

Green Innovation for Sustainable Tomorrow

2025 DS Hi-Metal Co., Ltd. ESG REPORT



About This Report

About This Report

DS Hi-Metal Co., Ltd. publishes an annual ESG report to transparently disclose its ESG activities and performance to stakeholders. Through this report, we aim to share the ESG management status and outcomes of DS Hi-Metal Co., Ltd. With our stakeholders.

Reporting Principles

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the international guideline for sustainability reporting. Financial information has been prepared on a consolidated basis in accordance with K-IFRS (Korean International Financial Reporting Standards), and non-financial information has also been compiled based on the fiscal year in line with the disclosure framework. Any significant changes have been separately indicated in the footnotes.

Reporting Period

This report covers activities and achievements of DS Hi-Metal Co., Ltd. from January 1, 2024, to December 31, 2024. For qualitative activities related to some of our key themes, we have included information up to the first half of 2025. Additionally, for key quantitative outcomes, data from the recent three years (2022–2024) is disclosed to provide insight into trends.

Reporting Scope

The social and governance information disclosed in this report pertains to the activities and performance of DS Hi-Metal Co., Ltd.'s Ulsan headquarters and Seoul sales office, while the environmental information is limited to the activities and performance of the Ulsan headquarters. The financial performance, compiled on a consolidated basis, includes data from DS Hi-Metal and its subsidiaries: DS Navcours, DS SG, DS AETHER CT, Sirius Holdings, and DS Myanmar.

Report Assurance

This report is published following a thorough review by the Board of Directors of DS Hi-Metal. To enhance internal and external credibility, third-party assurance was conducted by an independent assurance provider, NICE Information Service, in accordance with the four principles of AA1000AP (2018): Inclusivity, Materiality, Impact, and Responsiveness. The detailed assurance statement can be found on pages 66–67 of this report.

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User Guide

DS Hi-Metal ESG Report is provided in PDF format and designed for easy navigation to related web pages to enhance reader comprehension.

You can return to the home, table of contents, or previous pages by clicking the corresponding buttons.

Additionally, icons located at the top left of each page allow you to access specific functions quickly and conveniently.



Corporate Overview

CEO Message

05

About Us

06



CEO Message

Dear stakeholders, I am Soo-hoon Lee, CEO of DS Hi-Metal Co., Ltd.

Since its founding in 1999, DS Hi-Metal Co., Ltd. has led the localization of solder balls, a key semiconductor material, and has grown into a global leader in the Micro Solder Ball and Cored Solder Ball markets. Even amid rapidly changing market conditions, we have continued to pursue technological innovation and take on new challenges, solidifying our position as a core player in the semiconductor materials industry. Building on this strong foundation and with a renewed sense of purpose, I am committed to taking the lead in driving a more systematic implementation of ESG management at DS Hi-Metal Co., Ltd. and shaping a sustainable future. To this end, we will focus on the following three areas:

First, we will further embed ESG culture throughout the organization.

ESG should not be a one-off activity but should become a company-wide culture. Based on the ESG responsible management framework we have built, we will expand training and communication opportunities so that all employees of the organization can understand the importance of ESG and take the initiative to participate.

Second, we will realize environmental and social value through sustainable technologies.

We will actively adopt eco-friendly and energy-efficient technologies and apply ESG standards across the entire supply chain to minimize risks. By integrating technological innovation with ESG strategies, we will enhance our corporate competitiveness.

Third, we will strengthen transparent and responsible governance.

We will regularly disclose our business performance, financial information, and ESG outcomes, while reinforcing ethical standards to foster a transparent decision-making culture. Through these efforts, we aim to build trust with shareholders and stakeholders and lay the foundation for sustainable management.

Dear stakeholders,

Under new leadership, DS Hi-Metal Co., Ltd. will continue to build on its spirit of challenge and responsibility that has defined us since our founding, as we move forward to become a global materials company achieving sustainable growth.

We ask for your continued interest and guidance.

Thank you.

CEO Soo-hoon Lee



About Us

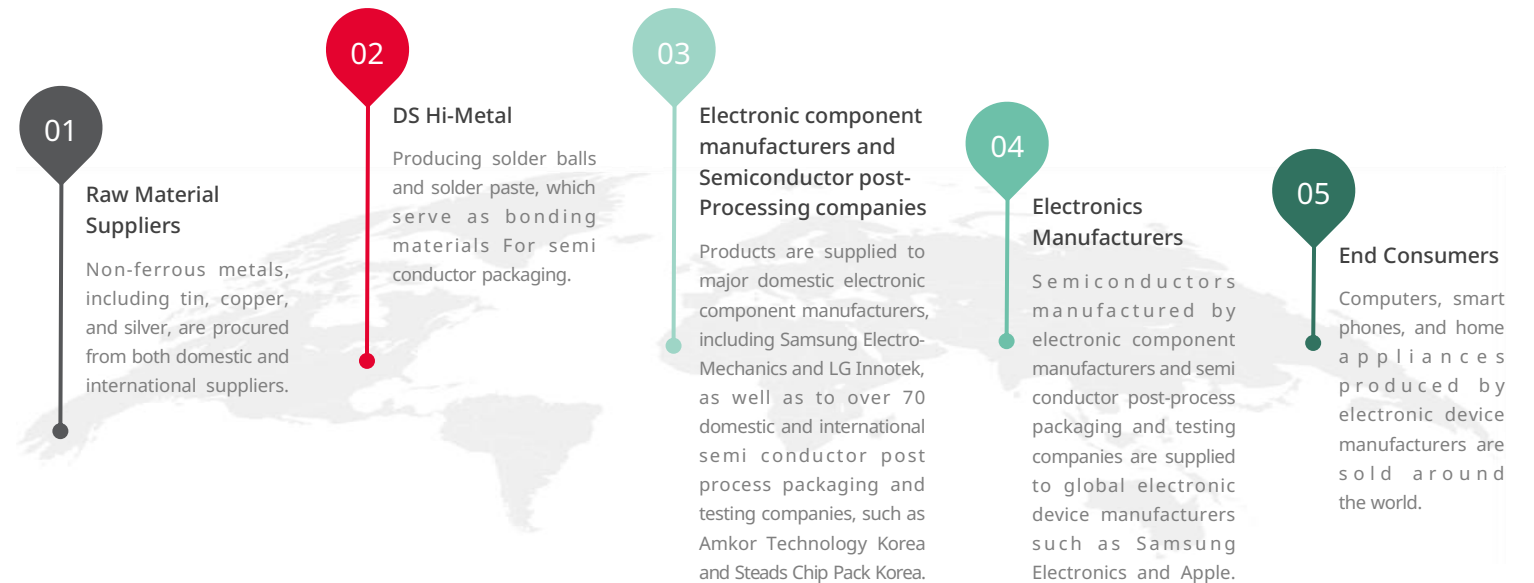
About DS Hi-Metal Co., Ltd.

DS Hi-Metal Co., Ltd. specializes in the production of solder balls and solder paste, essential bonding materials for semiconductor packaging. Leveraging our outstanding research and development capabilities and accumulated process expertise, we reliably supply high-quality, customer tailored materials. We are continuously expanding our investment in R&D to lead the development of next-generation semiconductor bonding technologies and materials. Domestically, we are strengthening customer engagement through our Seoul office, while internationally, we are actively expanding into global markets by operating an office in Shanghai, China.

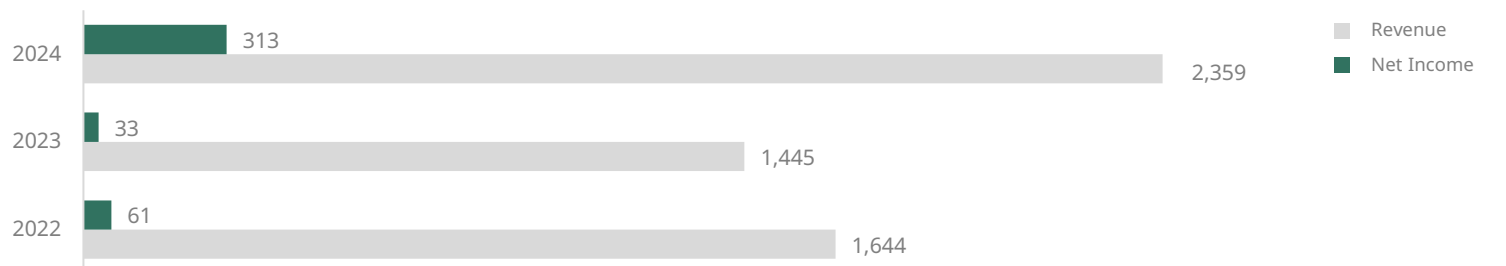
(As of December 31, 2024)

Name	DS Hi-Metal Co., Ltd.
Establishment	May 6, 1999
CEO	Soo-hoon Lee, Tae-soo Kim
Industry	Semiconductor Material Production
Core Business	Manufacturing and Sales of Semiconductor Materials and Components
Credit Rating	NICE D&B: (A0) as of April 17, 2024 Ecredible: (A-) as of April 19, 2024
Website	www.dshm.co.kr
Location	66 Muryong 1-ro, Buk-gu, Ulsan, Korea (Yeonam-dong)
Listing Date	October 2005 (Listed on KOSDAQ)
Classification	Small and Medium-sized Enterprise (SME)
Size	Employees: 235 / Total Assets : \$593.1 million
Subsidiaries	DS AETHER CT Co., LTD. DS Navcours Co., LTD. Sirius Holdings Co., LTD. DS SG Co., LTD. DS MYANMAR Co., LTD.

Business Value Chain



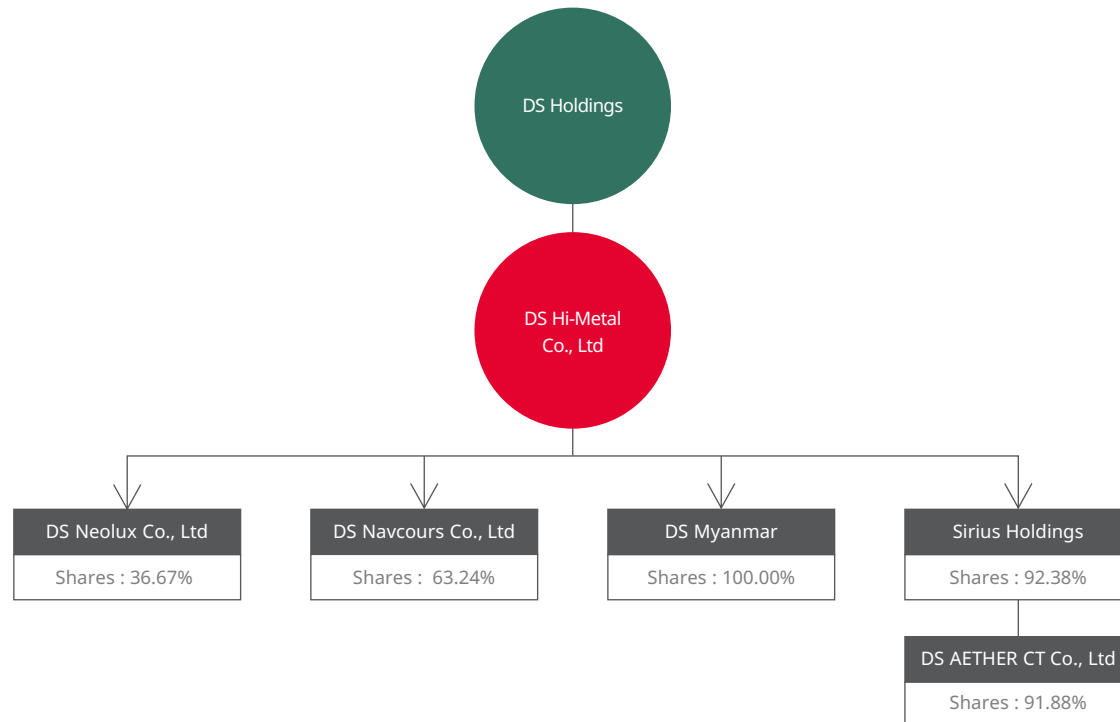
Economic Performance



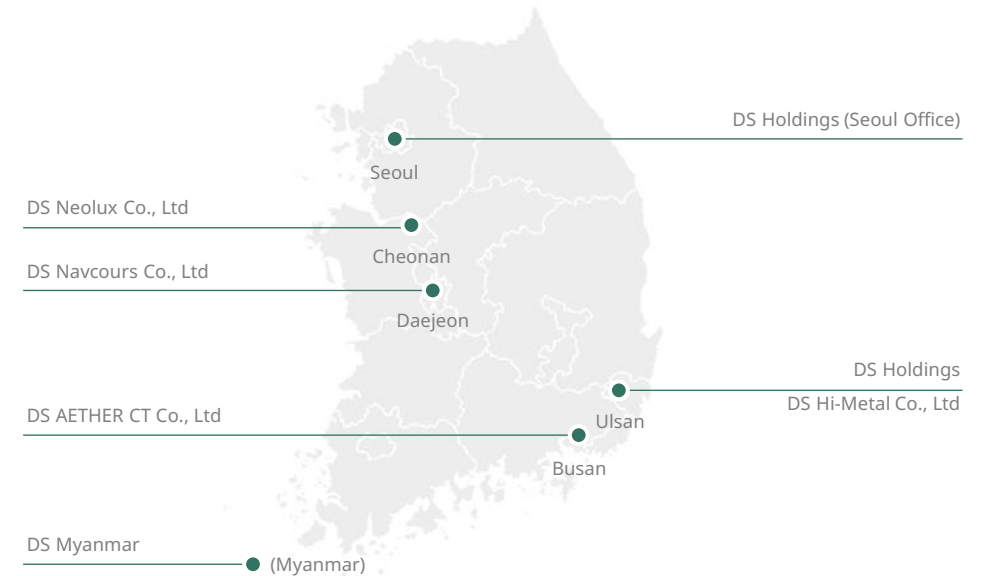
About Us

About Our Subsidiaries

DS Hi-Metal Co., Ltd. is striving not only to strengthen its competitiveness in the semiconductor packaging materials business but also to diversify its business portfolio and enhance global competitiveness by acquiring new businesses. The company has subsidiaries including DS Neolux Co., Ltd, a leading OLED material company, and DS Navcours Co., Ltd., a defense and aerospace company specializing in navigation and communication technologies. To secure a more stable supply of raw materials, DS Myanmar, a non-ferrous metal smelting company, was established in 2019. In 2023, the company established Sirius Holdings, a management advisory and consulting firm, through equity investment, and acquired shares in its subsidiary, DS AETHER CT Co., Ltd.



Locations of Major Subsidiaries



Current Situation of Major Subsidiaries

DS Neolux Co., Ltd	A materials company specializing in the development and mass production of OLED core materials	Sirius Holdings	Management advisory and consulting company (holding 91.88% of DS AETHER CT shares)
DS Navcours Co., Ltd	A technology company specializing in PNT-based navigation and communication	DS AETHER CT Co., Ltd	Hydrogen and Specialty/Industrial Gas Container manufacturer
DS Myanmar	A smelter of non-ferrous metals such as tin, a raw material for solder balls		

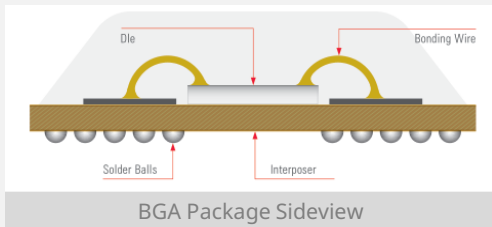
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Current Business Status

DS Hi-Metal Co., Ltd., a global leader in the field of bonding materials for semiconductor packages, successfully achieved technological independence by becoming the first company in Korea to localize solder balls—previously reliant on imports—using its own patented technology. The company continues to invest in research and development (R&D) to strengthen its competitiveness in next-generation materials and is fostering a challenging and innovative corporate culture based on the cultivation of outstanding talent and a horizontal organizational structure. Going forward, we will continue to respond proactively to the rapidly evolving trends in global IT technology and strive to become the No.1 global innovation leader.

Solder Ball

Solder balls are core materials for semiconductor package bonding technologies such as BGA (Ball Grid Array) and CSP (Chip Scale Package). These technology-intensive products facilitate the transmission of electrical signals between chips and substrates. Based on proprietary methods developed by DS Hi-Metal Co., Ltd., we provide products that meet the demands for lightweight miniaturization and high performance of semiconductors, ensuring exceptional quality levels.



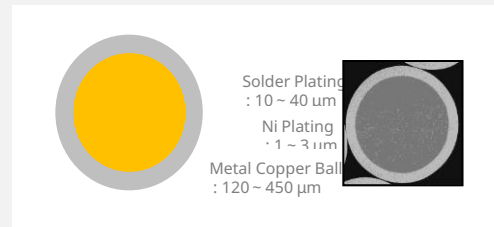
Micro Solder Ball

Micro solder balls are ultra-small solder balls measuring less than 150 microns and are essential materials for FC-BGAs (Flip Chip Ball Grid Arrays), which are semiconductor packaging substrates used in high-performance CPUs (Core Processing Units) and GPUs (Graphics Processing Units).



Cored Solder Ball

Core solder balls are materials that connect the chip and the substrate for electrical signal transmission while maintaining a uniform bump height. They are products with enhanced impact resistance, strengthened against external physical impact.



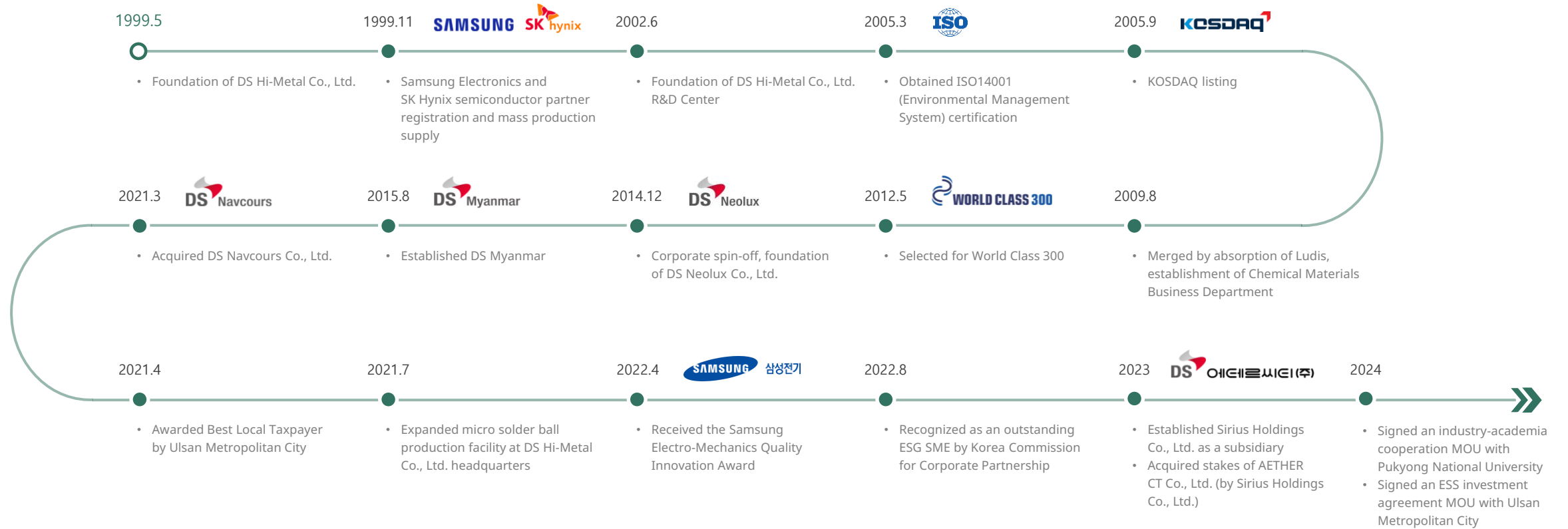
Solder Paste

Solder paste is a cream-like bonding material made by mixing solder powder and flux. DS Hi-Metal Co., Ltd. manufactures and sells solder paste for surface mounting, which prevents oxidation on the bonding and contact surfaces of substrates and devices. Additionally, we offer solder paste for bumping, which replaces solder balls to form solder bumps and pre-solder.



About Us

Corporate History



ESG performance

DS Hi-Metal Co., Ltd. is committed to practicing ESG management with the goal of achieving sustainable business operations and has been undergoing evaluations for its key ESG performance. In 2024, the company received an A rating from Sustainvest, an ESG assessment agency, which objectively demonstrated the stability and execution capability of its management system across Environment, Social, and Governance areas. Going forward, DS Hi-Metal Co., Ltd. will continue to systematically manage ESG tasks in each area, strengthen communication with stakeholders, and consistently review and enhance its mid- to long-term strategies and implementation framework centered on sustainability.



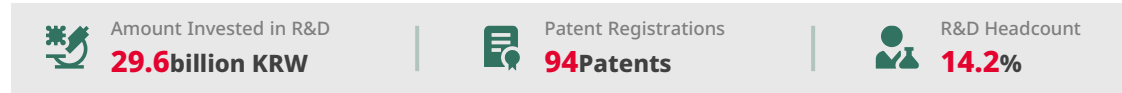
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R&D

R&D Promotion Policy

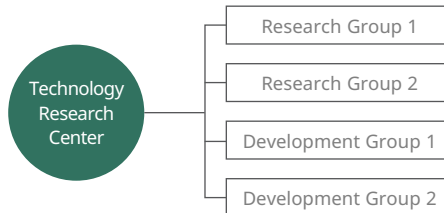
DS Hi-Metal Co., Ltd. is emerging as a global leader in advanced bonding material technology, leveraging its accumulated technological expertise and market competitiveness in the field of core materials for semi conductor packaging. With a focus on solder balls and high-reliability paste products optimized for various package platforms such as BGA, CSP, and WLP, the company has established itself as a key partner to semi conductor manufacturers both domestically and globally. Recently, DS Hi-Metal Co., Ltd. has been actively developing materials in response to next-generation packaging trends, including AI semiconductors, high-bandwidth memory (HBM), and chiplet structures, concentrating its R&D capabilities on ultra-fine micro solder balls and lead-free, high-reliability alloys. With a spirit of challenge to realize its vision as the '1st INNO-Creator' in the materials and components industry, DS Hi-Metal Co., Ltd. is leading the enhancement of industrial competitiveness through material technology and will continue to grow as an innovative company driving the paradigm shift in the global materials industry.

(As of December 31, 2024)



R&D Organization and Personnel

DS Hi-Metal Co., Ltd.'s research and development activities are centered at the Technology Research Center, established in 2002. Building on its accumulated experience and specialized technology in semiconductor materials, the company continues to pursue quality innovation and the development of new technologies. In 2024, a total of 35 R&D professionals are engaged in research and development, and efforts are ongoing to secure outstanding master's and doctoral-level researchers while also strengthening the technical capabilities of internal talent. DS Hi-Metal Co., Ltd. actively engages in agreements and joint research with leading domestic and international universities, including UNIST, Ulsan University, Pukyong National University, Busan National University, Hanyang University, and the University of Maryland. These collaborations include various initiatives aimed at enhancing practical, semiconductor post-processing-focused curricula. Going forward, DS Hi-Metal Co., Ltd. will continue to expand and cultivate its R&D workforce and strive to lead the development of next-generation technologies.



R&D Investment Status

In 2024, DS Hi-Metal Co., Ltd. continued its commitment to research and development to strengthen its leading position in the global semiconductor bonding materials market. A total of KRW 2.96 billion—equivalent to 3% of the company's annual sales—was invested in R&D throughout the year. This investment represents a strategic effort to enhance global technological competitiveness and discover future growth engines. Although the investment ratio slightly decreased compared to the previous year, this adjustment reflects a focus on improving R&D efficiency and implementing a strategy of selective concentration. DS Hi-Metal Co., Ltd. plans to continue investing steadily in the internalization of core technologies and the development of next-generation materials.

R&D Performance

DS Hi-Metal Co., Ltd. is dedicated to enhancing its internal capabilities for technological innovation and quality competitiveness, driven by a relentless passion for challenge and customer trust. The company is particularly focused on the development of advanced semiconductor packaging materials for next-generation technologies such as autonomous driving, artificial intelligence (AI), and the Internet of Things (IoT), establishing a technological foundation to lead future markets. In 2024, DS Hi-Metal Co., Ltd. completed the filing of 10 patent applications and the registration of 3 patents, continuing its efforts to secure technological competitiveness while also focusing on intellectual property activities to protect its technologies.

R&D Task Progress

Task Name	Progress in 2024
Development of Cu Post with diameters under 100 μm	Under development
Development of high-strength solder balls	Under development
Development of Cu Cored Solder Balls (CSB) with diameters under 100 μm	Under development
Development of NSB (Nano Solder Ball, diameter under 30 μm)	Under development

Patent Applications and Registrations

Type	Unit	2022	2023	2024
Applications	Cases	11	29	10
Registration	Cases	2	8	3



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ESG Management System

ESG & Mission Enhancement

The importance of ESG as a core criterion for sustainability and future growth is increasingly highlighted, and its influence is expanding across all corporate activities. Under the vision of "An ESG-leading company that fulfills its responsibilities to society and the environment with ethical management," DS Hi-Metal Co., Ltd. is continuously enhancing its system for sustainable management. Through this, the company aims to provide trust and satisfaction to all stakeholders and realize true win-win value.

ESG Management Strategy

Management Mission	An ESG-leading company that fulfills its responsibilities to society and the environment with ethical management		
ESG Direction	Environmental A company that creates value with green at its core	Social A company committed to social responsibility and sharing	Governance A company that fosters trust through transparent management practices
ESG Initiatives	<ul style="list-style-type: none"> Addressing Climate Change Developing Eco-Friendly Products Enabling a Circular Economy 	<ul style="list-style-type: none"> Strengthening social contributions Enhancing safety and health initiatives Ensuring fair opportunities 	<ul style="list-style-type: none"> Promoting ethical management Awareness Disclosing BOD Operations Leading by example in ESG management

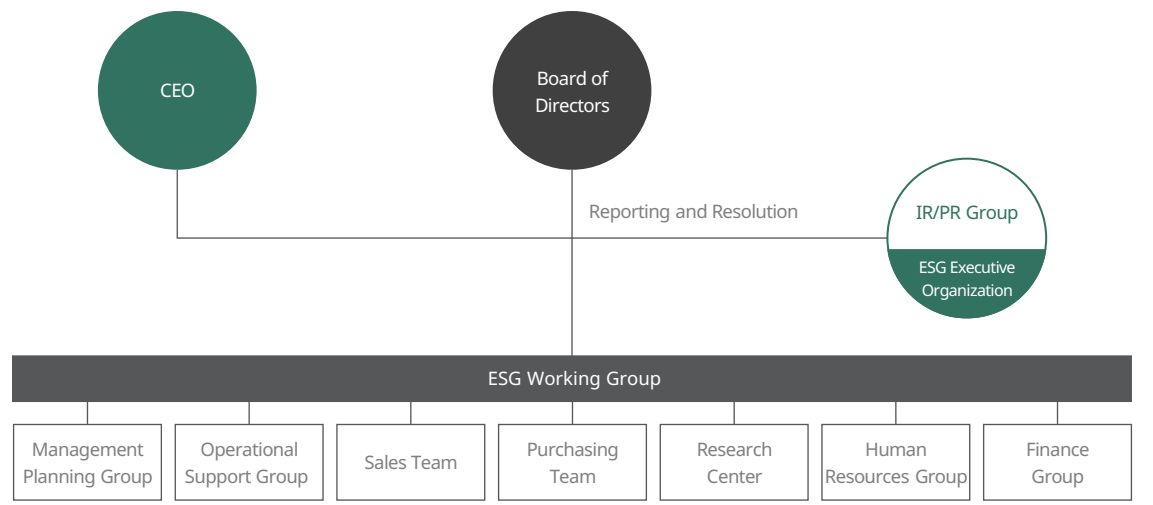
ESG Roadmap

	2024 →	2030 →	2050
Steps	Introduction Stage	Integration Stage	Excellence Stage
Objectives	Enhancing ESG Management Initiatives	Integrating ESG Management	Achieving Industry-Leading Standards
Core Area of Focus	Reduction of Greenhouse Gas Emissions	Enhancement of Stakeholder Communication	Expansion of Social Value

Establishment of ESG Governance System

DS Hi-Metal Co., Ltd. has established and operates a systematic ESG governance framework to realize sustainable growth. The ESG Working Group, composed of practical departments in the areas of Environment (E), Social (S), and Governance (G), collaborates with the IR/PR Group under DS Holdings to carry out company-wide ESG tasks, including the publication of ESG reports. The CEO regularly reviews ESG-related performance through the ESG Working Group and is responsible for final decision-making on the vision, goals, and improvement tasks. The Board of Directors annually reviews DS Hi-Metal Co., Ltd.'s key ESG issues based on a materiality assessment, analyzing the financial, social, and environmental impact of each issue, and evaluates the effectiveness of ESG management activities. To strengthen ESG management responsibilities, DS Hi-Metal Co., Ltd. plans to reflect the results of ESG (Environment, Safety, and Health) activities in the performance evaluations of top management. The company will continue efforts to internalize ESG management and enhance its practical implementation.

ESG Governance System

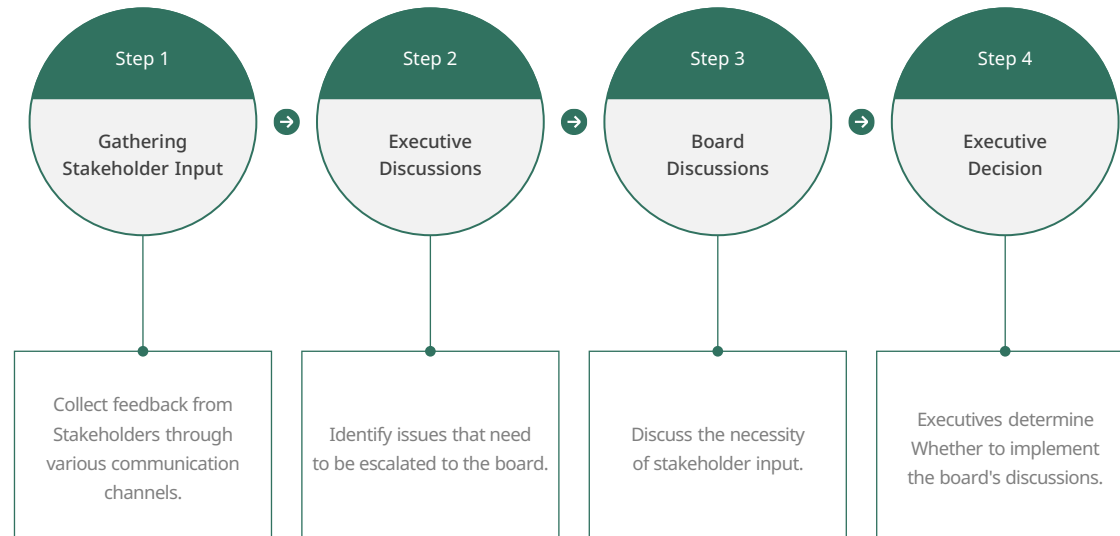


Stakeholder Engagement

Stakeholder Engagement and Communication

DS Hi-Metal Co., Ltd. recognizes the importance of communication in driving sustainable management and identifies stakeholders who have a significant impact on its business activities. We actively gather and incorporate their opinions into our management practices. DS Hi-Metal Co., Ltd. defines and manages key stakeholder groups as customers, employees, shareholders and investors, suppliers, and local communities. To encourage active stakeholder engagement, the company operates various communication channels and has identified key ESG issues of interest for each stakeholder group as outlined below.

Stakeholder Input Process



Stakeholder Communication Channels

Stakeholder	Categories	Stakeholder Key Concerns	Communication Channels
Customers	<ul style="list-style-type: none"> Business customers 	<ul style="list-style-type: none"> Competitive product pricing and quality Reducing product environmental impact Product patent infringement 	<ul style="list-style-type: none"> Customer meetings (ongoing) Website (ongoing)
Members	<ul style="list-style-type: none"> Board of Directors Executives Employees 	<ul style="list-style-type: none"> Non-discrimination and diversity Enhancing benefits Enable employee engagement Work-life balance 	<ul style="list-style-type: none"> Management briefings (as needed) Labor-Management Council meetings (quarterly) Employee communication events (as needed) Satisfaction surveys (annually) Website (ongoing)
Shareholders and Investors	<ul style="list-style-type: none"> Individual and collective investors Institutional investors Analysts 	<ul style="list-style-type: none"> Business performance Sustained growth Shareholder return policy Risk management 	<ul style="list-style-type: none"> Shareholder meetings (annual general meetings, special meetings as needed) IR presentations (as needed) IR conference calls (ongoing) Business reports (quarterly) Website (ongoing)
Partners	<ul style="list-style-type: none"> Suppliers and demand partners 	<ul style="list-style-type: none"> Fostering Fair Trade culture Promoting a culture of mutual growth and co-prosperity Ensuring smooth two-way communication 	<ul style="list-style-type: none"> Partner meetings (ongoing) Website (ongoing)
Local Communities	<ul style="list-style-type: none"> Local universities Charities 	<ul style="list-style-type: none"> Job creation Community contributions Creating social value 	<ul style="list-style-type: none"> Community service initiatives (ongoing) Hiring local talent (ongoing)



Materiality Assessment

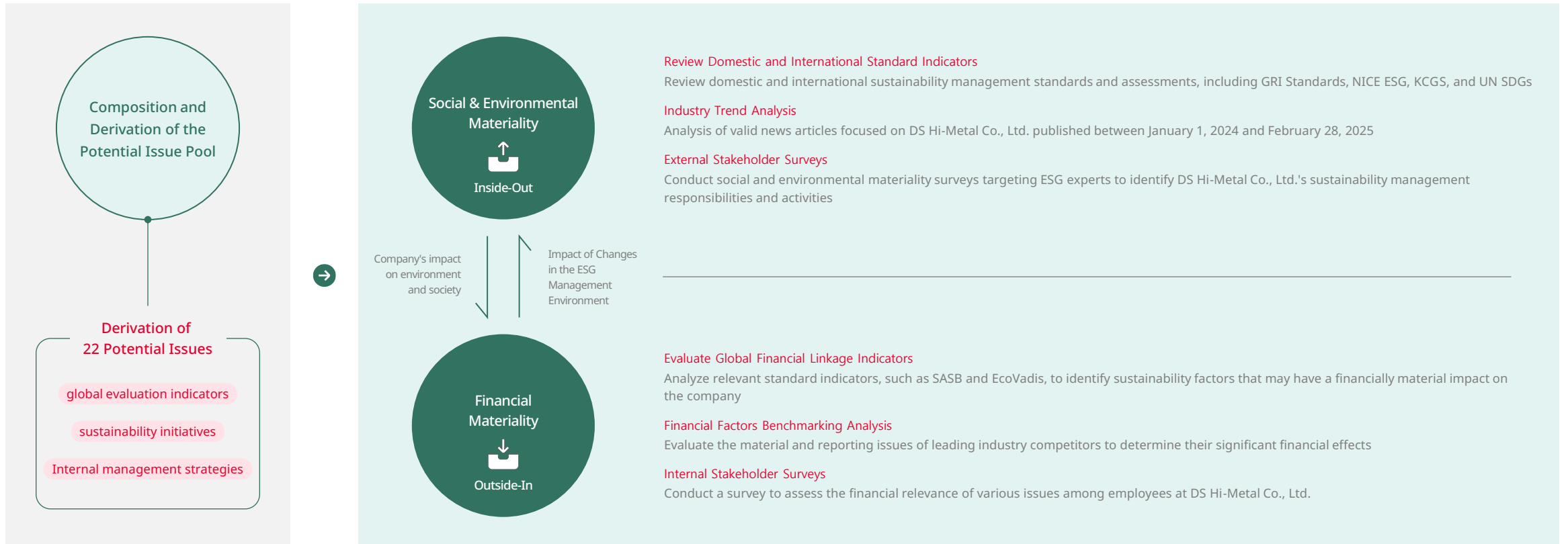
Double Materiality Assessment

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Double Materiality Assessment

Double Materiality Assessment Process

Strategic management of ESG-related issues is essential for sustainable management. DS Hi-Metal Co., Ltd. has conducted a double materiality assessment that considers both financial materiality and socio-environmental materiality in order to identify issues that are significant from a financial perspective as well as those that impact external stakeholders. Through this assessment, the company identified issues that have a substantial effect on its operations. By prioritizing 22 potential ESG issues, DS Hi-Metal Co., Ltd. has derived six key reporting issues that are critical to the company.



Double Materiality Assessment

Results of the Double Materiality Assessment

Materiality Map



Key Reporting Topics

Priority	Category	Issue Title	Change	Impact Area		GRI Index	Reporting Page
				Financial	Social		
1	Social	Fostering Talent and Next-Generation Leaders	New	H	H	404	28-29
2	Social	Enhancing Health and Safety Management	Maintain	H	H	403	33-35
3	Environmental	Greenhouse Gas Emissions Management and Reduction	Maintain	H	H	305-1 - 305-5	23-24
4	Environmental	Improving Waste Management	Maintain	M	H	306	24
5	Social	Creating a Desirable Workplace	New	L	M	401-2 - 401-3	30
6	Governance	Strengthening Ethical Management and Anti-Corruption Capabilities	Maintain	M	L	205, 206	45-47

Environmental Issue



Issue Background



Significance of the Issue

- 1 With growing global attention to environmental preservation, waste management is emerging as a key corporate agenda alongside climate change mitigation. Effective waste management plays a crucial role in realizing sustainable management by reducing costs and strengthening resource circulation, thereby laying a foundation for long-term growth. In the semi conductor industry, where various types of waste can be generated due to the nature of manufacturing processes, systematic waste management has become an important factor in assessing corporate credibility.
- 2 As abnormal climate patterns and environmental damage caused by climate change become more immediate threats, social interest and regulatory pressure surrounding greenhouse gas emissions are rapidly increasing. Companies are now expected to systematically manage their emissions and establish feasible reduction strategies in response.

DS Hi-Metal Co., Ltd's Response

- 1 DS Hi-Metal Co., Ltd. separates and processes waste in accordance with the Waste Management Act, entrusting all waste treatment to government-designated disposal contractors. Waste is classified into general and designated waste at the point of discharge, with general waste (paper, cans, plastic) and designated waste (waste organic solvents) entrusted for recycling. Additionally, metal waste generated during the production process is fully recycled through specialized scrap contractors.
- 2 More than 95% of DS Hi-Metal Co., Ltd.'s greenhouse gas emissions stem from electricity consumption. The company is enhancing its energy management and reducing usage through the operation of ISO 50001. A greenhouse gas inventory has been established to measure Scope 1 and Scope 2 emissions, and third-party verification has been conducted to improve the reliability and accuracy of the data.

Plans and Goals

- Expand the use of eco-friendly energy
- Reduce greenhouse gas emissions
- Achieve resource circulation targets
- Minimize waste generation at the source and promote recycling

DS Hi-Metal Co., Ltd 2024 Highlights

1

Recycling Resources *

2

Enhancing the Efficiency of Major Energy Source Facilities

3

Transitioning to Eco friendly Corporate Vehicles

*General waste, waste organic solvents, metal scrap

Social Issue



Issue Background



Significance of the Issue

- 1 A desirable work environment and organizational culture directly impact employee satisfaction, productivity, and the ability to attract and retain top talent. Particularly among the MZ generation, there is a stronger emphasis on work-life balance, horizontal culture, and diversity. External stakeholders also view such aspects as indicators of corporate sustainability and responsible management. Therefore, companies must make both institutional and cultural efforts to foster an autonomous and inclusive workplace.
- 2 Talent acquisition and next-generation leader development are fundamental to continuous corporate innovation and growth. Internally, they strengthen organizational capabilities, while externally, they enhance competitive edge in the market. As such, strategies to identify and nurture talent early and systematically are critical.
- 3 For companies, a safe and healthy workplace is not only a basic right tied to the lives of employees but also a key element in sustainable management. Industry stakeholders increasingly perceive a safe working environment as a fundamental corporate responsibility, while societal expectations regarding safety management continue to rise.

DS Hi-Metal Co., Ltd's Response

- 1 To promote a healthy work-life balance, DS Hi-Metal Co., Ltd. has introduced a flexible working hours system and operates a "Refresh Day" to foster a self-directed workplace. Additionally, to establish a horizontal organizational culture, the company actively supports club activities and conducts regular employee satisfaction surveys to improve organizational culture based on employee feedback. This approach seeks to create a desirable work environment where autonomy and flexibility coexist.
- 2 For talent acquisition and the development of next-generation leaders, DS Hi-Metal Co., Ltd. has established a systematic talent management strategy. The company has implemented training programs focused on strengthening job competencies and continues to expand internal education programs aimed at developing the skills of its employees.
- 3 To ensure workplace safety, DS Hi-Metal Co., Ltd. periodically provides safety and health training for employees, including CPR education, musculoskeletal disorder consultations, fire drills, and routine on-site safety inspections. These efforts are part of the company's commitment to cultivating a culture of safety and raising awareness across the organization.

Plans and Goals

- Promote flexible work hours, family-friendly policies, and club activities
- Conduct quarterly onboarding (OJT) sessions and role-specific competency training
- Achieve zero workplace accidents
- Conduct biannual risk assessments and ensure 100% completion of improvement measures

DS Hi-Metal Co., Ltd 2024 Highlights

<p>1</p>	<p>2</p>	<p>3</p>	<p>4</p>
100% Completion Rate for Employee Health Examinations	ESH Suggestion Program*	Implementation of a Flexible Working Hours System	Introduction of "DS Refresh Day"

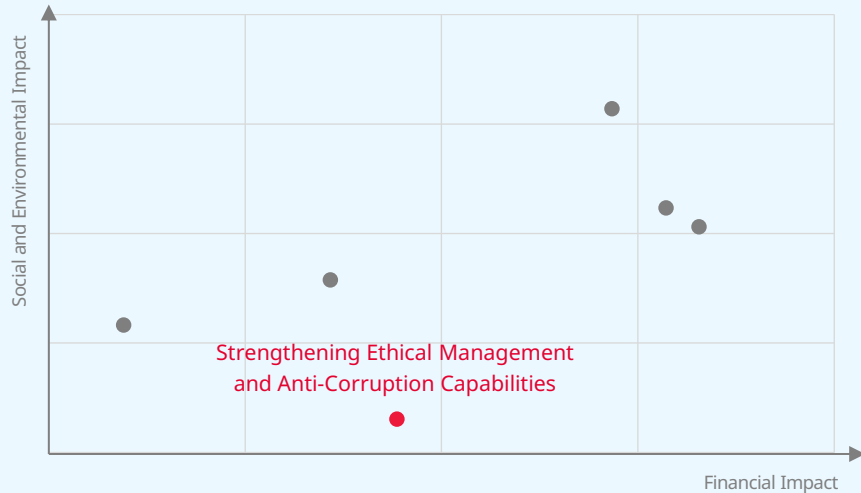
*31 cases Identified and improved



Governance Issue



Issue Background



Significance of the Issue

1 Ethical management and anti-corruption practices are essential prerequisites for corporate credibility and sustainable growth, and they are considered highly significant by stakeholders. Global supply chains, investors, and customers alike regard transparent decision-making and fair business practices as benchmarks of trust. As regulatory requirements continue to intensify, the importance of these practices continues to grow. For DS Hi-Metal Co., Ltd., enhancing its ethical management system plays a key role in preemptively mitigating risks, strengthening trust with the market and stakeholders, and ultimately contributing to greater competitiveness and corporate reputation over the long term.

DS Hi-Metal Co., Ltd's Response

1 DS Hi-Metal Co., Ltd. regards ethical management and an anti-corruption culture as core elements of corporate governance. The company is strengthening the institutional framework needed for transparent and fair corporate operations. We have established and operate a Code of Ethics and Code of Conduct that all employees are expected to follow, and we provide regular training to embed ethical awareness and encourage practical implementation.

Plans and Goals

- Expand Ethics Management Training for Employees
- Manage Ethics and Compliance Reporting Channels

DS Hi-Metal Co., Ltd 2024 Highlights



Implementation of Ethics Management Training for Employees



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ESG Performance

Key ESG Performance

Environmental

Achieved Resource Circulation Targets Above Expectations

Recycling Rate for Designated Waste

약 5%

(42 tons out of 837 tons of designated waste generated in 2024)

Established IoT System for Air Pollution Prevention Facilities

Additional IoT System Implementation Planned Through Government Support Programs

Maintaining emissions of air pollutants at less than 30% of legal limits and improving efficiency)

Greenhouse Gas Reduction Initiatives

- Signed New Contracts for Eco-Friendly Corporate Vehicles
- Reviewing Implementation of Solar Power Generation System

Visible Results in Eco-Friendly Product R&D

Usage of Recycled Raw Materials in Certified Recycled Products

92~100%

Social

Established DS Refresh Day system

Holidays Granted When Monthly Required Working Hours Are Fulfilled

Expansion of Industry-Academia Cooperation

Strengthening Ties with Local Communities Through MOUs (Industry-academia cooperation with universities in the Gyeongsang region)

Expansion of Social Contribution Activities

Support for Underprivileged Groups Through the Yuha Pureun Foundation

Establishment of a Safe Workplace

Serious Industrial Accidents

0 cases

Governance

Ethics and Anti-Corruption Activities

Completion Rate of Ethics and Anti-corruption Training

100%

Strengthening Internal Data Security

Legal Violations or Security Incidents

0 cases

Enhanced Compliance

Ethics or Compliance Violations

0 cases

Operation of Whistleblower Channel

Ongoing Operation of an Anonymous Reporting System

Environmental

Climate Change

Environmental Management System

DS Hi-Metal Co., Ltd. recognizes corporate responsibility for the environment and manages an environmental management system to minimize environmental impacts arising from business activities. Based on the Environmental Management System (ISO 14001) and the Energy Management System (ISO 50001), we comply with environmental laws and regulations and continuously carry out systematic management activities in the areas of energy, waste, pollutants, and water resources. In 2022, we launched full-scale ESG management and established an Environment, Safety and Health (ESH) policy to enhance employees' environmental awareness. In 2023, we enacted a separate environmental management policy and have since been actively promoting environmental management through various initiatives. We will continue striving to minimize environmental impact and realize sustainable management.

Environmental Management Policy

1. Conduct regular reviews of regulations to ensure full compliance with environmental laws and standards.
2. Establish and continuously improve the environmental management system to enhance company-wide environmental management efficiency.
3. Provide environmental training for employees and share environmental information to raise awareness and strengthen related competencies.
4. Set goals to minimize environmental pollution and realize a circular economy and revise them upward if necessary to maintain effectiveness.
5. Use energy efficiently to respond to climate change and reduce greenhouse gas emissions.

Environmental and Energy Management System Certificates

- 1 ISO 14001 Certificate
- 2 ISO 50001 Certificate

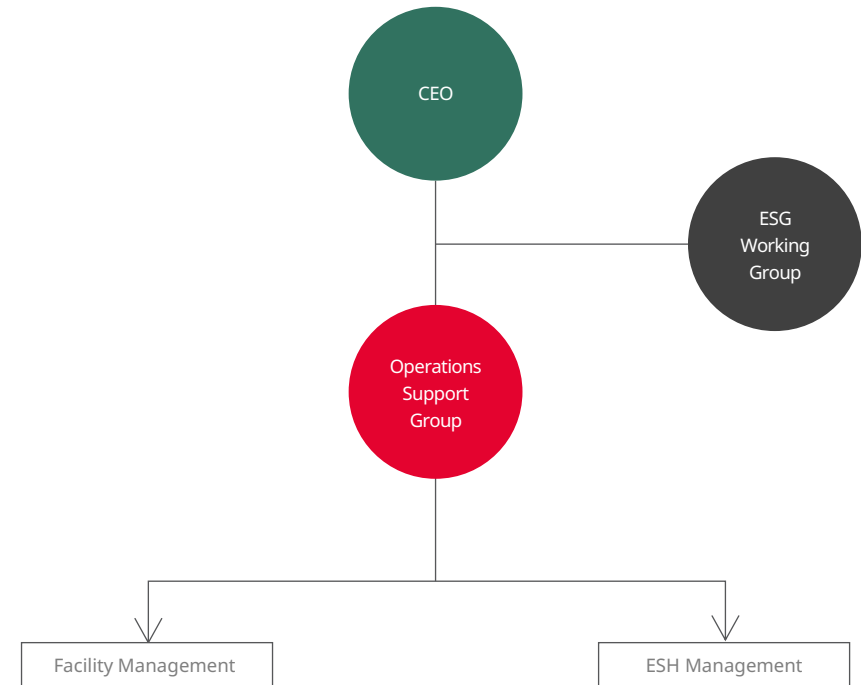


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Environmental Management Organization Chart





Environmental

Climate Change

Environmental Management System

Environmental Accident Prevention

DS Hi-Metal Co., Ltd. is continuously undertaking activities to prevent environmental accidents. Through regular environmental impact assessments, we identify environmental risks and strive to minimize resource consumption and waste generation. Additionally, we conduct annual environmental risk assessments and improvements through external ESH (Environment, Safety, and Health) consulting. We are also a member of the Ulsan Environmental Engineers Association, allowing us to stay informed about and comply with local environmental regulations.

Enhancing Environmental Awareness

To raise awareness of environmental safety among our employees and to deepen their understanding of hazardous substances, DS Hi-Metal Co., Ltd. conducts regular MSDS (Material Safety Data Sheet) training. Since 2022, we have also been operating a monthly environmental training program for all employees to promote environmental consciousness across the organization. DS Hi-Metal Co., Ltd. is committed to continuously expanding and strengthening environmental training to lead the way in building a sustainable future together with all stakeholders.

State of Environmental Training in 2024

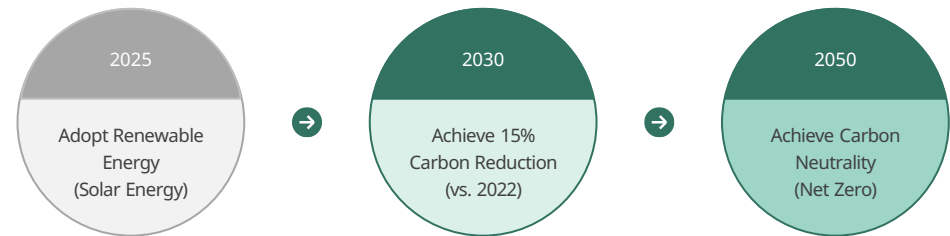
Training Date	Attendance Rate	Training Topic
February 2024	100% (Departmental training disseminated by supervisors, posted on ESH bulletin boards)	MSDS Training (MSDS management standard, etc.)
September 2024		Waste Management Training (Definition of waste management law, separation and disposal of designated waste, etc.)

Greenhouse Gas and Energy Management

Climate Change Response Activities

To join global efforts in addressing climate change, DS Hi-Metal Co., Ltd. has established a climate change response roadmap and is actively promoting related initiatives. In 2024, we enhanced our environmental management system through eco-friendly management consulting from an external agency. We also established a greenhouse gas inventory database and third-party verification system through dedicated consulting services. Based on this foundation, we have set a goal to reduce our GHG emissions by 15% by 2030 compared to 2022 levels. To achieve this goal, we are implementing various measures, including the adoption of eco-friendly energy sources, the transition to eco-friendly vehicles, and improvements in energy source equipment efficiency.

Climate Change Response Roadmap



GHG Reduction Activities

Category	Activity
Energy Equipment Efficiency Improvements	• Replacement of air compressor and air dryer systems
Introduction of Renewable Energy	• Introduction of ESS (Energy Storage System) for energy distribution • Reviewing the installation of a rooftop solar power system on the main building
Replacement of Corporate Vehicles with Eco-Friendly Models	• New contracts for eco-friendly corporate vehicles
Identification of Other Reduction Measures	• Adjustment of air handling unit temperature settings and replacement of filters

Environmental

Climate Change

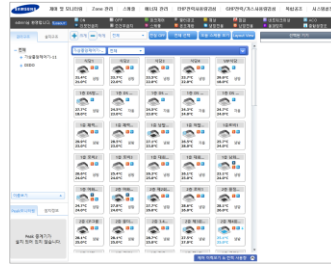
Greenhouse Gas and Energy Management

Energy Reduction Activities

DS Hi-Metal Co., Ltd. is promoting employee participation in energy conservation efforts starting with everyday practices. We have implemented a campaign to turn off lights, light fixtures, and PC monitors during lunch breaks and rest periods. Additionally, wireless motion sensors have been installed in restrooms to automatically turn off lights when not in use, contributing to energy savings. To enhance energy efficiency in major equipment that consumes a significant amount of energy, we manage operational conditions and continuously replace aging facilities with new, energy-efficient alternatives. Furthermore, we are working to improve energy distribution efficiency by implementing an Energy Storage System (ESS) for energy savings.



Equipment Upgrades



Remote Air Conditioner Monitoring System

Green Investment and Product Development

DS Hi-Metal Co., Ltd. is making active investments in the development of products designed to improve environmental performance and reduce carbon emissions. We are working on the development of low-melting solder ball products that can reduce carbon emissions by over 40% through low-temperature soldering processes. Our goal is to expand the application of these products to new semiconductor products. Additionally, we have successfully developed new products that address the limitations of low-melting solder, while enhancing product reliability. We are further refining low-melting solder ball products to improve reliability and enable joining at various temperatures.

Environmental Impact

Implementation of Circular Economy

Raw Material Management

DS Hi-Metal Co., Ltd. is expanding the use of renewable resources to strengthen its resource circulation system and maximize the efficiency of raw material management. We have established a circular system that reprocesses by-products generated during the production process and recycles them as raw materials, thereby enhancing resource efficiency and reducing waste generation. Through these efforts, we aim to minimize environmental impact, improve the sustainability of raw and subsidiary material procurement, enhance long-term corporate value, and further build customer trust. In addition, we closely trace the origin and production processes of raw materials to ensure transparency throughout the entire supply chain and to guarantee responsible sourcing. Through these practices, DS Hi-Metal Co., Ltd. seeks to position itself as a leading company that achieves a balance between sustainable growth and environmental protection.

Waste Management

DS Hi-Metal Co., Ltd. complies with the Waste Management Act and operates in accordance with documented standards for the treatment, discharge, and storage of waste generated at its business sites to ensure proper waste handling and management. General waste is promoted for recycling through separation and collection, while waste organic solvents, classified as designated waste, are entrusted to legally licensed and authorized waste treatment companies for 100% recycling. Non-ferrous metal by-products generated during processes are also 100% recycled through specialized scrap companies. Furthermore, the company monitors the volume of waste discharged on a monthly basis in an effort to minimize waste generation and increase the recycling rate.

Enabling a Circular Economy

DS Hi-Metal Co., Ltd. is continuously promoting the performance management of a circular economy. In 2024, approximately 837 tons of designated waste were generated, of which around 42 tons were actually recycled, achieving a recycling rate of 5%, thereby exceeding the resource recycling target set by the Korea Environment Corporation. The final disposal volume was approximately 161 tons, maintaining a compliant performance level of around 20%.



Environmental

Environmental Impact

Implementation of Circular Economy

Policy to Enhance Product Environmental Performance

DS Hi-Metal Co., Ltd. is working to reduce the environmental impact of its existing products by increasing the proportion of recycled tin used in production, in response to ongoing requests from domestic and international customers. Tin, which accounts for more than 95% of the raw materials used in DS Hi-Metal's flagship products—solder balls and solder paste—is currently undergoing sample testing for recycled application. At present, these tests are being conducted using recycled tin purchased from external suppliers. However, the company plans to collect tin scrap and utilize the electrolytic refining technology of its affiliate, DS Myanmar, to produce recycled tin in-house. Since 2023, DS Hi-Metal has been sourcing recycled tin through DS Myanmar and, upon successful mass production, intends to actively promote the material in alignment with the company's ESG policy through dedicated branding efforts.

Environmental Management of Supplier Products

DS Hi-Metal Co., Ltd. manages the environmental performance of materials used in its operations—including raw materials, product containers, and labels—by requiring suppliers to submit RoHS certificates during the supplier evaluation stage. The company monitors compliance with domestic and international restrictions on environmentally regulated substances, including verification of halogen-free status. Additionally, products supplied are continuously inspected for the use of regulated substances. If it is confirmed that a supplier is using such substances, DS Hi-Metal reviews the possibility of improvement through consultation, requests the submission and execution of an improvement plan within a specified timeframe, and terminates the contract if the improvements are insufficient. The results of environmental management for suppliers and updated RoHS documents are shared company-wide through the internal system.

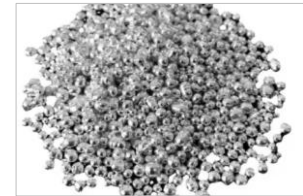
Development and Sales of Green Products

Since 2022, DS Hi-Metal Co., Ltd. has been building a sustainable manufacturing environment by promoting resource circulation and the adoption of eco-friendly materials. In addition to the active use of recycled materials and environmentally friendly packaging, we are steadily advancing by exploring various methods to reduce environmental impact. In 2024, we secured new suppliers for key metal raw materials such as silver (Ag), palladium (Pd), and bismuth (Bi), and applied them to production following thorough quality evaluations. As a result, various recycled raw materials have been added to our eco-friendly product line, which previously relied solely on tin (Sn), enabling us to now produce products using 100% recycled materials. Consequently, growing consumer awareness of our eco-friendly products and increasing demand from customers have led to rising sales volumes each year.

Eco-friendly Raw Materials



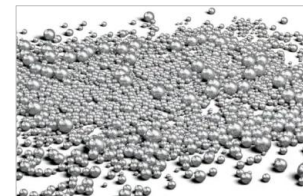
Recycle Tin



Recycle Ag



Recycle Ge



Recycle Bi

Environmental

Environmental Impact

Implementation of Circular Economy

Green Product Procurement

DS Hi-Metal Co., Ltd. is leading innovation in resource management for environmental protection by actively expanding the eco-friendly use of raw, subsidiary, and packaging materials. Since 2022, the company has focused on introducing recyclable and environmentally friendly raw and subsidiary materials while also identifying new suppliers and adopting eco-friendly packaging to strengthen its resource circulation system. In 2024, DS Hi-Metal Co., Ltd. successfully selected new suppliers for recycled Ag, Bi, and Pd, and secured a stable supply chain of eco-friendly materials by completing in-depth evaluations. Based on this foundation, the company has achieved the production of 100% recycled products using raw materials such as Sn, Ag, and Bi. These efforts have made a significant contribution to promoting a circular economy and enhancing environmental sustainability, and in support of DS Hi-Metal Co., Ltd.'s philosophy of responsible management, the company also plans to actively explore other eco-friendly mineral materials such as Ge in the future.

Green Materials Management

As the low-carbon circular economy becomes a globally significant value, DS Hi-Metal Co., Ltd. is striving to actively introduce eco-friendly products. We are working in collaboration with domestic and international eco-friendly suppliers to contribute to the development of a sustainable ecological system. In addition, the packaging used for solder ball products produced by DS Hi-Metal is made from eco-friendly materials, helping to reduce environmental impact throughout the entire product life cycle. We are also expanding testing on eco-friendly alternatives for workwear such as dust-proof clothing and footwear, with the aim of minimizing environmental impact through their future adoption.



Green Pallet



Packaging Material



Workwear

Water Resources and Pollutant Management

Water Resource Management

DS Hi-Metal Co., Ltd. operates five types of water discharge facilities, and all wastewater generated is entrusted to a designated waste treatment company licensed by the government for disposal. As a result, no wastewater is discharged externally from our facilities, minimizing the exposure of water pollutants to the outside environment. The domestic and industrial water used at DS Hi-Metal Co., Ltd. is sourced from municipal water supplies, and we are continually working to reduce water usage by improving our cleaning processes and optimizing cleaning methods.

Air Pollutant Management

DS Hi-Metal Co., Ltd. operates five types of air emission facilities, conducting self-measurements and monitoring for dust and hydrocarbons twice a year. Additionally, through our air pollution prevention systems (A/C adsorption towers), we maintain air pollutant emissions at levels below 30% of the legal emission limit. To ensure ongoing effectiveness, we regularly replace the activated carbon in our pollution prevention facilities at least once a year to enhance efficiency. We are also planning various projects, including government-supported initiatives, to install an IoT system for air pollution control facilities by 2025.



Air Pollution Prevention System



Replacement of Activated Carbon

Social

Employee

Talent Management

Human Resources Policy

DS Hi-Metal Co., Ltd. is committed to achieving sustainable growth by implementing a personnel system that fosters voluntary performance creation and talent development. We evaluate the performance and competencies of our employees fairly and reasonably, providing appropriate compensation. Additionally, we systematically identify and cultivate talent that aligns with our organizational values. By operating our personnel system based on the principle of fairness, we empower employees to take initiative in enhancing their performance and capabilities, thus promoting the continuous development of the organization. DS Hi-Metal Co., Ltd. prohibits discrimination based on gender, age, religion, social status, place of origin, educational background, marital status, pregnancy, or medical history throughout all personnel processes, including recruitment, training, placement, promotion, retirement, and dismissal. We guarantee equal opportunities for both men and women. These principles are clearly outlined in our personnel regulations, and the company actively implements them.

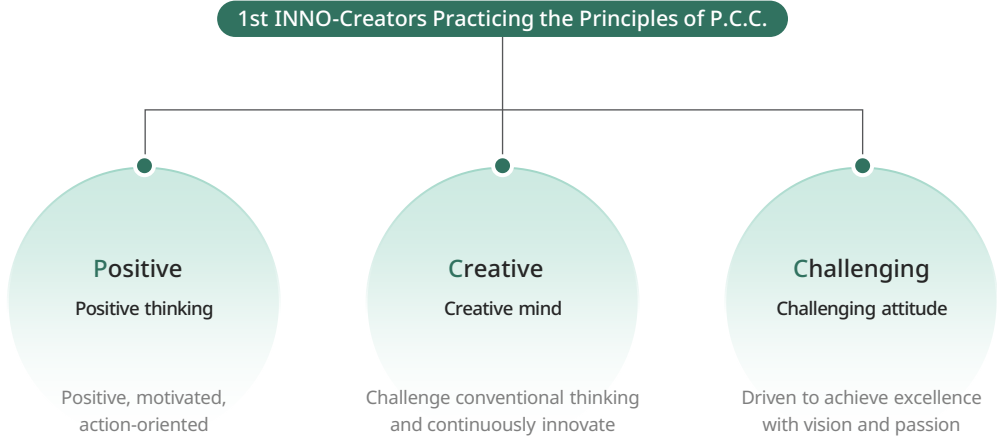
Human Resources System



Recruitment

DS Hi-Metal Co., Ltd. values the positive mindset, creativity, and challenging spirit of our employees as core principles for talent recruitment. To leap forward as the '1st INNO-Creator' in the materials and components industry, we are making continuous efforts across the organization to secure key talent. To attract creative and enterprising individuals, we operate both ad-hoc and ongoing recruitment systems based on our proprietary online platform. Additionally, to ensure smooth communication with job applicants, we provide various recruitment-related information through our interactive KakaoTalk channel, 'DS-in.' Furthermore, we actively collaborate with prestigious universities, both domestically and internationally, including Pusan National University and the University of Maryland, to foster and secure outstanding master's and doctoral candidates.

Our People





Social

Employee

Talent Management

Internal Job Transition System

DS Hi-Metal Co., Ltd. provides employees with opportunities for internal job transfers, allowing them to experience various roles and develop new competencies to diversify their skill sets. To encourage job transitions, the system is designed to respect the applicant's autonomy, maintaining strict confidentiality until personnel announcement and omitting the application and approval process by the current department head.

Internal Job Transition System

Category	Description
Redeployment	Facilitation of horizontal movement to another position at a similar level
Internal Recruitment	Open recruitment of internal employees for available positions within the company

Talent Development

DS Hi-Metal Co., Ltd. has established a systematic talent development strategy to maximize individual capabilities, internalize its desired talent profile, and strengthen job expertise. Based on this strategy, we operate training programs.

Talent Development Strategies and Training Programs

Category	Goal	Description
Leadership Competency	Developing the Next-Generation Leaders	Training for Existing and New Executives
		Position-Specific Training for Existing and New Employees
		Leadership Competency Improvement Training by Position
Common Competency	Internalizing of DS Hi-Metal Co., Ltd.'s Talent Profile and Behavioral Approach	Onboarding Programs for New and Experienced Employees
		Field Manager Training
		Ethics Training
Position-Specific Competency	Cultivating Top Experts in Each Field	Support for Specialized Job Training
		Technology Trend Seminars
		Foreign Language Competency Training

Employee Competency Enhancement Training

DS Hi-Metal Co., Ltd. operates online learning platforms, the DS Cyber Training Center and the DS Foreign Language Training Center, to offer a variety of learning resources for specialized job training and to improve foreign language proficiency. These online platforms are easily accessible from multiple devices, including mobile phones, PCs, and tablets, enabling employees to take the initiative in their learning without time or Internal Job Transition System location constraints.

Employee Competency Training Status

Category	Platform	Training Area	Number of Courses (Unit: Courses)
Specialized Job Training	DS Cyber Training Center	Industrial Technique and Knowledge	106
		Business Skills	79
		General Skills	89
		Total	274
Foreign Language Competency Training	DS Foreign Language Training Center	English	377
		Chinese	94
		Japanese	85
		Other Languages	29
		Total	585

Social

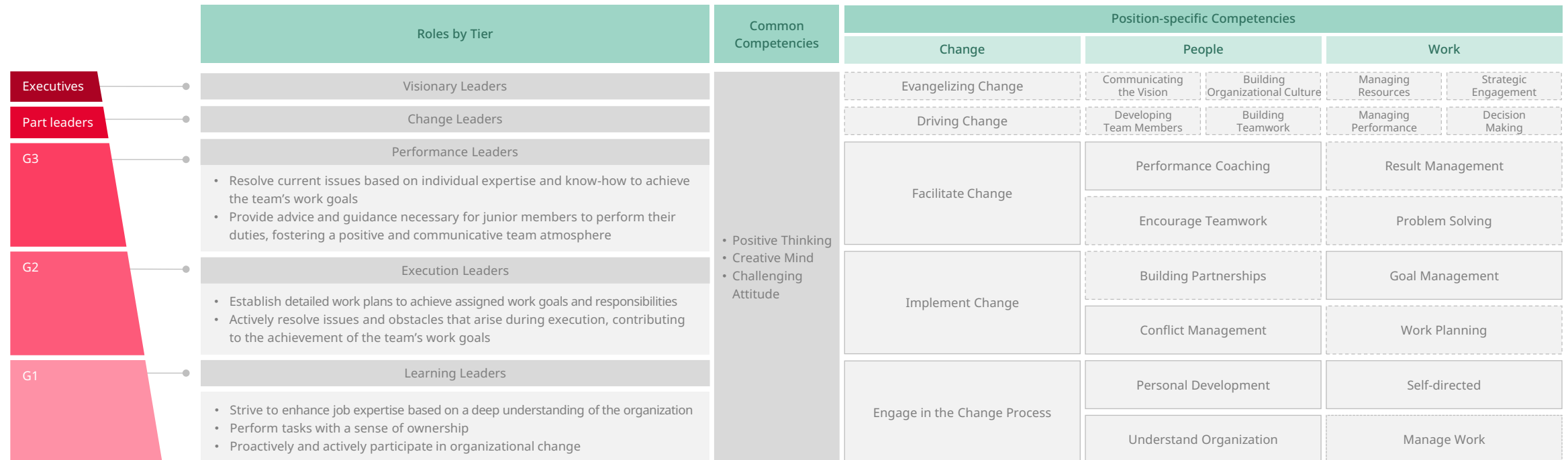
Employee

Talent Management

Improving Leadership Competencies

DS Hi-Metal Co., Ltd. provides a variety of leadership training, including leadership training for each position, position holder training, new employee training, and specialized job training. These programs enhance employees' understanding of common and position-specific competencies while selecting and strengthening individual focus competencies.

Tiered Leadership Competency Model



Social

Employee

Organizational Culture Transformation

Promoting Organizational Vitalization

To create an enjoyable and dynamic work culture, DS Hi-Metal Co., Ltd. operates various welfare and cultural support programs, including the in-house "Meditation Area," subsidies for club activities, and an on-site gym. In addition, we regularly conduct organizational culture surveys to identify employee needs and actively reflect them in our policies and operations, thereby enhancing organizational vitality and fostering a healthy work environment.

Promotion of Organizational Vitalization

Category	Description
Organizational Vitalization Financial Support	Monthly per-unit organizational vitalization expenses (dinners, meetings, etc.)
	Support for company club activities
Organizational Vitalization Space Support	In-house 'Meditation Area'
	In-house break room
	In-house gym
Improving communication	Management briefing session led by CEO
	Conduct an organizational culture survey for all employees
	Conduct a multi-faceted diagnosis (executives and department heads)



Organizational Vitalization

Work-Life Balance (Refresh Day)

DS Hi-Metal Co., Ltd. operates a flexible working hours system to respond to the changing labor environment and support employees' work-life balance. To further expand and implement this system, we are reviewing the introduction of a policy that grants a weekday off if the required monthly working hours are fulfilled. This not only enhances employees' concentration at work but also ensures time for family, personal leisure, and self-development, thereby improving overall life satisfaction.

Family Friendly Program Implementation

DS Hi-Metal Co., Ltd. strictly complies with maternity protection laws and has introduced a family-friendly program that both male and female employees can freely utilize. We actively encourage the use of this program to ensure that employees can work in a stable environment during pregnancy and child-rearing periods.

Family Friendly Program

Category	Description
Support for Female Workers	Maternity and parental leave for female employees, including pre-and post-natal leave
	Reduced working hours for employees during pregnancy and parenting
	Paid time off for prenatal checkups
	Paid lactation breaks for nursing mothers
Common Support	Assistance for fertility treatment leave
	Support for family care leave and vacation time

Retirement Pension System

DS Hi-Metal Co., Ltd. operates a defined benefit (DB) retirement pension system to support the stable post-retirement life of its employees. Prioritizing the secure provision of retirement benefits, we entrust retirement funds to pension products that are expected to yield stable returns.

Employee Satisfaction Survey

To understand the current state of our organizational culture and collect employee feedback for improvement, DS Hi-Metal Co., Ltd. has conducted annual organizational culture assessments using an external survey platform since 2021. The survey consists of 75 questions based on a 100-point scale, covering five key areas: trust, respect, fairness, pride, and camaraderie. Through this survey, we gain detailed insights into employee needs, and based on the results, we implement organizational culture improvement initiatives aimed at enhancing employee pride and satisfaction.

Social

Employee

Organizational Culture Collaboration

Employee Welfare System

DS Hi-Metal Co., Ltd. operates a variety of welfare programs to enhance employees' happiness and quality of life. We encourage the use of vacation time by providing support for summer recreational facilities and operate an in-house health center to promote well-being. In addition, we offer comprehensive welfare programs that cover expenses for health checkups and vaccinations, housing assistance, and educational support for employees and their children, thereby supporting all aspects of employees' lives.

Employee Benefits Programs

Category	Description
Housing Stability	Housing security deposit loan assistance, Rent subsidies
Health Promotion	In-house gym, Support for health checkups, Vaccination reimbursement
Leisure and Refreshment	Employee welfare points, Support for summer vacation properties, In-house clubs
Family Events	Support for family event expenditures and time-off
Tuition Assistance	Tuition assistance for employees/children, Support for children's enrollment celebrations

Enhancing Labor-Management Communication

DS Hi-Metal Co., Ltd. views collaborative labor-management relations as a key driver of corporate growth and is committed to fostering a healthy labor-management culture based on mutual respect and trust. Labor-management council meetings are held at least once per quarter, where employee representatives and management representatives communicate and discuss company policies, key management issues, suggestions, and grievances. Additionally, employees can propose work-related improvement ideas anytime through the 'Suggestions for Improvement' board on the company's intranet, and inquiries regarding living and work environments are received through the 'DS Communication Square,' with appropriate follow-up actions taken.

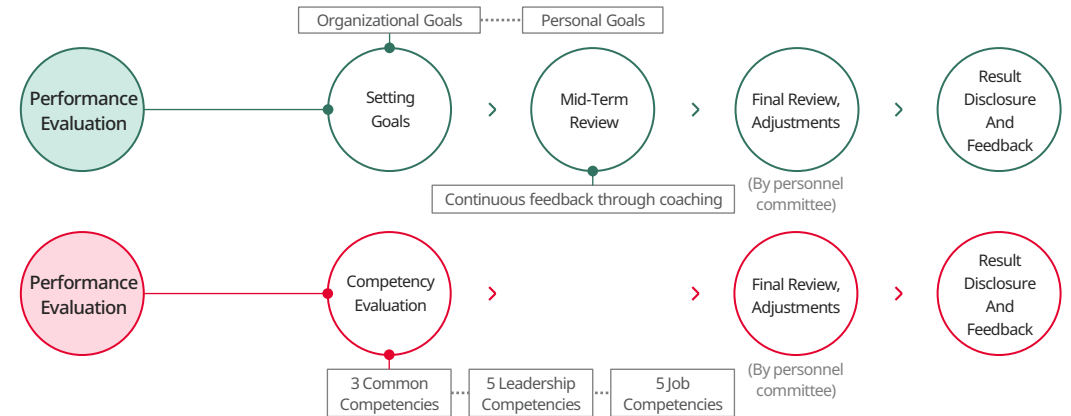
Employee Communication Channel

DS Hi-Metal Co., Ltd. operates a mobile-based communication channel to actively listen to the voices. Through this channel, employees can freely raise various concerns, including human rights violations, anytime and anywhere, and engage in real-time communication, providing an open environment for direct feedback with the company.

Performance Evaluation and Compensation

DS Hi-Metal Co., Ltd. manages performance through the MBO (Management by Objectives) system, where employees set their own goals and assess their achievement levels. Individual goals are established based on company-wide shared objectives, and during the collaborative process to achieve these goals, personalized coaching and feedback are provided to both develop employees' competencies and motivate them. The performance evaluation consists of both performance and competency assessments, which are linked to compensation and promotion decisions. The compensation structure includes a base salary and performance-based bonuses, with merit-based annual salary increases and performance-based pay rates.

Performance Evaluation System



Employee Compensation Plan

Category	Description
Fixed Salary	Base Salary: Annualized compensation
Variable Salary	Performance Incentives: Awarded differentially based on performance, taking into comprehensive account the achievement levels of company (shared), organizational, and individual goals.



Social

Employee

Strengthening Human Rights-Centric Management

Reinforcing Human Rights-Centric Management Policy

DS Hi-Metal Co., Ltd. recognizes that establishing codified standards is the most important starting point for realizing effective human rights-centric management. This serves as a clear declaration of the company's commitment to respecting human rights in all management and production activities and plays a critical role in transparently communicating this stance to both internal members and external stakeholders. The company respects the human rights of all stakeholders, including employees, and in 2023, established a Human Rights Charter to promote a corporate culture grounded in respect for human dignity. DS Hi-Metal Co., Ltd. remains fully committed to faithfully adhering to this charter and strengthening its human rights-centric management.

Human Rights Governance Management

At DS Hi-Metal Co., Ltd., the Human Resources Group is responsible for the prevention, identification, and management of human rights risks, and reports and discusses key human rights matters through the ESG Working Group. Among the agenda items handled by the ESG Working Group, those requiring review and approval by the Board of Directors are compiled by the IR/PR Group under DS Holdings, which serves as the ESG coordination body, and reported to the Board on a quarterly basis. The Board of Directors holds ultimate responsibility for overseeing human rights risk management at DS Hi-Metal Co., Ltd..

Identifying and Managing Human Rights Risks

DS Hi-Metal Co., Ltd. receives reports related to human rights violations through its online reporting channel, the "DS Clean Reporting Center." This reporting channel operates under strict anonymity. When an investigation is deemed necessary, the company prioritizes the protection of the victim and imposes strict disciplinary action against the perpetrator in accordance with internal regulations upon confirmation of the facts. The company identifies potential human rights risks based on reports received through the center and regularly reports these to the Board of Directors. In accordance with Board resolutions, DS Hi-Metal Co., Ltd. systematically carries out risk management activities such as introducing relevant penalty regulations, conducting human rights education, and organizing awareness campaigns. As of December 31, 2024, there have been zero reported cases related to human rights violations.

Preventing Human Rights Risks

DS Hi-Metal Co., Ltd. provides human rights training to all employees with the aim of fostering a healthy organizational culture by enhancing awareness and understanding of human rights in the workplace. Through this training, the company strives to improve the overall level of human rights awareness within the organization and to prevent human rights violations in day-to-day business operations.

Human Rights Training

Category	Attendance Rate (Participants/Target)		
	2022	2023	2024
Sexual Harassment Prevention	100% (236/236)	100% (221/221)	100% (245/245)
Workplace Bullying Prevention			
Disability Awareness			



Social

Employee

Strengthening Human Rights-Centric Management

DS Hi-Metal Co., Ltd. Human Rights Charter

1. Basic Principles

DS Hi-Metal Co., Ltd. endorses international standards and guidelines pertaining to human rights and labor, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), and the core conventions of the International Labor Organization (ILO). The company actively implements human rights management practices to prevent violations during its business operations.

2. Scope of Application

The DS Hi-Metal Co., Ltd. Human Rights Charter is applicable not only to employees (executives, regular, and non-regular staff) but also to its domestic and international affiliates (DS Navcours and DS Myanmar) and partners across various business relationships. It is also utilized to evaluate companies targeted for investment, mergers, and acquisitions.

3. Operational Guidelines

3-1	Prohibition of Discrimination	DS Hi-Metal Co., Ltd. ensures that employees are treated fairly in recruitment, promotion, training, and welfare benefits, without discrimination based on gender, race, ethnicity, nationality, religion, age, social status, or political beliefs. The company commits to providing equal pay for equal work within the same workplace.
3-2	Compliance with Labor Conditions	DS Hi-Metal Co., Ltd. adheres to the working conditions, working hours, rest periods, and minimum wage laws mandated by labor relations laws in the countries where it operates. The company establishes mutually agreed-upon wage contracts with all employees and provides detailed wage statements.
3-3	Humane Treatment	DS Hi-Metal Co., Ltd. prohibits any form of mental or physical coercion, abuse, or unreasonable treatment of employees. Appropriate measures and support are provided to victims in cases of related harm.
3-4	Prohibition of Forced Labor	DS Hi-Metal Co., Ltd. does not compel anyone to work against their will through mental or physical restraint, nor does it require the surrender of government-issued identification, passports, or work permits as a condition of employment.
3-5	Guarantee of Freedom of Association and Collective Bargaining	DS Hi-Metal Co., Ltd. ensures the right to association, collective bargaining, and collective action in accordance with the labor relations laws of the countries where it operates. The company provides employees with ample opportunities for communication regarding working conditions.
3-6	Prohibition of Human Trafficking	DS Hi-Metal Co., Ltd. forbids the recruitment, transportation, transfer, harboring, or receipt of individuals through force, abduction, fraud, or deception for the purpose of exploitation.
3-7	Compliance with Minimum Employment Age	DS Hi-Metal Co., Ltd. complies with the minimum age for employment as set forth by the Labor Relations Act and the ILO in the countries where it operates, with hiring practices focused on individuals over the age of 18.
3-8	Ensuring Occupational Safety	DS Hi-Metal Co., Ltd. conducts regular inspections of facilities, equipment, and tools to prevent physical and mental risks, ensuring a safe working environment for all employees.
3-9	Operation of Grievance Handling Process	DS Hi-Metal Co., Ltd. maintains a grievance handling channel that is accessible to both employees and external stakeholders, allowing for the reporting of human rights violations and the implementation of measures to prevent recurrence.
3-10	Review of Human Rights-Centric Management Status	DS Hi-Metal Co., Ltd. periodically assesses its human rights-centric management practices to ensure alignment with international standards and guidelines related to human rights and labor. Improvement activities are implemented as necessary.

Social

Safety and Health

Fostering a Culture of Safety

Strengthening the Safety and Health Management System

DS Hi-Metal Co., Ltd. prioritizes the life and health of its employees above all else and is working to strengthen a company-wide safety and health management system. We have established a preventive, risk-based management system and operate various systems and programs to foster a self-directed safety culture that goes beyond legal requirements. Through CEO-led ESH meetings, operation of the Industrial Safety and Health Committee, regular workplace environment assessments, and musculoskeletal disorder prevention activities, we systematically manage on-site risks. In addition, we are realizing a leadership-centered safety and health management system by reinforcing accountability for supervisors through performance evaluations and enhancing training.

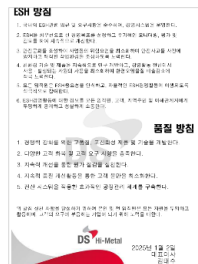
ESH Policy

1. Adhere to all domestic and international ESH-related regulations and requirements and maintain a compliant management system.
2. Establish safety and health management goals, monitor them regularly, and strive for continuous improvement through evaluation and review.
3. Foster a safety culture by minimizing workplace risks to prevent accidents and create a safe, pleasant work environment.
4. Communicate ESH management activities transparently with employees, customers, local communities, and stakeholders in good faith.
5. Continuously research and develop eco-friendly technologies and products and work to reduce environmental pollutants by minimizing resource use throughout our business activities.
6. All employees recognize the importance of ESH and actively participate in voluntary ESH management initiatives.

Policy and Certificate

1 Environmental/Safety and Health Policy

2 ISO 45001 Certificate

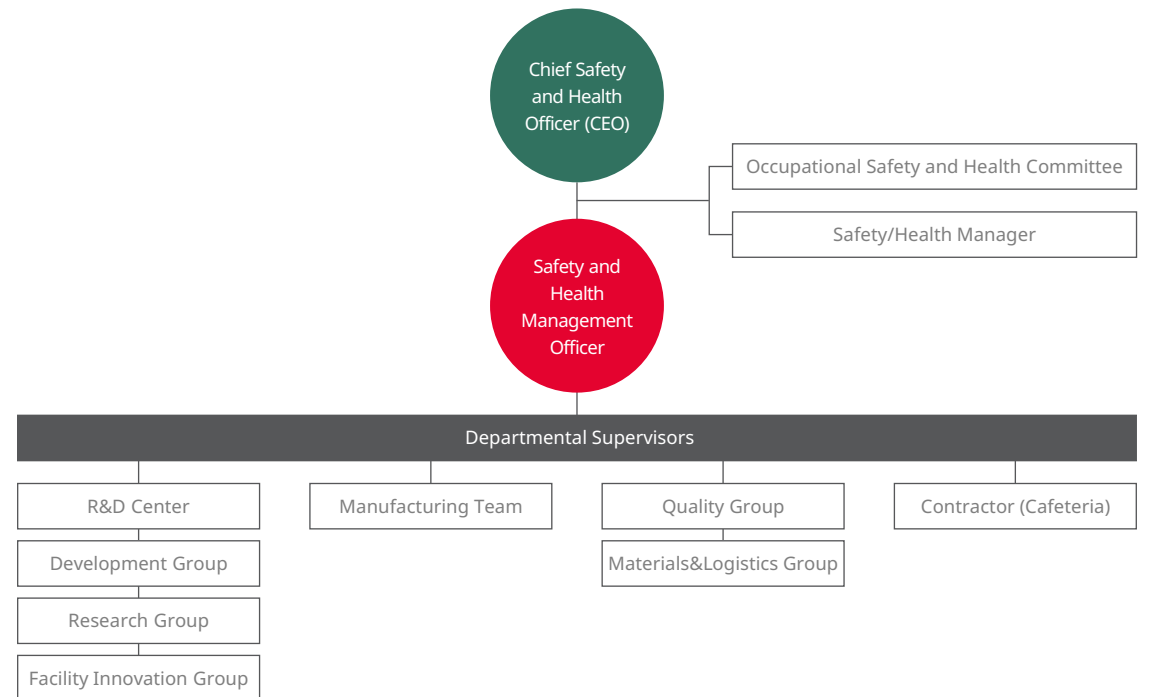


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Safety and Health Management Organization Chart





Social

Safety and Health

Fostering a Culture of Safety

Operation of the Occupational Safety and Health Committee

DS Hi-Metal Co., Ltd. regularly operates the Occupational Safety and Health Committee in accordance with the Industrial Safety and Health Act, striving to create a safe and healthy working environment through collaboration between employees and employers. The committee discusses various issues, such as industrial accident prevention measures, improvement of harmful and hazardous factors, and work environment management strategies, ensuring that these discussions lead to tangible improvements in the workplace. By actively reflecting the employees' opinions in this process, the company is building a collaborative safety and health culture based on mutual trust, which serves as an important foundation for sustainable management.

2024 Operational Performance of the Occupational Safety and Health Committee

Category	Agenda	Outcome
Q1 2024	<ul style="list-style-type: none"> Preliminary investigation of hazardous factors for work environment measurement and special medical examinations Standardization of safety signs and safety rules for workers Review of external training for risk assessment personnel 	<ul style="list-style-type: none"> Work environment measurement (May 8) and special medical exams (June 12) completed Safety sign requirements identified by process; production and distribution planned External training for managers/supervisors held in July
Q2 2024	<ul style="list-style-type: none"> Plan to conduct a job stress factor assessment in 2024 Reassessment of risk scores for the first half risk assessment Planning and implementation of emergency drills 	<ul style="list-style-type: none"> Job stress assessment conducted via external agency (Aug-Sep) Major hazard risks (fire, electric shock) reassessed Process-specific emergency drills completed in July Company-wide emergency drill scheduled for November
Q3 2024	<ul style="list-style-type: none"> Pandemic influenza vaccinations Review of company-wide emergency drill implementation Implementation of second half risk assessment 	<ul style="list-style-type: none"> Influenza vaccinations administered in November Fire drill conducted with professional agency in November Risk assessments completed and shared across 11 departments
Q4 2024	<ul style="list-style-type: none"> Expansion of individual KPIs related to ESH Regular monthly ESH meetings Sharing and promoting ESH policies and safety rules among workers 	<ul style="list-style-type: none"> Personal KPIs applied (e.g., PPE use, fire extinguisher checks) Safety signs and zero-accident boards posted at key locations

Gathering Feedback on Safety and Health

DS Hi-Metal Co., Ltd. operates the ESH Suggestion System to encourage voluntary participation from employees and establish a safety culture. By identifying and implementing various ideas and improvements from the workplace, the company contributes to the continuous improvement of the working environment and the reduction of safety and health-related risks. In 2024, a total of 22 suggestions were submitted, of which 21 were successfully implemented, and one improvement plan is currently being carried out. Additionally, the company actively supports sharing these suggestions within the organization to promote company-wide awareness and improvement of safety and health practices.

Enhancing Safety and Health Management Responsibility

To strengthen the company-wide ESH system, DS Hi-Metal Co., Ltd. regularly holds monthly ESH meetings under the leadership of the CEO. In these meetings, key activities and achievements from each department, as well as safety-related issues, are shared, and action-oriented solutions based on necessary improvements in the workplace are discussed. Additionally, the monthly ESH performance reports systematically assess departmental performance, identify best practices, and encourage the widespread adoption of these practices across the company. Specifically, the level of ESH activity by executives is directly reflected in their personnel evaluations, promoting accountability and continuous commitment to safety and health activities. Through this, the company is advancing the establishment of a voluntary and systematic safety culture.

Enhancing Safety and Health Inspection Activities

DS Hi-Metal Co., Ltd. strengthens on-site safety and health inspection activities to proactively identify potential risks and prevent accidents through immediate corrective actions. Safety inspections are conducted by safety managers, supervisors, and relevant department heads to eliminate recurring risks and improve the safety of the work environment. Furthermore, inspection results are promptly shared with the relevant departments to ensure practical improvements. To encourage voluntary participation from employees, the company also operates a checklist-based self-inspection system. Through these efforts, DS Hi-Metal Co., Ltd. is actively promoting the spread of a company-wide safety culture and striving to achieve an accident-free workplace.

Social

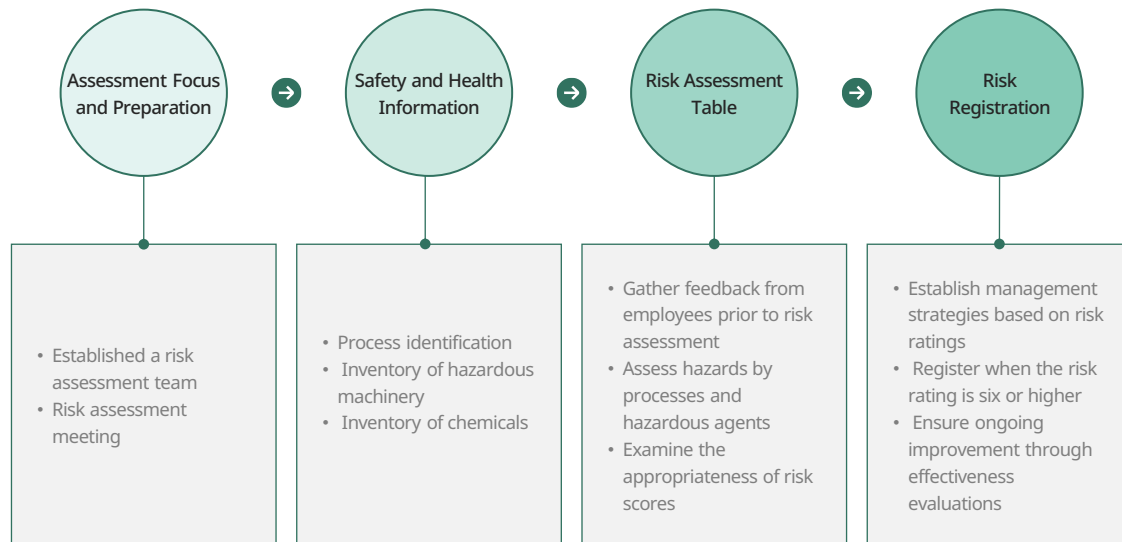
Safety and Health

Fostering a Culture of Safety

Implementation of Risk Assessment

DS Hi-Metal Co., Ltd. conducts risk assessments twice a year, incorporating employee feedback. Through risk assessment meetings with full employee participation, potential risk factors are identified, and site-based assessments are carried out under the supervision of managers. The finalized assessment results are shared company-wide via the groupware system, and the outcomes from other groups are benchmarked and applied on-site. Improvement efforts are continuously managed through effectiveness evaluations to ensure sustained progress.

Risk Assessment Process



Safety and Health Activities

To enhance employees' awareness of safety and health, DS Hi-Metal Co., Ltd. conducts mandatory safety and health training as well as special training sessions. In collaboration with the Ulsan Fire Department, the company also regularly provides CPR training. Practical, hands-on training is emphasized to strengthen emergency response capabilities, and all employees are encouraged to participate. In addition, an internal ESH slogan contest fosters a culture where employees can voluntarily engage with and act on safety and health principles. The selected slogans are used in both internal and external promotional materials to promote a company-wide safety mindset.

2024 Emergency Drills

Process-specific Emergency Drills	Procedures for handling incidents such as fires, falls, and chemical spills	07/2024
Company-wide Emergency Evacuation Drill	Fire hydrant and fire extinguisher use training	11/2024



Employee Emergency Drill

Employee Health and Wellness Management

To systematically manage the health and safety of its employees, DS Hi-Metal Co., Ltd. conducts regular health examinations and provides personalized health management based on the results. The company also maintains a pleasant work environment by identifying and addressing hazardous factors in advance through work environment measurements. To prevent musculoskeletal disorders, DS Hi-Metal Co., Ltd. offers specialized training and practical programs. In terms of job stress management, psychological counseling using tarot cards and HRV (Heart Rate Variability) testing are conducted in parallel, supporting employees' physical and mental well-being from multiple angles.



CPR Training



Employee Psychological Counseling

Social

Customer

Enhancing Quality-Driven Management

Quality-Driven Management System

DS Hi-Metal Co., Ltd. has set "Customer Quality First" as the core principle of its quality management, practicing quality management with customer satisfaction as the top priority. To achieve zero defects, the company regularly conducts internal self-assessments and improvement activities to identify quality issues early. Additionally, in order to proactively meet customer demands, DS Hi-Metal Co., Ltd. establishes customer-specific quality standards and continuously enhances its response system based on quality data.

Quality-Driven Management Policy

1. Strengthen technological competitiveness to respond to rapidly changing markets.	3. Achieve cost competitiveness through continuous improvement activities.
2. Secure the highest quality through continuous benchmarking.	4. Maintain and manage the highest quality by introducing scientific management techniques.

Quality Management System



Quality-Driven Management Organization Chart



Maintenance of Quality-Driven Management System Certification

Since obtaining the IATF 16949 certification in 2018, DS Hi-Metal Co., Ltd. has maintained 100% compliance through renewal and follow-up audits. Additionally, to strengthen the operation of the quality management system, the company conducts annual internal process reviews and continuously improves them. To enhance responses for new product mass production and customer certifications, DS Hi-Metal Co., Ltd. has established a PPAP response system and a change management system, operating a One-Loop Quality Management System that connects internal quality audits and External assessments.



IATF16949 Certificate

Social

Customer

Enhancing Quality-Driven Management

Efforts to Enhance Product Quality

DS Hi-Metal Co., Ltd. is driving various improvement activities to continuously enhance product reliability and quality. Weekly internal quality meetings are held to analyze quality data by process and identify improvement tasks for major defect issues. The results of these actions are systematically managed through feedback. Additionally, we regularly invite customers to our company for line tours, during which we introduce products and collect relevant feedback to proactively reflect and improve based on customer requirements.

Product Quality Monitoring

DS Hi-Metal Co., Ltd. is establishing a step-by-step SPC-based real-time quality monitoring system that enables automatic detection and tracking of key quality variables. By preparing to implement SEM analysis AI and an automated visual inspection system using microscopes, inspections are conducted by equipment rather than personnel, ensuring product reliability and compliance with customer requirements. In addition, regular PATROL inspections promote on-site, self-directed quality assessments.

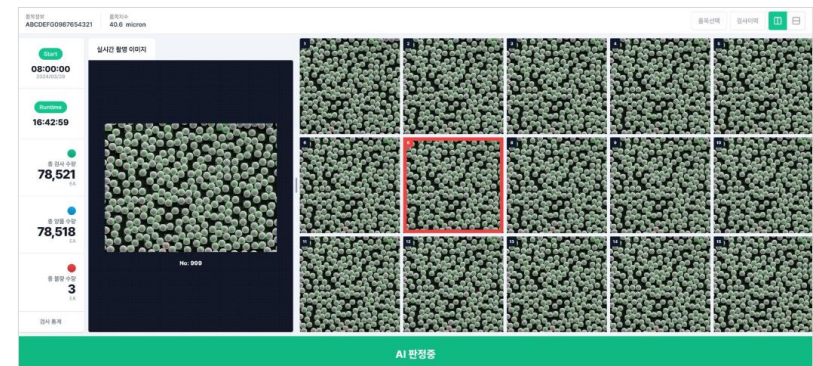
Product Safety Management

DS Hi-Metal Co., Ltd. places the highest priority on product safety, applying strict management standards at every stage of production. Each product undergoes thorough safety reviews from design to shipment, eliminating potential risk factors in advance. In addition, we comply with the latest regulations and international standards to provide customers with safe and reliable products. Through continuous product monitoring and improvement activities, DS Hi-Metal Co., Ltd. is committed to minimizing all risks that may arise during product use and protecting customer safety.

Enhancing Product Quality



Solder Ball Dimension Auto Inspection



FE-SEM AI Automated Inspection

Social

Customer

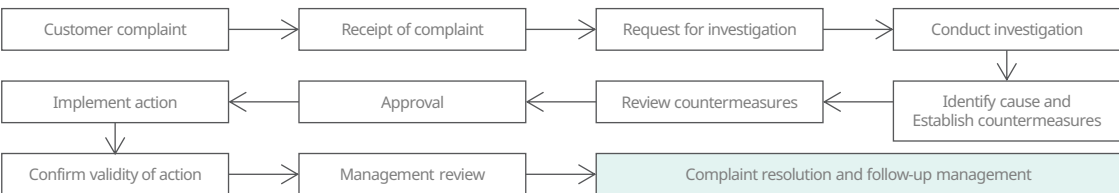
Enhancing Customer Satisfaction

DS Hi-Metal Co., Ltd. is committed to achieving customer satisfaction through a customer-centric management approach. We operate support programs such as a satisfaction management process and Voice of Customer (VOC) to strengthen trust-based relationships with our customers.

Customer-Centric Management Organization Chart



Complaint Handling Process



Complaint Handling Process

DS Hi-Metal Co., Ltd. has established and manages a customer complaint handling process to address issues raised by customers. Upon receiving a complaint, a customer complaint resolution team composed of relevant group representatives is formed to take swift action. The responsible departments record the complaint in the computerized system using a customer complaint register to manage and share feedback history. After identifying the root cause and establishing measures to prevent recurrence, corrective actions are implemented, and their effectiveness is verified through communication with the customer. A corrective action report is then prepared and sent to the customer. In addition, follow-up management is conducted to monitor the progress and effectiveness of the improvement measures outlined in the corrective action report.

Customer VOC Management

DS Hi-Metal Co., Ltd. has established a customer management process to systematically collect and manage customer VOC (Voice of Customer). This process applies to activities with our customers or potential customers, including contract management, review and application of customer requirements, order management, customer service, and communication. Through sales activities, we gather VOC from customers, collaborate with relevant internal departments to develop response measures and communicate the results back to the customers.

Enhancing Customer Satisfaction

DS Hi-Metal Co., Ltd. has established a customer satisfaction management process to regularly monitor customer satisfaction levels regarding the products and services provided. To preemptively address potential complaints and enhance quality, a monthly customer satisfaction survey is conducted. The survey targets top customers based on the sales ratios from the previous year, while other customers are categorized as "Other" and managed separately. Results are reported to management and shared company via collaborative software. Issues, as well as any additional complaints received, are addressed through internal processes and improvements are made accordingly.

Customer Satisfaction Survey Items

1	Quality Issues (Major or Minor)	4	Product Yield	6	Number of Claims
2	Complaint Handling Time	5	Number of Additional Shipping Charges	7	Customer Score
3	Delivery Adjustment Rate				

Social

Supply Chain

Supply Chain Management

Strengthening Partner Supply Chain Management

DS Hi-Metal Co., Ltd. has established and operates a transparent procurement process for sustainable supply chain management. To this end, we have created a purchasing ethics charter and are working to support our partners in overcoming financial difficulties and stabilizing management. Additionally, we encourage the establishment of sustainability practices among lower-tier partners across the entire supply chain. In the future, we plan to gradually establish an ESG management and evaluation process for our partners and consider introducing support programs to foster mutually beneficial cooperation.

Major Supply Chain Management Policy

Category	Description
Purchasing Ethics Charter	Obligation of DS Hi-Metal Co., Ltd. and its partners to faithfully comply with fair trade regulations and integrity agreements.
Conflict Minerals Purchase Policy	Prohibition of transactions with suppliers that are involved with organizations or their affiliates that violate human rights or engage in criminal activities, or that provide direct or indirect support to such entities.

Partners Code of Conduct

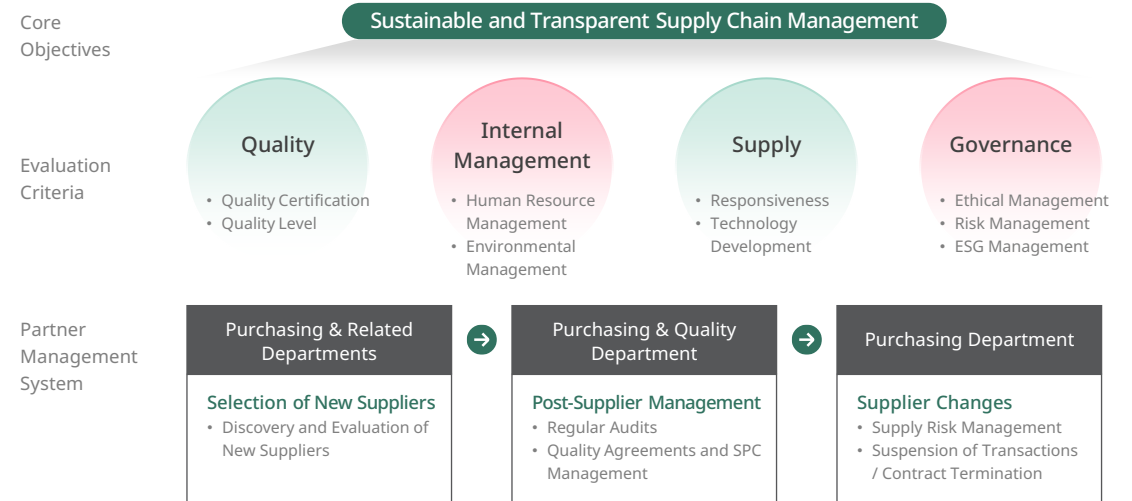
DS Hi-Metal Co., Ltd. mandates that its suppliers adhere to the following requirements:

- Labor Rights and Conditions (compliance with workers' rights and demands)
- Environmental Protection (adherence to relevant laws and regulations.)
- Safety and Health (worker safety and well-being)
- Ethical Management (legal compliance and fairness)
- Management Systems (accountability and transparency)

Enhancing Partner Management System

DS Hi-Metal Co., Ltd. focuses on managing the quality, internal management, and supply stability of our partners from the product development stage to establish a stable supply chain. By diversifying our supplier base with cost-competitive products that share similar characteristics, we ensure stable inventory management. Additionally, we are implementing institutional improvements to enhance quality levels, such as awarding bonus points for supplying eco-friendly products and successfully launching new products.

Enhancing Partner Management System



Partner Selection and Evaluation

DS Hi-Metal Co., Ltd. evaluates risks using an internal checklist when selecting new partners. The evaluation covers five key areas: quality management systems, risk management, resource (environmental) management, product realization, and inspection/analysis and improvement. We establish contractual relationships and conduct business only with companies that score 70 or higher out of 100. For post-evaluation of existing partners, we conduct an annual assessment using a checklist based on each partner's quality management certification system. If a partner scores inadequately, corrective actions are requested, and a re-evaluation is initiated. In our comprehensive evaluation, we gather and assess various factors, including post-evaluation results from the previous year, delivery and defect performance, unit pricing, and ESG risks. Based on the overall evaluation score, we classify partners as Major or Minor and provide incentives, such as educational or consulting support and adjustments in order quantities, to encourage voluntary management and improvement by our partners.

Social

Supply Chain

Partner Management

Classification and Management of Suppliers

DS Hi-Metal Co., Ltd. classifies its suppliers into Major, Minor, and Other categories based on their comprehensive evaluation ratings. Major suppliers are strategic partners with high purchase volumes and importance, supplying items classified as raw materials in the production process. Minor suppliers provide key auxiliary materials such as packaging materials and components like precision sieves and are managed as suppliers requiring continuous oversight from selection through post-management. For both Major and Minor suppliers, we establish quality assurance agreements that clearly define their obligations and responsibilities. These agreements stipulate requirements such as reporting of changes, inspection methods, corrective actions for nonconformities, and compliance with the quality management system standards expected of our suppliers.

Criteria for Classifying Partners

Category	Description
Major Partners	Suppliers of raw materials
Minor Partners	Suppliers of key auxiliary materials and major production components
Other Partners	Suppliers of miscellaneous materials and reagents

Supply Chain ESG Management

DS Hi-Metal Co., Ltd. manages the ESG risks of its counterparties to fulfill corporate social responsibilities and build a sustainable supply chain. We distribute the RBA (Responsible Business Alliance) Code of Conduct to our counterparties with whom we have business and contractual relationships and request their compliance with it. In addition, we require them to submit confirmation of non-use of environmentally regulated substances. Through ongoing monitoring, we check whether our counterparties remain compliant. Looking ahead, we plan to strengthen sustainable supply chain management by expanding the incorporation of ESG factors into supplier selection and post-evaluation processes, and by advancing training and support programs to enhance ESG capabilities.

Plans to Improve ESG Management of Partners

Category	Description	Implementation Year
Support Program for Outstanding Partners	Online training support for partners that receive an A grade in the comprehensive evaluation	2024
Strengthening ESG Capabilities of Partners	Expanded training support for partners based on comprehensive evaluation results	2025

Fair Trade and Mutual Growth with Partners

DS Hi-Metal Co., Ltd. is committed to fostering mutual growth with its partners, aiming to enhance the level of sustainable management within the supply chain. To this end, we have established a Purchasing Code of Ethics and operate a fair and transparent procurement process. We also conduct regular surveys to assess the actual conditions of partner operations, reviewing transaction terms and management status. Going forward, we plan to check the ESG status of our partners and provide phased support to those in need.

Partner Management Action Plan

Category	Description	Implementation Year
Purchasing Policy Regarding Conflict Minerals	Prohibition of transactions with suppliers involved in human rights violations or criminal activities, or those who have direct or indirect relationships or provide support to such organizations or their affiliates.	2024
Fair Trade Agreement	Implementation of contracts based on the principle of good faith and sincerity, introduction and adherence to guidelines for fair and objective selection and management of partners, and promotion of mutual growth.	2025



Fair Trade and Mutual Growth Standard Agreement

Social

Supply Chain

Partner Management

Conflict Minerals Management

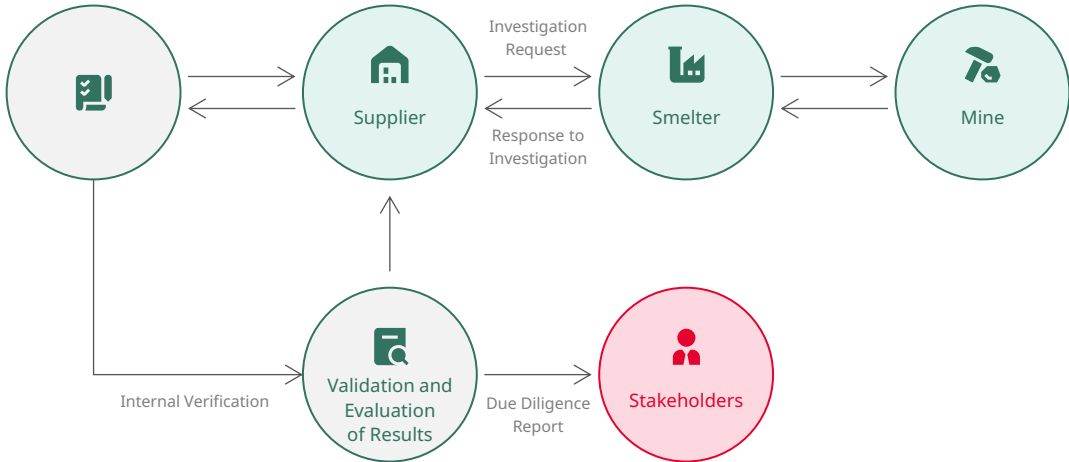
To ensure supply chain sustainability and fulfill its ethical responsibilities, DS Hi-Metal Co., Ltd. prohibits, in principle, the use of conflict-affected and high-risk minerals. We are committed to using only minerals certified by the Responsible Minerals Initiative (RMI)¹. In alignment with the RBA Code of Conduct, we have established a purchasing policy on conflict minerals² and require partners handling relevant minerals to submit a pledge of non-use, as well as the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). We conduct regular due diligence, and in cases of false reporting, misfiling, omissions, or use of uncertified minerals, we take appropriate action in accordance with our internal regulations. DS Hi-Metal Co., Ltd. will continue striving to procure and manage minerals that are legally mined and responsibly sourced from both social and environmental perspectives.

¹. A global consultative body that conducts origin-tracing investigations of the four major conflict minerals and battery raw materials such as cobalt and provides continuous monitoring and certification of manufacturers.
². Minerals such as tin, tantalum, tungsten, and gold produced in conflict-affected regions, including the Democratic Republic of the Congo and its neighboring countries.

Purchase Policy Related to Conflict Minerals

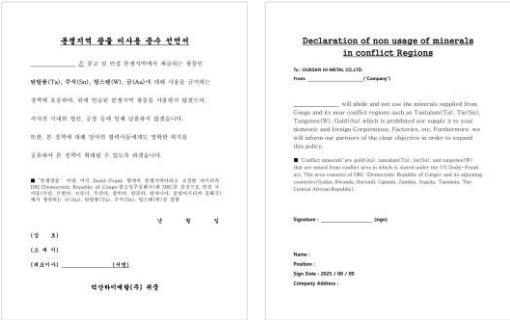
- We will not tolerate, benefit from, contribute to, or promote the following activities:
 - Torture, abuse, and human rights violations
 - Coercion and forced labor
 - Child abuse
 - Infringement of freedom
 - Violations and abuses of human rights
 - War crimes, violations of international humanitarian law, crimes against humanity, and genocide
- If we identify a significant risk that a supplier is engaging in business with a party involved in any of the activities listed in item 1 or in any other illegal activities, we will not enter into business with that supplier. If the supplier is already part of our supply chain, we will terminate the business relationship.
- We will not tolerate providing direct or indirect support to anti-government armed groups or their affiliates through the purchase of minerals, financial payments, or provision of equipment. "Anti-government armed groups or their affiliates" refer to groups that illegally occupy mines, control transport routes, and distribute minerals by imposing taxes, extorting valuables, and illegally acquiring minerals.

Conflict Minerals Management Activities



Declaration of Non-Usage of Conflict Minerals

We require our partner companies to expand the implementation of a policy prohibiting the use of minerals from conflict-affected and high-risk areas, in accordance with DS Hi-Metal Co., Ltd.'s mineral sourcing policy.



Declaration of Non Usage of Conflict Minerals (For Partners)

Social

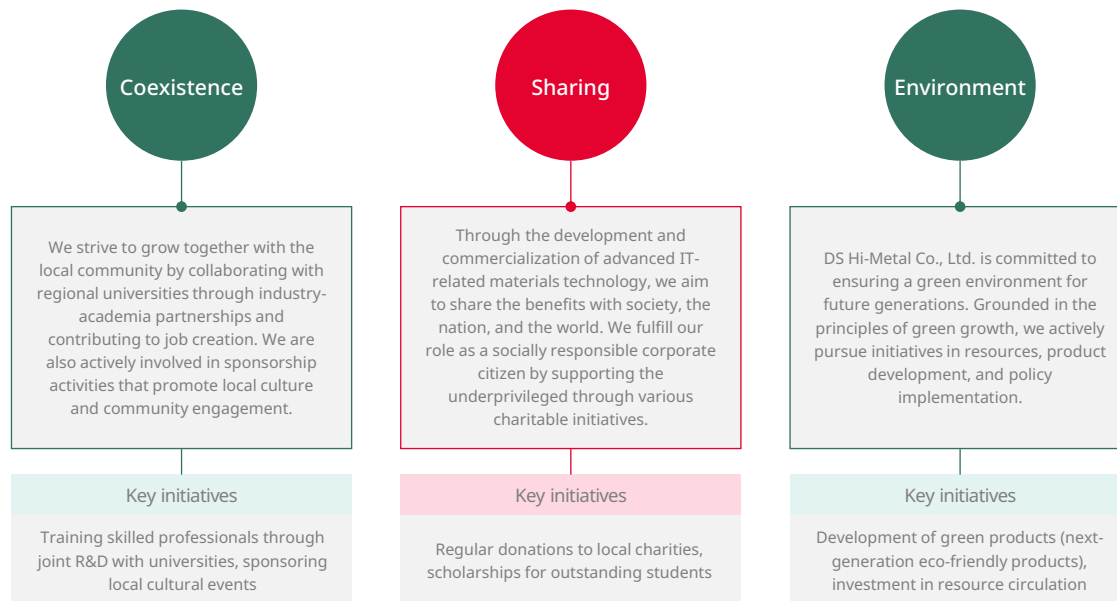
Community

Community Contributions

Social Contribution Strategy

DS Hi-Metal Co., Ltd. carries forward the talent-centered management philosophy of its founder, Chairman Lee Jun-ho, placing emphasis on sponsorship and investment in ‘people (人).’ As part of the DS Group’s company-wide social contribution efforts, we make regular donations to the Yuha Pureun Foundation, established in 2017. Through this foundation, we engage in various social contribution activities focused on nurturing talent that will contribute to national and societal development, while supporting underprivileged groups – particularly in the Ulsan region, where our business operations are based.

Giving Back to People



Community-Based Industry-Academic Collaboration

DS Hi-Metal Co., Ltd. regards mutual growth with the local community as a core value and is committed to technology development and talent cultivation through collaboration with local universities. This initiative not only helps discover and nurture outstanding local talent but also contributes to creating quality job opportunities. Furthermore, we actively engage in various sponsorship activities to foster the ongoing development of local society and culture, while fulfilling our corporate social responsibility and strengthening our ties with the community through active communication and collaboration.

Industry-Specific Technology Cooperation

DS Hi-Metal Co., Ltd. is committed to continuous technological collaboration with the goal of sharing value with society, the nation, and the global community through the development and commercialization of cutting-edge IT-related material technologies. In addition, we engage in various sharing activities to support socially disadvantaged groups, including the underprivileged, fulfilling our responsibilities as a civic enterprise beyond technological innovation.



Signing of Industry-Academic Cooperation MOU



Industry-Academic Cooperation Appreciation Plaque



Operation of Scholarship Foundation



Governance

Governance

Board of Directors Composition and Operation

Board Composition

DS Hi-Metal Co., Ltd. diligently fulfills its essential role in deliberating and determining the company's fundamental management policies, significant business execution matters, and issues delegated by the general shareholders' meeting, all in accordance with applicable laws and the Articles of Incorporation. To ensure transparency, at least one-fourth of the total number of directors must be independent directors, and the appointment requirements for outside directors, as outlined in the Commercial Act, are strictly adhered to. The term of office for both inside and outside directors is set at three years, with reappointment contingent upon an evaluation of the Board's activities. As of December 31, 2024, the composition of the Board of Directors of DS Hi-Metal Co., Ltd. consists of two inside directors, one non-executive director, and two outside directors.

Board Diversity and Expertise

DS Hi-Metal Co., Ltd. upholds a non-discriminatory policy in director appointments, ensuring that decisions are based on candidates' practical experience and expertise rather than gender, race, religion, nationality, or cultural background. The finance and IR/PR groups at DS Hi-Metal Co., Ltd. support the decision-making process for board agendas and management performance analysis. Moving forward, we plan to expand training programs aimed at enhancing the professional capabilities of outside directors, as well as providing training to strengthen the sustainable management competencies of both inside and outside directors.

Appointment of Directors

The directors of DS Hi-Metal Co., Ltd. are ultimately appointed at the general shareholders' meeting. To prevent the appointment of unqualified directors, the Board conducts a qualification examination of director candidates using the evaluation form from the Korea Exchange before the general shareholders' meeting. Based on the examination results, the recommended director candidates are presented as an agenda item at the shareholders' meeting. In the director appointment process, we consider the candidates' backgrounds, areas of expertise, potential conflicts of interest, and understanding of their roles, and appoint candidates who do not fall under any disqualification criteria established by the Commercial Act or other related laws. Furthermore, during the appointment process, we review whether candidates have any significant conflicts of interest, such as share ownership in our company or other firms, or previous employment. Directors with special interests or potential conflicts of interest have their voting rights restricted to maintain the integrity of the Board.

Board Independence and Transparency

To ensure the independence of the Board of Directors and enhance transparency, we operate the Board with a clear separation between the roles of the CEO and the Chairman of the Board. Additionally, we appoint a full-time auditor with relevant expertise to oversee corporate management. This auditor is granted the authority to request materials, enabling independent supervision of the directors' activities. Outside directors are also granted the right to request materials, ensuring they have appropriate access to management information and are able to make independent assessments of board agendas.

Board Members

(As of December 31, 2024)

Category	Name	Gender	Career	First Appointment	Term Expiration
Inside Directors	Soo-hoon Lee	Male	Current, Co-CEO of DS Hi-Metal Co., Ltd. Current, CEO of DS Holdings Current, CEO of DS Neolux	2024.11.01	2027.11.01
	Tae-soo Kim	Male	Current, Co-CEO of DS Hi-Metal Co., Ltd. Former, Vice President at Samsung Display	2024.11.01	2027.11.01
Non-Executive Directors	Woo-han Kim (Chairman of the Board)	Male	Current, Inside Director at DS Holdings, DS Ethernity Current, Non-Executive Director at DS Neolux, DS Nepcore Former, Executive Director at LG Chem	2024.03.26	2027.03.26
Outside Directors	Myeong-cheol Cha	Male	Current, Outside Director at DS Hi-Metal Co., Ltd. Former, President at Daesin Industrial Co.	2023.03.30	2026.03.30
	Hong-ju Park	Male	Current, Outside Director at DS Hi-Metal Co., Ltd. Former, Kakao Enterprise	2024.03.26	2027.03.26



Governance

Governance

Board of Directors Composition and Operation

The Board of Directors (BOD) of DS Hi-Metal Co., Ltd. convenes regularly in accordance with the annual operating plan, with extraordinary meetings held as necessary. In 2024, the BOD held a total of 14 meetings to discuss 17 agenda items, including resolutions regarding the appointment of co-CEOs. The attendance rate for both inside and outside directors at BOD meetings was 96.5%. For further details on BOD operations, please refer to the Business Report. The key agenda items discussed at the BOD meetings are listed below.

2024 Board of Directors Operations Status

Meeting Date	Attendance Rate	Details	
2024.12.26	100%	Approved	1. Agreement on Offsetting of Receivables and Payables with Overseas Subsidiary DS Myanmar
2024.11.01	84%	Approved	1. Establishment of Co-CEO Regulations and Appointment of Co-CEOs
2024.06.07	100%	Approved	1. Amendment of Management Services Contract and Integrated Information Systems Support Contract
2024.02.16	100%	Approved	1. Report on the Operation and Evaluation of the Internal Control System for 2023 2. Cancellation of Stock Option Grant

Board Evaluation and Remuneration

The remuneration limits for directors and auditors are determined by the final approval of the General Meeting of Shareholders each year. In accordance with the Executive Pay Management Regulations, common KPIs linked to company-wide strategic objectives and individual KPIs based on the duties performed are set, and base salaries and performance bonuses are awarded annually within the established remuneration limits based on a five-tier evaluation system.

Current Status of Director Remuneration

Category	Unit	Inside Directors	Outside Directors
Total Remuneration	KRW 1M	1,627	49
Average Remuneration Per Person	KRW 1M	813.5	24.5

Shareholder Composition

The largest shareholder of DS Hi-Metal Co., Ltd. is DS Holdings Co., Ltd., which holds 34.9% of the shareholding. As of December 31, 2024, the total number of outstanding shares of DS Hi-Metal Co., Ltd. is 45,437,002, and shareholders of DS Hi-Metal Co., Ltd. are entitled to one vote per share they hold, in accordance with the Commercial Code and Article 23 (Voting Rights) of the Articles of Incorporation.

Shareholder Status

(As of December 31, 2024)

Category	Shares	Ratio	Remarks
DS Holdings Co., Ltd.	15,849,848	34.9%	Largest Shareholder
Soo-hoon Lee	8,628,248	19.0%	-
Young-hee, Go and other related parties	1,763,910	4.0%	-
Other shareholders	19,194,996	42.1%	
Total	45,437,002	100.0%	

Category	Shareholder Name	Shares	Ratio
More than 5%	DS Holdings Co., Ltd.	15,849,848	34.9%
	Soo-hoon Lee	8,628,248	19.0%

Enhancing Shareholder Value

DS Hi-Metal Co., Ltd. is actively engaged in investor relations (IR) activities aimed at enhancing shareholder value. We hold corporate briefings for both domestic and international institutional investors and regularly participate in IR conference days and conference calls. Additionally, we transparently disclose financial performance and sustainability management performance via IR materials and ESG reports on our website to improve stakeholder access to information. Since 2019, we have fully implemented an electronic voting system, allowing shareholders of DS Hi-Metal Co., Ltd. to attend the General Meeting of Shareholders, express their opinions on agenda items, and exercise their shareholder rights without any constraints related to location or time.

Governance

Ethics and Compliance Management

Enhancing Ethics and Compliance Management

Enhancing Ethics and Compliance Management Policy

DS Hi-Metal Co., Ltd. has established an ethics charter and code of ethics to achieve fair and transparent ethics and compliance management. Based on these, we operate an ongoing monitoring system. The code of ethics applies not only to regular employees but also to non-regular employees, and compliance is also encouraged among external stakeholders, including counterparties. Furthermore, all members sign an annual ethics management pledge, internalizing the standards of ethics management and putting them into practice.

Ethics Charter

We share the corporate philosophy pursued by the company and the management principles set forth by management. We respect the order of the free competitive market and the principles of fair competition. Through management activities that adhere to the highest ethical standards and comply with the laws and regulations of all regions and countries where we operate, we aim to enhance corporate value and pursue shared prosperity with all stakeholders.

Code of Conduct

DS Hi-Metal Co., Ltd. is actively promoting ethical management based on trust and communication, ensuring compliance with laws, upholding ethical standards, and fulfilling its corporate role and social responsibilities.

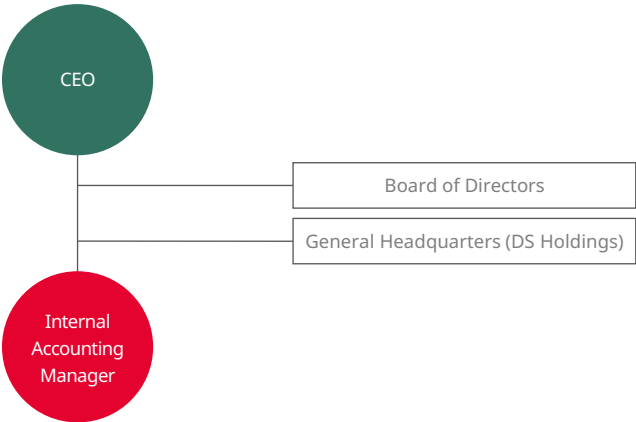
1. We regard the growth of the company as the highest "good" and prioritize company development above all else.
2. We are committed to increasing the investment value for our shareholders and investors.
3. We practice value-based management and strive to create the highest quality and service.
4. We respect the principles of free competition and lead sound industrial growth through fair trade and competition, pursuing mutual development with our suppliers based on trust.
5. All transactions are conducted transparently and fairly, and we strictly prohibit offering or receiving money, entertainment, or any undue benefits to stakeholders.
6. We strive for environmentally friendly management and make every effort to improve the working environment and prevent safety accidents.
7. We approach our work with positive thinking, creativity, and a challenging attitude, acting with a sense of responsibility and ownership.
8. We endeavor to secure and maintain the company's intellectual property rights and work to protect both tangible and intangible company assets and information.
9. We strive to foster a sound organizational culture and positive relationships with colleagues, respecting the dignity of every individual and improving the quality of life for all employees.
10. The preparation and disclosure of management information is conducted transparently and fairly in accordance with relevant laws, regulations, and company policies.

Strengthening Ethics and Compliance Management System

The General Headquarters of DS Holdings, the holding company of DS Group, plays an integrated management role to ensure that the ethics and compliance management at DS Hi-Metal Co., Ltd. operates with independence and autonomy. The General Headquarters, directly reporting to the COO, is responsible for establishing ethics and compliance management policies, training, monitoring, and managing the "DS Clean Reporting Center."

Internally at DS Hi-Metal Co., Ltd., the Internal Control Group, dedicated to internal accounting management, receives relevant information from the Human Resources Group, the department overseeing ethics and compliance management. The group conducts annual monitoring and evaluation of the appropriateness of the ethics and compliance control system at both the Ulsan headquarters and the Seoul sales office. In 2024, no significant risk factors were identified, and the external auditor provided a favorable 'adequate' opinion on the internal accounting management system.

Ethics and Compliance Management Organization Chart



Governance

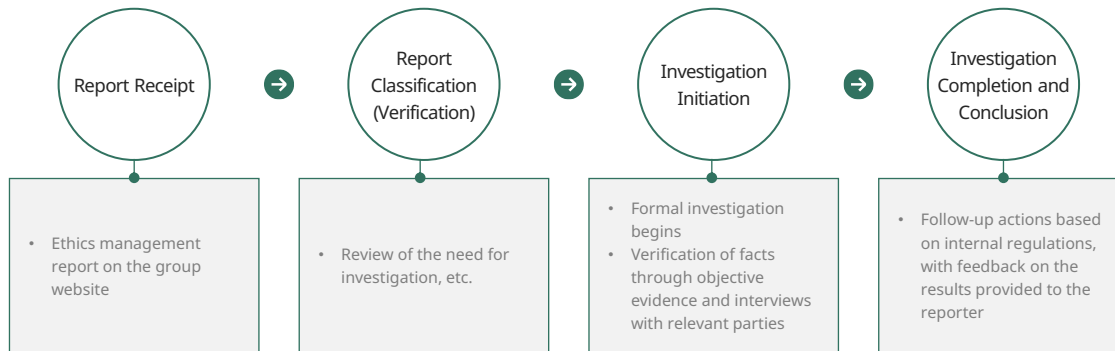
Ethics and Compliance Management

Enhancing Ethics and Compliance Management

Ethics and Compliance Violation Reporting Channel Management

DS Hi-Metal Co., Ltd. operates a "Clean Reporting Center" to allow all stakeholders, including employees, partner company staff, and customers, to report any irregularities or unethical practices within the DS Group. Reporters are assured of complete confidentiality and protection of their identity, and safeguards are in place to prevent any disadvantage or retaliation resulting from their reports.

Reporting Process



DS Clean Reporting Center

- Website: http://dshm.co.kr/ethics_report.aspx
- Portal Address: DS Holdings, Tigris Tower, 813 Seolleungro, Gangnam-gu, Seoul
- Email : ethics@oneduksan.com

Reporting Scope

- Receipt or borrowing of money, goods, or entertainment
- Requests for favors and improper demands
- Theft, embezzlement, and misappropriation of funds
- Leakage of internal information
- Document manipulation and fraudulent reporting
- Abuse of power (authority abuse), workplace harassment
- Workplace sexual harassment, sexual violence, and misconduct
- Reports related to conflict minerals
- Other actions that violate ethical management and principles of practice

Enhancing Employee Ethics Awareness

DS Hi-Metal Co., Ltd. conducts annual ethics and compliance training to proactively prevent ethics and compliance risks and to internalize ethical standards for all employees. In 2024, we expanded online training courses focused on sustainable management and creating shared value (CSV), strengthening the effectiveness of the training with practical, hands-on content. Additionally, we hold a monthly "Ethical Behavior Excellence Awards" ceremony to remind employees of the importance of ethical conduct and continue our efforts to establish a voluntary and healthy ethical culture throughout the organization.

Ethics and Compliance Training Program

Training Topic	Main Contents	
Ethical Management	<ul style="list-style-type: none"> Corporate Ethics Corporate Social Responsibility (CSR) CSV (Creating Shared Value) 	<ul style="list-style-type: none"> Sustainable Management ESG Management

Ethics and Compliance Violations in 2024

Category	No. of class	
Ethics Violation	Total Number of Violations	0
	Fraud/Embezzlement	0
	Bribery	0
	Human Rights Violations	0
	Recruitment Solicitation	0
	Process Violations	0
Legal Violation	Total Number of Violations	0
	Environmental Regulation Violation	0
	Occupational Safety and Health Regulation Violation	0
	Fair Trade Regulation Violation	0



Governance

Ethics and Compliance Management

Enhancing Ethics and Compliance Management

Strengthening Compliance Policy

DS Hi-Metal Co., Ltd. has established a Compliance Policy to clarify ESG management principles and ensure that all employees fully adhere to them for the realization of sustainable management. This policy is approved by management and is periodically reviewed and revised to continuously enhance it in accordance with changes in relevant laws and the company's business environment.

Operation of Dedicated Compliance Organization

DS Hi-Metal Co., Ltd. operates a dedicated compliance organization to establish a system that ensures the company fully complies with relevant laws, regulations, internal policies, and ethical standards. Through this, we proactively prevent violations and carry out tasks across the entire compliance spectrum, including legal compliance, policy and procedure establishment, monitoring, and audits.

Compliance Risk Management

DS Hi-Metal Co., Ltd. operates an enterprise-wide risk management system centered around the Business Planning Group. Prior to formulating the annual business plan, we proactively identify potential risk factors by reflecting internal and external environmental changes, such as market trends. Additionally, we analyze stakeholders closely related to the operations of each department and assess risks associated with their requirements. Identified risks are quantified and evaluated based on their significance, and high-priority items are managed as core tasks by establishing dedicated councils or task forces (TFs) in line with internal processes.

Fair Trade Compliance Management

DS Hi-Metal Co., Ltd. stipulates in its Code of Ethics that the company shall establish a fair trade culture with suppliers and pursue joint development based on mutual trust. Before signing transaction contracts with suppliers, we assess whether unfair trading practices exist, and we establish annual fair trade agreements with major suppliers, updating them as necessary.

Strengthening Fair Trade Compliance Action Plan

Implementation Year	Details
2024	<ul style="list-style-type: none"> Conducting surveys Unfair trade monitoring
2025	<ul style="list-style-type: none"> Enhancing fair trade training Sharing best practices

Governance

Data Security

Enhancing Data Security

Data Security Policy Enhancement

DS Hi-Metal Co., Ltd. strictly complies with domestic and international data security laws, including the Personal Information Protection Act and the Information and Communication Network Act, to safeguard critical information assets and employees' personal data. To this end, we have established separate security regulations, which are shared with all employees via the company intranet and regularly reviewed for compliance. In addition, we have implemented robust network security measures including UTM, NAC, Backbone, and private VPN systems. To protect information assets, DS Hi-Metal Co., Ltd. thoroughly manages the security of work devices through a range of data security solutions such as DLP (Data Loss Prevention), document centralization and encryption, output security, and MDM (Mobile Device Management).

Data Security Enhancement Activities

In 2024, DS Hi-Metal Co., Ltd. conducted follow-up assessments on vulnerabilities identified during the simulated penetration testing carried out in 2023, confirming that all required security measures had been implemented. Additionally, to strengthen security awareness, the company collaborated with the Korea Internet & Security Agency to conduct a "phishing email security training" program for employees. Through this training, employees enhanced their vigilance against cyberattacks and improved their ability to quickly identify and respond to suspicious emails.

Raising Data Security Awareness

The Information Operation Group continuously monitors the latest security trends to strengthen IT security expertise. In addition, DS Hi-Metal Co., Ltd. conducts regular data protection training for all employees through both online and offline channels each year. In the event of critical security issues, the company promptly notifies all employees via email and bulletin board announcements, while also sharing news related to security threats such as ransomware to help raise awareness of data security.

Data Security Organization Chart



Governance

Enterprise Risk

Risk Management

Risk Management Enhancement

DS Hi-Metal Co., Ltd. is continuously strengthening its risk management to address various risks that could threaten the company's sustainability in an increasingly unpredictable business environment. We categorize major risks into financial (monetary) and non-financial (operational) risks, further subdividing each risk type and establishing response strategies tailored to each category. We are committed to enhancing risk management through regular monitoring and proactive efforts.

Risk Response Process



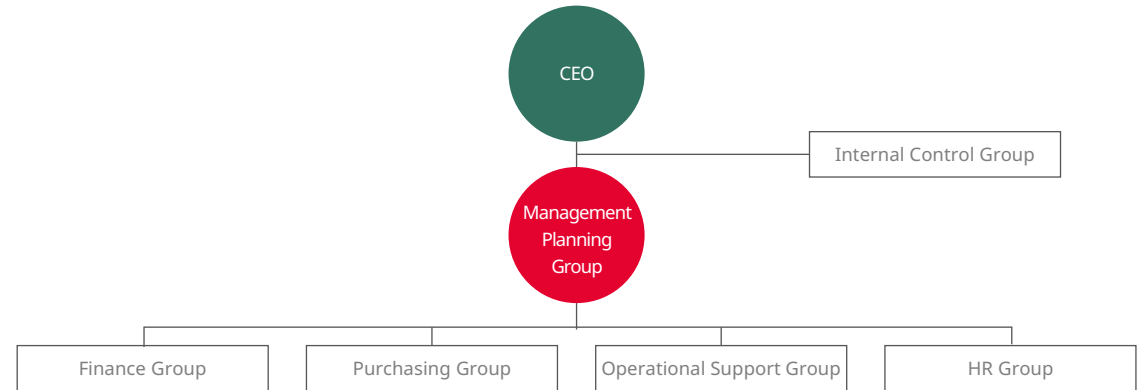
Strengthening Response to Non-Financial Risks

DS Hi-Metal Co., Ltd. has established a management system to proactively address non-financial risks that could threaten the company's sustainability, in addition to financial risks. Through our EHS risk management system, DS Hi-Metal Co., Ltd. actively works to prevent environmental and safety accidents, continuously implementing activities such as enhanced monitoring of health and safety regulations and increased investments in environmental facilities.

Advancing Risk Management Organization

Based on its existing experience in operating risk response structures, DS Hi-Metal Co., Ltd. is further advancing and refining its company-wide risk management organization. Centered around the Management Planning Group, we have strengthened our organizational operations by establishing a collaborative system among the Finance, Purchasing, Operational Support, and Human Resources Groups, and by facilitating the sharing of risk identification and response status.

Risk Management Organization Chart



Key Risks and Group-Specific Response Strategies

Category	Finance Group	Purchasing Group	Operational Support Group	Human Resources Group
Types	Financial	Raw Materials	EHS	Compliance
Key Risks	<ul style="list-style-type: none"> Currency risk from foreign currency transactions Interest rate risk due to fluctuations in financial markets 	<ul style="list-style-type: none"> Risk associated with raw material procurement Conflict mineral transaction risk 	<ul style="list-style-type: none"> Risk of violating environmental laws and regulations Risk of safety accidents and violations of health and safety regulations Risk associated with hazardous materials management 	<ul style="list-style-type: none"> Risks related to violations of ethics and compliance regulations
Risk Response Strategy	<ul style="list-style-type: none"> Continuously monitor the financial environment and exchange rates Utilize hedging measures for interest rate and exchange rate risks 	<ul style="list-style-type: none"> Establish a strategic purchasing council to identify effective raw material procurement methods Strengthen pre- and post-management for conflict minerals 	<ul style="list-style-type: none"> Enhance monitoring of laws and regulations and increase investment in environmental facilities Conduct ongoing safety inspections and expand investments in safety measures Promote certification for hazardous materials managers among product managers 	<ul style="list-style-type: none"> Establish fair trade and anti-corruption regulations and implement management processes Operate a continuous monitoring system Conduct regular compliance training for employees

Governance

Enterprise Risk

Risk Management

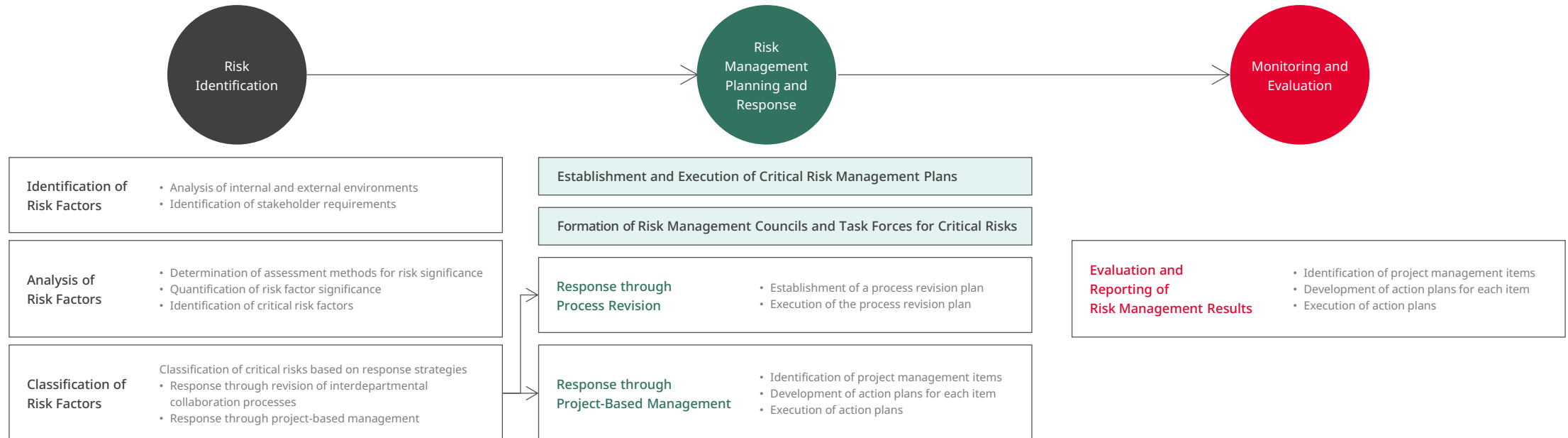
Regular Risk Management

DS Hi-Metal Co., Ltd., led by the Management Planning Group, conducts company-wide risk assessments and reviews annually in conjunction with the formulation of the business plan. Through this process, we proactively examine potential risks stemming from both internal and external factors such as global raw material and industrial market trends, supply chain issues, and policy changes. By following a systematic procedure—from identifying risks to establishing proactive response strategies—we regularly manage risks and identify the stakeholders related to each risk.

Ongoing Risk Management

DS Hi-Metal Co., Ltd. systematically manages all potential risk factors that may arise across business operations by having each department continuously identify and document such risks. Identified risks are reported directly to the CEO through weekly and monthly performance reports. These reported risks are reviewed on an ongoing basis, and their monitoring priorities are adjusted according to their significance.

Company-Wide Risk Management Process





Governance

Enterprise Risk

Establishing a Tax Strategy

DS Hi-Metal Co., Ltd. regards sincere and transparent tax payment as a core value of its business operations and has established a tax strategy grounded in this principle, which is managed systematically. We strictly comply with tax-related laws and regulations and continuously strive to proactively identify and respond to tax risks. We recognize this as a crucial activity that contributes to national finances, maximizes the value delivered to customers and shareholders, and fulfills our corporate social responsibility. To that end, we have built a transparent tax payment and risk management system and established relevant standards and procedures to operate a responsible tax policy. Furthermore, to actively respond to the evolving tax environment, we conduct regular internal audits and training, and swiftly adapt to regulatory changes through collaboration with external experts.

Tax Strategy

1. We operate a regular tax risk assessment system and have established an internal tax control system to proactively prevent issues.
2. DS Hi-Metal Co., Ltd. is formulating a mid- to long-term tax strategy to proactively respond to changes in the international tax environment.

Tax-related Award History

Category	Awarding Organization	Award Name
2016	Dong-Ulsan Tax Office	Merit Plaque for Contributions to Tax Administration
2019	Ulsan Metropolitan City	Commendation Plaque for Sincere Taxpayer in Buk-gu
2021	Ulsan Metropolitan City	Local Taxpayer Commendation Plaque from Ulsan Metropolitan City



ESG Data

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Economic Performance

Creation of Economic Value

Consolidated Balance Sheet

Category	Unit	2022	2023*	2024
Current Assets	KRW 1M	109,547	196,300	214,254
Non-Current Assets	KRW 1M	253,992	554,780	604,233
Total Assets	KRW 1M	363,539	751,080	818,487
Current Liabilities	KRW 1M	48,874	101,414	108,378
Non-Current Liabilities	KRW 1M	10,540	228,077	255,258
Total Liabilities	KRW 1M	59,415	329,491	363,636
Capital Stock	KRW 1M	9,087	9,087	9,087
Additional Paid-In Capital	KRW 1M	90,201	90,201	90,201
Other Capital Items	KRW 1M	(55,258)	(65,357)	(65,357)
Retained Earnings	KRW 1M	250,238	255,365	274,557
Non-Controlling Interest	KRW 1M	9,712	132,197	141,474
Total Equity	KRW 1M	304,124	421,589	454,852
Total Liabilities and Equity	KRW 1M	363,539	751,080	818,487

* The 2023 data in the 2024 report has been corrected in this year's report.

Distribution of Economic Value

Category	Unit	2022	2023	2024
Employee Remuneration	KRW 1M	16,064	13,177	13,118
Procurement from Partners	KRW 1M	66,043	40,650	51,846
Corporate Tax	KRW 1M	(2,653)	(1,705)	(1,423)
R&D Investment	KRW 1M	4,457	2,078	2,963
Community Contributions	KRW 1M	5	40	15

Consolidated Income Statement

Category	Unit	2022	2023	2024
Revenue	KRW 1M	164,401	144,453	235,892
Cost of Goods Sold	KRW 1M	150,510	133,560	179,896
Gross Profit	KRW 1M	13,891	10,893	55,996
Selling, General and Administrative Expenses	KRW 1M	17,616	21,859	37,357
Operating Income	KRW 1M	(3,725)	(10,966)	18,639
Other Income	KRW 1M	5,380	2,536	4,702
Other Expenses	KRW 1M	11,780	10,853	1,303
Financial Income	KRW 1M	2,514	3,776	21,177
Financial Expenses	KRW 1M	4,050	4,001	17,884
Share of Profit from Associates	KRW 1M	14,340	5,809	17,367
Profit Before Tax	KRW 1M	2,680	(13,699)	42,698
Corporate Tax Expense	KRW 1M	(2,653)	(1,705)	11,403
Net Income	KRW 1M	6,105	3,326	31,295

Shareholder Composition and Current Status

Category (As of December 31, 2024)	Owned Shares (Unit: Shares)	Ownership Ratio (Unit:%)
DS Holdings	15,849,848	34.9
Soo-hoon Lee	8,628,248	19.0
Young-hee Go and other related parties	1,763,910	4.0
Other shareholders	19,194,996	42.1
Total	45,437,002	100.0



Environmental Performance

Greenhouse Gas Management

Category		Unit	2022	2023	2024
GHG Emissions	Scope 1 (Direct) Emissions	tCO2eq	44.3	35.4	24
	LPG	tCO2eq	9.2	0.0	0
	Gasoline	tCO2eq	23.3	29.8	17.1
	Diesel	tCO2eq	11.7	5.6	6.9
	Scope 2 (Indirect) Emissions	tCO2eq	3,857.2	4,776.7	5,814.3
	Total GHG Emissions	tCO2eq	3,901.5	4,812.1	5,838.3
GHG Intensity	Scope 1 Emissions in KRW	tCO2eq/KRW 100M	0.03	0.02	0.02
	Scope 2 Emissions in KRW	tCO2eq/KRW 100M	2.35	2.91	4.03
	Scope 1+2 Emissions in KRW	tCO2eq/KRW 100M	2.37	2.93	4.04

Energy Consumption

Category		Unit	2022	2023	2024
Total Energy Usage		GJ	81,276.2	100,340.0	121,853.0
Direct Energy	Electricity	GJ	80,602.6	99,816.0	121,500.0
	Total Direct Energy Usage	GJ	80,602.6	99,816.0	121,500.0
Indirect Energy	LPG	GJ	159.3	0.0	0.0
	Gasoline	GJ	347.1	444.0	255.0
	Diesel	GJ	167.2	80.0	98.0
	Total Indirect Energy Usage	GJ	673.6	524.0	353.0
Energy Intensity	Energy Intensity	GJ/KRW 100M	49.4	61.0	84.4

Raw Materials Management

Category		Unit	2022	2023	2024
Total Raw Material Usage		ton	600.4	479.1	740.9
Solder Bar		ton	412.1	326.5	563.40
Product Container		ton	71.9	57.01	69.54
Product Packaging		ton	81.8	73.29	80.48
Other Raw Material (Ethanol, Methane, Nucleic Acid)*		ton	34.7	22.3	27.5
Renewable Raw Materials Usage		ton	N/A	0.46	0.23
Non-Renewable Raw Materials Usage		ton	N/A	2.45	2.50
Proportion of Recycled Raw Materials Used in the Production of Products and Services		%	N/A	0.10	0.04
Proportion of Recycled Materials in Products and Packaging		%	2.49	2.91	2.69

* The 2023 usage of other raw materials has been revised due to changes in internal calculation standards.

Water Resources Management

Category		Unit	2022	2023	2024
Total Annual Water Usage		ton	10,250	8,099	10,756
Municipal Water Usage		ton	10,250	8,099	10,756
Wastewater Discharge Amount		ton	0.0	0.0	0.0



Environmental Performance

Waste Management

Category		Unit	2022	2023	2024
Total Waste Generated		ton	1,244.3	847.9	836.8
Non-Recyclable Waste Discharge	Total General Waste Discharged	ton	0.0	0.0	0
	Landfilling	ton	0.0	0.0	0
	Incineration	ton	0.0	0.0	0
	Others	ton	0.0	0.0	0
	Total Designated Waste Generated	ton	1,207.5	822.0	794.9
	Landfilling	ton	0.0	0.0	0
	Incineration	ton	1,207.5	822.0	794.9
	Others	ton	0.0	0.0	0
Total Non-Recyclable Waste Generated		ton	1,207.5	822.0	794.9
Recyclable Waste Discharge	Total Recyclable Waste Generated	ton	36.8	25.9	41.9
	Metal Waste	ton	24.3	17.8	29.7
	Waste Organic Solvents	ton	12.5	8.1	12.2
	Waste Recycling Rate	%	3.0	3.1	5.0
Waste Treatment	Total Waste Treated	ton	1,207.5	822.0	794.9

Air Pollutant Management

Category	Unit	2022	2023	2024
PM (Dust) Emissions	mg/Sm ³	0.2	0.3	0.3
Dust Emission Concentration Compared to Regulations	%	0.7	1.0	1.0

Chemicals Management

Category	Unit	2022	2023	2024*
Chemical Usage	ton	6.0	6.1	0.0
Chemical Release	ton	2.0	1.7	1.8

* Due to the transfer of hazardous chemical business license (to DS Neolux), the business license exemption applies, and therefore, the report on hazardous chemical handling amount for 2024 has not been submitted.

Environmental Investment Performance

Category	Unit	2022	2023	2024
Environmental Investment Amount	KRW 1M	1.3	1.7	1.4
Green Products Sales	KRW 1M	0.0	20.0	1,138.0
Green Products Purchases	KRW 1M	0.0	59.0	22.0



Social Performance

Employee Status

Category		Unit	2022	2023*	2024
Total Number of Employees		Person	236	227	235
Gender	Male	Person	224	210	214
		%	94.9	92.5	91.1
	Female	Person	12	17	21
		%	5.1	7.5	8.9
Age	Under 30	Person	45	56	11
		%	19.1	24.7	4.7
	30 - Under 50	Person	173	156	220
		%	73.3	68.7	93.6
	50 and Above	Person	18	15	4
		%	7.6	6.6	1.7
Employment Type	Permanent	Person	201	198	180
	Male	Person	189	181	163
	Female	Person	12	17	17
	Temporary	Person	35	29	55
	Male	Person	35	29	51
	Female	Person	0	0	4
Third-Party Employee		Person	0	0	
Job Group*	Associate	Person	7	6	6
	Total Production Staff	Person	127	114	126
	01	Person	80	73	82
	02	Person	43	36	39
	03	Person	4	5	5
	Total Office Staff	Person	92	98	98
	G1	Person	38	36	46
	G2	Person	40	49	39
	G3	Person	14	13	13
	Executives	Person	10	9	5
	Locations	Ulsan	Person	227	215
Seoul		Person	9	12	13

* The 2022 data by job group was incorrectly listed in the previous year's report, and has been corrected in this year's report.

Average Length of Service of Employees

Category		Unit	2022	2023	2024
Overall Average Length of Service		Years	6.0	5.5	6.1
Male		Years	5.9	5.6	6.3
Female		Years	7.6	5.1	4.5

Employee Diversity

Category		Unit	2022	2023	2024	
Female Employee	Number of Female Employees by Job Position	Associate	Person	2	2	2
		Total Production Staff	Person	2	2	2
		01	Person	0	0	0
		02	Person	2	0	0
		03	Person	0	2	2
		Total Office Staff	Person	7	13	17
		G1	Person	4	8	16
		G2	Person	3	5	1
		G3	Person	0	0	0
	Executives	Person	1	0	0	
	By Department/ Group	Revenue-generating Department	Person	3	2	3
STEM Department		Person	2	6	6	
Vulnerable Groups	Number of Employees with Disabilities		Person	7	5	5
	Percentage of Employees with Disabilities		%	3.0	2.2	2.1
	Number of Veterans		Person	0	0	0
	Percentage of Veterans		%	0.0	0.0	0.0
	Number of Foreign Employees		Person	0	0	0
	Percentage of Foreign Employees		%	0.0	0.0	0.0



Social Performance

New Hires and Turnover

Category		Unit	2022	2023	2024	
Total Number of Employees		Person	236	227	235	
Total Number of Hires		Person	50	60	71	
Number of New Hires	Gender	Male	48	52	61	
		%	96.0	86.7	85.9	
	Female	Person	2	8	10	
		%	4.0	13.3	14.1	
	Age	Under 30	Person	26	28	37
			%	52.0	46.7	52.1
30 – Under 50		Person	23	31	32	
		%	46.0	51.7	45.1	
50 and Above		Person	1	1	2	
		%	2.0	1.7	2.8	
Employment Type	Permanent	Person	19	33	33	
	Temporary	Person	31	23	38	
Number of Internal Hires		Person	0	0	0	
Total Number of Employee Departures		Person	42	37	47	
Overall Turnover Rate		%	17.8	16.3	20.0	
Number of Voluntary Resignations		Person	23	31	36	
Voluntary Turnover Rate*		%	9.7	13.7	15.3	
Employee Turnover	Gender	Male	Person	35	36	42
			%	83.3	97.3	89.4
		Female	Person	7	1	5
			%	16.7	2.7	10.6
	Age	Under 30	Person	16	9	15
			%	38.1	24.3	31.9
		30 – Under 50	Person	25	27	24
			%	59.5	73.0	51.1
		50 and Above	Person	1	1	8
			%	2.4	2.7	17.0

* Due to a calculation error in last year's report, the 2022–2023 data has been corrected in this report.

Category		Unit	2022	2023	2024	
Employee Turnover	Employment Type	Permanent	Person	18	31	34
		Temporary	Person	24	6	13
	Job Group	Office Staff	Person	26	17	33
		Production Staff	Person	16	20	14

Child-Care Leave Status

Category		Unit	2022	2023	2024	
Number of Parental Leave Users		Person	4	3	6	
Number of Parental Leave Users	Total Number of Users		Person	0	2	4
	Gender	Male	Person	0	1	3
		Female	Person	0	1	1
Returnees from Parental Leave	Total Number		Person	1	1	2
	Gender	Male	Person	1	0	2
		Female	Person	0	1	0
Employees Working for Over 12 Months After Returning	Total Number		Person	1	1	0
	Gender	Male	Person	1	0	0
		Female	Person	0	1	0
Return-to-Work Rate after Parental Leave	Total Percentage		%	100	100	50
	Gender	Male	%	100	N/A	100
		Female	%	N/A	100	N/A
Retention Rate Over 12 Months After Parental Leave	Total Percentage		%	100	100	0
	Gender	Male	%	100	N/A	0
		Female	%	N/A	100	0



Social Performance

Employee Training

Category		Unit	2022	2023	2024	
Number of Employees Trained (Cumulative)	Total	Person	236	221	245	
	Gender	Male	224	204	223	
		Female	12	17	22	
Training Expenses	Total	KRW 1000	25,815	2,431	2,567	
	Gender	Male	24,240	2,244	2,336	
		Female	1,575	187	231	
Training Hours	Total	Hours	11,884	9,836	8,330	
	Gender	Male	11,052	9,088	7,582	
		Female	832	748	748	
	Job Group	Office Staff	Hours	3,390	2,508	1,904
		Research Staff	Hours	3,559	1,760	1,394
		Production Staff	Hours	3,978	4,864	4,352
		Executives	Hours	195	396	238
Others	Hours	762	308	442		
Training Expense Per Person	Total Employee Average	KRW 1000/Person	109.4	11.0	10.5	
	Gender	Male	108.2	11.0	10.5	
		Female	131.3	11.0	10.5	
Training Hours Per Person	Total Employee Average	Hours/Person	50.4	24.8	34	
	Gender	Male	53.5	10.0	34	
		Female	79.9	44.0	34	

Category		Unit	2022	2023	2024
Ethics and Anti-corruption Training	Number of Employees Trained	Person	236	221	245
	Total Training Hours	Hours	236	221	245
	Training Hours Per Person	Hours/Person	1.0	1.0	1.0
Human Rights Training	Number of Employees Trained	Person	236	221	245
	Total Training Hours	Hours	708	884	735
	Training Hours Per Person	Hours/Person	3.0	4.0	3.0
Safety and Health Training	Number of Employees Trained	Person	235	227	245
	Total Training Hours	Hours	11,040	8,172	6,370
	Training Hours Per Person	Hours/Person	47.0	36.0	26.0
Environmental Training	Number of Employees Trained	Person	110	227	245
	Total Training Hours	Hours	220	454	735
	Training Hours Per Person	Hours/Person	2.0	2.0	3.0
Data Security Training	Number of Employees Trained	Person	236	105	117
	Total Training Hours	Hours	236	105	117
	Training Hours Per Person	Hours/Person	1.0	1.0	1.0

Operation of Labor-Management Council

Category	Unit	2022	2023	2024
Number of Labor-Management Council Held	Meetings	4	4	4
Number of Labor-Management Council Agendas	Items	9	8	8
Resolved Labor-Management Council Agendas	Items	9	8	8
Percentage of Resolved Agendas	%	100	100	100



Social Performance

Employee Remuneration

Category	Unit	2022	2023	2024	
Overall Average	Male	KRW 1M	63.5	51.1	57
	Female	KRW 1M	79.2	37.1	40
	Male to Female Average Remuneration Ratio	%	125.0	72.6	70.2
Associate Average	Male	KRW 1M	32.3	40.2	35.3
	Female	KRW 1M	32.8	29.8	40
	Male to Female Average Remuneration Ratio	%	101.5	74.1	113.3
01 Average	Male	KRW 1M	48.1	34.0	38.7
	Female	KRW 1M	0.0	0.0	0.0
	Male to Female Average Remuneration Ratio	%	N/A	N/A	N/A
02 Average	Male	KRW 1M	64.6	54.4	63.6
	Female	KRW 1M	71.2	0	0
	Male to Female Average Remuneration Ratio	%	110.2	N/A	N/A
03 Average	Male	KRW 1M	84.0	71.2	81.1
	Female	KRW 1M	0.0	56.7	72.6
	Male to Female Average Remuneration Ratio	%	N/A	79.6	89.5
G1 Average	Male	KRW 1M	52.4	36.6	32.8
	Female	KRW 1M	48.3	25.6	30.3
	Male to Female Average Remuneration Ratio	%	92.2	69.9	92.4
G2 Average	Male	KRW 1M	70.6	59.1	60.4
	Female	KRW 1M	74.1	50.8	39.1
	Male to Female Average Remuneration Ratio	%	105.0	86.0	64.7
G3 Average	Male	KRW 1M	99.9	78.9	84.2
	Female	KRW 1M	0.0	0.0	0.0
	Male to Female Average Remuneration Ratio	%	N/A	N/A	N/A
Executives	Male	KRW 1M	160.0	129.2	102
	Female	KRW 1M	326.5	0.0	0.0
	Male to Female Average Remuneration Ratio	%	204.1	N/A	N/A

Employee Performance Evaluation

Category	Unit	2022	2023	2024	
Targets of Performance Evaluation	Number of Evaluation Subjects	Person	102	109	88
	Ratio of Evaluation Subjects	%	43.2	47.4	37.4
Use of MBO Program	Number of Subjects	Person	102	109	88
	Ratio of Subjects	%	43.2	47.4	37.4
Use of Multi-Faceted Evaluation	Number of Subjects	Person	16	24	23
	Ratio of Subjects	%	6.8	10.4	9.8
Use of Comparative Analysis	Number of Subjects	Person	92	98	83
	Ratio of Subjects	%	39.0	42.6	35.3

Employee Wage

Category	Unit	2022	2023	2024
Ratio of Newly Hired Male Employees' Wages to the Legal Minimum Wage	%	165.4	113.4	153.7
Ratio of Newly Hired Female Employees' Wages to the Legal Minimum Wage	%	165.4	108.3	153.7
Starting Salary for New Hires - Male	KRW 1M	38	38	38
Starting Salary for New Hires - Female	KRW 1M	38	38	38

Reports of Human Rights Violations

Category	Unit	2022	2023	2024
Number of Human Rights Violation Reports	Cases	0	0	0
Number of Human Rights Violation Cases Handled	Cases	0	0	0



Social Performance

Occupational Safety and Health

Category	Unit	2022	2023	2024
Number of Serious Industrial Accidents	Cases	0	0	0
Number of Fatalities Due to Injuries	Person	0	0	0
Fatality Rate Due to Injuries	Incident/1M hours	0	0	0
Number of Fatalities Due to Occupational Illnesses	Person	0	0	0
Fatality Rate Due to Occupational Illnesses	Incident/1M hours	0	0	0
Number of Injured Persons	Person	0	1	1
Industrial Accident Rate	%	0	0.4	0.4
Lost Time Injury Rate (LTIR)	Incident/1M hours	0	0.000001	0.000001
Total Recordable Incident Rate (TRIR)	Incident/1M hours	0	0.000001	0.000001
Occupational Illness Frequency Rate (OIFR)	Incident/1M hours	0	0.000001	0.000001

Partner Management

Category	Unit	2022	2023	2024	
Supply Chain Management	Total Number of Partners	Companies	11	11	14
	Number of Major Partners	Companies	5	5	10
	Number of Minor Partners	Companies	6	6	4
Partner ESG Management	Number of Partners Submitting Conflict Minerals Non-use Pledge	Companies	2	2	3
	Number of Partners Submitting Declaration of Non-use of Environmentally Regulated Substances	Companies	5	5	14

Social Contribution Activities

Category	Unit	2022	2023	2024
Total Social Contribution Costs	KRW 1M	5	40	15

Data Security Breach

Category	Unit	2022	2023	2024
Number of Personal Data Breach/Theft/Loss Incidents	Cases	0	0	0
Number of Corporate Data Breach/Theft/Loss Incidents	Cases	0	0	0
Number of Complaints Filed by Regulatory Authorities	Cases	0	0	0
Number of Privacy-Related Complaints	Cases	0	0	0
Number of Data Security Regulation Violations	Cases	0	0	0
Number of Data Security Incidents	Cases	0	0	0

R&D Status

Category	Unit	2022	2023	2024	
R&D Personnel Status	Number of R&D Personnels	Person	26	26	35
	Proportion of R&D Personnels	%	12.8	11.4	14.2
	Number of R&D Personnels with Master's or Doctoral Degrees	Person	16	17	19
	Proportion of R&D Personnel with Master's or Doctoral Degrees	%	61.5	65.4	54.3
R&D Investment Status	R&D Investment Amount	KRW 100M	44.6	33	29.6
	R&D Investment Ratio to Sales	%	4.6	4.5	3
Patent Applications & Registrations	Applications	Cases	11	29	10
	Registrations	Cases	2	8	3

Customer Satisfaction Management

Category	Unit	2022	2023	2024
Customer Satisfaction Survey Results	Points	94.8	93.8	94.7



Governance Performance

Board of Directors Composition

Category	Unit	2022	2023	2024
Board of Directors	Person	3	4	4
Male	Person	3	4	4
Female	Person	0	0	0
Inside Directors	Person	2	3	2
Male	Person	2	3	2
Female	Person	0	0	0
Outside Directors	Person	1	1	2
Male	Person	1	1	2
Female	Person	0	0	0
Outside Directors Ratio	%	33.3	25.0	50.0
Inside Directors Ratio	%	66.7	75.0	50.0

Board Operations

Category	Unit	2022	2023	2024
Board Meetings	Number of Board Meetings Held Meetings	20	16	14
Board Agenda	Number of Board Agenda Items/Reports Cases	21	18	17
Board Attendance	Board Attendance Rate %	100	100	97
Board Tenure	Average Board Tenure Years	5.1	1.1	4.6
	Average Tenure of Inside Directors Years	7.3	1.2	5.5
	Average Tenure of Outside Directors Years	0.3	0.8	3.7

Board Evaluation and Remuneration

Category	Unit	2022	2023	2024
Inside Director Remuneration	Total Inside Director Remuneration KRW 1M	151	734	1,627
	Total Outside Director Remuneration KRW 1M/Person	75.5	244.7	813.5
Outside Director Remuneration	Total Outside Director Remuneration KRW 1M	12	9	49
	Average Remuneration for Outside Directors KRW 1M/Person	12	9	24.5
CEO & Executive Remuneration	CEO Remuneration KRW 1M	326.4	241.6	228
	Median Employee Remuneration KRW 1M	57.8	41.4	56
	Employee to CEO Remuneration Ratio Times	5.6	5.8	4.1
	CEO Remuneration Growth Rate %	(23.8)	(26.0)	(5.6)
	Median Employee Remuneration Growth Rate %	10.5	(28.4)	35.2
	Employee to CEO Remuneration Growth Ratio Times	(2.26)	0.92	20.40

Board Expertise

Category	Unit	2022	2023	2024
Number of Outside Directors with Industry Experience	Person	1	1	1



Governance Performance

Anti-Corruption Management

Category		Unit	2022	2023	2024
Corruption Risk Assessment	Total Number of Business Sites	Sites	1	1	1
	Number of Business Sites Assessed for Corruption Risk	Sites	0	0	0
	Percentage of Business Sites Assessed for Corruption Risk	%	0	0	0
Anti-Corruption Violation	Total Number of Corruption Incidents	Cases	0	0	0
	Number of Dismissals or Disciplinary Actions	Cases	5	5	6
	Number of Legal Actions	Cases	0	0	0

Sponsorships and Donations

Category		Unit	2022	2023	2024
Major Sponsored Organizations and Contribution Amounts		KRW 1M	5	40	15

Tax Payments Status

Category		Unit	2022	2023	2024
Pre-tax Profit		KRW 1M	(16,148)	(23,069)	29,974
Corporate Tax Expense		KRW 1M	1,502	1,754	8,433
Effective Tax Rate		%	0.00	0.00	28.13

Legal Violations

Category		Unit	2022	2023	2024
Ethics Violations	Total Number of Violations	Cases	0	0	0
	Breach of Trust/Embezzlement	Cases	0	0	0
	Bribery	Cases	0	0	0
	Human Rights Violations	Cases	0	0	0
	Hiring Solicitation	Cases	0	0	0
	Process Violations	Cases	0	0	0
Unfair Trade Practices	Fines and Settlement Amounts Related to the Monopoly Regulation and Fair Trade Act, Including Anti-Competitive or Antitrust Practices	KRW 1M	0	0	0
	Number of Cases Involving Fines, Sanctions, or Warnings for Violations of the Monopoly Regulation and Fair Trade Act, Including Anti-Competitive or Antitrust Practices	Cases	0	0	0
Legal Violations	Total Number of Violations	Cases	0	0	0
	Violations of Environmental Laws and Regulations	Cases	0	0	0
	Violations of Occupational Safety Laws and Regulations	Cases	0	0	0
	Violations of Fair Trade Laws and Regulations	Cases	0	0	0
Amount of Fines	Total Amount of Fines	KRW 1M	0	0	0
	Violations of Environmental Laws and Regulations	KRW 1M	0	0	0
	Violations of Occupational Safety Laws and Regulations	KRW 1M	0	0	0
	Violations of Fair Trade Laws and Regulations	KRW 1M	0	0	0



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GRI Standards 2021

Universal Standards

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GRI 3: Material Topics 2021	3-1	Material Topic Decision Procedure	15	
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Material Topics

Fostering Talent and Next-Generation Leaders

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GRI Standards 2021

Material Topics

Improving Waste Management

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Strengthening Ethical Management and Anti-Corruption Capabilities

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	207-4	Country-by-Country Reporting	62

Environmental Standards

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	301-2	Input of Recycled Materials Among Total Materials Used	54
	301-3	Recycled Content in Products and Packaging Materials	54
GRI 302 : Energy	302-1	Energy Consumption Within the Organization	54
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GRI 303 : Water and Effluents	303-1	Interactions with Water as a Shared Resource	26
	303-2	Management of Water Discharge-Related Impacts	54
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GRI 305 : Emissions	305-7	Emissions of Nitrogen Oxides (NO _x), Sulfur Oxides (SO _x), and Other Significant Air Emissions	55

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Independent Assurance Statement

To the management and stakeholders of DS Hi-Metal Co., Ltd.

NICE Evaluation Information (hereinafter referred to as 'Verifier') has received a request from DS Hi-Metal Co., Ltd. to provide independent verification for the '2025 DS Hi-Metal Co., Ltd. ESG Report (hereinafter referred to as 'Report')'. All information and claims contained in this report are the responsibility of DS Hi-Metal Co., Ltd., and it has been prepared as an independent opinion based on the verification results of the data and information disclosed in the report by DS Hi-Metal Co., Ltd.

Verification Criteria and Scope

The verification was conducted applying the international verification standard AA1000AS v3, and was carried out as a Type 1 with a Moderate level of assurance. The review also included reporting in accordance with the GRI Standards 2021.

- AA1000AP(2018) Inclusivity, Materiality, Responsiveness, and Impact Review
- GRI Standards 2021 Reporting Principles Review
- The level of compliance with the GRI Standards 2021 Review

The Topic Standards from GRI Standards 2021 associated with the key issues derived through the materiality assessment have been confirmed and verified as follows:

No.	Material Topic	Topic Standard	
		Index	Reporting Index
1	Fostering Talent and Next-Generation Leaders	404	404
2	Enhancing Health and Safety Management	403	403
3	Greenhouse Gas Emissions Management and Reduction	305-1~305-5	305-1~305-2, 305-4
4	Improving Waste Management	306	306
5	Creating a Desirable Workplace	401-2~401-3	401-2~401-3
6	Strengthening Ethical Management and Anti-Corruption Capabilities	205, 206	205, 206

Verification Subject and Method

The verifier conducted the verification of the subject matter in accordance with the verification criteria described above, using the following methods:

- Quality review of the content included in the report
- Review of the dual materiality assessment process to verify the appropriateness of the method for selecting key issues and the results
- Interview with the person in charge regarding the strategies, commitments, and plans related to sustainability aspects described in the report
- Review of public disclosure materials (e.g., business reports, websites) to verify the reliability of the information presented in the report
- Verification of the internal management system for data generation, management, and reporting processes of reported achievements (sampling method)
- On-site verification to confirm the validity of sustainability data and information (visit to Ulsan headquarters)

Restrictions

The verifier has confirmed the information described in the report according to the verification criteria and scope stated above. Some of the reported data were verified through external disclosure sources such as business reports and electronic disclosure systems; however, materials posted externally were not included in the verification scope. During the on-site verification, evidence was confirmed and interviews were conducted through each performance manager, and data verification was carried out within a limited scope under the assumption that the management processes and data provided by DS Hi-Metal are accurate. Data and information regarding partners, contractors, or third parties outside the reporting boundaries specified in the report are not included in the scope of verification.



Independent Assurance Statement

Verification Results and Opinions

As a result of the verification process, the verifier did not identify any inappropriate aspects in the information and data included in the report, based on the verification criteria, scope, and methods applied to the subject. The verifier's opinions according to each principle are as follows:

Inclusivity

DS Hi-Metal Co., Ltd. defines its key stakeholders influencing management activities as customers, employees, shareholders and investors, partners, and the local community, and has established a stakeholder engagement process that takes into account the characteristics of each group. The verifier has confirmed that this process enables the collection and reflection of stakeholders' opinions in the company's management.

Materiality

DS Hi-Metal Co., Ltd. has conducted a dual materiality assessment that considers both financial impacts and environmental and social impacts through the formation of an issue pool, analysis of financial statements, and examination of ESG strategic direction. The verifier has confirmed that the top six key issues derived through the materiality analysis have been fully reflected in the report without any omissions.

Responsiveness

DS Hi-Metal Co., Ltd. operates a governance system that manages the identification, implementation, and performance of ESG initiatives through an ESG Working Group directly under the CEO. The verifier has confirmed that the company's Board of Directors deliberates on key decisions related to ESG management. In addition, the company manages and responds to opinions gathered through various internal and external stakeholder communication channels, such as customer and partner meetings, labor-management council operations, general shareholder meetings, and IR conference calls.

Impact

DS Hi-Metal Co., Ltd. is setting quantitative indicators and conducting monitoring to identify and manage the direct and indirect impacts of material topics. The verifier has confirmed that the organization is measuring the impact of its activities on stakeholders from a sustainability perspective, and is considering the extent of that impact by analyzing the value disseminated to stakeholders over the medium to long term.

Recommendations

The verifier considers it commendable that DS Hi-Metal Co., Ltd. has proactively responded to internal and external ESG management demands by establishing an ESG Working Group directly under the CEO and by strengthening its ESG governance framework. In particular, we highly value the company's efforts to establish and uphold ESG-related policies such as the Human Rights Charter, Procurement Ethics Charter, and Conflict Minerals Policy for both internal and external stakeholders, including employees and partners. The verifier offers the following recommendations to further enhance DS Hi-Metal Co., Ltd.'s sustainability performance:

1. Considering that material issues reflecting changes in the corporate environment are also important from a risk management perspective, we recommend applying a management approach to establish specific responses and related goals for each issue identified through the materiality assessment and to continuously manage performance.

Qualification and Independence

NICE Information Service, commissioned by DS Hi-Metal Co., Ltd., is a verification agency licensed under the AA1000 standard by Accountability UK. This assurance engagement was conducted by a verification team with sufficient ESG knowledge and expertise in assurance. The team was not involved in the preparation of the report and holds no relationships that could compromise its independence.

Lead Verifier **Jin-seul Jung**,
ACSAP

May 2025
CEO, NICE Information Service
Jong-yoon Kim





ESG Initiatives

UN SDGs

DS Hi-Metal Co., Ltd. acknowledges the necessity of achieving the United Nations Sustainable Development Goals (UN SDGs) and promotes activities related to 13 out of the 17 goals to contribute to international and national efforts for sustainable human development.

No.	Objectives	Major Activities	Reporting
1	End Poverty	Promote employment of workers with disabilities and prohibit discrimination in working conditions and patterns.	32
3	Health and Wellness	Contribute to the Red Cross, hospitals, and support the medically vulnerable through donations to the Yuha Pureun Foundation.	42
4	Quality Education	Support employee development, sponsor local scholarships, and donate to research institutes and universities through the Yuha Pureun Foundation.	42
5	Gender Equality	Ensure fair recruitment, evaluation, and compensation systems, and foster a female-friendly corporate culture.	27-28, 31
6	Water and Sanitation	Promote activities to reduce water usage, manage wastewater in compliance with legal requirements, and ensure that all wastewater is outsourced for treatment to prevent discharge into external environments.	26
7	Clean Energy	Develop new technologies to improve energy efficiency and replace outdated equipment with high-efficiency alternatives.	24
8	Quality Jobs and Economic Growth	Create jobs locally (Ulsan), expand youth employment, and provide a safe, fulfilling work environment.	30
9	Industry, Innovation, and Infrastructure	Lead semiconductor material innovation through active R&D.	10
10	Reducing Inequality	DS Hi-Metal Co., Ltd. provides equal opportunities to all stakeholders, including its employees, and eliminates all forms of discrimination based on gender, nationality, race, religion, age, or disability.	32
11	Sustainable Cities and Communities	Legally manage hazardous chemicals, air pollutants, and industrial waste to protect the local (Ulsan) environment and prevent accidents.	24, 26
12	Responsible Consumption and Production	Continuously strive to ensure the legal treatment of waste, promote recycling, and achieve the goals of circular resource performance and targets.	24-25
13	Responding to Climate Change	Establish a greenhouse gas inventory, set quantitative targets, and implement energy consumption and greenhouse gas emission reduction activities to achieve these targets.	23-24
16	Peace, Justice, and Institutions	Establish systems to practice fair and transparent management, and strengthen employees' sense of ethics.	45-47



ESG Initiatives

The Ten Principles of UNGC

DS Hi-Metal Co., Ltd. shares the founding objectives of the United Nations Global Compact (UNGC), a global corporate sustainability initiative, and is committed to putting the UNGC's 10 principles into practice in the areas of human rights, labor, environment, and anti-corruption.

No.	Objectives		Major Activities	Reporting
Human Rights	Principle 1	Support and respect the protection of internationally proclaimed human rights	DS Hi-Metal Co., Ltd. complies with international standards and guidelines related to human rights and labor, such as the UNGP and ILO, and established the Human Rights Charter in 2023 to internalize human rights management. To prevent human rights risks, we conduct regular human rights training and operate the online DS Clean Reporting Center, which is accessible not only to our members but also to external stakeholders for reporting human rights violations. In addition, we operate our recruitment, performance evaluation, and compensation systems based on the principle of fairness, and we continue to make efforts to protect the socially vulnerable by, in principle, prohibiting the employment of underage workers and taking measures to promote the employment of persons with disabilities.	31-32
	Principle 2	Actively work to avoid complicity in human rights abuses		
	Principle 3	Uphold the freedom of association and the right to collective bargaining		
Labor	Principle 4	Eliminate all forms of forced and compulsory labor		
	Principle 5	Effectively abolish child labor		
	Principle 6	Eliminate discrimination in respect of employment and occupation		
Environment	Principle 7	Support a precautionary approach to environmental challenges	To fulfill its environmental responsibilities, DS Hi-Metal Co., Ltd. has adopted ISO 14001 (Environmental Management) and ISO 50001 (Energy Management), establishing and operating a global-standard management system. Through ESG management consulting, we have built a greenhouse gas inventory, calculated Scope 1 and 2 emissions, and verified the reliability of this data through third-party assurance. In the medium to long term, we have set greenhouse gas reduction targets for 2030 and 2050, and we are carrying out various reduction activities to achieve these goals.	22-24
	Principle 8	Undertake initiatives to promote greater environmental responsibility		
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies		
Anti-corruption	Principle 10	Work against corruption in all its forms, including extortion and bribery	To practice fair and transparent management, we have established and publicly disclosed our Ethics Charter and Code of Ethics, and we receive reports of unethical or unfair behavior through the DS Clean Reporting Center. To strengthen employees' awareness of ethics and compliance, we collect signed pledges for ethical management and conduct regular ethics and compliance training. Going forward, we plan to distribute regular newsletters and hold employee participation events to help employees engage with our ethics and compliance culture in a more natural and approachable way.	45-47



Membership and Awards

Awards and Recognitions

Award History	Year of Award	Organization
Best Supplier Award	2021	IBIDEN Philippines
Best Supplier Award	2022	Samsung Electro-Mechanics
Best Supplier Award	2022	IBIDEN Philippines
Ulsan Job Creation Excellence Company	2022	LG Innotek
Best Quality Supplier Award	2023	JCET
Korean Award for Shared Growth	2023	Korea Industrial Complex Corporation
Outstanding Companies for Job Innovation Award	2023	Korean Intellectual Property Office
Youth Friendly SME	2023	Ministry of Employment and Labor

