

THE HIDDEN CORE TECHNOLOGY

***KIET***

# ABOUT THIS REPORT

We have published the ‘2023 Sustainability Report,’ which outlines our commitment to sustainable management and ESG management, strategic direction, and key activities. To transparently share our sustainability efforts and achievements with various stakeholders, we released our first sustainability report in 2024. We plan to continue publishing this report annually to ensure transparency in non-financial information disclosures.

## Reporting Standards

This report meets the requirements of the GRI (Global Reporting Initiative) Standards 2021 for international sustainability reporting. We have also considered the SASB (Sustainability Accounting Standards Board) industry standards to reflect significant industry-specific issues, and incorporated recommendations from the TCFD (Task Force on Climate-related Financial Disclosures). The financial information included in the report has been prepared in accordance with Korean International Financial Reporting Standards (K-IFRS), and the reporting currency is the Korean Won (₩).

## Reporting Scope

The scope of this report includes quantitative data and qualitative sustainability management performance from a total of seven entities, encompassing the headquarters, research centers, production facilities, and overseas corporations of KET, as well as key subsidiaries. However, there are differences in the disclosure items for environmental and social quantitative data between domestic and overseas operations, and any deviations in reporting scope are separately noted in the footnotes of the respective data.

\* Seven entities: KET, WEIHAI KET ELECTRONICS, KET VINA, KET POLAND SP. Z O.O, MEXKET S de RL de CV, KET NETWORK, KET SOLUTION

## Reporting Period

This report is focused on activities and performance from January 1, 2023, to December 31, 2023. For quantitative data, three years of data (2021–2023) have been provided to identify trends. However, some significant activities and achievements from the first half of 2024 are also included.

## Reporting Frequency

Annually (Publication Date: August 2024)

## Report Verification

This report has undergone independent verification by BSI, an external validation organization, for its preparation process and data, ensuring the reliability and fairness of the publicly disclosed data and content. The verification of greenhouse gas emissions (Scope 1, 2, and 3) and energy consumption was conducted by the Korean Standards Association, an independent verification body. Detailed verification results can be found in the third-party verification report and the greenhouse gas verification statement.

## Inquiries About the Report

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This report has been published as an interactive PDF, allowing readers to move quickly and easily to pages in the report, and including shortcuts to the related web pages.

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# CEO MESSAGE



## Dear Valued Customers, Partners, and Employees, I am the CEO of Korea Electric Terminal (KET).

We are a leading manufacturer of automotive and electronic connectors, dedicated to achieving not just economic growth but sustainability. To achieve this, we are focused on developing eco-friendly automotive components and embarking on a sustainable journey towards a better future.

First, we are committed to leading the green ecosystem by enhancing our climate risk management system and reducing waste emissions. We are optimizing our production processes to minimize waste and pollutants generated in the production process, and we are analyzing energy usage trends at each business site to implement energy-saving measures, reducing our environmental impact.

Second, we are investing in the development of high-value future technologies by creating eco-friendly products and technologies. We manage ESG risks within our supply chain to prevent negative environmental and social impacts throughout the product lifecycle.

Third, we are promoting a culture of respect for human rights, ensuring that everyone can work and live in a healthy environment. Our Human Rights Charter and Code of Conduct uphold diversity and prohibit discrimination. We are also advancing safety and health management activities to prevent major accidents and safety incidents. Additionally, we are strengthening our collaboration with local communities to fulfill our social responsibilities. By engaging with the community, we meet their needs and expectations and strive to make a positive impact through various social contribution activities. Our employees actively participate in voluntary service, contributing to the development and welfare of the community.

Fourth, we practice transparent and ethical management, strengthening the foundation for sustainable growth and building trust with all stakeholders. Our management adheres to sustainable management principles, fostering the company's long-term growth based on these principles. Furthermore, we realize the value of mutual prosperity through fair and transparent transactions with our partners.

Our goal is clear. We aim to achieve economic growth while contributing to a healthy future for our society and the planet. To this end, all our employees are united in their efforts, and we will continue our sustainable journey toward a better future.

We kindly ask for your continued support.

Thank you.

CEO of Korea Electric Terminal (KET) **Chang-Won Lee**

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# ABOUT KOREA ELECTRIC TERMINAL (KET)

## Company Overview

KET was established on April 20, 1973, and specializes in manufacturing and selling automotive connectors, electronic connectors, and electrical module components. We are a forward-looking company that leads the way in future technologies, including eco-friendly automotive components, vehicle infotainment systems, and autonomous driving electrical parts. Committed to environmental protection and prioritizing customer value, we continually strive for change and innovation to create a sustainable future.

\* As of December 31, 2023, on a consolidated basis

Company Name	KOREA ELECTRIC TERMINAL CO.,LTD. (KET)
Date of Establishment	April 20, 1973
Headquarters	(Songdo-dong), 38 Gaetbeol-ro, Yeonsu-gu, Incheon, South Korea
Main Business	Manufacturing and sales of connectors and related components
CEO	Chang-Won Lee
Number of Employees	1,155 persons

### Total Assets Unit: Million KRW



### Sales Unit: Million KRW



### Operating Profit Unit: Million KRW



## Management Philosophy



KET is dedicated to contributing to the world through its core component technologies.

### Mission

We aim to become a global key component company that is always close at hand for a comfortable human life.

### Vision

With a spirit of challenge fueled by passion and perseverance, and with creative thinking, we are fully committed to advancing technology development.

### Philosophy



#### Customer-first management

We learn from our customers, serve them, and grow together with them.



#### Human-centered management

We uphold honest and transparent management based on fundamentals and principles.



#### Transparent management

We practice human-centered management that values people and the environment.



#### Sustainable management

We practice corporate social responsibility management focusing on human rights, ethics, and the environment.

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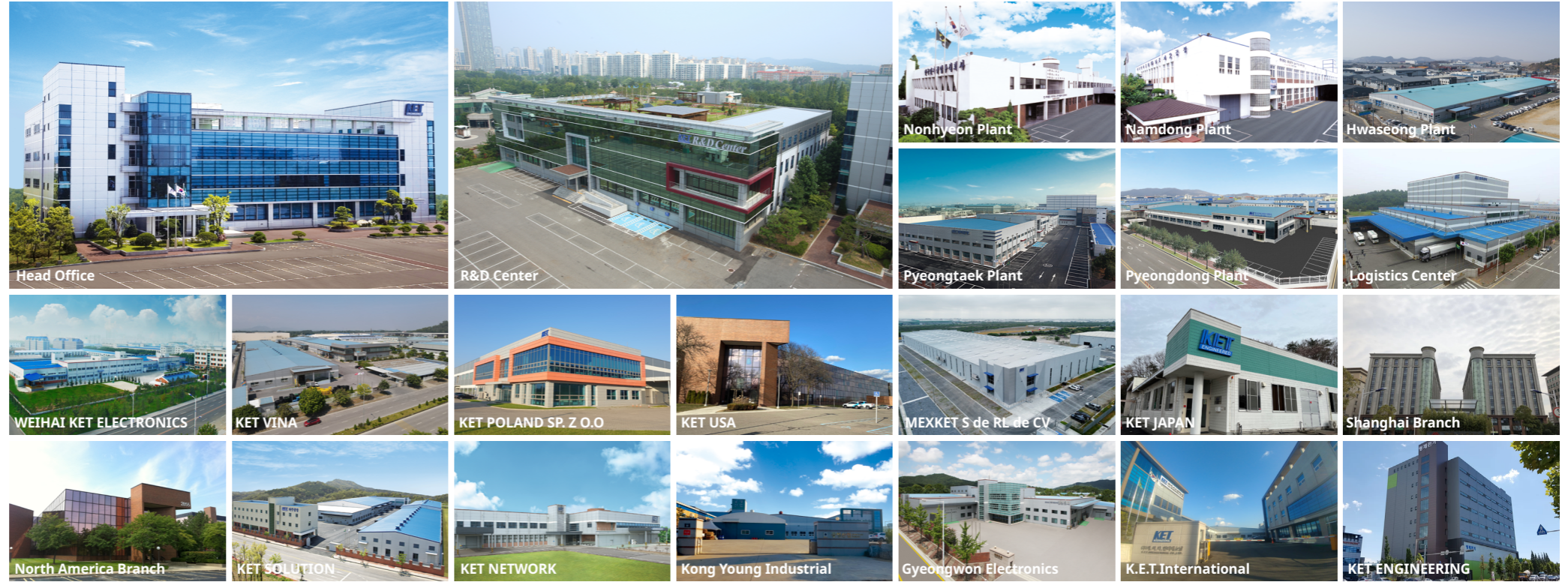
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# ABOUT KOREA ELECTRIC TERMINAL (KET)

## Domestic business sites and key affiliates

KET's affiliates engage in businesses such as manufacturing and sales of connectors, automotive parts, electrical module components.



### Overview of Key Affiliates

Company	Ownership Structure	Date of Establishment	Main Business	Business Sites	Total Assets (Million KRW)	Sales (Million KRW)	Number of Employee
WEIHAI KET ELECTRONICS	100%	2003.12.31.	Automotive parts manufacturing	China	46,129	53,782	386
KET NETWORK	100%	2008.05.13.	Automotive parts manufacturing	South Korea	65,000	136,647	109
KET SOLUTION	100%	2010.07.26.	Automotive parts manufacturing	South Korea	129,883	108,690	535
KET VINA	100%	2015.08.25.	Automotive/electronic parts processing	Vietnam	141,293	73,683	2,352
KET POLAND SP.Z.O.O	100%	2018.12.07.	Automotive parts manufacturing	Poland	126,610	37,484	228
KET ENGINEERING	86%	2019.05.13.	Industrial machinery and equipment manufacturing	South Korea	4,771	13,787	29
MEXKET, S. DE R.L. DE CV.	100%	2020.11.30.	Automotive parts manufacturing	Mexico	54,182	19,468	173
KET USA	100%	2022.04.28.	Eco-friendly automotive part selling	The U.S.	76,956	68,934	2

\*Detailed information on subsidiaries can be found in the business report (p.174).

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# HISTORY



## 1973~1990

### Initial Stage

The emergence of 'Korea Electric Terminal (KET)' as Korea's pioneering connector brand

- 1973.04** Established Korea Electric Terminal (KET)
- 1974.10** Relocated headquarters and factory to Gajwa-dong, Incheon
- 1987.05** Technical partnership with YAZAKI, Japan
- 1990.01** Relocated headquarters and factory to Namdong Industrial Complex, Incheon

## 1991~2000

### Development Stage

Development of next-generation technologies and nurturing of research personnel

- 1992.11** Completed Gwangju Hanam Plant
- 1994.04** Completed Incheon Namdong Plant
- 1996.10** Listed on the Korea Exchange (KRX)
- 1997.01** Designated as Excellent Labor-Management Harmony Company
- 1997.05** Gold Tower Order of Industrial Service Merit
- 1997.07** Established Central Research Institute
- 2000.04** Selected as Excellent Enterprise in New Labor-Management Culture
- 2000.06** Received a Grand prize for Accounting Information
- 2000.10** Completed Pyeongtaek Plant

## 2001~2010

### Expansion Stage

Transition from a specialized connector enterprise to a comprehensive component manufacturer

- 2003.07** Received a Grand prize for Transparent Accounting from the Korean Accounting Association
- 2003.12** Established China Corporation
- 2004.02** Received a Grand prize for Workplace of Satisfaction
- 2004.07** Relocated headquarters and Central Research Institute to Songdo, Incheon
- 2007.03** Received the President's commendation at the 41st Taxpayer's Day
- 2007.09** Selected as Excellent Enterprise in New Labor-Management Culture
- 2009.12** Received the Presidential Award for Labor-Management Cooperation
- 2010.07** Received a Grand Prize at the Incheon Chamber of Commerce and Industry
- 2010.09** Established Shanghai office

## 2011~

### Advancement Stage

Advancing beyond South Korea to become a leader in the global market

- 2012.03** Received the Prime Minister's commendation on Taxpayer's Day (46th)
- 2015.09** Established KET Vina CO., LTD
- 2015.12** Received an award for being a great company to work in the local area
- 2018.04** Established Hanbit Nuri Co., Ltd., a standard workplace for the disabled
- 2018.12** Established Poland KET Sp.z.o.o.
- 2019.07** Selected as Excellent Enterprise in Labor-Management Culture
- 2020.02** Established Kyeongwon Scholarship Foundation
- 2020.05** Establishment of Germany Branch
- 2020.11** Establishment of Mexico Corporation
- 2021.04** Selected as a World Class Candidate Company
- 2022.04** Established US Corporation
- 2022.05** Established Japan Corporation
- 2023.03** Received GM 2022 Overdrive Special Award



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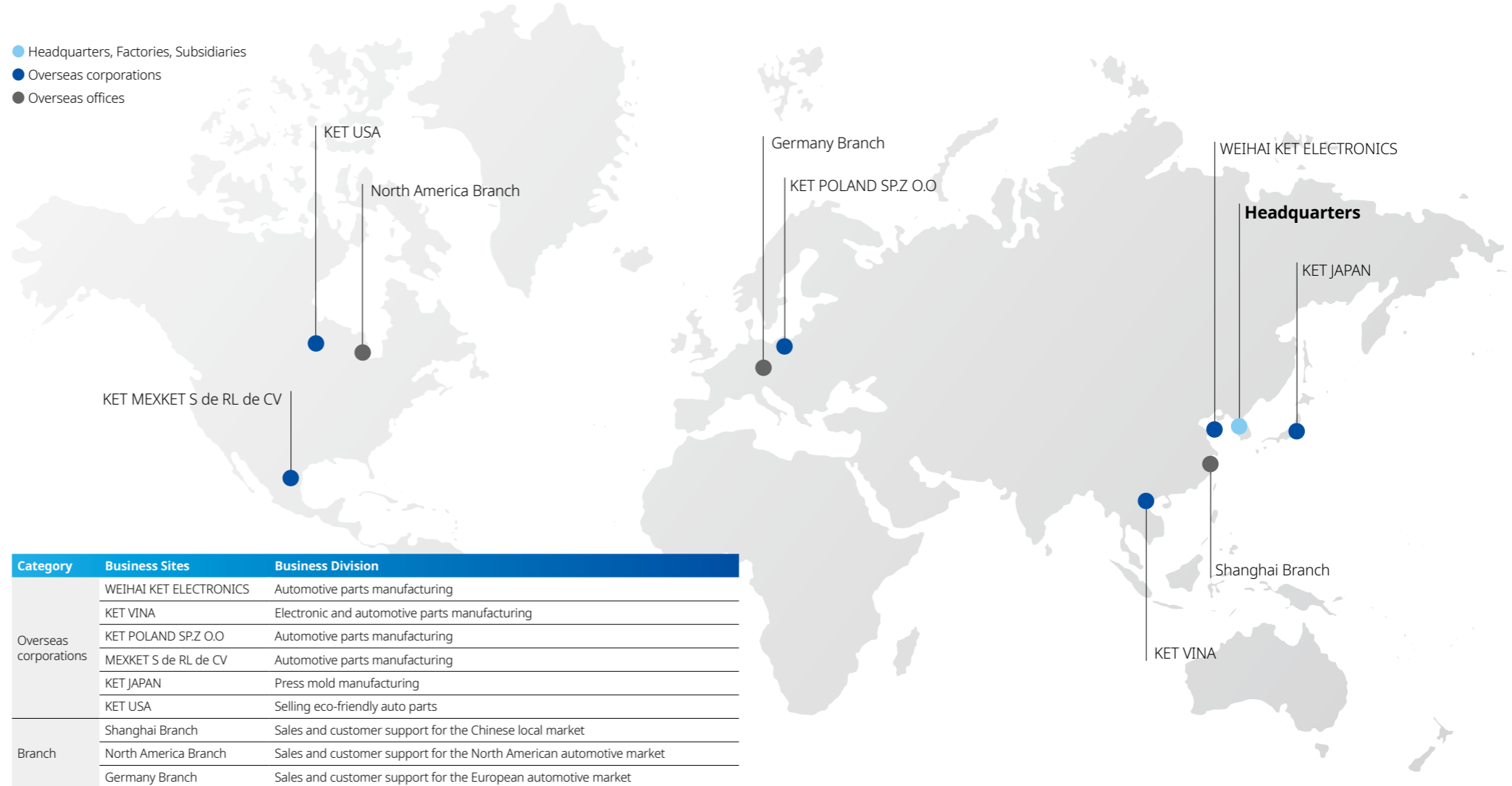
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# GLOBAL NETWORK

## Facility Overview

At KET, we operate 12 facilities domestically and 9 internationally leveraging customer trust and advanced technological capabilities in our markets at home and abroad. We manage global corporations in China, Vietnam, Poland, the United States, Mexico, among others, aiming to establish a leading position in the global market and deliver value to customers worldwide through innovative technologies and services.



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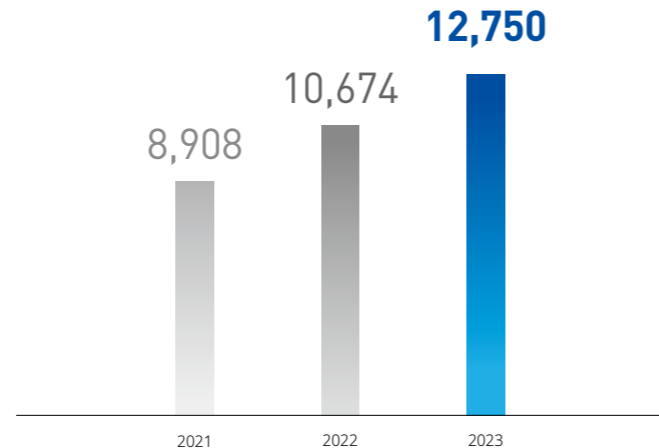
## Automotive Division

KET's automotive division plays a critical role in the global automotive industry with its high quality and advanced technology. Adapting to the trend towards eco-friendly vehicles, we focus not just on traditional internal combustion engine parts but on the production of components for eco-friendly vehicles. Moreover, we proactively respond to the electrification trend in automotive parts (xEV Parts) with our strong quality competitiveness. Through systematic production systems and enhanced R&D capabilities, we aim to lead the future automotive industry.

### Business Strategy

The automotive divisions are proactively addressing future technologies and electrification components required for eco-friendly vehicles, based on quality competitiveness. Prioritizing the production of products that meet the needs of global car manufacturers, we are stably supplying components to dedicated electric vehicle platforms.

**Automotive Business Sales<sup>1)</sup>** Units: billion KRW







1) Based on the 2023 business report, this refers to the sales of automotive connectors, electronic modules, etc.

### Product Lines




#### xEV Parts

We offer products such as high-voltage connectors that deliver current to automotive electrical systems, including components that connect circuits of each battery cell and the Battery Management System (BMS) in eco-friendly vehicles, such as Inter Connection Board (ICB).

-  High-Voltage Connectors
-  PRA(BDU)
-  High-Voltage Fuses
-  ICB





#### Connectors and related Parts

We offer products such as BFT / Multi-Fuse, which protect circuits and wires from overcurrent in batteries and circuits. Additionally, we provide connectors used inside vehicles.

-  BFT / Multi-Fuse
-  Wire-to-Unit Connectors
-  Wire-to-Wire Connectors

#### Intelligent Vehicle Parts

There are collision sensors for airbags that ensure driver safety through electronic control, and transmission connectors that enhance convenience by transmitting video and data within the vehicle.

-  Board-to-Board Connectors
-  RF Connectors
-  FAKRA Connectors
-  Collision sensors for airbags



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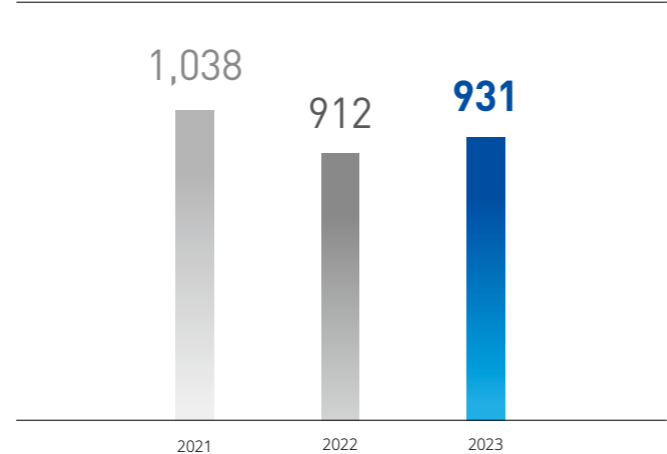
## Electronics Division

KET aims to secure new growth engine by selling our products in various industrial sectors that require connectors, such as semiconductors, robots, and ESS. We seek to diversify our product portfolio to expand our market presence from home appliances to industrial applications. We are committed to continuous research and development and market analysis to provide innovative products that meet customer need.

## Business Strategy

Recently, the electronics market has seen an increasing preference for eco-friendly and energy-efficient products, with smart appliances incorporating AI and IoT technologies gaining popularity. In terms of components, there is a growing demand for multifunctional parts that enable high-speed data transmission and improved power efficiency. The Electronic Business Unit of KET is committed to developing and standardizing high-efficiency, multifunctional products that align with market trends. We aim to respond swiftly to customer needs and lead the market.

**Electronics Business Sales<sup>1)</sup>** Unit: billion KRW







1) Based on the 2023 business report, this refers to the sales of electronic connectors, etc.

**Produce Lines**






**Home Appliance Connector**

These are various connectors that transmit power and signals within home appliances such as washing machines, refrigerators, dryers, and ovens.

-  070 / 060 Series
-  2.0mm / 1.5mm Dual
-  Power Block
-  P Lock Series  
250 Slip in Terminal





**Connector for IT**

Connector for Mobile Devices: Provides charging and power connection, data transmission, video and audio signal transmission to display devices, and is a capacitor holder connector for SSD devices

-  C to A PCB Assy
-  C to C Plug
-  C socket
-  HDMI
-  SSD  
Capacitor Holder

**New business**

A connector applied in new business areas, including semiconductors, robotics, and Energy Storage Systems (ESS)

-  **Gen 2.5 Connector**  
Expanded use of GPUs and increased processing capacity for AI server boards
-  **Multi module Connector**  
Functions such as power supply and I/O connectivity for semiconductor equipment
-  **Power Connector**  
Connector for robot power connections
-  **Pack to Pack**  
Connector for battery pack connections



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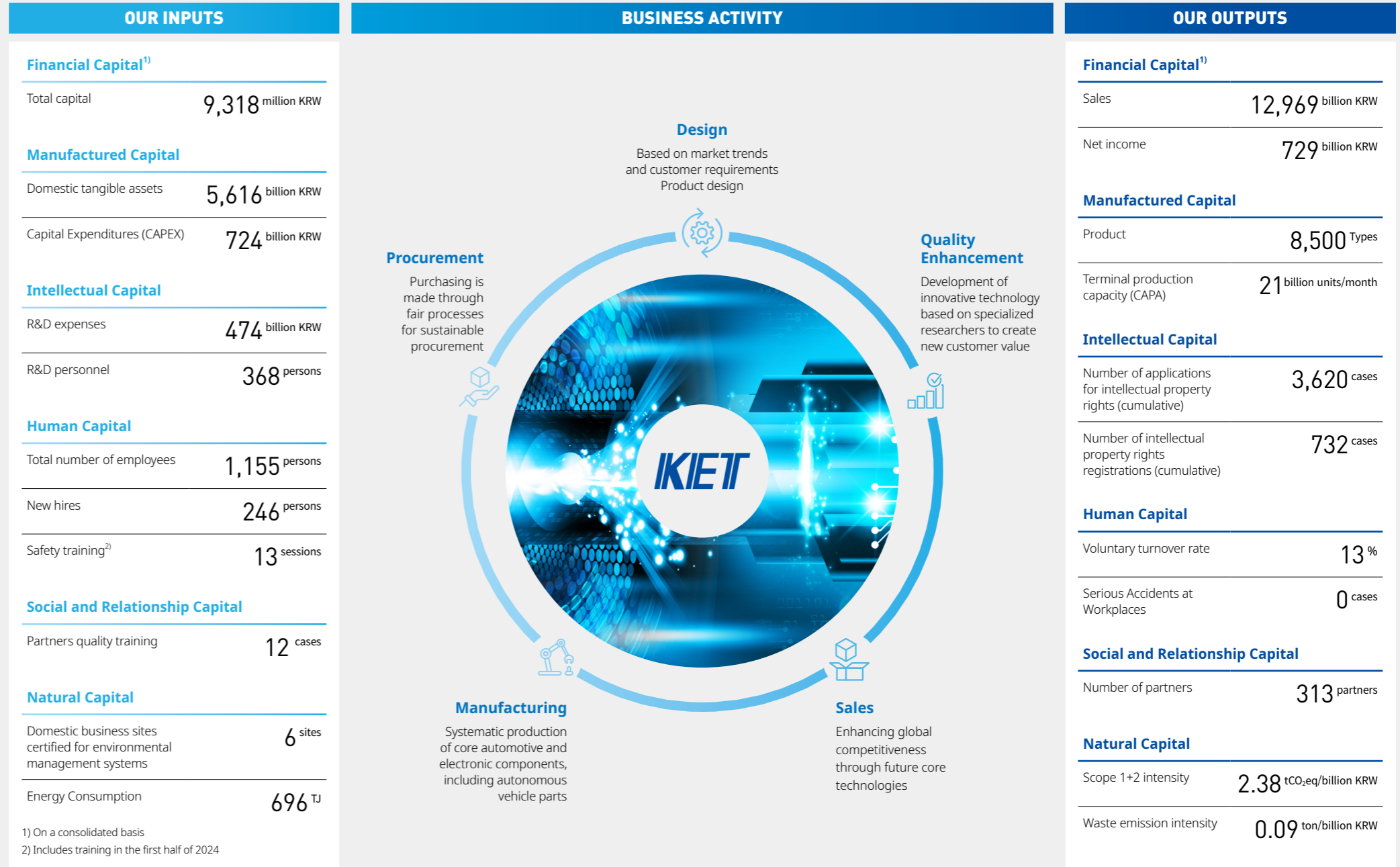
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# RESEARCH AND DEVELOPMENT

## Global Top Technology

KET started with connector development and has been leading the next-generation technological competitiveness in various areas such as electrical modules, eco-friendly components. We continuously conduct advanced research and investment to develop future new products. At KET, we are striving to lead future core technologies based on approximately 370 research personnel, accounting for 30% of our total workforce.

### R&D Key Achievements

Year	Unit	2021	2022	2023
R&D Expenditure	Million KRW	38,729	45,480	47,377
R&D expenditure as a percentage of sales	%	4.02	3.89	3.65
Patent application performance cases	cases	130	123	111
Internal combustion engine vehicle cases	cases	60	67	58
Eco-friendly vehicles cases	cases	70	56	53

### Organizational Chart



**Key research areas of the research institute**

Product development	Advanced research	Production technology	Reliability assessments
<ul style="list-style-type: none"> <li>• Process and system-based product development</li> <li>• Product planning (Planning) → Product design (Design) → Design review (Review) → Design verification (Proto) → Product verification (Pilot) → Mass production (Production)</li> <li>• Patent Applications and Registrations (Intellectual property rights protection for new technologies, new processes, and core technologies)</li> </ul>	<ul style="list-style-type: none"> <li>• Securing reliability and quality of products through advanced analysis and validation from the early stages of product development</li> <li>• Since 2011, operating the Smart Automotive Electronics Parts Research Center (SAE-RC) in collaboration with KAIST for developing advanced technologies and new products for eco-friendly and intelligent vehicles</li> </ul> <div style="text-align: center; margin: 10px 0;"> </div> <ul style="list-style-type: none"> <li>▶ Development of new technologies and products in the fields of automotive and IT</li> <li>▶ Preliminary proposals and technology marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing in-house mold design, precision machining, and mold production capabilities to produce hundreds of mold sets annually.</li> <li>• Enhancing manufacturing competitiveness by developing new mold technologies and advanced, eco-friendly component technologies</li> <li>• Enhancing productivity and quality assurance through assembly and inspection automation in manufacturing lines</li> <li>• Securing self-reliance in production technology for overseas corporations</li> </ul>	<ul style="list-style-type: none"> <li>• Developing KET's own evaluation standards and reliability assessments for securing globally recognized reliability and quality</li> <li>• Analyzing data (test results) considering real-world applicability and identifying vulnerabilities.</li> </ul>

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# ESG STRATEGIC FRAMEWORK

## Strategic Framework

KET has established an ESG strategic framework based on its corporate vision and management philosophy. Under the management vision of ‘Advancing humanity and creating new customer value through advanced technology development fueled by passion, perseverance, a spirit of challenge, and creative thinking,’ and guided by the principles of ‘Customer-first management’, ‘Transparent management’, ‘Human-centered management’ and ‘Sustainable management’, we have formulated our ESG vision as ‘Connecting the Drive to Sustainable Future.’ This includes three strategic directions: ‘Leading the Green Ecosystem’, ‘Developing High-Value Future Technologies’, and ‘Fostering a Culture of Human Respect’. Based on three strategic directions, six strategic tasks, and three foundational building tasks, KET aims to establish a path towards a journey for a sustainable future.

### ESG Vision House

#### ESG Vision

## Connecting the Drive to a Sustainable Future

#### Strategic Directions



### Leading the Green Ecosystem



### Developing High-Value Future Technologies



### Fostering a Culture of Respect for Humanity

#### Strategic Tasks

#### Climate Change Response

- Enhancing climate risk management systems
- Reducing greenhouse gas emissions
- Establishment of carbon neutrality & energy transition systems

#### Expansion of Eco-friendly Products and Technologies

- Establishment of product quality and safety management system
- Environmental impact management based on life cycle assessment

#### Safety and Health

- Strengthening of safety and health risk management system
- Mid-to long-term management of safety and health objectives

#### Resource Circulation

- Reduction of waste emissions
- Establishment of waste resource and raw and subsidiary materials management systems

#### Responsible Supply Chain Management

- Promotion of sustainable procurement
- ESG risk management in the supply chain

#### Human Rights Management

- Human rights risk management across the entire value chain
- Mid-to long-term management of human rights objectives

#### Foundational Building Tasks



### Strengthening the Foundation for Sustainable Growth

Transparency in board and audit operations

Ethical and compliance management

Establishment of ESG disclosure response systems

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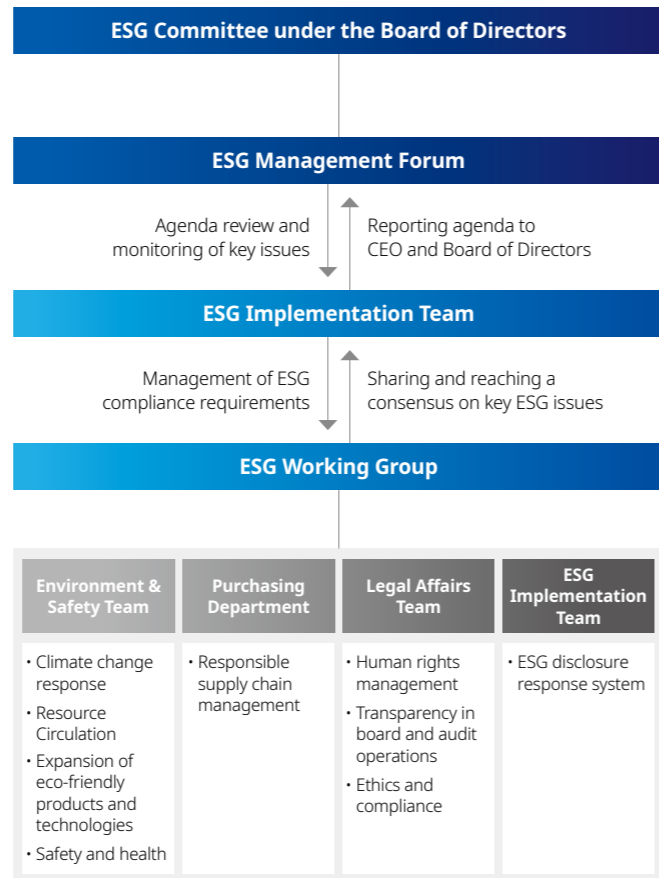
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# ESG GOVERNANCE

## ESG Governance System

At KET, we are actively promoting board-centered ESG management to proactively identify and address corporate ESG-related risks, aiming to create sustainable value. As of July 2024, we are working on the establishment of an ESG committee under the board of directors, with plans for its launch in the second half of 2024. The committee will play a central role in establishing an ESG governance system.

### ESG Governance Structure



### Board of Directors

At KET, we plan to establish a reporting process through the Board of Directors to ensure that ESG factors are considered in making major decisions. The Board will oversee the management and supervision of ESG activities and related issues reported by the ESG Committee, as well as monitor the performance and long-term direction of ESG management based on company-wide ESG KPIs. The Board will also be responsible for supervising risks related to key ESG areas, reviewing significant ESG issues in advance, and monitoring ESG strategies based on these significant issues. As of December 2023, the Board of Directors is composed of two CEOs, one independent director, and one executive director.

### ESG Committee

KET plans to launch an ESG Committee under the Board of Directors in the second half of 2024. This committee will be made up of executive and independent directors with expertise in ESG and will meet quarterly. The ESG Committee will formulate strategies and long-term goals for key ESG areas, and review and approve ESG-related policies, strategies, activities, performance, objectives, and plans. Major issues discussed by the ESG Committee will be brought before the Board of Directors for consideration.

### ESG Management Forum

We plan to form an ESG Management Committee, consisting of key executives, including the CEO, to discuss the direction and execution plans for major ESG issues in each sector. The ESG Management Committee will be responsible for managing and overseeing risk management and performance improvement activities related to ESG areas such as carbon neutrality, resource circulation, human rights protection, supply chain ESG management, and social contribution. This will enhance the execution capabilities of key tasks led by the executives in each ESG area.

### ESG Implementation Team

To establish an ESG management system and integrate ESG issues within the organization, we are working on forming an ESG Promotion Team. This team will be responsible for handling ESG management tasks within the company, operating both regularly and irregularly, and will manage external disclosures and stakeholder communications related to ESG. Additionally, the team will plan and promote ESG management at the company-wide level and facilitate communication between the ESG Management Committee and the ESG Operational Committee.

### ESG Working Group

KET plans to establish an ESG Operational Committee in 2024, which will include departments and relevant sections responsible for ESG strategy areas. The ESG Operational Committee will meet quarterly to discuss the ESG promotion directions and plans for each sub-sector and review the implementation status and level of ESG strategic tasks. It will also share information on key issues and performance insights between departments and relevant sections and conduct activities to mitigate ESG risks and improve performance.



# STAKEHOLDER PARTICIPATION

## Communication with Stakeholders

At KET, we aim to gather stakeholder feedback and incorporate it into our business activities to achieve sustainable growth. Through various communication channels, we identify the primary concerns of key stakeholders, actively manage potential impacts on them, and strive to integrate their input into overall business operations.

### ESG Vision



### Major Issues

Employees	Clients	Partners	Shareholders/Investors	Local Communities/NGO	Government/Associations
<ul style="list-style-type: none"> <li>• Protection of employee human rights and grievance handling</li> <li>• Competency building and career advancement opportunities</li> <li>• Fair performance evaluation</li> <li>• Work-Life Balance</li> <li>• Safe and comfortable working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate environmental and social responsibility</li> <li>• Securing technological competitiveness</li> <li>• Quality Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• Fair trading relationships</li> <li>• Support for win-win cooperation</li> <li>• Support for strengthening competitiveness</li> <li>• ESG risk management in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of shareholder rights</li> <li>• Enhancing global corporate value</li> <li>• Mid-to long-term future business strategies</li> <li>• Establishing a climate change response system</li> <li>• Building an ESG governance system</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility for the local communities' environment</li> <li>• Strategic social contribution programs</li> <li>• Collaboration to solve community issues</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulations and social responsibility</li> <li>• Creating social and economic value</li> <li>• Paying taxes</li> <li>• Transparent corporate information disclosure</li> </ul>

### Communication Channels

<ul style="list-style-type: none"> <li>• Meetings by employee representative</li> <li>• Labor-Management Council</li> <li>• Company internal portal</li> <li>• Website reporting channel</li> </ul>	<ul style="list-style-type: none"> <li>• VoC(Voice of Customers)</li> <li>• Clients and manufacturer quality meetings</li> <li>• Field Claim quality meeting groups</li> </ul>	<ul style="list-style-type: none"> <li>• Partners meetings</li> <li>• Partners quality education programs</li> <li>• Regular visit interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Management briefings</li> <li>• Business performance disclosures</li> <li>• Website IR disclosures</li> <li>• Business reports</li> </ul>	<ul style="list-style-type: none"> <li>• Social contribution programs</li> </ul>	<ul style="list-style-type: none"> <li>• Policy meetings and seminars</li> <li>• Website</li> <li>• Corporate disclosures</li> </ul>
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# DUAL MATERIALITY ASSESSMENT

## Dual Materiality Assessment Concept

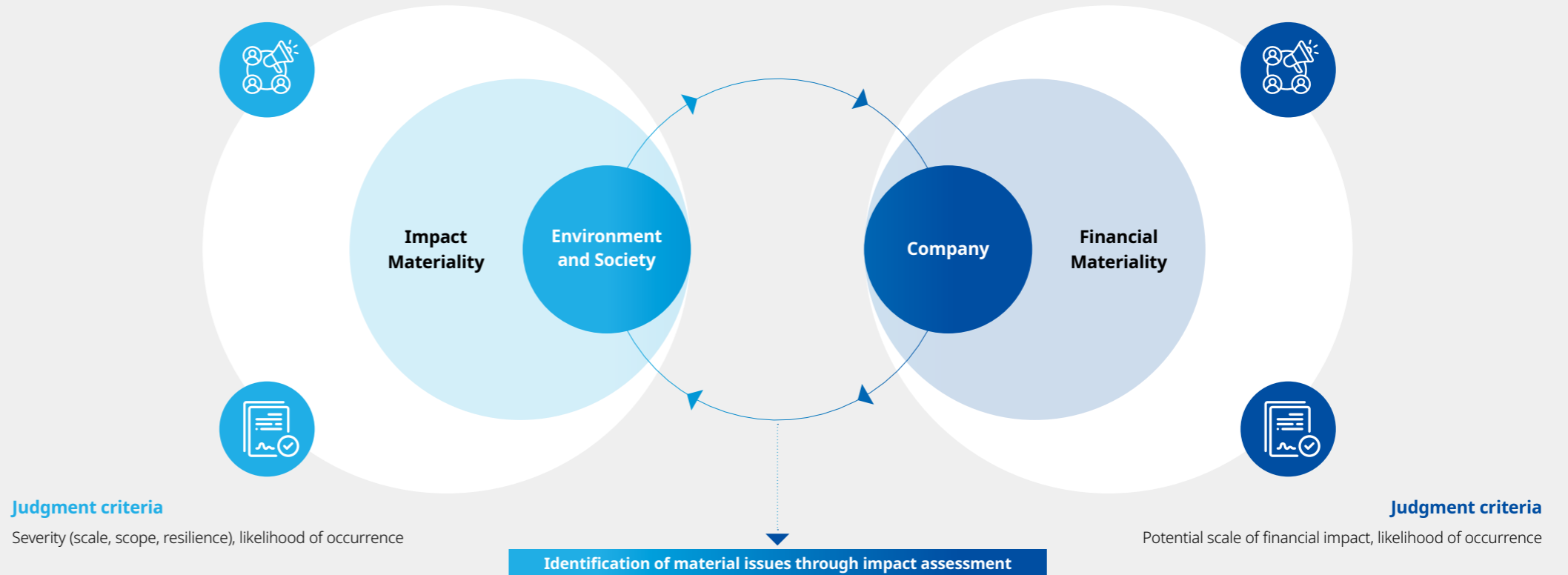
With the growing focus on sustainability disclosures, companies are now assessing their sustainability by examining both the environmental and social impacts of their operations and the financial implications involved. The GRI (Global Reporting Initiative) Standards recommend that companies identify and disclose the environmental and social impacts of their activities according to their materiality. Moreover, the ESRS (European Sustainability Reporting Standards) require a double materiality assessment, which evaluates the dependency on and financial impact of undisclosed environmental and social resources that are not recognized in financial terms. Double materiality emphasizes two main aspects: Impact Materiality assesses how a company affects society and the environment, while Financial Materiality identifies risks and opportunities to identify key issues in sustainability management.

### Definition

The impact of corporate operations on society and the environment over the short, medium, and long term

### Definition

The social and environmental factors that impact the financial condition of the company over the short, medium, and long term in terms of risks and opportunities

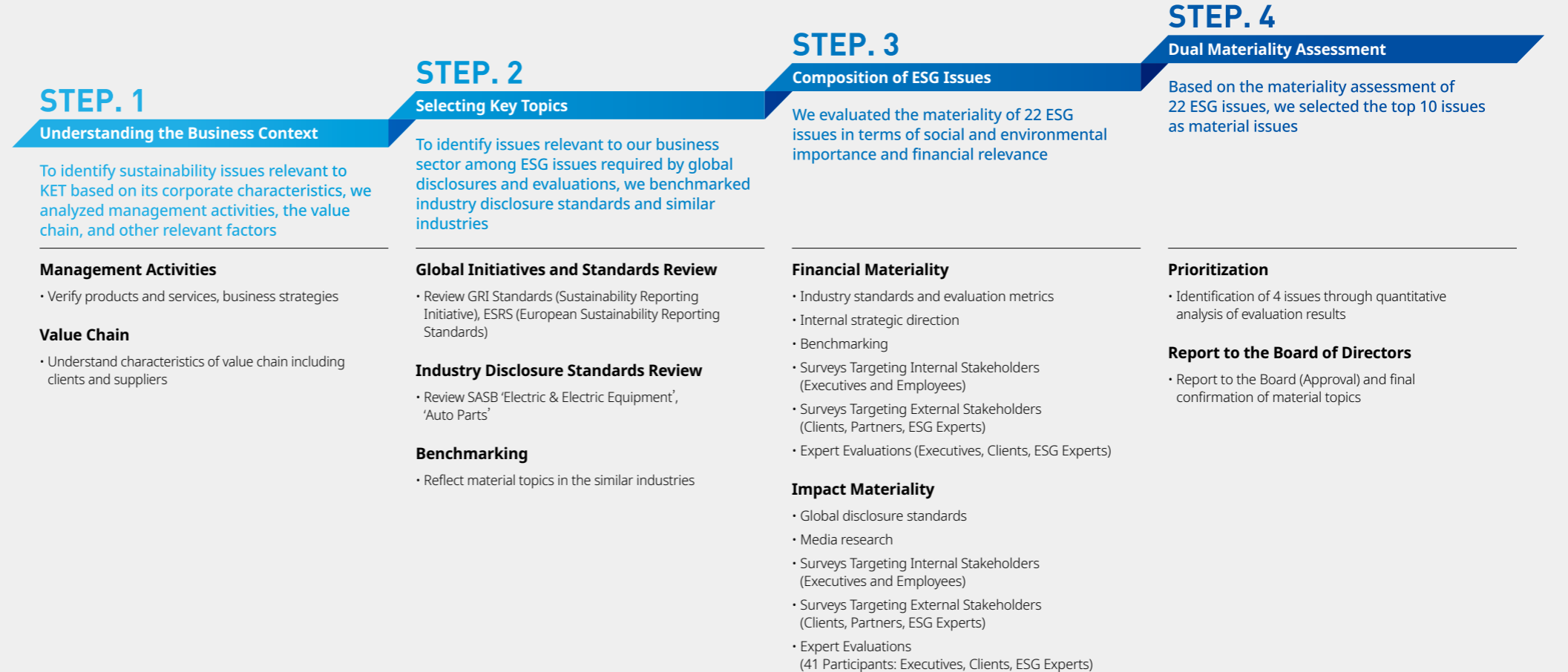


# DUAL MATERIALITY ASSESSMENT

## Double Materiality Assessment Process

At KET, we have conducted a double materiality assessment based on the evaluation methodologies of GRI (Global Reporting Initiative) Standards and ESRS (European Sustainability Reporting Standards), the sustainability management disclosure standard, to identify and address significant topics relevant to us.

Throughout the assessment process, we have enhanced communication with stakeholders by conducting surveys among both internal and external stakeholders. To assess Impact Materiality, we measured and quantified the severity, likelihood, scale, scope, and resilience of both positive and negative aspects for each issue. For Financial Materiality analysis, we identified material issues based on the potential scale and likelihood of financial impacts. We plan to strategically address identified material issues and implement substantive improvement activities.



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# DUAL MATERIALITY ASSESSMENT

## Double Materiality Assessment Process

○ Low ● Medium ● High

Pillar	Issue	Financial Materiality	Impact Materiality	Affected Stakeholders					Financial Impact	
				Employees	Customers	Shareholders & investors	Partners	Local Community		
Environmental	Climate change response	Very High	High	Medium	Medium	Medium	Medium	High	Cost, Profit, Risk	
	Minimizing Environmental Impact	High	High	Medium	Medium	Low	Low	High	Cost	
	Water and Marine Resources	High	High	High	Medium	Medium	Low	High	Cost	
	Biodiversity and ecosystems	High	High	Low	Low	Medium	Low	High	Cost, Profit, Risk	
	Resource circulation and circular economy	High	High	High	High	Medium	Medium	Medium	Cost, Profit	
Social	Diversity, Inclusivity, Fairness	High	High	Low	Medium	Low	Medium	Low	Profit, Risk	
	Employee education and Human Capital Development	High	High	Low	Medium	Low	Low	Low	Profit, Risk	
	Health and safety	High	High	Low	Low	Low	Medium	Low	Profit	
	Work-Life Balance	High	High	High	Medium	Low	Low	Low	Cost, Risk	
	Labor-management relations	High	High	High	Medium	Medium	Low	Low	Profit	
	Human Rights	High	High	Low	Low	Medium	Medium	Low	Cost, Profit, Risk	
	Sustainable sourcing	High	High	High	Medium	Medium	Medium	High	Risk	
	Supply chain ESG management	High	High	High	High	High	Medium	High	Profit	
	Win-win cooperation with partners	High	High	High	High	Medium	Low	High	Profit	
	Contribution to local communities	High	High	High	Medium	Low	Low	Low	Cost, Profit	
	Product quality and safety	High	High	High	Low	High	Medium	Medium	Low	Cost, Profit, Risk
	Customer communication	High	High	High	Low	High	Low	Low	Low	Profit
	Information security	High	High	High	Medium	Medium	Medium	Medium	Low	Cost, Profit, Risk
	Governance	The Roles & responsibilities of the Board of Directors	High	High	Medium	Low	High	Low	Low	Risk
Risk Management		High	High	High	Medium	Medium	Medium	Low	Profit, Risk	
Ethical management and compliance		High	High	High	Medium	Medium	Medium	Low	Risk	
Participation in public policy		Low	Low	High	Low	Medium	Medium	Medium	High	Profit, Risk

1) Very Low Low Moderate Slightly High Very High   
 2) ○ Low ● Medium ● High

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# DUAL MATERIALITY ASSESSMENT

## Material Topics Management

Issue	Background for selecting material issues	Opportunities and risks	KET's approach	2023 Key achievements	GRI	Reporting pages	SDGs
Climate change response	With the growing urgency of climate change concerns, the automotive industry is bolstering its response capabilities. There is a heightened focus on stringent management of greenhouse gas emissions, prompting the establishment of strategies based on climate change scenario analyses and the establishment of decision-making frameworks.	As awareness around climate issues intensifies, there is a rising interest in infrastructure and technologies related to eco-friendly vehicles. Investment in research and development of components used in eco-friendly electric vehicles can contribute to reducing greenhouse gas emissions. However, there is increasing uncertainty regarding climate change response investments due to ongoing and potential regulatory enhancements or changes at home and abroad.	C-level executives and above have been empowered with decision-making authority and responsibility regarding climate change issues to actively participate in climate change response efforts. Additionally, climate change scenario analyses have been conducted to establish medium- to long-term quantitative goals. Based on scenario analyses, we plan to proactively respond to climate change crises and align opportunities with business initiatives. We also aim to set greenhouse gas emission targets to manage emissions relative to these goals.	Reduction rate of greenhouse gas intensity in 2023 compared to the previous year <b>4.78%</b>	GRI 302 GRI 305	26-28	
Minimizing Environmental Impact	There is a growing emphasis on enhancing the management of environmental impacts stemming from the production and distribution processes inherent to the manufacturing industry. Efforts to understand and minimize environmental impacts such as air and water pollution across manufacturing, processing and distribution processes are crucial for ensuring corporate sustainability and fulfilling social responsibilities.	By measuring and managing environmental impacts, companies can proactively prevent potential legal sanctions, production shutdowns, and operational disruptions and reduce related costs in the mid-to long-term. However, in the short term, there may be a reduction in purchasing or selling competitiveness within the value chain. Moreover, inadequate management of environmental impact levels could adversely affect local communities, potentially leading to conflicts.	To minimize environmental impacts from waste, water usage, and chemical usage, we have implemented and adhere to established procedural guidelines and conduct regular environmental impact assessments. In order to systematically manage environmental management goals and performance, we have established a dedicated environmental management policy in 2024 and established an environmental management system based on ISO 14001 certification to enhance environmental management across all our business sites. Additionally, we plan to establish an ESG Committee in the future to regularly review and oversee environmental management issues at the board level.	Reduction rate of water usage in 2023 compared to the previous year <b>13.64%</b>	GRI 305	29-32	   
Product quality and safety	Ensuring the quality and safety of our manufactured products is crucial for earning customer satisfaction and trust. Ensuring compliance with quality regulations in product manufacturing is just the beginning. Prioritizing customer safety and happiness through a sense of responsibility can be realized through effective quality management. This commitment is a critical factor in achieving competitiveness in the market.	By delivering services that meet customer expectations in terms of quality and safety, we can enhance customer satisfaction—one of our key stakeholders. Moreover, adhering to regulations helps us manage legal risks and maintain market trust. However, any lapses in product quality and safety management can lead to accidents, lawsuits, recalls, and damage to our reputation and brand value.	To ensure product quality, we have established a quality management policy and built a quality management system based on ISO 9001 certification. Furthermore, we conduct quality workforce seminars across all our facilities and hold regular quality meetings with clients and partners to continuously enhance satisfaction levels regarding product quality. Additionally, we have refined our Process Quality Manual to strengthen risk prevention related to quality issues.	The total number of product recalls in 2023 <b>0 case</b>	GRI 416	33-36	
Supply chain ESG management	With the recent tightening of supply chain ESG regulations, companies are making efforts to uphold environmental and social responsibilities not just in manufacturing and production but throughout the distribution process. Effective communication and collaboration with stakeholders in the supply chain are crucial not just for enhancing productivity and cutting costs but for maintaining product quality and improving customer satisfaction.	By managing ESG risks across the supply chain, including partner selection and contracting, companies can establish sustainable supply chains and build strong partnerships with partners. However, inadequate management of ESG risks in the supply chain can lead to product defects or legal issues, potentially reducing investment opportunities and market competitiveness.	When selecting new partners, we include ESG criteria and conduct regular ESG assessments targeting key partners among our existing partners. We establish criteria related to social responsibility for our partners and proceed with contracts accordingly.	The percentage of new partners evaluated according to 2023 ESG CSR criteria New: <b>63%</b> Permanent: <b>100%</b>	GRI 308 GRI 414	47-50	 

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# ENVIRONMENTAL MANAGEMENT

## Principle and Policy

At KET, we are committed to minimizing the negative environmental impacts of our business activities. We have established and are implementing an environmental management policy to address global environmental issues. This policy applies to all employees and will be extended to our subsidiaries, overseas corporations, and partners throughout the supply chain.

 [Environmental Management Policy](#)

## Environmental Management Principle

KET has obtained ISO 14001 certification for all domestic and overseas business sites to ensure systematic environmental management, establishing an environmental management system that meets international standards. We maintain and renew our certification through internal audits and follow-up audits conducted by external professional organizations.

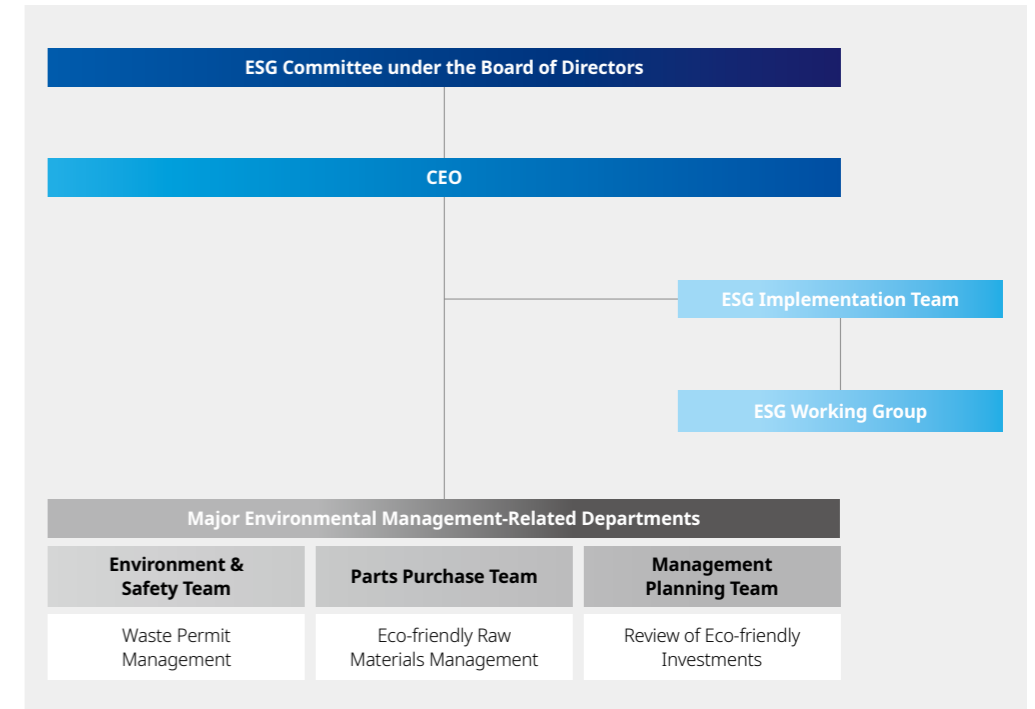
### ISO 14001 Certification Status

Category	Business sites	Validity period	Certificate Authorities
Domestic	Head Office, Research Institute	2026.09.05	Korea Foundation for Quality
	Nonhyeon Plant	2026.09.05	Korea Foundation for Quality
	Namdong Plant	2026.09.05	Korea Foundation for Quality
	Pyeongtaek Plant	2026.09.05	Korea Foundation for Quality
	Pyeongdong Plant	2026.09.05	Korea Foundation for Quality
	Hwaseong Plant	2026.09.05	Korea Foundation for Quality
Overseas	China Corporation	2026.09.05	Korea Foundation for Quality
	Mexico Corporation	2025.09.21	UTAC
	Poland Corporation	2025.12.12	UTAC
	Vietnam Corporation Plant 1	2025.11.08	UTAC
	Vietnam Corporation Plant 2	2026.10.26	UTAC

## Implementation Framework

KET's Environment & Safety Team leads our environmental management efforts. The Environment & Safety Team is responsible for waste management, managing air and water-related facilities, and handling environmental information. The team's major achievements and future plans are reported to top management. This information is used to inform key decisions, including environmental investment budgets. Additionally, to proactively respond to climate change regulations and stakeholder demands, we will establish an ESG Committee in the second half of 2024. This committee will review and resolve climate change-related issues.

### Organization Chart



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# ENVIRONMENTAL MANAGEMENT

## Embedding Environmental Management

### Investment in and Performance of Eco-friendly Products

Since 2010, we have consistently invested in developing key components for eco-friendly vehicles, aiming to contribute to the establishment of a sustainable mobility ecosystem. We have developed key components necessary for manufacturing eco-friendly vehicles, such as the ICB (Inter Connection Board), BDU(PRA), high-voltage connectors, and charging connectors, and have filed and registered numerous patents. As a result, our sales of eco-friendly products and services have been on an upward trend for three consecutive years, and the proportion of sales from eco-friendly products and services is also continuously increasing.

#### Sales Trends of Eco-friendly Products Over the Last 3 Years<sup>1)</sup>

Unit: million KRW



1) Eco-friendly Products: Components used in environmentally-friendly vehicles, such as electric cars

### Environmental Education

KET offers a variety of environmental education programs to raise awareness and strengthen environmental management practices. We appoint and train environmental technicians for employees responsible for environmental tasks. Additionally, whenever environmental laws are enacted or amended, we provide training sessions for the relevant staff. In 2024, we plan to expand environmental technician training for all business sites to further enhance our environmental safety management.

#### Major Environmental Education in 2023

Category	Training Contents
Environmental technician training	• Waste management personnel training
Environmental law training	• Environmental law and chemical management strategies
Operational and managerial training	• Environmental manager training for emission sites • Carbon neutrality response support training • Basic energy manager training • Water supply facility hygiene measures and water facility manager training
Environmental management certification training	• ISO 14001 internal auditor training

### Compliance with Environmental Regulations

KET has implemented procedures in line with the Clean Air Conservation Act, the Chemical Substances Control Act, the Waste Management Act, and other relevant regulations to prevent any violations of environmental laws. We rigorously follow these procedures to ensure full compliance with all applicable laws. Additionally, we conduct monthly monitoring of legal updates to quickly identify and communicate key changes in regulations to our operational staff. As a result, there were no significant violations of environmental laws in 2023.

### Environmental Volunteer Activities

To create pleasant business sites, we conducted clean-up activities around all business sites in the first and second halves of 2023. We removed trash and debris from the surrounding areas of our facilities.



Headquarters



Nonhyeon Plant



Namdong Plant



Pyeongtaek Plant



Pyeongdong Plant



Hwaseong Plant



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<b>SOCIAL</b>
<ul style="list-style-type: none"> <li>Product Quality &amp; Customer Satisfaction</li> <li>Business Site Safety</li> <li>Talent Management</li> <li>Responsible Supply Chain</li> <li>Contribution to local communities</li> </ul>
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<ul style="list-style-type: none"> <li>Governance</li> <li>Risk Management</li> <li>Information Security</li> <li>Ethical Management</li> </ul>
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# ENVIRONMENTAL MANAGEMENT

## Major Initiatives and Activities

### Energy Saving Campaign Strategy

We have developed an energy-saving campaign to address societal demands related to environmental issues such as climate change and resource depletion. The campaign consists of two phases: Phase 1 focuses on reducing energy consumption, and Phase 2 emphasizes replacing materials with high-efficiency alternatives. To encourage voluntary energy-saving habits among employees, we use energy-saving practice booklets and checklists to inspect energy consumption.

#### Energy Conservation Campaign Plan

Phase 1	Phase 2
<b>Objective</b> <ul style="list-style-type: none"> <li>To promote energy-saving activities in daily life</li> </ul>	<b>Objective</b> <ul style="list-style-type: none"> <li>Energy Efficiency Improvement Activities for Buildings and Machinery</li> </ul>
<b>Period</b> <ul style="list-style-type: none"> <li>June 2023 - December 2023</li> </ul>	<b>Period</b> <ul style="list-style-type: none"> <li>June 2023 - December 2024</li> </ul>

- Seasonal indoor temperature control(maintaining cooling at 26°C or above and heating at 20°C or below)
- Turn off air conditioning/heating systems 1 hour before lunch and one hour before leaving work
- Perform periodic filter cleaning of air conditioning/heating systems (semi-annually)
- Power off unused electronic devices and machinery
- Conduct inspections for air leaks at production sites
- Optimize the use of lighting systems
- Broadcast energy-saving announcements and display promotional materials, install banners
- Energy saving activities and patrol/ inspection of the Management Support Department
- Purchase high-efficiency energy equipment
- Replace office/production site lighting with LED lights
- Introduce inverter-type machinery equipment
- Replace and seal air leakage points
- Work with production departments to operate equipment flexibly according to inventory levels

### Energy Saving Campaign Activities

Following the campaign strategy, we conduct various energy-saving activities at the headquarters, offices, and production sites.

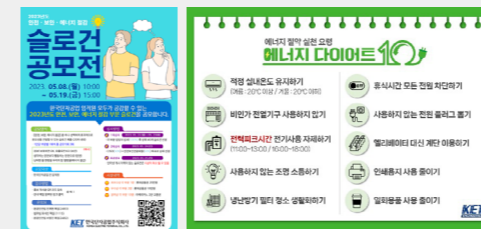
#### Updating Environmental Policies

To implement environmental management at the company level, we have updated our environmental policies to specify guidelines related to environmental protection and the sustainable use of resources. We comply with environmental regulations on water quality, air quality, and waste management and have established an environmental and energy management system.



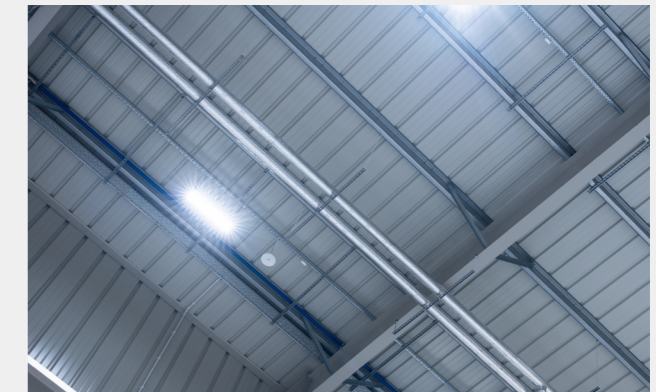
#### Company-Wide Campaign

To minimize energy consumption in the business site, we are implementing a company-wide energy-saving campaign. To ensure that all employees recognize the importance of energy saving, we actively promote energy-saving practices by displaying energy-saving posters and other means, and encourage every employee to sign an energy-saving pledge. We are also holding an energy-saving slogan contest and rewarding employees with outstanding ideas. In addition, we select and recognize exemplary employees who practice energy saving to ensure that all staff participate in energy-saving efforts.



#### Upgrading Aging Facilities

As part of the energy-saving initiatives, we are upgrading aging facilities within the business sites. We are replacing old heating and cooling systems with high-efficiency equipment and converting existing lighting to high-efficiency LED lighting to reduce energy consumption.



#### Environmental and Energy Education

Once a year, we conduct online educational for all employees to raise awareness about the necessity of environmental protection and the importance of energy saving.

#### Minimizing Office Energy Use

To reduce unnecessary energy consumption, we implement several measures: disconnecting standby power outside of working hours, turning off computers and printers when not in use, mandating the use of power-saving features on computers and switching off lights in unused areas. Additionally, to reduce the use of disposable items, we promote the use of personal cups and tumblers, encourage the use of reusable products, and post informational materials to reduce disposable item usage.

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# CLIMATE CHANGE RESPONSE

## Governance

### Management and Oversight of Board of Directors

KET will establish the ESG Committee in the second half of 2024 to actively respond to climate change. Through the ESG Committee, we review climate-change related key strategies and implementation plans, actively addressing climate change. We also will manage and supervise the climate change-related risk management processes to mitigate and prevent major climate risks.

### Roles of Management and Operational Teams

The environmental dedicated team, including the Environment & Safety Team, monitors key environmental performance indicators to effectively implement environmental management. They conduct various activities such as equipment inspections, environmental regulation analysis, and compliance with laws to reduce negative environmental impacts arising from business operations. In doing so, we report identified major environmental risks to the management. The management establishes response strategies for these risks and oversees the implementation of key environmental management practices. The management reports environmental risks assessed to have significant impacts on business operations to the board of directors. To effectively implement specific climate change responses, we plan to establish quantitative ESG-related KPIs (such as GHG emissions and energy reduction targets) for each plant and team within the next 2 years. These metrics will be measured by performance category and integrated into financial incentives, company welfare provisions, and personnel evaluations.

## Strategy

### Climate Change Risks and Opportunities

We identify and manage climate change-related risks and opportunities to minimize environmental impacts. Additionally, we are developing a climate transition plan based on the impacts of climate-related risks and opportunities. We will analyze scenarios based on greenhouse gas concentration pathways, specifically RCP 4.5<sup>1)</sup> (Representative Concentration Pathways) and RCP 8.5<sup>2)</sup>, and establish adaptation measures for climate change accordingly.

1) RCP 4.5: Scenarios with intermediate GHG emissions

2) RCP 8.5: Scenario with very high GHG emissions

### Risks and Opportunities

Type	Issue	Risk/Opportunity	Countermeasures	Potential Financial Impact	
Transition Risks	Regulations (current)	Regulations on sales of internal combustion engine vehicles	Risks and Opportunities	Expanding investment in eco-friendly R&D	High
	Regulation (future)	Carbon Border Adjustment Mechanism (CBAM)	Risks and Opportunities	Future LCA-based carbon emissions management	Mid-high
	Technology	Eco-friendly parts R&D	Risks and Opportunities	Expanding R&D investment in eco-friendly parts development	High
	Market	Growing demand for eco-friendly vehicles	Risks and Opportunities	Promoting conversion to eco-friendly parts	High
	Reputation	Stakeholders' demands for climate change response	Risks and Opportunities	Establishment of a carbon emission reduction and climate change response system	Mid-high
Physical Risks	Acute	The increase in extreme weather events such as typhoons, floods, and heavy snow	Risk factors	Development of an emergency response manual Decentralized business site	High
	Chronic	Changes in average temperature and precipitation	Risk factors	Expansion of resource recycling and utilization Enhancing water and energy efficiency	High

# CLIMATE CHANGE RESPONSE

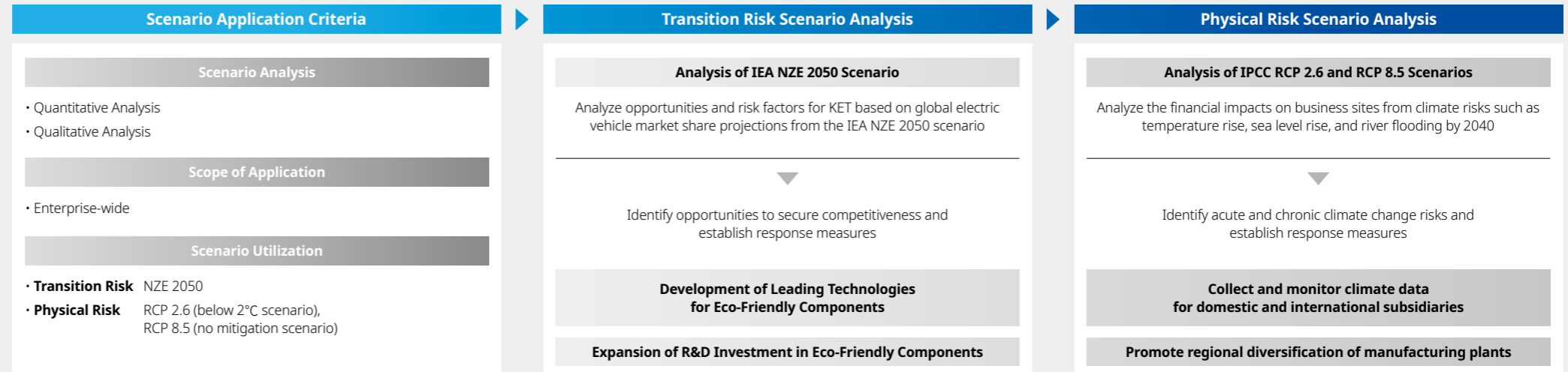
## Risk Management

### Climate Change Scenario Analysis

At KET, we establish directions to respond to the potential financial impacts of climate change risks and opportunities related to us under various climate change scenarios. Following the recommendations of the TCFD, we divide climate change risks into transition risks and physical risks, focusing on their impact on our business model. These risks are managed in conjunction with our financial impacts and management strategies. For transition risks, we have reviewed responses such as greenhouse gas reduction targets, investment budgets, and competitiveness through the development of eco-friendly components based on the International Energy Agency's (IEA) Net Zero 2050 (NZE)<sup>1)</sup> scenario. These responses have been incorporated into our management strategy. For physical risks, we have analyzed disaster risks and potential financial impacts based on the RCP 2.6<sup>2)</sup> and RCP 8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC) reports, focusing on disaster risks and potential financial impacts that may arise from the spatial and climatic conditions of our business sites. We have prepared proactive response measures accordingly.

1) IEA (International Energy Agency) NZE 2050: IEA's scenario for achieving carbon neutrality by 2050  
 2) RCP (Representative Concentration Pathways) 2.6: Scenario with stringent GHG emissions mitigation

### Scenario Analysis Criteria and Results



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# CLIMATE CHANGE RESPONSE

## Metrics and Targets

### Climate Change Goals & Performance Against Goals

We have set short-term and mid and long-term energy-saving goals to address climate change issues. In the short term, we encourage company-wide participation and action through everyday energy-saving campaigns and activities. In the mid and long term, we are working to improve the energy efficiency of buildings and mechanical equipment. In 2024, KET has established specific quantitative targets to reduce greenhouse gas emissions and energy consumption. We plan to develop performance metrics to achieve this goal and intend to enhance education and promotion on the importance of energy savings and practical measures in a continuous way.

### Climate Change Management Indicators

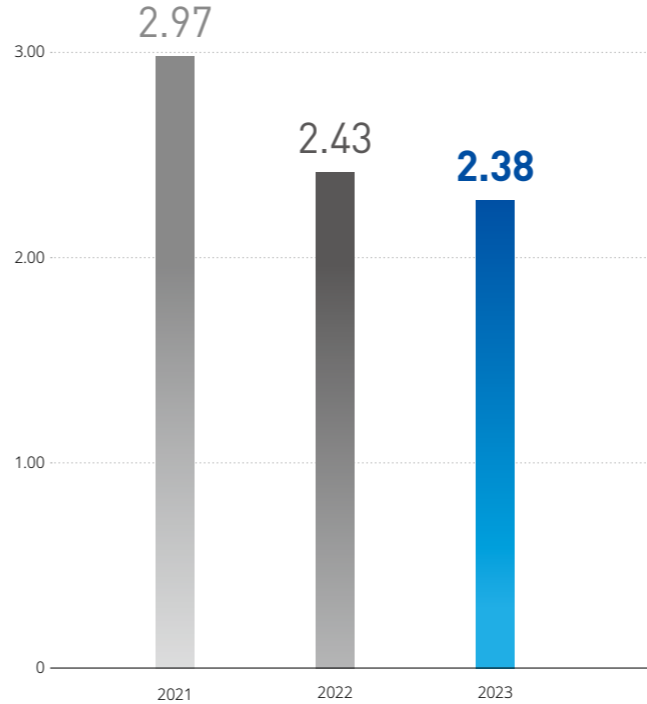
Indicators	Unit	2021	2022	2023
Total GHG emissions	tCO <sub>2</sub> eq	18,767	31,789	33,611
Scope 1 emissions		406	377	420
Scope 2 emissions		31,444	31,412	33,191
Scope 3 emissions		-	-	173,821.95
Total Energy Consumption	TJ	662	660	696

### Activities to Achieve Goals

At KET, we systematically manage greenhouse gas emissions and energy performance by conducting third-party verification of greenhouse gas intensity and energy consumption intensity. Additionally, we encourage voluntary participation among employees by having them sign energy-saving pledges and appointing energy stewards in each department for regular inspections and activities. During peak electricity hours, we monitor energy usage and analyze trends in electricity consumption compared to previous years and months to devise improvement strategies.

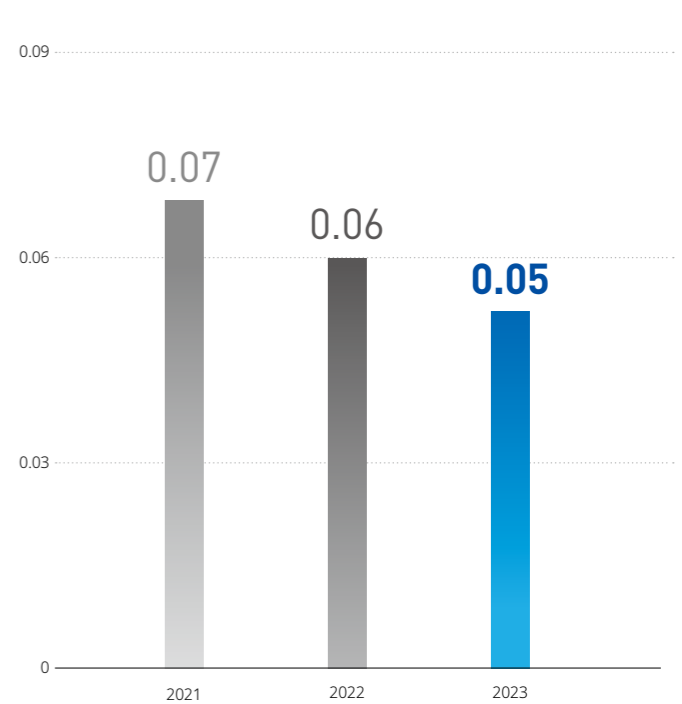
### Greenhouse Gas Intensity

Unit: tCO<sub>2</sub>eq/Billion KRW



### Energy Consumption Intensity

Unit: TJ/Billion KRW



ENVIRONMENTAL

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# ENVIRONMENTAL IMPACT MANAGEMENT

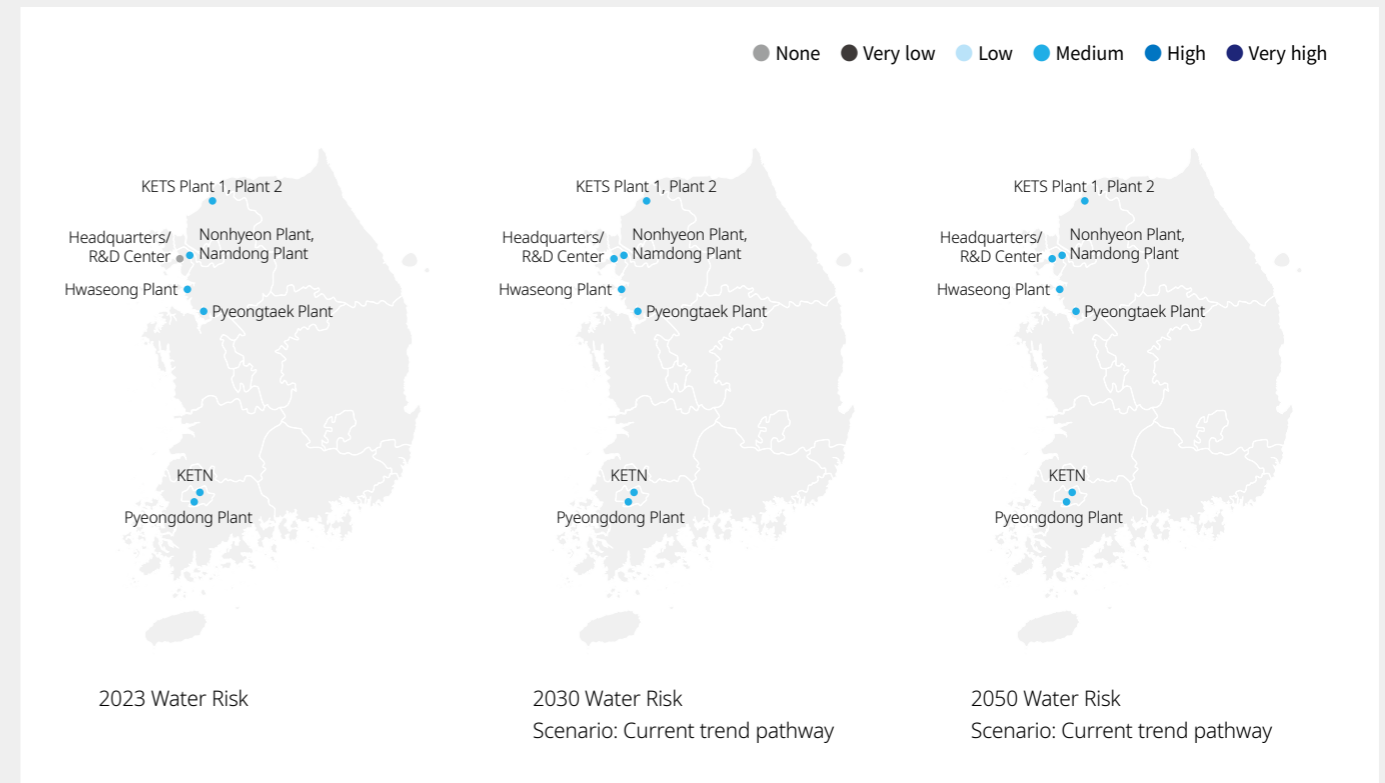
## Water Resources Management

We recognize the global issue of water scarcity and have utilized World Wildlife Fund (WWF)'s Water Risk Filter to analyze water risks at our business sites. Based on current trend path scenarios from 2020, we have assessed water risks (physical, regulatory, reputational) for 2030 and 2050. In Korea, where our major business sites are located, the risk of water scarcity appears relatively low. However, we acknowledge the importance of ongoing water resource management. We monitor water usage at each business site and strive to reduce water consumption during operations. We have replaced cooling water pumps at our Pyeongtaek plant with high-efficiency ones and implemented various methods such as cooling water reuse to reduce water usage.

### Water Risk Assessment and Scenario Analysis in 2023

**Risk Assessment Criteria**

 <p><b>Physical Risk</b></p>	<ul style="list-style-type: none"> <li>• Water Scarcity</li> <li>• Flooding</li> <li>• Water Quality</li> <li>• Status of ecosystem services</li> </ul>
 <p><b>Regulatory Risk</b></p>	<ul style="list-style-type: none"> <li>• Policies and legislation</li> <li>• Private sector participation in water management</li> <li>• Monitoring of groundwater and runoff</li> <li>• Management of safe drinking water</li> </ul>
 <p><b>Reputational Risk</b></p>	<ul style="list-style-type: none"> <li>• Culture</li> <li>• Biodiversity</li> <li>• Media research</li> <li>• Conflict</li> </ul>



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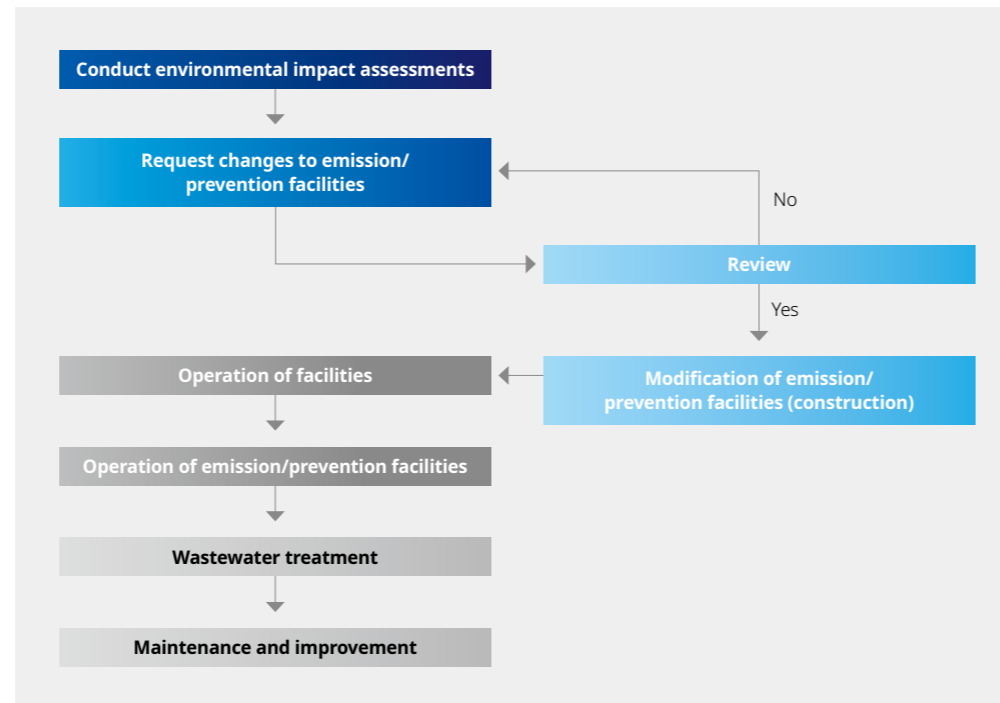
# ENVIRONMENTAL IMPACT MANAGEMENT

## Water Pollution Control

At KET, we have established water management procedures and strictly adhere to treatment policies to minimize water pollution from our business sites. When new wastewater discharge and prevention facilities are installed, or existing ones are modified, an environmental impact assessment is conducted. Following the assessment, the responsible department reviews the need for permits according to relevant regulations before proceeding with facility modifications (construction).

After that, trial operations are conducted on the facilities that have received approval after modifications (construction) to ensure proper functioning. Once deemed suitable, these facilities are then put into operation. During operation, the facilities are inspected at least once a day to check for any abnormalities in their operational status, and the inspection results are documented in the operation log. Additionally, we make every effort to maintain the discharge prevention facilities to prevent increased pollutant emissions due to corrosion or wear.

### Water Quality Management Process



## Air Pollution Control

KET, we proactively manage air emissions resulting from manufacturing and production activities and take various measures to minimize air pollution. Similar to water pollution control, environmental impact assessments are conducted when installing new air emission and prevention facilities or modifying existing ones. While operating air emission and prevention facilities, we comply with relevant regulations and establish measurement items and frequencies according to internal standards to inspect and monitor sites that emit air pollutants. In 2024, IoT devices will be installed at the Pyeongtaek Plant to remotely monitor the operational status of air emission and prevention facilities, enhancing management capabilities.

### Air Emission Measurement Items and Frequency, Performance (Internal Standards)

Category	Business sites	Measurement Frequency
Excluding specific harmful substances	Business site with Type 1 air emission facility	Once per week
	Business site with Type 2 air emission facility	Twice per month
	Business site with Type 3 air emission facility	Once every 2 months
	Business site with Type 4-5 air emission facility	Once every 6 months
Including specific harmful substances	Business site with Type 1 air emission facility	Once per week
	Business site with Type 2~5 air emission facility	Twice per month

Facility	Type (Reporting Requirement)	Self-Monitoring
Namdong Plant	Air Emission Facility Type 5	1 time/year
Pyeongtaek Plant	Air Emission Facility Type 5 (with specific harmful substances)	2 times/month
Pyeongdong Plant	Air Emission Facility Type 4	1 time/year

## Fine Dust Measurement at Business Sites

At KET, we measure fine dust levels on a quarterly basis at all our business sites. In 2023, we conducted self-assessment at six business sites, which all achieved the 2023 target of 100 µg/m<sup>3</sup> or less.

### Fine Dust Measurement Results by Business Site

Business Site	Measured value	Achievement of target
Headquarters/Research institute	12.4 µg/m <sup>3</sup>	Achieved
Nonhyeon Plant	13.7 µg/m <sup>3</sup>	Achieved
Namdong Plant	16.8 µg/m <sup>3</sup>	Achieved
Pyeongtaek Plant	22.9 µg/m <sup>3</sup>	Achieved
Pyeongdong Plant	13.6 µg/m <sup>3</sup>	Achieved
Hwaseong Plant	18.4 µg/m <sup>3</sup>	Achieved



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## Chemical Substance Management

At KET, we prioritize compliance with environmental regulations and the safety of our employees. We create a safe working environment through systematic management and education regarding the handling of chemicals. We strive to design products that meet environmental regulations in each country from the product design stage. To achieve this, we produce products that do not use harmful substances. We strictly comply with regulations on Persistent Organic Pollutants (POPs) and aim for emissions lower than legal permissible limits. In addition, we systematically manage chemicals used at our business sites, categorizing them into substances subject to management, substances subject to workplace environmental measurements, substances subject to special health examinations, and substances subject to chemical management laws.

Additionally, we enhance our chemical management practices by regularly inspecting chemical storage conditions, GHS labeling and chemical management procedures. We have developed an emergency response plan for chemical leakage incidents and established preventive measures, which includes installing safety measures, wearing protective equipment, and implementing contamination area cleanup procedures, to promptly respond to accidents if they occur.

### Inspection Items for Chemical Substances Management at Business Sites

Items subject to on-site inspection	Items subject to data inspection
<ul style="list-style-type: none"> <li>• Chemical substances storage conditions</li> <li>• Posting of GHS warning signs</li> <li>• Provision of MSDS</li> <li>• Posting of chemical substances management procedures</li> <li>• Availability and compliance with protective equipment, adherence to duration</li> <li>• Provision of simple washing facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Verification of updated MSDS</li> <li>• Confirmation of MSDS education completion</li> <li>• Verification of entry and exit management ledger</li> <li>• Daily inspection log of washing facilities</li> <li>• Verification of self-inspection ledger and storage management ledger</li> <li>• Chemical safety checklist</li> </ul>

### Chemical Substances Management Plan

Category	Management Plan	Management cycle
Environment & Safety Team	Chemical substances survey	Once every 2 years
	Work environment measurement	Twice a year
	Special health check	Once a year
	Chemical substances status check	During safety check
Department Using Chemicals	Chemical substances safety checklist submission	Monthly

### Chemical Substances Management Education

At KET, we conduct biennial training for handlers of hazardous chemicals to prepare for potential incidents inherent to manufacturing operations. Additionally, these handlers are required to attend mandatory chemical safety manager seminars hosted by the Korea Environment Corporation. In 2024, we plan to renew environmental technology education across all our business sites to further enhance our environmental safety management practices.

### Completion Status of Chemical Management Education

Business site	Training Hours (2023)
Chemical handling training for partners	8
Training for handlers of hazardous chemicals	2
Safety management practices for facilities handling hazardous	20
MSDS education	25
Safety training for handling chemicals	2

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## Resource Circulation

### Waste Management

We have established and operate waste management procedures to minimize environmental impacts associated with waste disposal. When waste is generated, we identify the type and quantity of waste, prepare a waste inventory list, and notify the relevant department. Based on whether it is designated or general waste, we determine the disposal method and handle the waste according to disposal standards. If outsourcing is required, we conduct on-site inspections of external waste collection and transport contractors to verify compliance with legal permits before entering into contracts. Additionally, we classify processed waste each month as general or designated waste, aggregate disposal records, and periodically report management performance by analyzing year-on-year variations. Our waste management personnel undergo regular training every three years in accordance with revisions to the Waste Management Act enforcement regulations, and they also complete waste disposal training through mandatory environmental technician courses.

#### Waste Management Procedures



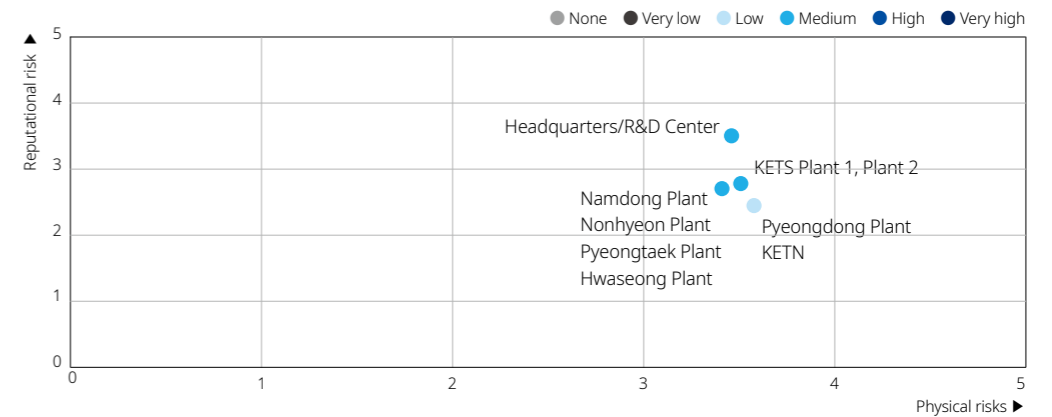
#### Evaluation Criteria for Outsourced Waste Collection and Transport Vendors

Evaluation Item	Permits	Storage and disposal	Facility management	Complaints and legal sanctions	Collection and transport
	Evaluation Contents	<ul style="list-style-type: none"> <li>Legitimacy of permits</li> <li>Renewal of permits</li> </ul>	<ul style="list-style-type: none"> <li>Storage facilities and conditions</li> <li>Appropriateness of storage quantity</li> <li>Presence of leachate and prevention facilities management status</li> <li>Record management status</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance status</li> <li>Operational status</li> <li>Aging condition</li> </ul>	<ul style="list-style-type: none"> <li>Handling of complaints from the surrounding area</li> </ul>
Evaluation Criteria	<ul style="list-style-type: none"> <li>36 points or above: Satisfactory (Continue business relationship)</li> <li>30 to 35 points: Subject to periodic on-site inspections (Continue business relationship)</li> <li>Below 30 points: Difficult to continue business (Change of vendor)</li> </ul>				

## Biodiversity Management

At KET, we are committed to preventing and protecting against factors that harm biodiversity in accordance with our environmental management policy. In 2024, we used the WWF (World Wildlife Fund) Biodiversity Risk Filter to identify potential biodiversity risks. The identified risks were categorized into physical risks and reputational risks. The analysis revealed no facilities with High or Very High risks. Based on these results, we plan to enhance biodiversity monitoring around our facilities and conduct risk mitigation activities.

#### 2023 Biodiversity Risk Assessment



Type of Risks	Criteria
Physical risk	Supply services: Availability of wild flora, fauna and fish
	Service regulation and resource activation: Soil, water, air and ecosystem conditions
	Regulatory service mitigation: Landslides, wildfires, pests and diseases
	Cultural services: Tourism attractiveness
	Biodiversity pressure: Changes in terrestrial, freshwater and marine use
Reputational risk	Environmental factors: Protected/conserved areas, biodiversity regions
	Socioeconomic factors: Resource scarcity (food, water, air), labor/human rights, financial inequality
	Other reputational factors: Media, places of international interest

Business site	Physical risks	Reputational risks
Headquarters/R&D Center	3.5	3.38
Namdong Plant	3.38	2.69
Nonhyeon Plant	3.38	2.69
Pyeongtaek Plant	3.38	2.69
Hwaseong Plant	3.38	2.69
Pyeongdong Plant	3.6	2.47
KETS Plant 1	3.52	2.72
KETS Plant 2	3.52	2.72
KETN	3.6	2.47



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# PRODUCT QUALITY AND CUSTOMER SATISFACTION

## Principle and Policy

At KET, we establish our quality management policies under the management philosophy of 'Customer Satisfaction Management' and strengthens our quality-based system to secure top-level quality competitiveness. To implement the quality management policy, all employees involved in environmental safety, health, and related tasks must become familiar with this policy through training and education.

### Quality Management Policy

- All employees are committed to adhering to our quality management system, customer requirements and legal and regulatory demands, continuously improving the effectiveness of the quality management system.
- We prioritize quality efforts to achieve customer satisfaction, setting detailed objectives and action plans within the short- and long-term business plans of each department. Every employee strives to meet these goals with utmost dedication.
- Our goal is to achieve 'ZERO DEFECT' and prioritize quality efforts for customer satisfaction. We establish detailed objectives and action plans for this purpose in the short- and long-term business plans of each department, with all employees working diligently towards these goals.
- All employees are required to understand and actively promote the quality policy, facilitating smooth communication within the organization. Additionally, while implementing the quality management system, they must base their work on the quality policy and ensure that the policy is also communicated to our partners to align with our standards.
- The quality policy and objectives are reviewed periodically to align them with our business objectives.

## Quality Management System

We set key performance indicators (KPIs) within the Quality Department to continuously improve and enhance the quality, price, delivery, technology, and safety of our products. We exert company-wide efforts to achieve these goals. Additionally, we maintain certifications for 'IATF 16949', which is a quality management system standard for the automotive industry, and 'ISO 9001', a quality management system applicable to all industrial sectors and activities.

### IATF 16949 Certified Business Sites

Partner Companies	Validity Period	Certification Body
Namdong Plant	2026.10.31	Korea Foundation for Quality
Hwaseong Plant	2025.11.14	Korea Foundation for Quality
Pyeongtaek Plant	2026.10.10	Korea Foundation for Quality
China Plant	2026.11.13	Korea Foundation for Quality
Vietnam Plant 1	2024.09.09	UTAC
Vietnam Plant 2	2026.10.25	UTAC
Poland Plant	2027.01.20	UTAC
Mexico Plant	2026.10.18	UTAC

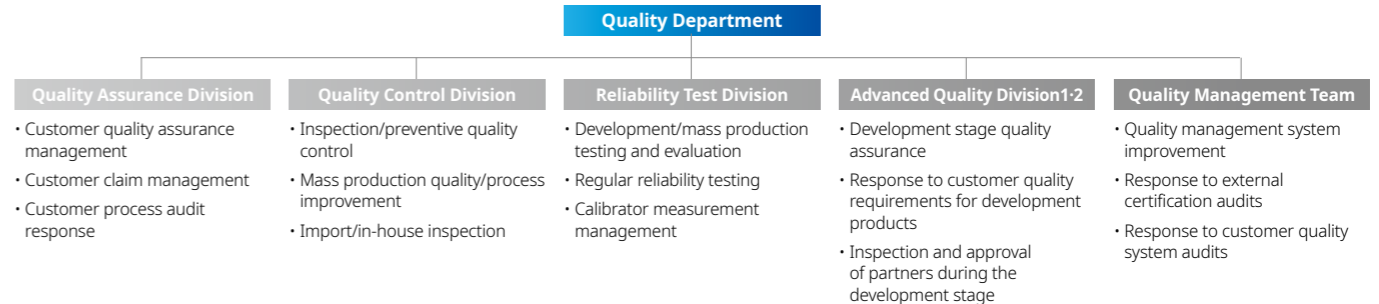
### IATF 9001 Certified Business Sites

Partner Companies	Validity Period	Certification Body
Namdong Plant	2026.10.31	Korea Foundation for Quality
Hwaseong Plant	2025.11.14	Korea Foundation for Quality
Pyeongtaek Plant	2026.10.10	Korea Foundation for Quality
Pyeongdong Plant	2027.02.01	Korea Foundation for Quality
China Plant	2026.11.13	Korea Foundation for Quality
Vietnam Plant 1	2024.09.09	UTAC
Vietnam Plant 2	2026.10.25	UTAC
Poland Plant	2027.01.20	UTAC
Mexico Plant	2026.10.18	UTAC

## Implementation Framework

KET has established a quality management control system by forming the Quality Assurance Division, Quality Control Division, Reliability Test Division, Advanced Quality Division1-2 and the Quality Management Team within the Quality Department.

### Quality Department Organizational Structure and Key Role



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## Quality Management Program

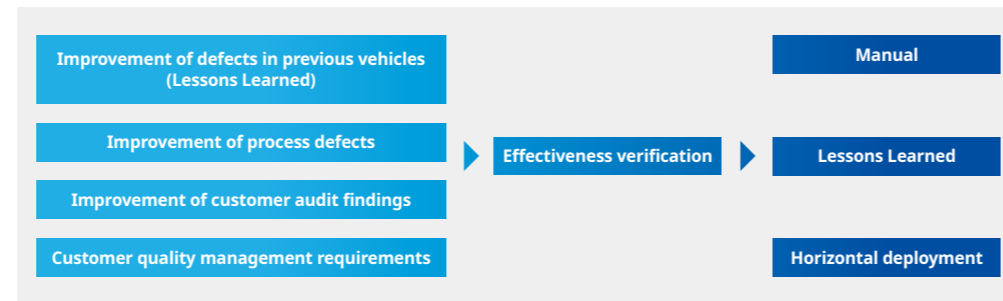
### Lessons Learned Horizontal Meetings

We operate a horizontal meeting system to analyze defects that occurred in past vehicle models (Lessons Learned). This system aims to improve the quality of current and future vehicles. The horizontal meeting system operates by initiating and standardizing agendas based on each business sites and industry type. In 2023, the average agenda application rate for domestic and overseas corporations was 93%.

### Specialization of Process Quality Manuals and Checklists

As a comprehensive parts manufacturer, we have advanced our process quality manual and fully implemented checklists to build infrastructure. The manual includes all quality-related requirements from material receipt to shipment and incorporates management requirements related to process and past quality issues. By advancing manuals and checklists, we are enhancing the quality management levels at each business site and applying and managing these improvements at our overseas corporations as well.

### Manual Incorporation Plan



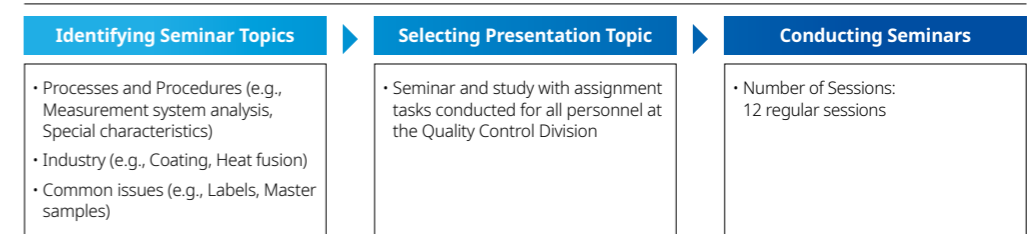
### Establishment of Third-Party Screening Vendor Management System

To ensure the quality of components from overseas corporations and contribute to stable production, we established operating rules for third-party screening vendors in 2023. To ensure a swift response to customer complaints and process defects, we operate third-party screening vendors with certified quality systems and continuously monitor and evaluate their performance.

### Quality Seminar

We are committed to enhancing the capabilities of our product and quality management personnel to drive future growth. We continuously identify seminar topics across various areas, including industry-specific manuals, key processes, Error Proof principles or operation (such as sensors and vision), specification requirements, and customer demands. Every year, all employees at the Quality Control Division study and present at least one project, engaging in discussions to enhance their quality management capabilities.

### Seminar Process



### Quality Risk Management and Preventive Activities

KET maintains high quality through quality risk management and preventive activities. We conduct regular process audits to analyze the main causes of customer complaints in detail. We monitor real-time process quality status at each business site and take prompt action to address defects that occur during the process. To ensure quality stability at our overseas corporations, we operate process defect improvement task forces (TFT) for our corporations in China, Vietnam, Poland, and Mexico, holding over 30 meetings each month. Additionally, we conduct internal reviews before mass production of new products, enhance inspection items by industry, and strengthen mass production procedures.

### Risk Management Activities



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## Partner Quality Management

We rigorously manage the quality of components not just at our own business sites but at our partners. We systematize quality requirements for our partners to ensure product quality and create evaluation reports based on key items to contribute to the improvement of partners' quality.

### Partner Quality Training

KET conducts regular quality evaluations based on quality requirements and provides face-to-face training for vendors with lower quality scores. For partners that do not participate in the training, we apply penalties such as score reductions during contract renewals. Additionally, for partners registered within the last five years that are not existing partners, we provide training on the use of our computer system and hazardous substance management procedures. In 2023, we provided quality training to 12 partners. In 2024, we plan to select and conduct quality management training for 17 partners.

### Partner Quality Training

Training Programs	Program Objectives
8D Report <sup>1)</sup>	<ul style="list-style-type: none"> <li>Development of non-conformity improvement measures by partners</li> <li>Transfer of previous non-conformity records even when supplier quality managers are replaced</li> <li>Enhanced understanding of 8D Report form completion by partner quality managers</li> </ul>
4M Change Procedure <sup>2)</sup>	<ul style="list-style-type: none"> <li>The completeness of documents submitted is enhanced with 4M changes</li> <li>Understanding of the procedure matrix by partner is strengthened with 4M changes</li> <li>Prevention of arbitrary decisions by partner personnel through objective procedural standards</li> </ul>
Training on ISIR and PPAP <sup>3)</sup> document preparation KET hazardous substance management standards and procedures KET SQR (KET partner quality requirements) training	<ul style="list-style-type: none"> <li>Reflecting customer requirements in the preparation of ISIR and PPAP documents</li> <li>Identifying customer requirements such as reliability testing and requesting tests of hazardous substance by accredited institutions</li> <li>Strengthening the understanding of KET SQR items</li> </ul>
Usage of QMS <sup>4)</sup>	<ul style="list-style-type: none"> <li>Improving existing claim non-conformance through training on QMS usage</li> </ul>

1) 8D Report: 8-step report for quality issue resolution, including problem description, root cause analysis, and corrective actions  
 2) 4M: Man (People), Material (Materials), Machine (Equipment), Method (Work methods)  
 3) ISIR: Initial Sample Inspection Report  
 PPAP: Product Part Approval Process Approval Procedure for Production Parts (Initial Samples)  
 4) QMS: Quality Management System

## Regular Partner Quality Meetings

To address quality issues arising at partner facilities and drive fundamental improvements, we hold monthly quality meetings with our partners. We continuously support partners by sharing our expertise and best practices from the industry to strengthen their quality assurance capabilities.

### Key Agenda Items for Regular Partner Quality Meetings

Current status of defective parts received from partners	Status of non-conformities Best/Worst partners by industry	Analysis of non-conformity types Analysis of claim status
Presentation of major quality improvement measures	Improvement measures by partners	



Regular Partner Quality Meetings



Partner Quality Training

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## Activities for Customer Satisfaction

At KET, we are committed to continuous innovation and quality improvement based on our management philosophy of “learning from customers, serving customers, and growing with customers through customer-first management.” We strive to meet customer demands and create new value through a high-quality risk management system. Our goal is to fulfill our role as a partner that grows together the industry and our customers.

### Regular Quality Meetings

To ensure quality competitiveness and customer satisfaction, KET operates weekly quality meetings for each item to discuss customer / manufacturer In-Line, Field Claim and Voice of Customers (VoC). These meetings help us identify product issues early and engage in discussions about design and process improvements to minimize quality risks. We also run separate meetings specifically for field claims to discuss issues such as field defects, occurrence rates for each phenomenon, and discussions on design and process improvements for persistent issues. Customer complaints are managed through effective verification. Our advanced quality management system has been recognized by global customers (GM), earning us the BEST SUPPLIER AWARD.

### VoC (Voice of Customers) Processing System

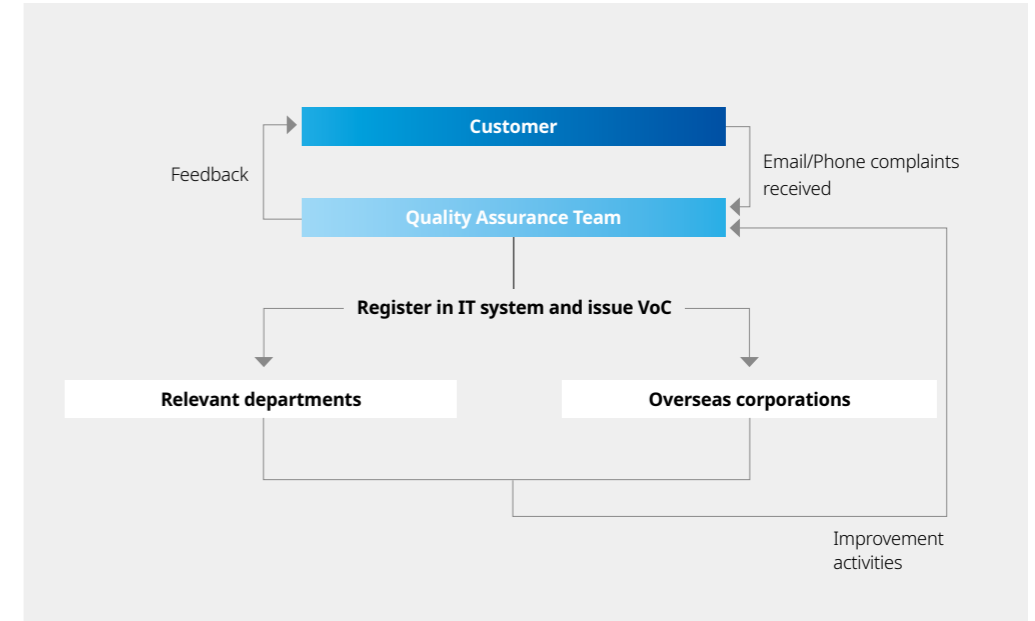
To actively gather and reflect customer feedback and incorporate them into our product, we have established a dedicated customer response team within the Quality Assurance Division to operate the VoC (Voice of Customers) system. When customer complaints are received via email or phone, they are forwarded to this dedicated team in the Quality Assurance Division, registered in our company-wide complaint management system, and VoCs are issued and communicated to the relevant departments. Issues received are discussed and addressed through regular quality meetings and other forums. This complaint handling procedure is applied not just to domestic operations but to our overseas corporations. In 2023, we received 107 customer complaints and completed actions on all of them, achieving a 100% complaint resolution rate. KET is committed to maintaining the highest level of customer satisfaction and will continue to improve quality and service through close communication with customers.

#### Customer Complaint Receipt Status for the Past 3 Years

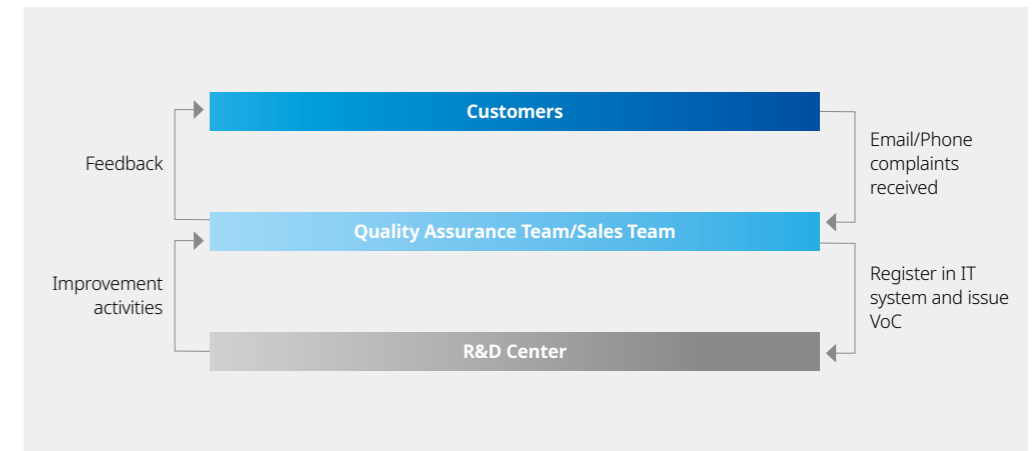
Unit: units

Category	2021	2022	2023
Customer Complaint Receipt Status	151	93	107

#### Customer Complaint Response Process



#### Customer Request (Design Change) Response Process



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# BUSINESS SITE SAFETY

## Principle and Policy

We are committed to preventing safety accidents within our business sites. In 2024, we advanced our existing environmental, safety, and health policies, establishing a safety and health management policy. This policy applies to all employees, including those in subsidiaries and partner companies. Moving forward, we will continuously revise our safety and health management policies to fit our operational environment, with the aim of preventing serious accidents and ensuring that all stakeholders work in a safe and healthy environment.

[Health & Safety Management Policy](#)

### Health & Safety Management Guidelines

1. Establish, implement, and maintain a concrete and practical environmental safety and health management system.
2. Comply with all relevant environmental safety and health regulations, agreements, and customer requirements related to our operations.
3. Minimize accident risks, including the prevention of injuries and health impairments, through proactive management of potential and actual risks identified via risk assessments.
4. Minimize environmental impacts and safety and health effects, including air pollution, water pollution, noise and vibration, waste, and safety incidents, through continuous improvement activities.
5. Develop and implement an environmental hazardous substance management system to actively address domestic and international environmental regulations.
6. Set detailed objectives to achieve environmental safety and health goals and make continuous improvement through regular reviews.
7. Minimize environmental safety incidents and risks through ongoing improvement activities and training and share information with surrounding stakeholders.

## Safety and Health Management System

KET has established a safety and health management system that complies with international standards to systematically manage workplace safety and health. We have obtained ISO 45001 certification for all domestic business sites and our factory in China. Even after certification, we develop and implement plans for departmental performance indicators and share monthly performance results. Additionally, through internal and follow-up audits of ISO 45001, we review performance and results against key objectives and verify corrective actions for any non-conformities, striving to maintain a safe business site. In 2024, we plan to manage ISO 45001 performance indicators for each business site to implement more systematic safety management at each business site.

### ISO 45001 Certification Status for Domestic & Overseas Business Sites in 2023

Unit: Number of companies

Category	Target	Certified Business Sites	Certification Rate (%)
Domestic	6	6	100
Overseas	4	1	25
Total	10	7	70

## Goals and Strategies

### Company-wide Safety and Health Goals

<b>Achieve ZERO violations of safety and health regulations</b>	<b>Minimize incidents and accidents</b>	<b>Foster and maintain a culture of autonomous safety at each business site</b>
Maintain ZERO violations of regulations	Strengthen activities to eliminate the causes of accidents	Enhance departmental self-directed safety inspection activities

### Key Strategies by Department

Office Promotion Strategies	Production Promotion Strategy	Research and Development Promotion Strategy
<b>Ensure compliance with safety and health regulations (ZERO violations)</b> <ul style="list-style-type: none"> <li>• Inspection of compliance with obligations under the Serious Accident Punishment Act                             <ul style="list-style-type: none"> <li>- Cross-checks of Occupational Safety and Health Act</li> </ul> </li> </ul>	<b>Compliance with Safety and Health Regulations (Zero Violations)</b> <ul style="list-style-type: none"> <li>• Inspection of compliance with obligations under the Serious Accident Punishment Act                             <ul style="list-style-type: none"> <li>- Focused cross-checks on site safety management under Occupational Safety and Health Act</li> </ul> </li> </ul>	<b>Compliance with safety and health regulations (ZERO violations)</b> <ul style="list-style-type: none"> <li>• Inspection of compliance with obligations under the Serious Accident Punishment Act                             <ul style="list-style-type: none"> <li>- Cross-checks on the Act on the Establishment of Safe Laboratory Environment</li> </ul> </li> </ul>
<b>Establish an Emergency Response System</b> <ul style="list-style-type: none"> <li>• Train first aid personnel at each department and conduct emergency drills</li> </ul>	<b>Achieve ZERO industrial accidents</b> <ul style="list-style-type: none"> <li>• Conduct preventive checks to avoid jammed accidents, inspect and maintain machinery and equipment, and review the activation status of LOTO devices</li> </ul>	<b>Create a safe and healthy laboratory environment</b> <ul style="list-style-type: none"> <li>• Maintain daily inspection logs for laboratories, conduct regular safety inspections of laboratories</li> </ul>



### Implementation Strategy

- Identify potential risk factors through safety and health assessments and eliminate risk factors that could impact the workplace
- Establish safety and health goals tailored to the characteristics of each business site to develop efficient safety management activities
- Focus on managing safety and health aspects in the production sector
- Implement through P-D-C-A cycles to promote continuous improvement and maintenance

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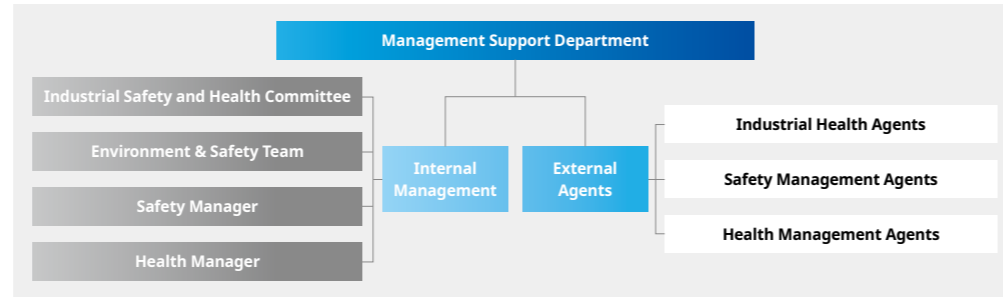
# BUSINESS SITE SAFETY

## Implementation System

### Dedicated Safety and Health Organization

At KET, we have established an Environment & Safety Team within the Management Support Department to actively promote health and safety activities. Additionally, the Board of Directors establishes safety and health management policies and reviews and approves the appropriateness of the related budget.

#### Safety and Health Management Structure



### Industrial Safety and Health Committee

Industrial Safety and Health Committee, comprising management and employee representatives, reviews and resolves policies and key issues related to the health and safety of all members. The committee holds a regular committee meeting once per quarter, and for any other important matters, it conducts ad-hoc meetings to discuss the issues.

#### Agenda for Industrial Safety and Health Committee in 2023

Achievement of Safety and Health Management Objectives			
Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> <li>Improvement of work environment in the 1st half of 2023</li> <li>Prevention activities for jammed accidents</li> <li>Safety inspection of hazardous machinery and equipment</li> <li>Self-inspection of laboratory safety</li> </ul>	<ul style="list-style-type: none"> <li>Health check-ups for all employees</li> <li>Replacement of safety shoes across the company</li> <li>Safety and health management supervisor training</li> <li>Prevention of safety accidents during summer vacations</li> </ul>	<ul style="list-style-type: none"> <li>In-house response guidelines for COVID-19</li> <li>Influenza vaccination for employees</li> <li>Safety accident prevention inspection for the Chuseok holiday</li> <li>Review and evaluation of risk assessment adequacy for the second half of the year</li> </ul>	<ul style="list-style-type: none"> <li>Regular risk assessments for business sites</li> <li>Select outstanding employees for safety and 5S in 2023</li> <li>Provide air respirators and protective equipment at all business sites, and distribution of heated vests for outdoor workers during the winter</li> <li>Establish safety and health management plans for 2024</li> </ul>

## Response to Serious Accidents

In response to the strengthening of internal and external safety and health regulations, such as the Serious Accidents Punishment Act, we have developed a serious accident response scenario and formalized serious accident response rules to prevent serious accidents and strengthen the safety system of our business sites. Additionally, we have established inspection items to prevent serious accidents for all business sites and have developed and regularly implement separate response procedures and measures.

#### Prevention and Response Procedures for Serious Accidents

Category	Details	Frequency
Measures for effective performance by safety and health management personnel	<ul style="list-style-type: none"> <li>Grant authority and budget necessary for performing duties</li> <li>Establish evaluation criteria</li> </ul>	Once every six months
Gather employee feedback (near-miss incidents and the operation of the Industrial Safety and Health Committee)	<ul style="list-style-type: none"> <li>Develop and implement improvement plans if needed</li> <li>Check implementation status and take necessary actions</li> </ul>	At least once every six months
Verify compliance with obligations under safety and health regulations	<ul style="list-style-type: none"> <li>Assess compliance with regulations ensuring the safety and health of employees</li> </ul>	At least once every six months
Confirm and address the implementation of safety and health training	<ul style="list-style-type: none"> <li>Safety and health training for hazardous and risky tasks</li> <li>Confirm and address the implementation of training</li> </ul>	At least once every six months
Preventive measures and actions	<ul style="list-style-type: none"> <li>Develop manuals for serious industrial accidents or imminent risks</li> <li>Implement response measures such as halting operations, evacuating workers and eliminating risk factors</li> <li>Provide relief measures for individuals affected by serious industrial accidents</li> <li>Actions to prevent additional harm</li> </ul>	At least once every six months

## Safety Management for Partners

We operate a safety management system not just within our own business sites but for our partners. For existing contractual partners, major companies are selected for regular safety evaluations.

#### Regular Safety Inspection Process



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# BUSINESS SITE SAFETY

## Business Site Safety

### Safety Risk Management

KET conducts biannual risk assessments across all business sites to identify and address potential risks proactively, ensuring safe business site management. Additionally, essential personnel attend briefings on the revised risk assessment regulations issued by the Ministry of Employment and Labor to understand the latest safety requirements and ensure their immediate application in the business site.

In 2023, risk assessments were conducted to categorize potential hazards into mechanical, electrical, chemical, operational and environmental factors. Improvement needs were aggregated by type, resulting in a total of 56 improvement plans. Immediate corrective actions were taken for the most potentially hazardous workplaces, establishing a total of 56 improvement plans. Additionally, immediate corrective actions were implemented focusing on the business sites with the highest potential risks among all identified hazards, achieving a 100% improvement rate for 27 mechanical risk factors.

### Business Site Equipment Safety Inspection

KET maintains business site safety by identifying the status of hazardous and harmful machine & equipment at each business site and conducting safety inspections through external agencies every two years. For business sites with hazardous and harmful machine & equipment, additional LOTO(Lock-out/Tag-out) devices are purchased to minimize risks, and hazard prevention plans are submitted when new machinery or production lines are installed. Moreover, to manage safety-related measurement equipment systematically across all business sites, individual management labels are attached to each measurement device for effective management. Under Article 9 of the Electrical Safety Management Regulations, all measurement equipment from each business site is collected at the headquarters annually for uniform calibration and inspection, ensuring performance maintenance. In 2023, an external inspection agency conducted calibration of 48 pieces of equipment, including thermal cameras and 15 other types.

### Emergency Response Manual

We have established a total of 26 types of emergency response manuals to minimize damage from potential disasters at the business sites. To ensure swift and accurate responses in the event of an emergency, detailed response guidelines have been specified according to the stage of the incident, and responsible personnel and related departments have been designated. Additionally, to assess the severity of the situation, incidents are categorized by their importance, and a tailored advanced response system is established for each team, considering the production environment and significance of the factory. After an incident, processes involve reviewing whether to notify customers, predicting and analyzing the impact on quality, environment, and safety and health, and developing measures to prevent recurrence, ensuring thorough post-incident management.

### Forklift TBM Activities

To prevent forklift safety accidents in the business site, TBM (Tool Box Meeting) activities were conducted across seven business sites: Central Research Institute, Nonhyeon Plant, Namdong Plant, Pyeongtaek business site, Hwaseong Plant, Pyeongdong Plant and Asan Rental Warehouse. We designated a management department for each business site and conducted inspections of braking systems, control systems, control systems, handling system and hydraulic systems based on a checklist before starting work. Additionally, we shared potential hazards and affirmed safety pledges.

### Regular Inspection of Safety Management by Agency

KET conducts regular safety management inspections through external agencies for a total of six business sites: the headquarters and research institute, Nonhyeon Plant, Namdong Plant, Pyeongtaek Plant, Hwaseong Plant, and Pyeongdong Plant. In 2023, safety inspections were carried out across all business sites, identifying a total of 156 areas requiring improvement. All identified issues were addressed, achieving a 100% improvement rate.

### Safety inspections and improvements by workplace in 2023

Category	Number of Inspections	Number of Improvements	Improvement Rate (%)
Headquarters & Research Center	11	11	100%
Nonhyeon Plant	16	16	100%
Namdong Plant	40	40	100%
Pyeongtaek Plant	29	29	100%
Hwaseong Plant	34	34	100%
Pyeongdong Plant	26	26	100%

### Operation of Safety Work Permit System

KET operates a safety work permit system to thoroughly manage and supervise hazardous and dangerous tasks within the business site. For hazardous and risk tasks such as electrical work, high-altitude work, heavy work, hot work, confined space work, painting, and excavation, a work permit is prepared, and the work is carried out under the approval of an authorized person. Detailed checklists for important tasks are meticulously prepared to create a safe working environment and prevent industrial accidents.

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# BUSINESS SITE SAFETY

## Embedding a Safety Culture

### Prevention of Human Error

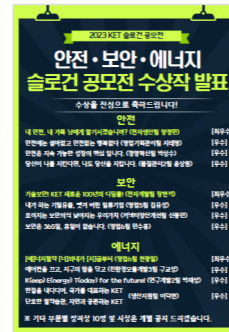
We are committed to reducing the rate of accidents caused by worker errors by establishing human-centered safety measures. We have planned and implemented activities to prevent accidents resulting from human error in the business site. We carefully identify potential risk factors due to worker errors at each business site and share these risks within our dedicated safety team. We also conduct pre-task safety meetings (TBM) to enhance workers' safety awareness and capabilities.

We share the risk factors identified during pre-task safety meetings across the entire organization. Additionally, we conduct near-miss surveys to gather and share insights from workers about actual safety risks and incidents experienced on site. This approach provides members with opportunities to recognize and address these risks, fostering a culture of continuous improvement.

### Strategies for Preventing Human Error

- Identifying and understanding human error factors by business site
- Experience, discover and improve
- Practical safety activities beyond simple training
- Cultivate safety habits and acquire knowledge

### Company-wide Safety Slogan Contest



Safety activity slogan contest winner announcement poster

As the demand for employee participation and safety campaigns from external certification bodies such as H-ISMS and ISO45001 increases, we have conducted a company-wide safety management slogan contest to remind all employees of the value and importance of preventing safety accidents. Promotional posters were placed on bulletin boards at each business site to encourage employee participation. Through the first and second rounds of judging, 12 employees (1 Grand Prize winner, 2 Excellence Prize winners, and 10 Encouragement Prize winners) were selected and awarded.

### Raising Safety Culture Awareness

KET is minimizing safety blind spots and encouraging worker participation by reviewing safety guardian activity themes. Through department-led safety inspection activities, we aim to prevent workplace accidents and enhance safety management awareness among employees. As a result of the 2023 safety guardian activity theme inspections, a total of 49 items were identified as needing improvement. We have completed actions on all items, achieving a 100% improvement rate. KET will continue to actively encourage the identification and improvement of safety risks in the production field.



Safety Guardian Activities

### Monthly theme inspection

- Heavy material handling
- Chemical substance
- Inspection of firefighting/electrical facilities and energy saving activities
- Mechanical equipment inspection

### Safety and health education performance in 2023

Education and training name	Target	Number of participants	Completion rate (%)
AED usage training	All business sites	41 persons	100
Confined space suffocation prevention training	All business sites	All business sites personnel	100
Jammed accidents prevention training in all business sites	Production personnel in all business sites	Production personnel	100
Noise-induced hearing loss prevention training	Namdong and Hwaseong plants	15 persons	100
Forklift safety accident prevention training in all business sites	All business sites	107 persons	100
Continuing training for construction equipment operators (forklifts)	Forklift drivers	76 persons	100
Training for safety and health managers at business sites	Research institute, Nonhyeon and Pyeongdong plants	3 persons	100
Training for first aid personnel at each business site	1 person per team	104 persons	100
2023 management supervisor training	Team leaders and supervisors (manager level)	107 persons	100
Winter fire safety and evacuation training (including emergency response plan)	All business sites	983 persons	100
Training for hazardous chemical handlers (once every two years)	Hazardous chemical substance handler	1 person	100
2024 risk assessment training	All business sites	Team leader of each department	100
Safety and health training when hiring	All business sites	233 persons	100



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# BUSINESS SITE SAFETY

## Employee Health Management

### Health Management Regulations

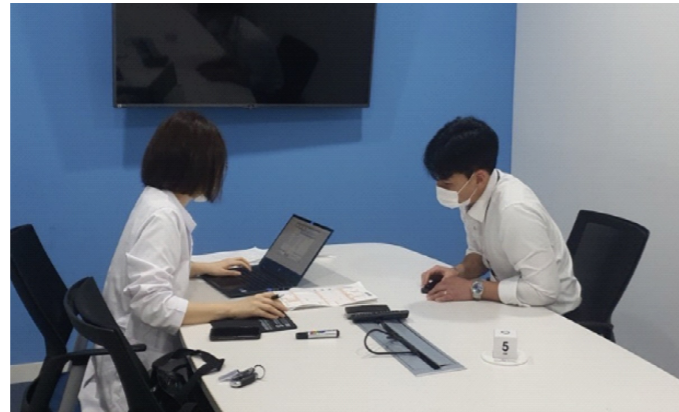
At KET, we have established business site health management regulations to protect and maintain the health of our employees, applying those regulations across all business sites. Our employees can receive health check-ups according to these health management regulations, which are preserved and managed in compliance with relevant legal bases. Additionally, to protect employees' health from business site risk factors and to create a pleasant working environment, we regularly measure the working environment. The results of these measurements are reported to the Industrial Safety and Health Committee and shared with all employees by posting them on office and on-site bulletin boards.

### Business Site Health Environment Inspection

To measure, evaluate, prevent and manage harmful and hazardous factors that may occur in the workplace, bi-monthly inspections are conducted by industrial hygienists from external health management agencies. Additionally, every six months, the working environment of each factory is measured and inspected. Moreover, every month, we compile the status of safety protective equipment and medicine purchases by factory, and make additional purchases for factories in need of replenishment. In 2023, a total of 45,470,000 KRW was spent on purchasing protective equipment, and 3,060,000 KRW was spent on purchasing medicines.

### Psychological Health Support

At KET, we manage not just the physical health of our employees but their psychological health. Nurses (once a month) and doctors (quarterly) from a contracted health agency visit the business site to conduct health and psychological status interviews with employees.



### Health Management Programs

We operate various health management programs to maintain the health of our employees.

#### Key Programs for Employee Health Management



#### Medical Expense Support

- Medical expenses for employees and their families are supported
- Costs for comprehensive health check-ups (general and special examinations) for all employees are covered



#### Education on Noise-Induced Hearing Loss

- Noise-induced hearing loss education is conducted for individuals with pre-existing conditions and those under observation, considering the risks that workers may be exposed to based on their work environment



#### Employee Health Counseling

- Monthly post-care health counseling for individuals with pre-existing conditions



#### Vaccinations

- Flu vaccinations are administered to all employees during the change of seasons (approximately 31.2 million won)



#### Emergency Response CPR and AED Training

- Establishment of an effective safety and health infrastructure to train people capable of taking professional emergency measures

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## Human Rights Policy and Guidelines

KET established a Human Rights Charter in 2020 to respect the human rights of all stakeholders and actively implement human rights management. The Human Rights Charter adheres to international standards and guidelines related to human rights and labor, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the 10 Principles of the UN Global Compact (UNGC). The scope of the Human Rights Charter applies to all members across domestic and international business sites. It also recommends adherence to the Charter by partners, suppliers, sales service organizations, and stakeholders involved in business activities, including mergers and acquisitions.



### Human Rights Charter Basic Principles

- |   |  |
|---|--|
| 1. Non-discrimination   | 6. Prohibition of sexual harassment and workplace harassment |
| 2. Compliance with working conditions                         | 7. Guarantee industrial safety                               |
| 3. Humane treatment   | 8. Protection of human rights of local residents             |
| 4. Guarantee freedom of association and collective bargaining | 9. Protection of human rights of customers and partners      |
| 5. Prohibition of forced labor and child labor                |  |

## Internalization of Human Rights Management

### Diversity and Inclusion

KET is committed to protecting human rights and respecting diversity. Based on our Human Rights Charter, we do not discriminate in terms of working conditions (employment, promotion, wages, education, welfare), and job performance on the grounds of race, ethnicity, nationality, gender, religion, place of birth, disability, marital status, pregnancy, childbirth, political orientation, sexual identity and orientation, or union membership. We recognize individual diversity and provide equal opportunities for all.

### Human Rights Education

We conduct annual human rights training for all employees in accordance with relevant legal requirements to promote a culture of respect for human rights within the organization. In 2023, 1,110 employees completed training on preventing sexual harassment and disability awareness. Moving forward, we will continue to make sustained efforts to further spread a culture of respect for human rights within the organization.

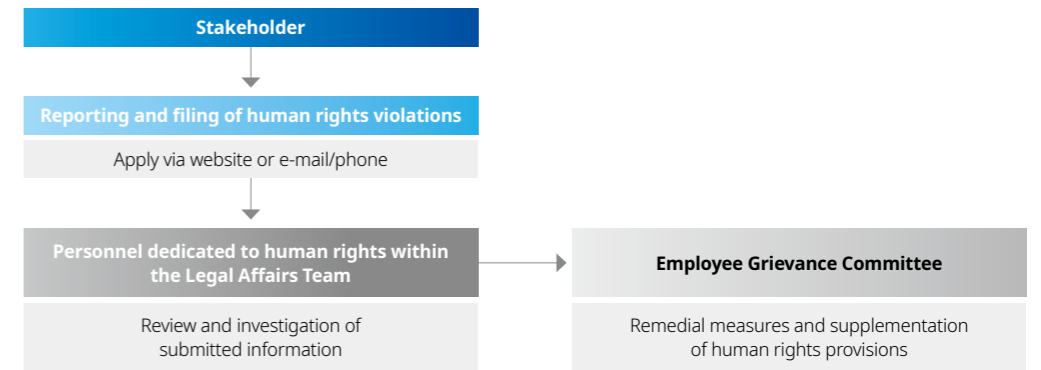
## Human Rights Complaint Handling Channels

KET operates a human rights complaint handling process to respect and protect human rights. Employees and other reporters who experience human rights violations or recognize human rights risks can report incidents through the company's website. Anonymity is guaranteed for prosecutor who submit reports.

### Human Rights Complaint Resolution Performance

Year	Number of received cases	Number of improved cases	Improvement rate (%)
2023	9	9	100%
2022	2	2	100%
2021	4	4	100%
Total	15	15	100%

### Human Rights Complaint Process



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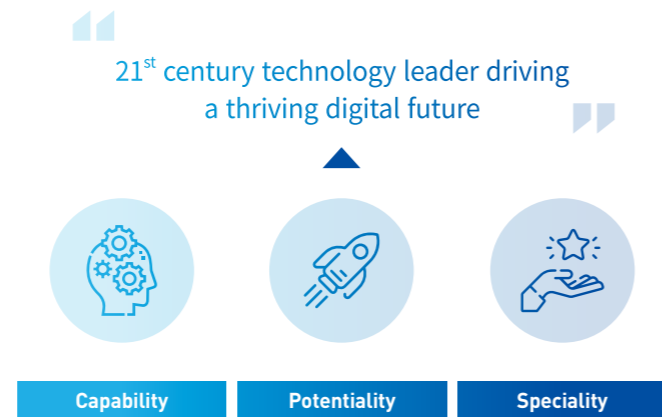
# TALENT MANAGEMENT

## Recruitment and Human Resource Management

### Talent Recruitment

At KET, we are committed to continuous development and innovative growth by recruiting talented individuals with capability, potential, and expertise. We attract outstanding talent through both open recruitment for new employees and ongoing recruitment for experienced professionals. We ensure fairness in the hiring process by adhering to the Fair Hiring Procedures Act to prevent any unfair practices during the hiring process. We strictly adhere to labor standards laws in each country where we operate overseas and ensure compliance with the minimum wage regulations of those countries.

### Talent Profile



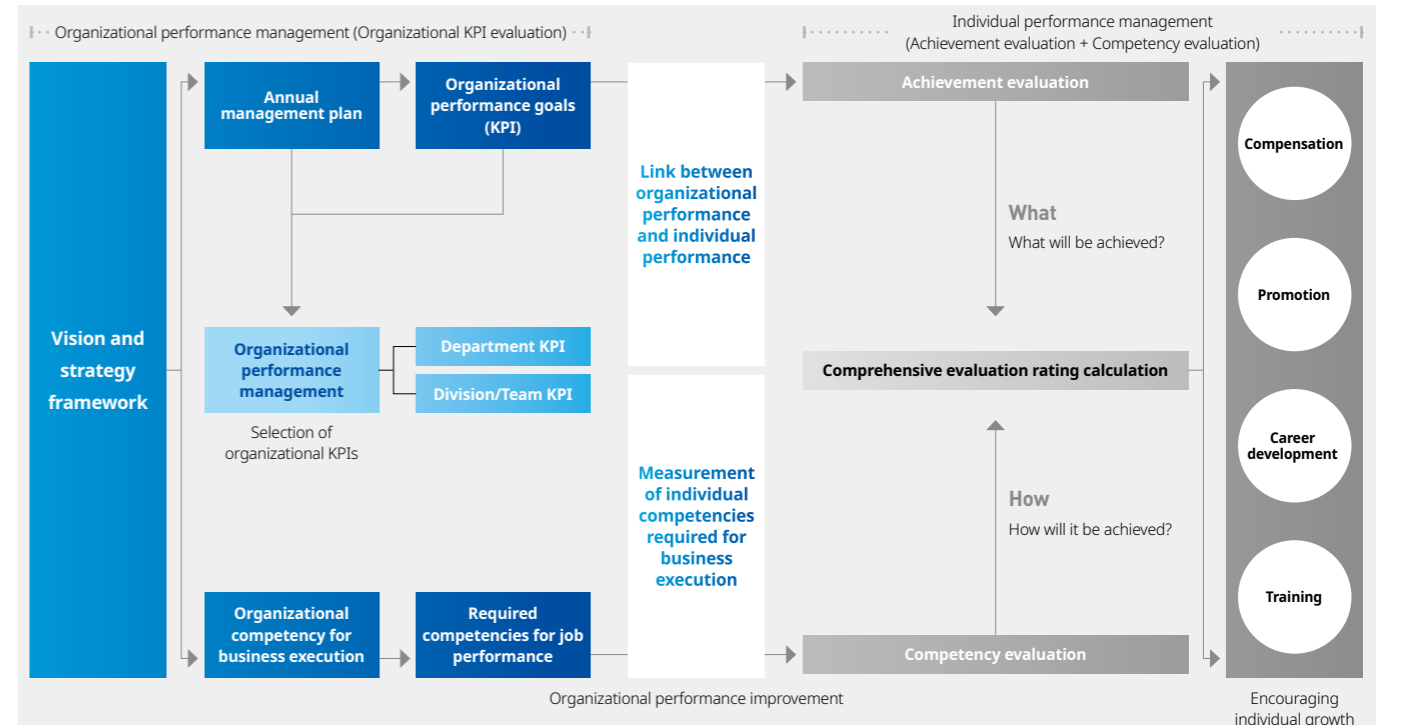
### Human Resource Systems and Performance Evaluation

We operate promotion, compensation, and evaluation systems to fairly assess employees' capabilities and provide reasonable rewards. We continuously improve and operate our HR systems in alignment with organizational goals to help employees enhance their skills and motivate them.

### Job Titles



### Performance Evaluation System



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## Capacity Development

### Employee Training Programs

At KET, we operate a training system to recruit excellent talent and continuously develop the skills of our employees. We conduct introductory training for new and experienced employees to enhance their understanding of the company, and we offer in-house and external training to improve employees' professional skills. Additionally, we operate foreign language training programs to enhance their global response capabilities and provide E-learning via the internet and mail, creating an environment where learning can be made without the constraints of space and time.

#### Basic Training Programs

Introductory training for new and experienced employees	Foreign language training	E-learning
<ul style="list-style-type: none"> <li>Enhancing understanding of the company when joining and facilitating early adaptation through online and offline education</li> </ul>	<ul style="list-style-type: none"> <li>Operating and supporting in-house foreign language training programs to prepare for a global business environment</li> </ul>	<ul style="list-style-type: none"> <li>Creation of continuous learning culture through internet and mail, and provision of personal development opportunities</li> </ul>

### Job-Specific Specialized Training

At KET, we provide employees with various in-house group training and opportunities to participate in external specialized courses in addition to basic training, aiming to enhance their qualifications required by each position and job expertise. For research roles, we offer software training focused on developing design skills. For other roles, we record and produce job-specific training videos internally, allowing employees to view and learn at their convenience whenever needed.

#### Job-Specific Specialized Training Programs

In-house training / External training	Specialized training for designer	Self-produced video
<ul style="list-style-type: none"> <li>Providing various in-house group training and opportunities to participate in external specialized courses to enhance qualifications for each position and job expertise</li> </ul>	<ul style="list-style-type: none"> <li>Offering specialized courses focused on improving design skills using software such as Creo, AutoCAD, UG, and Catia</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the viewing and learning of self-produced videos recorded and produce internally, allowing employees to access and study them whenever needed</li> </ul>

### Role-Specific Specialized Training

We support employees in acquiring the skills necessary to achieve organizational goals and continue growing through role-specific specialized training. This training aims to enhance leadership skills required for different job levels and to cultivate internal experts in the long term.

#### Training and Education System

Category	Company-wide Common	Manager Level	Executive Level		
Individuals Skills Development	By Level	New Employee Induction Program	Leadership for New Team Leaders	Leadership for New Center Heads	Leadership for New Executives
		Quality/Cost Mindset Course for Promotion Candidates			
	By Role	Leadership Enhancement Course for Promoted Individuals	Performance Management for Team Leaders	Performance Improvement for Center Heads	Management execution leadership (Executive)
		Job-Specific Professional Training (in-house, outsourced, e-learning specialized training)			
		System Training (ERP-PLM-PDM-MES, etc.)			
	Foreign Languages	Training for Expatriates	In-house instructor training course		Quality, Environment, Safety Training (IATF, VDA, ISO, OHSAS, etc.)
Foreign Language Enhancement Courses (in-house, online, telephone/video, etc.)					
Organizational Capability	Workshops by Organizational Unit Labor-Management Relations Activation Course				
Others	Security Training-Disability Awareness Improvement Training- Sexual Harassment Prevention Training-Career Transition Support Training				

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## Welfare Benefits

### Welfare System

We are making concerted efforts to implement our management philosophy of "human-centered management." Through financial support for club activities, department unity events, cultural activities, and vacation facilities, we foster employees' creative thinking abilities. Additionally, we provide relaxation spaces for employees by operating an in-house library and sports facilities (fitness center).

### Employee Welfare System

Various supports and conveniences	Work environment support	Cultural and leisure support	Life safety and health management
<ul style="list-style-type: none"> <li>• Vacation Support for condolence leave, condolence supplies, condolence wreaths, and condolence money</li> <li>• Children's education support (Elementary/ Middle/High School/ University)</li> <li>• In-house parking</li> <li>• Holiday gift</li> <li>• Gifts to employees on their birthdays and wedding anniversaries</li> </ul>	<ul style="list-style-type: none"> <li>• Work uniforms</li> <li>• Annual leave allowance</li> <li>• Fuel expenses for external duties</li> <li>• Commuter bus</li> <li>• Regular summer vacation</li> <li>• Awards for long-term employees / model employees</li> </ul>	<ul style="list-style-type: none"> <li>• Support for club activities</li> <li>• Vacation facility support (condo)</li> <li>• Support for team building expenses</li> <li>• In-house library</li> <li>• Support for cultural activity expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Regular health checkups</li> <li>• Dormitory operation (Pyeongtaek)</li> <li>• In-house cafeteria meals</li> <li>• In-house fitness center</li> <li>• Housing stability fund support</li> <li>• Support for employees in need</li> </ul>

### Childcare Support System

We operate various childcare support systems to assist employees with childcare and family responsibilities. We ensure reduced working hours during pregnancy and time for prenatal check-ups and restrict work beyond regular hours for pregnant employees. Additionally, we provide spouse paternity leave, maternity leave before and after childbirth, miscarriage/stillbirth leave, and infertility leave. To help employees maintain a work-life balance, we also offer reduced working hours during the childcare period, parental leave, and time for breastfeeding.

### Support for Future Planning for People Planning to Retire

In accordance with the Act on Prohibition of Age Discrimination in Employment and Elderly Employment Promotion, We provide various educational programs for employees over 50 years of age who are involuntarily leaving the company, supporting smooth retirement preparation and reemployment.

### Detailed Contents of Retirement Support Education

Category	Training Content
Change management	<ul style="list-style-type: none"> <li>• Establishing a new paradigm for life after retirement</li> </ul>
Retirement preparation	<ul style="list-style-type: none"> <li>• Eligibility for unemployment benefits and recognition procedures</li> <li>• Understanding the four major social insurances</li> </ul>
Health management	<ul style="list-style-type: none"> <li>• Prescriptions for musculoskeletal management and exercise after retirement</li> </ul>
Career planning	<ul style="list-style-type: none"> <li>• Understanding preferred jobs and trends after retirement</li> <li>• Exploring second careers and feasible job opportunities through career exploration</li> <li>• Guidance on training programs at vocational training institutions</li> </ul>
Asset management	<ul style="list-style-type: none"> <li>• Understanding preferred jobs and trends after retirement</li> <li>• Exploring second careers and feasible job opportunities through career exploration</li> <li>• Guidance on training programs at vocational training institutions</li> </ul>
Career design	<ul style="list-style-type: none"> <li>• Job preference assessment</li> <li>• Short-term and long-term and career planning based on life design</li> </ul>

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# TALENT MANAGEMENT

## Labor-Management Culture

### Labor-Management Council

We operate a labor-management council representing all members (including employees and executives). The council is composed of five employee representatives and five employer representatives. The labor-management council meets quarterly to regularly discuss grievances and issues related to the working environment (education, training) and employment conditions (wages, working hours, welfare benefits, etc.). In addition, employee representatives and labor officers hold employee representative meetings to directly hear and communicate employees' grievances and issues. We faithfully undergoes labor inspections conducted by the Ministry of Labor and has no cases of violating labor-related laws. Through these efforts, we have built trust between labor and management, maintaining a workplace free of conflicts and disputes as of July 2024.

#### Labor-Management Council Composition and Operations

Category	Details
Composition	<ul style="list-style-type: none"> <li>Chairperson: Employer representative</li> <li>Secretary: One representative each from the employer and employee committees</li> <li>Members: 5 employer representatives, 5 employee representatives</li> </ul>
Meeting Schedule	<ul style="list-style-type: none"> <li>Regular meeting: Once per quarter</li> <li>Ad-hoc meeting: As needed for current issues and agenda items</li> </ul>
Key Agenda Items	<ul style="list-style-type: none"> <li>Enhancing productivity and distributing performance results</li> <li>Resolving employee grievances</li> <li>Improving working conditions (e.g., safety, health)</li> <li>Enhancing personnel and labor management systems</li> </ul>

#### Key Agenda Items for the Labor-Management Council in 2023

Timing	Details
Q1	<ul style="list-style-type: none"> <li>Report on 2023 Q1 management performance</li> <li>Discussion on base salary increase rates and bonus/performance pay rates</li> <li>Discussion on awarding a commemorative bonus for the 50<sup>th</sup> anniversary of the company's founding</li> </ul>
Q2	<ul style="list-style-type: none"> <li>Report on 2023 Q2 management performance</li> <li>Installation of a women's lounge on the first floor of the headquarters</li> <li>Improvement of dormitory conditions at Pyeongtaek Plant</li> <li>Installation of a fitness center and an ice machine at Hwaseong Plant</li> </ul>
Q3	<ul style="list-style-type: none"> <li>Report on 2023 Q3 management performance</li> <li>Flu vaccinations</li> <li>Improvement of rest areas for security and cleaning staff</li> <li>Additional purchase and installation of exercise equipment</li> </ul>
Q4	<ul style="list-style-type: none"> <li>Report on 2023 Q4 management performance</li> <li>Support for outdoor workers to prevent cold weather issues</li> <li>Improvement of condolence supplies and payment for year-end party expenses</li> </ul>

### On-Site Labor Meetings

At KET, we actively promote communication with on-site workers. To enhance rapport with employee representatives, we hold monthly on-site labor meetings, fostering close communication and listening to employee grievances to strengthen our labor capabilities. In 2023, we conducted labor meetings at a total of four sites: Namdong plant, Hwaseong plant, Pyeongtaek plant, and Pyeongdong plant. These meetings aimed to hear employees' voices and improve the working environment.

#### On-Site labor Consultation Meetings: Structure and Key Achievements

Category	Details
Participants	<ul style="list-style-type: none"> <li>All employee representatives</li> <li>Secretary from the employer representatives</li> </ul>
Meeting Schedule	<ul style="list-style-type: none"> <li>The second Thursday of each month</li> </ul>
Meeting Locations	<ul style="list-style-type: none"> <li>Various local business sites and dinner venues</li> </ul>
Key Achievements	<ul style="list-style-type: none"> <li>Improvement of on-site working conditions</li> <li>Enhancing heating and cooling systems and winter gear</li> <li>Explaining business performance and management status</li> <li>Listening to and resolving individual grievances</li> <li>Presenting grievance items to the Labor-Management Council</li> </ul>

On-Site Labor Consultations	Date	Number of Participants
Pyeongdong Plant	2023.10.13	12
Pyeongtaek/Logistics	2023.10.27	13
Hwaseong Plant	2023.11.24	12
Namdong Plant	2023.12.14	13

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# RESPONSIBLE SUPPLY CHAIN

## Supply Chain Management Policies and Guidelines

At KET, we consider social, environmental, and economic sustainability in providing products and services, pursuing these principles at every stage of the supply chain. To achieve this, we manage not just our own production and manufacturing activities but the supply chain risks of our partners. We have established a code of conduct for our partners, demanding heightened social responsibility. Our partners must comply with the detailed ethical, social, and environmental requirements specified by us during contract execution. Subcontractors related to suppliers are also encouraged to be aware of and adhere to the principles of this code of conduct. In particular, our basic contracts for automotive industry subcontracting transactions include conditions for minimizing environmental pollution and ensuring safety management. We also regulate the use of hazardous heavy metals through product environmental assurance certificates.

Code of Conduct for Partner

## Supply Chain Management System

We have established and manages a system for selecting and regularly evaluating partners under the supervision of the Purchasing Department to build a sustainable supply chain. The entire process of partner selection, including planning for review and evaluation, gathering company information and data, preliminary reviews, and conducting on-site inspections, is managed by the Purchasing Department. During the pre-inspection meetings, we form an inspection review team through discussions with relevant departments to carry out the inspections.

## Partner Selection and Regular Evaluation

At KET, we evaluate partners based on our assessment criteria to ensure responsible supply chain management. When selecting new partners, evaluations are conducted in two stages, considering not just quality, technology, delivery, and price, but environmental and safety factors. If the scores fall below the threshold required for contract agreement, the selection is put on hold, and re-evaluation is conducted after confirming any improvements. Additionally, we conduct regular evaluations of existing partners and distribute an annual CSR (including ethics, human rights, environment, safety, and health factors) questionnaire to assess the sustainability management level of our partners.

### Partner selection and periodic evaluation details

Category	Select New partners		Mass production partners	
	Preliminary registration evaluation	Entry evaluation	Regular evaluation	Regular CSR evaluation
Target	New partner		Partners	
Evaluation criteria	<ul style="list-style-type: none"> <li>Quality system</li> <li>General management &amp; environment/safety</li> <li>Technical capability</li> <li>Price competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Quality system</li> <li>General management &amp; environment/safety</li> <li>Technical capability</li> <li>Price competitiveness</li> <li>Quality performance</li> <li>Delivery performance</li> </ul>	<ul style="list-style-type: none"> <li>Quality system</li> <li>General management &amp; environment/safety</li> <li>Technical capability</li> <li>Quality performance</li> <li>Delivery performance</li> <li>Familiarity</li> </ul>	<ul style="list-style-type: none"> <li>Ethics</li> <li>Human rights</li> <li>Environment</li> <li>Health and safety</li> </ul>

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# RESPONSIBLE SUPPLY CHAIN

## Partner Communication

### Win-Win Cooperation

At KET, we strengthen communication channels with partners to manage preemptive risks and support stable operations. By conducting partner visits and analyzing financial statements, we categorize evaluation ratings. Partners with lower ratings are visited more frequently, and communication channels are utilized to manage preemptive risks. In 2023, we visited 30 partners that are subject to regular visits to listen to their concerns and engage in mutual discussions on areas for improvement.

### Fair Trade Relationships

We have conducted subcontracting law training for our employees to establish a fair trading culture. Through this training, employees have gained knowledge about subcontracting laws, including concepts, key regulations, target applications, and types of violations at various stages of contracts. We will continue to practice a fair trading culture and work to recognize and prevent risks that may arise during transactions.

### Payment Linkage System

We operate a payment linkage system in accordance with the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small-Medium Enterprises (Cooperation Act) to promote mutual growth with partners. Through this system, we strive to ensure that deliveries and payments are made simultaneously, enhancing the financial stability of our partners and boosting regional economic vitality through mutual cooperation.

### Partner Capability Enhancement Support

We operate pre-process audits and improvement activities, as well as quality level-up programs, to strengthen the capabilities of domestic and international partners. In 2023, 14 suppliers received capability enhancement support.

#### Three-Year Partner Support Status

Support Details	Unit	2021	2022	2023
Pe-process audits and improvements	Number of companies	-	4	9
Level up activities and enhancements		2	5	5





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# RESPONSIBLE SUPPLY CHAIN

## Policy and Guidelines on Conflict Minerals

At KET, we have established an internal management policy to preemptively prevent and manage risks related to the use of conflict minerals. This policy specifies the scope of its application, including partners. It states that transactions with suppliers may be terminated if they fail to provide adequate information about their use of conflict minerals, provide false information, or fail to take corrective actions when risks are identified in the supply chain.

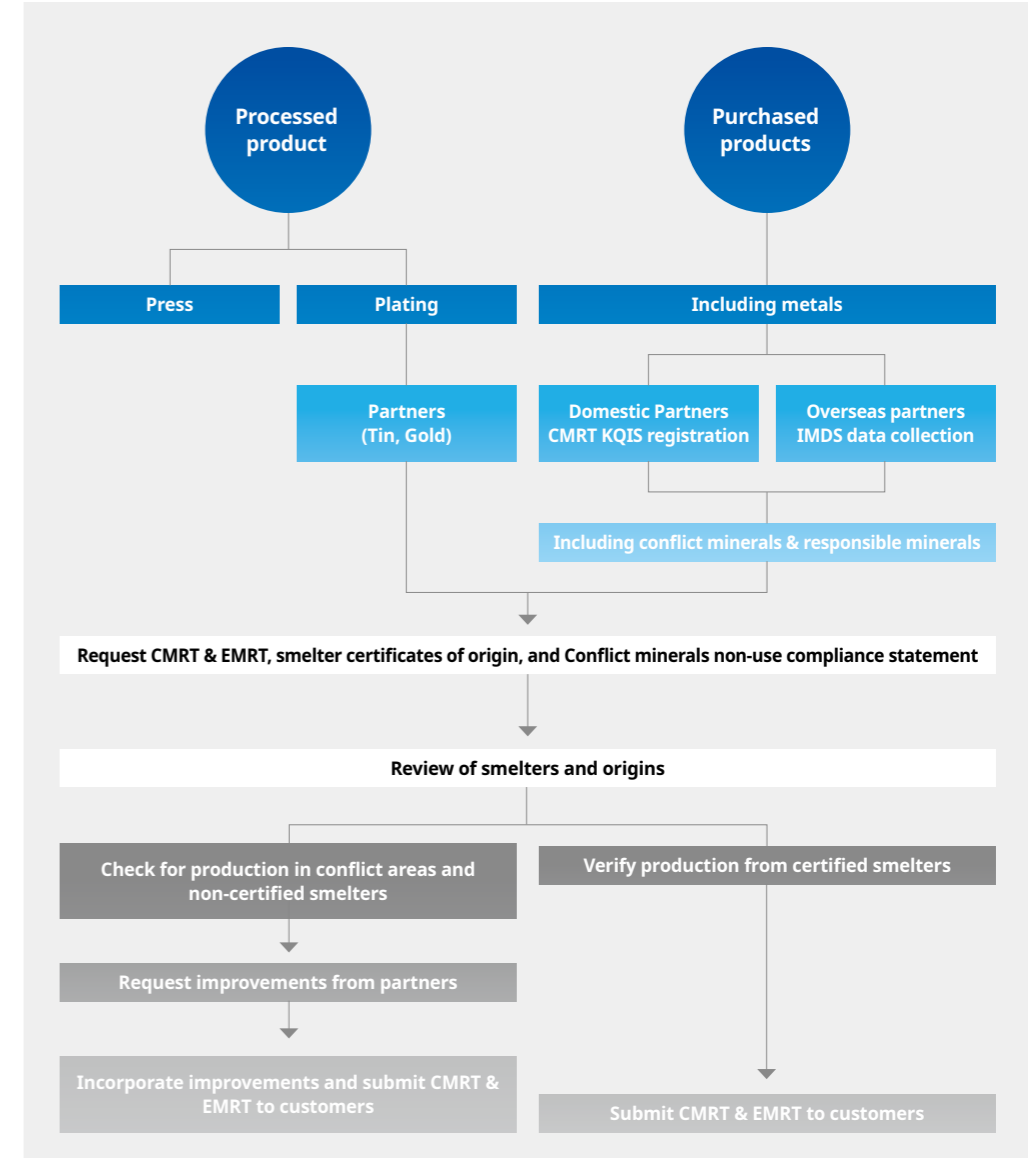
 [Conflict minerals management policy](#)

## Conflict Minerals Management System

We have established a conflict minerals management process to prohibit and control the use of minerals from conflict areas in the manufacturing of products and services. According to this process, bills of material (BOM) can be registered and queried in the internal computer system. Additionally, we receive IMDS (International Material Data System) data from partners to manage the conflict minerals list. We also collect smelter certificates of origin and conflict minerals non-use compliance certificate from partners to implement a responsible supply chain management policy.



### Conflict Minerals Management Process





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## Conflict Minerals Usage Status

We use the CMRT (Conflict Mineral Report Template) report provided by the EICC (Electronic Industry Citizenship Coalition) to identify all smelter names and locations for the 3TG (tantalum, tin, tungsten, gold) used in our products. As of 2023, the status of conflict minerals smelters involved in transactions with KET is as follows.

Mineral	Smelter ID	Smelter name	Country where smelter is located
TIN	CID003381	PT Rajawali Rimba Perkasa	Indonesia
TIN	CID003831	DS Myanmar	Myanmar
Tantalum	CID002504	D Block Metals, LLC	United States Of America
Tantalum	CID000460	F&X Electro-Materials Ltd.	China
Tantalum	CID002505	FIR Metals & Resource Ltd.	China
Tantalum	CID002558	Global Advanced Metals Aizu	Japan
Tantalum	CID002557	Global Advanced Metals Boyertown	United States Of America
Tantalum	CID002492	Hengyang King Xing Lifeng New Materials Co., Ltd.	China
Tantalum	CID002512	Jiangxi Dinghai Tantalum & Niobium Co., Ltd.	China
Tantalum	CID002842	Jiangxi Tuohong New Raw Material	China
Tantalum	CID000914	Jiujiang JinXin Nonferrous Metals Co., Ltd.	China
Tantalum	CID000917	Jiujiang Tanbre Co., Ltd.	China
Tantalum	CID002548	Materion Newton Inc.	United States Of America
Tantalum	CID001163	Metallurgical Products India Pvt., Ltd.	India
Tantalum	CID001192	Mitsui Mining and Smelting Co., Ltd.	Japan
Tantalum	CID001277	Ningxia Orient Tantalum Industry Co., Ltd.	China
Tantalum	CID001200	NPM Silmet AS	Estonia
Tantalum	CID002544	TANIOBIS Co., Ltd.	Thailand
Tantalum	CID002545	TANIOBIS GmbH	Germany
Tantalum	CID002549	TANIOBIS Japan Co., Ltd.	Japan
Tantalum	CID002550	TANIOBIS Smelting GmbH & Co. KG	Germany
Tantalum	CID001969	Ulba Metallurgical Plant JSC	Kazakhstan
Tantalum	CID000616	XIMEI RESOURCES (GUANGDONG) LIMITED	China
Tantalum	CID001522	Yanling Jincheng Tantalum & Niobium Co., Ltd.	China
GOLD	CID001078	LS-NIKKO Copper Inc.	Korea, Republic Of
GOLD	CID002030	Western Australian Mint (T/a The Perth Mint)	Australia
GOLD	CID002605	Korea Zinc Co., Ltd.	Korea, Republic Of

Mineral	Smelter ID	Smelter name	Country where smelter is located
GOLD	CID001078	LS-NIKKO Copper Inc.	Korea, Republic Of
GOLD	CID002030	Western Australian Mint (T/a The Perth Mint)	Australia
GOLD	CID002605	Korea Zinc Co., Ltd.	Korea, Republic Of
TIN	CID001105	Malaysia Smelting Corporation(MSC)	Malaysia
TIN	CID001173	Mineracao Taboca S.A.	Brazil
TIN	CID001182	Minsur	Peru
TIN	CID001399	PT Artha Cipta Langgeng	Indonesia
TIN	CID001453	PT Mitra Stania Prima	Indonesia
TIN	CID001458	PT Prima Timah Utama	Indonesia
TIN	CID001460	PT Refined Bangka Tin	Indonesia
TIN	CID001463	PT SARIWIGUNA BINASENTOSA	Indonesia
TIN	CID001468	PT Stanindo Inti Perkasa	Indonesia
TIN	CID001477	PT Timah Tbk Kundur	Indonesia
TIN	CID001482	PT Timah Tbk Mentok	Indonesia
TIN	CID001490	PT Tinindo Inter Nusa	Indonesia
TIN	CID001539	Rui Da Hung	Taiwan, Province Of China
TIN	CID001898	Thailand Smelting & Refining Co Ltd	Thailand
TIN	CID002036	White Solder Metalurgia e Mineracao Ltda.	Brazil
TIN	CID002158	Yunnan Chengfeng Non-ferrous Metals Co., Ltd.	China
TIN	CID002180	Smelting Branch of Yunnan Tin Company Ltd	China
TIN	CID002696	PT Cipta Persada Mulia	Indonesia
TIN	CID002773	Aurubis Beerse	Belgium
TIN	CID002835	PT Menara Cipta Mulia	Indonesia
TIN	CID003205	PT Bangka Serumpun	Indonesia
TIN	CID003325	Tin Technology & Refining	United States Of America

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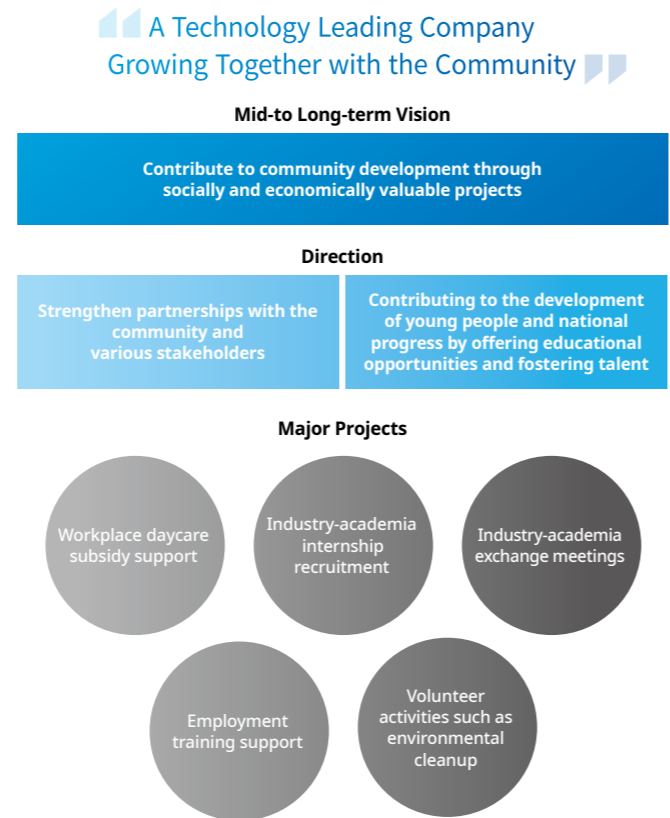
# CONTRIBUTION TO LOCAL COMMUNITIES

## Contribution to local communities

### Implementation System and Strategy

At KET, we actively utilize resources, manpower, and technology to create social value, contributing to sustainable development through various activities such as community and organizational and supporting company visit programs.

### Social Contribution Implementation Framework



## Community Contribution Activities

### Support for Workplace Daycare Subsidies

We provide voluntary workplace daycare subsidies to our employees, offering valuable support to children and their families in the community.

### Number of Employees Receiving Daycare Subsidies in 2023

**738** persons

### Total Amount of Daycare Subsidies Provided in 2023

**120.13** million KRW

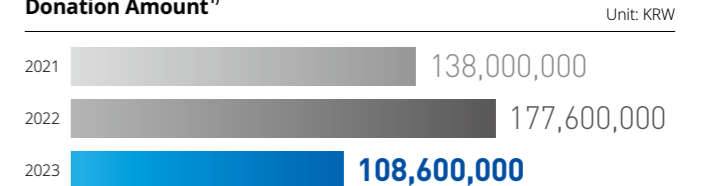
### Workplace Daycare Subsidy Support for the Past 3 Years



### Donation Fundraising and Execution Records

At KET, we regularly donate to nearby community organizations each year, returning corporate profits to the local community. We provide health insurance subsidies to vulnerable groups (such as individuals with disabilities, families with grandchildren and grandparents, single-parent families, and low-income individuals) who are unable to afford medical treatment. Additionally, we support around 100 elderly individuals living alone or in severe conditions through nursing facility sponsorship. We also conduct various forms of assistance for disadvantaged neighbors within the city and district and contribute to fire safety councils. This includes sharing fire safety policies, preventing fires, and supporting vulnerable groups and local firefighting supplies. Furthermore, we provide annual scholarships to the Korea Mold Industry Cooperative to support students in mold engineering. This helps them focus on their studies and advance the development of the national core industry.

### Donation Amount<sup>1)</sup>



1) Based on separate financial statements

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# GOVERNANCE

## Board Structure

The Board of Directors, the highest decision-making body at Korea Electric Terminal (KET), makes decisions on crucial matters related to the company's basic management policies and business operations, as well as on issues delegated by the general meeting of shareholders. It also oversees the management's execution of their duties. The Board of Directors consists of four members: three executive directors (including the CEO) and one independent director. In accordance with the Commercial Act and the Articles of Association, at least one-quarter of the board members are independent directors. The term for an independent director is three years. Under the amended Paragraph 1, Article 34 of the Enforcement Decree of the Commercial Act, the term is limited to a maximum of six years (or nine years if including affiliated companies). To ensure accountability and efficient decision-making, the CEO also serves as the chairman of the Board of Directors. If the chairman is unavailable, the president or vice president will take over the duties, in that order.

### Current Composition of the Board of Directors in 2023

Category	Name	Gender	Date of Initial Appointment	Date of the Term Expiration	Area of Expertise	Relationship with the Company and Affiliates	Long-Tenured Independent Directors	Appointed Background
Executive directors	Chang-Won Lee	Male	1973.04.20	General meeting in 2027	Overall management of company operations	Holding 536,250 common shares	-	• CEO and Head of Management
	Won-Joon Lee	Male	1997.02.01	General meeting in 2025		Holding 728,190 common shares	-	• CEO and Head of Management
	Young-Pyo Hong	Male	2017.03.17	General meeting in 2026	General Business Support	-	-	• Head of Management Support Department
Independent directors	Kevin Baek	Male	2022.03.25	General meeting in 2025		-	None	• Current CEO of SAWTRON INC • Former Lead researcher at LG Innotek USA • Former Senior researcher at LG Corporate Technology Center



## Board Independence, Diversity, and Expertise

While KET does not maintain a separate Director Nomination Committee, it recommends director candidates through a thorough assessment of their expertise, experience, management capabilities, and leadership qualities. The Board of Directors selects individuals believed to contribute to the company's future growth and advancement. We aim to appoint directors with diverse experiences and expertise in fields such as management, economics, law, relevant technologies, or other specialized knowledge. We also seek individuals who are recognized for their social standing or notable achievements in these areas. When selecting executive directors, the Board of Directors assesses qualifications and experience to recommend candidates to the shareholders' meeting. For the appointment of independent directors, the Board rigorously evaluates independence from the company and compliance with legal requirements before presenting candidates to the shareholders' meeting. Directors are appointed at the shareholders' meeting, where approval requires a majority of voting rights represented and at least one-fourth of the total issued shares. Additionally, in accordance with Paragraph 2, Article 542-8 of the Commercial Act, our independent directors cannot serve as directors, executive officers, or auditors for more than two other companies. During the nomination process for independent directors, we also review potential conflicts of interest and ensure there are no disqualifying factors. At the 49th General Shareholders' Meeting in March 2022, we strengthened the board's expertise and diversity by appointing an independent director with extensive experience in the global technology sector. We will continue to secure independent directors with professionalism, diversity, and accountability to broadly reflect various shareholder opinions, thereby enhancing corporate value and shareholder value.

### Board member training outcomes in 2023

Training Name	Training Target	Number of Participants
Ethics-Compliance Education	Executive Director	3

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## Board of Directors Operation

The Board of Directors holds regular quarterly meetings and convenes ad-hoc meetings as necessary. Each meeting is called by the respective directors. To ensure effective board operations, relevant support department (Legal Affairs Team) provides detailed information on agenda items to independent directors in advance, enabling them to thoroughly review the agenda and provide their insights. The resolutions of the Board are passed with a majority of directors present and the approval of a majority of attending directors. In 2023, a total of 12 board meetings were held (4 regular and 8 ad-hoc), during which discussions took place on 25 agenda items, including the 'establishment and approval of safety and health plans'. The attendance rate of all directors was 100%.

### Operations of Board of Directors in 2023

Meeting No.	Date	Agenda	Approval Status	Type	Attendance	Chang-Won Lee	Won-Joon Lee	Young-Pyo Hong	KEVIN BAEK
1	2023.01.12	1. Approval of foreign exchange payment guarantee limit 2. Approval of financial institution borrowing 3. Approval of KETS fund borrowing	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
2	2023.01.19	1. Approval of loan extension payment guarantee for KET Vina CO., LTD 2. Approval of headquarters payment guarantee for borrowing from financial institution for China Corporation	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
3	2023.02.16	1. Appointment of Chief Compliance Officer	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
4	2023.02.23	1. Report on the operation of the CEO and internal account manager 2. Auditor's internal accounting management system evaluation report 1. Holding the 50th General meeting of shareholders 2. Final profit dividends for the 50th fiscal year 3. KET poland sp.z.o.o. local operation funding borrowing 4. Establishment and approval of safety and health plans	Approved	Regular	4/4	Agreed	Agreed	Agreed	Agreed
5	2023.03.14	1. Approval of capital increase with consideration for Poland KET Sp.z.o.o.	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
6	2023.03.30	1. Matters related to existing bonds (export growth fund loan) 2. Approval of external borrowing for operating funds (including facility)	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
7	2023.03.31	1. Approval of Young-Pyo Hong's concurrent position as executive director 2. Approval of directors' compensation 3. Approval of audit compensation 4. Appointment of executive directors	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
8	2023.04.04	1. Appointment of the Head of Quality Department	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
9	2023.06.08	1. Resolution to close Shareholder Register due to the 51th fiscal year interim dividend payment 2. Approval of directors' compensation	Approved	Regular	4/4	Agreed	Agreed	Agreed	Agreed
10	2023.06.29	1. Appointment of research advisors	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
11	2023.07.20	1. Resolution to implement the 51th fiscal year interim dividend payment	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed
12	2023.12.21	1. Approval of conversion of loan into capital for KET Vina CO., LTD	Approved	Ad-hoc	4/4	Agreed	Agreed	Agreed	Agreed

## Evaluation and Rewards

Director compensation is determined through resolutions at the general shareholders' meeting in accordance with Article 388 of the Commercial Act and the Articles of Association. We evaluate independent directors based on their level of participation and contributions to sustainable management activities. Moving forward, we plan to introduce evaluation criteria that consider both qualitative assessments (self-assessment, peer assessment among independent directors, employee evaluations, etc.) and quantitative assessments (attendance rate, participation in agenda resolutions, number of speeches) to reflect the evaluation results in decisions such as reappointment. Compensation is based on the executive directors' base salary and a comprehensive set of criteria linked to the organization's management performance. In the future, performance evaluations and compensation will include the outcomes of ESG activities. Linking the evaluation of independent directors with their compensation may undermine their independence. Therefore, independent director compensation is set as a fixed salary within the limits of director compensation norms in similar industries, without additional bonuses.

### Director Compensation in 2023

Unit: Thousand KRW

Category	Number of individuals	Total amount paid	Average compensation per person
Registered directors <sup>1)</sup>	3	1,038,942	346,314
Independent directors	1	30,000	30,000
Audit	1	70,000	70,000

1) Excluding independent directors

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## Independence and Expertise of Audits

KET maintains a permanent audit structure and adheres to its Articles of Incorporation, internal audit rules, and internal accounting management rules. Under Article 28 of our Articles of Incorporation, we appoint auditors based on resolutions at the shareholders' meeting. When appointing auditors, shareholders holding more than 3% of the voting shares in excess of the total issued voting shares are prohibited from exercising voting rights on the excess shares. Our full-time auditors do not hold simultaneous positions as directors, executives, or employees within the company or its affiliates, ensuring their independence. When selecting audit candidates, we rigorously assess their essential qualifications and capabilities to perform audit duties, with final decisions made by the Board of Directors. To enhance our internal audit's effectiveness and expertise, we have formally included provisions for external expert consultation in our internal regulations and are actively implementing them. Our full-time auditors bring extensive experience in the financial sector, meeting the qualifications stipulated by the Commercial Code for performing audit tasks within our company.

## Operations of Internal Audit

To ensure effective audit operations, we provide unrestricted access to key management information within our company. Furthermore, our Articles of Incorporation stipulate that we may engage experts at the company's expense, facilitating access to necessary information for audit personnel. The audit department, which is in charge of internal audits, can conduct routine, comprehensive audits and special audits in accordance with internal audit regulations to enhance operational efficiency and assess risks.

## Enhancement of Shareholder Rights

KET provides shareholders with sufficient information in a timely manner, ensuring that shareholders can effectively exercise their rights. We announce the date, time, venue, and agenda of regular shareholders' meetings through written notices or an electronic disclosure system, in accordance with the legal deadline (2 weeks prior to the meeting). To facilitate smoother exercise of shareholder rights, we allow voting by proxy and plan to notify 4 weeks in advance, surpassing legal deadlines, to support shareholders in exercising their rights effectively. As of December 2023, there are no preferred shares issued. We ensure fair voting rights according to the Commercial Act and relevant laws, protecting shareholders' inherent rights without infringement.

## Shareholders with 5% or Shares (As of 2023)

Category	Number of shares owned (Shares)	Share ratio (%)
National Pension Service	1,202,980	11.55
YAZAKI CORPORATION	731,187	7.02
FIDELITY LOW PRICED FUND	560,487	5.38

## Shareholder Return Policy

KET places a foremost priority on enhancing shareholder value, consistently issuing dividends based on a comprehensive assessment of financial status, business performance, investment conditions, and market trends. We actively drive a shareholder return policy, having consecutively issued 21 annual dividends by 2023 (51st term), along with 18 consecutive interim dividends. Additionally, we endeavor to maintain dividend levels equivalent to prevailing market interest rates to ensure shareholders receive appropriate returns.

## Dividend Performance in 2023

Category	Unit	Performance
Cash dividend per share	KRW	700
(Consolidated) Net income	Million KRW	72,856
(Consolidated) Net income per share	KRW	7,063
Total cash dividend	Million KRW	7,221
(Consolidated) Cash dividend payout ratio	%	0.93

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# RISK MANAGEMENT

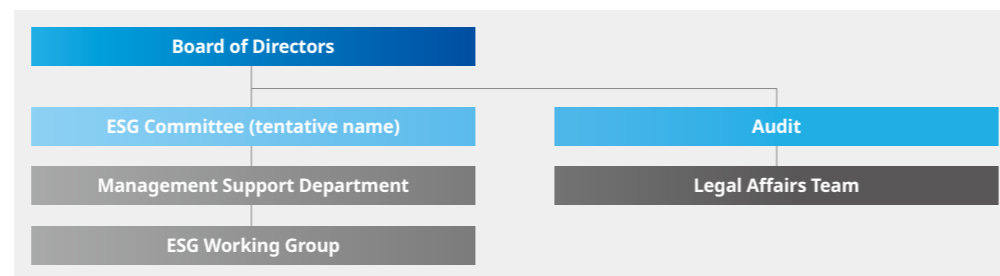
## Implementation Framework

KET proactively identifies and manages potential risks arising from rapidly changing business environments to minimize crises and maintain stable business operations. We identify and engage in preventive actions and monitoring for both financial and non-financial risks. We plan to strengthen management of potential risks that could significantly impact our business operations across all management activities, aiming to prevent negative impacts on operational activities in advance and respond to risks in a systematic way.

### Risk Management Governance

To systematically manage risks, KET’s board of directors generally reviews risk management, discussing and assessing responses to not just financial risks but significant issues. For significant risks, responsible departments and executives promptly report to the board of directors for swift response.

#### Implement Structure



Responsible Organization	Key Roles
Board of Directors	Key decision-making on corporate operations, oversight of directors' execution of duties
ESG Committee	Deliberation, resolution, and monitoring of critical matters such as ESG management and operational plans
Audit	Supervision and oversight of directors' execution of duties
Management Support Department	Enhancing efficiency through smooth organizational operations
ESG Working Group	Management by department

### Major Non-Financial Risk Factors and Response Measures

Key Risk Factors	KET’s Response Measures	
Legal and Regulatory	<ul style="list-style-type: none"> <li>Risks related to new legislation and government sanctions</li> <li>Risks related to affiliates</li> </ul>	<ul style="list-style-type: none"> <li>Continuous monitoring of legislative and government policy trends related to domestic and international automotive parts and electronics industries</li> </ul>
Quality Assurance	<ul style="list-style-type: none"> <li>Risk due to product quality issues</li> <li>Production interruption</li> <li>Risk of supplier disruptions from partners</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining Quality Management System Certification</li> <li>Establishing Quality Management Control System</li> </ul>
Anti-corruption measures	<ul style="list-style-type: none"> <li>Risk due to unethical employee behavior</li> </ul>	<ul style="list-style-type: none"> <li>Code of conduct review</li> <li>Anti-corruption education</li> </ul>
Climate change	<ul style="list-style-type: none"> <li>Transition and physical risks due to climate change</li> <li>Climate disclosure risk</li> </ul>	<ul style="list-style-type: none"> <li>Carbon emissions management and transparent information disclosure for own operations and major subsidiaries</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li>Raw material supply risks</li> <li>Conflict minerals risks</li> <li>Global corporate ESG risks</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of supply chain-related human rights and environmental impacts</li> <li>Assessment, audits, and management of ESG practices for partners</li> </ul>
Information Security	<ul style="list-style-type: none"> <li>Increasing risks of cyber attacks and data breaches</li> </ul>	<ul style="list-style-type: none"> <li>Guidelines on Information security</li> <li>Operation and monitoring of information security systems</li> <li>Cybersecurity training and education</li> </ul>

## Tax Risk Management

KET has established tax policies and strategies for 2024 to promote a sound tax culture and contribute to economic development. We are aware of differences in tax laws across countries and maintain transparent relationships with tax authorities, actively cooperating and providing legal evidence when requested to clarify facts. Specifically, we diligently fulfill tax reporting and payment obligations in accordance with the laws of each country where we operate, strictly prohibiting any illegal activities under tax laws. Furthermore, we do not engage in tax evasion by using tax havens or transferring income to low-tax jurisdictions. We adhere to OECD guidelines in establishing transfer pricing policies and conduct transactions with related parties within the legal arm's length price range.

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# INFORMATION SECURITY

## Principle and Policy

KET manages and reports on information assets, security matters, trade secrets, and other intellectual property under the 'Corporate Security Rules.' We supervise, assess, and provide post-management in the areas of facility, physical, and technical security at each business site, annually revising rules to enhance security levels. In 2023, new training modules were introduced to prevent hacking via malware, and in February 2024, overseas corporation inspections and education were added to enhance security across all domestic and international business sites.

Security rules apply to all stakeholders, including employees, contractors, visitors, and cover all tangible and intangible information assets owned or operated by the company.

### Security Rules and Related Guidelines



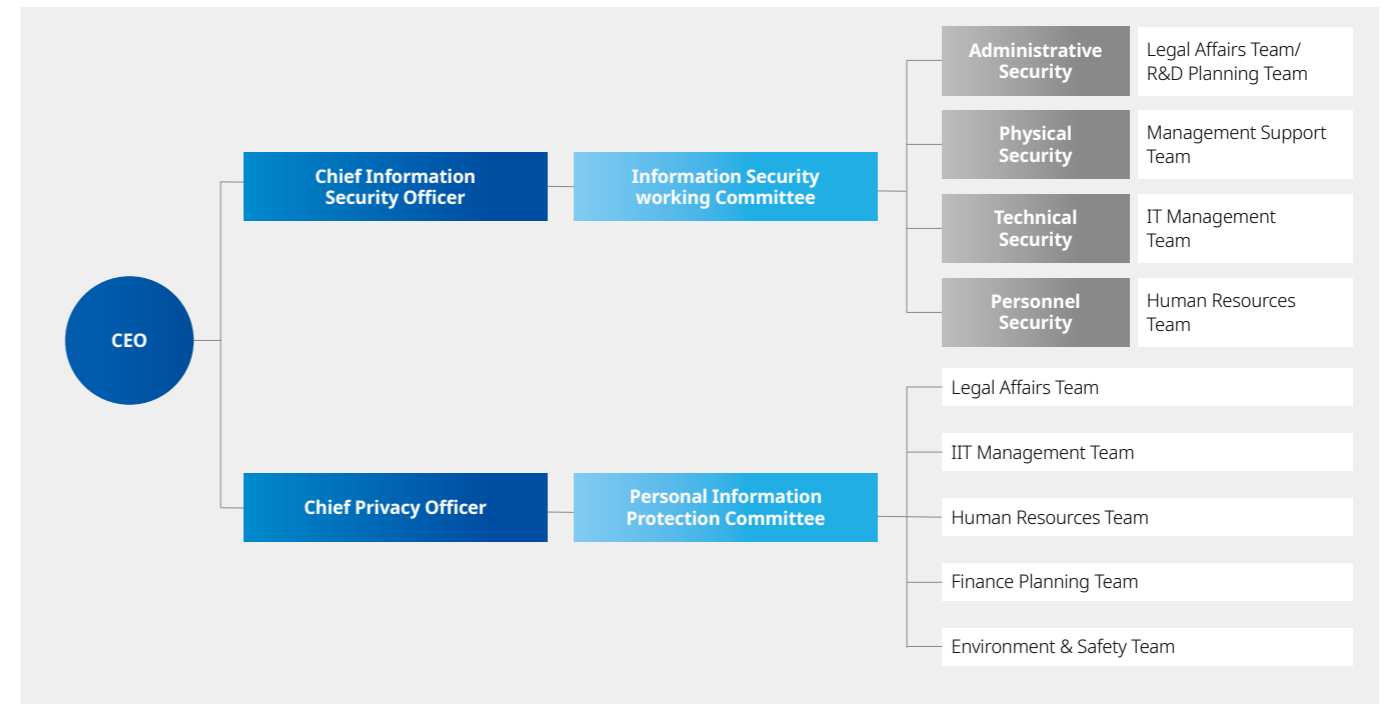
Administrative Security	Technical Security	Physical Security
<ul style="list-style-type: none"> <li>• Corporate Security Rules</li> <li>• Personal Information Protection Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Information Asset Access Control Guidelines</li> <li>• IT Security Incident Response Guidelines</li> <li>• Network Security Guidelines</li> <li>• Mobile Security Guidelines</li> <li>• Security System Operation Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• System Security Guidelines</li> <li>• CCTV Operation Guidelines</li> <li>• Facility Protection and Access Control Guidelines</li> </ul>

## Implementation Framework

KET's Legal Team serves as the Security Oversight Team responsible for the implementation, supervision, assessment, and post-management of the company's corporate security rules under the control of the Chief Information Security Officer (CISO). In particular, we appoint Information Security and Personal Information Protection Managers. The CISO serves as a head of Management Support Department, while the Chief Privacy Officer (CPO) serves as a head of Management Innovation Department.

Information security tasks are overseen through the 'Information Security Committee,' chaired by the CISO, and the 'Personal Information Protection Committee,' chaired by the CPO. These committees review and deliberate on overall information security and personal information protection policies and implementations. In 2023, we held the Information Security Committee meetings four times to discuss and enhance the corporate security policies and execution plans, including strengthening the revision cycle of security rules and sub-guidelines to an annual basis.

### Information Security Management Organization





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# INFORMATION SECURITY

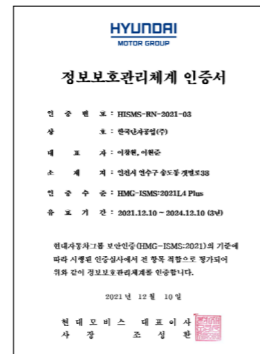
## Information Security Risk Management

### Security Pledge

At KET, to legally protect trade secrets and enhance security awareness among employees, we require everyone, regardless of whether they are internal or external, to submit a pledge before accessing our facilities and information assets. Employees sign the pledge upon joining and during executive appointments, with existing employees renewing their pledge every three years. Additionally, all visitors, including contractors' personnel, must submit both the company's information security pledge and the visitor security pledge. Our standard contracts with contractors include provisions on compliance with security regulations.

### Certification of Customer Information Security Management System

At KET, we apply our customers' security certification standards to manage risks associated with information security. In accordance with Hyundai Motor Group's security certification (HMG-ISMS:2021) criteria, we underwent an assessment of our information security management system and received a conformity assessment across all aspects. The certification is valid until December 2024.



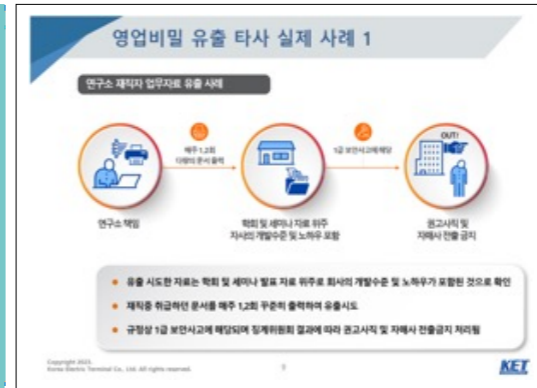
Information Security Management System Certification

### Security Education

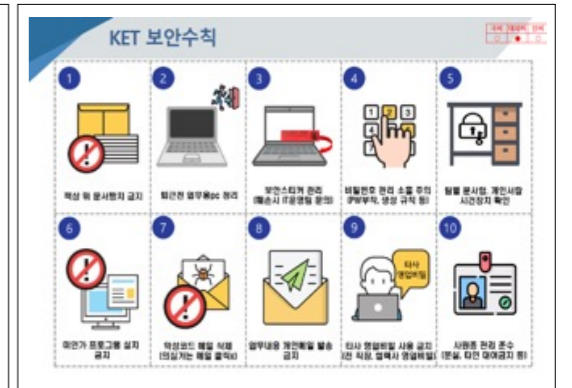
To enhance security awareness and response capabilities among employees, we conduct regular security education sessions at least once a year for all staff members. In 2023, we conducted training for domestic employees, sharing case studies. Employees who missed training due to leave or overseas travel were required to participate in subsequent sessions held semi-annually to ensure all staff members complete the education. Additionally, we conduct security education for partners and subsidiaries at least once a year to promote awareness of information security. Starting February 2024, we have reinforced regulations to conduct annual security education for overseas corporations.



Security protocols for employees on overseas travel



Disseminate trade secret leaks



Disseminate security practices

### Regular Information Security Education in 2023

#### Employee Completion Rate

100%

Date	Training Content	Number of Participants Completed
2023.03.13 ~ 03.24	(First half) Case studies of trade secret leakage from other companies, findings from security inspections	1,085 participants from all business sites (33 non-completers <sup>1)</sup> )
2023.12.11 ~ 12.21	(Second half) Conducted security training and simulated phishing exercises	1,108 participants from all business sites (29 non-completers).

1) Non-completers Training will be conducted upon the return of employees on leave or business trips, including those on sabbatical or assignments abroad. Non-completers from the first half complete their training in the second half.

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# INFORMATION SECURITY

## Information Security Activities

### Security Inspections

KET conducts regular inspections twice a year across all business sites to prevent information security risks, with expansion to overseas corporations starting from February 2024. Additionally, annual security inspections are conducted for subsidiaries and partners. Ad hoc security inspections are conducted using 'Security Days' each month, and equipment inspections at business sites are performed at least once a year. In April 2023, regular security inspections were carried out, targeting all business sites during holiday periods (New Year's, Chuseok, summer vacation) to prevent information security risks. Site visits were conducted to identify and address office space issues and ensure management compliance.

#### Security Inspection and Improvement Actions in 2023

Regular Security Inspections	Conducted more than twice annually, preceding holidays
Ad Hoc Security Inspections	Conducted on 'Security Days' monthly
Security Guard Duties Inspection	Performed more than three times annually, results are reported to the CISO
Computer Equipment Inspection	At least once annually, unauthorized computer equipment entry, etc.
Partners and Subsidiaries Inspection	Conducted annually, optionally using security inspection checklists
Project Personnel Inspection	Conducted upon permanent staff departure
Overseas Corporation Inspection	At least once annually, replaceable by self-inspection following dissemination of security checklist

### Key Monitoring Activities

To prevent information leaks, KET annually monitors all external emails to ensure that employees do not use personal email accounts for work-related purposes. In February 2023, we conducted a thorough investigation of 8,003 external email addresses on our mail server and identified two instances of email extraction. For these cases, we obtained email extraction explanations approved by the department head. Subsequently, security education was conducted to discourage the use of personal emails for work purposes. Moreover, to prevent leakage of trade secrets, enhanced security management for departing employees was implemented. In December 2023, an investigation into security breaches was conducted for 12 employees who left the company, with a review revealing no notable issues related to media export records, document decryption records, external email transmission records, or the submission of confidentiality agreements.



Content of security education on email usage

직원 ID	성명	직책	검토 일자	결과
0100	김민준	개발팀	2023.02.15	· 확인사항 없음
0200	이준호	영업팀	2023.02.15	· 확인사항 없음
0300	박지민	영업팀	2023.02.15	· 확인사항 없음
0400	정민준	영업팀	2023.02.15	· 확인사항 없음
0500	최민준	영업팀	2023.02.15	· 확인사항 없음
0600	한민준	영업팀	2023.02.15	· 확인사항 없음
0700	정민준	영업팀	2023.02.15	· 확인사항 없음
0800	김민준	영업팀	2023.02.15	· 확인사항 없음
0900	이민준	영업팀	2023.02.15	· 확인사항 없음
1000	박민준	영업팀	2023.02.15	· 확인사항 없음
1100	정민준	영업팀	2023.02.15	· 확인사항 없음
1200	최민준	영업팀	2023.02.15	· 확인사항 없음

Review results on security breaches by departing employees in 2023

### Personal Information Protection

KET strengthens the secure management of personal information to ensure the safety of personal data. A protection pledge is required for individuals handling personal information, and in January 2023, team-specific training and pledge renewals were completed for 47 members across 8 teams including Finance, Accounting, HR, and IT. For new hires, a validity check of personal information handling items is conducted before collecting pledges. We enhanced its personal information guidelines to include 'measures for ensuring the security of personal information'. We conduct annual inspections to ensure that technical and administrative protections for personal data are properly implemented.

#### Personal Information Handler Inspection Details and Results in 2023

Category	Inspection Items	Inspection Results
Document neglect	<ul style="list-style-type: none"> <li>Leaving personal information on desks</li> <li>Personal information exceeding retention period</li> </ul>	<ul style="list-style-type: none"> <li>No issues identified</li> </ul>
External transfer	<ul style="list-style-type: none"> <li>Sending personal information via external email</li> <li>Unauthorized media transfer</li> </ul>	<ul style="list-style-type: none"> <li>Checked external email transmission history for 53 personal information handlers in 2023</li> <li>No issues identified</li> <li>No media transfer history</li> </ul>
System authority	<ul style="list-style-type: none"> <li>Deletion of authority for department changes and retirees</li> <li>Checked authorities for each E-HR system handler</li> </ul>	<ul style="list-style-type: none"> <li>Authorization status for personal data handlers</li> <li>Confirmed deletion of authority for retirees</li> </ul>

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# ETHICAL MANAGEMENT

## Policies and Practices

KET has established a code of ethics and a code of conduct to provide guidelines for ethical management and values-based decision-making among employees during their business activities. Specifically, in April 2023, the company established a separate ‘Employee Code of Conduct’ to enhance transparency in corporate operations and raise ethical awareness. The scope of application for the code of conduct includes all employees, as well as majority-owned domestic and international subsidiaries and business partners.

Code of Ethics' charter

### Code of Ethics' charter

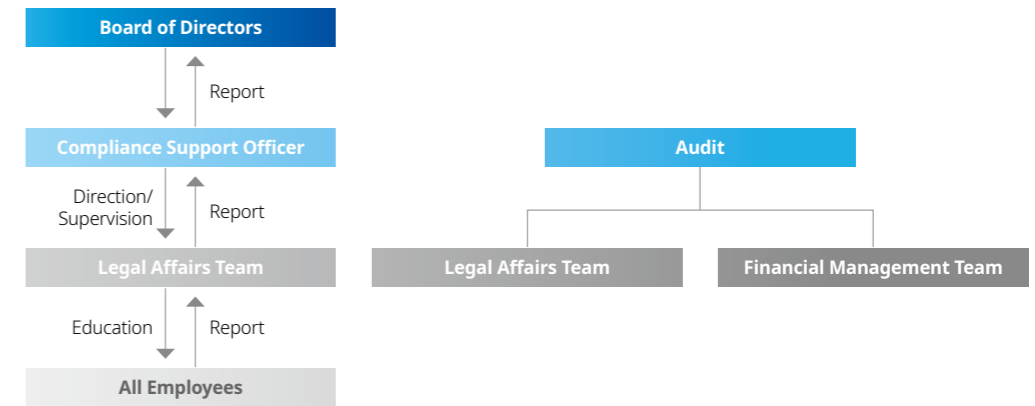
In order to develop together with the local community through ethical management and become a trusted global company not only in Korea but also in the world, We has established the Code of Ethics' charter and complied with the following.

- We strive to achieve our mission through creative thinking and bold actions, aiming to become a global leader in component manufacturing.
- We conduct our business with integrity and fairness based on high ethical values, leading efforts in corruption prevention and promoting a clean public service environment.
- We always put ourselves in the customer's shoes, provide high-quality services that meet customer demands and expectations promptly, aiming to bring joy and comfort to our customers.
- We foster a fair and transparent corporate culture, pursuing mutual development with all stakeholders through mutual trust and cooperative relationships.
- To establish a healthy market economy, we do not engage in unethical or illegal practices such as collusion and adhere to laws regarding antitrust and fair trade.
- We promote mutual growth with our partners, prohibit inappropriate benefits from and to our partners, and comply with laws regarding fair subcontracting practices.
- We recognize our role in the local community, and actively participate in corporate social responsibility activities that benefit society.
- We respect the dignity of each employee, ensure non-discriminatory treatment, strive for fair opportunities and evaluations, and focus on improving employee health and quality of life.
- We comply with domestic and international laws and fulfill our duties and responsibilities to contribute to a healthy, prosperous, and advancing society.
- We respect life, strive to create a clean natural environment, and endeavor to prevent accidents and environmental pollution.
- We prohibit money laundering and tax evasion, comply with the tax laws and regulations of each country in which we operate, and diligently fulfill our tax obligations.
- We prohibit the use of tax structures with no commercial substance (such as the exchange of goods and services to artificially inflate profits).
- We prohibit acts of fraud, breach of trust, and embezzlement for profit.

## Implementation Framework

KET has appointed a Chief Compliance Officer to ensure efficient compliance and ethical management activities. Based on legal advice, this officer blocks illegality and enhances the legality of decision-making processes. Through the Chief Compliance Officer, we monitor adherence to compliance standards and report to the board of directors on whether management and employees comply with prescribed laws and regulations and appropriately perform company management. Additionally, our internal audit support organization consists of the Financial Management Team and Legal Affairs Team. The Financial Management Team directly and indirectly supports audit activities, while the Legal Affairs Team investigates, reviews, and evaluates compliance with rules, regulations, and directives across the company's operations.

### Ethical Management Organization Framework



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# ETHICAL MANAGEMENT

## Ethical Management Risk Management

### Monitoring and Inspection

KET enhances employee awareness of compliance and ethical management to proactively prevent ethical risks, conducting compliance checks for all employees. Particularly, in 2023, it has reinforced self-assessment based on a 'compliance control self-diagnostic form' for all employees.

#### Compliance Support Activities in 2023

Category	Activities
Training	(Keep) Special training upon hiring (Enhanced) Compliance training for all employees (Enhanced) Compliance training for specific departments
Inspection	(Enhanced) Biannual self-assessment for all employees * Based on compliance control self-diagnostic form
Consultation support	(Keep) Ongoing legal advice and compliance support for all employees

### Ethics Education

KET conducts mandatory legal training such as sexual harassment prevention, disability awareness improvement, workplace harassment prevention, as well as compliance and ethics/human rights education for all employees across its operations. Employees unable to attend due to childcare leave or overseas business trips are required to complete the training upon their return. In 2023, education on global ethical management trends, unethical behavior and cases, the impact of unethical behavior on stock prices, and employee code of conduct related to ethics and human rights were provided. In particular, special compliance training was conducted for the purchasing department, which faces high ethical management risk, and in 2023, all employees of the purchasing department completed special education on the major amendments to the Win-Win Cooperation Act.

#### Completion Status of Compliance / Ethical Education in 2023

Category	Compliance Education	Ethical Education
Target	1,142	1,136
Number of employees who have completed	1,129	1,131
Number of employees who have not completed	3 on childcare leave, 10 on overseas business trips	3 on childcare leave, 2 on overseas business trips

### Ethical Management Pledge

KET requires all employees to sign a pledge for compliance management and ethical conduct, encouraging them to understand ethical norms and actively participate in the company's ethical management activities.

#### Compliance and Ethical Commitment Status in 2023

##### Compliance Commitment Rate

98.9%

##### Ethical Commitment Rate

99.6%

\* For employees on leave, overseas business trips, etc, commitment will be made upon their return.

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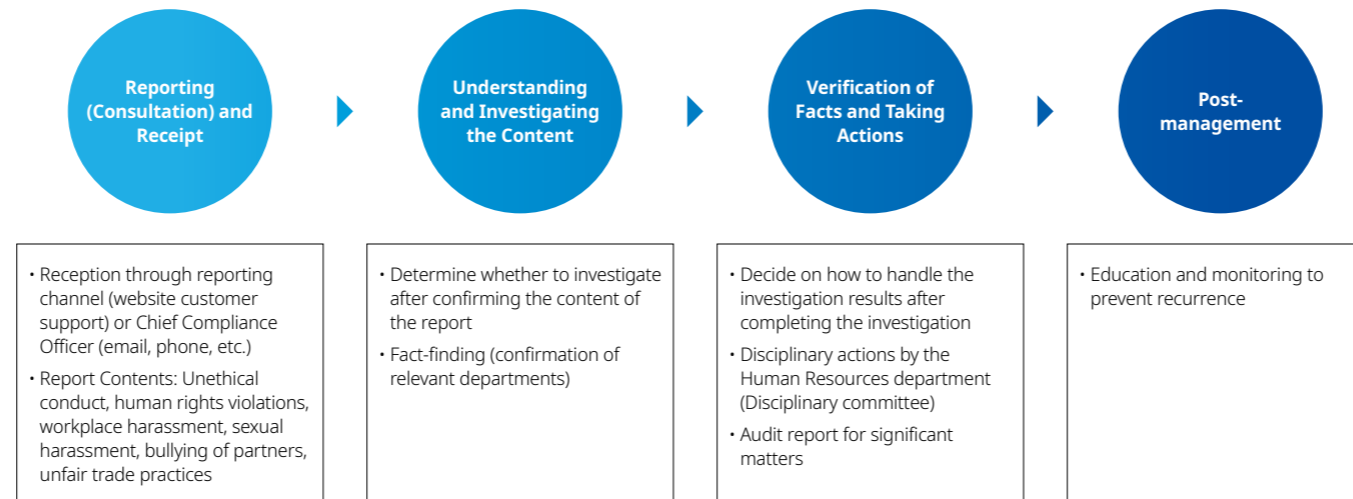
# ETHICAL MANAGEMENT

## Reporting and Communication Channels

### Reporting and Disclosure System

KET operates a reporting system through its website, known as the Reporting-Information Channel', allowing employees to report unethical conduct, unfair trade practices, grievances, and seek counseling on ethical standards. Employees can report unethical conduct, human rights violations, workplace harassment, sexual harassment, bullying by partners, and unfair trade practices through the Reporting-Information Channel. Once receiving a report, the Compliance Support Officer conducts an investigation within 14 days, submits the findings to the Human Resources department or equivalent for disciplinary action as per regulations, and promptly informs the CEO of significant cases. We guide through our website the reporting procedures and protection regulations for whistleblowers, ensuring strict confidentiality and preventing secondary harm to the reporter.

### Report Processing Procedure



### Protection of Whistleblowers

At KET, we maintain a reporting center where employees can report violations of behavior standards or suspected misconduct at any time. We ensure transparency by posting information about the reporting center on our company-wide intranet portal notice board, providing guidelines for anonymous reporting channels and safeguarding whistleblowers. In 2023, we have detailed and managed regulations for protecting whistleblowers. In accordance with these measures, we ensure the anonymity of whistleblowers who report issues, allowing employees to raise concerns without fear of reprisal. We strictly prohibit discrimination, harassment, threats, or any actions that could disadvantage or intimidate whistleblowers.

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Environmental Performance

Social Performance

Governance Performance

# FINANCIAL PERFORMANCE

## Summary of Consolidated Financial Information

Category	Unit	2021	2022	2023
Non-current assets	Thousand KRW	573,792,467	623,581,015	677,320,678
Tangible assets	Thousand KRW	465,261,557	534,366,825	561,568,614
Right-of-use assets	Thousand KRW	8,468,093	8,668,774	26,241,200
Intangible assets	Thousand KRW	9,169,396	9,260,357	9,104,069
Investments in associates	Thousand KRW	4,950,994	5,519,118	4,567,051
Long-term other financial assets	Thousand KRW	75,383,952	47,314,926	52,060,303
Long-term other receivables	Thousand KRW	1,245,516	2,286,052	2,689,305
Deferred corporate tax assets	Thousand KRW	8,837,907	14,488,337	19,651,255
Other non-current assets	Thousand KRW	475,052	1,676,626	1,438,880
Current asset	Thousand KRW	551,370,812	666,195,440	747,731,088
Inventory assets	Thousand KRW	170,404,616	246,993,711	255,976,957
Accounts receivable	Thousand KRW	204,333,503	247,363,336	247,003,023
Other receivables	Thousand KRW	17,741,867	4,420,482	13,504,036
Other financial assets	Thousand KRW	91,399,021	46,097,041	47,928,357
Other current assets	Thousand KRW	10,926,603	37,946,008	85,347,971
Current corporate tax assets	Thousand KRW	-	33,760	31,533
Cash and cash equivalents	Thousand KRW	56,565,202	83,341,101	97,939,211
<b>Total assets</b>	<b>Thousand KRW</b>	<b>1,125,163,279</b>	<b>1,289,776,455</b>	<b>1,425,051,765</b>
Capital stock	Thousand KRW	5,207,500	5,207,500	5,207,500
Capital surplus	Thousand KRW	25,705,832	25,705,832	25,705,832
Capital adjustment	Thousand KRW	(3,122,089)	(3,122,089)	(3,122,089)
Other capital	Thousand KRW	31,947,250	12,136,608	17,491,928
Retained earnings	Thousand KRW	782,462,963	830,476,148	886,647,938
Total equity attributable to parent company shareholders	Thousand KRW	842,201,456	870,403,999	931,931,109
Total non-controlling interests	Thousand KRW	(34,074)	(119,762)	(167,784)
<b>Total capital</b>	<b>Thousand KRW</b>	<b>842,167,382</b>	<b>870,284,237</b>	<b>931,763,325</b>
Non-current liabilities	Thousand KRW	88,166,911	72,371,283	99,098,869
Current liabilities	Thousand KRW	194,828,986	347,120,936	394,189,571
<b>Total liabilities</b>	<b>Thousand KRW</b>	<b>282,995,897</b>	<b>419,492,219</b>	<b>493,288,440</b>
Sales	Thousand KRW	962,228,396	1,168,134,977	1,296,939,956
Operating profit	Thousand KRW	76,226,360	64,257,367	111,745,138
Net income for the period	Thousand KRW	62,880,356	48,629,559	72,856,237
Net profit attributable to parent company shareholders	Thousand KRW	62,916,614	48,715,247	72,904,259
Net profit attributable to non-controlling interests	Thousand KRW	(36,258)	(85,688)	(48,022)
Total comprehensive income	Thousand KRW	85,181,902	35,337,354	68,699,588
Basic earnings per share (KRW)	KRW	6,100	4,723	7,068
Number of companies included in consolidation	Number of companies	12	14	14

Financial Performance

► [Environmental Performance](#)

Social Performance

Governance Performance

# ENVIRONMENTAL PERFORMANCE

## Environmental Management

Category	Unit	2021	2022	2023
Number of environmental regulation violations	Cases	0	0	0
Fines	Million KRW	0	0	0
ISO 14001 target business sites	Sites	8	11	11
ISO 14001 certified business sites	Sites	8	11	11
ISO 14001 certified business sites rate	%	100.0	100.0	100.0
Eco-friendly Products <sup>1)</sup> sales	Million KRW	218,846	299,237	323,059
Proportion of sales from eco-friendly products and services <sup>1)</sup>	%	24.1	27.1	27.6

1) Eco-friendly Products: Components used in environmentally-friendly vehicles, such as electric cars

## Energy

Category	Unit	2021	2022	2023
<b>Total Energy Consumption</b>				
Electricity (power) consumption	TJ	662	660	696
Energy consumption per unit <sup>2)</sup>	TJ/100 million KRW	0.07	0.06	0.05

2) Calculated based on consolidated sales

## Greenhouse Gas Management (including affiliates)

Category	Unit	2021	2022	2023
<b>Domestic business sites</b>				
Direct and indirect greenhouse gas emissions (Scope 1&2) <sup>3)</sup>	tCO <sub>2</sub>	31,718	31,656	33,603
Direct greenhouse gas emissions (Scope 1)	tCO <sub>2</sub>	277	249	479
Indirect greenhouse gas emissions (Scope 2)	tCO <sub>2</sub>	31,444	31,412	33,130
Greenhouse gas emission intensity <sup>4)</sup>	tCO <sub>2</sub> /100 million KRW	2.97	2.43	2.38
Other emissions (Scope 3) <sup>5)</sup>	tCO <sub>2</sub>	N/A	N/A	173,821.95
Purchased goods & services	tCO <sub>2</sub>	N/A	N/A	166,811.57
Capital goods	tCO <sub>2</sub>	N/A	N/A	853.45
Fuel and energy-related activities not included in Scope 1 & 2	tCO <sub>2</sub>	N/A	N/A	2,659.96
Waste generated in operations	tCO <sub>2</sub>	N/A	N/A	397.69
Employee business travel	tCO <sub>2</sub>	N/A	N/A	1,852.57
Employee commuting	tCO <sub>2</sub>	N/A	N/A	1,246.70
<b>Overseas business sites<sup>6)</sup></b>				
Direct greenhouse gas emissions (Scope 1)	tCO <sub>2</sub>	352	141	178
Indirect greenhouse gas emissions (Scope 2)	tCO <sub>2</sub>	13,346	17,826	17,548

3) The sum of the emissions for each subsidiary (KET and R&D Center, Nonhyeon, Namdong, Pyeongtaek & Logistics, Hwaseong, Pyeongdong, KET NETWORK, and KET SOLUTION), after truncating to the nearest whole number, differs from the sum of emissions by type

4) Calculated based on consolidated sales

5) For domestic business sites (excluding KET NETWORK, KET SOLUTION)

6) WEIHAI KET ELECTRONICS, KET VINA, KET POLAND SP. Z O.O, MEXKET S de RL de CV

## Greenhouse Gas Management (Individual Affiliates)

Category	Unit	2023						
		KET	KETN <sup>7)</sup>	KETS <sup>8)</sup>	KET China <sup>9)</sup>	KET VINA	KET POLAND SP. Z O.O	MEXKET S de RL de CV
Direct greenhouse gas emissions (Scope 1)	tCO <sub>2</sub>	231	27	221	18	-	160	-
Indirect greenhouse gas emissions (scope 2)	tCO <sub>2</sub>	18,415	592	14,123	4,907	10,361	1,904	377

7) KET NETWORK

8) KET SOLUTION

9) WEIHAI KET ELECTRONICS



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# ENVIRONMENTAL PERFORMANCE

## Water Resources Management

Category	Unit	2021	2022	2023
<b>Water withdrawal volume<sup>1)</sup></b>				
Total water withdrawal	ton	71,118	63,740	55,044
Municipal (Industrial) water (or from other water utilities)	ton	71,118	63,740	55,044
<b>Water withdrawal intensity<sup>2)</sup></b>				
Water withdrawn from regions with 'High' baseline water stress	ton	None	None	None
Water withdrawn from regions with 'Extremely High' baseline water stress	ton	None	None	None
<b>Wastewater discharge<sup>3)</sup></b>				
Total wastewater discharge	ton	33.5	24.6	22.6
Wastewater discharge intensity	ton/100 million KRW	0.003	0.002	0.002
<b>Water consumption</b>				
Total water consumption	ton	71,085	63,715	55,021
Water consumption intensity	ton/100 million KRW	7.39	5.45	4.24
Water consumed in regions with 'High' baseline water stress	ton	None	None	None
Water consumed in regions with 'Extremely High' baseline water stress	ton	None	None	None

1) No ground water

2) Calculated based on consolidated sales

3) Wastewater discharge from Namdong Plant and Pyeongtaek Plant; per unit is calculated based on consolidated sales

## Hazardous Substance Management

Category	Unit	2021	2022	2023
<b>Reportable spills</b>				
Number of reportable spills <sup>4)</sup>	Cases	0	0	0
Aggregate Quantity of reportable spills	kg	0	0	0
<b>Emissions of air pollutants<sup>5)</sup></b>				
Total Emissions of air pollutants	ton	0.038	0.158	1.102
NOx	ton	N/A	N/A	N/A
SOx	ton	N/A	N/A	N/A
Dust	ton	0.038	0.158	1.102

4) The number of reportable spills shall include any leaks, emissions, discharges, injections, disposals and abandonment releases over time.

5) NOx and SOx emission reporting is not mandatory; Dust emissions are based on Namdong, Pyeongtaek, and Pyeongdong

## Waste Management

Category	Unit	2021	2022	2023
<b>Designated waste<sup>6)</sup></b>				
Total designated waste	ton	32	31	27
Recycling <sup>7)</sup>	ton	13	12	12
Incineration	ton	19	19	15
Landfill	ton	0	0	0
<b>General waste</b>				
Total general waste	ton	1,206	1,085	1,133
Recycling <sup>8)</sup>	ton	1,161	1,053	1,101
Incineration	ton	45	31	32
Landfill	ton	0	0	0
Waste generation intensity <sup>9)</sup>	ton/100 million KRW	0.13	0.10	0.09
Waste recycling rate <sup>10)</sup>	%	94.9	95.5	95.9

6) based on Allbaro system

7) Waste oil, process sludge

8) Waste synthetic resin (KET business sites excluding the Pyeongdong plant.), scrap/injection runners, waste activated carbon

9) Calculated based on consolidated sales

10) Waste recycling / waste generation \* 100%

Financial Performance  
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# SOCIAL PERFORMANCE

## Supply Chain Management

Category	Unit	2021	2022	2023
Total supply chain purchasing	100 million KRW	6,387	8,139	7,631
Raw materials	100 million KRW	2,741	3,842	3,218
Processing	100 million KRW	1,399	1,544	1,660
Purchased parts	100 million KRW	2,096	2,566	2,556
Packaging materials	100 million KRW	152	187	197

## Raw Materials and Recycled Raw Material Purchases

Category	Unit	2021	2022	2023
<b>Raw materials</b>				
Total raw material purchase	ton	41,426	42,954	37,934
Metals (non-ferrous)	ton	23,422	25,200	21,661
Plastics (resins)	ton	17,887	17,613	16,130
Packaging materials <sup>1)</sup>	ton	117	141	143
<b>Recycled raw materials</b>				
Metals (Non-ferrous metal processing) <sup>2)</sup>	ton	8,700	2,543	2,341
Ratio of recycled raw materials used	%	21.06	5.94	6.19

1) Reporting weight based on the recycling contribution report to the Korea Environment Corporation Number of occurrences per 1,000 hours

2) Amount of scrap sold to recycling companies (non-ferrous sales) that is reprocessed

## Domestic Safety and Health Management System

Category	Unit	2021	2022	2023
Number of workers with safety and health certification	Persons	1,105	1,176	1,155
Ratio of workers with safety and health certification	%	100	100	100

## Safety Incident Indicators

Category	Unit	2021	2022	2023	
<b>Occupational injury rate</b>					
Employees	Number of injured employees	Persons	0	0	0
	Occupational injury rate	%	0	0	0
Partners (on-site contractors)	Number of injured employees	Persons	0	0	0
	Occupational injury rate	%	0	0	0
<b>Frequency rate</b>					
Employees	Number of injuries	Cases	0	0	0
	Frequency rate	Number of incidents per 1 Million hours	0	0	0
Partners (on-site contractors)	Number of injuries	Cases	0	0	0
	Frequency rate	Cases per 1 million hours worked	0	0	0
<b>Severity rate</b>					
Employees	Lost workdays	Cases	0	0	0
	Severity rate	Number of incidents per 1 Million hours	0	0	0
Partners (on-site contractors)	Lost workdays	Cases	0	0	0
	Severity rate	Cases per 1,000 hours worked	0	0	0

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# SOCIAL PERFORMANCE

## Domestic Employment Status<sup>1)</sup>

Category	Unit	2021	2022	2023
Total number of employees	Persons	1,105	1,176	1,155
<b>By Gender</b>				
Male	Persons	1,009	1,071	1,034
Female	Persons	96	105	121
Female employee ratio	%	8.7	8.9	10.5
<b>By Age</b>				
under 30 years old	Persons	102	67	91
Between 30 and 50 years old	Persons	857	929	911
50 years old and over	Persons	146	180	153
<b>By Job category</b>				
Executive	Persons	25	25	23
Research Staff	Persons	330	335	319
Administrative staff	Persons	380	428	413
Sales staff	Persons	110	104	96
Field staff	persons	260	284	304
<b>Workers without fixed term</b>				
Full time	Persons	1,042	1,092	1,058
Male	Persons	977	1,023	986
Female	Persons	65	69	72
<b>Temporary worker</b>				
Full time	Persons	63	84	97
Male	Persons	32	48	48
Female	Persons	31	36	49

1) Based on KET.

## Global Employment Status

Category	Unit	2021	2022	2023
Korea <sup>2)</sup>	Persons	1,792	1,856	1,971
Asia (excluding Korea) <sup>3)</sup>	Persons	2,379	3,234	2,738
Americas <sup>4)</sup>	Persons	1	61	175
Europe <sup>5)</sup>	Persons	77	80	220

2) 7 domestic corporations KET, KET SOLUTION, KET NETWORK, KET ENGINEERING, Gyeongwon Electronics, Kong Young Industrial, Hanbit Nuri

3) 3 overseas corporations, 1 branch: WEIHAI KET ELECTRONICS, KET VINA, KET JAPAN, Shanghai Branch

4) 2 overseas corporations, 1 branch: MEXKET S de RL de CV, KET USA, North America Branch

5) 1 overseas corporation, 1 branch: KET POLAND SP. Z O.O, Germany Branch

## Local Manager<sup>6)</sup> Ratio

Category	Unit	2021	2022	2023
<b>KET</b>				
Number of total local managers	Persons	112	109	126
Number of local managers	Persons	112	109	126
Local manager ratio	%	100	100	100
<b>Domestic corporations<sup>7)</sup></b>				
Number of total local managers	Persons	50	50	51
Number of local managers	Persons	50	50	51
Local manager ratio	%	100	100	100
<b>Overseas corporations<sup>8)</sup></b>				
Number of total local managers	Persons	107	121	158
Number of local managers	Persons	55	65	90
Local manager ratio	%	51.4	53.7	57

6) Manager level and above

7) KET SOLUTION, KET NETWORK, KET ENGINEERING, Gyeongwon Electronics, Kong Young Industrial, Hanbit Nuri

8) WEIHAI KET ELECTRONICS, MEXKET S de RL de CV, KET POLAND SP. Z O.O, KET VINA

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# SOCIAL PERFORMANCE

## Diversity Indicators

Category	Unit	2021	2022	2023
<b>Employment of social minorities</b>				
Disabled individual <sup>1)</sup>	Persons	20	20	21
Veterans and persons of national merit	Persons	11	10	10
Part-time	Persons	-	-	-
Dispatched	Persons	2	2	3
<b>Female employees</b>				
Total number of employees	Persons	1,105	1,176	1,155
Number of female employees	Persons	96	105	121
Female employee ratio	%	8.7	8.9	10.5
<b>Executive level Number of female managers</b>				
Total number of executive managers	Persons	25	25	23
Number of female managers among executive managers	Persons	0	0	0
Female manager ratio among executive managers	%	0	0	0
<b>Manager level<sup>2)</sup> Number of female managers</b>				
Total number of managers	Persons	437	460	493
Number of female managers among managers	Persons	9	13	16
Ratio of female managers among managers	%	2.1	2.8	3.2
<b>Number of female employees in STEM<sup>3)</sup> department</b>				
Total number of employees in STEM department	Persons	440	439	415
Number of female employees in STEM department	Persons	31	31	34
STEM department female employee ratio	%	7.0	7.1	8.2

1) Based on the subsidiary (Hanbitnuri), a standard workplace for the disabled

2) Manager level: from G5 level and above

3) STEM: Science-Teach-Engineering-Math departments

## Talent Recruitment and Turnover

Category	Unit	2021	2022	2023
<b>Age-based new hires</b>				
under 30 years old	Persons	47	65	79
Between 30 and 50 years old	Persons	95	148	155
50 years old and over	Persons	8	12	12
<b>Gender-based new hires</b>				
Male	Persons	110	179	185
Female	Persons	40	46	61
<b>Age-based turnover</b>				
under 30 years old	Persons	22	45	55
Between 30 and 50 years old	Persons	92	126	147
50 years old and over	Persons	14	19	27
<b>Gender-based turnover</b>				
Male	Persons	110	151	186
Female	Persons	18	39	43
<b>Age-based voluntary turnover</b>				
under 30 years old	Persons	17	43	38
Between 30 and 50 years old	Persons	77	105	103
50 years old and over	Persons	3	6	12
<b>Gender-based voluntary turnover</b>				
Male	Persons	87	128	134
Female	Persons	10	26	19
<b>Total voluntary turnover<sup>4)</sup></b>				
Total voluntary turnover rate <sup>5)</sup>	%	8.8	13.1	13.3

4) Number of retirees excluding mandatory retirement

5) Total voluntary turnover formula: (total number of voluntary leavers / total employees) \* 100

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# SOCIAL PERFORMANCE

## Employees Performance Evaluation and Rewards

Category	Unit	2021	2022	2023
<b>Domestic employee compensation</b>				
Legal minimum wage	KRW	8,720	9,160	9,620
Entry-level employee salary (male) <sup>1)</sup>	KRW	2,401,570	2,401,570	2,527,970
Entry-level employee salary (female) <sup>1)</sup>	KRW	2,401,570	2,401,570	2,527,970
Ratio (male) <sup>2)</sup>	%	122	116	116
Ratio (female) <sup>2)</sup>	%	122	116	116
<b>Employees who received regular performance evaluations<sup>3)</sup></b>				
Number of employees subject to regular performance evaluation	Persons	1,029	1,046	1,038
Male	Persons	969	979	968
Female	Persons	60	67	70
Number of employees who received regular performance evaluations	Persons	1,029	1,046	1,038
Male	Persons	969	979	968
Female	Persons	60	67	70
Ratio of employees who received regular performance evaluations	%	100	100	100
<b>Base salary and compensation ratio of women to men in Korea<sup>4)</sup></b>				
Average base salary and compensation ratio of women to men in lower-ranking positions in Korea	%	96	95	100
Average base salary and compensation ratio of women to men in mid-level positions in Korea	%	94	95	97
Average base salary and compensation ratio of women to men in top positions in Korea	%	N/A	N/A	85
Base salary and compensation ratio of women to men at domestic executive level in Korea	%	N/A	N/A	N/A

1) Monthly salary (base salary) for new university graduates

2) Ratio of new hire salary compared to legal minimum wage

3) Excluding those excluded from evaluation based on internal criteria as of the evaluation date

4) Categorized into lower (employee/researcher), mid-level (responsible/lead researcher), upper (senior/senior researcher), and executive to compare salaries for men and women in equivalent positions/ranks

## Maternity Leave and Childcare Leave

Category	Unit	2021	2022	2023
<b>Total number of employees eligible for childcare leave</b>				
Male	Persons	328	331	422
Female	Persons	5	7	10
<b>Total number of employees who used childcare leave</b>				
Male	Persons	5	6	9
Female	Persons	4	3	1
<b>Employees eligible to return from childcare leave</b>				
Male	Persons	1	9	8
Female	Persons	2	4	1
<b>Returnees from childcare leave</b>				
Male	Persons	1	8	8
Female	Persons	2	4	1
<b>Childcare leave return rate<sup>4)</sup></b>				
Male	%	100	89	100
Female	%	100	100	100
<b>Retention rate after return<sup>5)</sup></b>				
Male	%	100	88	86
Female	%	100	100	100

4) (Returnee in the reporting year / Returnee subject to return in the reporting year)\*100%

5) (Number of employees who worked for 12 months after returning to work in the reporting year / Number of employees who returned to work in the reporting year) \* 100%

## Maternity Protection and Flexible Working Systems

Category	Unit	2021	2022	2023
Reduced working hours during pregnancy	Persons	1	1	0
Reduced working hours for childcare	Persons	0	1	3
Male	Persons	0	0	0
Female	Persons	0	1	3
Childcare leave for school admission	Persons	0	1	0
Male	Persons	0	0	0
Female	Persons	0	1	0
Flexible work system <sup>6)</sup>	Persons	38	16	9

6) Currently operating only flexible work system

# SOCIAL PERFORMANCE

## Employee Education Status

Category	Unit	2021	2022	2023
<b>Employee Education Status</b>				
Total number of employees	Persons	1,105	1,176	1,155
Total number of trainees	Persons	241	308	801
Total training hours	Hours	4,521	7,463	22,089
Training hours per person	Hours/persons	4.1	6.3	19.1
Total training costs	Million KRW	204.6	250.0	326.6
Training costs per person	Million KRW/persons	0.2	0.2	0.3
<b>Current status of ethics management training for executives and employees</b>				
Training on the Anti-Bribery Act	Persons	38	125	102
Training on fair trade	Persons	38	125	102
<b>Ethical Management Practice Pledge<sup>1)</sup></b>				
Ratio of employees who pledge to practice ethics management	%	95.6	96.8	99.6
<b>Sexual harassment prevention training</b>				
Number of training sessions	Sessions	1	1	1
Target audience	Persons	1,139	1,178	1,189
Training graduates	Persons	1,110	1,145	1,167
Training costs	Million KRW	1.1	1.2	1.2
Training hours	Hours	1	1	1
<b>Disability awareness training</b>				
Number of training sessions	Sessions	1	1	1
Target audience	Persons	1,139	1,178	1,189
Training completion	Persons	1,111	1,142	1,161
Training costs	Million KRW	1.1	1.2	1.2
Training hours	Hours	1	1	1

1) For those who did not sign the commitment, such as those on leave or on overseas business trips, the commitment is expected to be signed upon return

## Labor-Management Communication

Category	Unit	2021	2022	2023
<b>Labor-management council agenda handling rate</b>				
Number of agendas	Cases	13	14	18
Number of action items	Cases	13	14	18
Action completion rate	%	100	100	100
<b>Anonymous grievance board</b>				
Number of workplace environment improvement requests	Cases	2	2	3
Number of workplace environment improvement cases handled	Cases	2	2	3
Number of welfare enhancement requests	Cases	2	1	6
Number of welfare enhancement cases handled	Cases	2	1	6
Number of HR and labor system improvement requests	Cases	0	0	0
Number of HR and labor system improvement cases handled	Cases	0	0	0

## Corporate Social Responsibility

Category	Unit	2021	2022	2023
<b>Social contribution costs</b>				
Charitable donations (cash donations) <sup>2)</sup>	Million KRW	138	178	109

2) based on donations reported in separate financial statements

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- ▶ Social Performance
- Governance Performance

# SOCIAL PERFORMANCE

## Partner Management

Category	Unit	2021	2022	2023
<b>Partner selection</b>				
Total number of new registered partners <sup>1)</sup>	Companies	41	15	19
Number of new partners assessed based on social and environmental criteria <sup>2)</sup>	Companies	-	-	12
Percentage of new partners assessed based on social and environmental criteria	%	-	-	63
<b>Partner evaluation</b>				
Number of partners subject to regular evaluation <sup>3)</sup>	Companies	-	-	50
Number of regularly evaluated partners based on social and environmental criteria <sup>4)</sup>	Companies	-	-	50
Percentage of regularly evaluated partners based on social and environmental criteria	%	-	-	100
<b>Partner code of conduct compliance contract ratio</b>				
Total number of partners <sup>5)</sup>	Companies	344	326	311
Number of partners with code of conduct compliance commitment <sup>6)</sup>	Companies	-	-	50
Partner code of conduct compliance contract ratio	%	-	-	16
<b>Key domestic partners</b>				
Total number of partners	Companies	344	326	311
<b>Local suppliers</b>				
Total number of local suppliers	Companies	344	326	311
South Korea	Companies	296	281	271
China	Companies	15	13	16
Asia and Oceania	Companies	16	17	13
America	Companies	4	5	3
Europe	Companies	13	10	8
<b>Local suppliers</b>				
Total local supplier purchase costs	100 million KRW	6,387	8,139	7,631
South Korea	100 million KRW	5,840	7,171	6,905
China	100 million KRW	384	755	416
Asia and Oceania	100 million KRW	102	143	180
America	100 million KRW	1	1	1
Europe	100 million KRW	59	68	129

- 1) Registration of new domestic manufacturing/distribution partners
- 2) Standards established for 2021-2022, implementation starting in 2023 (excluding overseas (5)/distributors (1)/one-time (1))
- 3) Conducted annually based on internal management standards for companies reaching a certain transaction scale (excluding overseas partners and distributors)
- 4) Standards established for 2021-2022, self-evaluation by partners starting in 2023
- 5) Conducted annually based on internal management standards for companies reaching a certain transaction scale (excluding overseas partners and distributors)
- 6) Standards established for 2021-2022, implementation starting in 2023

## Product Quality and Customer Satisfaction

Category	Unit	2021	2022	2023
<b>Violations of product and service safety and health regulations</b>				
Number of violations of product and service safety and health regulations	Cases	0	0	0
Percentage of products evaluated for safety and health impact assessment <sup>7)</sup>	%	100	100	100
<b>Recall status</b>				
Total number of recalls	Cases	0	0	0
Number of products recalled	Products	0	0	0
<b>Quality training</b>				
External training	Persons	5	23	27
<b>Customer satisfaction management</b>				
Number of claims received	Cases	151	93	107
Number of actions taken	Cases	151	93	107
Number of ongoing cases	Cases	0	0	0

7) The percentage of major product categories, as defined by KET Co., Ltd.'s internal standards, that have been certified including a safety and health impact assessment

## Risk Management

Category	Unit	2021	2022	2023
<b>Ethical management risk assessment status<sup>8)</sup></b>				
Number of business sites where corruption risk assessments were performed	Companies	1	1	1
Percentage of business sites where corruption risk assessments were performed	%	100	100	100
Number of business sites with significant corruption risks	Companies	0	0	0
Number of identified unethical (corruption) cases	Cases	0	0	0
Number of actions taken against unethical (corruption) behavior	Cases	0	0	0
Number of training sessions on unethical (corruption) behavior	Cases	0	0	0
Number of partner contracts terminated due to unethical (corruption) cases	Cases	0	0	0
Number of employees terminated or disciplined due to unethical (corruption) cases	Cases	0	0	0
<b>Violations of laws and regulations</b>				
Number of information security/cyber security incidents	Cases	0	0	0
Number of personal data information security violations	Cases	0	0	0
Number of violations of ethical management regulations	Cases	0	0	0
Number of violations of anti-corruption regulations	Cases	0	0	0
Number of violations of fair competition regulations	Cases	0	0	0
<b>Fines</b>				
Total fines or penalties paid due to information security or cyber security incidents	Million KRW	0	0	0
Financial losses due to violations of product safety regulations	Million KRW	0	0	0
Financial losses due to violations of anti-corruption regulations	Million KRW	0	0	0
Financial losses due to violations of fair competition regulations	Million KRW	0	0	0
Financial losses due to other regulatory violations	Million KRW	0	0	0

8) Scope is limited to KET

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# GOVERNANCE PERFORMANCE

## Association Fees and Other Expenditures

Category	Unit	2021	2022	2023
Related associations	Million KRW	34	35	43
Amount paid	Million KRW	26,331	23,081	24,404
Government grants	Million KRW	2,090	2,500	1,900

## Corporate Tax Payment Status

Corporate Tax Payment Status	Unit	2021	2022	2023
Pre-tax profit <sup>1)</sup>	Million KRW	86,359	69,551	100,019
Corporate tax expense <sup>1)</sup>	Million KRW	23,479	20,921	27,163
Corporate tax paid <sup>2)</sup>	Million KRW	26,331	23,081	24,404

1) Consolidated basis

2) Consolidated basis (Corporate tax payment based on cash flow)



BUSINESS OVERVIEW

ESG MANAGEMENT

PERFORMANCE

ESG DATA

APPENDIX

# APPENDIX

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# POLICY

## Environmental Management Policy

### Purpose

This policy aims to pursue sustainable growth through environmental management, continuously improve environmental performance to minimize pollution, and contribute to sustainable development and overcoming climate crises through business activities and cooperation with stakeholders.

### Scope of Application

This policy applies to all employees, subsidiaries, and partners involved in corporate activities. It requires adherence to the environmental management policy and encourages compliance from contractors and partners engaged with the company.

### Environmental Management Guidelines

1. The management is committed to achieving sustainable environmental development through eco-friendly practices.
2. We comply with domestic and international environmental laws and regulations, meets customer and stakeholder requirements, and establishes and implement necessary policies for environmental management.
3. We conduct environmental impact assessments and risk evaluations to identify and mitigate potential environmental risks in production processes, minimizing environmental impacts.
4. We minimize waste generation, enhance recycling and reuse, manage and process waste appropriately, and continuously monitor and improve resource efficiency to reduce environmental pollution.
5. We reduce greenhouse gas emissions, develop eco-friendly technologies, set mid-to long-term goals and strategies, and continually engage in and implement activities to address climate change.
6. We continuously assess the impact of management activities on biodiversity, seek and implement measures to minimize these impacts, and strive to maintain ecosystem balance.
7. We establish a system for managing hazardous substances in products to actively address domestic and international environmental regulations and minimize environmental impacts from product use.

### Environmental Management Governance

At KET, we designate the CEO as the top responsible person for key environmental management issues. The CEO reviews the strategic direction and implementation plans for environmental management and makes decisions on significant matters related to business execution. We have established a dedicated team to oversee its environmental management efforts. This team is responsible for developing environmental management strategies, implementing and managing the environmental management system (ISO 14001), creating plans for controlling pollutants at business sites, identifying risks and opportunities, and conducting environmental impact assessments. The team monitors compliance to ensure the stable operation of the environmental management system.



### Environmental Management Strategy

KET is committed to creating an eco-friendly workplace by establishing an environmental management system, complying with environmental laws and regulations, and monitoring and improving environmental performance to protect natural environments and promote sustainable development.

#### A. Environmental Management System (ISO14001)

- We identify and improve the environmental impacts of production activities and facilities, systematically establish and regularly evaluate environmental management goals, plans, implementation, and improvements.
- We analyze environmental pollution, resource depletion, and climate change from management activities, identify environmental risks and opportunities, and continuously monitor and improve to minimize environmental impacts.

#### B. Environmental Regulations Compliance

- We comply with applicable environmental regulations such as the Clean Air Conservation Act, Water Environment Conservation Act and Wastes Control Act, and monitor amendments to manage compliance history.
- When environmental regulations are amended, we determine applicability to the workplace, regularly educate employees on compliance, and ensure awareness and practice of environmental regulation importance.

#### C. Water Quality Management

- We store wastewater generated from production processes properly, safely discharge through authorized treatment facilities, and manage discharge records through a wastewater management system.
- We comply with relevant regulations, internal rules, and guidelines to manage wastewater, and seek and explore recycling options to minimize wastewater discharge to reduce water usage.

#### D. Air Quality Management

- We minimize air pollutants such as gases and particulate matter from production processes and install air pollution control facilities to prevent exceeding emission limits.
- We ensure compliance with relevant regulations through the efficient operation and record-keeping of emission and control facilities. We maintain operation logs to assess environmental impacts and conduct continuous monitoring.

#### E. Waste Management

- We Systematically manage waste from generation to storage, collection/transportation, and disposal at the business site, and establish procedures for its management.
- We install and operate collection areas to segregate and store waste by type, and register the waste with a legal disposal system to track and manage waste generation.
- We select waste transportation and disposal companies based on legal criteria and procedures, and regularly monitor and manage compliance with legal waste disposal regulations and environmental laws.

#### F. Noise/Vibration Management

- To prevent noise generated from production processes, we provide appropriate protective equipment (such as earplugs and earphones) and conduct regular health check-ups (including hearing tests) to minimize the impact of noise.

#### G. Soil Contamination Management

- We prevent soil contamination that could arise from chemical substances, industrial waste (both general and designated) and wastewater, and minimize potential impacts on business sites through appropriate treatment.

#### H. Greenhouse Gas Management

- When introducing new equipment, we implement high-efficiency energy systems, reduce electricity and gas consumption, and conduct energy reduction campaigns within the workplace.
- We set targets for reducing greenhouse gas emissions and Renewable Energy 100 (RE100) transition planning, conduct regular monitoring, plan, implement, and verify measures to achieve carbon neutrality.

#### I. Chemical Substance Management

- We identify hazardous substances in all materials (components, raw materials, etc.) used in products such as RoHS, REACH, and WEEE. We strive to minimize the impact on the human body by improving parts and materials in accordance with usage restrictions and prohibitions.
- We assess the use of chemicals within the business site, review Material safety data sheet (MSDS), establishing a chemical substance management system to ensure safe usage.

#### J. Biodiversity

- When selecting new site locations, we investigate and monitor the biodiversity status of the site and surrounding areas to identify species needing protection. We continuously assess and develop measures to manage impacts on biodiversity, ensuring the preservation of natural habitats and landscapes.
- We provide biodiversity training for employees to enhance their awareness and encourage voluntary participation in conservation efforts.

### Schedule

This Environmental Management Policy is established and implemented as of June 1, 2024.

Document Number	KM-02
Date of Establisahment	2023.08.21
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Responsible Organization	Environment & Safety Team
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# POLICY

## Health & Safety Management Policy

### Purpose

This policy aims to pursue sustainable growth through safety and health management, continuously improve safety and health performance to minimize disasters and disease outbreaks, and contribute to sustainable development and overcoming emergency and disaster occurrence through business activities and cooperation with stakeholders. The Safety and Health Management Policy is established based on domestic and international safety and health regulations, standards, and guidelines (ISO 45001), as well as KET’s safety and health principles, management strategies, and goals.

### Scope of Application

This policy applies to all employees, subsidiaries, and partners involved in corporate activities. It mandates adherence to the safety and health management policy, encourages compliance from contractors and partners, and promotes joint efforts in expanding preventive safety inspections, embedding safety culture, and implementing new safety technologies.

### Health & Safety Management Guidelines

1. We strive to realize and prioritize a safety and health management system through effective safety and health management practices.
2. We are committed to complying with safety and health regulations and management policies, ensuring the rights of our employees, fulfilling our social responsibilities, and striving to be a leading company in exemplary safety and health management.
3. We ensure communication and participation between stakeholders and employees, and establish a system for autonomous safety activities.
4. We build and maintain a safety and health system to prevent serious accidents, conduct risk assessments, and implement improvement measures to address harmful and hazardous factors.
5. Management manager ensure the safety and health of subcontractors, service providers, and outsourced companies, and will conduct continuous management by including establishing evaluation criteria and procedures for this.

### Safety and Health Governance

The fundamental principle of KET’s safety and health management guideline is to establish a safety and health system that meets global standards, complying with ISO 45001 and other regulations. We report our annual safety and health plans to the board of directors. All matters related to safety and health, including the establishment of measures to prevent the recurrence of industrial accidents and the conduct of risk assessments, are reviewed and approved by the Industrial Safety and Health Committee, which includes worker representatives. The establishment of a dedicated

safety and health organization and the division of roles were carried out based on the board's decision in 2022. The Safety and Health Management Officer oversees and manages the company's safety and health activities, including the implementation of safety and health policies, while Chief HSE Manager is responsible for managing the industrial accident prevention activities for both the client's employees and those of subcontractors. In alignment with stakeholder needs (such as contractors and partners), risk assessments have been implemented, and stakeholders are included in the company's safety and health practices. Additionally, safety and health-related items are included in the key performance indicators for department heads and group leaders, and ESG-related metrics are incorporated into the performance evaluations for the entire company, including those for the CEO. We strive to continuously improve the performance of our safety and health management system, setting priorities, establishing action plans, and defining quantitative goals for overall and departmental safety and health performance indicators. Furthermore, the safety and health policy cover subcontracting, outsourcing, commissioned work, and special types of workers.

### Health & Safety Management Strategy

KET is dedicated to creating a safe workplace by establishing a safety and health management system, complying with safety and health regulations, and monitoring and improving safety and health performance to protect lives and prevent accidents.

#### A. Occupational Safety and Health Management System (ISO45001)

- We identify the impact of production activities and facilities on safety and health, establish safety and health management goals to make improvements, and operate the P(Plan)-D(Do)-C(Check)-A(Action) cycle systematically, regularly evaluating all processes.
- We analyze potential risk factors and disease-causing elements in management activities to identify safety and health risks and opportunities. We continuously monitor and implement improvements to minimize the impact of accidents.

#### B. Compliance with Safety and Health Regulations

- We comply with applicable safety and health regulations, such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act, and monitor amendments to manage compliance history.
- When safety and health related regulations are amended, we determine applicability to the workplace, regularly educate and evaluate employees on compliance, and ensure awareness and practice of environmental regulation importance.

#### C. Focus on Preventing Serious Accidents

To prevent and reduce industrial accidents, including serious accidents, we strategically implement preventive inspections and facility improvements. We also enhance evaluation and criteria to mitigate all risk factors. We also expand investments in all necessary requirements for participation, communication, and infrastructure development, including implementing worker participation programs to prevent serious accidents.

#### [Core Objectives]

1. Conduct annual evaluations of budgets, investment plans, expenditures, and verification related to safety and health management
2. Proactively implement safety and health policies, guidelines, and manuals

#### D. Training Management

- KET provides preemptive training to all stakeholders, including employees, about all existing risks at the company. Regular, irregular, special training, and emergency evacuation drills are conducted to ensure safety and health awareness in daily activities..

#### E. Safety and Health Initiatives

- KET implements initiatives to establish and normalize a safety culture, including the following activities:
  1. Risk Assessment: We identify potential hazards such as working environment issues, human errors, near-miss incidents, machinery, equipment, raw materials, facilities, and other harmful or risky factors in advance, and take necessary measures to prevent accidents.
  2. Provision of Personal Protective Equipment: We select appropriate personal protective equipment for each job process, adhering to the principle of one set per person. We ensure that safety gear remains functional by managing issues like damage, wear, and expiry.
  3. Safety and Health Signage Management: We attach warning signs and indicators to hazardous areas, facilities, and substances to inform employees of potential dangers and implement preventive measures.
  4. Safety Measures for the Work Environment: We measure and analyze potential risk factors in the work environment, identify hazards, and conduct periodic improvement actions.
  5. Safety Measures for Machinery, Equipment, and Facility We implement protective measures based on the function and characteristics of machinery, equipment, and facilities. We perform regular maintenance and functionality checks to eliminate potential risks.
  6. Emergency Response: We develop emergency response scenarios for accidents such as falls, collapses, fires, explosions, and poisoning. We conduct training and ensure that relevant equipment and facilities are readily available.
  7. Health Management and Disease Prevention: We conduct regular health check-up programs to protect and maintain employees' health. We also implement preventive and health measures to avoid health issues caused by handling machinery, equipment, hazardous locations, and substances.
  8. Safety Inspections: We perform scheduled inspections to identify and address potential hazards in work areas, implementing horizontal deployment across sites to suppress accident occurrences.
  9. Support for Partners and Suppliers: We provide appropriate support to partners and suppliers as part of safety measures, including necessary training, consultations, and equipment provision.
  10. Accident Investigation: In the event of an accident, we investigate the causes, identify defects, and develop measures to prevent the recurrence of similar or related incidents. After an incident, we conduct regular analyses of industrial accident statistics and incorporate the findings into safety and health performance goals to prevent future occurrences..

### Schedule

This Health & Safety Management Policy is established and implemented as of June 1, 2024.

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Responsible Organization	Environment & Safety Team
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# POLICY

## Human Rights Charter

### Purpose

KET declares this Human Rights Charter to actively implement human rights management, prevent human rights violations related to business operations, and mitigate associated risks.

KET adheres to international human rights and labor standards and guidelines, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the core conventions of the International Labour Organization, and the OECD Due Diligence Guidance.

### Scope of Application

This Human Rights Charter applies to all employees of KET (including executives, staff, and non-regular workers) across domestic and international production and sales entities, subsidiaries, and joint ventures. Employees are expected to adhere to this charter when interacting with suppliers, sales, and service organizations and to encourage all stakeholders in business relationships to respect this charter.

In cases where local laws conflict with the provisions of this Human Rights Charter, local regulations take precedence. The charter may be revised to reflect the legal and industry-specific requirements of the respective country, and separate detailed policies may be established if necessary.

Except where special provisions exist in local laws, organizational Articles of Association, or regulations, all employees of KET are required to conduct their work in accordance with this Human Rights Charter.

### Basic Principles

#### Article 1 Non-discrimination

KET does not discriminate against employees based on gender, race, ethnicity, nationality, religion, disability, age, family status, position, rank, contract type, employment status, union membership, social status, or political views in recruitment, hiring, promotion, training, compensation, benefits, or any employment-related matters. We foster an organizational culture that respects diversity among employees.

#### Article 2 Compliance with Working Conditions

KET adheres to the legal working hours of the countries where it operates and provides all employees with fair compensation along with detailed pay statements. Additionally, we offer ample training opportunities and ensure a suitable work environment to support the development of employees' skills and improve their quality of life.

#### Article 3 Humane Treatment

KET respects the privacy of all employees, protects personal information, and does not engage in or tolerate physical or mental coercion, abuse, or unreasonable treatment.

#### Article 4 Guarantee Freedom of Association and Collective Bargaining

KET respects the labor relations laws of the country where this Policy for Human Rights is applied and provides all employees with adequate opportunities for communication.

#### Article 5 Prohibition of Forced Labor and Child Labor

KET does not engage in any acts of violence, intimidation, or coercion, and does not require employees to perform work against their free will through means such as demanding identification documents or visas. We prohibit child labor and ensure that young workers' employment does not restrict their educational opportunities.

#### Article 6 Prohibition of Sexual Harassment and Workplace Harassment

KET prohibits any form of coercive language, physical contact, sexual harassment, sexual violence, or mental harassment among employees, as well as any other forms of sexual coercion. In the event of such incidents, immediate and appropriate actions will be taken to protect victims and prevent secondary harm, while ensuring respect for employees' privacy and personal data.

#### Article 7 Guarantee of Industrial Safety

KET ensures that all employees work in a safe environment by regularly inspecting workplace facilities, equipment, and tools. We implement appropriate measures to prevent physical and mental risks and provide support for post-incident management.

#### Article 8 Protection of the Human Rights of Local Residents

All employees of KET are required to ensure that their work does not infringe on the human rights of local residents. We are committed to protecting residents' rights to safety, health, and freedom of residence.

#### Article 9 Protection of the Human Rights of Customers and Partners

All employees of KET must ensure that no human rights violations occur against customers or partners during business operations and take the utmost care to protect personal data collected through business activities.

### Grievance Handling Process for Human Rights Violations

KET operates channels for reporting human rights violations or risks, allowing employees and other individuals or organizations (whistleblowers) to submit reports. Anonymity is guaranteed to ensure that employees do not face retaliation for reporting.

#### Workplace Harassment / Sexual Harassment Reporting Channel

**Department** Legal Affairs Team

**Phone** 82-32-850-1111 / **E-mail:** psb@ket.com

#### Reporting Channels for Misconduct and Ethical Violations

**Communication Channel** Q&A board on the company website(<https://www.ket.com>)

**Phone** 82-32-850-1111 / **E-mail:** psb@ket.com

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# POLICY

## Partner Code of Conduct

KET is committed to strengthening partnerships with its partners and practicing mutual growth to pursue global expansion as a leading company. We expect our partners to adhere to international norms, standards, and legal requirements to achieve social responsibility and ongoing compliance. Furthermore, we require that our partners extend these standards to their subcontractors.

### General Requirements

All domestic and international suppliers must comply with national and international laws, as well as the Ten Principles of the UN Global Compact related to human rights, labor, environment, and anti-corruption. During contract execution, suppliers must comply with the detailed requirements related to ethics, social responsibility, and the environment additionally specified by us. Subcontractors related to suppliers are also encouraged to be aware of and adhere to the principles of this code of conduct.

### Specific Requirements

#### Ethical Standards

- Suppliers must align their business practices with ethical norms, striving for transparent and honest management. They must not engage in immoral practices such as bribery or undue benefits. Specifically, suppliers must not offer any form of bribes or inducements to our employees.
- Suppliers must refrain from engaging in collusive practices that undermine fair competition and must avoid illegal subcontracting agreements with third parties.
- Suppliers must not make unfair requests that could influence our employees' impartial execution of their duties or decision-making processes.
- Suppliers should educate their employees to foster a culture of integrity, rejecting bribery, and must report any corruption-related issues discovered during contract execution to us.

#### Social Standards

- Suppliers must comply with tax and labor laws within their operational jurisdiction, making every effort to adhere to both the letter and spirit of such laws.
- Suppliers must not engage in labor practices that violate domestic or international laws.
- Suppliers must not use child labor under any circumstances nor derive benefits from it.
- Suppliers must not discriminate against employees based on race, religion, gender, or physical ability during employment or hiring processes. They should also grant employees the freedom of association and the right to collective bargaining unless prohibited by law.

#### Environmental Standards

- Suppliers must adhere to environmental and safety regulations applicable to their business operations, striving to comply with both the provisions and spirit of these regulations.
- Suppliers should continuously improve their environmental performance by following environmental procedures and promoting the use of eco-friendly technologies.
- Suppliers must provide necessary safety equipment and ensure safe and healthy working conditions.
- Suppliers must conduct environmentally responsible business activities to minimize environmental impact within their operational regions.

### Evaluation Item

We conduct annual supply chain CSR (Corporate Social Responsibility) evaluations to proactively identify and manage supply chain risks as follows.

Ethics	30 points
Human Rights/Social	45 points
Environment/Health and Safety	25 points

### Grievance Handling Process

KET operates channels for reporting human rights violations or risks, allowing employees and other individuals or organizations (whistleblowers) to submit reports. Anonymity is guaranteed to ensure that employees do not face retaliation for reporting.

Phone: 82-32-850-1111 / E-mail: psb@ket.com / Q&A board on the website (<https://www.ket.com>)

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<b>BUSINESS OVERVIEW</b>
<b>ESG MANAGEMENT</b>
<b>PERFORMANCE</b>
<b>ESG DATA</b>
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# POLICY

## Conflict Minerals Management Policy

### Introduction to Conflict Minerals

#### Conflict Areas

10 countries surrounding Congo in the central region of Africa (Democratic Republic of Congo, Congo, Sudan, Rwanda, Burundi, Uganda, Zambia, Angola, Tanzania, Central Africa)

#### Conflict Minerals and Responsible Minerals in the 10 African Countries

- Conflict Minerals: Tin, Tungsten, Tantalum, gold
- Responsible Minerals: Cobalt, Copper, Mica, Nickel, Aluminum, Magnesium

#### Conflict minerals and major uses, usage status at KET Co., Ltd.

3TG	Major Uses	Usage Status
Tantalum	Electronics, hard tools, jet engine parts, mobile phones, etc.	O
Tin	Alloy, plating, printed wiring circuit boards, other parts solder, cans, etc.	O
Tungsten	Metal wires, electrodes, electrical circuits, LCD screens, drill bits, etc.	X
Gold	Jewelry, electronics (printed circuits, boards, connectors), etc.	O

### Conflict minerals management policy

KET will ensure that conflict minerals associated with armed groups in conflict regions are not included in our supply chain for product manufacturing. To achieve this, we will implement the following procedures.

- Establish a conflict minerals management process based on international regulations and support conflict minerals non-use guidelines promoted by EICC1 and the Global e-Sustainability Initiative.
- Utilize the CMRT 2 report provided by EICC to identify all smelters of 3TG (Tin, Tantalum, Tungsten, Gold) used in our products.
- Update information on conflict-free smelters and conduct due diligence procedures in accordance with OECD due diligence guidelines.

We will ensure that our conflict minerals internal management policy is consistently applied throughout the supply chain by informing all suppliers and requiring strict adherence to our internal management policy.

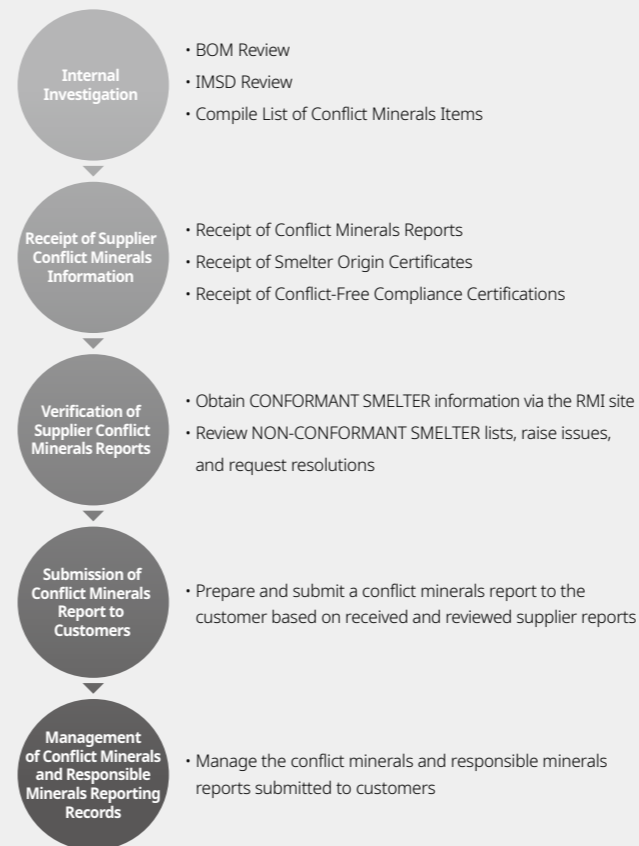
- Suppliers must establish documented conflict minerals management policies and procedures to ensure that the products supplied to KET do not contain conflict minerals that benefit armed groups in the Democratic Republic of the Congo or its neighboring countries.
- Suppliers must make a good faith effort to identify the names and locations of all smelters from which conflict minerals are purchased within the supply chain.

- Suppliers must submit the Conflict Minerals Reporting Template (CMRT) in a timely manner, as requested by KET.
- Suppliers must perform corrective actions in a timely manner if risks are identified within the supply chain.

KET may suspend transactions with suppliers under the following circumstances.

- If sufficient information necessary to verify the use of conflict minerals is not provided by the supplier.
- If the supplier provides false information.
- If risks within the supplier's supply chain are discovered but corrective actions are not taken.

### Conflict Minerals Management Process



### Conflict Minerals R&R

#### Purchasing Department Responsibilities

Responsible Team	Detailed Work	Management of Documentation
Purchasing Planning Team	<ul style="list-style-type: none"> <li>• General Conflict Minerals Response</li> <li>• Response to Customer CMRT Requests</li> <li>• Obtain annual smelter origin certificates for tin (and other metals)</li> </ul>	<ul style="list-style-type: none"> <li>• CMRT</li> <li>• Smelter Origin Certificates</li> </ul>
Component Development Team	<ul style="list-style-type: none"> <li>• Domestic New Purchases</li> <li>- Check for conflict minerals inclusion and request KQIS CMRT registration</li> <li>- Confirm 3TG minerals inclusion and related details</li> <li>• Overseas New Purchases</li> <li>- Request and obtain CMRT materials</li> </ul>	<ul style="list-style-type: none"> <li>• Registration documents on KQIS (CMRT)</li> <li>• Overseas company CMRT</li> </ul>
Parts Purchase Team	<ul style="list-style-type: none"> <li>• Outsourced partners (including rapid products)</li> <li>- Add a 'prohibition of conflict minerals usage' clause to the basic contract</li> <li>• Regularly obtain Certificate of Origin for smelters from plating companies every year</li> </ul>	<ul style="list-style-type: none"> <li>• Management of New Clauses in Basic Contracts</li> </ul>

#### Horizontal Information Dissemination

Information Sharing Recipients	Sharing Methods	Remarks
Purchasing / Sales Departments	• Conduct direct training sessions for relevant personnel	Communicate relevant information to key clients
Development/ Quality Department	• Share documents via email	

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# POLICY

## Code of Ethics

### Code of Ethics' charter

KET is a proud company that has significantly contributed to national economic development through its efficient business operations. We take pride in this achievement and aspire to become a global leader in the component industry. Through ethical management, we aim to develop together with the community and gain international trust. To this end, we have established the 「KET Code of Ethics' charter」 as a standard for the proper conduct and value judgments of all employees, and we are committed to diligently adhering to and implementing it.

- We strive to achieve our mission through creative thinking and bold actions, aiming to become a global leader in component manufacturing.
- We conduct our business with integrity and fairness based on high ethical values, leading efforts in corruption prevention and promoting a clean public service environment.
- We always put ourselves in the customer's shoes, provide high-quality services that meet customer demands and expectations promptly, aiming to bring joy and comfort to our customers.
- We foster a fair and transparent corporate culture, pursuing mutual development with all stakeholders through mutual trust and cooperative relationships.
- To establish a healthy market economy, we do not engage in unethical or illegal practices such as collusion, and adhere to laws regarding antitrust and fair trade.
- We promote mutual growth with our partners, prohibit inappropriate benefits from our partners, and comply with the Fair Transactions in Subcontracting Act.
- We recognize our role in the local community, and actively participate in corporate social responsibility activities that benefit society.
- We respect the dignity of each employee, ensure non-discriminatory treatment, strive for fair opportunities and evaluations, and focus on improving employee health and quality of life.
- We comply with domestic and international laws and fulfill our duties and responsibilities to contribute to a healthy, prosperous, and advancing society.
- We respect life, strive to create a clean natural environment, and endeavor to prevent accidents and environmental pollution.
- We prohibit money laundering and tax evasion, comply with the tax laws and regulations of each country in which we operate, and diligently fulfill our tax obligations.
- We prohibit the use of tax structures with no commercial substance (such as the exchange of goods and services to artificially inflate profits).
- We prohibit acts of fraud, breach of trust, and embezzlement for profit.

### Code of conduct

No.	Contents	Examples	Criteria
1	<b>Acceptance of Gifts and Benefits</b> <ul style="list-style-type: none"> <li>• Employees must not request or accept any gifts or benefits from stakeholders under any circumstances.</li> <li>- However, promotional items with company logos and commemorative gifts from events within customary limits are acceptable.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash, checks, gift certificates, negotiable securities, tickets, and gifts</li> </ul>	Prohibited
2	<b>Congratulatory Gifts</b> <ul style="list-style-type: none"> <li>• Employees should not actively inform stakeholders of personal or employee-related celebrations.</li> <li>• Employees who receive congratulatory gifts exceeding customary limits must report them.</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 50,000 KRW for congratulatory gifts; cards and emails are encouraged.</li> <li>• Gifts, wreaths, or plants exceeding customary limits.</li> </ul>	encouraged  Prohibited
3	<b>Entertainment and Hospitality</b> <ul style="list-style-type: none"> <li>• Employees must not accept any form of entertainment or hospitality.</li> <li>• Employees who accept entertainment or hospitality under unavoidable circumstances must report it.</li> </ul>	<ul style="list-style-type: none"> <li>• Meals and drinks exceeding 50,000 KRW per person</li> <li>• Casino or gambling activities</li> <li>• Steam baths, massage parlors, high-end barber shops</li> <li>• Skiing, golf</li> </ul>	Prohibited
4	<b>Conveniences</b> <ul style="list-style-type: none"> <li>• Employees must not accept conveniences such as transportation or accommodation paid for by stakeholders. However, conveniences provided to all attendees at events hosted by stakeholders within customary limits are exempt.</li> <li>• Employees who receive such conveniences under unavoidable circumstances must report it.</li> </ul>	<ul style="list-style-type: none"> <li>• Business trip support such as accommodation and transportation</li> <li>• Support for field trips to domestic and international exhibitions, fairs, etc.</li> <li>• Personal vacation accommodation, transportation support, event sponsorship (e.g., providing beverages), and other business support.</li> </ul>	Prohibited
5	<b>Financial Transactions</b> <ul style="list-style-type: none"> <li>• Employees must not engage in financial transactions such as loans, loan guarantees, real estate leasing, joint investments, debt repayment on behalf of others, accepting guarantees, or bargain purchase with stakeholders.</li> <li>• Employees who find it unavoidable to engage in such financial transactions must report them.</li> </ul>	<ul style="list-style-type: none"> <li>• Joint investment (movable property, real estate, goodwill, membership rights)</li> <li>• Agency repayment (credit card payments, loans, credit payment)</li> <li>• Guarantee receipt (loan guarantee receipt)</li> <li>• Borrowing (money borrowing, asset lease, collateral provision, bargain purchase)</li> </ul>	Prohibited
6	<b>Future Guarantees</b> <ul style="list-style-type: none"> <li>• Employees must not accept any guarantees related to education, employment referrals, or transaction agreements from stakeholders associated with the company or related to the business.</li> <li>• Employees who have received such future guarantees must report them.</li> </ul>		Prohibited

### Ethical Management Pledge

#### Ethical Management Practice Pledge

I, as a partner of KET Co., Ltd., pledge to actively participate in the ethical management practices implemented by KET Co., Ltd., and to contribute to the establishment of trading ethics and the development of both parties. I commit to the following:

01. I will actively participate in KET Co., Ltd.'s ethical management and maintain transparent and fair trading relationships in accordance with the relevant guidelines and instructions.
02. I will not provide any cash, checks, securities (such as gift certificates, membership rights—golf, health, etc.), gifts, or entertainment to employees of KET Co., Ltd. under any circumstances.
03. I will not provide any items (such as floral arrangements, wreaths, gifts, etc.) for promotions, transfers, holidays, or personal celebrations.
04. I will not provide any form of support or sponsorship (such as products) related to team buildings, outings, mountain climbing, sports events, etc.
05. I will not engage in entertainment activities with employees of KET Co., Ltd., such as golf, Go-Stop, poker, or other gambling activities.
06. I will not cover any costs (or provide any benefits) for domestic or international business trips for employees of KET Co., Ltd.
07. I will use the company cafeteria for meals with employees of KET Co., Ltd., and if it is unavoidable to eat outside, I will ensure it is within the bounds of social norms.
08. I will not fulfill any private requests or solicitations (such as product sales, insurance subscriptions, various discount vouchers, etc.) from employees of KET Co., Ltd.
09. I will not engage in any activities equivalent to those mentioned above related to entertainment or acceptance of gifts and benefits.
10. If I receive requests for items that are outside social norms from employees of KET Co., Ltd. related to the above items or similar actions, I will immediately notify the responsible department at KET Co., Ltd. by phone (82-32-850-1111) or email (psb@ket.com).
11. I will not object to any actions taken, such as suspension of transactions, if I violate the contents of this pledge.

YY, MM, DD

Company Name: \_\_\_\_\_  
 Representative: \_\_\_\_\_ (Signature)

### Disciplinary actions

Disciplinary actions will be handled based on internal standards.

Document Number	KP(A)-M01-00-R19
Date of Establishment	2013.6.20
Revision Number	2
Date of Revision	2024.6.17
Responsible Organization	Legal Affairs Team
Approved by	CEO, KET Co., Ltd.

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# POLICY

## Whistleblower Protection Policy

### Article 1 [ Purpose ]

This policy aims to protect whistleblowers within KET Co., Ltd (hereinafter referred to as "the Company") and to establish necessary provisions for effectively implementing ethical management.

### Article 2 [ Scope of Reporting ]

The scope of reporting includes the following.

- Violations of the Company's Code of Ethics and regulations
- Illegal, unlawful, or criminal acts related to employees' duties (e.g., embezzlement, breach of trust, fraud, theft, bribery, and receipt of money and entertainment, etc.)
- Unlawful and improper directives using one's position from company executives or external stakeholders (e.g., requests, referrals, coercion)
- Other matters deemed to pose a risk of the aforementioned issues occurring

### Article 3 [ Employees and Management ]

The employees who can be the subject or target of the report collectively refer to all members of the company, and the management includes the company's CEO and internal accounting manager, as well as executives who have been delegated responsibility and authority. However, if an auditor is substantially involved in the Company's operations, they will also be considered part of the management.

### Article 4 [ Receipt of Reports ]

Any internal employee (hereinafter referred to as "employee") who becomes aware of the actions specified in Article 2 may report them anonymously using the following accessible methods.

- Company website: www.ket.com → Customer Support → Reporting·Information Channel
- Chief Compliance Officer: Legal Affairs Team Senior Legal Counsel, Park Soo-byeong (psb@ket.com / 82-32-850-1111)

### Article 5 [ Corruption by Management ]

If an employee becomes aware of corrupt practices involving the Company's management in the course of their duties, or is coerced or solicited, they must report it to the committee without delay.

### Article 6 [ Obligation of Whistleblowers ]

Whistleblowers who report false information, knowing or having reason to know that it is false, will not be protected under this policy.

### Article 7 [ Reporting Procedure ]

Whistleblowers must attach documents or evidence regarding the following when reporting.

- The whistleblower's name and contact details
- The subject of the report
- Details of the report

### Article 8 [ Anonymous Reporting ]

Despite the provisions in Article 7, whistleblowers may choose to remain anonymous. However, anonymous reports will be processed only if the content is highly plausible.

### Article 9 [ Processing of Reports ]

1. Upon receiving a report, the Chief Compliance Officer must conduct a necessary investigation within 14 days. For anonymous reports submitted through the methods outlined in Article 4, the Compliance Officer will not track the whistleblower's personal details against their wishes.
2. The Chief Compliance Officer may choose not to investigate or may terminate an investigation if:
  - The report's content is clearly false
  - The report has been resubmitted without valid reasons after receiving a notice of the processing result
  - If the reporter fails to provide additional information or documents after being requested to do so twice and does not comply within the provided timeframe.
  - If it is otherwise determined that no investigation is necessary.
3. If the Chief Compliance Officer decides not to investigate or to terminate the investigation as per Paragraph 2, the fact must be communicated to the reporter within 7 days.
4. When the Chief Compliance Officer completes the investigation of a report, the results must be handed over to the HR department or other relevant departments for disciplinary action according to company regulations. Serious matters must be reported immediately to the CEO. Additionally, the results must be communicated to the reporter.
5. The Chief Compliance Officer must report significant matters related to the results of the report, misconduct in the performance of an executive's duties, violations of laws and regulations, financial statement distortions, and breaches of internal accounting management regulations to the Auditor.
6. The Chief Compliance Officer may request the reporter to provide necessary documents to verify the truthfulness of the reported matter within the scope necessary.
7. If an investigation is required for the reported matter, the Chief Compliance Officer may refer it to law enforcement authorities for investigation.
8. The reporter who receives notification under Paragraph 4 may file an objection regarding the investigation results.
9. The investigation results must be managed and preserved in written or electronic form for the retention period specified by the company's document management regulations.





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# POLICY

## Article 10 [ Confidentiality of Reporters ]

1. Company employees must not disclose or reveal the reporter's personal information or any facts that could identify them as a reporter to others, knowing their status as a reporter. However, this does not apply if the reporter consents.
2. If the personal details of the whistleblower or any information that could identify them as a whistleblower is disclosed in violation of Paragraph 1, the circumstances of the disclosure may be investigated.
3. If deemed necessary to investigate the circumstances under Paragraph 2, the relevant department may be requested to submit related materials or provide statements. The department requested must cooperate with this request unless there are special reasons.
4. Anyone who discloses or reveals the reporter's personal information or status as a reporter in violation of Paragraph 1 may face disciplinary action or other necessary measures.

## Article 11 [ Protection of Reporter's Status ]

1. A whistleblower shall not face any disadvantage or discrimination in their employment status or working conditions due to their whistleblowing activities, statements, or submission of materials, except in cases of their own wrongdoing.
2. Anyone who experiences or expects to experience disadvantages or discrimination in their status or working conditions due to reporting may request the Chief Compliance Officer to restore their previous status, transfer, suspend disciplinary actions, or take other necessary measures. If the request is deemed valid, it should be prioritized.
3. No one shall obstruct or coerce a whistleblower to prevent them from making a report or to withdraw a report. Individuals who obstruct or coerce a whistleblower to prevent them from making a report or to withdraw a report may be subject to disciplinary actions or other necessary measures in accordance with the company's disciplinary rules.

## Article 12 [ Protection of Whistleblower ]

1. If a whistleblower or their relatives, or any unrelated third parties, feel threatened due to their reporting, they may request protection measures from the Chief Compliance Officer. The Chief Compliance Officer shall hold a meeting to discuss and seek appropriate methods for protection.
2. The Chief Compliance Officer may, if necessary for the protection of the whistleblower, take appropriate measures such as granting paid leave or separating the whistleblower from the alleged wrongdoer.

## Article 13 [ Mitigation of Responsibility and Rewards ]

1. If a whistleblower faces disciplinary action or unfavorable treatment due to their report, the company may reduce or exempt the disciplinary action or treatment based on the circumstances.
2. Even if the report contains confidential information related to their duties, the whistleblower shall not be considered in violation of their obligation to maintain confidentiality as stipulated in collective agreements, employment rules, or internal regulations.
3. If the content of the report is significant and leads to substantial financial benefits for the company, prevents losses, or contributes to the overall public interest of the company, the whistleblower may be recommended for a reward according to the company's reward and punishment regulations.
4. Whistleblowers who recover or increase the company's revenue, reduce costs, or resolve legal matters as a result of their report may be eligible for compensation. This compensation includes costs incurred for restoring any unfavorable treatment. However, rewards may be reduced or not granted for reports related to one's own job responsibilities that are deemed obligatory.

## Article 14 [ Protection Measures ]

1. If a whistleblower experiences discrimination or retaliation in their employment status or working conditions as a result of their report, they may immediately report this to the Chief Compliance Officer and request restoration or other necessary measures.
2. Upon receiving a protection request, the Chief Compliance Officer shall promptly begin an investigation to determine if the whistleblower has faced retaliation due to their report.
3. If, as a result of the investigation, it is determined that the person requesting protection measures has been subjected to retaliatory actions due to their report or related actions, the company shall take appropriate corrective measures, and the Chief Compliance Officer shall request disciplinary action against the individual responsible for the retaliation according to the company's reward and punishment regulations.

## Article 15 [ Promotion and Introduction of Internal Whistleblower Protection System to Employees and External Parties ]

The company will promote and introduce the internal whistleblower protection system to employees and external parties (such as customers, suppliers, and partners) through various channels, including the company's website.

## Article 16 [ Effective Date ]

These regulations shall take effect from August 1, 2023.

## Article 17 [ Retroactive Effect ]

Individuals making reports under these regulations may report matters that occurred before the effective date of these regulations.

Document Number	KP(A)-M01-00-R22
Date of Establishment	2014.06.01
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Date of Revision	2024.08.09
Responsible Organization	Legal Affairs Team
Approved by	CEO, KET Co., Ltd.

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# GRI STANDARDS INDEX

## Universal Standards

Statement of Use	Korea Electric Terminal Co., Ltd. has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	There are no applicable GRI Sector Standards for Korea Electric Terminal Co., Ltd.

## GRI 2 General Disclosure 2021

Classification	Disclosure	Indicators	Page
The organization and its reporting practices	2-1	Organizational details	6-7, 9
	2-2	Entities included in the organization’s sustainability reporting	About this report
	2-3	Reporting period, frequency and contact point	About this report
	2-4	Restatements of information	Initial publication
	2-5	External assurance	90
Activities and workers	2-6	Activities, value chain and other business relationships	6-12
	2-7	Employees	67
	2-8	Workers who are not employees	Information on external workers can be checked in the employment type disclosure section.
Governance	2-9	Governance structure and composition	52-54
	2-10	Nomination and selection of the highest governance body	52
	2-11	Chair of the highest governance body	52
	2-12	Role of the highest governance body in overseeing the management of impacts	15-16
	2-13	Delegation of responsibility for managing impacts	15-16
	2-14	Role of the highest governance body in sustainability reporting	16
	2-15	Conflicts of interest	52
	2-16	Communication of critical concerns	19
	2-17	Collective knowledge of the highest governance body	52
	2-18	Evaluation of the performance of the highest governance body	53
	2-19	Remuneration policies	53
Strategy, policies and practices	2-20	Process to determine remuneration	53
	2-21	Annual total compensation ratio	Confidential matters and company-sensitive information cannot be disclosed publicly.
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	74-81
	2-24	Embedding policy commitments	74-81
	2-25	Processes to remediate negative impacts	59-61
	2-26	Mechanisms for seeking advice and raising concern	61
	2-27	Compliance with laws and regulation	71
	2-28	Membership associations	92
Stakeholder engagement	2-29	Approach to stakeholder engagement	17
	2-30	Collective bargaining agreements	46



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## GRI 3 Material Topics 2021

Classification	Disclosure	Indicators	Page
Disclosures on material topics	3-1	Process to determine material topics	19
	3-2	List of material topics	21
	3-3	Management of material topics	21

## Material Topic Standards

Classification	Disclosure	Indicators	Page
<b>Material Topic 1. Climate change response</b>			
Disclosures on material topics	3-3	Management of material topics	21
Energy	302-1	Energy consumption within the organization	64
	302-3	Energy intensity	64
Emissions	303-1	Interactions with water as a shared resource	64
	303-2	Management of water discharge-related impacts	64
	303-3	Water withdrawal	64
	303-4	Water discharge	64
	303-5	Water consumption	65
<b>Material Topic 2. Minimizing Environmental Impact</b>			
Disclosures on material topics	3-3	Management of material topics	21
Emissions	303-1	Interactions with water as a shared resource	64
	303-2	Management of water discharge-related impacts	64
	303-3	Water withdrawal	64
	303-4	Water discharge	64
	303-5	Water consumption	65
<b>Material Topic 3. Product quality and safety</b>			
Disclosures on material topics	3-3	Management of material topics	21
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	71
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	71
<b>Material Topic 4. Supply chain ESG management</b>			
Disclosures on material topics	3-3	Management of material topics	21
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	71
	308-2	Negative environmental impacts in the supply chain and actions taken	71
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	47, 71
	414-2	Negative social impacts in the supply chain and actions take	47, 71

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## Non-Material Topic standards Disclosures

Economic Performance			
Classification	Disclosure	Indicators	Page
Economic Performance	201-1	Direct economic value generated and distributed	12
	201-2	Financial implications and other risks and opportunities due to climate change	26
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	69
	202-2	Proportion of senior management hired from the local community	67
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	51, 70
Procurement Practices	204-1	Proportion of spending on local suppliers	71
Anti-corruption	205-1	Operations assessed for risks related to corruption	71
	205-2	Communication and training about anti-corruption policies and procedures	59, 60, 79-81
	205-3	Confirmed incidents of corruption and actions taken	71
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	71
Environmental Performance			
Materials	301-1	Materials used by weight or volume	66
	301-2	Recycled input materials used	66
Energy	302-1	Energy consumption within the organization	64
	302-3	Energy intensity	64
	303-1	Interactions with water as a shared resource	29
Water and Effluents	303-2	Management of water discharge-related impacts	30
	303-3	Water withdrawal	65
	303-4	Water discharge	65
	303-5	Water consumption	65
Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	32
Emissions	305-1	Direct (Scope 1) GHG emissions	64
	305-2	Energy indirect (Scope 2) GHG emissions	64
	305-3	Other indirect (Scope 3) GHG emissions	64
	305-4	GHG emissions intensity	64
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	65
Waste	306-1	Waste generation and significant waste-related impacts	31
	306-2	Management of significant waste-related impacts	32
	306-3	Waste generated	65
	306-4	Waste diverted from disposal	65
	306-5	Waste directed to disposal	65

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Social Performance			
Classification	Disclosure	Indicators	Page
Employment	401-1	New employee hires and employee turnover	68
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45
	401-3	Parental leave	45, 69
Occupational Health and Safety	403-1	Occupational health and safety management system	37
	403-2	Hazard identification, risk assessment, and incident investigation	39
	403-3	Occupational health services	41
	403-4	Worker participation, consultation, and communication on occupational health and safety	38
	403-5	Worker training on occupational health and safety	40
	403-6	Promotion of worker health	41
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38
	403-8	Workers covered by an occupational health and safety management system	66
	403-9	Work-related injuries	66
Training and Education	404-1	Average hours of training per year per employee	70
	404-2	Programs for upgrading employee skills and transition assistance programs	44
	404-3	Percentage of employees receiving regular performance and career development reviews	69
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	52, 68
	405-2	Ratio of basic salary and remuneration of women to men	69
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71

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# SASB INDEX<sup>1)</sup>

## Electrical and Electronic Equipment

### Sustainability Disclosure Topics & Metrics

Topic	Metric	Code	Page
Energy Management	Total energy consumed		64
	Percentage grid electricity	RT-EE-130a.1	64
	Percentage renewable		No usage of renewable energy
Hazardous Waste Management	Amount of hazardous waste generated and percentage recycled	RT-EE-150a.1	65
	Number and aggregate quantity of reportable spills and quantity recovered	RT-EE-150a.2	65
Product Safety	Number of recalls issued and total units recalled	RT-EE-250a.1	71
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	71
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	Information not available
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	RT-EE-410a.2	Information not available
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	64
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	47, 49, 50
Business Ethics	Description of policies and practices for prevention of corruption and bribery and anti-competitive behaviour	RT-EE-510a.1	59~61, 79~81
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	71
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	RT-EE-510a.3	71

### Activity Metrics

Topic	Code	Page
Number of units produced by product category	RT-EE-000.A	Information not available
Number of employee	RT-EE-000.B	67

1) KET Co., Ltd.'s industry classification is Electrical and Electronic Equipment, but since its main business is Auto Parts, both classifications are reported simultaneously.



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# SASB INDEX

## Auto Parts

### Sustainability Disclosure Topics & Metrics

Topic	Metric	Code	Page
Energy Management	Total energy consumed	TR-AP-130a.1	64
	Percentage grid electricity		64
	Percentage renewable		No usage of renewable energy
Waste Management	Total amount of waste from manufacturing	TR-AP-150a.1	65
	Percentage hazardous		65
	Percentage recycled		65
Product Safety	Number of vehicles recalled	TR-AP-250a.1	71
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency or reduce emissions	TR-AP-410a.1	24, 64
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	47-50
Materials Efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	Information not available
	Percentage of input materials from recycled or remanufactured content	TR-AP-440b.2	Information not available
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulation	TR-AP-520a.1	71

### Activity Metrics<sup>1)</sup>

Topic	Code	Page
Number of parts produced	TR-AP-000.A	8,229 product type
Weight of parts produced	TR-AP-000.B	10,437ton
Area of manufacturing plants	TR-AP-000.C	96,261m <sup>2</sup>

1) KET (Namdong, Hwaseong, Pyeongtaek, Pyeongdong)

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# UNGC INDEX

Category		Page
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights. 42
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor. 42, 76
	Principle 5	Businesses should uphold the effective abolition of child labor.
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility. 23-32, 74
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery. 59-61, 71, 79-81



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# GHG VERIFICATION

## Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

## Verification Scope

Korean Standards Association conducted limited guarantee level verification Scope1, Scope2 and Scope3 for KET's Greenhouse Gas declaration.

- Reporting Target : KET Local Sites(Head Office, R&D Center, Nonhyeon Factory, Namdong Factory, Pyeongtaek Factory, Logistics Center, Hwaung Factory, Pyeongdong Factory), KET Solution, KET Network, KET Oversea Site(China, Vietnam, Poland, Mexico)
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions), Scope3(Other Indirect emissions)
  - Scope1 : Stationary combustion, Mobile combustion
  - Scope2 : Externally purchased power
  - Scope3 : Category 1. Purchased goods and services  
Category 2. Capital goods  
Category 3. Fuel-and energy-related activities(not included in scope1 or scope2)  
Category 5. Waste generated in operations  
Category 6. Business travel  
Category 7. Employee commuting
- Year : January 1, 2023 to December 31, 2023

## Verification Criteria and Guidelines

Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.

- KS I ISO 14064-1:2018, KS I ISO 14064-3:2019
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment Notice No. 2021-112)
- Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2022-279)
- 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines
- WRI (World Resources Institute) Greenhouse Gas Protocol
- WRI Corporate Value Chain (Scope3) Accounting and Reporting Standard

## Level of assurance verification and Responsibility

Korean Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to KET Head Office, Namdong Factory, KET Solution
- Method of confirmation :
  - Interview with greenhouse gas emissions manager and field staff
  - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
  - Tracking review of internal documents and basic data

KET should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

## Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

## Verification Conclusion

No errors or false facts were found in KET's GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

## Appendix 1. Scope1,2 GHG Emissions

Unit: tCO<sub>2</sub>eq

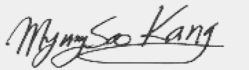
Division		Scope1	Scope2	Subtotal
KET Local Sites	Head Office & R&D Center	132	2,472	2,603
	Nonhyeon Factory	9	453	461
	Namdong Factory	11	3,846	3,857
	Pyeongtaek Factory & Logistics Center	45	6,569	6,613
	Hwasung Facotory	26	3,331	3,356
	Pyeongdong Factory	9	1,744	1,752
KET Affiliate Company	KET Solution	221	14,123	14,343
	KET Network	27	592	618
KET Overseas Sites	China	18	4,907	4,924
	Vietnam	-	10,361	10,360
	Poland	160	1,904	2,063
	Mexico	-	377	376
Total		658	50,679	51,326

## Appendix 2. Scope3 GHG Emissions

Unit: tCO<sub>2</sub>eq

Category		GHG emissions
Category 1	Purchased goods and services	166,812
Category 2	Capital goods	853
Category 3	Fuel-and energy-related activities (not included in Scope1 or Scope2)	2,660
Category 5	Waste generated in operations	398
Category 6	Business travel	1,853
Category 7	Employee commuting	1,247
Total		173,822

August 22, 2024



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# THIRD-PARTY VERIFICATION

## To: The Stakeholders KOREA ELECTRIC TERMINAL CO.,LTD.

### Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the KOREA ELECTRIC TERMINAL 2023 Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent of KOREA ELECTRIC TERMINAL and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the KOREA ELECTRIC TERMINAL report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the KOREA ELECTRIC TERMINAL and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

KOREA ELECTRIC TERMINAL is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to KOREA ELECTRIC TERMINAL only.

The Assurer is responsible for providing KOREA ELECTRIC TERMINAL management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of KOREA ELECTRIC TERMINAL. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than KOREA ELECTRIC TERMINAL in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

### Scope

The scope of engagement agreed upon with KOREA ELECTRIC TERMINAL includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the report, some data included the half of 2024.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI and SASB.
- Other related additional information such as the website, business annual report.

### Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

### Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by KOREA ELECTRIC TERMINAL.

### Universal Standards

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

### Topic Standards

201-1~2, 202-1~2, 203-1, 204-1, 205-1~3, 206-1, 301-1~2, 302-1, 302-3, 303-1~5, 304-2, 305-1~4, 305-7, 306-1~5, 308-1~2, 401-1~3, 403-1~9, 404-1~3, 405-1~2, 414-1~2, 416-1~2, 418-1

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the KOREA ELECTRIC TERMINAL Incheon HQ to confirm the data collection processes, record management practices.

### Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

### Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with KOREA ELECTRIC TERMINAL. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.



**BUSINESS OVERVIEW**

**ESG MANAGEMENT**

**PERFORMANCE**

**ESG DATA**

**APPENDIX**

- Policy
- GRI Index
- SASB Index
- UNGC Index
- GHG Verification
- ▶ [Third-party Verification](#)
- Awards and Membership Associations
- Departments Involved in Report Creation

# THIRD-PARTY VERIFICATION

## Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that KOREA ELECTRIC TERMINAL’s description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

### Inclusivity: Stakeholder Engagement and Opinion

KOREA ELECTRIC TERMINAL defined employees, clients, partners, shareholders/investors, local communities/NGO and government/associations as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. KOREA ELECTRIC TERMINAL conducted a review of the stakeholder engagement process in order to reflect the major issues derived through the process in sustainability strategy and goals. KOREA ELECTRIC TERMINAL disclosed the results related to the process in the Report.

### Materiality: Identification and reporting of material sustainability topics

KOREA ELECTRIC TERMINAL implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, KOREA ELECTRIC TERMINAL conducted the analysis of global sustainability reporting or assessment standards, analysis of benchmarking the same industry to derive the impact and financial materiality. KOREA ELECTRIC TERMINAL derived 4 material topics through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

### Responsiveness: Responding to material sustainability topics and related impacts

KOREA ELECTRIC TERMINAL operated a management process for material topics in the context of sustainability derived from the materiality assessment. KOREA ELECTRIC TERMINAL established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. KOREA ELECTRIC TERMINAL reviewed through major management organizations, disclosed the process including policy, indicator, activity and response performance on material topics in the Report.

### Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

KOREA ELECTRIC TERMINAL identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. KOREA ELECTRIC TERMINAL established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

## Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

• GRI Topic standards: 201-1, 202-1~2, 203-1, 204-1, 205-1~3, 206-1, 301-1~2, 302-1, 302-3, 303-3~5, 305-1~4, 305-7, 306-3~5, 308-1~2, 401-1, 401-3, 403-1~9, 404-1, 404-3, 405-2, 414-1~2

## Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance the sustainability management system by specifying detailed goals for each strategic task based on mid- to long-term ESG strategies and visions.
- It may be helpful to establish a sustainability performance indicator management system for major consolidated subsidiaries such as overseas subsidiaries and strengthen internal control procedures.
- It may be helpful to specify key environmental objectives and strategies, such as reducing Scope 3 emissions and conducting LCA, and to disclose detailed year-to-year objectives and achievements.

## GRI-reporting

KOREA ELECTRIC TERMINAL provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by KOREA ELECTRIC TERMINAL. The sector standard was not applied.

Issue Date: 04/09/2024

**For and on behalf of BSI (British Standards Institution):**

BSI representative

**Jungwoo Lee**, Lead Assurer, ACSAP

**Seonghwan Lim**, Managing Director of BSI Korea



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# AWARDS AND MEMBERSHIP ASSOCIATIONS

## Awards

1980~	2000~	2010~	2020~
<p><b>1982.05</b> Received an Award for New Small and Medium Enterprises (Ministry of Commerce and Industry)</p> <p><b>1986.04</b> Received a Commendation for Promising Export Company (KoreaExchange Bank)</p> <p><b>1989.10</b> Received a Commendation by Promotion of Electronics Industry</p> <p><b>1990.11</b> Received an industrial medal</p> <p><b>1992.03</b> Received a commendation for Sincere Tax Payment (National Tax Service)</p> <p><b>1993.03</b> Received a Commendation for Contribution to National Industrial Development</p> <p><b>1993.11</b> Received a Gold Award at the National Quality Technology Circle Contest</p> <p><b>1995.10</b> Award at the National Quality Management Convention</p> <p><b>1997.05</b> Received a Gold Tower Order of Industrial Service Merit</p> <p><b>1997.09</b> Selected as an Excellent Company for Quality Competitiveness (National Institute of Technology and Quality)</p> <p><b>1997.11</b> Factory Innovation Award (Ministry of Trade and Industry)</p> <p><b>1997.12</b> Grand Prize in the Promising Small and Medium Enterprise Sector (Ministry of Trade and Industry)</p>	<p><b>2000.04</b> Selected as an Excellent Company for New Labor-Management Culture (Ministry of Labor)</p> <p><b>2000.05</b> Selected as an Excellent Publicly Listed Company (Korea Stock Exchange)</p> <p><b>2000.06</b> Received an Accounting Information Grand Prize (Korean Accounting Association)</p> <p><b>2001.04</b> Received a Single PPM Award at the Quality Innovation Advancement Contest</p> <p><b>2003.03</b> Received a Commendation for Sincere Tax Payment (Ministry of Finance and Economy)</p> <p><b>2003.07</b> Received a Transparent Accounting Grand Prize (Korean Accounting Association)</p> <p><b>2003.11</b> Received a Presidential Award at the National Quality Management Convention</p> <p><b>2003.11</b> Ten Million Dollar Export Tower</p> <p><b>2004.02</b> Received a Grand prize for Workplace of Satisfaction (Incheon Enterprises Federation)</p> <p><b>2004.11</b> Received a Grand Prize in the Precision Production Technology Division at the Precision Technology Promotion Contest</p> <p><b>2007.03</b> Received a Commendation for Sincere Tax Payment</p> <p><b>2007.09</b> Received a Proud Electronics Industry Person Award (Korea Electronics Industry Cooperative)</p> <p><b>2007.11</b> Received a Mold Person of the Year Award (Korea Mold Industry Cooperative)</p> <p><b>2009.06</b> Received a Commendation for Sincere Tax Payment (Incheon Metropolitan City)</p> <p><b>2009.06</b> Received an Excellence Award in Patent Management in the Venture Business Sector (Small and Medium Business Administration)</p> <p><b>2009.12</b> Received a Commendation for Contribution to National Industrial Development through Job Creation</p>	<p><b>2010.07</b> Received a Commerce Award in the Intellectual Property Division (Incheon Chamber of Commerce and Industry)</p> <p><b>2011.05</b> Received an Excellent Enterprise Award for Management Systems (Korean Foundation for Quality)</p> <p><b>2012.03</b> Received a Commendation for Sincere Tax Payment (Ministry of the Interior and Safety)</p> <p><b>2012.12</b> Selected as an Excellent Partner by Hyundai Mobis Co., Ltd.</p> <p><b>2013.07</b> Selected as the Best Partner by LG Electronics IVI Division</p> <p><b>2015.01</b> Received a GM 2014 Supplier Quality Excellence Award</p> <p><b>2017.02</b> Selected as the Best Partner by Hyundai Mobis Co., Ltd.</p> <p><b>2019.07</b> Selected as an Excellent Labor-Management Culture Company (Ministry of Employment and Labor)</p> <p><b>2019.11</b> Received the 2019 VS Supplier Award from LG Electronics</p> <p><b>2019.12</b> Selected as the Best Partner by Hyundai KEFICO</p>	<p><b>2020.01</b> Received a GM 2019 Supplier Quality Excellence Award</p> <p><b>2020.02</b> Selected as an Excellent Partner (R&amp;D Division) by Hyundai Mobis Co., Ltd.</p> <p><b>2020.07</b> Received a Commerce Award in the Labor Cooperation Division (Incheon Chamber of Commerce and Industry)</p> <p><b>2020.11</b> Selected as an Excellent Partner in R&amp;D by Hyundai Motor Group</p> <p><b>2020.12</b> Received an Industry and Peace Awards (Incheon Metropolitan City)</p> <p><b>2021.04</b> Selected as a World Class Candidate Company</p> <p><b>2023.03</b> Received GM 2022 Overdrive Special Award</p>

## Membership associations

Association Name	
Korea Fire Safety Association	Korea Communications Industry Cooperative
The Federation of Korean Industries	Korea Electronic Industries Cooperative
Federation of Middle Market Enterprises of Korea	Korea Electronics Association
Incheon Chamber of Commerce & Industry	Incheon Enterprises Federation
Korea Die & Mold Industry Cooperative	Korea Industrial Technology Association
Korea Auto Industries Coop. Association	

## Departments Involved in Report Creation

Department	Person in Charge
Management Support Team	MOON SANG HOO Director
	LIM CHAE HYUN Senior Manager
	CHUNG MIN KEE Senior Manager
Management Innovation Team	OH JIN HOO Senior Manager
	LEE GUN YONG Senior Manager
Management Planning Team	KANG GA RAM Manager
	PARK JIN WOO Manager
Financial Management Team	SEO JONG BEOM Senior Manager
	KIM GI IN Manager
Legal Affairs Team	PARK SOO BYOUNG Director
	CHOI SEOK MIN Manager
	OH HYUN JI Staff
Sales Department	KO MIN KYU Director
	KIM YOUNG JIN Senior Manager
Electronic Business Unit	KIM SEONG LIM Senior Manager
	KIM HYANG GON Senior Manager
R&D Planning Division 1	LEE KWANG JUN Principal Engineer
R&D Planning Division 2	OH IN SEOK Principal Engineer
Environment & Safety Team	YOON CHANG YONG Senior Manager
	SEO YOUNG JIN Manager
	JEON KYE HYUN Manager
	PARK SEO JEONG Manager
Quality Management Team	KIM HO IN Senior Manager
	HAN JI SOOK Senior Manager
Quality Control Division	KIM MUN SUNG Senior Manager
	KIM YUN KI Manager
Quality Assurance Division	CHA JUN CHUL Senior Manager
	JO GYEONG JE Manager
Human Resources Team	CHOI BYUNG YOUNG Senior Manager
	LEE CHOONG WON Senior Manager
Parts Purcahse Team	LEE GUN HEE Senior Manager
	LEE JEONG MIN Manager
Purchasing Planning Team	SHIN JAE SIK Senior Manager
	PARK SANG MIN Senior Manager

# KET

## SUSTAINABILITY REPORT 2023

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