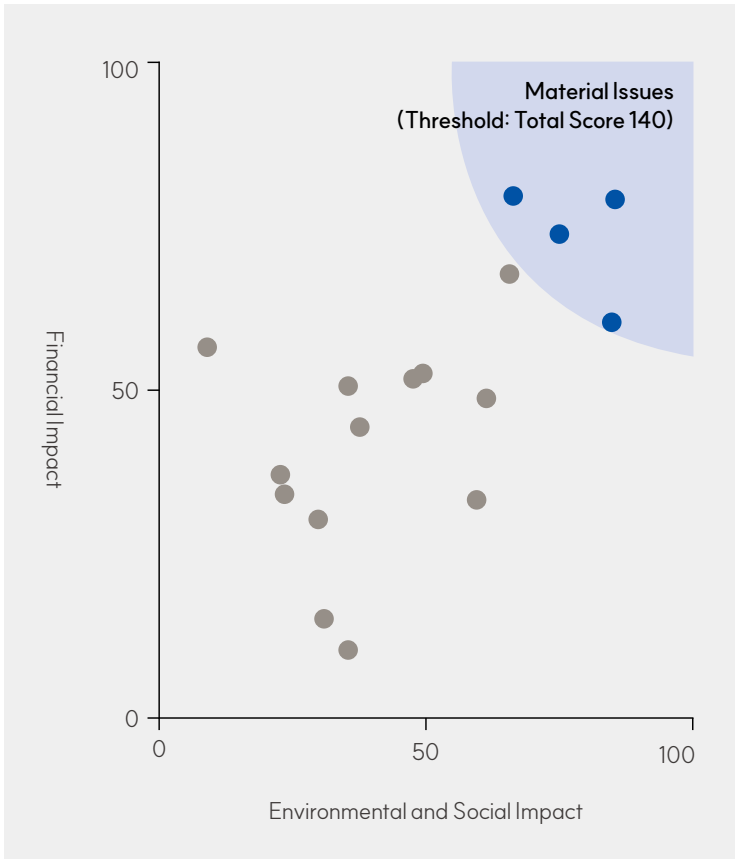
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Double Materiality Assessment

Double Materiality Assessment Results

Based on a comprehensive analysis of the environmental and social impacts and financial impacts of the 17 basic ESG issues of Dongsung Finetec, a total of four material topics were identified in the following order: strengthening safety and health, climate change, supply chain management, and waste management. The derived material topics were reviewed and approved through management reporting.

[Assessment Result Matrix]



Rank	Category	Issue	Environmental & Social Impact	Financial Impact	Reporting Page
1	S	Strengthening Safety and Health	High	High	28~33
2	G	Supply Chain Management	High	High	46~47
3	E	Climate Change Response	High	High	22~23
4	E	Waste Management	High	High	24~25
5	G	Corporate Ethics and Compliance	High	High	49~51
6	E	Pollutant Management	Medium	Medium	26~27
7	S	Labor Practices Assurance	Medium	Medium	36~37
8	S	Product Quality and Reliability Assurance	Medium	Medium	-
9	E	Energy Consumption Management	Medium	Low	22~23
10	G	Sound Governance	Low	Medium	48
11	S	Talent Acquisition and Development	Medium	Medium	38~41
12	S	Enhancing Information Security	Low	Medium	43~45
13	S	Respect for Workforce Diversity	Low	Low	37
14	G	Stakeholder Engagement	Low	Low	15
15	S	Human Rights Management	Low	Low	34~37
16	S	Biodiversity Conservation	Low	Low	-
17	S	Community Contribution	Medium	Low	42

ESG Topic & Trend

Material Issues

Issue 1. Enhancing Safety and Health

Environmental & Social Impact ●●●●○
Financial Impact ●●●●○

With the enforcement of the Serious Accidents Punishment Act, management’s responsibilities for safety and health have been strengthened, and criminal penalties are now possible in the event of a serious accident. As a result, establishing accident-free workplaces has emerged as a core requirement for corporate sustainability. In addition, in high-risk working environments such as handling chemicals expanding production facilities, preventing accidents and establishing systematic safety and health management systems are increasingly emphasized as requirements for securing long-term sustainability.

2024 Targets	2024 Performance
▶ Accidents: 11 cases or fewer ▶ LTIR 0.42% ▶ TRIR 0.84%	▶ Accidents: 8 cases ▶ LTIR 0.30% ▶ TRIR 0.60%

Issue 2. Supply Chain Management

Environmental & Social Impact ●●●●○
Financial Impact ●●●●○

With global ESG disclosure requirements expanding and supply chain due diligence being mandatory, ESG risks from suppliers now have a direct impact on the entire company. Furthermore, due to instability in raw material supply caused by climate change and geopolitical risks, ensuring supply chain sustainability has emerged as a core task for stable business operations.

Supply Chain Management Goals for 2030

- ▶ Conduct ESG self-assessments and evaluations for more than 30% of all suppliers
- ▶ Regularize on-site audits for key and high-risk suppliers and manage corrective action completion rates
- ▶ Expand capacity-building training and consulting support for suppliers with low ESG evaluation results

Issue 3. Climate Change Response

Environmental & Social Impact ●●●●○
Financial Impact ●●●●○

As global greenhouse gas regulations strengthen, international agreements—including IMO greenhouse gas reduction targets and the Kigali Amendment—are directly influencing corporate products and overall operations. Accordingly, greenhouse gas management has become an essential corporate responsibility. At the same time, domestic and global shipping companies and energy corporations are requiring reductions in supply chain carbon emissions, increasing the importance of improving energy efficiency in production processes.

2024 Targets	2024 Performance
Reduce greenhouse gas emissions by 1,266 tons	Reduced a cumulative 278 tons since 2020

Issue 4. Waste Management

Environmental & Social Impact ●●●●○
Financial Impact ●●●●○

As Dongsung Finetec was designated as a business site subject to circular economy performance management by the Ministry of Environment, reducing final disposal rates and increasing recycling rates have become legal obligations, making systematic waste management essential. Additionally, safe handling of designated waste generated from processes involving chemical substances and full-process tracking under the Waste Control Act have become key tasks for reducing environmental risks and ensuring legal compliance.

2024 Targets	2024 Performance
▶ Final disposal rate: 33% ▶ Recycling rate: 65%	▶ Final disposal rate: 0.3% ▶ Recycling rate: 99%



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Environmental Management

Management

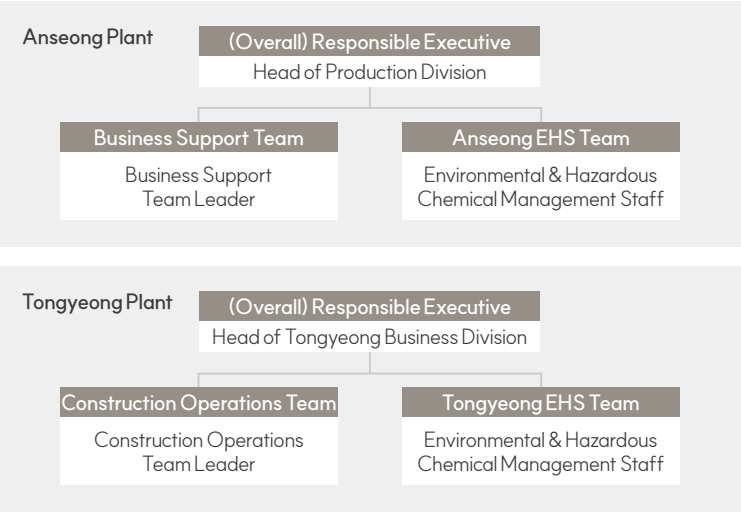
Environmental Management Policy

Dongsung Finetec has established and implements an environmental management policy to maximize eco-friendly outcomes through our products and technologies while minimizing environmental impacts. In particular, we strive to establish a global-level environmental management system in the areas of climate change response, product eco-friendliness, resource circularity and efficient management, and eco-friendly workplace management.

Environmental Management Organization

Dongsung Finetec operates EHS teams at the Anseong Plant and the Tongyeong Plant, including staff responsible for environment and hazardous substances. Through this system, we comply with domestic legal requirements and continuously manage key environmental issues at our workplaces, such as air quality management and chemical substance control. The EHS teams support environmental regulatory compliance through regular monitoring and inspections, and perform related assessment and reporting procedures to prevent environmental risks at each workplace.

[Environmental Management Organization Chart]



Environmental Management System

Through thorough environmental monitoring, Dongsung Finetec supports and undergoes various regulatory inspections to ensure compliance with environmental laws and prevent violations. Specifically, we acquired ISO 14001 environmental management system certification for the Anseong Plant in 2006 and for the Tongyeong Plant in 2012, through which we manage environmental risks, energy use efficiency, and environmental impacts at each across our workplaces. In accordance with certification requirements, we conduct periodic environmental impact assessments and compliance assessments and report the results. Based on these assessments, we renew and maintain the certifications.



Anseong Plant ISO 14001 Certificate



Tongyeong Plant ISO 14001 Certificate



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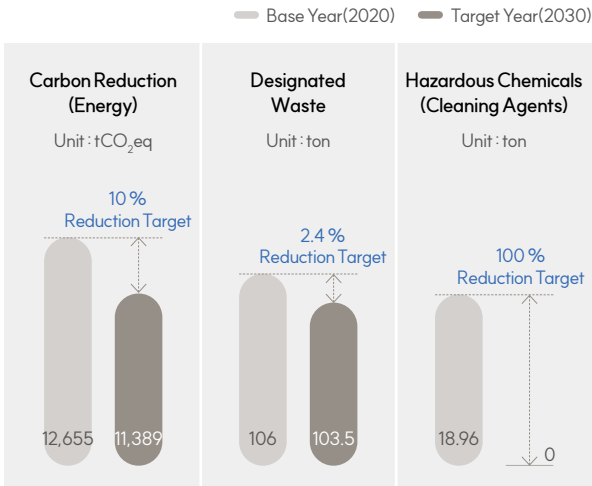
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Environmental Management

Strategy

Environmental Management Direction and Goals

Dongsung Finetec promotes environmental management not only to comply with environmental regulations but also to reduce environmental impacts across all business activities. We continually undertake improvement activities to minimize greenhouse gas emissions and regularly aggregate and monitor our greenhouse gas emission performance. In addition, we have set a reduction target of 10% by 2030 compared to our 2020 emissions and are pursuing through to achieve it. We enhance product environmental sustainability by resource reduction and carbon-emission minimization throughout the entire product life cycle, and we promote water conservation by regularly measuring water consumption and managing the efficiency of major facilities. In terms of waste management, we implement reduction activities by establishing management plans and decreasing the generation of designated waste through solidification. Furthermore, we maintain ISO 14001 certification and strengthen practical capabilities by providing regular environmental education for all employees, workplace environmental managers, and suppliers.



Performance

Compliance with Environmental Laws and Regulations

In accordance with ISO 14001 requirements, Dongsung Finetec regularly inspects compliance with environmental laws and mandatory obligations. We review regulatory compliance across key areas—air, water quality, waste, chemical substances, and greenhouse gases—and diagnose the actual compliance by verifying documentation and conducting on-site inspections. No major violations of environmental laws occurred in 2024. For minor issues, we implemented immediate corrective actions to prevent recurrence and continue managing operations to prevent legal non-compliance.

Environmental Management Education

To prevent environmental risks, Dongsung Finetec conducts annual education programs for employees who handle hazardous chemical substances. Through this program, individual employees gain awareness of the characteristics, hazards, and environmental impacts of the chemical substances they handle and learn proper handling methods to manage hazardous chemicals safely.

[Environmental Management Education Status]

Category	Unit	2022	2023	2024
Training Hours	Hours	654	822	936
Statutory Education	Hours	327	367	445

Stakeholder Engagement

Dongsung Finetec strengthens its environmental management capabilities through communication and cooperation with local communities and industry stakeholders. Through participation in the Geoje Tongyeong Goseong Environmental Countermeasure Committee, we support marine conservation efforts for companies located in the Anjeong National Industrial Complex and visit companies across the complex each month to inspect and advise on environmental activities. We also participate as the Southern Unit 12 member of the Han River Basin Chemical Safety Community, which aims to prevent chemical accidents at workplaces handling chemical substances in the metropolitan area. Through regular activities such as sharing best practices and conducting site visits, we continuously check and share information on chemical substance safety management.

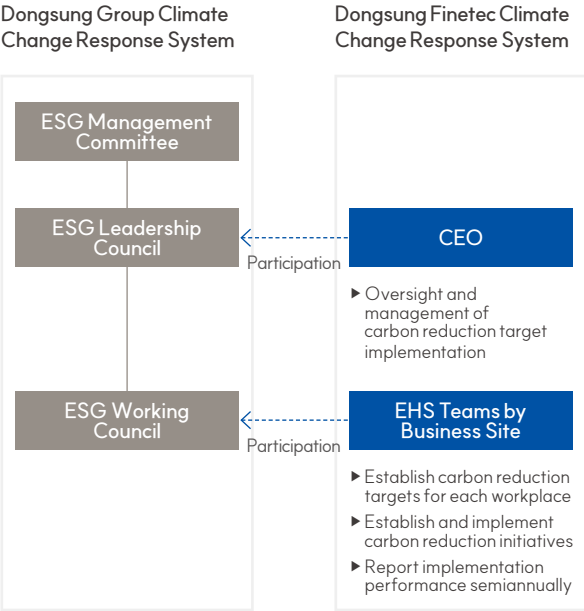
Climate Change Response^M

Management

Climate Change Response

Dongsung Finetec participates in the Dongsung Group’s climate change response system to reduce climate-related impacts that may arise from our business activities. The Dongsung Finetec EHS teams establish carbon reduction targets for each workplace in alignment with group-level decision-making on climate change response and carbon neutrality. They promote process improvement and energy efficiency measures to achieve these targets and report the performance on a semiannual basis. In addition, led by the Research Planning Team, we simultaneously develop technology and products for climate change response as well as the refrigerant recycling business.

[Climate Change Response Organization Chart]

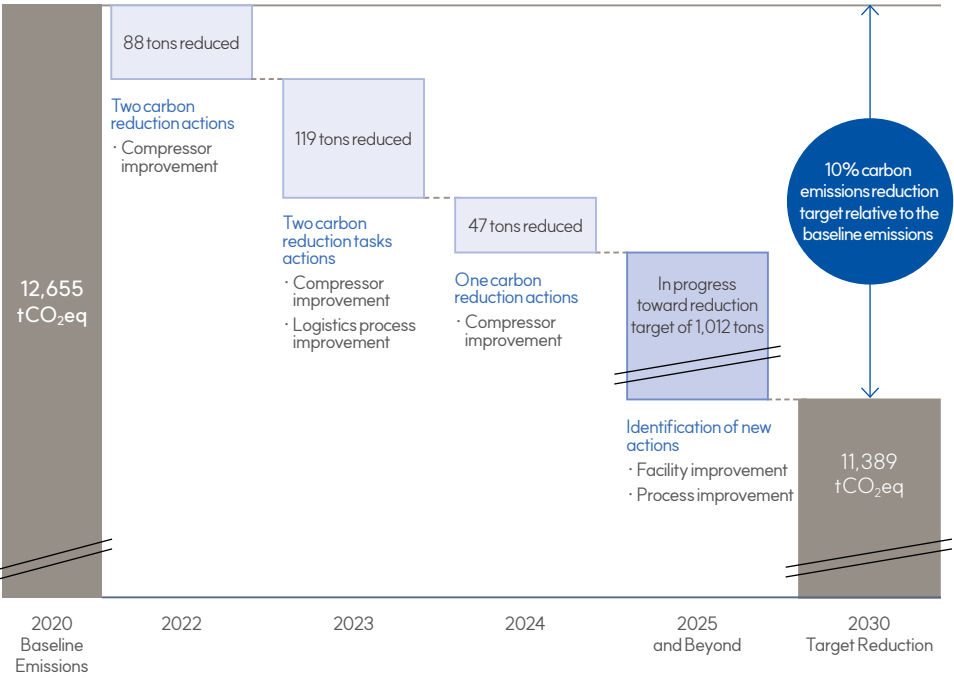


Strategy

Climate Change Response Direction and Goals

In accordance with the Dongsung Group “2050 Carbon Neutrality Vision” announced in 2021, Dongsung Finetec has set a greenhouse gas reduction target for 2030 and is promoting carbon reduction initiatives in phases. The reduction required by 2030 is 1,266 tons, equivalent to 10% of our 2020 emissions. As of 2024, we implemented carbon reduction initiatives with an estimated reduction potential of 254 tons. Going forward, we plan to strengthen our efforts to achieve our greenhouse-gas reduction target by continuously identifying and implementing additional reduction initiatives, including insulation of exterior walls for the bonding and CP processes at the Anseong Plant.

[Carbon Reduction Targets and Performance¹⁾]



1) To achieve the target of a 10% reduction from the baseline emissions, we identify reduction initiatives in process, energy, and usage areas that can be practically managed, and recognizes the outcomes of these initiatives as reduction

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Climate Change Response ^M

Performance

Introduction of Inverter-Type Compressors

Dongsung Finetec is improving energy efficiency by replacing compressors used in production processes with inverter-type compressors. Previously, the 50 HP compressor could not meet on-site demand, requiring the operation of a 100 HP conventional compressor, which caused excessive electricity consumption. By introducing the new compressor that adjusts motor rotation speed to produce only the required air volume, we achieved approximately 20% electricity savings compared to the previous system.

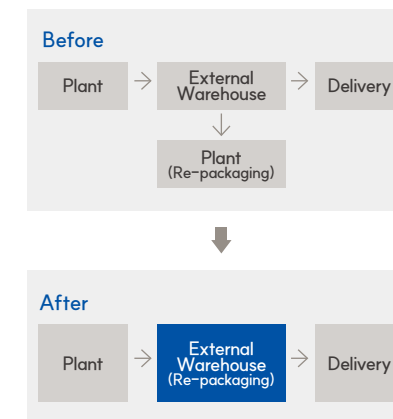


Inverter-type new compressor

Logistics Process Improvement

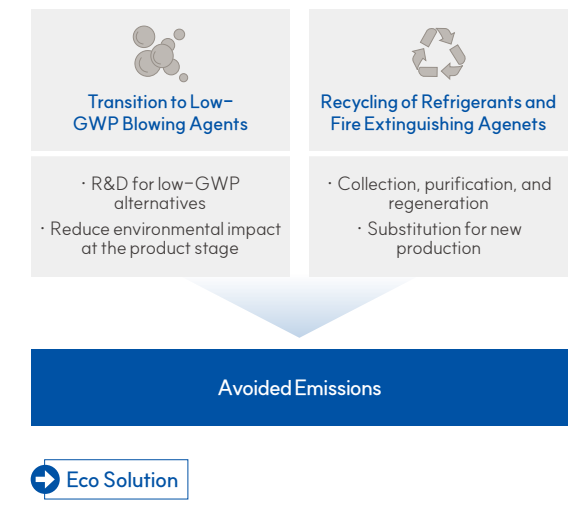
In 2023, Dongsung Finetec pursued activities to reduce fuel consumption and lower greenhouse gas emissions by streamlining logistics processes. Previously, operations involved re-packaging at an external warehouse, and transporting the materials back to the plant before final delivery, which resulted in the annual consumption of approximately 18,000 liters of fuel. To address this, we implemented a direct delivery logistics process that eliminates unnecessary transportation steps. Through this improvement, we reduced annual greenhouse gas emissions by 48 tCO₂eq.

[Before and After Logistics Process Improvement]



CASE Enhancing Business Environmental Sustainability : Eco Solutions

Dongsung Finetec is committed to reducing environmental impacts not only during its business operations but also throughout the product use phase. Insulation materials require the use of blowing agents to achieve thermal performance, and in response to evolving international regulations, we are actively pursuing the research, development, and application of low Global Warming Potential (GWP) blowing agents. In addition, we recycle used refrigerants and fire extinguishing agents, which are then purified and recycled to replace new production demand and prevent potential atmospheric emissions. Through these efforts, we enhance resource efficiency based on circular economy principles and indirectly contributes to the reduction of greenhouse gas emissions.



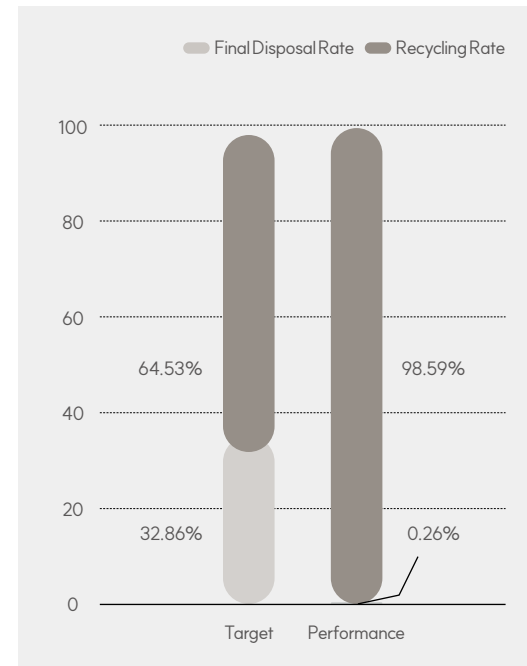
Waste Management ^M

Strategy

Waste Management Direction and Goals

Dongsung Finetec was designated as a workplace subject to circular economy performance management by the Ministry of Environment and the Korea Environment Corporation. Accordingly, since 2022, we have set goals to reduce the final disposal rate and increase the recycling rate (including material recycling and energy recovery), and we manage our performance against these targets.

2024 Goals and Performance



Performance

Management of Waste Streams and Internal Waste Classification

Dongsung Finetec classifies and manages waste generated in workplaces from the point of generation according to waste characteristics and hazards. Workplace waste is classified into designated waste and general waste, and designated waste is safely handled through licensed treatment companies approved by the Ministry of Environment. From the point of generation to final disposal, all processes are systematically tracked in accordance with the Waste Control Act, and generation, transportation, and treatment records are reported through the “Allbaro” system. In addition, we enhance transparency and efficiency in waste management by tracking and managing daily treatment volumes for both designated and general waste.

Increasing Waste Recycling Rates

Dongsung Finetec entrusts more than 90% of generated waste to recycling companies. Because waste generally has relatively high calorific value, the heat energy generated during incineration is recovered and reused as fuel for incinerators, thereby contributing to resource circularity and reducing energy consumption.

[Annual Waste Recycling Rate]

Category	Unit	2022	2023	2024
Waste Recycling Rate	%	99.1	97.2	89.4



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Waste Management ^M

Strategy

Waste Reuse and Recovery Management

Dongsung Finetec minimizes internal waste generation through focused management of waste sources and by promoting reuse and recovery. In particular, we collect raw material containers (drums) purchased domestically or imported and entrust them to recycling companies for cleaning and processing before reuse. We also reuse and recycle waste generated during raw material handling to reduce generated waste and improve resource efficiency.

Raw Material Container Recycling Process

Collect Raw Material Containers (Drums)



Send to Recycling Companies



Cleaning and Processing



Reuse of Containers (Drums)

Reduction of Hazards of Designated Waste

Dongsung Finetec improved the treatment method of designated waste—such as waste polyol and MDI—from laboratory experiments to reduce environmental hazards. Since 2022, we have introduced a solidification method that reacts the main agent with the curing agent, allowing us to convert approximately 2.4 tons of designated waste per year into general waste.



Research laboratory: solidification treatment of waste liquid

CASE Enhancing Business Environmental Sustainability :Eco Solutions

Dongsung Finetec is strengthening its resource circulation system through a circular economy-based approach that reutilizes waste resources generated during business operations. As part of its efforts to establish a sustainable resource circulation framework, we have installed refrigerant recycling facilities and fire extinguishing agent purification facilities at key business sites. Through these facilities, waste refrigerants and fire extinguishing agents are collected, purified, regenerated, and reintegrated into products, forming a circular economy-based business model. Through these initiatives, Dongsung Finetec goes beyond conventional waste management and actively implements measures to enhance resource efficiency and reduce environmental impacts across its business operations.

Eco Solution



Refrigerant recycling and purification facility



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Air Pollutant Management

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Air Pollutant Management Direction and Goals

Dongsung Finetec aims to comply with the permissible emission standards for air pollutants (dust: 30 mg/m³ dust) set forth in the Clean Air Conservation Act as our top priority. In 2024, measurement results from the dust collection system showed dust emission concentration at of 0.2 ~10.4 mg/m³, confirming stable management. We plan not only to continue meeting legal requirements but also to maintain and manage these standards consistently.



Performance

Installation and Management of Dust Collection Equipment

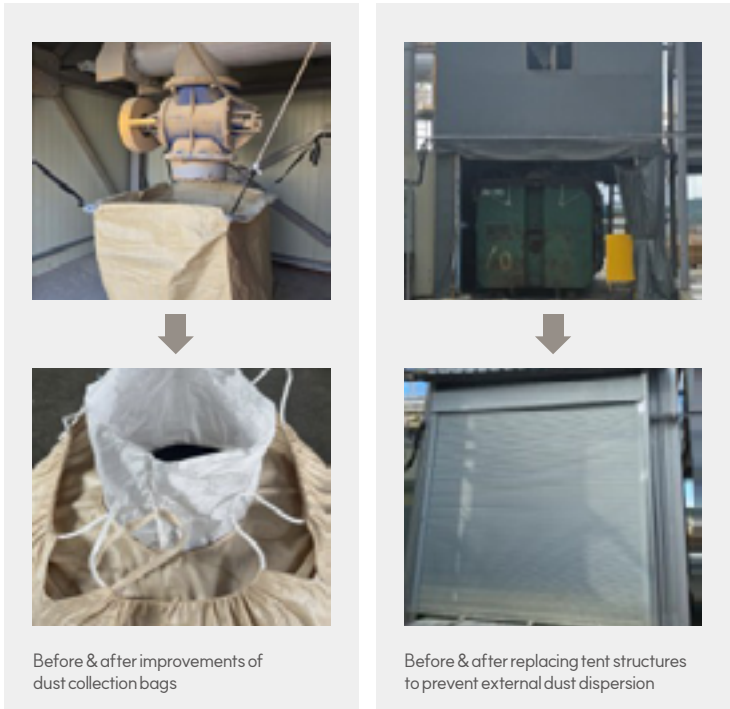
Dongsung Finetec analyzes major emission sources and processes and installs local exhaust systems (dust collection systems) in all work areas where chemical substances are handled or pollutants are generated—including production processes and the technology research center. To ensure dust collection efficiency, we manage bag filter-type pollution control equipment is maintained by replacing all filters quarterly and taking immediate action in case of. In addition, activated carbon inside adsorption towers with reduced suction efficiency in production plants is replaced every two years, and improvement activities—such as replacing carbon filter boxes in research center exhaust systems—enhance dust collection efficiency, reducing emissions of air pollutants and creating a safer, more eco-friendly working environment.

Operation of IoT-Based Monitoring System

Dongsung Finetec uses IoT (Internet of Things) technology to monitor more than 90% of air pollution control facilities in real time, including operating status, pressure, and electricity consumption. We also continuously monitor filter conditions using differential pressure gauges and operate a management system to ensure that pollution control facilities function properly. Through this strengthened management system—exceeding the requirements of the Clean Air Conservation Act and related regulations—we effectively manage the emission of air pollutants.

Reduction of Fugitive Dust

To reduce fugitive dust generated within workplaces, Dongsung Finetec improved the lower discharge outlets of dust collection systems by adopting a sealed structure. We also replaced open-type storage bags used for dust collection with inlet-type bags to reduce dust dispersed into the air. In addition, to minimize the external dispersion of dust, temporary tent structures were replaced with single-layer steel plate enclosures to reduce the impact of external weather conditions. Electrically operated shutters were installed at entrances located in areas with high levels of dust generation to prevent prolonged opening during access to waste storage containers.





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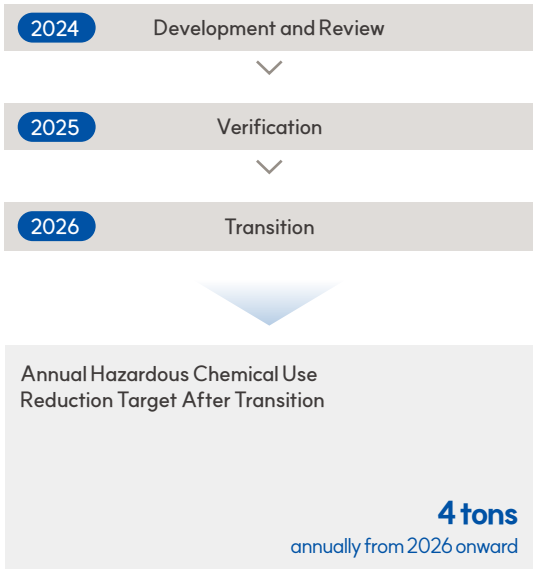
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Hazardous Chemical Management

Strategy

Hazardous Chemical Management Direction and Goals

Dongsung Finetec manages negative impacts on environment and human across the entire life cycle of hazardous chemicals—from purchasing to use and disposal—and strictly complies with applicable laws and regulations. In particular, we are pursuing the replacement of EC (Ethyl Cellosolve, 2-Ethoxyethanol), a hazardous chemical used in its manufacturing processes, with a non-hazardous cleaning agent. This initiative is not driven by any legal prohibition on the use of EC, but rather forms part of the efforts to enhance worker safety, minimize environmental impacts, and proactively respond to potential future regulatory changes. In 2024, the total consumption of hazardous chemical cleaning agents amounted to 27.5 tons. Through a phased substitution plan, the Company aims to reduce hazardous chemical use by approximately 4 tons annually from 2026 onward.



Compliance with Hazardous Chemical Regulations and Establishment of Safety Systems

Dongsung Finetec strictly complies with relevant regulations—including the Chemical Control Act, the Occupational Safety and Health Act, and the Act on the Registration and Evaluation of Chemicals. When purchasing chemical substances, we assess their safety and identify relevant legal requirements in advance through the CMS (Chemical Management System), ensuring proper prior evaluation and management. To ensure rapid response in the event of an incident, we have installed automatic alarm systems and leak detectors. To protect workers, we are equipped with emergency shower stations, absorbent pads, safety boots, gas masks, and other emergency response equipment, establishing a system capable of immediate action in emergency situations.

On-Site Safety Management of Hazardous Chemicals

To safely manage hazardous chemical substances, Dongsung Finetec conducts regular inspections and ad-hoc inspections of handling facilities. Regular inspections are conducted annually in accordance with statutory requirements and include checking facility safety, leak potential, and proper installation of warning signs. We also post Material Safety Data Sheets (MSDS) in all workplaces so that employees can immediately confirm chemical characteristics and handling instructions. Through these activities, we ensure on-site safety and prevent potential accidents.

Strengthening Hazardous Chemical Management Capabilities

Dongsung Finetec provides chemical safety training in accordance with legal requirements. Under the Occupational Safety and Health Act, employees receive MSDS training prior to being assigned to workplaces, ensuring they understand the hazards, risks, and emergency response procedures for the substances they handle. When information about hazardous chemical is updated, we provide immediate re-training. In addition, all employees and supplier workers receive annual worker education required under the Chemical Control Act. Each team annually reviews annual changes in chemical substances used in workplaces, and the EHS teams review quarterly legislative amendments to ensure legal compliance and maintain safety standards when handling hazardous substances.

[Hazardous Chemical Education Completion Status]

Training Target	Completion Count	Completion Rate
All employees and supplier workers	667	100%
Hazardous chemical handlers	20	100%

Enhancing Safety and Health ^M

Management

Safety and Health Management Policy

Under the mission of establishing a “sustainable and global safety culture,” the Dongsung Group aims to achieve accident-free workplaces and promotes three key strategies-aligning with global standards, adopting and implementing a safety culture, and strengthening workplace safety management-to create safe working environments. Based on these group-level strategies, Dongsung Finetec has established and operates a safety and health management policy to implement a safety and health management system applicable across all processes.

[Safety and Health Management Policy]

- ①

Place the safety and health of workers as the highest value and establish, maintain, and manage the best environmental, safety, and health management system.
- ②

Provide safety and health education to enhance environmental, safety, and health knowledge and raise awareness levels of all members and stakeholders, with active participation by all members.
- ③

Establish a safety, health, and environmental management system that identifies and improves hazards and risks in all workplaces in advance, measures the performance, and maintains and manages it continuously.
- ④

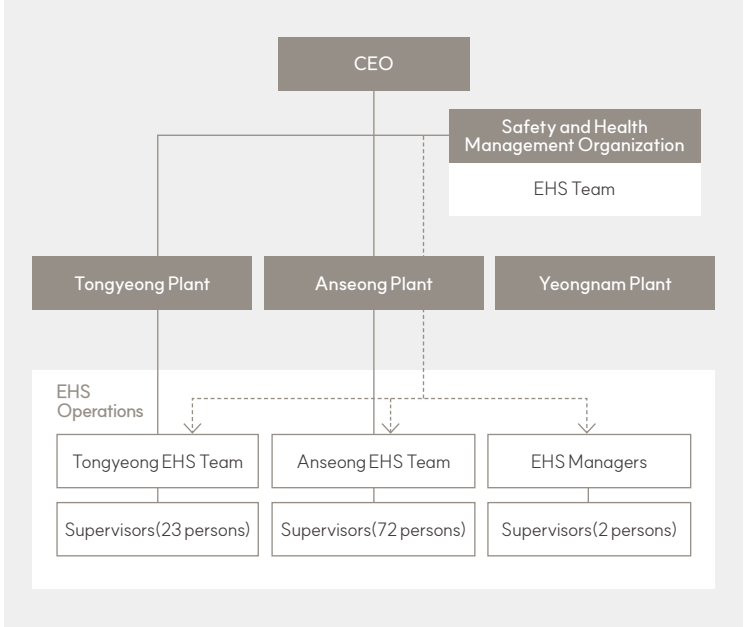
Prevent industrial accidents by listening to employees’ opinions, encouraging active participation, and strictly complying with laws and safety rules.
- ⑤

Prohibit the use of drugs and alcohol and prohibit driving or working under their influence. Actively promote safe working environments by checking health conditions and hazardous or risk factors before work during TBM (Tool Box Meeting) activities.

Safety and Health Management Organization

Dongsung Finetec assigns the EHS teams to manage the safety and health, and appoints a responsible lead and operations teams for each production plant to inspect workplace safety and health conditions and conduct improvement activities. In addition, the CEO serves as the Chief Safety and Health Officer and oversees and manages the safety and health organization, facility status, management policies and goals, business performance and plans, and the management of budget related to safety and health. In 2024, safety and health plans were reported to the Board of Directors.

[Safety and Health Management Organization Chart¹⁾]



1) As of 2025

Enhancing Safety and Health^M

Management

Safety and Health Management System

Dongsung Finetec has acquired ISO 45001 and KOSHA-MS certifications and maintains safety and health management system for workplaces related to product manufacturing, including the Busan headquarters.

[Status of Safety and Health Management System Certifications]

Category	Anseong Plant	Tongyeong Plant	Yeongnam Plant
ISO 45001	○	○	-
KOSHA-MS	○	○	○



KOSHA-MS Certificates by Production Plant

Safety and Health Management Direction and Goals

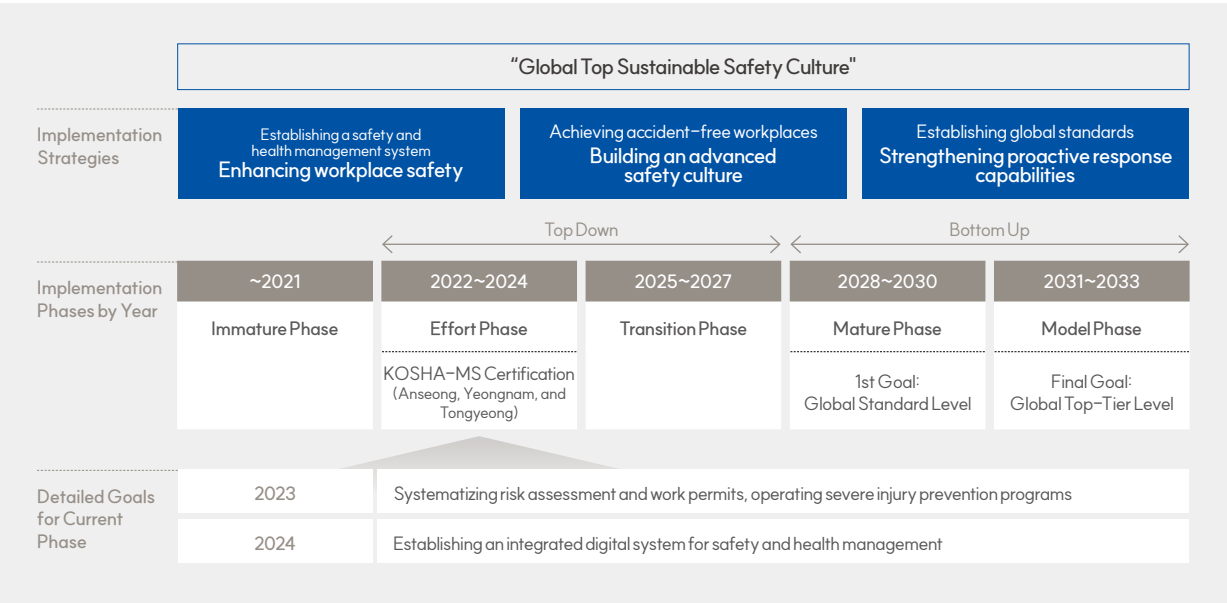
In alignment with the Dongsung Group's safety and health strategy framework, Dongsung Finetec derives detailed tasks for each workplace to prevent safety accidents and promote effective improvements.

[2024 Safety and Health Management Goals]

- ▶ ZERO serious accidents
- ▶ Establish a Smart Safety Management System through the installation and operation of an integrated control room
- ▶ Achieve zero accidents during equipment expansions and constructions resulting from increased production
- ▶ Eliminate unsafe behavior and conditions by establishing absolute safety rules

사업장	Accidents	LTIR	TRIR
Overall	11 cases or fewer	0.42	0.84
Anseong	8 cases or fewer	0.35	0.69
Tongyeong	3 cases or fewer	0.92	1.83
Yeongnam	Zero accidents		

[Dongsung Group Safety and Health Strategy Framework]



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Enhancing Safety and Health ^M

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Safety and Health Risk Assessment

Dongsung Finetec conducts risk assessments—including initial, ad-hoc, and regular assessments—according to the Occupational Safety and Health Act and related regulations. Initial and regular assessments cover all processes. Regular assessments are conducted annually to review equipment deterioration, worker replacement, incorporation of new safety knowledge, and the effectiveness of existing measures. Ad-hoc assessments are performed whenever new risk factors arise, including installation or modification of structures, introduction or modification of equipment and materials, maintenance, changes in working methods, or work performed by suppliers. If a serious accident occurs, an assessment is conducted before resuming work. Depending on departmental characteristics, production-related departments apply the KRAS method, office departments apply the checklist method. And chemical-handling processes undergo separate chemical risk assessments.

[Risk Assessment Process]



Pre-Inspection of Hazards and Risk Factors

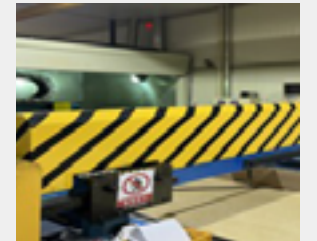
To strengthen on-site safety, Dongsung Finetec conducts regular inspections by supervisors, external specialists, and executives. In 2024, we identified a total of 883 improvement actions and completed 811 of them, achieving an improvement rate of approximately 92%. Remaining tasks are being progressively addressed and monitored as part of follow-up management.

Before

After



A fracture occurred due to a slip



Installed a structure in the area where the incident occurred to remove stepping space



A foot entrapment occurred in the gap between the floor and the vertical lift



Installed acrylic barriers in the vertical lift gap

Enhancing Safety and Health ^M

Performance

Workplace Noise Level Management

Dongsung Finetec carries out noise management activities to prevent health issues among employees caused by workplace noise. We measure noise levels in the workplace on a semiannual basis to verify compliance with standards, and safety and health signs are posted in noise-generating areas so workers can immediately recognize potential hazards. We also provide personal protective equipment (earplugs) to all workers and install earplug dispensers at key points in the workplace to support continuous use.



Earplug Dispenser Installation

Engineering Measures for Noise Reduction

Dongsung Finetec installs soundproofing walls made of glass wool in workplaces that exceed noise limits to block the spread of noise. Additionally, an additional four soundproof booths were newly installed to provide workers with a waiting area during work breaks, enabling double-layer noise reduction. Through these engineering measures, we achieved an average noise reduction of 10 dB in workplaces, contributing to hearing protection for workers and fostering a more comfortable working environment.

Worker Participation Safety and Health Program

Dongsung Finetec operates a near-miss management program based on the participation of contractor personnel. In 2024, a total of 91 near-miss cases were reported: 43 were resolved, and 45 are currently being improved. By identifying and addressing potential hazards proactively, we reinforce a safety-focused culture and enhance accident-prevention outcomes. We also operate various communication channels—including the Industrial Safety and Health Committee, supplier contractor councils, and worker meetings—to gather opinions from employees and contractor personnel and support them in presenting safety and health proposals directly. Collected opinions are reflected in deliberating industrial safety and health matters and developing workplace safety measures.

Council Unit and Role	Frequency
Occupational Safety and Health Committee : Deliberates and resolves major matters related to industrial safety and health	Once per quarter
Supplier Council : Discusses accident-prevention measures related to subcontracted work	Once per month
Worker Meeting : Collects feedback from the workplace to develop practical safety measures	Once per month



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Enhancing Safety and Health ^M

Performance

Safety and Health Education

Dongsung Finetec provides monthly safety and health education by inviting external professional instructors to enhance onsite workers' safety and health awareness. The training focuses on common accident cases and safety rules tailored to each type of hazard. To enhance the expertise of supervisors responsible for managing and overseeing production sites, we provide job-specific training conducted by professional instructors. The program combines theory and practical training on supervisors' core responsibilities and emergency response methods to continuously strengthen their capabilities. Additionally, during daily pre-work briefing sessions, we conduct TBM (Tool Box Meeting) activities to share potential hazards in advance and reinforce safety rules before work begins.

[Safety and Health Education Status]

Target	Education Title	Frequency
Supervisors	Safety and Health Manager Training	(New) Within 3 months of appointment (Renewal) Within 6 months before or after the 2-year training completion date
	Safety/Health Manager Training	
	Supervisor Job-Specific Training	Annually, as needed
On-site workers (when performing the relevant task or handling the material)	MSDS Education	Before handling
	Special Safety and Health Education	Before work, as needed
	Education on Changes in Work Procedures	When work procedures change
	Onsite T.B.M Activities	Daily
	Accident Case Education	As needed
	Training on Workplace Measurement Results	Once every half-year
All employees	Musculoskeletal Disorder Training	Before work, as needed
	Regular Safety and Health Training	Semiannually
	Training for Hazardous Chemical Handlers	Annually, as needed
	AED and CPR Training	Annually



T.B.M Activities



Regular Safety and Health Education

Supplier Safety and Health Management

Dongsung Finetec carries out systematic safety and health management for supplier contractors based on our internal safety and health management procedures for supplier contractors. Regular evaluations of subcontractors are conducted semiannually, and the results are graded to classify work types according to management standards and to provide incentives as applicable. Considering the high proportion of foreign workers among supplier contractor companies, we offer group training sessions with foreign instructors. We also provide monthly training materials and classrooms to support supplier contractor safety and health education. Additionally, we provide medical supplies upon request to support the health of our supplier contractors' workers. Issues raised through supplier contractor councils are systematically managed using an Action Log, ensuring that improvement tasks actions are implemented without omission and that supplier contractors' concerns and requests are addressed promptly.

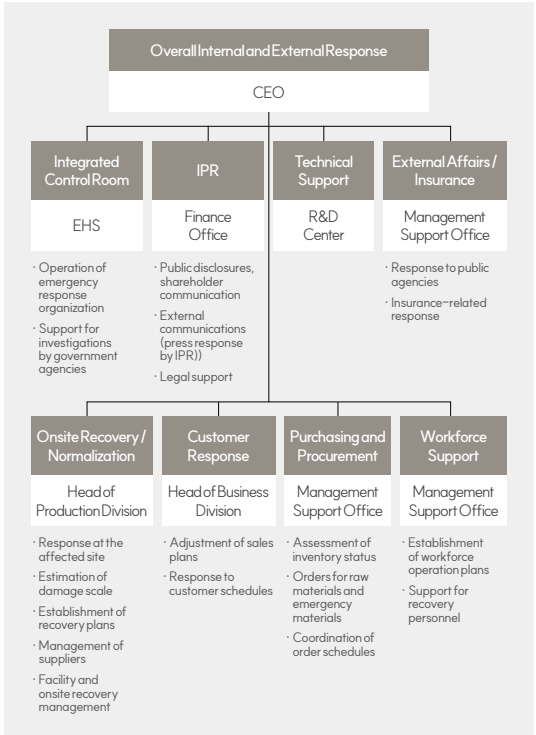
Enhancing Safety and Health ^M

Performance

Emergency Response Organizational Structure

Dongsung Finetec has established an emergency response system that clearly defines the responsibilities and duties of each department and personnel in the event of an emergency. The system is structured so that the CEO oversees and responds comprehensively to both internal and external situations. When an incident occurs, each department responds promptly according to its pre-established roles and plans.

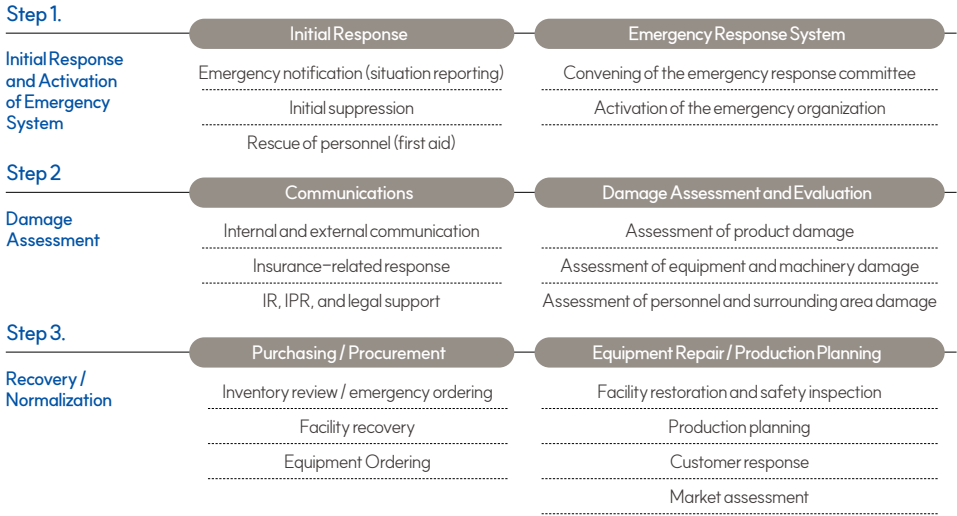
[Emergency Response Organizational Structure Chart]



Operation of the Emergency Response System

In the event of an emergency, Dongsung Finetec minimizes damage and pursues rapid recovery through a structured response approach. Based on a step-by-step process, we make swift decisions and to respond appropriately.

[Emergency Response Process]



Joint Emergency Response Drills at Business Sites

Dongsung Finetec conducts monthly emergency drills to ensure the safety of employees and contractor workers. Fire scenarios within the workplace are primarily used to simulate realistic emergencies and evaluate the effectiveness of our response system. Drills are operated centrally by the company's Integrated Control Room and led by the internal fire brigade of each plant. We also deploy the company's fire truck to create an environment similar to real emergencies, thereby strengthening onsite response capabilities. Contractor workers also participate to enhance joint response capabilities, and joint drills are conducted semiannually with local fire departments to evaluate external cooperation sand real-world response capabilities.



Emergency response training scene

Human Rights Management

Management

Human Rights Management Policy

Dongsung Finetec respects the human rights of all employees and all stakeholders in every aspect of our business activities and strives to uphold human rights management. For this, we support international human rights and labor standards, including the UN Guiding Principles on Business and Human Rights, the UNGC 10 Principles, the OECD Guidelines for Multinational Enterprises, and the ILO Core Conventions, and we comply with applicable laws and regulations in all countries and regions where we conduct business. We have declared our commitment and fundamental principles for human rights management through the Human Rights Management Declaration and the Human Rights Management Regulations, ensuring that all employees can provide culture of respecting human rights.

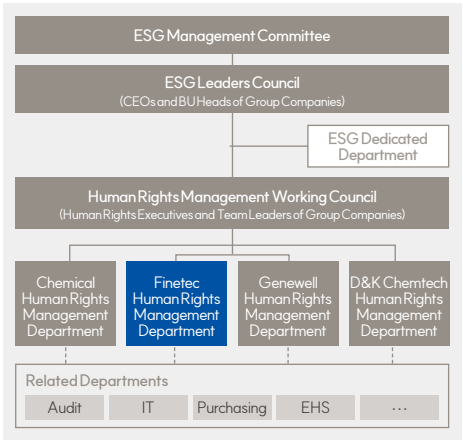
Human Rights Management Organization

Following the Dongsung Group's direction for human rights management, Dongsung Finetec has assigned the HR team as the lead department to systematically implement human rights management. The HR team establishes and implement human rights management plans, conducts human rights risk assessments and improvements, operates grievance-handling channels, provides human rights education, and oversees internal and external communication. The team also collaborates with relevant departments to implement related activities. In addition, from the perspective of ethical management, the HR team leads human rights risk assessments and supports the advancement of human rights management activities.

[Fundamental Principles of Human Rights Management]

Article1	Humane Treatment
Article2	Non-Discrimination
Article3	Prohibition of Forced Labor
Article4	Prohibition of Child Labor
Article5	Compliance with Working Conditions
Article6	Establishment of Cooperative Labor-Management Relations
Article7	Assurance of Occupational Safety
Article8	Responsible Supply Chain Management
Article9	Protection of Local Community Human Rights

[Dongsung Group Human Rights Management Organization Chart]



Strategy

Human Rights Management Direction and Goals

Dongsung Finetec established the fundamental principles and indicators for human rights management by 2023, securing an institutional foundation. By 2025, we plan to internalize human rights management by establishing a human rights governance system and continuing human rights risk impact assessments and mitigation efforts. By 2027, we plan to expand and advance human rights management through certification of the human rights management system and measurement of improvements in areas that are identified as vulnerable through human rights impact assessments.

[Human Rights Management Roadmap]

Through 2023

Establishment of Human Rights Management Foundation	· Establishment of fundamental principles of human rights management
	· Establishment of human rights management indicators
	· Diagnosis and mitigation actions for human rights risk impacts

Through 2025

Internalization of Human Rights Management	· Establishment of human rights management governance system
	· Diagnosis and mitigation actions for human rights risk impacts

Through 2027

Expansion and Advancement of Human Rights Management	· Codification of human rights management regulations and systems
	· Continued diagnosis and mitigation actions for human rights risk impacts

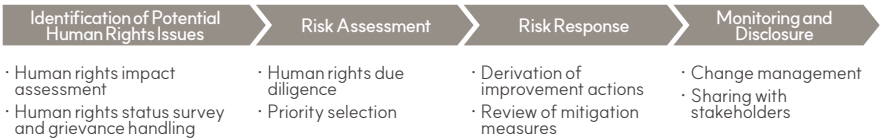
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Human Rights Risk Assessment

Dongsung Finetec implements risk management activities to proactively prevent potential human rights risks that may arise across our business activities and to effectively respond to and mitigate human rights risks that have already occurred, in accordance with the Dongsung Group’s human rights risk management process. In 2024, we conducted a human rights impact assessment and a human rights due-diligence survey, and we are reviewing and implementing improvement tasks actions derived from the assessment results.

[Dongsung Group Human Rights Risk Management Process]



[Overview of Dongsung Group Human Rights Impact Assessment]

Evaluation Scope	Target	All stakeholders related to the Group’s business operations
	Assessment Areas	- Establishment of a human rights management system (policies, institutionalization, etc.) - Labor rights (employment, working hours, wages, etc.) - Freedom of association and collective bargaining (labor unions, etc.) - Health and safety - Prohibition of child labor and forced labor - Responsible supply chain management - Environmental and social impacts on local communities

[Overview of Dongsung Group Human Rights Status Survey]

Evaluation Scope	Target	Group employees (including executives, managers, and dispatched personnel)
	Content	- Efforts to respect human rights - Company’s key human rights issues - Internalization of human-rights-respect culture - Free-form opinions or suggestions (subjective form)

[Human Rights Risk Assessment Results]

	Current Status and Issue	Improvement Direction	Improvement Status and Plan
Improvement Action 1. Codification of Policies	High need for codifying human rights provisions within the rules of employment	Codify the prohibition of forced labor and child labor, standards for hiring foreign workers, and compliance with working conditions in the rules of employment and HR regulations	Plan: Codify and announce revised regulations (2026)
Improvement Action 2. Awareness Raising Activities and Training	- Need to improve employee awareness regarding non-discrimination of vulnerable groups - Need to improve managerial awareness to ensure free use of leave and maternity-protection programs	- Conduct regular awareness-raising training - Promote maternity-protection programs - Conduct regular surveys and monitoring	- Plan: Conduct awareness-raising training; produce and distribute promotional materials - Status: Reflected updated maternity-protection programs in the rules of employment and published the revisions
Improvement Action 3. Status Surveys and Improvement Activities	Numerous human rights concerns were raised regarding unfair actions concerning working conditions, wages, and benefits	- Conduct detailed surveys on issues related to working conditions, wages, and benefits - Derive improvement measures and conduct improvement activities - Conduct regular monitoring	- Plan: Conduct surveys on working conditions, wages, and benefits, and derive improvement actions (2026) - Status: Collected improvement needs on benefits through the labor-management council

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Management of Working Environment and Working Conditions

Dongsung Finetec specifies standard working hours and break times, based on a five-day workweek in the rules of employment, and we check all employees' working hours monthly through the working-hours management system to comply with the 52-hour workweek requirement under the Labor Standards Act. Unavoidable overtime is performed only with prior approval and employee consent, and overtime pay is provided in accordance with statutory premium rates. We also adjust wages periodically based on economic indicators to maintain appropriate compensation levels, and performance-based bonuses are provided to all employees based on annual performance.

Work-Life Balance

Dongsung Finetec provides various flexible work arrangements to help employees maintain balance between work and personal life in a stable and satisfying work environment. Through flexible working hours systems such as the selective working hours system and staggered working hours, employees can manage their own work schedules autonomously. We also actively encourage the use of family-friendly programs such as parental leave, reduced working hours during childcare periods, and spouse parental-leave programs.

Labor-Management Communication

Dongsung Finetec convenes the labor-management council quarterly to facilitate communication between management and employees. Council members are elected through an election management committee and consist of four management representatives and four employee representatives. Representation is appropriately allocated by workplace to ensure balanced input. Quarterly meetings address employee grievances, wage negotiations, benefits improvements, and discussions on facility maintenance and upgrades. We were awarded the Anseong City Enterprise Award in the Labor-Management Harmony category in recognition of these communication efforts.



Awarded the Anseong City Enterprise Award

Employee Benefits

Dongsung Finetec provides a wide range of benefits tailored to employees' needs across all stages of life, including work support, rest and health, financial stability, and long-service and retirement benefits. We also provide welfare points that employees can freely use through the employee-exclusive online benefits mall.

[Employee Benefits Program]

Work Support	Meal Support	Breakfast, lunch, dinner, and late-night menu options
	Vehicle Support Fund	Company vehicle support allowance
	Uniform Support	Safety shoes, work uniforms, and a welcome kit (daily necessities)
Rest and Health	Health Screening	Health screening for employees aged 40 or older and their spouses
	Group Insurance	Group accident insurance for employees
	Resort Facilities	Access to various resort accommodations
	Leave	Annual leave and refresh leave
Financial Stability	Loan Support	Low-interest loans
	Education Support	Congratulatory payments for children entering elementary, middle, and high school; university tuition support
Recognition for Long-Term Service and Retirement	Family Event Support	Congratulatory and condolence payments, leave, funeral supplies, and condolence flags
	Long-Service Benefits	Rewards based on years of service and a progressive retirement-pay system
	Retirement Recognition	Travel support and commemorative gifts for retirees



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Non-Discriminatory Recruitment

Dongsung Finetec prohibits any unreasonable discrimination in staff recruitment and hiring based on gender, age, religion, social status, place of origin, school background, marital status, pregnancy, medical history, or similar characteristics. During the hiring process, we conduct fair evaluations focused on job suitability and competencies, ensuring equal opportunities for all applicants. We also review recruitment procedures regularly to prevent discrimination and provide recruitment personnel with privacy protection education and disability awareness education to ensure that no discrimination occurs during the employment process.

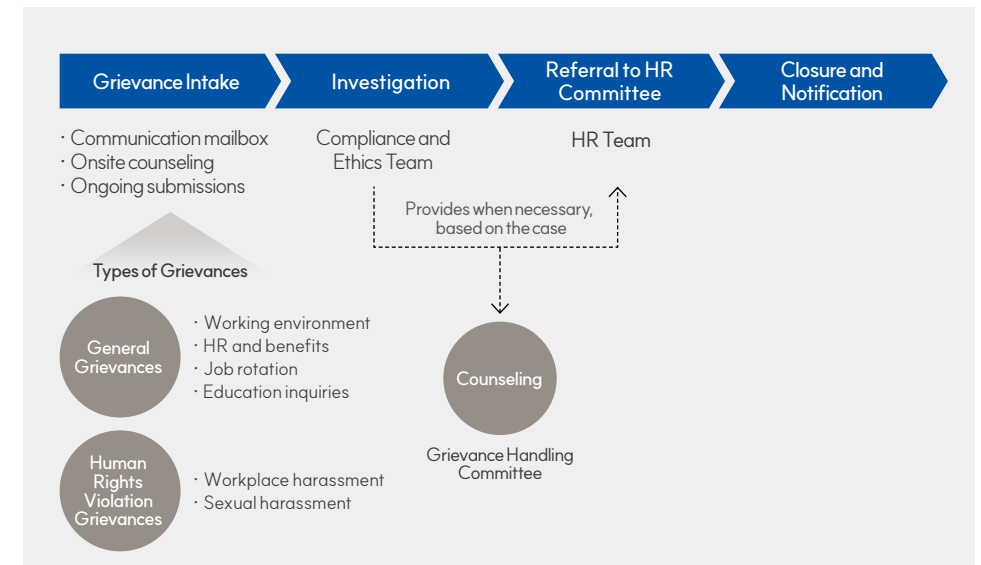
Prevention of Workplace Harassment and Sexual Harassment

Dongsung Finetec has established regulations to prevent workplace harassment and sexual harassment and conducts annual training for all employees by inviting external instructors. All employees complete this training, which strengthens awareness and helps cultivate a culture that prevents workplace harassment and sexual harassment. In addition, through the operation rules of the labor-management council, we explicitly allow discussion of sexual harassment prevention matters that may arise in the workplace or during customer interactions, strengthening organization-level prevention and monitoring measures beyond training.

Grievance Handling and Remedy for Human Rights Violation

Dongsung Finetec operates a grievance reporting system linked to the Dongsung Group's common Hot Line via the reporting center on the company website. Upon receiving a report, the case is transferred to the appropriate department depending on the nature of the matter, and the processes of gathering opinions and providing feedback are conducted systematically. All reports are handled anonymously, eliminating any risk of exposing the identity of the reporter. We also operate an internal grievance-handling channel available to all employees. Employees can submit issues through communication mailboxes, onsite counseling (scheduled visits), or continuous submissions through designated personnel. Cases related to workplace harassment or sexual harassment are classified as human rights violation grievances and managed separately. Dongsung Finetec strictly prohibits retaliation against reporters and maintains strict confidentiality regarding all reports and information related to people involved.

[Internal Grievance Handling Process]





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Talent Acquisition and Development

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Talent Acquisition and Development Organization

Dongsung Finetec pursues “self-initiative talent” whose core competencies include internal and external customer orientation, a willingness to take on challenges for innovation, collaboration leadership, and growth orientation. The HR team operates a systematic capability development and growth support system to realize this talent model and to ensure that both the organization and individuals grow together.

Talent Acquisition and Development System

Dongsung Finetec operates five development tracks to recruit and systematically foster self-initiative talent. Each track is designed comprehensively—from talent selection and development of common competencies to role-specific capability enhancement for team members, team leaders, and executives, to deepening job-related professional expertise, and to systems that promote self-directed career development and growth. We establish annual strategies and operate programs aligned with the mid-to-long-term goals of each track.

[Dongsung Group Talent Profile]



[Talent Development Tracks and Mid-to-long-term Goals]



Strategy

Talent Development Direction and Goals

Dongsung Finetec aims to enhance the quality and internalization of talent development programs and secure consistency across direction, execution, and evaluation based on the alignment of the talent profile and development system. To this end, For this goal, we have established a phased roadmap to design development foundations, expand major programs, internalize and solidify systems, and advance through data- and evaluation-based enhancements.

[Talent Development Roadmap]

~2023 Design of Development Foundations	· Establishment of the talent profile, competency model, and roadmap · Design of talent selection and management systems · Introduction of IDP, in-house instructors, and multi-rater evaluations
~2025 Expansion of Key Programs	· Expansion of development processes and programs · Capability-building programs for key talent and existing leaders
~2027 Internalization and Advancement	· In-house operation of major programs · Assessment of training effectiveness and advancement of programs



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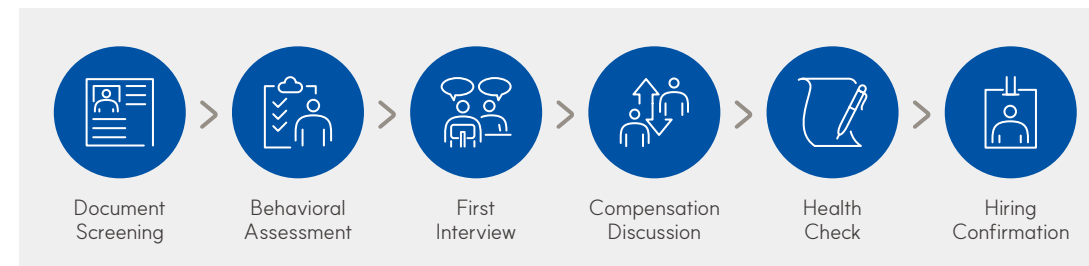
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Recruitment and Onboarding Support

Dongsung Finetec operates a structured onboarding program to support new employees' understanding of the organization and smooth adaptation. The introductory onboarding program for new hires is conducted over three days and enables employees to learn the Dongsung Group's mission, vision, and core values, and to gain a comprehensive understanding of the company's business through workplace tours and a CEO meeting. This program also promotes communication among new hires, strengthens cohesion, and serves as a platform for collaborative engagement. Additionally, through OJT (On-the-Job Training) plans and journals, we operate a staged feedback system—from the trainer's planning, to weekly self-assessments, trainer evaluations, and team leader confirmation—to support new employees' adaptation. A welcome kit is also provided upon joining the company, enhancing a sense of belonging and inclusion for new members.

[Recruitment Process]



2023-2024 New Employee Onboarding Program



Second Half of 2024 New Employee Onboarding Program

Individual Development Plan (IDP) System Operation

Since 2022, Dongsung Finetec has operated the Individual Development Plan (IDP) system to support all employees' capability development and career growth. Through the IDP, employees establish their career goals and record major project participation, TFT (Task Force Team) activities, and completion of job-related education. They also develop individualized capability-development plans and roadmaps by identifying focus areas and specific actions. Based on these IDPs, the HR team identifies each employee's strengths and development areas and provides tailored growth opportunities according to potential and priority. All plans are implemented consistently, and each IDP includes actionable steps that enable employees to achieve their career goals. Through this system, Dongsung Finetec promotes employees' professional development and self-directed growth.



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Talent Acquisition and Development

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Capability Development Programs

Dongsung Finetec operates a multi-level training curriculum—from onboarding programs for new hires to leadership training for managers—in alignment with the company’s five-track talent development system. Specialized programs such as the K-IFRS Closing Practice Course for internal accounting practitioners and the QHES Integrated Internal Auditor & Practitioner Course are offered to strengthen professional competencies. In addition, capability-building programs in collaboration with external professional institutions and foreign-language training are provided to support comprehensive development. Through continuous investment in education, Dongsung Finetec enhances organizational expertise and strengthens the competitiveness of its human resources.

[Status of Capability Development Programs]

Talent Development Track	2024 Highlights	Participants
Talent	Level-based financial training for Talent	17
Common Competencies	Company-wide statutory training	603
	ISO group training	12
Role Competencies	Dongsung Group New Team Leader Program	7
	Team Leader (Performance) Evaluation Competency Training	2
	New Employee Onboarding (1H)	31
	New Employee Onboarding (2H)	15
Professional Competencies	HRD FLEX online programs	120
	K-IFRS Closing Practice Course for internal accounting practitioners	4
	Statutory training for hazardous chemical handlers	13
	QHES Integrated Internal Auditor & Practitioner Course	40
Self-Initiative Promotion & Support Systems	IDP operation	194

Fair Performance Evaluation and Compensation

Dongsung Finetec operates an integrated performance management system that includes annual goal setting, regular evaluations, and multi-rater evaluations to manage employee performance and capabilities fairly and systematically support development. At the beginning of each year, employees set goals with their leaders based on the TA (Target Agreement). Progress reviews and feedback sessions are conducted using performance indicators tied to these goals, helping maintain continuous motivation toward achievement. After the final evaluation, a performance review meeting is held to confirm and communicate results. Evaluation outcomes are reflected in compensation, promotion, job assignment decisions, and other HR decisions, supporting structured career development and performance improvement. Additionally, all employees participate in biennial 360-degree multi-rater evaluations that provide feedback from supervisors, subordinates, peers, and team members. This helps employees identify strengths and improvement areas and supports the establishment of individualized capability development plans.

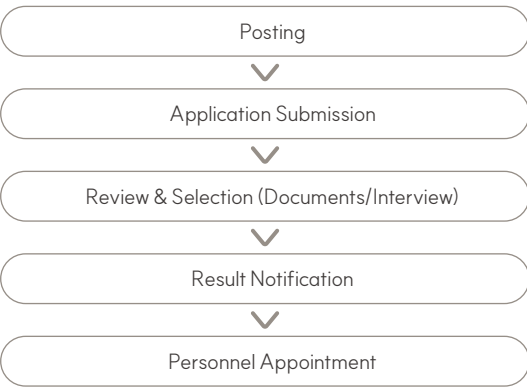
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Internal Job Posting and Mobility Support

Dongsung Finetec offers employees opportunities for career development and growth through internal job postings and talent mobility across group companies. Internal job postings are conducted following review by the HR team and related departments. Before the final reassignment, discussions are held with the current department on replacement staffing and handover plans to ensure a smooth transition. For inter-company mobility within the Dongsung Group, postings are announced through the internal groupware system. Candidates undergo document screening and interviews to assess capability and job suitability, followed by final selection.

[Internal Job Posting Process]



[Group Company Internal Mobility Process]

Document Submission	Posting on Dongsung Finetec website HR Board
Recruitment Process	Document Screening & Interviews

Organizational Culture Enhancement Through Communication

Dongsung Finetec promotes an open communication culture based on mutual respect among employees and fosters a healthy and collaborative organizational environment through various communication programs. The Hope Day program provides opportunities for junior employees (staff, assistant managers, and managers) to engage directly with the CEO and division heads to share the company's vision and growth direction, and to hear young talent's perspectives. For leadership groups, team leader workshops and on-site manager leadership programs are operated to strengthen leadership capabilities and build cohesion among managerial employees. The company also encourages participation and organizational integration through a New Employee Suggestion Event, supports communication across all employees through cultural programs such as Fine Culture Lunch+, and expands engagement platforms through various internal exchange activities.



Town Hall Meeting



On-site manager leadership program



Night patrol & suggestion system briefing



Fine Culture Lunch+

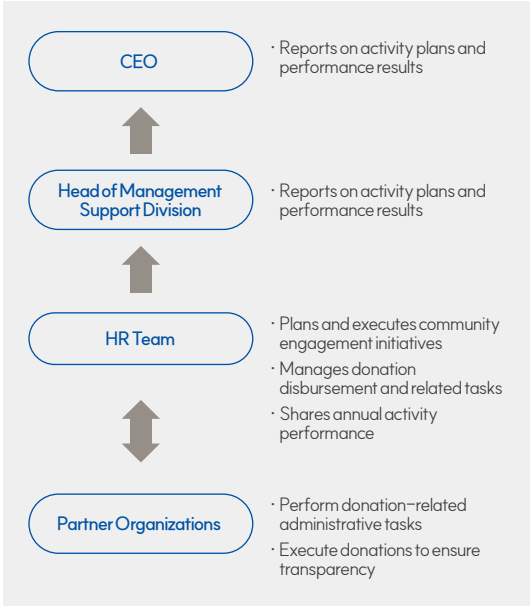
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Social Contribution Promotion System

Dongsung Finetec distinguishes clear roles and responsibilities to ensure systematic operation of its community engagement activities. The HR Team oversees planning and execution of community initiatives and manages donation-related tasks. The Head of Management Support Division reviews activity plans and performance results and reports them to the CEO. Through this framework, the company effectively creates value through community engagement.

[Community Engagement Framework]



Performance

Social Contribution Activities

Dongsung Finetec fulfills its social responsibilities by engaging in a broad spectrum of initiatives—from social welfare and support for vulnerable groups to culture and arts sponsorship, environmental and social value creation, and local community participation.

[Social Contribution Performance]

Type	2024	2025
Social Welfare & Support for Vulnerable Groups	Donation to the Korea Fire Officials' Credit Association (supporting living stability and welfare of firefighters and bereaved families)	
	Support and independence grants for children's group homes	Expanded support for children's group homes and support for group homes for persons with disabilities in plant locations
	Fire safety equipment donations for vulnerable households (fire extinguishers, smoke detectors, etc.)	Donation for wildfire recovery in the Yeongnam region Supporting household goods for vulnerable people in the region
Support for Culture, Arts, and Mecenat Activities	Support to the Busan Mecenat Association Participation in collaboration projects with the KBS Symphony Orchestra (industry-arts collaboration projects)	
Environment & Social Value	Installation of designated collection boxes for waste batteries and unused medicines	Collect waste batteries and unused medicines Local Environmental Cleanup Activities
Local Community Participation	Launch of volunteer corps and volunteer participation at the Anseong regional festival (safety control, distribution of water and wet wipes to visitors)	



"Onsaemiro" plogging campaign (2025)



Sponsorship of fire detectors and fire extinguishers (2024)



Installation of collection boxes for waste batteries and unused medicines (2024)



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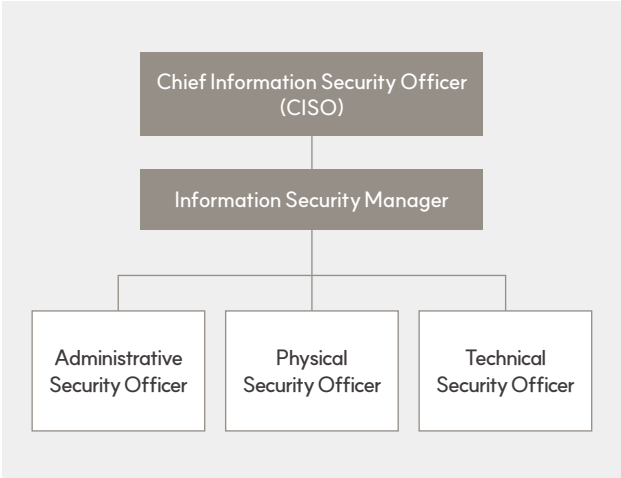
Information Security Policy

Dongsung Finetec has established an information security regulation to formalize requirements for managing and protecting information assets, confidential information, trade secrets, and other intellectual property. The company further clarified responsibilities and procedures by developing a Security Policy Book and 11 detailed management guidelines, which apply to all stakeholders, including employees and suppliers. The Security Policy Book specifies responsibilities and compliance requirements for security governance, information document management, personnel security, physical security, information system security, and other security controls. In 2025, the Dongsung Group established group-wide information security policies, guidelines, and procedures. The revised policies aim to enhance incident response and recovery processes, minimize security risks, ensure business continuity, and continuously manage vulnerabilities based on internal risk assessments. Dongsung Finetec will review and, if necessary, update its existing policies and guidelines to align them with the group's framework while ensuring compatibility with its own business environment. Through this, the company will maintain consistency with the group's governance model and enhance its information security capabilities.

Information Security Organization

Dongsung Finetec has appointed a Chief Information Security Officer (CISO) to oversee information protection across the organization. Since 2025, the Compliance and Ethics Team has supervised activities related to preventing information leakage and protecting information assets. Roles and responsibilities are divided into administrative, physical, and technical security, with company-wide managers assigned to each area. For physical security, additional managers have been appointed at each site to ensure effective security operations.

[Information Security Organization Chart]



Security Council Operation

Dongsung Finetec operates a weekly Security Council meeting to discuss company-wide security issues, including information security. Key security activities are reported to senior management, including the CEO, ensuring oversight and evaluation at the management level. Through this process, the company continuously strengthens its information security systems.

CASE Group Information Security Council

Dongsung Finetec participates in the Group Information Security Council, collaborating on group-wide security direction sharing, executive decision-making support, diagnostics and status reviews, IT investment review, and best-practice dissemination. In 2024, the council strengthened administrative and physical security, such as system controls and access management, and designated protection managers for each group company. In 2025, it plans to reinforce technical controls and institutional capabilities by establishing classification standards for trade secrets and revising policies and guidelines.



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Information Security Direction and Goals

Dongsung Finetec operates its information security management system according to annual objectives aimed at continuously enhancing security capabilities. The company targets 100% compliance with annual information security disclosures and plans sustained, transparent investment in IT and information protection. Employee information security training is maintained at a 100% completion rate annually. Beginning in 2025, the company will gradually expand the training scope to further strengthen security competencies across a broader group of personnel. The Security & Safety Council meetings are held on a biweekly basis, with a target of 26 meetings annually. The company aims to identify improvement actions from these meetings and achieve 100% completion of corrective measures.

[Information Security Management System Goals]

Category	2025	2026	2027
Information Security Disclosure	100% compliance	100% compliance	100% compliance
Employees Information Security Training	100% completion	100% completion	100% completion
	Gradual expansion of training participants and maintenance of completion rate		
Security & Safety Council Operation	26 meetings / year	26 meetings / year	26 meetings / year
	100% implementation of improvement measures based on meeting outcomes		

Performance

Cyber Incident Prevention and Response

Dongsung Finetec implements preventive and responsive measures to protect its information assets. The company conducts simulated phishing email exercises to prevent email-based cyber incidents and reports IT infrastructure inspection results to the information security organization for continuous management of vulnerabilities. Recent security issues and countermeasures are communicated to employees regularly to reinforce security awareness. The company plans to introduce an internal phishing simulation system for periodic training, implement access control solutions to strengthen server security, and deploy a DLP (Data Loss Prevention) solution to prevent data leakage from work PCs. Additionally, Dongsung Finetec will establish and operate an incident notification system to ensure swift response in the event of an information security or IT emergency.

Control of Unauthorized Access

When accessing Dongsung Finetec’s internal networks or systems from external locations, access is controlled through security equipment in accordance with network information security guidelines, ensuring that only authorized users can connect. These procedures are applied throughout all system operations to prevent unauthorized access and data leakage.





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Third-Party Information Protection Responsibilities and Personal Data Management Procedures

Dongsung Finetec operates systematic procedures to prevent information protection risks that may arise during collaboration with suppliers and other third parties. In accordance with the External Personnel Security Management Guidelines, the company requires suppliers to submit a security pledge, which clearly defines responsibilities and compliance requirements when handling confidential information, including corporate information assets such as IDs, passwords, and access cards. Before collecting or storing information from suppliers, Dongsung Finetec follows procedures to obtain prior consent from data subjects by providing notices—such as consent forms for the collection and use of personal data—disclosing the purpose of collection, items collected, retention period, and whether information will be shared with third parties.

Information Security Education

To prevent user errors and raise security awareness, Dongsung Finetec conducts annual security training with external advisory firms. In 2024, the training focused on practical information protection measures, including risks of external security intrusions and countermeasures, as well as internal information leakage risks. Additionally, the company provides annual personal data protection training to personal data handlers. The 2024 program included updates to the Personal Information Protection Act, an overview of the Information Security and Personal Information Protection Management System and its certification standards, case studies of personal data exposure, and preventive and responsive measures, thereby enhancing practical application capabilities.

[Information Security Training Status (2024)]

Category	Information Security Training	Privacy Protection Training
Training Format	Online	Online
Number of Participants	222	82
Number of Trainees	222	82
Completion Rate	100%	100%

Information Security Investment

Dongsung Finetec continues to invest in information technology and information protection, with investment amounts in both areas increasing each year since 2023.

[Annual Information Protection Investment Ratio]

Year	Information Protection Investment as a Percentage of IT Expenditures (%)
2022	9.8
2023	7.4
2024	10.1



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Supply Chain Management^M

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Supply Chain Management Organization

Dongsung Finetec’s Purchasing Team is responsible for managing and evaluating major raw material suppliers and plays a critical role in securing the stable procurement of diverse raw materials and ensuring supply chain sustainability. Supplier selection and management are conducted in accordance with ISO standards by evaluating delivery capability, quality, and sales performance, and on-site audits are carried out when necessary. Beginning in 2025, Dongsung Finetec established its supply chain management policy and Supplier Code of Conduct reflecting global standards to strengthen ESG risk management from environmental and social perspectives. Moving forward, we plan to continuously enhance ESG management across the supply chain and reinforce the ESG capabilities of our suppliers.

Supply Chain Management Policy

In 2025, Dongsung Finetec established its supply chain management policy to systematically apply ESG standards across all business transactions with suppliers and to secure sustainability throughout the entire supply chain. The policy requires incorporating key ESG elements—environmental reporting, social responsibility, and governance transparency—into supplier selection and transaction management. It focuses on identifying and managing potential risks in advance to build long-term, stable partnerships.

[Overview of the Supply Chain Management Policy]

Purpose	Sustainable raw material procurement, safe manufacturing activities, ethical business practices, and respect for human rights through systematic ESG risk management across the entire supply chain
Scope of Application	All suppliers and sub-tier suppliers that have business relationships with Dongsung Finetec’s domestic business sites
Implementation Measures	· Supplier Code of Conduct · Supplier ESG management areas · Supply chain ESG risk management

Supplier Code of Conduct

Dongsung Finetec’s Supplier Code of Conduct, established in 2025, serves as the detailed guidance that ensures the execution of our supply chain management policy by clearly outlining the ESG standards that suppliers must meet. The Code covers various areas—including environmental protection, labor rights and safety and health, ethical management, and transparent information—sharing and reporting—with the goal of strengthening suppliers’ ESG capabilities while securing sustainability across the entire supply chain.

[Key Items of the Supplier Code of Conduct]

Labor and Human Rights	Prohibition of discrimination and harassment; provision of wages and benefits; working hours management; humane treatment; cooperative labor—management relations; prohibition of child and forced labor
Safety and Health	Compliance with legal requirements; safety assessments; establishment of safety management systems; emergency response systems; safety education; health management
Environment	Environmental management systems; energy consumption and greenhouse gas emissions management; air pollutant management; water resource management; waste management; chemical management; resource efficiency; biodiversity
Ethics	Transparency and anti—corruption; prevention of conflicts of interest; privacy protection; prevention of unfair trade; responsible purchasing; conflict minerals
Management System	Commitment to sustainable management; programs for sustainable management; supply chain due diligence



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Strategy

Supply Chain Management Direction and Goals

Dongsung Finetec has established three staged goals to systematically manage supply chain operational risks that may arise from ESG issues. Through these efforts, we plan to continuously monitor and improve ESG performance throughout the supply chain and secure mid- to long-term competitiveness.

[Supply Chain Management Roadmap]

- 1

Introduction Phase(through 2026)

↓

 - Establish ESG supply chain policy and Supplier Code of Conduct
 - Integrate ESG items into purchasing regulations and contracts
 - Conduct ESG evaluations for 10% of procurement suppliers
- 2

Expansion Phase(through 2028)

↓

 - Conduct document-based assessments and on-site audit evaluations
 - Establish supplier ESG rating classification system
 - Conduct ESG evaluations for 15% of procurement suppliers
- 3

Maturity Phase(through 2030)

- Provide feedback on evaluation results and advisory support for improvements
 - Strengthen ESG capabilities of small and medium-sized suppliers
 - Conduct ESG evaluations for 30% of procurement suppliers

ESG self-assessment and evaluation (through 2030)	Key and high-risk suppliers	Suppliers with low ESG ratings
More than 30% of all suppliers	Regular on-site audits and management of corrective actions completion rates	Expansion of ESG capacity-building education and consulting support

Interview

What is the current status of Dongsung Finetec's supply chain ESG management?

Dongsung Finetec currently evaluates suppliers' delivery capability—including safety and quality—in accordance with ISO standards, and in 2025, we began establishing a more structured system for ESG management. Through this initiative, we aim to respond to strengthening global ESG requirements and systematically manage potential risks that may arise during transactions with suppliers.

How does Dongsung Finetec recognize ESG risks within the supply chain?

In our supply chain, various ESG risks exist depending on the countries from which raw materials are imported and the structure of our suppliers. For example, climate change may affect the growth and quality of imported birch, making stable supply more difficult. In addition, geopolitical instability in certain importing countries—such as Russia—may restrict material procurement. Moreover, because our supplier network includes both large corporations and small- and medium-sized enterprises, differences in ESG readiness make it challenging to uniformly manage ESG levels across the supply chain. Considering these factors, Dongsung Finetec recognizes the need for systematic ESG management to secure sustainability across the entire supply chain.

What are Dongsung Finetec's future directions for supply chain ESG management?

To strengthen ESG capabilities throughout the supply chain, Dongsung Finetec plans to first establish ESG policies and the Supplier Code of Conduct and then build a phased management system based on these principles. Specifically, we have set three staged goals—organizational system establishment, supplier assessment and evaluation, and improvement and performance management. By achieving these goals and collaborating closely with major suppliers, we aim to enhance supply chain ESG capabilities and improve overall supply chain sustainability.



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Governance

Management

Board
Composition

As of March 2025, Dongsung Finetec’s Board of Directors consists of four members, including one independent director. The Board deliberates and resolves key management issues and reflects the opinions of shareholders and stakeholders in our management activities.

[Status of Board Composition]

Position	Name	Area of Expertise	Appointment Date	Background
CEO (Chairperson of the Board)	Yong-Seok Choe	Industry/ Management	2023. 03. 31.	(Current) CEO, Dongsung Finetec (Former) Head of Finance Division / Senior Executive Vice President, Daewoo Shipbuilding & Marine Engineering (Former) Head of Support Division / Executive Vice President, Daewoo Shipbuilding & Marine Engineering
Executive Directors	Baek Jin-woo	Management/ Finance	2022. 03. 30.	(Current) CEO, Dongsung Chemical (Former) Head of Future Strategy Office, Dongsung Corporation (Former) Senior Analyst, Samjong KPMG
	Jang Heung-su ¹⁾	Industry/ Management	2022. 03. 30.	(Current) Head of Sales Technology Division, Dongsung Finetec (Former) Head of Sales Technology Division, Dongsung Finetec (Former) Head of Production Technology Division, Dongsung Finetec
Independent Director	Lee Byeong-seung	Industry/ Management	2024. 03. 29.	(Current) CEO, SAB Corporation (Current) Vice Chairperson, Busan Venture Business Association (Current) Honorary Consul of Romania in Busan

Board
Operations

Dongsung Finetec operates regular and extraordinary Board meetings, and extraordinary meetings may be convened when necessary. To ensure sufficient review of agenda items, meeting notices and relevant documents are provided three days prior to each Board meeting. The Board also allows directors to participate in resolutions through real-time communication methods such as video or audio conferencing without attending in person, and such participation is regarded as direct attendance. This approach minimizes absenteeism caused by geographical limitations or other significant reasons and ensures equal opportunities for directors to participate. In addition, pursuant to Article 9 of the Board Regulations, directors who have a special interest in a resolution are prohibited from exercising their voting rights, thereby eliminating potential conflicts of interest.

[Status of Board Operations]

Board meetings convened	attendance rate	resolution items	reporting items
4	100%	13	2

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Board
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Evaluation and
Remuneration

The remuneration of directors is determined within the remuneration limit approved at the general meeting of shareholders, based on a comprehensive consideration of non-financial indicators such as position, tenure, leadership, and contribution to the company, as well as financial indicators such as revenue and operating profit. The remuneration of independent directors is determined by comprehensively reflecting their responsibilities, expertise, and the company’s management environment. The remuneration limit for directors and auditors approved at the 2024 general meeting of shareholders was KRW 4.2 billion, and a total of KRW 1.3 billion was paid. Individual remuneration of directors and auditors receiving KRW 500 million or more is disclosed in the annual business report in accordance with applicable laws.

1) Jang Heung-su , Vice President, was dismissed on October 30, 2025, and resigned from his position as an executive director on October 31, 2025.



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Compliance and Ethical Management

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Compliance and Ethics Management Policy

Dongsung Finetec complies with the Code of Ethics and implementation guidelines of Dongsung Group and practices ethical and responsible behavior in all interactions with employees, customers, suppliers, and other stakeholders. The Code of Ethics provides compliance requirements for ethical decision-making, including anti-corruption and prevention of conflicts of interest, and includes a decision-making self-checklist that enables employees to review and apply ethical judgment in daily operations. The implementation guidelines present detailed standards for decision-making and behavioral judgment for each article of the Code of Ethics, enabling principles to be applied individually and practically in day-to-day work. Through these standards, employees can clearly understand ethical decision-making criteria and prevent inappropriate decisions during business activities.

[Dongsung Group Global Code of Ethics]

Respect for Employees	We respect the dignity of all employees and ensure equal opportunities and fair evaluations, pursuing the happiness of our employees.
Customer Satisfaction	We provide products and services with integrity from the customer's perspective and realize customer satisfaction by delivering the value that customers seek.
Fair Competition	We achieve mutual growth through fair competition with competitors and fair transactions with suppliers.
Protection of Assets	We use the company's tangible and intangible assets for their intended purposes and strive to protect them.
Transparent Management	We do not distort facts and respect the principles of the market economy based on transparency.
Responsible Management	We pursue sustainable growth and faithfully fulfill our social responsibilities as a corporate citizen.

Compliance and Ethics Management Organization

In 2025, Dongsung Finetec established the Compliance and Ethics Team under the Management Support Office to strengthen our ethical compliance management framework. The Compliance and Ethics Team oversees internal reporting and grievance handling, ethical campaigns, and supports the application of compliance and ethical standards across the organization to ensure practical and accountable implementation.

[Core Values of the Dongsung Group Global Code of Ethics]





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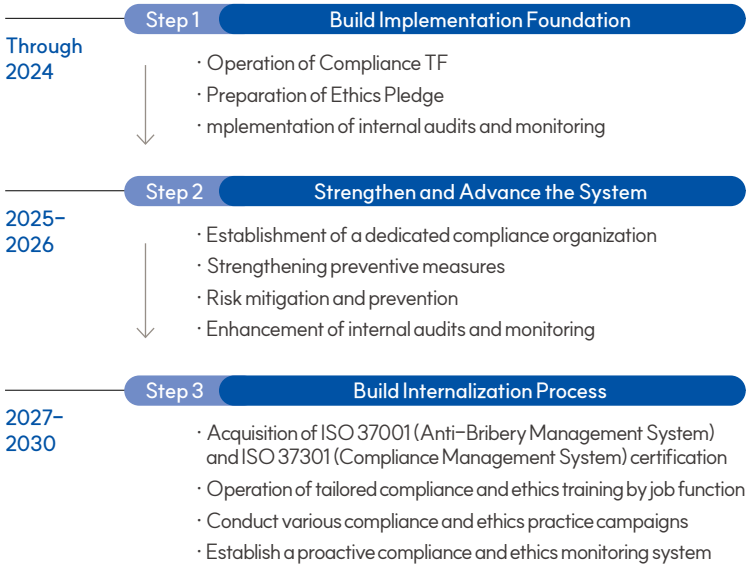
Compliance and Ethical Management

Strategy

Compliance and Ethics Management Direction and Goals

Dongsung Finetec has established a phased roadmap to strengthen compliance and ethics practices. Based on this roadmap, we operated a Compliance Task Force (Compliance TF) to build the foundation for practical implementation by inspecting legal violations, preparing the Ethics Pledge, and establishing reporting procedures. In 2025, we strengthened our compliance management system by reinforcing preventive measures and expanding legal violation inspections, and accordingly established a dedicated compliance organization—the Compliance and Ethics Team. In the future, we plan to obtain ISO 37001 (Anti-Bribery Management System) and ISO 37301 (Compliance Management System) certification, an international standard, to internalize compliance and ethics management across the organization.

[Roadmap for Strengthening Compliance and Ethics Management Practices]



Performance

Operation of Internal Accounting Control System

Dongsung Finetec has established Internal Accounting Management Regulations and operates an internal accounting control system in accordance with the Act on External Audit of Stock Companies. This system aims to enhance the reliability of financial statements by defining procedures for managing accounting information necessary for the preparation and disclosure of consolidated financial statements. In 2024, we strengthened the internal control framework and reduced the possibility of errors in the preparation and disclosure of financial statements by reviewing financial reporting procedures and improving internal controls based on the Internal Accounting Management Regulations. Building on this foundation, we plan to further strengthen internal audits and monitoring.

Operation of Reporting Channels

Dongsung Finetec operates internal and external reporting channels that allow employees to report violations of ethical management. Employees can report through the Group Hotline, postal mail, or email, while external stakeholders may also report through the Dongsung Group Hotline. All reports are handled under strict anonymity in accordance with the Reporting Procedure Regulations, and retaliation or disadvantage against whistleblowers is strictly prohibited. Internal reports undergo an investigation process, and results are transparently shared. External reports are reviewed by the organization managing the Group Hotline, followed by additional investigations if necessary, and disciplinary actions—when required—are processed through the HR Committee.

[Types of Reports]

Dongsung Group Hotline	Internal Mail and Email	
· Unfair gains related to job duties · Improper use of company assets · Leakage of trade secrets · Concurrent employment or equity participation in related companies · Workplace sexual harassment	Ethics and Compliance · Corruption and misconduct · Violations of regulations · Conflicts of interest	Industrial Security · Leakage of national core technologies · Leakage of trade secrets
	Subcontracting Act and Fair Trade · Violations of the Subcontracting Act · Unfair trade practices	Harassment and Discrimination · Sexual harassment and bullying · Discrimination

Compliance and Ethical Management

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Ethics Campaigns

Dongsung Finetec operates various ethics campaigns to enhance employees' ethical awareness and foster a sound organizational culture. During holiday seasons, we conduct the "No Giving and Receiving Gifts Campaign" for employees and suppliers to promote a culture of integrity. Beginning in 2025, we have been issuing an "Ethics Letter" that announces key ethical management policies and requirements, and we regularly conduct the "Workplace Harassment Self-Assessment for Perpetrators." We also utilize internal PC screensavers as part of daily reminders, continuously enhancing awareness of workplace harassment prevention.



"No Giving and Receiving Gifts Campaign" poster



Ethics letter

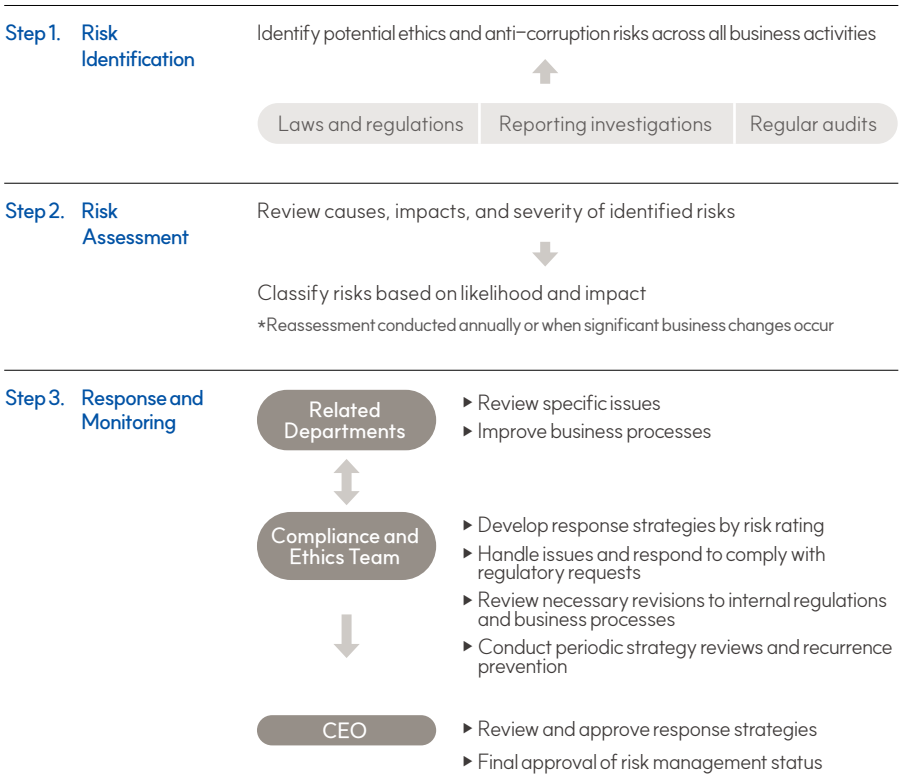
Employee Ethics Education

Dongsung Finetec provides regular education at least once a year to strengthen employees' ethical awareness and compliance management capabilities. In particular, all employees participate in fair trade education conducted at the Group level, through which we share key laws and examples related to unfair trade practices and collusion and enhance practical understanding, especially among Purchasing and Sales departments. We also provide both online and in-person education to help all employees systematically understand and internalize fair trade principles.

Ethics and Anti-Corruption Risk Management

To respond to increasing ESG requirements, Dongsung Finetec plans to establish an ethics and anti-corruption risk management process. Through this process, we aim to effectively respond to and mitigate risks that may arise in practice, while preventing potential risks in advance. The risk management process will consist of the stages of risk identification, assessment, response, and monitoring. The Compliance and Ethics Team will lead the process, working systematically in collaboration with relevant departments at each business site.

[Ethics and Anti-Corruption Risk Management Process (Draft)]



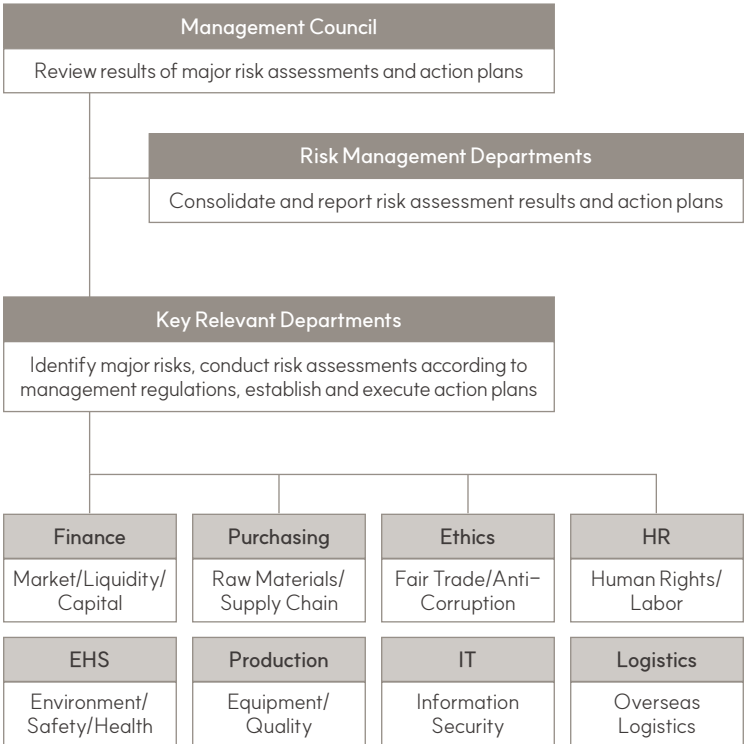
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Risk Management Organization

Dongsung Finetec identifies and analyzes operational risks that may affect management activities through key related departments and reports them to the management council. Among the identified risks, those that have or are expected to have a significant impact on the business environment are reported and shared in regular group meetings, where risk management measures and decisions are made to address them.

[Risk Management Organization Chart]



Strategy

Risk Management Direction

Dongsung Finetec operates a systematic risk management process to identify potential risks embedded in overall business operations in advance and to respond to market volatility or global issues when they arise. This process includes identifying and assessing risks, establishing response measures for each risk, and implementing those measures. Through these procedures, we respond to uncertain situations while simultaneously reviewing and leveraging potential opportunities.

[Risk Management Process]

Stage	Content
Risk and Opportunity Identification	Identify risks, threats, and opportunities
	Identify internal risks and opportunities
	Identify external risks and opportunities
Analysis and Evaluation	Risk and opportunity analysis
	Risk and opportunity evaluation
Risk and Opportunity Management	Establish risk response measures
	Develop management plans
	Implement management plans
Monitoring	Develop management plans
	Execute management plans

ESG Risk Management

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Risk Management by Type

Dongsung Finetec classifies risks identified by related departments into categories and establishes appropriate response measures for each type. Risk categories include operational risks related to business strategy, raw materials, and logistics; financial risks related to liquidity and finance; and non-financial risks that may significantly impact the company, such as environment, safety, and information security. By managing and responding to each risk individually, we aim to minimize potential losses and secure the stability of our business operations.

[Response Measures by Risk Type]

Category	Type	Details	Response Measures
Operational	Business Strategy	▶ Increased volatility due to external environmental changes – Rising raw material prices – Uncertain international circumstances due to domestic and foreign geopolitical factors	▶ Review establishment of a stable production environment through factory automation ▶ Review diversification of revenue structure through business diversification
	Raw Materials	▶ Production disruptions caused by failure in raw material procurement	▶ Promote long-term contracts ▶ Diversify supply regions ▶ Expand synergies in alternative procurement
	Logistics	▶ Delivery delays due to logistics strikes or accidents ▶ Rising logistics costs caused by geopolitical risks	▶ Diversify transport companies and promote long-term contracts ▶ Continuous monitoring logistics market trends by relevant departments ▶ Mid- to long-term negotiations to stabilize logistics costs
Finance	Liquidity	▶ Losses caused by liquidity management failure ▶ Credit rating risks due to non-compliance with financial contracts and transactions (e.g., borrowing)	▶ Periodic cash flow forecasting and adjustment ▶ Ongoing credit rating management and maintaining financial flexibility
	Finance	▶ Exchange rate fluctuations caused by internal and external variables ▶ Increased interest rate volatility due to financial market changes	▶ Continuous foreign exchange market monitoring by related departments ▶ Review the use of appropriate levels of forward exchange contracts and spot FX transactions ▶ Manage interest rate risks and maximize non-operating gains through portfolio diversification, utilization of surplus funds, and partial repayment of borrowings
Non-Financial	Environment	▶ Environmental regulation violations ▶ Cost increase due to insufficient carbon credit holdings ▶ Production restrictions caused by environmental contamination	▶ Monitor environmental regulations and strengthen compliance processes ▶ Establish and reinforce the carbon neutrality roadmap ▶ Expand investment in energy consumption reduction and secure emissions allowances
	Safety	▶ Recovery costs and losses from workplace safety incidents ▶ Accidents and regulatory violations related to hazardous chemicals	▶ Improve safety systems and strengthen education for officers and employees ▶ Increase investment in safety, including improvements to high-risk facilities ▶ Conduct safety inspections across all business sites
	Information Security	▶ Productivity decline due to operational disruption and damage to external image in the event of information security incidents	▶ Improve IT infrastructure ▶ Annual security education for all employees ▶ Conduct data recovery drills in the event of security incidents ▶ Continuous monitoring to prevent security breaches



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Greenhouse Gas

Category		Unit	2022	2023	2024
Total Greenhouse Gas Emissions	Emissions	tCO ₂ -eq	12,798	14,627	16,977
	Intensity	tCO ₂ -eq/KRW 1 million	0.0292	0.0274	0.0284
Scope 1 (Direct Emissions)		tCO ₂ -eq	2,161	2,405	2,690
Scope 2 (Indirect Emissions)		tCO ₂ -eq	10,637	12,222	14,287

Energy

Category		Unit	2022	2023	2024
Total Energy Consumption	Consumption	TJ	263	300	349
	Intensity	TJ per KRW 1 million	0.0006	0.0006	0.0006
Non-Renewable Energy	Direct (LNG)	TJ	35	39	43
	Direct (LPG)	TJ	0.0906	0.0892	0
	Direct (Gasoline)	TJ	0.0491	0.0713	0.0194
	Direct (Kerosene)	TJ	-	-	-
	Direct (Diesel)	TJ	5.3	6.1	7.2
	Indirect (Steam)	TJ	-	-	-
	Indirect (Electricity)	TJ	222.2	255.4	298.5
Renewable Energy		TJ	0	0	0

Air Pollutants¹⁾

Category		Unit	2022	2023	2024
Total Air Pollutant Emissions	Emissions	kg	724	638	3,294
	Intensity	kg per KRW 1 million	0.0016	0.0012	0.0055
NO _x (Nitrogen Oxides)	Emissions	kg	-	-	-
O _x (Sulfur Oxides)	Emissions	kg	-	-	-
VOCs (Volatile Organic Compounds)	Emissions	kg	-	-	-
THC (Total Hydrocarbons)	Emissions	kg	-	-	-
Dust ²⁾	Emissions	kg	724	638	3,294

Water

Category		Unit	2022	2023	2024
Water Withdrawal	Withdrawal Volume	ton	30,734	31,738	41,049
Water Consumption	Consumption	ton	30,734	31,738	41,049
	Intensity	ton per KRW 1 million	0.0700	0.0595	0.0687
Water Reuse	Reused Volume	ton	0	0	0
	Water Reuse Rate	%	0	0	0
Wastewater Discharge		ton	0	0	0

1) Due to the nature of the manufacturing process, dust is generated during operation of the processing line. Accordingly, the Anseong Plant, where the processing line is operated, is conducting self-monitoring of air pollutant (dust) emissions.

2) During certain measurement periods, emissions levels temporarily increased due to a temporary equipment malfunction. As the measured values complied with regulatory standards, they were reported without remeasurement.



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Waste

Category		Unit	2022	2023	2024
Total Waste Generated	Generation Volume	ton	13,864	15,280	18,656
	Intensity	ton per KRW 1 million	0.0316	0.0286	0.0312
General Waste	Generation Volume	ton	13,769	15,151	18,569
	Landfill	ton	0	0	317
	Incineration	ton	62	384	1,623
	Recycling	ton	13,708	14,767	16,629
Designated Waste	Generation Volume	ton	94	129	88
	Landfill	ton	0	0	0
	Incineration	ton	62	43	46
	Recycling	ton	33	87	42
Waste Recycling	Recycling Volume	ton	13,740	14,853	16,670
	Recycling Rate	%	99.1	97.2	89.4

Chemical Substances

Category		Unit	2022	2023	2024
Hazardous Chemicals	Consumption	ton	18,087	19,286	23,051
	Emissions	ton	0.176	0.295	0.648

Environmental Certifications

Category		Unit	2022	2023	2024
Environmental Management System Certification (ISO 14001)	Adoption Rate	%	67	67	67
	Number of Certified Business Sites	sites	2	2	2
	Total Number of Business Sites	sites	3	3	3

Major Product Raw Materials

Category		Unit	2022	2023	2024
Raw Material Purchase Amount		KRW million	3,221	2,115	2,461
Raw Material Consumption		ton	640	492	456

Environmental Investments

Category	Unit	2022	2023	2024
Environmental Investment Amount ¹⁾	KRW million	0	15,773	0

Violations of Environmental Regulation

Category	Unit	2022	2023	2024
Violations of KRW 1 million or below	cases	0	0	0
Violations exceeding KRW 1 million and up to KRW 5 million	cases	1	0	0
Violations exceeding KRW 5 million and up to KRW 10 million	cases	0	0	0

1) Investments in environmental pollution prevention facilities



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Workforce Composition

Category		Unit	2022	2023	2024
Total Employees		persons	474	506	578
By Employment Type	Permanent Employees	persons	455	484	488
		%	96	96	84
	Part-time Employees	persons	19	22	90
		%	4	4	16
By Gender	Male	persons	445	470	539
		%	94	93	93
	Female	persons	29	36	39
		%	6	7	7
By Age Group	Under 30	persons	73	75	113
		%	16	15	20
	30 to 49	persons	330	350	383
		%	70	69	66
	50 and older	persons	68	81	82
		%	14	16	14
By Nationality	Korea	persons	474	506	578
		%	100	100	100

Category		Unit	2022	2023	2024
By Positions	Non-Registered Executives	persons	6	6	7
		%	1	1	1
	Office/Management Positions	persons	184	190	204
		%	39	38	35
	Production Workers	persons	265	288	277
		%	56	57	48
	Special Employment	persons	19	22	90
		%	4	4	16
Managers ¹⁾	Male	persons	29	35	39
		%	100	97	97.5
	Female	persons	0	1	1
		%	-	3	2.5
	Non-employee workers	persons	148	160	195

1) Under internal regulations, managers are employed from among Korean nationals: as of 2024, one manager with disabilities is employed.



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New Hires

Category		Unit	2022	2023	2024
By Gender	Male	persons	95	116	252
		%	91	94	97
	Female	persons	9	8	7
		%	9	6	3
By Age Group	Under 30	persons	45	49	102
		%	43	39	39
	30 to 49	persons	56	68	142
		%	54	55	55
	50 and older	persons	3	7	15
		%	3	6	6
Employment of Persons with Disabilities	Mandatory Employment of Persons with Disabilities	persons	4	2	3
	Employment Rate of Persons with Disabilities	%	1.08	0.40	0.67

Retirements and Turnover

Category		Unit	2022	2023	2024
By Employment Type	Permanent employees	persons	50	50	16
		%	54	58	9
	Part-time Employees	persons	42	36	161
		%	46	42	91
By Gender	Male	persons	91	80	172
		%	99	93	97
	Female	persons	1	6	5
		%	1	7	3
By Age Group	Under 30	persons	29	25	58
		%	32	29	33
	30 to 49	persons	58	52	101
		%	63	60	57
	50 and older	persons	5	9	18
		%	5	10	10
By Type	Number of Voluntary Turnover	persons	81	82	171
	Voluntary Turnover Rate	%	17	16	28



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Length of Service

Category		Unit	2022	2023	2024
Average Length of Service	Total	years	8.6	8.6	7.9
	Male	years	8.5	8.7	7.8
	Female	years	10.3	8.6	8.7

Performance Evaluation

Category		Unit	2022	2023	2024
Regular Performance Evaluation	Evaluation Targets	persons	174	210	189
	Evaluation Rate	%	100	100	100

Compensation

Category		Unit	2022	2023	2024
Average Total Compensation	Male	KRW million	63	69	74
	Female	KRW million	39	43	49
Compensation Ratio (Female-to-Male)		%	63	62	66

Welfare and Benefits

Category		Unit	2022	2023	2024
Welfare and Benefits Expenses	Total Expenses	KRW million	1,962	2,268	2,765
	Per Employee	KRW million	4	4	5
	Share of Revenue	%	0.45	0.43	0.46
Flexible Work Arrangement	Number of Users	persons	69	33	67
	Usage Rate	%	14	6	11



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Training

Category		Unit	2022	2023	2024
Total Training Hours	Total	hours	18,447	18,671	22,285
	Male	hours	17,340	17,550	20,948
	Female	hours	1,107	1,121	1,337
Average Training Hours per Employee	Total	hours/ persons	39	37	39
	Male	hours/ persons	39	37	39
	Female	hours/ persons	38	31	34
Disability Awareness Training in the Workplace	Training Hours	hours	451	485	602
	Number of Trainees	persons	451	485	602
Workplace Sexual Harassment Prevention Education Training	Training Hours	hours	451	485	602
	Number of Trainees	persons	451	485	602
Occupational Safety and Health Training	Training Hours	hours	10,203	11,423	13,325
	Number of Trainees	persons	438	488	560
Personal Information Protection Training	Training Hours	hours	24	36	82
	Number of Trainees	persons	24	36	82
Environmental Training	Training Hours	hours	1,548	1,256	1,284
	Number of Trainees	persons	244	381	472

Category		Unit	2022	2023	2024
Employee Competency Development Training	Training Hours	hours	5,770	4,782	5,870
	Number of Trainees	persons	157	182	140
Information Security Training ¹⁾	Training Hours	hours	-	204	333
	Number of Trainees	persons	-	204	222
Fair Trade and Unfair Competition Prevention Training	Training Hours	hours	-	-	208
	Number of Trainees	persons	-	-	171

1) From 2023, information security training is conducted in addition to statutory privacy protection training.



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Family-Friendly Programs

Category			Unit	2022	2023	2024
Parental Leave	Number of Users	Male	persons	4	5	7
		Female	persons	3	5	1
	Number of Returnees	Male	persons	4	4	7
		Female	persons	3	5	1
	Number Retained for 12 Months or More After Return	Male	persons	4	4	7
		Female	persons	3	5	1
	Retention Rate After Return	Male	%	100	100	100
		Female	%	100	100	100
Reduced Working Hours for Childcare	Number of Users	Total	persons	0	4	3
Maternity Leave		Male (Paternity Leave)	persons	10	9	6
		Female (Maternity Leave)	persons	1	2	0
Infertility Treatment Leave	Total	persons		1	0	1
Refresh Leave	Total	persons		241	213	220
Family Care Leave	Total	persons		1	1	1

Human Rights Management

Category			Unit	2022	2023	2024
Employee Discrimination and Grievance Handling	Number of Reports		cases	4	2	2
	Number of Actions Taken		cases	4	2	2
	Resolution Rate		%	100	100	100

Safety and Health Management

Category			Unit	2022	2023	2024
Employees	Total Working Hours		hours	1,156,320	1,288,320	1,478,400
	Lost Workdays		days	23	53	61
	Accident Rate		%	1.48	1.78	1.38
	Injuries		cases	7	9	8
	Illnesses		cases	0	0	0
	Fatalities		cases	0	0	0
Contractors	Total Working Hours		hours	1,224,184	1,433,520	1,448,914
	Lost Workdays		days	142	2	0
	Injury Rate		%	0.86	0.56	0.00
	Injuries		cases	4	3	0
	Illnesses		cases	0	0	0
	Fatalities		cases	0	0	0
KOSHA-MS Certification	Number of Business Sites		sites	0	3	3
	Certification Rate		%	0	100	100



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Supply Chain Management

Category		Unit	2022	2023	2024
Supplier Status	Total Number of Suppliers	companies	46	52	62
	Number of Newly Registered Suppliers	companies	12	6	10
Grievance Handling	Number of Cases Reported	cases	0	0	0
	Number of Actions Taken	cases	0	0	0
	Resolution Rate	%	-	-	-

Information Security

Category	Unit	2022	2023	2024
Violations of Laws/Regulations Related to Privacy Protection	cases	0	0	0
Investment in Information Technology	KRW million	594	1,078	1,455
Investment in Information Security	KRW million	58	79	146
Information Security Investment Ratio	%	9.8	7.4	10.1

Social Contribution

Category	Unit	2022	2023	2024
Social Welfare & Support for Vulnerable Groups	KRW	20,756,200	19,200,000	59,009,569
Support for Culture, Arts, and Mecenat Activities	KRW	35,000,000	1,000,000	6,754,000
Local Community Participation	KRW	1,000,000	0	5,373,500

Violations of Social Regulations¹⁾

Category	Unit	2022	2023	2024
Violations of KRW 1 million or less	cases	0	0	0
Violations exceeding KRW 1 million and up to KRW 5 million	cases	0	0	0
Violations exceeding KRW 5 million and up to KRW 10 million	cases	0	0	0

1) Based on business report disclosures



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Board Composition

Category		Unit	2022	2023	2024
Independence	Executive Directors	persons	3	3	3
		%	75	75	75
	Independent Directors	persons	1	1	1
		%	25	25	25
Diversity	Female Directors	persons	0	0	0
		%	0	0	0
Expertise	Directors With Industry Experience	persons	4	4	4
		%	100	100	100

Board Operations¹⁾

Category		Unit	2022	2023	2024
Board Meetings	Regular	sessions	3	6	4
	Extraordinary	sessions	0	0	0
Agenda Items	Approved	cases	32	32	52
	Opposed/ Amended	cases	0	0	0
Average Attendance Rate	Executive Directors	%	100	87	100
	Independent Directors	%	100	66	100
Average Board Tenure		years	3.52	3.01	3.51
Independent Director Training	Number of Training Sessions	sessions	0	0	0
	Number of Participants	persons	0	0	0

Board Performance Evaluation and Remuneration¹⁾

Category	Unit	2022	2023	2024
Number of Directors	persons	4	4	4
Total Remuneration	KRW million	831	1,025	1,275
Average Remuneration per Person	KRW million	208	256	319

Shareholder Status¹⁾²⁾

Category		Unit	2022	2023	2024
Dongsung Chemical	Number of Shares	shares	11,378,299	11,378,299	11,378,299
	Shareholding Ratio	%	39.5	39.2	39.2
National Pension Service	Number of Shares	shares	0	1,779,615	0
	Shareholding Ratio	%	0	6.1	0

Ethical Management

Category		Unit	2022	2023	2024
Reports and Actions Taken on Anti-Corruption Incidents	Number of Reports	cases	1	1	0
	Number of Actions Taken	cases	1	1	0
	Resolution Rate	%	100	100	-

1) Based on business report disclosures

2) Shareholders with 5% or more ownership



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Violations of Anti-Corruption Laws

Category		Unit	2022	2023	2024
Anti-Corruption Regulations	Number of Violations	cases	0	0	0
	Number of Violations	cases	0	0	0
Antitrust and Anti-Competitive Conduct Regulations	Fines and Settlement Amounts	KRW 100 million	0	0	0
	Number of Violations	cases	0	0	0
Regulations Related to Subcontracting Transactions	Number of Violations	cases	0	0	0

R&D Investment

Category	Unit	2022	2023	2024
Investment Amount	KRW million	2,343	2,820	2,967
Investment Ratio (to Revenue)	%	0.68	0.53	0.39

Tax Reporting

Category	Unit	2022	2023	2024
Corporate Tax Rate	%	22	21	21
Effective Tax Rate	%	23	22	38
Pre-tax Profit	KRW million	11,534	8,423	5,796
Tax Paid	KRW million	50,877	38,197	15,280

Membership Status

Korea Marine Equipment Association (KOMEA)
Samsung Heavy Industries Partners Council
Hyundai Heavy Industries Group Integrated Council
KOSDAQ Association
Korea Bunkering Association
The Korean Polyurethane Society
Anseong Chamber of Commerce & Industry
Busan Mecenat Association
Korea International Trade Association (KITA)
Korea Fire Safety Institute
Korea Industrial Safety Association
Korea Electrical Engineers Association
Korea Fire & Gas Industry Council
Korea Petrochemical Industry Association
Samdong Small & Medium Enterprise Council



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EHS Management Policy ➡

EHS경영방침

1. Place the safety and health of workers as the highest value and establish, maintain, and manage the best environmental, safety, and health management system.
2. Provide safety and health education to enhance the environmental, safety, and health knowledge and raise awareness levels of all members and stakeholders, with active participation by all members.
3. Establish a safety, health, and environmental management system that identifies and improves hazards and risk factors in all workplaces in advance, measures the performance, and maintains and manages it continuously.
4. Prevent industrial accidents by listening to employees' opinions, encouraging active participation, and strictly complying with laws and safety rules.
5. Prohibit the use of drugs, alcohol, and prohibit driving or working under the influence. Actively promote safe working environments by checking health conditions and hazardous or risk factors before work during TBM (Tool Box Meeting) activities.

Environmental Management Policy

1. We comply with all applicable Korean and international environmental laws and regulations, as well as international agreements, and strive to meet standards that go beyond legal requirements.
2. Throughout all business activities, products, and services, we endeavor to conserve resources and energy and minimize waste generation, thereby delivering the highest quality products and services that contribute to an improved quality of life.
3. We continuously analyze and improve our environmental impacts and aspects, conduct ongoing monitoring, and implement effective environmental management programs to ensure continual improvement.
4. We establish communication channels with customers and stakeholders to collect feedback and provide relevant information, thereby ensuring transparency in our environmental management activities.
5. All employees are committed to raising awareness of this Environmental Policy and the importance of environmental conservation and actively participating in its implementation through continuous engagement and communication.

Human Rights Management Regulations ➡

Fundamental Principles of Human Rights Management

- | | | |
|----------------------------------|-------------------------------------|---|
| Humane Treatment | Non-Discrimination | Prohibition of Forced Labor |
| Prohibition of Child Labor | Compliance with Working Conditions | Establishment of Cooperative Labor-Management Relations |
| Assurance of Occupational Safety | Responsible Supply Chain Management | Protection of Local Community Human Rights |

Security Policy ➡

Security Declaration

- ▶ Information, information systems, and the information services provided through them are important assets of the company.
- ▶ These information assets must be protected from various internal and external threats according to their value and importance.
- ▶ All employees have the responsibility to understand and comply with this policy to protect the company's information assets.

Global Code of Ethics ➡

Code of Ethics Provisions

- | | | |
|-----------------------|------------------------|------------------------|
| Respect for Employees | Customer Satisfaction | Fair Competition |
| Protection of Assets | Transparent Management | Responsible Management |

Supply Chain ESG Management Policy ➡

Implementation Measures

- ▶ Supplier Code of Conduct: All suppliers within the scope of this policy are responsible for complying with the Code of Conduct. Dongsung Finetec regularly reviews the level of implementation by suppliers and requests and supports improvement activities when necessary.
- ▶ Supplier ESG Management Areas: Labor, Environment, Ethics, Management System
- ▶ Supply Chain ESG Management: Establish evaluation plan > Document-based diagnosis > On-site audit > Results analysis and improvement support



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GRI Standards 2021

Statement of Use	Dongsung Finetec, the reporting organization, has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with GRI Standards 2021 compliance reporting principles.
GRI1 used	GRI1: Foundation 2021
Applicable GRI Sector Standards	As of the publication date, no GRI Sector Standard has been issued for the industry classification applicable to Dongsung Finetec; therefore, no Sector Standard is applied.

Metrics		Reporting Page
GRI 2 General Disclosures		
2-1	Organizational details	6
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	As this is the first published edition, no information has been rewritten.
2-5	External assurance	76~77
2-6	Activities, value chain and other business relationships	8~12
2-7	Employees	57
2-8	Workers who are not employees	57
2-9	Governance structure and composition	48
2-10	Nomination and selection of the highest governance body	48
2-11	Chair of the highest governance body	48
2-12	Role of the highest governance body in overseeing the management of impacts	14, 52
2-13	Delegation of responsibility for managing impacts	14, 52
2-14	Role of the highest governance body in sustainability reporting	14
2-15	Conflicts of interest	48

Metrics		Reporting Page
GRI 2 General Disclosures		
2-16	Communication of critical concerns	14
2-17	Collective knowledge of the highest governance body	48
2-18	Evaluation of the performance of the highest governance body	48
2-19	Remuneration policies	48
2-20	Process to determine remuneration	48
2-21	Annual total compensation ratio	Confidential
2-22	Statement on sustainable development strategy	5
2-23	Policy commitments	14, 20, 28, 34, 43, 46, 49, 66
2-24	Embedding policy commitments	20~21, 28~29, 34, 43~44, 46~47, 49~50
2-25	Processes to remediate negative impacts	35, 37, 50, 51
2-26	Mechanisms for seeking advice and raising concerns	15, 31, 36~37, 41
2-27	Compliance with laws and regulations	21, 56, 62, 64
2-28	Membership associations	64
2-29	Approach to stakeholder engagement	15
2-30	Collective bargaining agreements	As of 2024, no labor union is established; however, employee opinions are incorporated and rights are protected through employee meetings and grievance-handling channels.



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GRI Standards 2021

Metrics		Reporting Page
GRI3 Material Topics	3-1 Process to determine material topics	16
	3-2 List of material topics	17
Material Topics 1. Enhancing Safety and Health		
GRI3 Material Topics	403-1 Occupational safety and health management system	18, 28~33
GRI403 Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	29
	403-3 Occupational health services	30~31
	403-4 Worker participation, consultation, and communication on occupational safety and health	31
	403-5 Worker training on occupational safety and health	31
	403-6 Promotion of worker health	32~33
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	36
	403-9 Work-related injuries	30~33
	403-10 Work-related ill health	61
	403-10 업무 관련 질병	61
Material Topics 2. Supply Chain Management		
GRI3 Material Topics	3-3 Management of material topics	18, 46~47
GRI308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Insufficient Information (The ESG assessment and evaluation of contracts are scheduled to be implemented in a phased manner starting in 2026, and related disclosures will be reflected in future reports.)
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	
	414-2 Negative social impacts in the supply chain and actions taken	

Metrics		Reporting Page
Material Topics 3. Climate Change Response		
GRI3 Material Topics	3-3 Management of material topics	18, 22~23
GRI302 Energy	302-1 Energy consumption within the organization	55
	302-3 Energy intensity	55
	302-4 Reduction of energy consumption	55
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions	55
	305-2 Energy indirect (Scope 2) GHG emissions	55
	305-4 GHG emissions intensity	55
	305-5 Reduction of GHG emissions	55
Material Topics 4. Waste Management		
GRI3 Material Topics	3-3 Management of material topics	18, 55~56
GRI 306 Waste	306-1 Waste generation and significant waste-related impacts	24~25
	306-2 Management of significant waste-related impacts	24~25
	306-3 Waste generated	56
	306-4 Waste diverted from disposal	56
	306-5 Waste directed to disposal	56



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GRI Standards 2021

Metrics		Reporting Page
Reporting Page		
GRI 303 Water and Effluents	303-3 Water withdrawal	55
	303-5 Water consumption	55
GRI 305 Emissions	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	55
GRI 401 Employment	401-1 New employee hires and employee turnover	58
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	36
	401-3 Parental leave	61
GRI 404 Training and Education	404-1 Average hours of training per year per employee	60
	404-2 Programs for upgrading employee skills and transition assistance programs	40
	404-3 Percentage of employees receiving regular performance and career development reviews	59
GRI 405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	57, 63
	405-2 Ratio of basic salary and remuneration of women to men	59
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	42
GRI 418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	62



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ESRS

Metrics			Reporting Page
ESRS 2 General Disclosure			
Disclosures	BP-1	General basis for preparation of the sustainability statement	2
	BP-2	Disclosures in relation to specific circumstances	2
Governance	GOV-1	The role of the administrative, management and supervisory bodies	14
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	-
	GOV-3	Integration of sustainability-related performance in incentive schemes	-
	GOV-4	Statement on due diligence	-
	GOV-5	Risk management and internal controls over sustainability reporting	52~53
Strategy	SBM-1	Strategy, business model and value chain	8~12
	SBM-2	Interests and views of stakeholders	15
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-
Impact, Risk and Opportunity Management (IRO)	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	52~53
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	70~73
	MDR-P	Policies adopted to manage material sustainability matters	20, 28, 46
	MDR-A	Actions and resources in relation to material sustainability matters	22~23, 4~25, 28~33, 6~47
Metrics and Targets	MDR-M	Metrics in relation to material sustainability matters	55, 56, 61, 62
	MDR-T	Tracking effectiveness of policies and actions through targets	18

Metrics			Reporting Page
E1 Climate Change			
Strategy	E1-1	Transition plan for climate change mitigation	22
Impact, risk and opportunity management	E1-2	Policies related to climate change mitigation and adaptation	20
	E1-3	Actions and resources in relation to climate change policies	22~23
Metrics and targets	E1-4	Targets related to climate change mitigation and adaptation	22
	E1-5	Energy consumption and mix	55
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	55
	E1-7	GHG removals and GHG mitigation projects financed through	-
	E1-8	Internal carbon pricing	-
	E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	-
E2 Pollution			
Impact, risk and opportunity management	E2-1	Policies related to pollution	20
	E2-2	Actions and resources related to pollution	26~27
Metrics and targets	E2-3	Targets related to pollution	26~27
	E2-4	Pollution of air, water and soil	55
	E2-5	Substances of concern and substances of very high concern	56
	E2-6	Potential financial effects from pollution-related impacts, risks and opportunities	-



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ESRS

Metrics			Reporting Page
E3 Water			
Impact, risk and opportunity management	E3-1	Policies related to water and marine resources	-
	E3-2	Actions and resources related to water and marine resources	-
Metrics and targets	E3-3	Targets related to water and marine resources	-
	E3-4	Water consumption	55
	E3-5	Potential financial effects from water and marine resources-related impacts, risks and opportunities	-
E4 Biodiversity and Ecosystems			
Impact, risk and opportunity management	E4-1	Transition plan for biodiversity and ecosystems	-
	E4-2	Policies related to biodiversity and ecosystems	-
Metrics and targets	E4-3	Actions and resources related to biodiversity and ecosystems	-
	E4-4	Targets related to biodiversity and ecosystems	-
	E4-5	Impact metrics related to biodiversity and ecosystems change	-
	E4-6	Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	-
E5 Resource Use and Circular Economy			
Impact, risk and opportunity management	E5-1	Policies related to resource use and circular economy	20
	E5-2	Actions and resources related to resource use and circular economy	24~25

Metrics			Reporting Page
Metrics and targets	E5-3	Targets related to resource use and circular economy	24
	E5-4	Resource inflows	56
	E5-5	Resource outflows	56
	E5-6	Anticipated financial effects from resource use and circular-economy-related impacts, risks and opportunities	-
S1 Own Workforce			
Impact, risk and opportunity management	S1-1	Policies related to own workforce	28, 34
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	36
	S1-3	Channels for own workers and workers' representatives to raise concerns	37
	S1-4	Taking action on material impacts on own workforce and effectiveness of those actions	35

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Metrics			Reporting Page
Metrics and targets	S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	29, 34, 38
	S1-6	Characteristics of the undertaking's employees	57
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	-
	S1-8	Collective bargaining coverage and social dialogue	59
	S1-9	Diversity metrics	57, 63
	S1-10	Fair remuneration	36
	S1-11	Social security eligibility coverage	59
	S1-12	Employment of persons with disabilities	58
	S1-13	Training and skills development indicators	60
	S1-14	Health and safety metrics	61
	S1-15	Work-life balance indicators	59, 61
	S1-16	Compensation metrics	59
	S1-17	Incidents, complaints and severe human rights impacts	61
S2 Workers in the Value Chain			
Impact, risk and opportunity management	S2-1	Policies related to value chain workers	28, 34, 46, 49
	S2-2	Processes for engaging with value chain workers about impacts	-
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	31~32, 37, 50
	S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	-
Metrics and targets	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	29, 34, 47, 50

Metrics			Reporting Page
S3 Affected Communities			
Impact, risk and opportunity management	S3-1	Policies related to affected communities	-
	S3-2	Processes for engaging with affected communities about impacts	-
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	-
	S3-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	-
Metrics and targets	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-
S4 Consumers and End-Users			
Impact, risk and opportunity management	S4-1	Policies related to consumers and end-users	-
	S4-2	Processes for engaging with consumers and end-users about impacts	-
	S4-3	Channels for consumers and end-users to raise concerns	50
	S4-4	Taking action on material impacts on consumers and end-users and effectiveness of those actions	-
Metrics and targets	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-
G1 Business Conduct			
Impact, risk and opportunity management	G1-1	Corporate culture and business conduct policies	49~51
	G1-2	Management of relationships with suppliers	-
	G1-3	Prevention and detection of corruption or bribery	51
Metrics and targets	G1-4	Confirmed incidents of corruption or bribery	63~64
	G1-5	Political influence and lobbying activities	-
	G1-6	Payment practices	-



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SASB

Metrics		Reporting Page
Accounting Metrics (Chemicals)		
Greenhouse Gas Emissions	Gross global Scope 1 emissions	55
	Percentage covered under emissions-limiting regulations	–
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	22
Air Quality	(1) NOx emissions (excluding N ₂ O)	55
	(2) SOx emissions	55
	(3) Volatile organic compounds (VOCs) emissions	55
	(4) Hazardous Air pollutants (HAPs) emissions	–
Energy Management	(1) Total energy consumed	55
	(2) Percentage grid electricity	–
	(3) Percentage renewable	55
	(4) Total self-generated energy	–
Water Management	Total water withdrawn, percentage of each in regions with High or Extremely High Baseline Water Stress	–
	Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	–
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	–
	Description of water management risks and discussion of strategies and practices to mitigate those risks	–
Hazardous Waste Management	Amount of hazardous waste generated	56
	Percentage recycled	56
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	42

Metrics			Reporting Page
Accounting Metrics (Chemicals)			
Workforce Health & Safety	Direct employees	Total recordable incident rate (TRIR)	18, 61
		Fatality rate	61
	Contract employees	Total recordable incident rate (TRIR)	18, 61
		Fatality rate	61
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks		–
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency		–
Safety & Environmental Stewardship of Chemicals	Percentage of products, by revenue, that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances,		–
	Percentage of such products that have undergone a hazard assessment		–
	Discussion of strategy to (1) manage chemicals of concern		27
	Discussion of strategy to (2) develop alternatives with reduced human and/or environmental impact		27
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)		–
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry		–
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC)		–
	Process Safety Total Incident Rate (PSTIR)		–
	Process Safety Incident Severity Rate (PSISR)		–
	Number of transport incidents		–
Activity Metrics (Chemicals)			
Production by reportable segment			–



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ISO 26000

Metrics		Reporting Page
Organizational governance	Decision-making process and structure, delegation of authority	14, 48
	Due diligence	35
Human rights	Human rights risk situations	35
	Avoidance of complicity	-
	Resolving grievances	37
	Discrimination and vulnerable groups	34
	Civil and political rights	34
	Economic, social and cultural rights	34
	Fundamental principles and rights at work	34
	Employment and employment relationships	38~41
Labour practices	Conditions of work and social protection	36
	Social dialogue	36
	Health and safety at work	28~33
	Human development and training in the workplace	38~41
The environment	Prevention of pollution	26~27
	Sustainable resource use	24~25
	Climate change mitigation and adaptation	22~23
	Protection of the environment, biodiversity and restoration of natural habitats	20~21

Metrics		Reporting Page
Fair operating practices	Anti-corruption	49~51
	Responsible political involvement	-
	Fair competition	50~51
	Promoting social responsibility in the value chain	46~47
	Respect for property rights	45
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	-
	Protecting consumers' safety and health	-
	Sustainable consumption	-
	Consumer service, support, and complaint and dispute resolution	-
	Consumer data protection and privacy	-
	Access to essential services	-
Community involvement and development issue	Education and awareness	-
	Community involvement	42
	Education and culture	42
	Employment creation and skills development	-
	Technology development and access	-
	Wealth and income creation	-
	Health	-
	Social investment	42, 62



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UN SDGs

Goal		Dongsung Finetec Activities	Reporting Page
	Good Health and Well-being	▶ Transition from hazardous cleaning agents to non-toxic alternatives	27
	Quality Education	▶ Disability awareness education ▶ Workplace harassment education and sexual harassment prevention education	37
	Gender Equality	▶ Family-friendly programs ▶ Prohibition of discrimination in the hiring process ▶ Sexual harassment prevention regulations and related education	36~37
	Affordable and Clean Energy	▶ Introduction of high-efficiency inverter-type compressors	23
	Decent Work and Economic Growth	▶ Human rights management policy (prohibition of forced and child labor, compliance with working conditions, etc.) ▶ Management of Working Environment and Working Conditions	34, 36
	Industry, Innovation and Infrastructure	▶ Development of R-PUF Using HFO-Based Blowing Agents ▶ Recycling of refrigerants and FINEXG extinguishing agents	11
	Reduced Inequalities	▶ Human rights management policy (humane treatment and non-discrimination) ▶ Human rights risk identification and mitigation through human rights impact assessments	34~35

Goal		Dongsung Finetec Activities	Reporting Page
	Sustainable Cities and Communities	▶ Air pollutant reduction through process improvements and enhanced dust-collection system performance	26
	Responsible Consumption and Production	▶ Full-cycle refrigerant management process (supply-recovery-refining) ▶ Expanded waste recycling rate	11, 24
	Climate Action	▶ Greenhouse gas reduction targets and carbon-reduction initiatives	22~23
	Peace, Justice, and Strong Institutions	▶ Global Code of Ethics and implementation guidelines ▶ Ethical and anti-corruption risk identification and preventive measures ▶ Reporting channels	37, 51~52



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Independent Assurance Statement



Independent Assurance Statement

Dear Stakeholders of DONGSUNG FINETEC CO.,LTD.

Assurance Outline

Korea Productivity Center Quality Assurance (hereinafter "KPCQA") was commissioned by DONGSUNG FINETEC CO.,LTD. (hereinafter "DS Finetec") to conduct an independent assurance on the 2024 ESG Sustainability Report (hereinafter "the report") and issues an assurance statement. DS Finetec has sole responsibility for the preparation of the data within the report. KPCQA's responsibility is to provide objective opinions on this report with the specified criteria and scope of assurance.

Scope

This report describes DS Finetec's sustainability efforts and performance. The scope of assurance was included on activities from January 1, 2023 to December 31, 2024. Activities through 2025 has also been used in some areas. The report was assured focusing on the reporting of sustainable management policies, strategies, goals, businesses, and performance, and conformity of data collection and analysis, and the report creation process.

Criteria

The assurance was carried out in accordance with the following standards:

- AA1000AS v3
- KPCQA ESG Assurance Protocol

Levels

The assurance of this report was conducted in line with the requirements of the AA1000AS v3 Type 1(Adherence to the AA1000 four principles) at moderate level of assurance. The assurance was applied by professional judgement about materiality.

The report has been produced in accordance with GRI Standards. We confirmed that the report was complied with reporting principles of GRI Standards, Universal Standards, and Topic Standards based on the data and information provided by DS Finetec.

Universal Standards

Organizational and its reporting practices	2-1 ~ 2-5
Activities and workers	2-6 ~ 2-8
Governance	2-9 ~ 2-21
Strategy, policies and practices	2-22 ~ 2-28
Stakeholder engagement	2-29 ~ 2-30
Material topics	3-1 ~ 3-3

Topic Standards

Energy	302-1, 302-3, 302-4
Emissions	305-1, 305-2, 305-4, 305-5, 305-7
Effluents and Waste	306-1, 306-2, 306-3, 306-4, 306-5
Employment	401-1, 401-2, 401-3
Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10
Training and Education	404-1, 404-2, 404-3
Diversity and Equal Opportunity	405-1, 405-2
Local Communities	413-1
Customer Privacy	418-1



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Methodology

- Review of Sustainability Performance Data and Management System
- Review of the reporting process and data management framework
- Review of materiality assessment process and Internal Analysis Procedure
- Review of media report on sustainability
- Interviews with executives and employees involved in material topics and report preparation
- Review of the overall report

Limitations

This assurance is limited assurance in limited criteria with comparative review of data provided by DS Finetec. It has its own limitations depending on the characteristics and calculation method of the data.

Conclusions

KPCQA conducted assurance on the draft by review of the data, onsite verification and interview with the employees. It was confirmed that all errors identified during the assurance were corrected.

As a result of the assurance of this report, no material errors or improper descriptions have been found and the conclusions are as follows.

► Inclusivity : Participation of stakeholders

DS Finetec operates stakeholder communication channels to gather opinions from various stakeholders to derive material topics and ensure that they are reflected in decision-making.

► Materiality : Selection and reporting of material topics

DS Finetec presented sustainability performance data without any material omissions. Relating to the material issues in the report, nothing had come to our attention that would cause problem in decision-making process.

► Responsiveness : Organizational response to issues

KPCQA checked and reviewed the data related to the internal and external stakeholders of DS Finetec, we confirmed DS Finetec identified the reporting scope and stakeholders' interests and reflected them. we confirmed DS Finetec has management process of material topics through materiality assessment.

► Impact : Monitoring and measurement of business activities

KPCQA reviewed DS Finetec identified and monitored the impact of DS Finetec's business activities on stakeholders. we confirmed the impact associated with material issues have been properly measured.

Independence of Assurance

KPCQA is a 3rd Party Conformity Assessment Body that conforms to ISO/IEC 17021:2015 and has documented policies, assessment processes, and quality assurance systems with assurance team of ESG experts.

KPCQA was not involved in any of the business operations of the DS Finetec and the assurance was conducted with independence.

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KOREA PRODUCTIVITY CENTER QUALITY ASSURANCE

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