2026
Duksan Hi-Metal Co., Ltd. ESG Report

2026 Hi-Metal ESG REPORT

DS Hi-Metal



Report Inquiries

Publication Date	May 30, 2026
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Report Overview

Duksan 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 Duksan Hi-Metal Co., Ltd.'s ESG management status and performance with stakeholders.

Reporting Period

This report is based on the activities and performance of Duksan Hi-Metal Co., Ltd. from January 1, 2025, to December 31, 2025. For qualitative activities related to some key themes, activities up to the first half of 2026 are included. For major quantitative performance, data from the past three years (2023-2025) is disclosed to identify trend changes.

Reporting Principles

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, an international reporting guideline for sustainable management. Financial information is based on consolidated financial statements in accordance with K-IFRS (Korean International Financial Reporting Standards), and non-financial information is also prepared based on the fiscal year according to the disclosure system. Any significant changes are noted separately.

Reporting Scope

The social and governance information disclosed in this report is limited to the activities and performance of Duksan Hi-Metal Co., Ltd.'s Ulsan headquarters and Dongtan sales offices. Environmental information is limited to the activities and performance of the Ulsan headquarters. Financial performance compiled on a consolidated basis includes information from Duksan Hi-Metal Co., Ltd. and its subsidiaries, Duksan Neolux, Duksan AETHER CT, Sirius Holdings, and DS Myanmar.

Report Verification

This report is published after thorough review by the Board of Directors of Duksan Hi-Metal Co., Ltd. To enhance the accuracy and reliability of the report's content, data consistency and transparency have been ensured through internal review and cross-checking processes.



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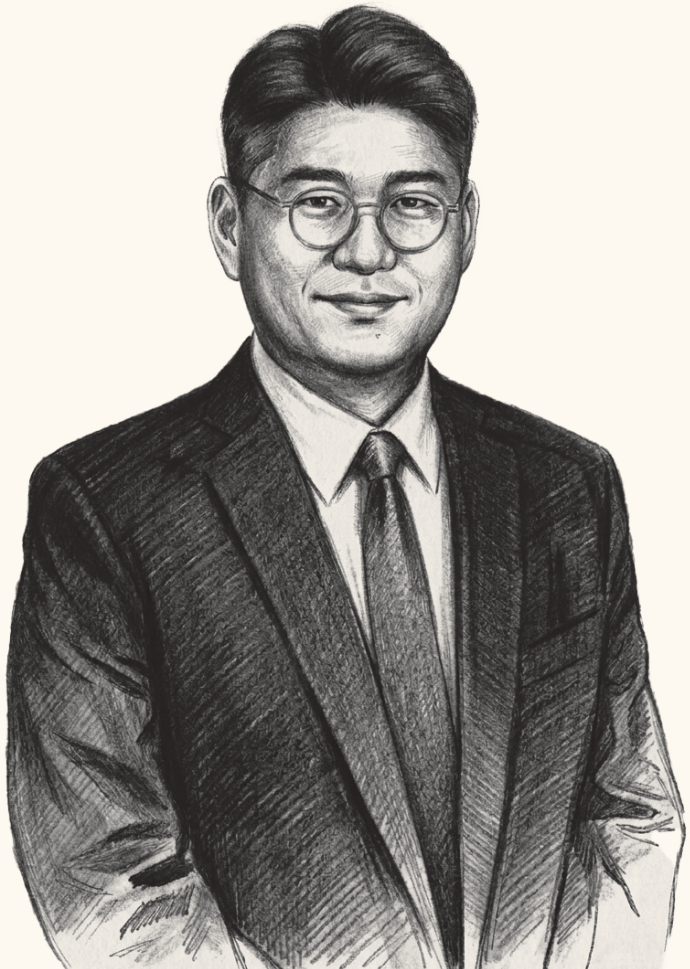
Corporate Overview

CEO Message 05

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CHAIRMAN'S Message

Distinguished stakeholders, greetings.



Greetings

Since its establishment in 1999, Duksan Hi-Metal Co., Ltd. has led the localization of solder balls, a key semiconductor material, and has grown into a global market leader in Micro Solder Balls and Cored Solder Balls. Amidst a rapidly changing market environment, we continue to pursue technological innovation and challenges, further solidifying our position as a key player in the semiconductor materials industry.

Over the past year, we have further enhanced our ESG Management System and strengthened our foundation for sustainable growth. Building on these achievements, we will continue to pursue ESG management with greater substance and contribute to long-term corporate value enhancement. To this end, we will focus our efforts on the following three directions.

First, we will strengthen ESG execution capabilities and drive tangible change throughout the organization.

We will not limit ESG to a declarative value but will substantially integrate it into all business and management decision-making processes. To achieve this, we will link ESG elements to KPIs and evaluation systems and continuously enhance systems and processes to enable employees to naturally practice ESG in their daily work.

Second, we will enhance competitiveness through technological innovation and responsible supply chain management.

We will continuously advance our core technological competitiveness and improve operational efficiency across products and production processes. Furthermore, based on mutual growth with our partners, we will expand ESG standards throughout the supply chain to build a more stable and responsible value chain.

Third, we will establish transparent management based on data and governance centered on trust.

We will enhance the reliability and accessibility of information by improving ESG data management and disclosure systems. Additionally, we will strengthen ethical and compliance management and foster transparent and responsible decision-making structures by expanding communication with various stakeholders.

Dear Stakeholders,Amidst a changing business environment, Duksan Hi-Metal Co., Ltd. will fulfill its role as a responsible corporation and take another leap forward as a global materials company achieving sustainable growth.
We ask for your continued interest, support, and invaluable advice.

Thank you.

Lee Soo-hoon, Chairman of Duksan Group

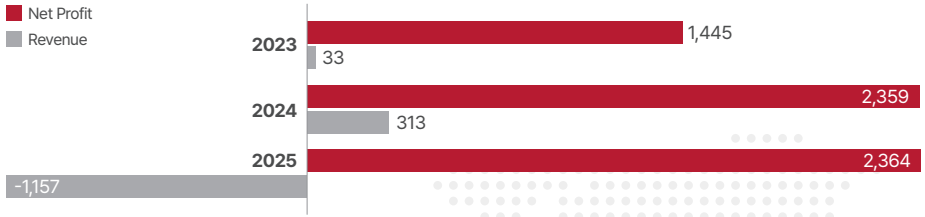
Company Introduction

About Duksan Hi-Metal Co., Ltd.

Duksan Hi-Metal Co., Ltd. specializes in the production of solder balls and solder paste, key bonding materials in semiconductor packaging. Based on excellent R&D capabilities and accumulated process technology, we stably supply high-quality, customized materials. We are continuously expanding R&D investment for the leading development of next-generation semiconductor bonding technologies and materials. In Korea, we strengthen customer touchpoints through our Dongtan office while actively expanding into the global market through our office in Shanghai, China.

economic performance

(Unit: Billion KRW)



(As of December 31, 2025)

Company Name	Duksan Hi-Metal Co., Ltd.
Date of Establishment	May 6, 1999
CEO	Lee Soo-hoon, Kim Tae-soo
Industry	Semiconductor Materials Manufacturing
Main Business	Semiconductor Materials·Parts Manufacturing and Sales
Corporate Credit Rating	NICE D&B (A0) 2025.04.22 e-Credible (이크레더블) (A-) 2025.04.14

Homepage	www.dshm.co.kr
Headquarters Location	66, Muryong 1-ro, Buk-gu, Ulsan (Yeonam-dong)
Listing Date	October 2005 (KOSDAQ Listing)
Company Classification	Mid-sized Enterprise
Company Size	Employees: 299 Total Assets: 658.9 billion KRW
Subsidiaries	Duksan AETHER CT Co., Ltd. Duksan Navcores Co., Ltd.. Sirius Holdings Co., Ltd. Duksan SG Co., Ltd. Duksan Myanmar Co., Ltd.

ESG Governance Organization Chart

01 Raw Material Supplier

We procure non-ferrous metals such as tin, copper, and silver from domestic and international raw material suppliers.

02 Duksan Hi-Metal Co., Ltd.

We produce solder balls and solder paste, which are semiconductor packaging bonding materials.

03 Electronic component manufacturers and semiconductor back-end process companies

We supply products to major domestic electronics component manufacturers such as Samsung Electro-Mechanics and LG Innotek, as well as over 70 domestic and international semiconductor back-end packaging and testing companies, including Amkor Technology Korea and Stats ChipPAC Korea.

04 Electronic Device Manufacturers

The semiconductors manufactured by electronics component manufacturers and semiconductor back-end packaging and testing companies are supplied to global electronics manufacturers such as Samsung Electronics and Apple.

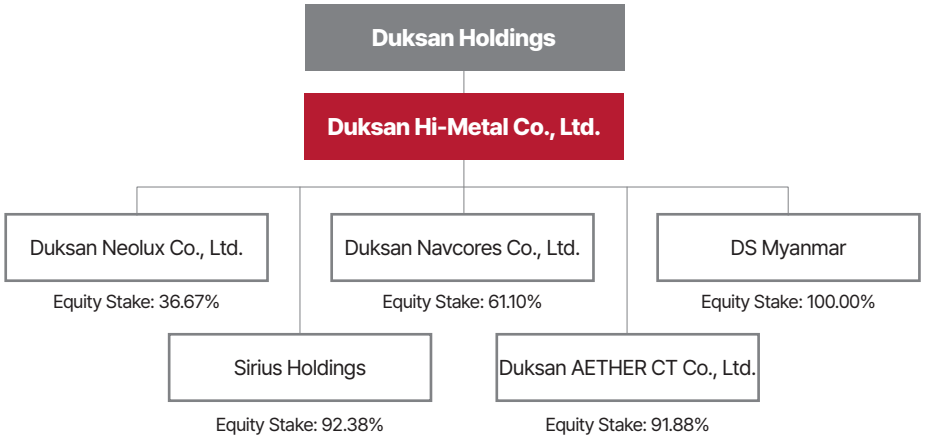
05 End Consumer

Computers, smartphones, and home appliances manufactured by electronics manufacturers are sold worldwide.

Company Introduction

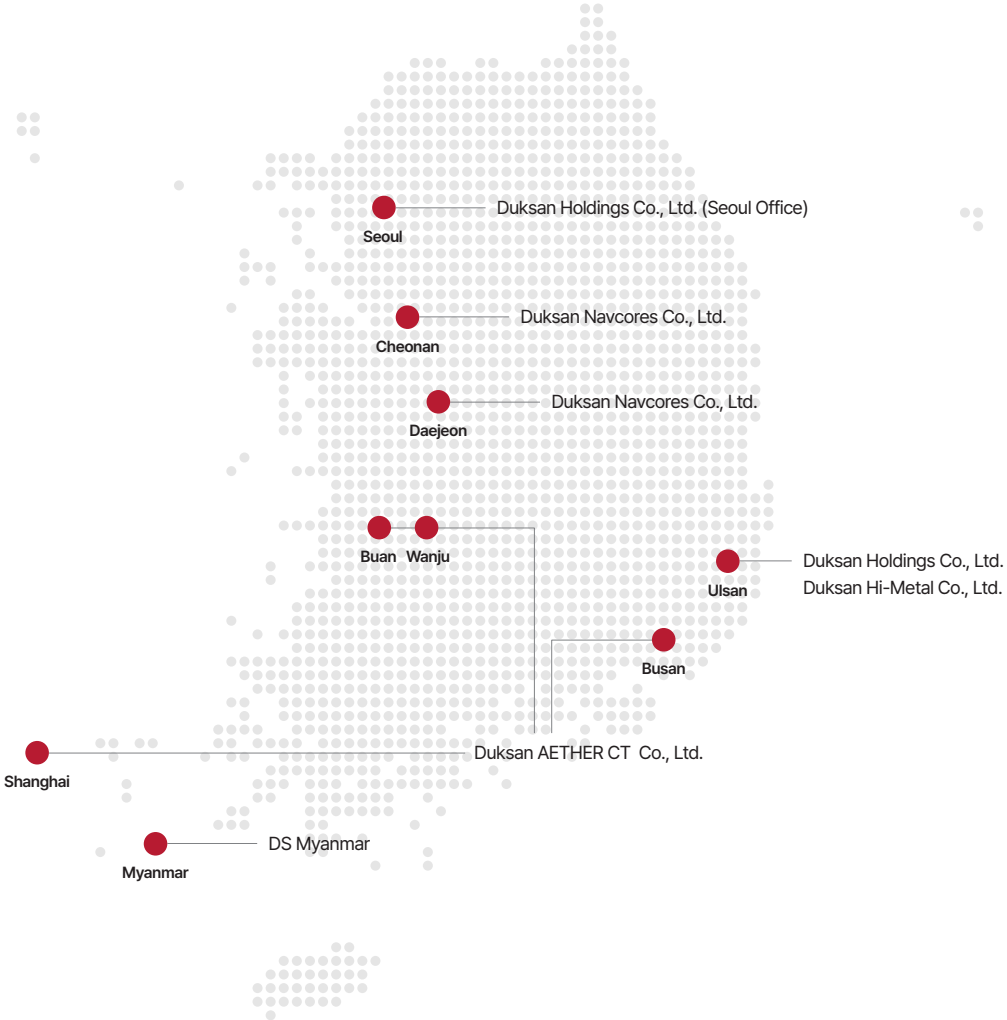
Subsidiary Introduction

Duksan Hi-Metal Co., Ltd. is dedicated to business diversification and securing global competitiveness based on its technological superiority in semiconductor packaging materials. We have established a solid business portfolio by having Duksan Neolux Co., Ltd. and Duksan Navcores Co., Ltd.. as subsidiaries, and have achieved supply chain stability through stable raw material procurement via DS Myanmar. Furthermore, in 2023, we completed the establishment of Sirius Holdings and the acquisition of Duksan AETHER CT Co., Ltd., laying the groundwork for new leaps towards the future while strengthening management efficiency.



Major Subsidiaries	
Duksan Neolux Co., Ltd.	A specialized materials company for the development and mass production of core OLED materials.
Duksan Navcores Co., Ltd..	A technology company specializing in navigation and communication based on PNT.
DS Myanmar	A non-ferrous metal smelting company, such as tin, a raw material for solder balls.
Sirius Holdings	Management advisory and consulting company (holds 91.88% stake in AETHER CT)
Duksan AETHER CT Co., Ltd.	Hydrogen and specialty·industrial gas cylinder manufacturing company

Major Subsidiary Locations



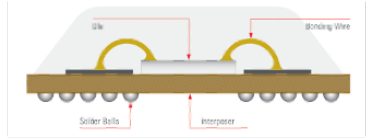
Company Introduction

Business Status

Duksan Hi-Metal has achieved technological self-reliance in the field of core bonding materials for semiconductor packaging. We were the first in Korea to localize solder balls, which were previously entirely imported, through our proprietary technology, thereby contributing to the stabilization of the domestic semiconductor industry's supply chain. We continuously invest in R&D to secure a competitive edge in next-generation materials, and in 2026, plan to maximize manufacturing efficiency through the intelligence and advancement of our production processes. In the mid-to-long term, we aim to become a global materials innovation company that drives sustainable growth by expanding our lineup of high-value-added materials for artificial intelligence and data centers, keeping pace with rapidly changing global IT technology trends.

Solder Ball

Solder balls play a crucial role in advanced semiconductor packaging processes such as BGA (Ball Grid Array) and CSP (Chip Scale Package). As key materials, they are critical to advanced semiconductor packaging processes. Amidst the increasing demand for finer specifications driven by the miniaturization and high performance of IT devices, we provide reliability that meets the demands of global customers by maintaining uniform and precise quality levels.



BGA Package Sideview

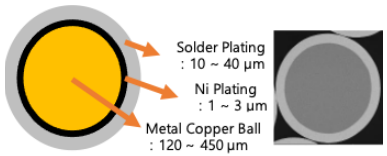
Micro Solder Ball

Micro solder balls, the pinnacle of micro-fabrication technology, are manufactured in ultra-small sizes below 150μm and are used as essential materials for FC-BGA (Flip Chip Ball Grid Array) packaging for CPUs and GPUs that enable high-performance computing environments. In particular, to meet the explosive demand in the server and data center markets, we leverage advanced process control technology to ensure a stable supply of high-quality micro solder balls, contributing to the development of next-generation infrastructure.



Cored Solder Ball

Cored solder balls are products with copper or other materials inserted inside the solder to ensure both electrical conductivity and structural support. This structure maintains a constant gap between the chip and the substrate, enhancing the mechanical stability of the joint. It also contributes to the long-term operational reliability of semiconductor packages by maintaining bonding reliability even in environments with external shocks or thermal deformation.



Solder Paste

Solder paste is a cream-like bonding material mixed with solder powder and flux. Duksan Hi-Metal Co., Ltd. manufactures and sells surface mount solder paste, which serves as an anti-oxidation agent for bonding and contact surfaces between substrates and devices, and bumping solder paste, which replaces solder balls to form solder bumps and acts as a pre-solder.



Company Introduction

History

1999.5 Established Duksan Hi-Metal Co., Ltd.

1999.11 Registered as a semiconductor supplier and began mass production supply for Samsung Electronics and SK Hynix

2002.6 Obtained ISO 14001 (Environmental Management System) certification

2005.3 Obtained ISO 14001 (Environmental Management System) certification

2005.9 Listed on KOSDAQ

2009.8 Absorbed and merged with Ludis; established the Chemical Materials Business Division

2012.5 Selected as a "World Class 300" company

2014.12 Corporate split-off; established Duksan Neolux Co., Ltd.

2015.8 Established Duksan Myanmar Co., Ltd.

2021.3 Acquired Duksan Navcores Co., Ltd.

2021.4 Received the "Exemplary Taxpayer Award" from Ulsan Metropolitan City

2021.7 Expanded the micro solder ball plant at Duksan Hi-Metal Co., Ltd.'s headquarters

2022.4 Received an award in the Quality Innovation category from Samsung Electro-Mechanics

2022.8 Established via investment by Sirius Holdings Co., Ltd. Sirius Holdings Co., Ltd. acquired a stake in AETHER CT Co., Ltd.

2023 Signed an MOU for industry-academia cooperation with Pukyong National University
Signed an MOU for ESS investment with Ulsan Metropolitan City

2024 Received the 2025 Mid-sized Growth Tower Award
Certified as a Family-Friendly Company by the Ministry of Gender Equality and Family

2025 Awarded the 2025 Mid-sized Enterprise Growth Tower
Certified as a 'Family-Friendly Enterprise' by the Ministry of Gender Equality and Family

Key ESG Performance

2025 ESG Performance

Duksan Hi-Metal Co., Ltd. practices ESG management with the goal of sustainable management and has received positive external and internal evaluations for its key ESG achievements. In 2025, we obtained certification as a 'Family-Friendly Excellent Company' from the Ministry of Gender Equality and Family and received the Mid-sized Enterprise Growth Tower award, objectively proving the stability and execution capabilities of our management system across Environment, Social, and Governance. Moving forward, Duksan Hi-Metal Co., Ltd. will systematically manage ESG tasks in each sector, strengthen communication with stakeholders, and continuously review and supplement our mid-to-long-term strategy and implementation system centered on sustainability.

Company Introduction

R&D Research and Development

R&D Strategy

Driven by the growing demand for AI and high-performance computing, the semiconductor industry is undergoing a structural shift centered on advanced packaging technologies. As next-generation technologies—such as 2.5D/3D packaging, chiplets, and glass substrates—gain momentum, thermal management capabilities and interconnection reliability have emerged as critical competitive factors for high-speed, high-density environments. Leveraging its accumulated technical expertise and competitive edge in core semiconductor packaging materials, Duksan Hi-Metal Co., Ltd. is actively developing next-generation interconnection materials that go beyond conventional, general-purpose products. In particular, the company is focusing on the development of high-reliability, high-heat-dissipation alloys optimized for advanced packaging trends, thereby proactively meeting the sophisticated technical requirements of its customers. Moving forward, Duksan Hi-Metal Co., Ltd. is committed to continuous R&D and technological innovation to establish itself as the global leader in semiconductor packaging interconnection materials and to spearhead the future of the global materials industry.

R&D Investment Amount(As of December 31, 2025)
33 Billion KRW

Patent Registration Status (Cumulative)(As of December 31, 2025)
109 Case

R&D Personnel Ratio(As of December 31, 2025)
9.0 %

R&D Organization and Personnel

Duksan Hi-Metal Co., Ltd. operates its R&D system centered around the Technology Research Institute established in 2002, continuously pursuing quality improvement and new technology development based on its accumulated technology and experience in the semiconductor materials field. As of 2025, 27 specialized personnel have been working in the R&D department. In addition to securing researchers with master's and doctoral degrees, we continuously promote training and competency development to enhance the expertise of our internal personnel. Furthermore, we are expanding collaborative research, technology exchange, and industry-academia linkage activities through cooperation with domestic and international universities such as UNIST, University of Ulsan, Pukyong National University, Pusan National University, Hanyang University, and the University of Maryland. In particular, to foster practical talent specialized in the semiconductor back-end process field, we are strengthening educational curricula and operating field-linked cooperation programs. Moving forward, we plan to continuously expand our R&D personnel base and enhance our next-generation semiconductor material development capabilities by strengthening technological competitiveness through industry-academia cooperation.



R&D Investment Status

Duksan Hi-Metal Co., Ltd. is continuously expanding its R&D investments in 2025 to strengthen its leading position in the global semiconductor bonding materials market. Throughout 2025, the company invested 3.3 billion KRW in R&D, representing 3.3% of its total revenue, a strategic investment to secure global technological competitiveness and discover future growth engines. The investment ratio has slightly increased compared to the previous year. Based on this, we are strengthening investment execution focused on core tasks by enhancing R&D efficiency and pursuing a strategy of selection and concentration. In particular, we are focusing on securing the foundation for in-house development of core technologies and development of next-generation materials, and plan to further enhance technological competitiveness and growth potential through continuous R&D investment.

R&D Achievements

Based on its accumulated material technology and business experience in optimizing semiconductor packaging Interconnection technology, Duksan Hi-Metal Co., Ltd. is focusing on developing high-reliability materials compatible with 2.5D/3D advanced packaging, beyond existing general solder materials, and innovating material structures tailored to customer needs. Through this, we are continuously expanding our product lineup for next-generation packaging. In 2025, we also strengthened intellectual property activities to secure technological competitiveness and protect core technologies, including filing 5 patents and registering 13 patents.

R&D Project Progress Status

Project Name	2025 Progress Status
Development of Cu Post with diameter less than 100um	Under Development
Development of High-Strength Solder Ball	Under Development
Development of CSB (Cu Cored Solder Ball) under 100um	Under Development
Development of NSB (Nano Solder Ball, less than 30um in diameter)	Under Development

Patent Application and Registration Status

Category	Unit	2023	2024	2025
Applications	Cases	29	10	5
Registrations	Cases	8	3	13

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ESG Management System

ESG and Mission Enhancement

Duksan Hi-Metal Co., Ltd. defines ESG as a core business competitiveness factor and integrates it into all aspects of its corporate activities. Under the vision of 'ALL-Right Management,' we focus on the practical internalization of management systems, including enhancing environmental management, establishing safe workplaces, and solidifying transparent governance. Through systematic ESG management practices, we will secure the trust of our stakeholders and realize sustainable shared value.

ESG Management Strategy

ESG Management Mission	A leading ESG company that fulfills its responsibilities to society and the environment through "ALL-Right Management"		
ESG Promotion Direction	**Environmental** A company that creates value with environmental friendliness as its core	**Social** A company that practices social responsibility and sharing	**Governance** A company that provides trust through transparent management
ESG Promotional Tasks	⊙ Climate Change Response ⊙ Eco-friendly Product Development ⊙ Realization of Circular Economy	⊙ Strengthening Social Contribution System ⊙ Strengthening Safety and Health Activities ⊙ Providing Fair Opportunities	⊙ Efforts to Enhance Ethical Management Awareness ⊙ Board of Directors Operation Disclosure ⊙ ESG Management via Leading by Example

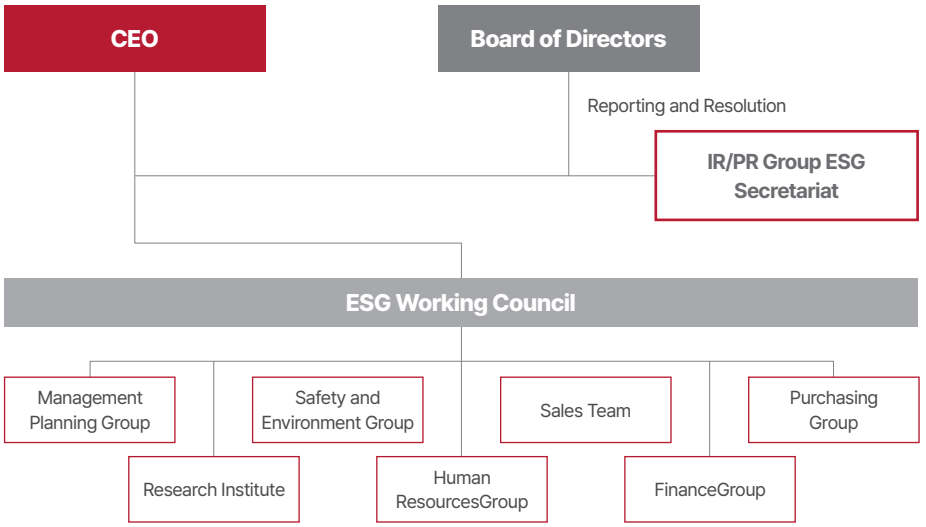
ESG Roadmap

	2025	2030	2050
	ESG Management Adoption Phase →	ESG Management Internalization Phase →	ESG Management Excellence Phase
Goals	ESG Management Strengthening Promotion System	ESG Management Internalization	Within the Industry Achieving Top-Tier Level
Focus Promotion Areas	Greenhouse Gas Emissions Reduction	Expanding Stakeholder Communication	Expanding Social Value

Establishing an ESG Governance System

Duksan Hi-Metal Co., Ltd. operates a specialized ESG governance system to enhance the effectiveness of sustainable management. The ESG Working Council, composed of practical departments in each E·S·G area, collaborates with the Duksan Holdings IR/PR Group to handle tasks such as company-wide project implementation and report publication. The CEO regularly reviews performance and makes final decisions on key objectives. The Board of Directors deliberates on the effectiveness of management activities by analyzing the financial and social impacts of major issues based on annual materiality assessments. In particular, the internalization of the responsible management system is continuously pursued, such as reflecting ESH (Environment, Safety, Health) indicators in the performance evaluation of top management.

ESG Governance System



Stakeholder Engagement

Stakeholder Engagement and Communication

Duksan Hi-Metal Co., Ltd. recognizes the importance of communication for promoting sustainable management, identifies stakeholders who significantly influence its business activities, collects their opinions, and actively incorporates them into its business operations. Duksan Hi-Metal Co., Ltd. defines and manages its key stakeholder groups as customers, employees, shareholders and investors, suppliers, and the local community. Furthermore, we operate communication channels to encourage active participation from stakeholders. We have identified the main concerns of stakeholders regarding ESG issues as follows.

Stakeholder Opinion Reflection Process

STEP 1 — **Stakeholder Feedback Collection**
Collect stakeholder feedback through communication channels

▼

STEP 2 — **Executive Discussion**
Selection of Agenda Items for Board of Directors

▼

STEP 3 — **Board of Directors Discussion**
Board Discussion on the Need to Reflect Stakeholder Opinions

▼

STEP 4 — **Management Decision**
Management Decision on Whether to Implement Board Discussion Items

Stakeholder Communication Channels

Stakeholder	Definition and Category	Key Stakeholder Concerns	Communication Channel
Customers	Corporate Customers	Strengthening Product Price and Quality Competitiveness Reducing Environmental Impact of Products Product Patent Infringement	Customer Meetings (Ongoing) Website (Ongoing)
Employees	Board of Directors Management Internal Employees	Prohibition of Discrimination and Respect for Diversity Enhancement of Welfare Benefits Activation of Employee Communication Work-Life Balance	Management Briefings (As needed) Labor-Management Council (4 times/year) Employee Communication Events (As needed) Satisfaction Survey (Once a year) Website (Ongoing)
Shareholders/ Investors	Individual and Institutional Investors Institutional Investors Analysts, etc.	Management Performance Sustainable Growth Shareholder Return Policy Risk Management	General Meeting of Shareholders (Annual General Meeting; Extraordinary General Meeting as needed) IR Corporate Presentations (as needed) IR Conference Calls (ongoing) Business Reports (quarterly) Website (ongoing)
Suppliers	Supply Chain Partners, etc.	Promotion of Fair Trade Culture Promotion of Shared Growth and Co-Prosperity Culture Smooth Two-Way Communication	Supplier Meetings (Ongoing) Website (Ongoing)
Local Community	Local Universities Charitable Organizations, etc.	Job Creation Contribution to Local Community Development Creation of Social Value	Social Contribution Activities (Ongoing) Local Community Employment (Ongoing)

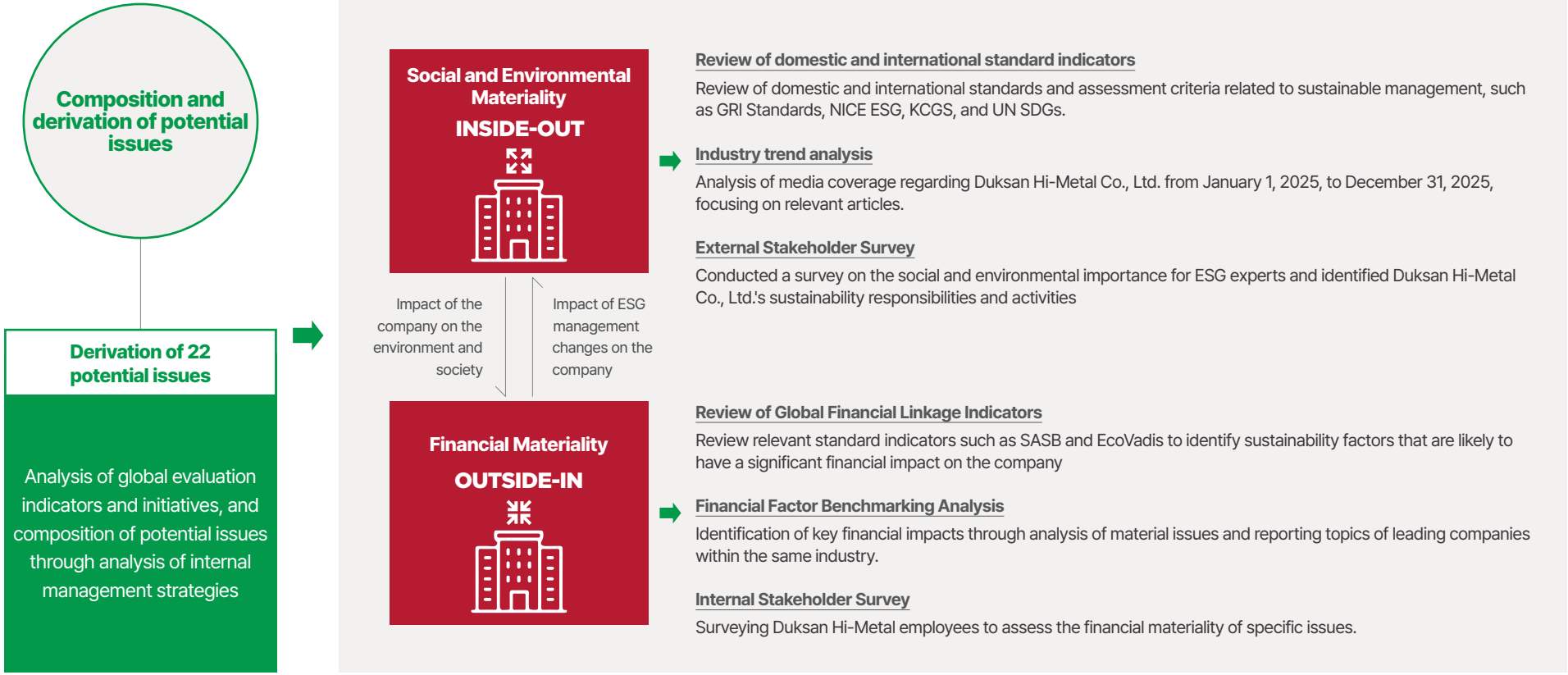
Materiality Assessment

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Double Materiality Assessment

Double Materiality Assessment Process

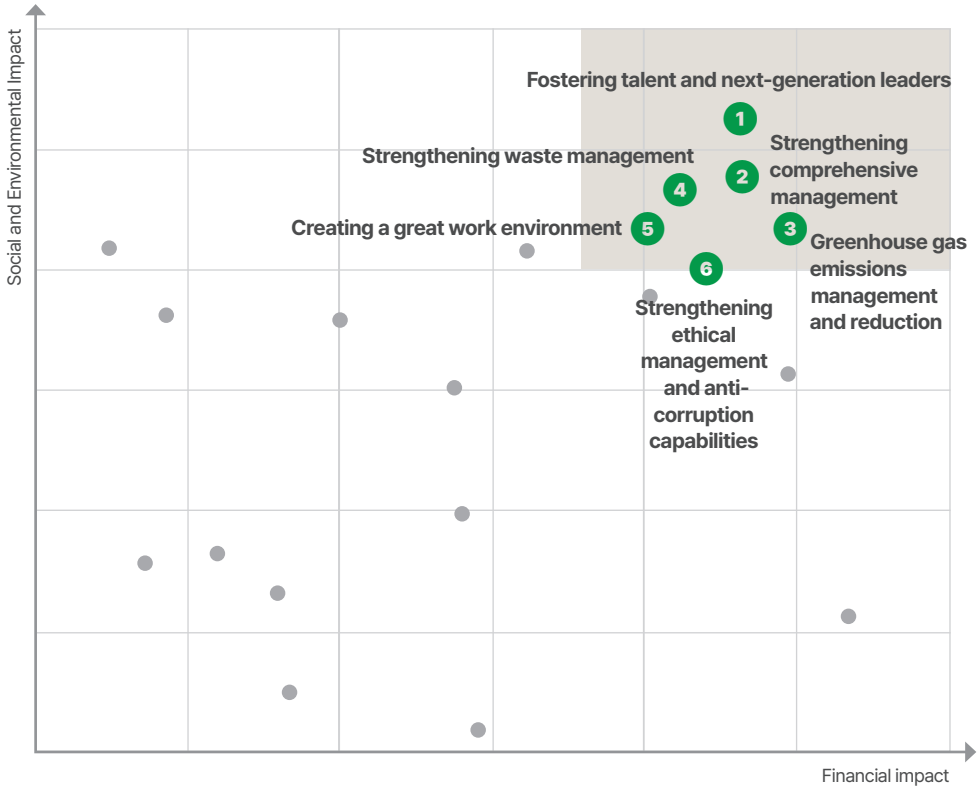
Duksan Hi-Metal Co., Ltd. conducts a double materiality assessment that comprehensively considers both financial impacts and socio-environmental impacts to strategically manage sustainability issues. Through this assessment process, we have identified a total of 22 potential ESG issues and selected six key reporting issues by prioritizing them based on stakeholder influence and business relevance. We plan to secure mid- to long-term sustainability by concentrating our management capabilities on these selected key issues.



Double Materiality Assessment

Double materiality assessment results

Materiality Map



Key Reporting Topics

Rank	Category	Issue Name	Change	Impact Area		GRI Index	Report Page
				Financial	Social		
1	Social	Strengthening Key Talent and Next-Generation Leader Development	Maintained	H	H	404	28-29
2	Social	Advancing Occupational Health and Safety Management System	Maintained	H	H	403	33-35
3	Environment	Systematic management of greenhouse gas emissions	Maintained	H	H	305-1~ 305-5	23-24
4	Environment	Improving Waste Management System	Maintained	M	H	306	24
5	Social	Improving Organizational Culture	Maintained	L	M	401-2~ 401-3	30
6	Governance	Practicing Ethical Management and Strengthening Anti-Corruption Capabilities	Maintained	M	L	205, 206	45-47

Issue Identification

Background of Issue Selection



Duksan Hi-Metal Co., Ltd. 2025 Highlights

- Resource Recycling (General waste, waste organic solvents, metal scrap)
- Introduction of Renewable Energy and Reduction of Greenhouse Gas Emissions
- Corporate Vehicle Eco-Friendly Replacement



Context & Importance

- With the acceleration of the global transition to a circular economy, waste management is evolving from simply being an environmental obligation into a core business imperative. In the semiconductor materials industry, where manufacturing processes inevitably generate various types of waste and by-products, the ability to systematically manage and repurpose these materials directly impacts corporate credibility. Duksan Hi-Metal aims to achieve sustainable growth by maximizing waste recycling rates and strengthening its resource circulation framework.
- With extreme weather events posing a tangible threat to business operations, global regulations and societal demands regarding greenhouse gas reduction are rapidly intensifying. Companies are now required to go beyond simple emissions monitoring to demonstrate actionable strategies aiming to reduce reliance on fossil fuels and transition to renewable energy. Duksan Hi-Metal is fundamentally restructuring its energy system through initiatives such as evaluating the adoption of a 70kW solar power facility and transitioning to eco-friendly mobility to proactively address carbon regulatory risks and contribute to achieving national carbon neutrality goals.

Duksan Hi-Metal Co., Ltd.'s Response Strategy

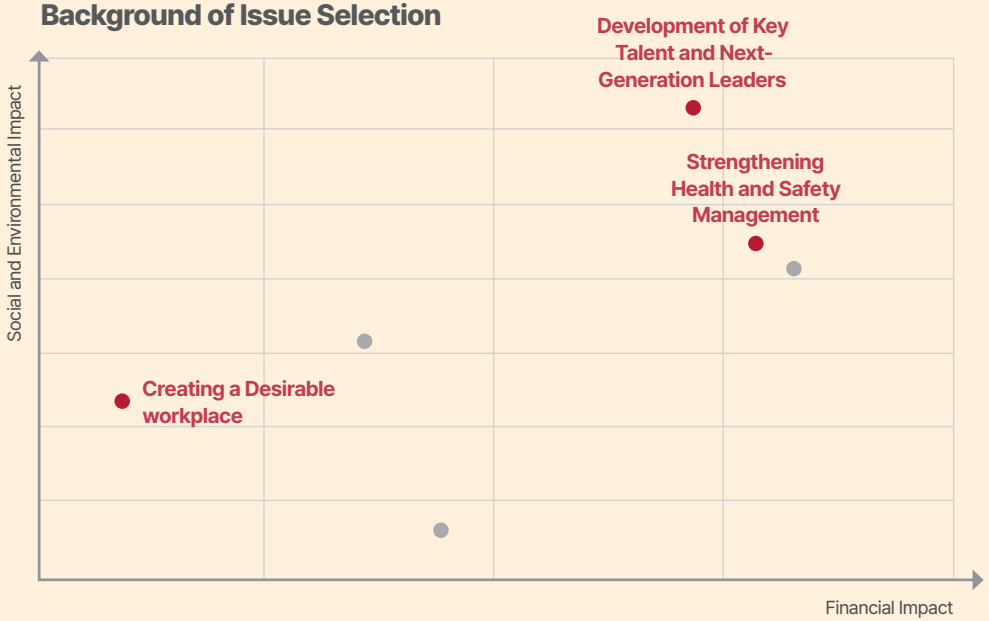
- Duksan Hi-Metal Co., Ltd. legally separates and processes waste generated at its business sites in accordance with the Waste Management Act, entrusting the entire volume to government-approved specialized waste treatment companies. Upon disposal, waste is classified and managed as general waste and designated waste; general waste, such as paper, cans, and plastics, as well as designated waste, such as waste organic solvents, are recycled through specialized companies. Additionally, metal waste generated during the manufacturing process is recycled through scrap processing companies. We will continue to strengthen our resource circulation system through proper waste management and the expansion of recycling.
- Electricity consumption accounts for over 95% of Duksan Hi-Metal Co., Ltd.'s greenhouse gas emissions. We have established a greenhouse gas inventory to calculate emissions (Scope 1 and 2) and are actively working to reduce emissions by cutting energy consumption and introducing renewable energy sources. We aim to become an eco-friendly company with the goal of transitioning 100% of our corporate fleet to eco-friendly vehicles.

Plans and Goals

- Introduction of Renewable Energy (Solar Power Generation)
- Reduction of Greenhouse Gas Emissions
- Implementation of Resource Circulation Goals
- Reduction of Waste Generation at Source and Promotion of Recycling

Social Issue

Background of Issue Selection



Duksan Hi-Metal Co., Ltd. 2025 Highlights

1. 100% Completion rate for employee health check-ups
2. ESH Suggestion System (31 proposals identified/improvement completed)

1. Selection as a Family-Friendly Certified Company
2. Organizational Culture Satisfaction Survey Results(3.39 out of 5 points)



Context and Importance

- Duksan Hi-Metal Co., Ltd. has been officially certified as a 'Family-Friendly Certified Company for 2025 in an evaluation conducted by the Ministry of Gender Equality and Family.
- A Desirable workplace and a healthy organizational culture are key factors directly linked to attracting and retaining excellent talent. We continuously make numerous institutional and cultural efforts to create a work environment based on autonomy and inclusivity, and operate DS Refresh Day to support work-life balance. The overall usage rate of Refresh Day in 2025 was 42.9%. We also regularly conduct organizational culture satisfaction surveys to improve organizational culture and gather employee feedback; the satisfaction score in the survey conducted in 2025 was 3.39 out of 5 points. We will continue to drive improvements in the working environment that employees can genuinely experience.
- For companies, a safe and healthy working environment is not only a fundamental right directly related to the lives of employees but a key element for sustainable management. Stakeholders in the industry recognize a safe working environment as a basic corporate responsibility, and societal expectations in this regard are steadily rising.

Duksan Hi-Metal Co., Ltd.'s Response Strategy

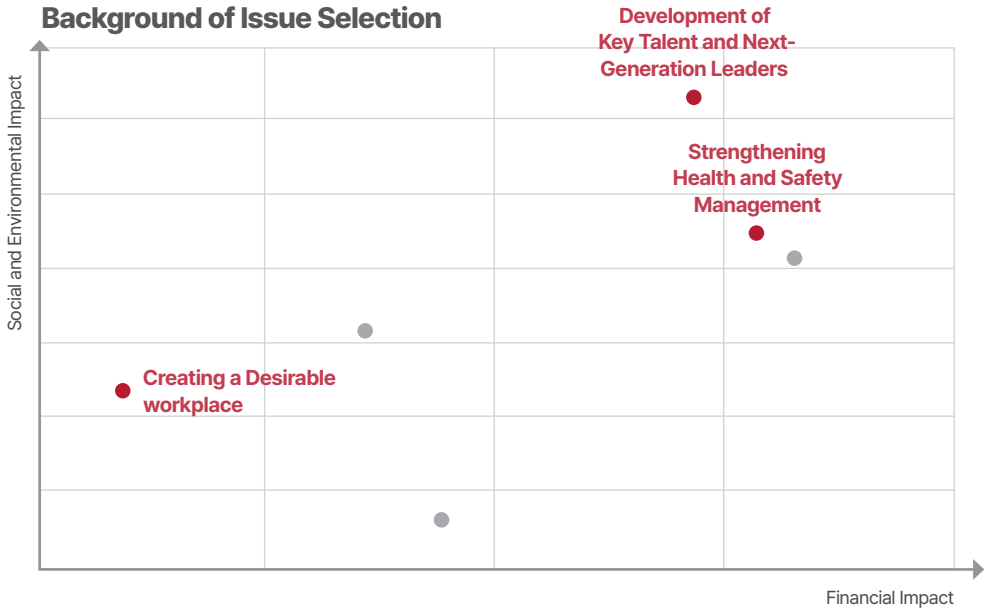
- Duksan Hi-Metal Co., Ltd. has introduced flexible work hours and refresh days throughout its operations to enhance employee flexibility and work engagement. We also support various internal club activities to strengthen a horizontal organizational culture and regularly conduct employee satisfaction surveys about organizational culture, incorporating the resulting feedback into our overall organizational management.
- Duksan Hi-Metal Co., Ltd. enhances the development of its internal workforce to secure future competitiveness capable of responding to the rapidly changing market environment. We conduct leadership training for next-generation leaders and continuously develop training programs to strengthen job-specific expertise.
- Duksan Hi-Metal Co., Ltd. regularly conducts safety and health training based on the Occupational Safety and Health Act. We also strive to raise the safety and health awareness of all employees and spread a safety culture through activities such as health consultations for employees, sharing ESH training materials, and fire evacuation drills.

Plans and Goals

- Conduct quarterly on-the-job training (OJT) for new hires and job-specific competency training
- Achieve a zero-accident workplace
- Conduct risk assessments twice a year and achieve 100% implementation rate for risk mitigation measures

Social Issue

Background of Issue Selection



Duksan Hi-Metal Co., Ltd. 2025 Highlights

Conducting Ethics Management Training for Employees

Context and Importance

- Ethics management and anti-corruption are key foundations for enhancing corporate credibility and sustainable growth, and are areas where stakeholders demand a high level of importance. Global supply chains, investors, and customers recognize transparent decision-making and fair transaction practices as key criteria for trust, and their importance is further expanding amidst changes in the regulatory environment.
- Duksan Hi-Metal Co., Ltd. strives to proactively prevent potential risks by strengthening its ethics management system, enhance the trust of the market and stakeholders, and ultimately increase corporate competitiveness and reputation in the medium to long term.

Duksan Hi-Metal Co., Ltd.'s Response Strategy

- Duksan Hi-Metal Co., Ltd. recognizes ethics management and anti-corruption culture as core elements of corporate management and continuously strengthens the institutional framework for transparent and fair corporate operations. We have established and operate a code of ethics and code of conduct that all employees must adhere to, and systematically promote the internalization and practice of ethical awareness through regular training and inspections.

Plans and Goals

- Expanding Ethics Management Training for Employees
- Management of Ethics and Whistleblowing Channels

ESG Story

ESG Performance 21

Environment 22

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ESG Performance

Key ESG Performance

2025 ESG Performance



Environmental

Circular Economy Performance Exceeds Target

Achieved approximately **14%** recycling rate for circular recycling

(Approximately 111 tons recycled out of 795 tons in 2025)

Completed IoT system for air pollution control facilities

Integration of IoT system for air pollutant emissions & control facilities

(Real-time monitoring and optimal operation of air pollution control facilities)

Tangible R&D Results for Eco-friendly Products

1. Converted 3 corporate vehicles to eco-friendly models
2. Feasibility study for solar power generation business

(Reviewing 70KW generation on 400m² rooftop of office building)

Tangible R&D Results for Eco-friendly Products

Recycled raw material usage rate in certified recycled products **88~100%** achieved



Social

Promoted DS Refresh Day Program

Refresh Day usage rate for G1 level employees **52%** Over

Expanding Industry-Academia Cooperation

Strengthening ties with the local community through MOU signing

(Industry-academia cooperation with universities in the Gyeongsang region)

Expanding Social Contribution Activities

Support for the underprivileged through the Yuha Prun Foundation

Building a Safe Workplace

Number of serious industrial accidents **0cases**



Governance

Ethics/Anti-Corruption Activities

Completion Rate for Ethics and Anti-Corruption Training **100%**

Strengthening Internal Information Security

Number of legal violations or security incidents **0cases**

Strengthening Compliance

Number of Fair Trade Law violations **0cases**

Operating Public Interest Reporting Channel

Continuously operating via anonymous reporting system

Environment

Climate Change

Environmental Management System

Duksan Hi-Metal deeply recognizes its social responsibility to the environment and operates an advanced environmental management system to minimize environmental impacts throughout its business processes. Based on the international standard Environmental Management System (ISO 14001) certification, we not only strictly comply with environmental laws and regulations but also perform company-wide management activities in key environmental areas such as energy, waste, pollutants, and water resources. In particular, with the official declaration of ESG management in 2022, we established ESH (Environment, Safety and Health) policies to raise environmental and safety awareness among employees. In 2023, we further strengthened our implementation by enacting our own **Environmental Management Policy**. Duksan Hi-Metal will continue to implement concrete strategies to respond to the climate crisis and realize a circular economy, completing a sustainable management model that minimizes negative environmental impacts.

Environmental Management Policy

1. Comply with relevant laws and regulations and faithfully fulfill environmental management obligations.
2. Improve environmental performance through continuous improvement of the environmental management system.
3. Foster environmental awareness and strengthen related capabilities by conducting environmental training for employees and sharing environmental information.
4. Strive to establish and achieve goals for minimizing environmental pollution and realizing a circular economy.
5. Use energy efficiently to respond to climate change and reduce greenhouse gas emissions.
6. Control and manage environmental pollutants to contribute to preventing marine pollution and conserving biodiversity.

Environmental Management System Certificate


경영시스템인증서

덕산하이메탈(주)

KSA

KSA 한국표준협회장

<ISO14001 Certificate>

Environmental Management Organizational Chart



> Environment

Climate Change

Environmental Management System

Environmental Risk Prevention

Duksan Hi-Metal Co., Ltd. continuously promotes activities to prevent environmental pollution. Through regular environmental impact assessments, we identify environment-related risks and minimize the usage of resources and the emission of waste. Furthermore, through ESH consulting and on-site inspections by major clients, we identify and improve environmental risks annually.

Additionally, by joining the Ulsan Environmental Technologists Association, we strive to prevent environmental accidents by participating in activities such as environmental seminars and briefings by relevant agencies to understand and comply with local environmental regulations.

Raising Environmental Awareness

Duksan Hi-Metal Co., Ltd. conducts regular MSDS training to enhance employee environmental and safety awareness and understanding of hazardous substances. Furthermore, to foster company-wide environmental awareness, a separate monthly environmental education program has been operated for all employees since 2022. Duksan Hi-Metal Co., Ltd. will continue to expand and strengthen environmental education, prevent environmental pollution through continuous employee participation and awareness improvement, and comply with relevant laws and regulations.

2025 Environmental Education Status

Date	Attendance Rate	Training Topic
February 2025	100% (Rollout of departmental training through supervisors - ESH Bulletin Board)	MSDS Training (MSDS management standards, etc.)
July 2025		Waste Management Training (Definition of Waste Management Act, separate collection and disposal methods for designated waste, etc.)

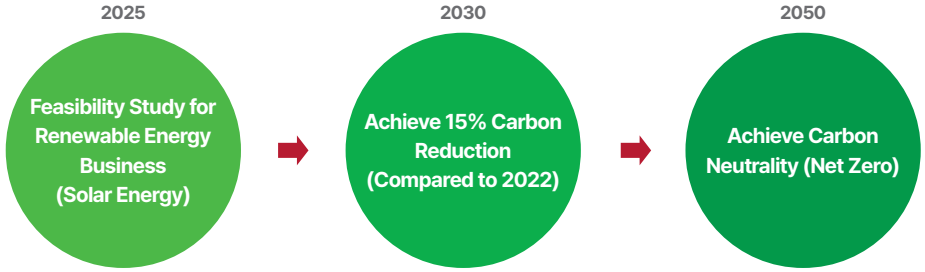
Greenhouse Gas and Energy Management

Climate Change Response Activities

Duksan Hi-Metal is systematically implementing its Climate Change Response Roadmap to actively respond to the global climate crisis. In 2024, we established a greenhouse gas inventory through consulting with an external specialized agency and are concentrating company-wide efforts to achieve the ambitious goal of reducing greenhouse gas emissions by 15% by 2030 compared to 2022.

In 2025, to achieve tangible reduction results, we reduced carbon emissions from transportation by replacing 3 corporate vehicles with eco-friendly hybrid models. Furthermore, we are preparing to install a 70kW solar power generation facility using the rooftop of the office building (400m²) to introduce renewable energy. Through this transition to eco-friendly energy, we will solidify our low-carbon management system and create sustainable future value.

Climate Change Response Roadmap



Greenhouse Gas Emission Reduction Activities

Category	Details
Energy Equipment Efficiency Improvement	Replacement of air compressor and air dryer equipment
Introduction of Eco-friendly Energy	⊙ Introduction of ESS energy distributed system ⊙ Reviewing the installation of a solar power generation system on the main building rooftop
Replacement of Corporate Vehicles with Eco-friendly Models	New contract for eco-friendly corporate vehicles
Discovery of Other Reduction Measures	Adjustment of air conditioner temperature settings, replacement of air conditioner filters

> Environment

Climate Change

Greenhouse Gas and Energy Management

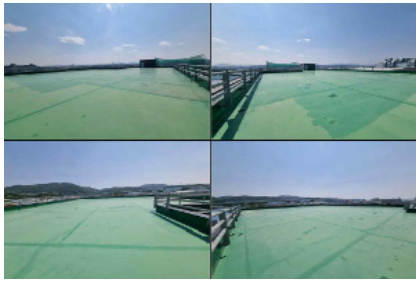
Energy Reduction Activities

Duksan Hi-Metal is pursuing both energy efficiency improvements and the introduction of renewable energy to respond to climate change and achieve low-carbon management. Through the Clean Factory establishment project, we have improved high-efficiency equipment, and by participating in the regional energy ecosystem revitalization project, we have completed the replacement of air compressors and the installation of ESS (Energy Storage Systems) to achieve significant energy savings.

In 2025, to reduce carbon emissions, we contributed to reducing Scope 1 emissions by replacing 3 corporate vehicles with eco-friendly hybrid models. We also have detailed plans for expanding renewable energy through company-wide energy diagnostics. As part of this, we have completed a technical and economic feasibility study to introduce a 70kW solar power generation facility using approximately 400m² of rooftop space on the office building. Depending on the results of the business feasibility study, we plan to fully adopt solar power generation and continuously expand the proportion of renewable energy use.



<ESS installation>


<Planned site for solar power installation>

Eco-friendly Investment and Product Development

Duksan Hi-Metal Co., Ltd. continuously invests in developing products that can be soldered at low temperatures to enhance product eco-friendliness and reduce carbon emissions. In particular, we have developed low-melting-point solder balls that can reduce carbon emissions by over 40% through a low-temperature bonding process, and are striving to expand their application to new semiconductor products. Additionally, we have completed the development of new products that compensate for the limitations of existing low-melting-point solders, and are advancing them into sophisticated low-melting-point solder ball products that offer stable bonding under various temperature conditions, as well as improved product reliability.

Environmental Impact

Circular Economy Practice

Raw Material Management

Duksan Hi-Metal Co., Ltd. is continuously advancing its resource circulation system and striving to maximize the efficiency of raw material management. To enhance storage and operational efficiency while increasing resource utilization, we are targeting the reduction of raw material usage and the minimization of resource waste by efficiently managing and using reusable resources within the process. Furthermore, we are continuously improving resource utilization efficiency by reducing unnecessary waste generation through optimal inventory management and systematic material management standards. Through these efforts, Duksan Hi-Metal Co., Ltd. is minimizing its environmental impact and realizing sustainable operations based on resource efficiency.

Waste Management

Duksan Hi-Metal Co., Ltd. complies with the Waste Management Act and operates documented standards for treatment, discharge, and storage to properly manage and handle waste generated at its facilities. General waste is promoted for recycling through separate collection, and even waste organic solvents, which are designated waste, are 100% recycled by entrusting them to licensed waste treatment companies. Non-ferrous metals, which are process by-products, are 100% recycled through specialized scrap processors. We monitor monthly waste generation to minimize waste emissions and increase the recycling rate.

Realizing a Circular Economy

Duksan Hi-Metal Co., Ltd. is continuously pursuing circular economy performance management. In its 2025 performance, the actual recycling volume was approximately 111 tons out of about 795 tons of designated waste generated, achieving a recycling rate of 14%, which exceeded the resource circulation recycling target set by the Korea Environment Corporation. The final disposal volume was 161 tons, approximately 20%, indicating a sound performance.

> Environment

Environmental Impact

Circular Economy Practice

Product Environmental Performance Enhancement Policy

In response to the continuous demands of domestic and global customers, Duksan Hi-Metal Co., Ltd. is reducing the environmental impact of its existing products by increasing the proportion of recycled tin used in product manufacturing. In line with the low-carbon circular economy trend, we are strengthening cooperation with domestic and global eco-friendly suppliers while expanding an eco-friendly supply chain through supply contracts. Moreover, we are minimizing environmental impact by converting packaging materials for solder ball products and logistics packaging materials such as pallets for delivery to eco-friendly materials. We are also testing and gradually applying eco-friendly products for dustproof clothing and shoes used in the process.

Environmental Management of Products Supplied by Partners

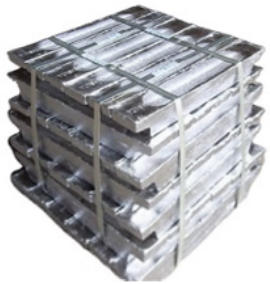
Duksan Hi-Metal Co., Ltd. systematically manages compliance with domestic and international environmental regulations and the application of Halogen-Free materials by requiring RoHS certificates at the partner evaluation stage to strengthen environmental management of all materials, including raw materials, product containers, and labels.

We also proactively monitor the use of regulated substances in supplied products to proactively manage environmental risks. If a partner is found to be using regulated environmental substances, we review the possibility of improvement through consultation, require the establishment and implementation of an improvement plan, and take necessary actions such as suspending transactions if improvements are not made within the deadline. We share information across our internal systems about our partners' environmental management performance and updates to RoHS regulations to continuously enhance the overall environmental management level of the organization.

Eco-friendly Product Development and Sales

Since 2022, Duksan Hi-Metal Co., Ltd. has been creating a sustainable manufacturing environment through resource circulation and the adoption of eco-friendly materials. We are making steady progress by actively utilizing recycled materials and eco-friendly packaging, while exploring ways to reduce environmental impact. In 2025, we reduced our environmental footprint by increasing the use of recycled raw materials to meet the demands of domestic and global customers; we further strengthened our eco-friendly supply chain by enhancing cooperation with environmentally conscious suppliers in alignment with the shift toward a low-carbon circular economy. As a result, customer awareness and demand for eco-friendly products are continuously rising, leading to steady growth in sales of these products.

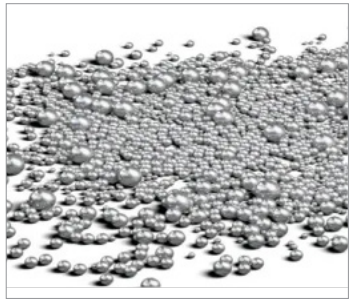
Eco-friendly Raw Materials



Recycle Tin



Recycle Ag



Recycle Bi



Recycle Pd

> Environment

Environmental Impact

Circular Economy Practice

Eco-friendly Product Procurement

Duksan Hi-Metal Co., Ltd. is leading innovation in resource management for environmental protection while actively expanding the eco-friendly use of raw and subsidiary materials and packaging materials. Since 2022, we have focused on introducing recyclable materials and environmentally friendly raw and subsidiary materials, while strengthening our resource circulation system by discovering new suppliers and adopting eco-friendly packaging. In 2025, driven by the increased demand for recycled products, we focused on securing a stable supply chain for eco-friendly materials for future anticipated demand, including expanding the purchase of recycled materials and the recycle supply chain. These efforts are making a significant contribution to activating the circular economy and enhancing environmental sustainability; to support Duksan Hi-Metal's philosophy of responsible management, the company plans to actively pursue the identification of other eco-friendly mineral materials in the future.

Eco-friendly Material Management

As a low-carbon circular economy emerges as a core global value, Duksan Hi-Metal Co., Ltd. continues to implement management practices aimed at minimizing environmental impact. We are implementing initiatives to reduce environmental impact across logistics and storage operations; as part of this effort, we are expanding resource-efficient practices, such as using pallets during logistics processes, which are made from recycled materials. The company is also reviewing the feasibility of using eco-friendly products for work consumables, such as cleanroom suits and shoes, while gradually expanding the scope of application. Through these efforts, Duksan Hi-Metal Co., Ltd. is minimizing its environmental impact and advancing its sustainable management system based on resource efficiency.



<Eco-friendly Pallets>



<Packaging Materials>



<Workwear>

Water Resource and Pollutant Management

Water Resource Management

As a Class 5 facility subject to regulations on water pollutant discharge, Duksan Hi-Metal Co., Ltd. adheres to a 'zero-discharge' policy, ensuring that no wastewater generated at the site is discharged directly into water systems. All generated wastewater is treated by licensed waste treatment companies, thereby eliminating impact on the surrounding environment and public waters. Furthermore, the company continuously works to enhance water usage efficiency by refining cleaning processes and optimizing the water supply system to prevent unnecessary resource waste and continue responsible management to preserve water resources.

Air Pollutant Management

Duksan Hi-Metal Co., Ltd., as a Class 5 air emission facility, conducts semi-annual self-monitoring of dust and hydrocarbons to transparently monitor pollutant emissions. In particular, through the efficient management of our air pollution control facility (A/C adsorption tower), we consistently maintain emission levels at or below 30% of the legal limits. With the completion of an IoT-based air pollution control system in 2025, the company now monitors the operational status of its control facilities in real time and ensures optimal operating conditions based on data. Furthermore, we are taking the lead in minimizing our impact on the atmospheric environment through periodic maintenance—such as replacing activated carbon at least once a year—and proactive preventive maintenance.



<Air Pollution Control Facility>



<Photo of IoT Gateway Installation>

society

Workforce

Talent Management

HR Policy

Duksan Hi-Metal Co., Ltd. aims for a human resources system that enables autonomous performance and talent development to ensure sustainable growth. We are building a performance-oriented organizational culture by fairly and rationally evaluating the performance and competencies of our members with a compensation system based on these assessments. We continuously strengthen our organizational competitiveness by systematically identifying and nurturing talent that aligns with our corporate values.

Guided the principle of 'fairness,' we prohibit discrimination in all HR processes, including recruitment, training, placement, promotion, retirement, and dismissal, based on gender, age, religion, social status, place of origin/school, marital status/pregnancy, or medical history, and provide equal opportunities to all employees. These principles are clearly reflected in our HR regulations, and the company remains committed to upholding them consistently.

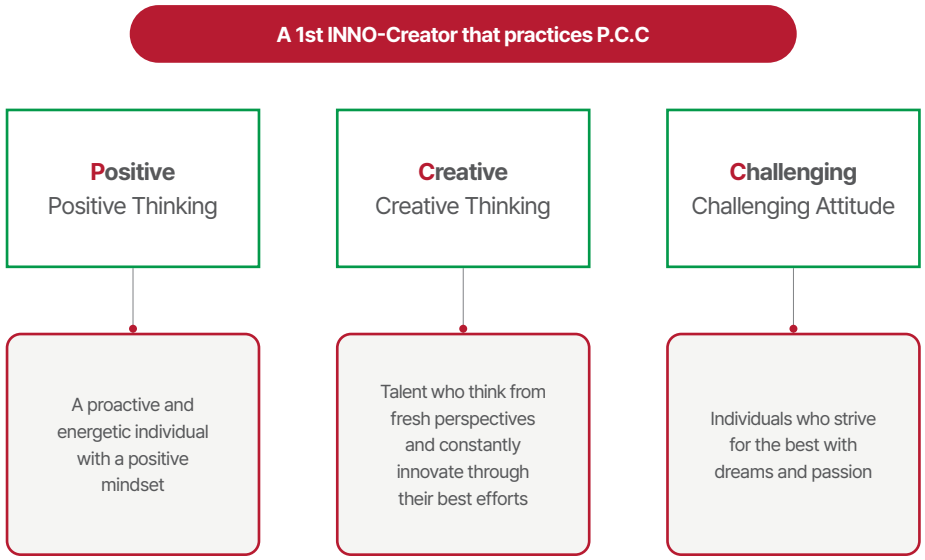
Talent Acquisition

Duksan Hi-Metal Co., Ltd. prioritizes positive thinking, a creative spirit, and a challenging mindset as core values in its recruitment process. We are making company-wide efforts to secure key talent as we strive to become a "1st INNO-Creator" in the materials and components industry. We conduct ongoing recruitment through our proprietary online system and provide various recruitment-related information via two-way communication on our KakaoTalk channel, "Duksan-in," to ensure smooth interaction with applicants. Furthermore, we continuously strengthen our foundation for identifying and securing top-tier talent—specifically at the master's and doctoral levels—through industry-academia partnerships with leading domestic and international universities, such as Pusan National University and the University of Maryland.

HR System



Ideal Candidate Profile



> society

Members

Talent Management

Internal Job Rotation System

Duksan Hi-Metal Co., Ltd. provides opportunities for employees to experience different roles to support the expansion of individual capabilities and the diversification of job expertise. To facilitate job mobility, we maintain strict confidentiality until the personnel appointment. We also operate the system in a way that respects employees autonomous decision-making, such as waiving the prior approval from current department heads during the application process.

Internal Job Rotation System

Category	Details
Transfer Placement	Horizontal transfer to a different job with similar job level
Internal Recruitment	Open recruitment for internal employees when vacancies occur within the company

Talent Development

Duksan Hi-Metal Co., Ltd. implements systematic talent development strategies that maximize individual capabilities, internalize our talent philosophy, and enhance job expertise. We operate various training programs based on these strategies.

Talent Development Strategies and Related Educational Programs

Category	Goal	Details
Leadership Competency	Nurturing Next-Generation Leaders	Training for existing and new executives
		Training for existing and new position holders
		Leadership competency enhancement training by position level
Common Competencies	Internalization of Duksan Hi-Metal's Ideal Talent Profile and Behavioral Standards	Onboarding for new and experienced hires
		Field Manager Training
		Ethics Training
Job Competency	Nurturing top experts in every field	Support for specialized job training
		Operation of technical trend seminars
		Foreign language proficiency enhancement training

Employee Competency Development Training

Duksan Hi-Metal Co., Ltd. supports the enhancement of employee job expertise and foreign language proficiency through its online learning platforms, the DS Cyber Training Center and the DS Foreign Language Training Center. These platforms can be accessed through mobile phones, PCs, and tablets, providing an environment where employees can learn autonomously without constraints of time or location.

Current status of member competency training

Category	Platform	Training Area	Number of Courses Offered
Professional Job Training	DS Cyber Training Center	Industrial Technology and Knowledge	592
		Business Competency	865
		General Competency	84
		Total	1541
Foreign Language Proficiency Enhancement Training	DS Foreign Language Training Center	English	391
		Chinese	125
		Japanese	139
		Other Foreign Languages	38
		Total	693

Leadership Training

In 2025, a new training program tailored to specific organizational levels was introduced to foster a culture of trust between leaders and employee while strengthening mutual respect and collaboration. Customized training sessions were conducted for each tier: junior staff, middle managers, and leaders. The program received a highly positive response, with 97% of participants rating their satisfaction as either 'Very Satisfied' or 'Satisfied.'" We plan to continue this tiered training approach to cultivate a collaborative organizational culture.





> society

Members

Talent Management

Enhancing Leadership Competency

Duksan Hi-Metal Co., Ltd. has established a multifaceted training system based on leadership competency models tailored to specific job levels. We offer a phased curriculum that covers everything from organizational onboarding for new hires to leadership development for managers and professional skill enhancement for staff; furthermore, we utilize targeted, customized programs to deepen understanding of company-wide core competencies. Through these initiatives, we are laying the foundation for all employees to unlock their potential and refine their core capabilities.

Position-Based Leadership Competency Model

	Definition of Roles by Tier	Common Competencies	Role-Specific Competencies				
			Change	People		Work	
Management	Vision Leader	⊙ Positive Thinking ⊙ Creative Spirit ⊙ Challenging Attitude	Spread Change	Provide Vision	Build Organizational Culture	Resource Management	Strategic Participation
Team Leader	Change Leader		Lead Change	Develop Team Members	Build Teamwork	Performance Management	Decision Making
G3	Performance Leader ⊙ Resolves issues by leveraging personal expertise and know-how to achieve the team's operational goals ⊙ Foster a positive and communicative team atmosphere by providing advice and guidance to support juniors in their work		Promote Change	Work Coaching		Results Management	
				Fostering a Culture of Harmony		Problem Solving	
G2	Execution Leader ⊙ Creates detailed work plans to achieve assigned work objectives and roles ⊙ Contributes to achieving the team's objectives by actively resolving problems and obstacles encountered during plan execution		Execute Change	Relationship Building		Goal Management	
				Conflict Management		Work Planning	
G1	Learning Leader ⊙ Strives to enhance professional expertise based on an understanding of the organization ⊙ Performs duties with a sense of ownership ⊙ Actively and proactively participates in organizational changes		Participate in Change	Self-Development		Self-Directed	
				Organizational Understanding		Work Management	

* Solid line: Existing competency enhancement training. Dotted line: Planned competency enhancement training

> society

Members

Organizational Culture Innovation

Support for Organizational Vitality

Duksan Hi-Metal Co., Ltd. operates several programs to revitalize the organization and create a workplace where all employees can work with enthusiasm and engagement. We provide facilities for relaxation and health – such as an on-site "Space for Contemplation" and a company gym – and offer financial support for employee club activities to foster communication. We actively listen to the voices of our employees through surveys, working together to build a flexible organizational culture.

Organizational Vitality Support Status

Program	Type of Support
Financial Support for Organizational Vitalization	Monthly support for organizational vitalization expenses per team
	Support for In-house Club Activities
Support for Organizational Vitalization Spaces	Operation of an in-house 'space for contemplation'
	Operation of In-house Lounge
	Operation of In-house Gym
Improvement of Internal Communication	Conducting management briefings hosted by the CEO
	Conducting an organizational culture survey for all employees
	Conducting multi-source assessments for leaders (executives and department heads)





Work-Life Balance

To maximize work efficiency in a rapidly changing labor environment, we have implemented a flexible working hour system. Complementing this implementation, we operate a "Refresh Day" program, granting time off when monthly mandatory working hours are exceeded, to ensure employee rest and boost their work engagement. Through these initiatives, we guarantee time for personal development and leisure, fostering a work culture where individual growth and organizational performance create a virtuous cycle.

Family-Friendly System Operation

We consider the work-life balance of our members as a core management value and operate effective family-friendly systems based on compliance with maternal protection laws. In particular, we have established an environment where employees during pregnancy and childcare can work stably without career interruption. We actively encourage and practice an inclusive corporate culture by promoting the free use of these systems by all employees, regardless of gender.

Family-Friendly System Status

Category	Details
Support for Female Employees	Maternity leave and childcare leave for female employees
	Reduced working hours during pregnancy and childcare periods
	Paid leave for fetal check-ups
	Paid nursing time for pregnant women
Common Support	Support for infertility treatment leave
	Support for family care leave

Retirement Pension System Operation

To ensure a stable life after retirement for our members, we systematically operate a Defined Benefit (DB) retirement pension system. Protecting the right to receive retirement benefits and securing assets stably are our top priorities. We maintain financial soundness through the management of reserves focused on low-volatility, high-quality investment products. This provides a foundation for our members to focus on their current roles without anxiety about the future.

Employee Satisfaction Survey

To objectively assess the current state of our organizational culture and identify practical areas for improvement, we conduct an annual organizational culture satisfaction survey through an external professional platform. Through this process, we are able to effectively analyze employee perceptions and latent needs to derive data-driven insights. The assessment results can then be translated into concrete improvement initiatives, thereby driving positive changes that employees can genuinely experience.

> society

Members

Organizational Culture Collaboration

Employee Welfare Programs

Duksan Hi-Metal Co., Ltd. operates welfare programs to enhance the happiness and quality of life of its members. We encourage vacation usage by supporting summer resort facilities and strive to create a healthy work environment for our employees by operating an in-house health center for health promotion. Furthermore, by providing well-being programs that consider employees' overall lives, such as support for health check-up and vaccination costs, housing support, and tuition support for employees and their children, we contribute to creating a stable working environment and improving organizational satisfaction.

Well-being Programs

Program	Type of Support
Housing Support	Housing Deposit Loan Support, Housing Support Allowance
Health Support	In-house Health Center Operation, Health Check-up Support, Vaccination Support
Leisure Support	Welfare Point Support, Summer Resort Support, In-house Club Operation
Family Event Support	Financial support, leave, and gifts for family events
Tuition Support	Self Tuition Support, Child Tuition Support, Child Enrollment Celebration Gift Support

Strengthening Labor-Management Communication

Duksan Hi-Metal Co., Ltd. recognizes a win-win labor-management relationship as a key driver of corporate development and strives to establish a healthy labor-management culture based on mutual respect and trust. Through quarterly labor-management council meetings, employee and management representatives communicate and discuss company policies, major management issues, suggestions, and grievances. Additionally, we operate an improvement suggestion bulletin board on the company intranet, which allows employees to submit ideas for work-related improvements at any time. Through our 'Voice of the Heart' system, we anonymously receive and respond to inquiries and to suggestions for improving the work and general environment.

Employee Communication Channel Operation

Duksan Hi-Metal Co., Ltd. operates a mobile-based continuous communication channel to actively listen to employee opinions. Employees can freely raise various grievances and opinions, including human rights violations, without time or location constraints, fostering an open communication environment where direct feedback can be exchanged with the company in real-time.

Performance Evaluation and Compensation

Duksan Hi-Metal Co., Ltd. operates an evaluation and compensation system that comprehensively considers performance and capabilities. We conduct performance evaluations linked to organizational and individual goals, as well as competency evaluations focused on common, leadership, and job-specific skills. We apply objective and fair evaluations through a concrete and systematic process involving goal setting, interim reviews, final evaluations, and feedback. Furthermore, by reflecting evaluation results in annual salary, performance incentives, and promotions, we enhance employee motivation and support the continuous growth and achievement of the entire company.

Performance Evaluation System



Employee Compensation System

Compensation	Compensation
Fixed Pay	Base Salary: Annual Salary System
Variable Pay	Performance Incentives: Paid on a differentiated basis according to performance, taking into account the achievement of company (joint), organizational, and individual goals.

> society

Constituents

Strengthening Human Rights Management

Building a Foundation for Human Rights Management

Duksan Hi-Metal Co., Ltd. recognizes the establishment of documented standards as a crucial starting point for the substantive implementation of human rights management. This clearly communicates the organization's commitment to respecting human rights in all management and production activities, and serves as a foundation for transparently sharing this commitment with internal employees and external stakeholders. The company respects the human rights of all stakeholders, including its employees, and established a Human Rights Charter in 2023 to foster a corporate culture of human dignity. We will continue to faithfully adhere to these principles and strengthen human rights management through continuous system improvement and practice.

Human Rights Risk Management System

The HR Group at Duksan Hi-Metal Co., Ltd. is dedicated to the prevention, identification, and management of human rights risks. Major related issues are reported and discussed at the ESG Working Council. Matters requiring board reporting and approval, as reviewed by the ESG Committee, are compiled by the IR/PR Group under Duksan Holdings, the secretariat for ESG, and reported to the board quarterly. The Board of Directors holds the ultimate responsibility for Duksan Hi-Metal Co., Ltd.'s human rights risk management, thereby driving systematic and responsible human rights management.

Human Rights Violation Reporting and Response System

Duksan Hi-Metal Co., Ltd. receives reports of human rights violations through the online reporting channel, Duksan Clean Reporting Center. This channel operates with strict anonymity, and when an investigation is required for a reported matter, the protection of the victim is prioritized. If facts are confirmed, strict measures are taken against the perpetrator in accordance with internal regulations. Furthermore, based on the information received through the reporting center, potential human rights risks are identified and regularly reported to the Board of Directors. Based on board resolutions, systematic risk management activities such as revising disciplinary regulations and conducting human rights education and campaigns are pursued. As of December 31, 2025, there were no reported cases of human rights violations.

Raising Human Rights Awareness and Education

Duksan Hi-Metal Co., Ltd. conducts human rights training for all employees to enhance awareness and understanding of human rights within the workplace and foster a healthy organizational culture. Through human rights education, we strive to spread a culture of respect for human rights within the organization and continuously work to prevent human rights violations that may occur in daily business activities.

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

1. Basic Principles

Duksan Hi-Metal Co., Ltd. supports international standards and guidelines related to human rights and labor, such as the Universal Declaration of Human Rights (UDHR), UN Guiding Principles on Business and Human Rights (UNGPs), and core conventions of the International Labor Organization (ILO). We actively implement human rights management to prevent human rights infringements in our business operations.

2. Scope of Application

The Duksan Hi-Metal Co., Ltd. Human Rights Charter comprehensively applies not only to Duksan Hi-Metal Co., Ltd. employees (executives, full-time, and part-time staff) but also to domestic and global affiliates (Duksan Navcours and DS Myanmar) and suppliers with whom we have business relationships. It is also used in the evaluation of investment and M&A targets.

3. Operating Guidelines

⊙ **3-1 Prohibition of Discrimination** | Duksan Hi-Metal Co., Ltd. does not discriminate in any way regarding employee treatment such as recruitment, promotion, training, and benefits based on gender, race, ethnicity, nationality, religion, age, social status, or political views. We provide equal pay for work of equal value within the same workplace.

⊙ **Compliance with Labor Conditions** | Duksan Hi-Metal Co., Ltd. complies with labor laws and regulations of the countries where it operates, including labor laws, working hours, rest periods, and minimum wage regulations. We enter into wage agreements with all employees based on mutual consent and provide detailed wage statements.

⊙ **3-3 Humane Treatment** | Duksan Hi-Metal Co., Ltd. prohibits all forms of mental or physical coercion, abuse, and unreasonable treatment of employees. We take appropriate measures and provide support to victims in case of related harm.

⊙ **Prohibition of Forced Labor** | Duksan Hi-Metal Co., Ltd. does not compel labor through mental or physical restraint against an individual's free will. We do not require the surrender of government-issued identification, passports, or work permits as a condition of employment.

⊙ **Freedom of Association and Collective Bargaining** | Duksan Hi-Metal Co., Ltd. guarantees the rights to organize, collectively bargain, and take collective action as stipulated by the labor laws of the countries where it operates. We provide employees with ample opportunities for communication regarding working conditions.

⊙ **Prohibition of Human Trafficking** | Duksan Hi-Metal Co., Ltd. prohibits all acts of recruiting, transporting, moving, harboring, or receiving persons through coercion, abduction, fraud, or deception for the purpose of exploitation.

⊙ **Compliance with Minimum Age of Employment** | Duksan Hi-Metal Co., Ltd. complies with the minimum age for employment set by the labor laws of the countries where it operates and the ILO. Our employment rules stipulate that we hire individuals aged 18 and above.

⊙ **Occupational Safety and Health Assurance** | Duksan Hi-Metal Co., Ltd. regularly inspects workplace facilities, equipment, and tools to ensure all employees can work in a safe environment and takes measures to prevent physical and mental hazards.

⊙ **Grievance Handling Process Operation** | Duksan Hi-Metal Co., Ltd. operates a grievance channel accessible to both employees and external stakeholders to address human rights violation grievances and develop measures to prevent recurrence.

⊙ **Human Rights Management Status Check** | Duksan Hi-Metal Co., Ltd. periodically checks whether its human rights management aligns with international standards and guidelines for human rights and labor, and implements improvement activities as needed.

Current status of human rights education

Category	Participation Rate (Attendees/Target)		
	2023	2024	2025
Sexual Harassment Prevention Training	100% (221/221)	100% (245/245)	100% (298/298)
Workplace Bullying Prevention Training			
Workplace Disability Awareness Improvement Training			

> society

Safety and Health

Safety Culture Creation

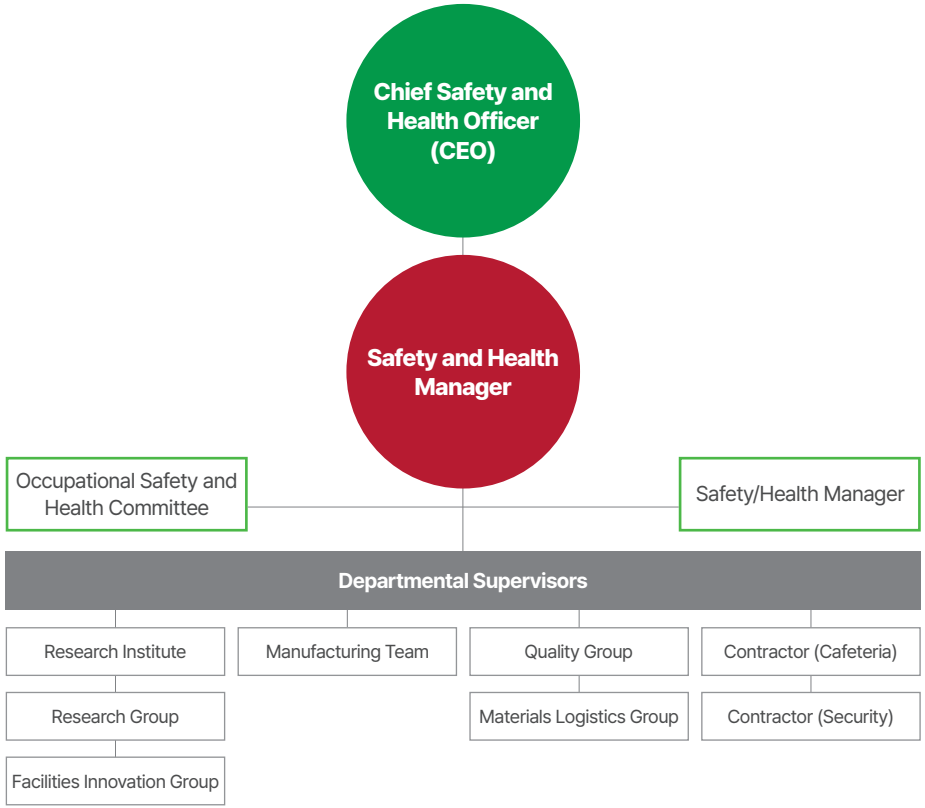
Management-led Practical Safety Management

Duksan Hi-Metal practices practical safety management with direct involvement from management. Monthly ESH meetings chaired by the CEO ensure swift decision-making on safety issues, while bi-annual site inspections are conducted to disseminate management's commitment to safety throughout the organization. In addition, quarterly Occupational Safety and Health Committee meetings are held for labor and management to discuss safety policies and translate on-site feedback into tangible improvements. This communication system based on mutual trust forms a crucial foundation for Duksan Hi-Metal's sustainable management.

ESH Policy

1. Management Practice Centered on Respect for Life
2. Strengthening Health Management for a Healthy Workplace
3. Establishing Eco-friendly Processes and Environmental Protection
4. Legal Compliance and Establishment of Autonomous ESH Culture
5. Continuous Investment Centered on ESH

Occupational Safety and Health Management Organization Chart



Policies and Certificates



<Environmental/ Occupational Health and Safety Policy>



<ISO45001 Certificate>

> society

Safety and Health

Safety Culture Creation

Operation of the Occupational Safety and Health Committee Based on Labor-Management Cooperation

In accordance with the Occupational Safety and Health Act, the Occupational Safety and Health Committee is operated quarterly. Through this consultative body, where both workers and employers participate, we are creating a healthy work environment. The committee discusses various issues such as accident prevention measures and improvement of hazardous factors, and actively incorporates employee opinions into policies, leading to tangible improvements on-site. This cooperative safety and health culture based on mutual trust has become a crucial foundation for Duksan Hi-Metal's sustainable management and a key model for labor-management harmony.

2025 Occupational Safety and Health Committee Performance

Category	Agenda	Result
2025 1st Quarter	➔ Conducting special ESH inspection within the company related to measures to reduce fatalities in the Ulsan region ➔ Posting in-house ESH guidelines ➔ Review of external training for supervisors	➔ Completed in-house ESH special inspection and improvements ➔ Completed posting of 5 in-house ESH guidelines ➔ Scheduled external training for 18 supervisors after coordinating schedules
2025 2nd Quarter	➔ Thorough prevention and management of suffocation accidents in confined spaces ➔ Management of individuals who have not undergone special health examinations	➔ Implementation of prevention and management activities for suffocation accidents in confined spaces ➔ Calibration of oxygen concentration meters / Operation of permits ➔ Contacted 30 individuals who missed special health examinations to encourage their attendance
2025 3rd Quarter	➔ 2025 Influenza Vaccination ➔ Review of company-wide emergency drill ➔ Conducting risk assessment for the second half of the year	➔ Influenza vaccination conducted (October) ➔ Fire drill conducted with a specialized fire safety company (December) ➔ Completed risk assessment for a total of 11 departments and shared results
2025 4Th Quarter	➔ Voting for 2026 ESH Slogan ➔ Need for company-wide inspection regarding safety equipment usage ➔ Need for inspection of documents related to safety and health	➔ ESH slogan selected through a contest ➔ Review and provision of necessary safety equipment for the entire company

Establishment and Dissemination of DSHM 10 Golden Safety Rules

We have established the 'DSHM 10 Golden Rules, embodying Duksan Hi-Metal's unique safety philosophy. By analyzing the specific characteristics of semiconductor material manufacturing and research environments, we derived 10 core behavioral guidelines for accident prevention. These are visually displayed at key intersections and process points throughout all business sites. Employees naturally internalize safety standards in their daily work, and these rules are particularly utilized as essential guidelines during pre-work TBM (Tool Box Meetings) to maximize practical safety execution on-site.

Practical Emergency Response Training and Capability Enhancement

We are internalizing response capabilities to protect employee lives in the event of an emergency. In April, we enhanced emergency response skills through CPR training for all employees. In December, we conducted a fire drill simulating a real situation to thoroughly inspect the initial response and evacuation procedures during disasters such as fires. These regular practical drills contribute to securing all-weather safety resilience, enabling employees to respond quickly and without panic even in unexpected accident situations.

2025 Emergency Drill Status

Process-Specific Internal Emergency Drills	Actions for fires, falls, chemical spills, etc.	July 2025
Company-Wide Evacuation Drill	Fire hydrant and extinguisher usage practice & evacuation drill	December 2025



<Process-Specific Internal Emergency Drills>



<Company-Wide Evacuation Drill>

Internalizing capabilities for managing R&D-specific risks and responding to emergencies

We operate a precision safety management program to manage the complex risks unique to research labs, differentiating them from manufacturing sites. The special safety training conducted in August served as an opportunity to minimize exposure to chemical risks in research labs and establish practical response protocols for various accident scenarios that may occur when using advanced experimental equipment. By enhancing the safety expertise of individual researchers, we have established a stable and safe research culture even when undertaking high-risk research projects.

> society

Safety and Health

Safety Culture Creation

Conducting risk assessment

We are strengthening our accident prevention capabilities through a sophisticated, data-driven risk management system. We conducted company-wide risk assessments twice in the first and second halves of 2025, identifying a total of 24 high-risk hazardous factors, all of which have been fully corrected. By digitizing and managing risk factors identified through regular assessments, we systematically and scientifically manage potential on-site hazards beyond mere inspections. In addition, we operated an ESH suggestion system, receiving a total of 21 suggestions in 2025, with all related corrective measures completed. Based on this continuous prevention system, we are proactively managing potential risks and continuously reducing the likelihood of safety accidents.

Risk assessment process

Risk Assessment Targets and Preparation
- Risk Assessment Team Formation
- Risk Assessment Meeting

Safety and Health Information
- Process Identification
- Listing Hazardous Machinery and Equipment
- Listing Chemical Substances Handled

Risk Assessment Form
- Soliciting employee feedback before risk assessment
- Assessing risk factors by process and hazard factor
- Reviewing appropriateness of risk score

Risk Registration
- Establish control measures based on risk assessment level
- Register risk factors with a score of 6 or higher
- Verify continuous improvement by evaluating effectiveness

Safety and Health Activities

We take a Total Healthcare approach that encompasses both physical and mental well-being, and a participatory safety culture. Following health check-ups in May, we encouraged voluntary health management through alcohol reduction education (June) and the Healthy Challenge (August). In November, an ESH slogan contest was held, providing a platform for employees to define safety values themselves. Furthermore, psychological stability was supported through a mental health management program in December. These activities aim to establish safety and health not as regulations, but as a corporate culture, promoting a sense of ownership among all employees.



<Healthy Challenge>





<ESH Slogan Contest>

Employee Health and Health Management

As part of managing employee physical health, we implement a phased musculoskeletal disorder prevention program. This is an effort to fundamentally prevent occupational diseases. In March and September, we operated consultation and small tool utilization programs to alleviate the musculoskeletal burden on field workers. For processes identified as high-risk through investigations, we pursue ergonomic optimization, such as equipment improvement and job rotation. This goes beyond simple treatment support to redesigning the work environment itself to be more worker-friendly.


<Musculoskeletal Disorder Prevention Consultation>


<Small Tool Utilization Program>

> society

Customer

Strengthening Quality Management

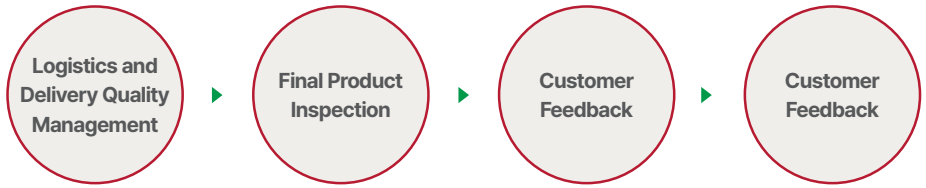
Quality Management System

Duksan Hi-Metal Co., Ltd. has established and operates a company-wide quality management system to provide customers with stable and reliable products. We ensure product reliability through quality control activities across all processes and continuously implement inspection and improvement activities to prevent quality risks in advance. Furthermore, by establishing quality standards that reflect customer requirements and strengthening a data-driven quality management system, we are striving to enhance customer satisfaction and secure sustainable quality competitiveness.

Quality Management Policy

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

Quality Management System



Quality Management Organization Chart



Maintaining Quality Management System Certification

Duksan Hi-Metal Co., Ltd. stably operates a quality management system based on IATF 16949 and continuously monitors the system's conformity and validity through regular renewal audits and follow-up audits. Through this, we maintain a quality control level that meets global customer requirements and strengthen the reliability of our quality management framework. Furthermore, we operate PPAP and change management systems to support mass production of new products and enhance responses to customer certifications. We strive to minimize quality risks and secure customer trust through quality control activities that link internal audits with external audit results.

IATF 16949 Certificate





> society

Customer

Strengthening Quality Management

Efforts to Improve Product Quality

Duksan Hi-Metal Co., Ltd. focuses on ensuring product safety, reliability, and consistency to achieve sustainable quality management. To this end, we identify potential risks in advance based on quality data analysis and link them to improvement activities. In addition, we strengthen quality stability by promptly analyzing the causes of quality issues and establishing recurrence prevention measures. We also strive to establish a company-wide quality culture through employee training and internalization of quality standards. We will continue to practice responsible quality management through ongoing improvement activities that meet customer needs and market quality standards.

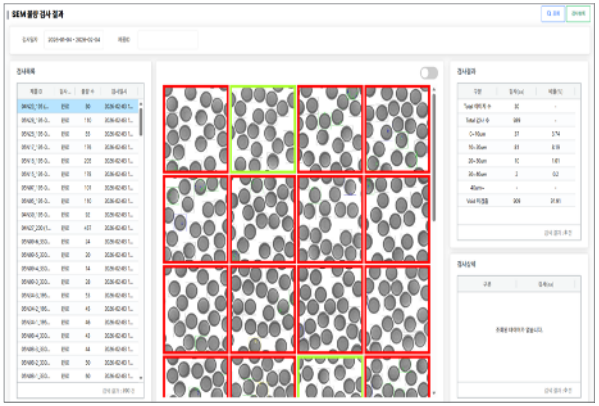
Product Quality Monitoring

Duksan Hi-Metal Co., Ltd. has not only established a digital SPC-based real-time quality monitoring system; with the increasing number of technology-intensive advanced products, we have introduced an AI-based inspection system to maintain product reliability and manage product quality that meets customer requirements. We also activate field-oriented autonomous quality diagnosis through regular PATROL inspection activities.

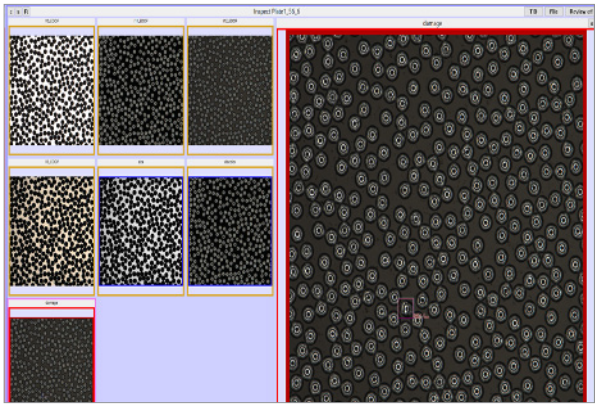
Product Safety Management

Duksan Hi-Metal Co., Ltd. is continuously strengthening its product safety management system to provide products that customers can use with confidence. We systematically apply safety-related standards throughout the entire product development and production process and ensure product safety through pre-checks and preventive measures for potential risk factors. We also enhance our management level based on compliance with domestic and global laws and global standards, and we are working to protect customer safety and enhance quality reliability by continuing product monitoring and improvement activities even after shipment.

Product Quality Enhancement



<Void AI Automatic Inspection>



<Microscope AI Automatic Inspection>

> society

Customer

Enhancing Customer Satisfaction

Duksan Hi-Metal Co., Ltd. seeks to create customer satisfaction centered on customer-centric management. To this end, we operate a customer management process and VOC support program, and actively reflect customer requirements.

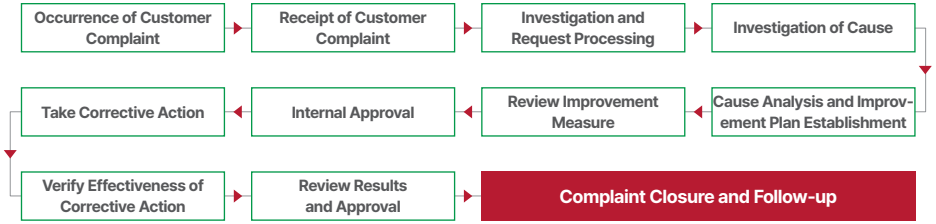
Customer Satisfaction Management Organizational Structure



Complaint Handling Process

Duksan Hi-Metal Co., Ltd. operates a processing system for prompt response to customer complaints. When a customer complaint is received, it is shared with the relevant department to identify the cause, establish countermeasures, and implement corrective actions. Subsequently, the effectiveness of the measures is verified, and the results are managed. The entire complaint handling process is documented, and preventive measures are taken to prevent the recurrence of the same or similar issues. If necessary, additional improvements are made through consultation with related departments; the response system is maintained through continuous process review.

Complaint Handling Process



Customer VOC Management

Duksan Hi-Metal Co., Ltd. systematically collects and manages customer VOC based on its customer management process. Various VOCs, including customer complaints, improvement requests, and technical inquiries, are received and analyzed to be reflected in customer response activities. In addition, received VOCs are shared with relevant departments to link them to cause analysis and improvement activities, and if necessary, prompt responses are made through collaboration between related departments. Key VOCs are reviewed and response measures are derived through regular meetings, thereby preventing the recurrence of the same issues. We also maintain smooth communication with customers by operating non-face-to-face communication channels.

Improving Customer Satisfaction

To improve customer satisfaction, Duksan Hi-Metal Co., Ltd. regularly monitors and manages customer evaluations of products and services. Customer satisfaction surveys are conducted annually, with improvement activities developed based on the results. In addition, customer complaints are managed separately for prompt response, with customer satisfaction survey results and complaints are reflected in improvement activities through internal reviews. The survey results are shared with relevant departments to establish improvement directions, and if necessary, additional response measures are prepared to continuously improve customer satisfaction.

Customer Satisfaction Survey Items

No.	Category
1	Quality Issue Level (Major / Minor)
2	Complaint Response Time
3	On-time Delivery Rate
4	Product Production Yield
5	Number of Additional Cost Incidents
6	Number of Claims Received
7	Customer Satisfaction Score

> society

Supply Chain

Supply Chain Management

Strengthening Partner Supply Chain Management

Duksan Hi-Metal Co., Ltd. operates a transparent procurement process to ensure sustainable supply chain management. To this end, we are committed to mutually beneficial cooperation through our charter of procurement ethics and the signing of fair trade agreements with our partners. The company encourages its partners to adopt these sustainable practices throughout the supply chain. Looking ahead, we plan to establish ESG management and assessment processes for partners and are looking to introduce support programs that further expand mutually beneficial cooperation.

Key Supply Chain Management Policies

Policy	Focus
Purchasing Ethics Charter	Provisions on the integrity obligations of Duksan Hi-Metal Co., Ltd. and its partners, including faithful compliance with fair trade laws and regulations
Conflict Minerals Purchasing Policy	Prohibition of transactions with suppliers who are in a business relationship with or provide direct or indirect support to entities involved in human rights abuses and crimes, or their affiliates

Supplier Code of Conduct

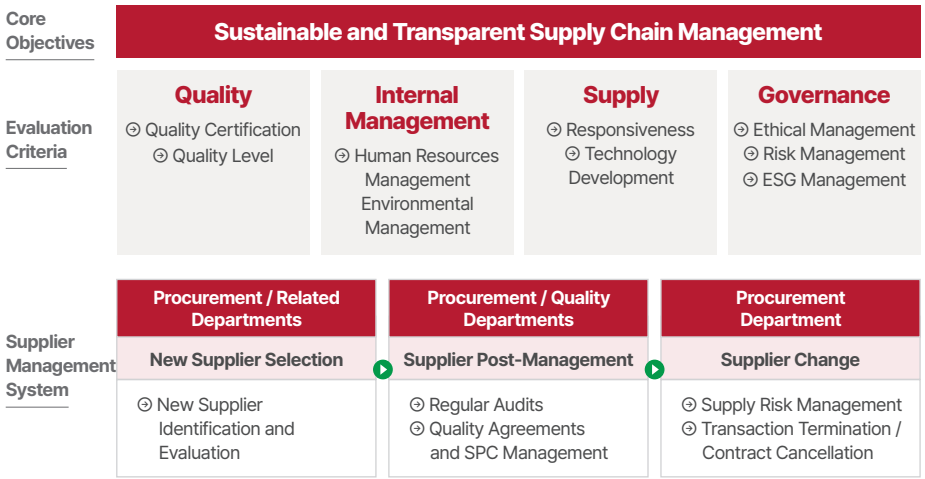
Duksan Hi-Metal Co., Ltd. requests that its trading partners comply with the following requirements.

1. Workers' Rights and Conditions (Compliance with workers' rights and requirements)
2. Environmental Protection (Compliance with laws and regulations)
3. Safety and Health (Worker safety)
4. Ethical Management (Compliance with laws and fairness)
5. Management System (Responsibility and transparency)

Advancing Supplier Management Systems

To secure a stable supply chain starting from the product development stage, Duksan Hi-Metal Co., Ltd. focuses on managing key aspects of its suppliers, such as quality standards, internal management systems, and supply stability. The company is enhancing inventory stability by diversifying its supplier base, prioritizing cost-competitive items among products with identical specifications. We are also continuously implementing institutional improvements to strengthen quality competitiveness, such as awarding bonus points to suppliers that provide eco-friendly products or introduce new products.

Supplier Management System



Supplier Selection and Evaluation

When selecting new suppliers, Duksan Hi-Metal Co., Ltd. reviews potential risks using a checklist based on internal evaluation criteria. The evaluation items consist of five areas: quality management systems, risk management, environmental (resource) management, product realization, and inspection/analysis and improvement. Transactions are conducted only with companies that meet a score of 70 or higher out of 100 points.

For existing suppliers, we conduct annual post-evaluation based on a checklist reflecting each company's quality management certification system. If a supplier fails to meet the standards, corrective actions are requested, and re-evaluation is conducted. Furthermore, at the end of the year, a comprehensive evaluation is performed that reflects the results of the post-evaluation along with on-time delivery rates, quality defect records, price competitiveness, and ESG risks. Based on the evaluation results, suppliers are categorized into Major and Minor grades, and their voluntary improvement activities are encouraged through incentives such as training/consulting support and adjustments in order quantities.

> society

Supply Chain

Supplier Management

Supplier Classification and Management

Duksan Hi-Metal Co., Ltd. categories and manages suppliers as Major, Minor, and Other, based on their comprehensive evaluation grade. Major suppliers are strategic partners with high-purchase volume and importance, supplying key raw materials used in product manufacturing. Minor suppliers supply packaging materials, auxiliary materials, and parts, and are classified as requiring continuous management. In addition, we have signed Quality Assurance Agreements with Major and Minor suppliers to clarify quality assurance obligations and responsibilities. These agreements stipulate requirements for notification of changes, inspection standards, actions in case of non-conformities, and compliance with quality management systems.

Supplier Classification Criteria

Category	Content
Major Suppliers	Raw material suppliers
Minor Suppliers	Suppliers of major auxiliary materials and key production parts
Other Suppliers	Suppliers of miscellaneous materials and reagents, etc.

Supply Chain ESG Management

Duksan Hi-Metal Co., Ltd. systematically manages ESG risks associated with its suppliers to fulfill corporate social responsibility and establish a sustainable supply chain. The company requires suppliers to adhere to the Responsible Business Alliance (RBA) Code of Conduct and enforces management standards by mandating the submission of declarations regarding regulated substances. Furthermore, compliance is verified through regular monitoring, and the company plans to reinforce sustainable supply chain management by expanding the application of ESG criteria in supplier selection and evaluation processes, as well as by enhancing training and support programs.

Partner ESG Management Improvement Plan

Category	Focus	Year of Implementation
Excellent Supplier Support Program	Online training support for partner companies achieving an 'A' grade in the comprehensive evaluation	2024
Supplier ESG Competency Enhancement	Expansion of supplier training support based on comprehensive evaluation results	2025

Fair Trade and Shared Growth with Suppliers

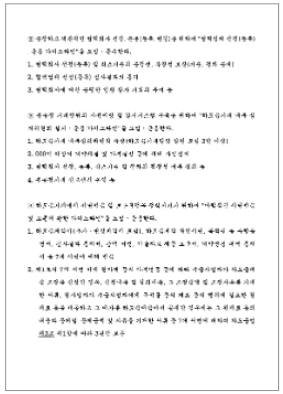
Duksan Hi-Metal Co., Ltd. pursues mutually beneficial cooperation with its partners to enhance sustainability management across the entire supply chain. In support of this, company has established a procurement ethics charter and implemented fair, transparent procurement processes. We also continuously manage transaction terms and operational standards through regular assessments of our partners' operations. In future, we plan to evaluate our partners' ESG performance and progressively expand support for those requiring improvements.

Supplier Management Action Plan

Category	Content	Year of Implementation
Conflict Minerals Related Purchase Policy	Prohibition of business transactions with suppliers that maintain commercial relationships with, or provide direct or indirect support to entities (or their affiliates) involved in human rights violations or criminal activities	2024
Conclusion of Fair Trade Agreement	Contract execution based on the principle of good faith; Introduction and adherence to guidelines for mutual growth and fair and objective partner selection and operation	2025

Standard Agreement on Fair Trade and Mutual Growth





> society

Supply Chain

Supplier Management

Conflict Minerals Management

To ensure supply chain sustainability and fulfill ethical responsibilities, Duksan Hi-Metal Co., Ltd. prohibits the use of minerals that contribute to conflict as a general rule; our policy is to use only minerals certified by the Responsible Minerals Initiative (RMI)[1]. Furthermore, we have established a "Conflict Minerals[2] Purchasing Policy" aligned with the RBA Code of Conduct. We require suppliers handling relevant minerals to submit a pledge against the use of conflict minerals, along with the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). We conduct regular due diligence on these submissions and take action in accordance with internal regulations if issues such as false reporting, errors, omissions, or the use of uncertified minerals are identified. Duksan Hi-Metal Co., Ltd. remains committed to the responsible management and use of minerals that are legally mined and procured from both social and environmental perspectives.

1. A global initiative that conducts origin tracing surveys for 4 major conflict minerals and battery raw materials such as cobalt, and carries out continuous monitoring and certification of producers.
2. Minerals such as tin, tantalum, tungsten, and gold produced in countries experiencing conflict, such as the Democratic Republic of Congo or its neighboring countries.

Conflict Minerals Purchasing Policy

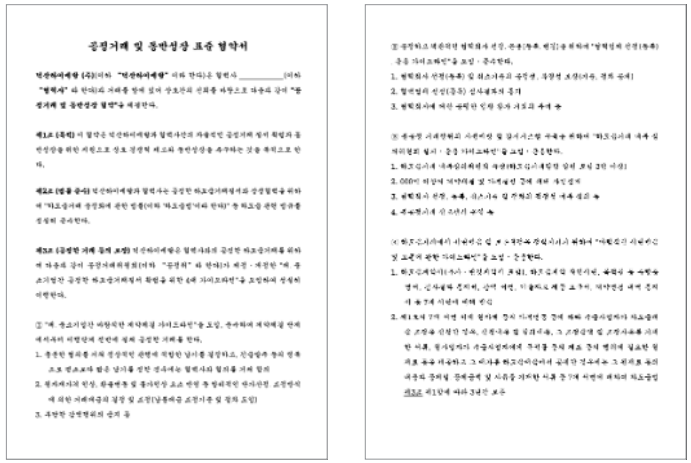
1. Our company will not condone, profit from, contribute to, or facilitate the following items.
   - ⊖ Torture, abuse, or human rights violations ⊖ Coercion, forced labor, child abuse or infringement of freedom
   - ⊖ Human rights violations/abuses, war crimes, violations of international humanitarian law, crimes against humanity, genocide
2. If our company identifies a significant risk that a supplier is transacting with parties linked to the items mentioned in item 1 above or other illegal items, we will not engage in transactions with that supplier, and if we are already transacting, we will terminate the business relationship.
3. Our company will not condone the provision of direct or indirect support, such as purchasing minerals, making payments, or providing other equipment support, to anti-government armed groups or their affiliates. Anti-government armed groups or their affiliates refer to groups that illegally occupy mines, transport routes, and minerals, impose taxes, and extort money and minerals.

Conflict Minerals Management Activities



Declaration of Compliance Regarding Conflict-Free Minerals

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



<Supplier Conflict Minerals Non-Use Compliance>

> society

Local Community

Contribution to Local Community

Talent-Focused Social Contribution Activities

Upholding its management philosophy centered on talent, Duksan Hi-Metal Co., Ltd. pursues the cultivation of local talent and support for the underprivileged as core pillars of its social responsibility. Through the Yuha Prun Foundation, the company regularly provides financial contributions and conducts company-wide social contribution initiatives. We continue to engage in multifaceted activities, primarily in the Ulsan region, to foster talent and enhance social welfare, thereby leading a "management of sharing" that contributes to the development of the local economy and community.

Social Return for 'People(人)

MUTUAL GROWTH	We are growing alongside local universities through industry-academia partnerships and are committed to contributing to job creation. We also actively engage in sponsorship activities to revitalize the local community and culture. **<Major Projects>** Nurturing specialized professionals through R&D cooperation with universities, sponsoring local cultural events, etc.
SHARING	We strive to share the benefits of our work with society, the nation, and the global community through the development and commercialization of advanced IT material technologies. We fulfill our role as corporate citizens committed to living with others by engaging in charitable activities that support the underprivileged and socially vulnerable. **<Key Activities>** Regular sponsorship of local charities, scholarship support for outstanding students, etc.
ENVIRONMENT	Duksan is putting its efforts into practice in terms of resources, products, and policies based on green growth so that a green environment can be fully passed onto future generations. **<Key Business Areas>** Development of next-generation eco-friendly products; investments focused on resource circulation (developing specialized, high-quality resource circulation technologies).

Social Contribution Activities

Mutual Growth and Cooperation with the Local Community

We prioritize mutual growth with the local community as a core value and are establishing a virtuous cycle of technological innovation and talent development through close industry-academia partnerships with key local universities. By identifying and nurturing outstanding local talent, we help young professionals settle in the region and create high-quality jobs, acting as a catalyst for revitalizing the local economy. We fulfill our corporate social responsibility by going beyond technical collaboration to actively support the preservation and advancement of the region's unique cultural values.

Creating Social Value through Technology

Duksan Hi-Metal Co., Ltd. contributes to the advancement of society and the nation through the development of cutting-edge materials technology and envisions a sustainable future for the global community. Going beyond mere technological innovation, we actively listen to the diverse voices within our society—including the underprivileged—and practice the spirit of sharing and compassion. Through management that harmonizes technology with people and innovation with sharing, we aim to become a trusted partner in both our local community and on the global stage.



<Donation Delivery>



<Scholarship Foundation Operations>

governance structure

Governance Structure

Board of Directors Composition and Operation

Board Composition

In accordance with relevant laws and the articles of incorporation, the Board of Directors of Duksan Hi-Metal Co., Ltd. faithfully performs its core functions: deliberating and resolving on basic management policies, key matters regarding business operations, and issues delegated by the shareholder meeting. To ensure transparency, at least one-quarter of our directors are outside directors, all of whom meet the appointment criteria stipulated by the Commercial Act. Directors serve a three-year term, and decisions regarding reappointment are made following an evaluation of their performance. As of December 31, 2025, the Board of Directors consists of 2 executive directors, 2 non-executive directors, and 2 outside directors.

Diversity and Expertise

Duksan Hi-Metal Co., Ltd. does not discriminate based on gender, race, religion, nationality, or cultural background when appointing directors. Appointments are made based on practical experience and professional expertise to enhance the diversity and competence of the Board of Directors. Our Finance Group and IR/PR Group support the Board's decision-making processes regarding agenda items. The company plans to expand training programs to strengthen the capabilities of both executive and non-executive directors in the area of sustainable management, and providing training to enhance the professional expertise and role-specific skills of non-executive directors.

Appointment of Directors

Directors of Duksan Hi-Metal Co., Ltd. are ultimately appointed at the shareholders meeting. To prevent the appointment of unqualified individuals, the Board of Directors conducts a qualification review of candidates prior to the meeting using the Korea Exchange's review criteria. Candidates who pass this review are formally proposed as agenda items for the General Meeting of Shareholders. The selection process evaluates factors such as a candidate's career history, areas of expertise, potential conflicts of interest, and understanding of the role, ensuring that no candidate falls under any grounds for disqualification as stipulated by the Commercial Act and other relevant laws. Furthermore, the company reviews significant interests – such as equity holdings in the company or other entities and past employment history – and restricts the voting rights of directors who have specific interests or potential conflicts of interest.

Independence and Transparency

To ensure independence and enhance the transparency of the board of directors, we separate the roles of CEO and Chairman of the Board. Additionally, to provide checks and balances, we appoint a full-time auditor with expertise and grant the auditor rights such as the right to request documents, enabling them to independently supervise the directors' work. Outside directors are also granted the right to request documents to support their access to management information and independent judgment on board agenda items.

Board of Directors Composition

Category	Name	Gender	History	First Appointment	Term Expiration
Inside Director	Lee Soo-hoon	Male	Current, Co-CEO of Duksan Hi-Metal Co., Ltd. | Current, CEO of Duksan Holdings, Duksan AETHER CT | Current, CEO of Duksan Neolux, Duksan Navcours	2024.11.01	2027.10.31
	Kim Tae-soo	Male	Current, Co-CEO of Duksan Hi-Metal Co., Ltd. | Former, Vice President of Samsung Display	2024.11.01	2027.10.31
Other Non-Executive Director	Kim Woo-han (Chairman of the Board)	Male	Current, Vice Chairman of Duksan Holdings, Inside Director of Duksan AETHER CT | Current, Non-Executive Director of Duksan Neolux, Duksan Navcours | Former, Managing Director of LG Chem	2024.03.26	2027.03.25
	Kim Min-hee	Female	Current, Director of HR Team at Duksan Holdings | Former, HR Development Team at STX Offshore & Shipbuilding	2025.03.28	2028.03.27
Outside Director	Cha Myung-cheol	Male	Current, Outside Director of Duksan Hi-Metal Co., Ltd. | Former, President of Daeshin Industrial Co.	2023.03.30	2026.03.29
	Park Hong-joo*	Male	Current, Outside Director of Duksan Hi-Metal Co., Ltd. | Former, Kakao Enterprise	2024.03.26	2025.12.12

* The director resigned on December 12, 2025, but under Article 386 of the Commercial Act and the Company's Articles of Incorporation (below the statutory number of members), the director retains their rights and obligations until a successor outside director is appointed at the next shareholders' meeting.

governance structure

Governance Structure

Board Composition and Operation

The Board of Directors of Duksan Hi-Metal Co., Ltd. convenes regularly in accordance with the annual operational plan, with extraordinary meetings held as necessary. In 2025, the Board held a total of 15 meetings to deliberate on 28 agenda items and passed resolutions on matters such as the appointment of co-CEOs. The attendance rate for both executive and non-executive directors stood at 98.8%, and further details regarding Board operations can be found in the business report. Key agenda items are listed below.

2025 Board Meeting Operation Status

Date	Attendance Rate		Content
2025.11.03	100%	Approval	1. Resolution to agree to the application for preliminary examination for the KOSDAQ listing of our subsidiary 'Navcours Co., Ltd.' on the Korea Exchange 2. Resolution on the commitment to hold all shares of our subsidiary 'Navcours Co., Ltd.'
2025.09.30	100%	Approval	1. Matters regarding the subscription of Directors and Officers Liability Insurance.
2025.08.27	100%	Approval	1. Matters regarding partial amendment of the Internal Accounting Management Standards.
2025.01.21	100%	Approval	1. Resolution on donation to the scholarship foundation

Board Evaluation and Compensation

The compensation limit for directors and auditors is determined annually by final approval at the shareholder meeting. In accordance with the Executive Compensation Management Regulations, common KPIs linked to company-wide strategic goals and individual KPIs based on job responsibilities are set, and basic salary and performance bonuses are paid within the annual compensation limit based on a 5-level evaluation grade.

Director Compensation Status

Category	Unit	Inside Director	Other Non-Standing Director	Outside Director
Total Compensation	Million KRW	837.7	20.0	46.5
Average Compensation per Person	Million KRW	418.8	10.0	23.2

Shareholder Structure

Duksan Holdings Co., Ltd. is the largest shareholder of Duksan Hi-Metal Co., Ltd., holding a 34.9% stake. As of December 31, 2025, the total number of issued shares of Duksan Hi-Metal Co., Ltd. is 45,437,002; in accordance with the Commercial Act and Article 23 (Voting Rights) of the Articles of Incorporation, shareholders hold one voting right per share owned.

Shareholder Status

Category	Number of Shares	Percentage	Remarks
Duksan Holdings Co., Ltd.	15,849,848	34.9%	Largest Shareholder
Lee Soo-hoon	8,628,248	19.0%	-
Ko Young-hee and other related parties	1,724,656	3.8%	-
Other Shareholders	19,234,250	42.3%	
Total	**45,437,002**	**100.0%**	

Category	Shareholder Name	Number of Shares Owned	Shareholding Percent
Shareholders with 5% or more	Duksan Holdings Co., Ltd.	15,849,848	34.9%
	Lee Soo-hoon	8,628,248	19.0%

Enhancing Shareholder Value

Duksan Hi-Metal Co., Ltd. strives to enhance shareholder value through active IR activities. We hold corporate briefings for domestic and international institutional investors and regularly participate in IR conference days and IR conference calls. Furthermore, we transparently disclose financial performance and sustainability management performance on our website through IR materials and ESG reports to enhance information accessibility for stakeholders. Since 2019, we have fully adopted an electronic voting system, allowing Duksan Hi-Metal Co., Ltd. shareholders to express their opinions on agenda items and exercise their shareholder rights without geographical or time constraints.

> governance structure

Ethical and Compliance Management

Strengthening Ethical and Compliance Management

Operation of Ethical and Compliance Management System

Duksan Hi-Metal Co., Ltd. has established an Ethical Charter and Code of Ethics to realize fair and transparent ethical and compliance management, and operates a continuous monitoring system based on these. The Code of Ethics applies equally to all members, including regular and temporary employees, and compliance is encouraged for external stakeholders, including business partners. All members internalize ethical standards and spread a practice-oriented ethical culture by participating in an annual ethics management pledge.

Ethical Charter

We share the Corporate Philosophy pursued by the company and the Management Policy set by the management accordingly, respect the order of the free competitive market and the principles of fair competition, and pursue mutual prosperity with all stakeholders by increasing corporate value through management activities that comply with the highest ethical standards and all laws and regulations in all regions and countries where we operate.

Code of Ethics

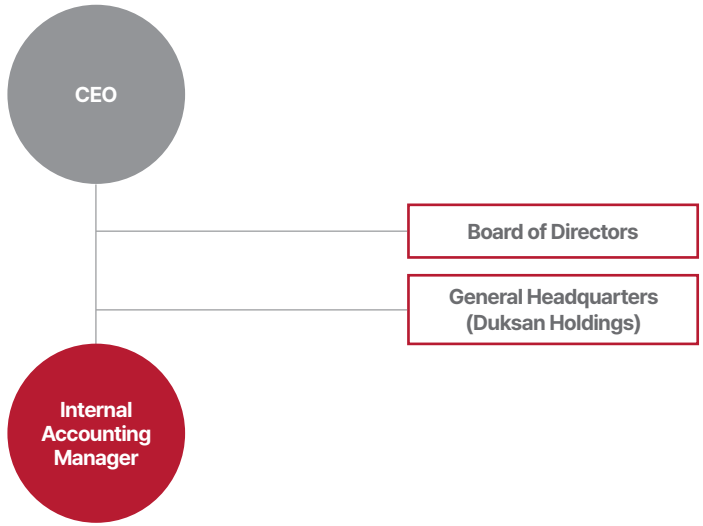
Duksan Hi-Metal actively promotes ethical management by complying with laws and ethics based on trust and communication, fulfilling its core role and social responsibilities.

1. The company's development is the highest "good," and we place the highest value on company development.
2. We strive to increase investment value for shareholders and investors.
3. We practice value management and create the best quality and services.
4. We respect the principles of free competition and lead sound industrial development through fair trade and competition, pursuing mutual development with business partners based on mutual trust. In particular, all transactions with affiliates and related parties are conducted fairly according to transparent and objective standards.
5. All transactions are conducted based on transparent and fair principles. No money, entertainment, or other benefits shall be provided to or received from stakeholders. Employees shall strictly manage and control situations where conflicts of interest may arise in the performance of their duties.
6. We strive for environmentally friendly management and endeavor to improve the work environment and prevent accidents.
7. We approach our work with a positive attitude, creative spirit, and challenging mindset, acting with a sense of responsibility and ownership.
8. We strive to secure and maintain the company's intellectual property rights and protect the company's tangible and intangible assets and information.
9. We strive to foster a sound organizational culture and relationships with colleagues, respecting the dignity of all employees and working to improve their quality of life.
10. The preparation and disclosure of management information shall be conducted transparently and fairly in accordance with relevant laws and internal regulations.

Ethical and Compliance Management Governance and Internal Control

The General Headquarters of Duksan Holdings, the holding company of Duksan Group, plays an integrated management role to ensure that Duksan Hi-Metal Co., Ltd.'s ethical and compliance management operates based on independence and autonomy. The General Headquarters, as an organization directly under the COO, is responsible for establishing ethical and compliance management policies, education, monitoring, and operating the Duksan Clean Reporting Center. Within Duksan Hi-Metal Co., Ltd., the Internal Control Group, an organization dedicated to internal accounting management, shares relevant information with the Human Resources Group, the department in charge of ethical and compliance management. This group inspects and evaluates the appropriateness of the operation of the ethical and compliance control system for business sites at least once a year.

Ethical and Compliance Management Organization Chart



Governance Structure

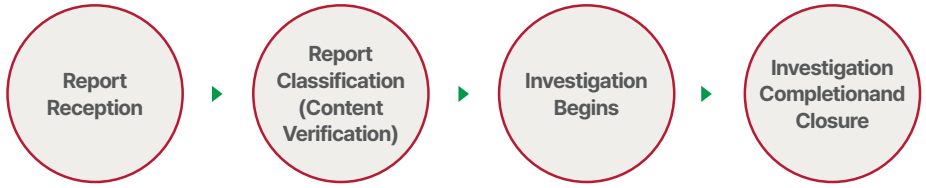
Ethical and Compliance Management

Strengthening Ethical and Compliance Management

Ethics Reporting and Protection System

To foster a transparent and fair management culture, we operate a Clean Reporting Center where all stakeholders, including employees, partners, and customers, can participate. We have strengthened security measures to strictly guarantee the anonymity of whistleblowers and prevent the disclosure of identities, while also establishing robust protection guidelines. Through these efforts, we proactively prevent misconduct and unethical practices, maintaining a clean organizational ecosystem.

Reporting Process



Duksan Clean Reporting Center Reporting Channels

Website : http://dshm.co.kr/ethics_report.aspx | **Mail** : Tigris Tower, 813 Seolleung-ro, Gangnam-gu, Seoul, Duksan Holdings | **Email** : ethics@oneduksan.com

Subjects of Reporting

Receipt or loan of money, entertainment, etc.	Solicitation and improper demands
Theft, embezzlement, and misappropriation of public funds	Leakage of internal company information
Document manipulation and false reporting	Abuse of power (bullying), workplace harassment
Sexual harassment, sexual violence, and misconduct of a sexual nature in the workplace	Reporting related to conflict minerals
Other acts that violate ethical management and practice guidelines	

Enhancing Employee Ethical Awareness

Duksan Hi-Metal Co., Ltd. conducts regular ethics and compliance training for all employees to proactively prevent related risks and embed a culture of ethical management within the organization. We are expanding online education courses focused on corporate sustainable management and shared value creation (CSV), and strengthening practical education content to improve educational effectiveness.

Ethical and Compliance Education Programs

Education Topic	Key Focus
Ethical Management	⊙ Corporate Ethics ⊙ Corporate Social Responsibility (CSR) ⊙ CSV (Creating Shared Value) ⊙ Sustainable Management ⊙ ESG Management

2025 Ethical and Compliance Violation Status

Category		Number of Cases
Ethical Violations	**Total Number of Violations**	**0**
	Breach of Trust/Embezzlement	0
	Receipt of Money/Gifts	0
	Human Rights Infringement	0
	Employment Solicitation	0
	Process Violations	0
Legal Violations	**Total Number of Violations**	**1**
	Environmental Law Violations	0
	Industrial Safety Law Violations	1
	Fair Trade Law Violations	0

Governance Structure

Ethical and Compliance Management

Strengthening Ethical and Compliance Management

Establishment and Implementation of Compliance Policy

Duksan Hi-Metal Co., Ltd. has established a compliance policy to realize sustainable management by clarifying ESG management principles and strengthening the compliance awareness of all members. This policy is enacted with the approval of management and is continuously enhanced through regular review and revision in line with changes in relevant laws and the management environment.

Operation of the Compliance Group

Duksan Hi-Metal Co., Ltd. operates a dedicated Compliance Group to advance its commitment to lawful management and proactively manage business risks. Our integrated compliance framework ensures strict adherence not only to relevant laws and regulations but also to rigorous internal policies and ethical standards. Through this system, we implement preventive measures to proactively address potential violations and maintain a transparent management environment by systematically managing the entire process, from policy formulation to monitoring and continuous auditing.

Operation of Company-wide Risk Management System

Duksan Hi-Metal Co., Ltd. operates a company-wide risk management system centered on its Management Planning Group. Prior to establishing annual business plans, the company proactively identifies potential risk factors by comprehensively analyzing market outlooks and changes in the internal and external business environment. Additionally, individual departments identify key stakeholders relevant to their operations and analyze associated risks based on stakeholder requirements. Identified risks are quantitatively assessed according to their importance; high-priority risks are managed as core tasks through dedicated consultative bodies or task forces (TFs) established in accordance with internal procedures.

Fair Trade and Mutual Growth with Partners

Duksan Hi-Metal Co., Ltd. explicitly states in its code of ethics the principle of pursuing shared growth based on mutual trust and the establishment of a fair trade culture with its partners. The company reviews contracts for potential unfair trade practices prior to execution and enters into annual fair trade agreements with key partners, renewing them each year.

Action Plan to Strengthen Fair Trade Self-Compliance

Year of Implementation	Focus
2025	⊙ Strengthening Fair Trade Education ⊙ Sharing Best Practices
2026	⊙ Enhancing the Fair Trade Self-Compliance Program (CP) Operation ⊙ Regularizing Internal Monitoring Systems

Governance Structure

Information Security

Operation of Information Security Management System

Duksan Hi-Metal Co., Ltd. has established a systematic management foundation for the protection of information assets and personal information, and operates information security policies in compliance with relevant laws. The established security policies are communicated to all members through the company intranet, while the level of implementation is managed through regular inspections. To enhance security in network segments, we operate various security infrastructures such as UTM, NAC, and private VPN. We also operate a protection system for work devices based on integrated security solutions including DLP, document encryption, print security, and MDM.

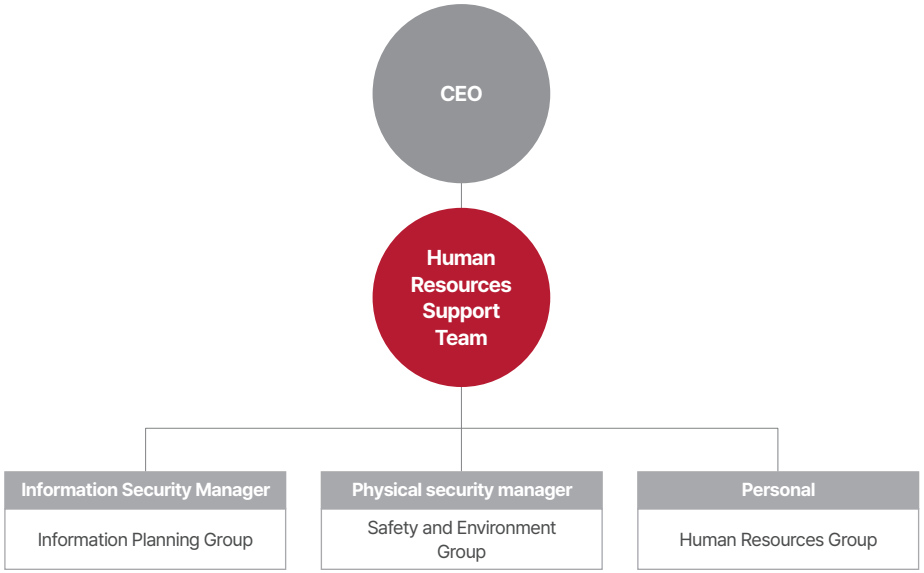
Information Security Operation and Management Activities

The Information Planning Group continuously performs basic security management activities such as account and access rights, security patch application, and system log inspection to strengthen information asset protection. In particular, we periodically check user accounts and permissions to minimize unnecessary access, and proactively prevent security vulnerabilities by promptly applying the latest security updates. We also operate a regular data backup and recovery management system to prepare for rapid recovery in case of failures or security incidents, thereby supporting the stable operation of major information assets.

Information Security Awareness and Training

The Information Planning Group constantly monitors the latest security threats and trends to strengthen IT security capabilities. We also conduct information security training online and offline at least once a year for all employees, and operate a separate security training program for new hires to internalize security awareness from inception. In the event of major security-related issues, we quickly share information through email and the company bulletin board, and enhance employee security awareness by disseminating major security threat cases such as ransomware and smishing.

Information Security Organization Chart



Governance Structure

Integrated Risk

Risk Management

Strengthening Risk Management

Duksan Hi-Metal Co., Ltd. is continuously strengthening its risk management capabilities to respond to unpredictable changes in the internal and external business environment while systematically managing risks that could undermine the company's sustainability. Key risks are categorized into financial and non-financial (operational) risks, with specific response frameworks established based on the nature of each risk type. Furthermore, the company strives to ensure proactive and stable risk management through regular monitoring and assessments.

STEP 1.	STEP 2.	STEP 3.	STEP 4.
⊙ Risk Recognition	⊙ Risk Analysis and Identification of Major Risks	⊙ Establishment of Risk Response Strategies	⊙ Monitoring and Response

Strengthening Non-Financial Risk Response

Duksan Hi-Metal Co., Ltd. operates a management system to systematically and proactively respond to non-financial risks that could impact corporate sustainability. Centered on our EHS (Environment, Health, and Safety) risk management framework, we are intensifying efforts to prevent environmental and safety incidents. We are continuously working to mitigate non-financial risks through measures such as monitoring safety and health regulations while increasing investment in environmental and safety facilities.

Enhancement of Risk Management Organization

Building on our experience in operating risk response teams, Duksan Hi-Metal Co., Ltd. is continuously upgrading its organizational structure to strengthen company-wide risk management capabilities. Focused on the Management Planning Group, we are reinforcing collaboration among key departments, including finance, purchasing, safety & environment, and human resources. By implementing processes to share information on risk identification and response status, the company is enhancing operational effectiveness to ensure rapid coordination and response in the event of a crisis.

Risk Management Organization Chart



Major Risks and Organizational Response Strategies

Category	Finance Group	Purchasing Group	Safety and Environment Group	HR Group
Risk Type	Financial	Raw Materials	EHS	Compliance
Major Risks	⊙ Exchange rate risk due to foreign currency transactions ⊙ Interest rate risk due to changes in the financial market	⊙ Raw material procurement risk ⊙ Conflict mineral trading risk ⊙ Risk of sharp increase in raw material costs	⊙ Risk of violation of environmental regulations ⊙ Risk of safety accidents and violation of safety and health regulations ⊙ Hazardous substance management risk	⊙ Risk of violation of ethical and legal regulations
Risk Response Strategy	⊙ Continuous monitoring of financial environment and exchange rates ⊙ Leveraging hedging instruments for interest rate and exchange rate risks	⊙ Effective raw material procurement through the strategic procurement committee ⊙ Strengthening pre- and post-management of conflict minerals	⊙ Strengthening legal monitoring and expanding investment in environmental facilities ⊙ Conducting regular safety inspections and expanding safety investment ⊙ Promoting hazardous substance manager certification of product managers	⊙ Establish management process for fair trade and anti-corruption regulations ⊙ Continuous operation of monitoring system ⊙ Regular compliance training for employees

Governance Structure

Integrated Risk

Risk Management

Regular Risk Management

Duksan Hi-Metal's Management Planning Group conducts company-wide risk inspections annually in tandem with business plan development. This permits us to proactively identify potential internal and external risks such as global raw material trends, supply chain issues, and policy changes, while regularly managing response strategies by type. Notably, we minimize management uncertainty and solidify the foundation for sustainable growth through the prevention of accidents through our ESH management system, while monitoring regulations and expanding investment in environmental facilities.

Continuous Risk Management

In addition to regular inspections led by the Management Planning Group, Duksan Hi-Metal Co., Ltd. operates a systematic management system where all employees continuously identify and document risks. Identified risks are reported directly to the CEO through weekly and monthly reports; response effectiveness is enhanced by adjusting monitoring priorities based on importance. Through this, we proactively respond to internal and external potential threats such as global raw material trends and supply chain issues, while continuously investing in accident prevention and facilities based on the EHS system to minimize management uncertainty.

Company-wide Risk Management Process



> Governance Structure

Integrated Risk

Tax Strategy Formulation

Duksan Hi-Metal Co., Ltd. upholds honest and transparent tax compliance as a core management value; we strictly adhere to tax laws and implement responsible policies that avert artificial tax avoidance. Our robust, company-wide system identifies and manages tax risks and proactively responds to the rapidly changing tax landscape through continuous collaboration with external experts. Recognizing that transparent tax compliance is a key corporate social responsibility that contributes to national finances and maximizes shareholder value, we remain committed to maintaining sound and trustworthy tax management governance.

Tax Strategy

1. We fulfill our obligation to pay taxes faithfully by strictly complying with domestic and international tax laws and avoiding artificial tax evasion, thereby simultaneously realizing corporate social responsibility and shareholder value.
2. We minimize management uncertainty by proactively responding to rapidly changing tax environments, leveraging a continuous risk identification process managed by an internal tax control system and a collaborative network with external experts.

Tax-related Awards

Category	Awarding Institution	Award Name
2016	Dong-Ulsan Tax Office	Award for Contribution to National Tax Administration
2019	Ulsan Metropolitan City	Award for Diligent Taxpayer in Buk-gu, Ulsan Metropolitan City
2021	Ulsan Metropolitan City	Award for Diligent Local Taxpayer in Ulsan Metropolitan City

ESG Data

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> economic performance

Creation of Economic Value

Consolidated Statement of Financial Position

(Unit: KRW million)

Category	2023	2024	2025
Current Assets	196,300	214,254	178,554
Non-Current Assets	554,780	604,233	480,410
Total Assets	751,080	818,487	658,964
Current Liabilities	101,414	108,378	193,778
Non-Current Liabilities	228,077	255,258	126,422
Total Liabilities	329,491	363,636	320,200
Share Capital	9,087	9,087	9,087
Additional Paid-in Capital	90,201	90,201	90,201
Other Capital Items	(65,357)	(65,357)	(64,915)
Retained Earnings	255,365	274,557	168,828
Non-Controlling Interests	132,197	141,474	132,290
Total Equity	421,589	454,852	338,764
Total Liabilities and Equity	751,080	818,487	658,964

Consolidated Statement of Income

(Unit: KRW million)

Category	2023	2024	2025
Revenue	144,453	235,892	236,405
Cost of Revenue	133,560	179,896	192,335
Gross Profit	10,893	55,996	44,069
Selling, General and Administrative Expenses	21,859	37,357	41,256
Operating Income	(10,966)	18,639	2,813
Other Income	2,536	4,702	2,340
Other Expenses	10,853	1,303	118,549
Finance Income	3,776	21,177	3,008
Finance Costs	4,001	17,884	30,282
Equity in Earnings of Associates	5,809	17,367	20,539
Income Before Tax	(13,699)	42,698	(120,131)
Income Tax Expense	(1,705)	11,403	(4,426)
Net Income	3,326	31,295	(115,705)

Distribution of Economic Value

(Unit: KRW million)

Category	2023	2024	2025
Employee Compensation	13,177	13,118	20,095
Supplier Purchases	40,650	51,846	67,794
Corporate Tax Payments	6,693	4,536	1,731
R&D Investment	2,755	2,618	3,307
Community Donations	40	15	70

Shareholder Composition and Status

Category (As of December 31, 2025)	Number of Shares Held (Unit: Shares)	Ownership Percentage (Unit: %)
Duksan Hi-Metal Co., Ltd.	15,849,848	34.9
Lee Soo-hoon	8,628,248	19.0
Ko Young-hee and Related Parties	1,823,910	4.0
Other Shareholders	19,134,996	42.1
Total	45,437,002	100.0

Environmental performance

Greenhouse Gas Management

Category		Unit	2023	2024*	2025
Greenhouse Gas Emissions	Scope 1 (Direct) Emissions	tCO2eq	35.4	24.0	14.2
	LPG	tCO2eq	0.0	0.0	0.0
	Gasoline	tCO2eq	29.8	17.1	8.1
	Diesel	tCO2eq	5.6	6.9	6.1
	Scope 2 (Indirect) Emissions	tCO2eq	4,776.7	5,814.3	6,365.0
	Total Greenhouse Gas Emissions	tCO2eq	4,812.1	5,838.3	6,379.2
Greenhouse Gas Intensity	Scope 1 Intensity	tCO2eq/100 Million KRW	0.02	0.01	0.01
	Scope 2 Intensity	tCO2eq/100 Million KRW	3.31	2.46	2.69
	Scope 1+2 Intensity Emissions	tCO2eq/100 million KRW	3.33	2.47	2.70

* Intensity emissions revised due to sales revenue formula error

Energy Consumption

Category		Unit	2023	2024*	2025
Total Energy Consumption		GJ	100,340.0	121,853.0	134,021.0
Direct Energy	Electricity	GJ	99,816.0	121,500.0	133,805.0
	Total Direct Energy Consumption	GJ	99,816.0	121,500.0	133,805.0
Indirect Energy	LPG	GJ	0.0	0.0	0.0
	Gasoline	GJ	444.0	255.0	127.0
	Diesel	GJ	80.0	98.0	89.0
	Total Indirect Energy Consumption	GJ	524.0	353.0	216.0
Energy Intensity		GJ/100 million KRW	69.5	51.7	56.7

* Energy intensity revised due to sales revenue formula error

Raw Material Management

Category	Unit	2023	2024*	2025
Total Raw Material Consumption	ton	479.1	740.9	930.4
Solder Bar	ton	326.5	563.4	726.2
Product Container	ton	57.0	69.5	79.3
Product Box	ton	73.3	80.5	97.1
Other Raw Materials (Ethanol, Methanol, Nucleic Acid)*	ton	22.3	27.5	27.8
Renewable Raw Material Consumption	ton	0.5	0.2	3.7
Non-renewable Raw Material Consumption	ton	478.6	740.7	926.7
Proportion of Renewable Raw Materials Used in Product and Service Production	%	0.1%	0.0%	0.4%
Proportion of Renewable Materials in Products and Packaging	%	2.9	2.7	3.0

* Non-renewable raw material consumption revised due to change in internal calculation standards

Water Management

Category	Unit	2023	2024	2025
Total Annual Water Usage	ton	8,099	10,756	13,738
Tap Water Usage	ton	8,099	10,756	13,738
Wastewater Discharge	ton	0.0	0.0	0.0

Environmental performance

Waste Management

Category		Unit	2023	2024	2025
Total Waste Generated		ton	847.9	836.8	1,671.4
Non-Recycled Waste Emissions	Total General Waste Generated	ton	0.0	0.0	0.0
	Landfill	ton	0.0	0.0	0.0
	Incineration	ton	0.0	0.0	0.0
	Other	ton	0.0	0.0	0.0
	Total Designated Waste Generated	ton	822.0	794.9	1,623.0
	Landfill	ton	0.0	0.0	0.0
	Incineration	ton	822.0	794.9	1,623.0
	Other	ton	0.0	0.0	0.0
	Total Non-Recycled Waste Generated	ton	822.0	794.9	1,623.0
Recycled Waste Emissions	Total Recycled Waste Generated	ton	25.9	41.9	48.4
	Metal Waste	ton	17.8	29.7	28.7
	Waste Organic Solvents	ton	8.1	12.2	19.7
	Waste Recycling Rate	%	3.1%	5.0%	2.9%
Waste Treatment	Total Waste Treated	ton	822.0	794.9	1,623.0

Air Pollutant Management

Category	Unit	2023	2024	2025
PM (Dust) Emissions	mg/Sm3	0.3	0.3	0.3
Dust Emission Concentration vs. Regulatory Limit	%	1.0	1.0	1.0

Chemical Management

Category	Unit	2023	2024	2025
Chemical Usage	ton	6.1	0.0	0.0
Chemical Emissions	ton	1.7	1.8	1.7

Environmental Investment Performance

Category		Unit	2023	2024	2025
Environmental Investment	Environmental Investment Amount	Million KRW	1.7	1.4	1.4
	Eco-Friendly Product Sales	Million KRW	20.0	1,138.0	2,766.3
	Eco-Friendly Product Purchases	Million KRW	59.0	22.0	417.0

Social Performance

Employee Status

Category		Unit	2023	2024	2025
Total Employees		People	230	235	301
Gender	Male	People	213	214	248
		%	92.6	91.1	82.4
	Female	People	17	21	53
			7.4	8.9	17.6
By Age	Under 30 years old	People	57	11	81
		%	24.8	4.7	26.9
	30 to under 50 years old	People	157	220	207
		%	68.3	93.6	68.8
	50 years old and over	People	16	4	13
			7.8	1.7	4.3
By Employment Type	Regular Employee	People	200	180	248
	Male	People	183	163	222
	Female	People	17	17	26
	Non-Regular Employee	People	30	55	53
	Male	People	30	51	50
	Female	People	0	4	3
External Worker		People	0	0	0
By Position	Staff	People	7	6	8
	Total Production Staff	People	115	126	163
	01	People	74	82	117
	02	People	36	39	40
	03	People	5	5	6
	Total Office Staff	People	97	98	125
	G1	People	36	46	64
	G2	People	48	39	43
	G3	People	13	13	18
	Executive	People	11	5	5
By Work Location	Ulsan	People	217	222	279
	Seoul	People	13	13	22

Average Tenure of Members

Category		Unit	2023	2024	2025
Overall Average Tenure		Years	5.5	6.1	4.7
Gender	Male	Years	5.6	5.9	4.8
	Female	Years	5.1	3.8	3.3

Member Diversity

Category			Unit	2023	2024	2025
Female Members	Number of Female Members by Position	**Staff***	People	15	19	27
		Total Production Staff	People	2	2	3
		01	People	0	0	1
		02	People	0	0	0
		03	People	2	2	2
		Total Office Staff	People	13	17	24
		G1	People	8	16	20
		G2	People	5	1	4
		G3	People	0	0	0
		Executive	People	0	0	0
	By Department/ Job Group	Revenue-Generating Department	People	2	3	5
		STEM Department	People	6	6	6
Vulnerable Groups	Number of Disabled Members		People	5	5	9
	Percent of Disabled Members		%	2.2	2.1	3.0
	Number of National Merit Recipients		People	0	0	0
	Percent of National Merit Recipients		%	0	0	0
	Number of Foreign Members		People	0	0	0
	Percent of Foreign Members		%	0	0	0

Social Performance

New Hires and Turnover

Category			Unit	2023	2024	2025
Total Number of Members			People	230	235	301
Number of New Hires	Total Hires		People	60	71	113
	Gender	Male	People	52	61	101
			%	87	54	89
		Female	People	8	10	12
			%	13	9	11
	By Age	Under 30 years old	People	28	37	47
			%	47	33	42
		30 to under 50 years old	People	31	32	65
			%	52	28	58
		50 years old and over	People	1	2	1
			%	2	2	1
	By Employment Type	Regular Employee	People	33	33	51
		Non-regular employment	People	23	38	62
	Internal hires		People	0	0	0
Employee Turnover	Total turnover		People	37	47	46
	Overall turnover rate		%	7	16	15
	Voluntary turnover		People	31	36	41
	Voluntary turnover rate		%	13	15	14
	Gender	Male	People	36	42	42
			%	97	91	91
		Female	People	1	5	4
			%	3	11	9
	By Age	Under 30 years old	People	9	15	19
			%	24	33	41
		30 to under 50 years old	People	27	24	26
			%	73	52	57
		50 years old and over	People	1	8	1
			%	3	17	2
	By Employment Type	Regular Employee	People	31	34	27
		Non-regular employment	People	6	13	19
	By job group	Office worker	People	17	33	22
		Production worker	People	20	14	24

Parental leave status

Category			Unit	2023	2024	2025
Number of employees using maternity leave			People	3	6	17
Number of parental leave users	Total employees		People	2	4	7
	Gender	Male	People	1	3	6
		Female	People	1	1	1
Returnees after parental leave	Total employees		People	1	2	7
	Gender	Male	People	0	2	6
		Female	People	1	0	1
Number of employees working for 12+ months after returning from parental leave	Total employees		People	1	0	1
	Gender	Male	People	0	0	1
		Female	People	1	0	0
Return rate after parental leave	Total employees		%	100	50	100
	Gender	Male	%	N/A	100	100
		Female	%	100	N/A	100
Rate of employees working for 12+ months after parental leave	Total employees		%	100	0	14
	Gender	Male	%	N/A	0	14
		Female	%	100	0	0

Labor-management committee operation

Category	Unit	2023	2024	2025
Number of labor-management committee meetings	Meetings	4	4	4
Number of agenda items in labor-management committee	Items	8	8	8
Number of resolved agenda items in labor-management committee	Items	8	8	8
Resolution rate of agenda items	%	100	100	100

Social Performance

Employee Training

Category			Unit	2023	2024	2025
Number of employees participating in training (cumulative)	Total employees participating in training		People	221	245	303
	Gender	Male	People	204	223	274
		Female	People	17	22	29
Training expenses	Total training expenses		Thousand KRW	2,431	2,567	45,885
	Gender	Male	Thousand KRW	2,244	2,336	34,513
		Female	Thousand KRW	187	231	11,372
Training hours	Total training hours		Hours	9,836	8,330	17,242
	Gender	Male	Hours	9,088	7,582	14,688
		Female	Hours	748	748	2,554
	By job group	Office worker	Hours	2,508	1,904	12,537
		Researcher	Hours	1,760	1,394	3,657
		Production worker	Hours	4,864	4,352	965
		Executive	Hours	396	238	36
		Others	Hours	308	442	47
Average training cost per person	Average for all employees		thousand KRW/Person	11.0	10.5	151.4
	Gender	Male	KRW/Person	11.0	10.5	126.0
		Female	KRW/Person	11.0	10.5	392.1
Education per persontime	All members average		Hours/Person	24.8	34	70.4
	Gender	Male	Hours/Person	45.0	34.0	54.0
		Female	Hours/Person	44.0	34.0	88.0

Member Education

Category		Unit	2023	2024	2025
Ethics and Anti-corruption Education	Number of participants	People	221	245	298
	Total training hours	Hours	221	245	427
	Training hours per person	Hours/Person	1	1	1
Human Rights Education	Number of participants	People	221	245	297
	Total training hours	Hours	884	735	594
	Training hours per person	Hours/Person	4	3	2
Occupational Safety and HealthEducation	Number of participants	People	227	245	280
	Total training hours	Hours	8,172	6,370	10,080
	Training hours per person	Hours/Person	36	26	36
Environmental Education	Number of participants	People	227	245	280
	Total training hours	Hours	454	735	280
	Training hours per person	Hours/Person	2	3	1
Information SecurityEducation	Number of participants	People	105	117	124
	Total training hours	Hours	105	117	248
	Training hours per person	Hours/Person	1	1	2

Social Performance

Member Compensation

Category		Unit	2023	2024	2025
Overall a verage compensation	Male	Million KRW	51.1	57.0	59.2
	Female	Million KRW	37.1	40.0	46.1
	Percent of female to male average compensation	%	72.6	70.2	77.9
Staff average compensation	Male	Million KRW	40.2	35.3	43.4
	Female	Million KRW	29.8	40.0	41.8
	Percent of female to male average compensation	%	74.1	113.3	96.3
Manager average compensation	Male	Million KRW	34.0	38.7	43.2
	Female	Million KRW	0.0	0.0	0.0
	Percent of female to male average compensation	%	0.0	0.0	0.0
Assistant Manager average compensation	Male	Million KRW	54.4	63.6	70.9
	Female	Million KRW	0.0	0.0	0.0
	Percent of female to male average compensation	%	0.0	0.0	0.0
Team Leader average compensation	Male	Million KRW	71.2	81.1	97.0
	Female	Million KRW	56.7	72.6	82.9
	Percent of female to male average compensation	%	79.6	89.5	85.5
Senior Manager average compensation	Male	Million KRW	36.6	32.8	43.5
	Female	Million KRW	25.6	30.3	43.0
	Percent of female to male average compensation	%	69.9	92.4	98.9
Manager II average compensation	Male	Million KRW	59.1	60.4	70.6
	Female	Million KRW	50.8	39.1	53.8
	Percent of female to male average compensation	%	86.0	64.7	76.2
Manager III average compensation	Male	Million KRW	78.9	84.2	90.7
	Female	Million KRW	0.0	0.0	0.0
	Percent of female to male average compensation	%	0.0	0.0	0.0
Executive Compensation	Male	Million KRW	129.2	102.0	151.0
	Female	Million KRW	0.0	0.0	0.0
	Percent of female to male average compensation	%	0	0	0

Member Performance Evaluation

Category		Unit	2023	2024	2025
Performance evaluation targets	Number of evaluated persons	People	109	88	135
	Rate of evaluated persons	%	47.4	37.4	45.6
MBO system utilization	Number of applicable persons	People	109	88	135
	Rate of applicable persons	%	47.4	37.4	57.4
360-degree performance evaluation system utilization	Number of applicable persons	People	24	23	5
	Rate of applicable persons	%	10.4	9.8	2.1
Comparative analysis system utilization	Number of applicable persons	People	98	83	127
	Rate of applicable persons	%	42.6	35.3	54.0

Employee Wages

Category		Unit	2023	2024	2025
Percent of Male New Hire Wage to Legal Minimum Wage		%	113.4	153.7	151.1
Percent of Female New Hire Wage to Legal Minimum Wage		%	108.3	153.7	151.1
Starting Salary for New Hires	Male	Million KRW	38.0	38.0	38.0
	Female	Million KRW	38.0	38.0	38.0

Human Rights Violation Reports

Category	Unit	2023	2024	2025
Number of Human Rights Violation Reports	Cases	0	0	0
Number of Processed Human Rights Violation Cases	Cases	0	0	0

Social Performance

Industrial Safety and Health

Category		Unit	2023	2024	2025
Employees	Number of Major Industrial Accidents	Cases	0	0	0
	Number of Deaths Due to Injury	Persons	0	0	0
	Fatality Rate Due to Injury	Cases/Million Hours	0	0	0
	Number of Deaths Due to Illness	Persons	0	0	0
	Mortality Rate Due to Illness	Cases/Million Hours	0	0	0
	Number of Accident Victims	Persons	0	1	0
	Industrial Accident Rate	%	0.0%	0.4%	0.0%
	Lost Time Injury Frequency Rate (LTIFR)	Cases/Million Hours	0.000001	0.000001	0
	Total Recordable Incident Rate (TRIR)	Cases/Million Hours	0.000001	0.000001	0
	Occupational Illness Incidence Rate (OIFR)*	Cases/Million Hours	0	0	0
	Near Miss Discovery Performance	Cases	25	22	21

Supplier Management

Category		Unit	2023	2024	2025
Supply Chain Management	Total Number of Suppliers	Companies	11	14	12
	Number of Major Suppliers	Companies	5	10	7
	Number of Minor Suppliers	Companies	6	4	5
Supplier ESG Management	Number of Suppliers Submitting Conflict Minerals Pledge	Companies	2	3	4
	Number of Suppliers Submitting Confirmation of Non-Use of Environmental Regulated Substances	Companies	5	14	12

Social Contribution Activities

Category	Unit	2023	2024	2025
Total Social Contribution Expenses	Million KRW	40	15	70

Information Security Breaches

Category	Unit	2023	2024	2025
Number of Personal Data Leaks/Thefts/Losses	Cases	0	0	0
Number of Corporate Data Leaks/Thefts/Losses	Cases	0	0	0
Number of Complaints Filed by Regulatory Bodies	Cases	0	0	0
Number of Personal Data Protection Complaints	Cases	0	0	0
Number of Information Security Regulation Violations	Cases	0	0	0
Number of Information Security Incidents	Cases	0	0	0

R&D Status

Category		Unit	2023	2024	2025
R&D Personnel Status	Number of R&D Personnel	Persons	26	35	27
	Percent of R&D Personnel	%	11.4	14.2	9.0
	Number of R&D Personnel with Master's or Doctoral Degrees	Persons	17	19	17
	Percent of R&D Personnel with Master's or Doctoral Degrees	%	65.4	54.3	63.0
R&D Investment Status	R&D Investment Amount*	100 Million KRW	28	26	33
	R&D Investment Percent to Sales*	%	3.5	2.7	2.6
Patent Application and Registration Status	Applications	Cases	29	10	5
	Registrations	Cases	8	3	13

Customer Satisfaction Management

Category	Unit	2023	2024	2025
Customer Satisfaction Survey Results	Points	93.8	94.7	94.4

Governance Performance

Board Composition

Category	Unit	2023	2024	2025
Entire Board	Persons	4	5	6
Male	Persons	4	5	5
Female	Persons	0	0	1
Inside Directors Total	Persons	3	2	2
Male	Persons	3	2	2
Female	Persons	0	0	0
Other non-executive directors	Persons	0	1	2
Male	Persons	N/A	1	1
Female	Persons	N/A	0	1
Outside directors	Persons	1	2	2
Male	Persons	1	2	2
Female	Persons	0	0	0
Inside director ratio	%	75	40	33.3
Other non-executive director ratio	%	0	20	33.3
Outside director ratio	%	25	40	33.3

Board operation

Category		Unit	2023	2024	2025
Board meetings	Number of board meetings	Times	16	14	15
Board agenda items	Number of board agenda/reports	Items	18	17	28
Board attendance	Board attendance rate	%	100	97	99
Board tenure	Average board tenure	Years	1.1	0.9	1.7
	Average inside director tenure	Years	1.2	0.5	1.5
	Average other non-executive director tenure	Years	N/A	1.2	1.5
	Average outside director tenure	Years	0.8	1.3	2.5

Board evaluation and compensation

Category		Unit	2023	2024	2025
Inside director compensation	Total inside director compensation	Million KRW	734	1627	838
	Average inside director compensation	Million KRW/Person	244.7	813.5	418.9
Other non-executive directors Compensation	Total other non-executive director compensation	Million KRW	N/A	N/A	20
	Average other non-executive director compensation	Million KRW/Person	N/A	N/A	10.0
Outside director compensation	Total outside director compensation	Million KRW	9	49	47
	Average outside director compensation	Million KRW/Person	9.0	24.5	23.3
CEO and employee compensation	CEO compensation	Million KRW	242	228	423
	Median employee compensation	Million KRW	41	56	60
	Employee-CEO compensation ratio	Times	5.8	4.1	7.0
	CEO compensation growth rate	%	(26.0)	(5.6)	85.0
	Median employee compensation growth rate	%	(28.4)	35.2	7.5
	Employee-CEO compensation growth ratio	Times	0.92	20.40	11.33

Board expertise

Category	Unit	2023	2024	2025
Number of outside directors with industry experience	Person(s)	1	1	1

Governance Performance

Anti-corruption management

Category		Unit	2023	2024	2025
Corruption risk assessment	Number of total business sites	Sites	1	1	1
	Number of business sites assessed for corruption risk	Sites	0	0	0
	Percent of business sites assessed for corruption risk	%	0	0	0
Anti-corruption violations	Total number of corruption incidents	Incidents	0	0	0
	Number of dismissals or disciplinary actions	Cases	5	6	3
	Number of lawsuits	Cases	0	0	0

Sponsorships and donations

Category	Unit	2023	2024	2025
Major sponsored organizations and contributions	Million KRW	40	15	70

Tax payment status

Category	Unit	2023	2024	2025
Profit before tax	Million KRW	(23,069)	38,407	(129,545)
Corporate tax expense	Million KRW	1,754	8,433	(3,374)
Effective tax rate	%	0.00	21.96	0.00

Regulatory violations

Category		Unit	2023	2024	2025
Ethical violations	Total number of violations	Cases	0	0	0
	Embezzlement/Fraud	Cases	0	0	0
	Bribery	Cases	0	0	0
	Human rights violations	Cases	0	0	0
	Nepotism in hiring	Cases	0	0	0
	Process violations	Cases	0	0	0
Unfair trade practices	Fines or settlement amounts related to the Monopoly Regulation and Fair Trade Act, such as anti-monopoly/anti-competitive practices	Million KRW	0	0	0
	Number of fines, sanctions, or warnings received for violations of the Monopoly Regulation and Fair Trade Act, such as anti-monopoly/anti-competitive practices	Cases	0	0	0
Regulatory violations	Total number of violations	Cases	0	0	1
	Environmental law violations	Cases	0	0	0
	Industrial safety law violations	Cases	0	0	1
	Violation of Fair Trade Laws	Cases	0	0	0
Amount of Fines Imposed	Total Fine Amount	Million KRW	0	0	0
	Violation of Environmental Laws	Million KRW	0	0	0
	Violation of Industrial Safety Laws	Million KRW	0	0	0
	Violation of Fair Trade Laws	Million KRW	0	0	0

Appendix

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GRI Standards 2021

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ESG Initiatives

UN SDGs

Duksan Hi-Metal Co., Ltd. recognizes the importance of achieving the UN SDGs (United Nations Sustainable Development Goals) and is pursuing activities related to 13 of the 17 Sustainable Development Goals to contribute to international and national efforts for sustainable development.

NO.	Goal	Key Activities	Reporting Location
1	End Poverty	⊙ We activate the employment of people with disabilities and prohibit discrimination in terms of working conditions and employment types.	32
3	Good Health and Well-being	⊙ We donate to the Red Cross and hospitals through contributions to the Yuha Prun Foundation and support vulnerable populations in healthcare.	42
4	Quality Education	⊙ We support the continuous development of our members' capabilities, and through contributions to the Yuha Prun Foundation, we sponsor local students and donate development funds to research institutions and universities.	28-29, 42
5	Gender Equality	⊙ We operate recruitment, performance evaluation, and compensation systems based on fairness and strive to foster a female-friendly corporate culture.	27-28, 30-31
6	Clean Water and Sanitation	⊙ We promote activities to reduce water usage, manage wastewater from our facilities legally, and outsource all wastewater treatment to prevent discharge.	26
7	Affordable and Clean Energy	⊙ We continuously replace aging equipment to reduce energy consumption and promote energy efficiency through consumables replacement and equipment operational efficiency improvements.	24
8	Decent Work and Economic Growth	⊙ We strive to create local (Ulsan) jobs, expand youth employment, and foster a safe and happy work environment.	30, 42
9	Industry, Innovation and Infrastructure	⊙ We lead innovation in the semiconductor materials field through active R&D.	10
10	Reduced Inequalities	⊙ We provide equal opportunities to all stakeholders, including members of Duksan Hi-Metal Co., Ltd., and strive to eliminate all forms of discrimination based on gender, nationality, race, religion, age, disability, etc.	32
11	Sustainable Cities and Communities	⊙ We minimize emissions of air and water pollutants for local (Ulsan) environmental conservation, legally treat waste, and prevent environmental accidents.	24, 26
12	Responsible Consumption and Production	⊙ We continuously strive to achieve legal waste treatment, promote recycling, and meet circular resource performance goals.	24-25
13	Climate Action	⊙ We have established a greenhouse gas inventory and quantitative targets, and are pursuing activities to reduce energy consumption and greenhouse gas emissions to achieve these targets.	23-24
16	Peace, Justice and Strong Institutions	⊙ We establish systems for fair and transparent management and strengthen the ethical awareness of our members.	45-47

ESG Initiatives

UNGC 10 Principles

Duksan Hi-Metal Co., Ltd. resonates with the founding purpose of the UNGC (United Nations Global Compact), a global corporate sustainability initiative, and strives to implement the UNGC's 10 Principles concerning human rights, labor, environment, and anti-corruption.

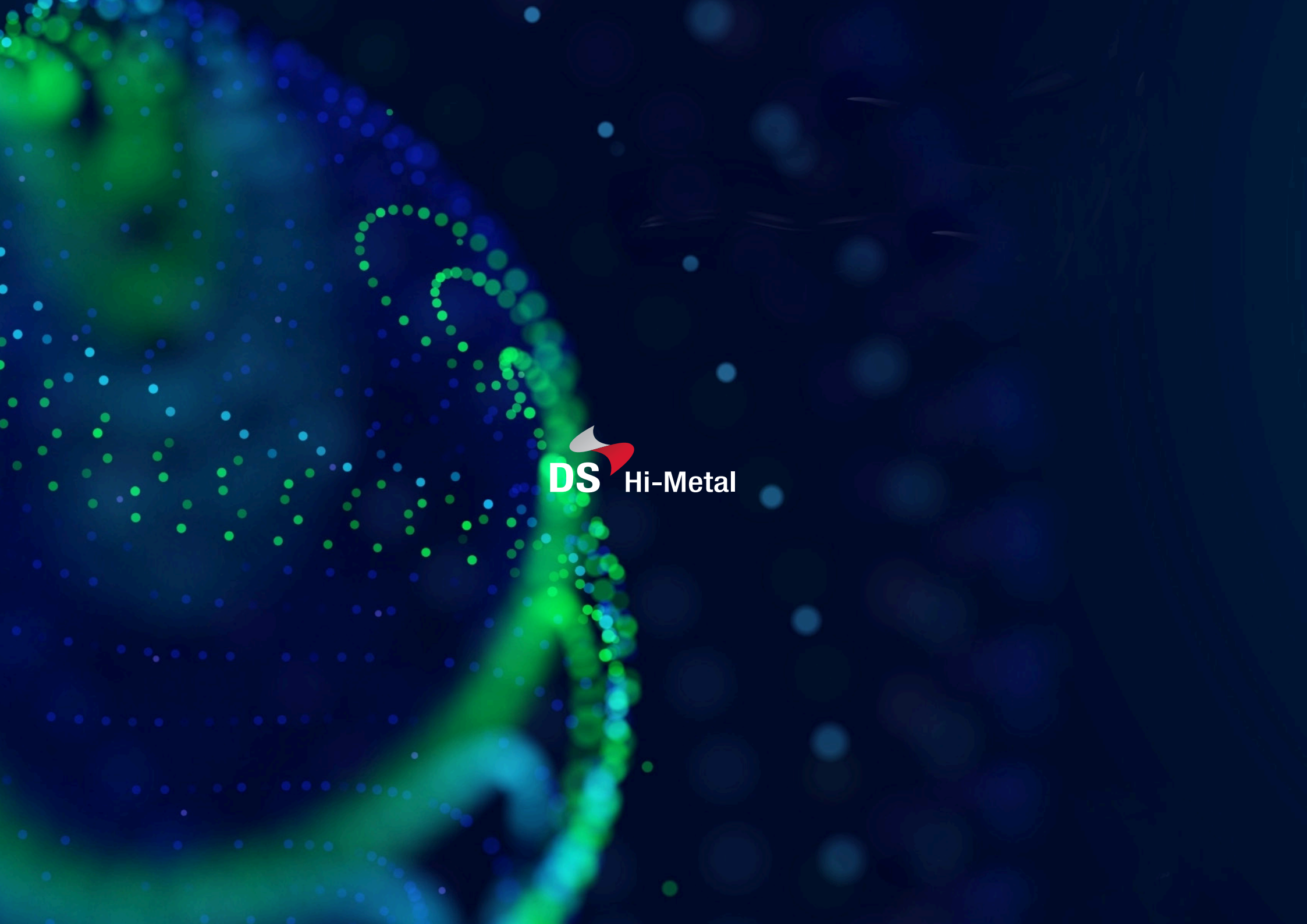
NO.	Principle		Key Activities	Reporting Location
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Duksan Hi-Metal Co., Ltd. complies with international standards and guidelines related to human rights and labor, such as UNGP and ILO, and established a Human Rights Charter in 2023 to internalize human rights management. To prevent human rights risks, human rights education is regularly conducted, and an online Duksan Clean Reporting Center, accessible to both members and external stakeholders, is operated to receive reports of human rights violations. We continue our efforts to protect the socially vulnerable by operating talent recruitment, performance evaluation, and compensation systems based on the principle of fairness, as well as by fundamentally prohibiting the employment of minors and taking measures to promote the employment of people with disabilities.	31-32
	Principle 2	Actively strive not to be involved in human rights violations.		
	Principle 3	Recognize freedom of association and the right to collective bargaining.		
Labor	Principle 4	Abolish all forms of forced labor.		
	Principle 5	Effectively abolish child labor.		
	Principle 6	Abolish discrimination in employment and occupation.		
Environment	Principle 7	Support a precautionary approach to environmental issues.	Duksan Hi-Metal Co., Ltd. has established and operates a global-level management system by adopting ISO14001 (Environmental Management) and ISO50001 (Energy Management) to fulfill its environmental responsibilities. Through ESG management consulting, we build a greenhouse gas inventory, calculate Scope 1 and 2, and verify their reliability through third-party verification. In the medium to long term, we have set greenhouse gas reduction targets for 2030 and 2050 and are carrying out various greenhouse gas reduction activities to achieve them.	22-24
	Principle 8	Undertake initiatives to promote environmental responsibility.		
	Principle 9	Promote the development and diffusion of environmentally friendly technologies.	We have developed low-melting point solder products that save energy consumed in our customers' manufacturing processes and are conducting R&D for quality improvement.	10, 24
Anti-corruption	Principle 10	Strive to eradicate all forms of corruption, including illicit acquisition and bribery.	To practice fair and transparent management, we have established and publicly disclosed a Code of Ethics and Ethical Standards, and we accept reports regarding unethical or unfair conduct through the Duksan Clean Reporting Center. We require employees to submit a pledge of ethical management and compliance to reinforce their awareness in these areas, and we conduct regular training sessions. Moving forward, we plan to distribute regular newsletters and host employee engagement events to help staff experience a culture of ethical and compliant management in a more natural and approachable way.	45-47

Association membership and awards

Association Membership Status

Organization Name	detail
The Korean Society of Microelectronics Packaging	Since its establishment in 1993 with the approval of the Ministry of Trade, Industry and Energy as an incorporated association, it has been established to contribute to the development of the electronics industry by promoting active research in the microelectronics and packaging fields and striving for exchange and dissemination. Our society's primary objective is to promote academic and technical exchange among advanced companies, universities, and research institutes in the fields of microelectronics and packaging. In particular, it covers electronic components and packages, printed circuit boards, surface mounting, wearable devices, sensors, power devices, bonding materials/processes, and reliability, and focuses on technical exchange and information sharing in these fields. Duksan Hi-Metal participates in the society's seminars and regular conferences to communicate with government/university/research institutions/clients and partner companies.
Korea PCB Semiconductor Packaging Industry Association	As an incorporated association aimed at contributing to the development of the Korean PCB & Semiconductor Packaging industry, it conducts various projects such as domestic and international research projects, PCB standardization activities, building cooperation/coordination systems among member companies, organizing domestic PCB-related specialized shows, providing diverse information related to the domestic and international PCB semiconductor packaging industry, and policy recommendations and consulting for industrial development. Duksan Hi-Metal participates in the association's events and conferences to build various cooperative relationships with PCB-related clients and material/component suppliers.
World Class Enterprise Association	This is a group of World Class Companies and Top Tier Material/Component Companies carefully selected through government projects. Our member companies, which serve as the backbone of the Korean economy, aim to become “Global Hidden Champions” with global market dominance based on transactional independence by strengthening their own growth capabilities, securing future growth engines through continuous change and technological innovation, and gaining an edge in fierce competition with outstanding overseas companies. Duksan Hi-Metal has been selected as a World Class 300 company and has been a member of this association since 2014.
KOSDAQ Association	The KOSDAQ Association promotes the rights and interests of KOSDAQ companies and supports their sustainable growth, while carrying out various policy, education, and information exchange activities for the sound development of the capital market. As a member of the KOSDAQ Association, our company identifies trends in the capital market and related systems, and utilizes information exchange and various support programs among member companies.
Korea International Trade Association	The Korea International Trade Association is a trade promotion organization that supports domestic companies in expanding exports and strengthening their global competitiveness. Through the association, our company receives information on trade and commerce trends, import/export statistics, and overseas market information, and utilizes various member support services such as trade practice education and expert consulting.

Organization Name	detail
Korea Industrial Safety Association	The Korea Industrial Safety Association is a specialized institution for industrial safety that provides industrial accident prevention, safety education, technical support, and safety management information. Through association activities, our company identifies laws and the latest safety trends related to industrial safety and health, and receives professional technical consulting on safety activities support and on-site safety management.
Korea Occupational Health Association	The Korea Occupational Health Association is a specialized institution for occupational health that provides health check-ups, workplace environment measurements, and health management services to protect workers' health and create a pleasant working environment. Our company receives various health programs and conducts follow-up management based on health check-up results through consultations with medical professionals.
Korea Mechanical and Electrical Construction Association	The Korea Mechanical Equipment Construction Association is a specialized institution that supports the safe and efficient maintenance of mechanical equipment. Our company appoints mechanical equipment maintenance personnel in accordance with relevant legal standards and receives related information through the association.
Korea Electric Engineers Association	The Korea Electrical Engineers Association is a specialized institution in the electrical field that supports the improvement of professionalism of electrical engineers and the safe operation of electrical equipment. Our company performs tasks necessary for appointing electrical safety managers and legal education through the association, and utilizes shared information on electrical laws and regulations, and the latest technical information for electrical equipment safety management.
Ulsan Environmental Technicians Association	The Ulsan Environmental Technologists Association is an organization established to improve the professionalism and rights of regional environmental technologists and to strengthen the environmental management capabilities of business sites. Through the association, our company receives environmental technology support and information exchange among member companies, and participates in training on the operation of pollution prevention facilities. Based on this, we are strengthening environmental management activities to reduce pollutants and ensure proper emissions.
Korea Fire Safety Institute	The Korea Fire Safety Institute is a specialized institution for fire safety that provides qualification exams, legal education, and fire safety information to improve the professionalism of fire safety managers and prevent fires. Our company performs tasks necessary for appointing hazardous substance safety managers and fire safety managers, and legal education, And actively utilizes information on fire-related laws and regulations to prevent fires and hazardous substance accidents at workplaces.
Ulsan Chamber of Commerce and Industry	The Ulsan Chamber of Commerce and Industry is the representative comprehensive economic organization in the Ulsan region, representing the rights and interests of the local commerce and industry, and supporting the improvement of corporate competitiveness and the development of the regional economy. Our company receives information on economic and industrial trends and major policies, and participates in management education, expert consulting, and corporate support programs. It is also used to strengthen information exchange and cooperative relationships among regional companies.


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