

Innovator of Secondary Battery Materials Beyond Global Packaging Leader

2023 Dongwon Systems
Sustainability Report



ABOUT THIS REPORT



COVER STORY

Dongwon Systems, dedicated to fulfilling its social responsibilities alongside customer growth, places top priority on coexistence with the global environment and our clients based on future growth drivers, and leads a virtuous cycle of challenge and innovation by embracing a sustainable future beyond the infinite seas.

Overview

Dongwon Systems sustainability report is published on an annual basis to promote transparent communication of our economic, social, environmental values and performances. This report marks our third sustainability report, sharing details on Dongwon Systems' efforts for sustainable management, key performances, and future strategies.

Principles

This report was written in compliance with the Global Reporting Initiatives (GRI) Standards 2021. It also reflects the industry specific reporting standards established by the Sustainability Accounting Standards Board (SASB), disclosure recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), and the ten principles of UNGC. The financial information in this report was prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).






Period

The scope of this report covers all of Dongwon Systems' domestic operations including the headquarters. For some topics, the report includes all domestic and overseas business sites. For information that requires attention to the scope and boundaries of reporting, separate notes are provided for the convenience of our readers.

This report covers performances and activities from January to December 2023, as well as data from the first half of 2024 for some of our key performances. For quantitative performance, data from three previous years (2021-2023) are included to show time-series trends.

Interactive Report Use Guide

The 2023 Dongwon Systems Sustainability Report is published as an Interactive PDF for reader convenience, enabling navigation to relevant pages of the report.

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Assurance

This report has been audited by Shinhan Accounting Corporation (RSM), a specialized third-party assurance firm to secure objectivity, reliability, and transparent disclosure of information. Report assurance has been performed according to the International Standard on Assurance Engagement 3000 (ISAE3000), and the detailed assurance opinion is provided on page 112.

Notification

This report has been published in both Korean and English and can be viewed or downloaded from the Dongwon Systems website (www.dongwonsystems.com).

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Introduction

A Global Packaging Creator, Dongwon Systems is a leading packaging materials company in South Korea. Throughout the history of Dongwon Systems, we have faced many challenges and always stood in the shoes of our customers to add higher value to their products. As a result, Dongwon Systems led the history of packaging innovation in South Korea. Under the belief that packaging is a form of art that completes our customers' products, we continuously strive with our customers to create interesting products that stand out and captivate the hearts of consumers.

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CEO Message

Dear stakeholders,

In 2023, the global environment was highly unstable, marked by the prolonged Russia-Ukraine war and the outbreak of the Israel-Hamas conflict. Consequently, stakeholders have shown strong demands for sustainable business activities.

There are increasing demands for carbon neutrality not only in the US but also in Europe, and more and more global corporations are strengthening carbon neutrality requirements for their partners. Against this backdrop, Dongwon Systems entered the secondary battery business to secure sustainable new growth engines and has been constantly evolving through tireless improvements and innovations to meet the demands of our customers and the market.

Based on the changes to present day, Dongwon Systems is now stepping up as a global company that fulfills social responsibility and promotes environmental value for future generations, proven by our strategy and implementation of ESG management.

For this, Dongwon Systems is committed to the following:

First, we will pursue both financial value creation for our stakeholders and sustainable development simultaneously.

We will strive to balance financial performance with the creation of environmental and social value by expanding and advancing our secondary battery business portfolio, developing eco-friendly packaging materials, and increasing investments in solar power facilities and pollution reducing equipment.

Second, we will strengthen communication with our stakeholders.

By publishing an annual sustainability report, we aim to show the evolving image of Dongwon Systems as a company fulfilling its social responsibilities alongside growth. At the same time, we will broaden the scope and channels of IR activities to communicate more proactively with stakeholders and maximize their value.



Lastly, we will fulfill our social responsibility to create jobs by hiring best talents to achieve sustainable management together and build an organizational culture where employees can find satisfaction in their work life.

Recognizing our role in leading future generations, we will support our employees to improve their skills and become the best in their respective fields and provide opportunities to enhance their quality of life.

Based on our achievements and future growth potential, Dongwon Systems will continue to drive genuine change and strengthen ESG management strategies, including response to climate change, and resource and waste management. Through these efforts, we aim to become a leading global company in the packaging industry and eco-friendly secondary battery materials industry, promoting the health of our planet and the happiness of our communities.



Despite strong achievements, Dongwon Systems will not rest on its laurels but continue to strengthen its core competencies and prepare for a solid future as a socially responsible company. We will continue to strive to be "a company trusted and loved by customers" with products and solutions that provide the highest customer value. We also promise to fulfill our roles and responsibilities in ESG under the mission of creating a sustainable and better future for our future generations, and will repay our stakeholders, including employees, customers, investors, local communities, and partner companies with maximum value.

Dongwon Systems CEO
Jum Kun Cho, Bum Won Suh

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General Information

Established in 1980, Dongwon Systems has grown and focused its organizational capabilities to provide the best products with high functionality and convenience with a challenging spirit and a caring heart that values customers. Additionally, to secure future growth engines, we have boldly entered the secondary battery materials business, cathode foil and cylindrical battery cans, and are also accelerating the development of cell pouches, thereby adding another future revenue source. Based on the stable performance of our packaging business, Dongwon Systems will further develop the secondary battery materials business as a future growth engine. We aim to become a company that meets the needs of all stakeholders with stability, growth, and profitability.

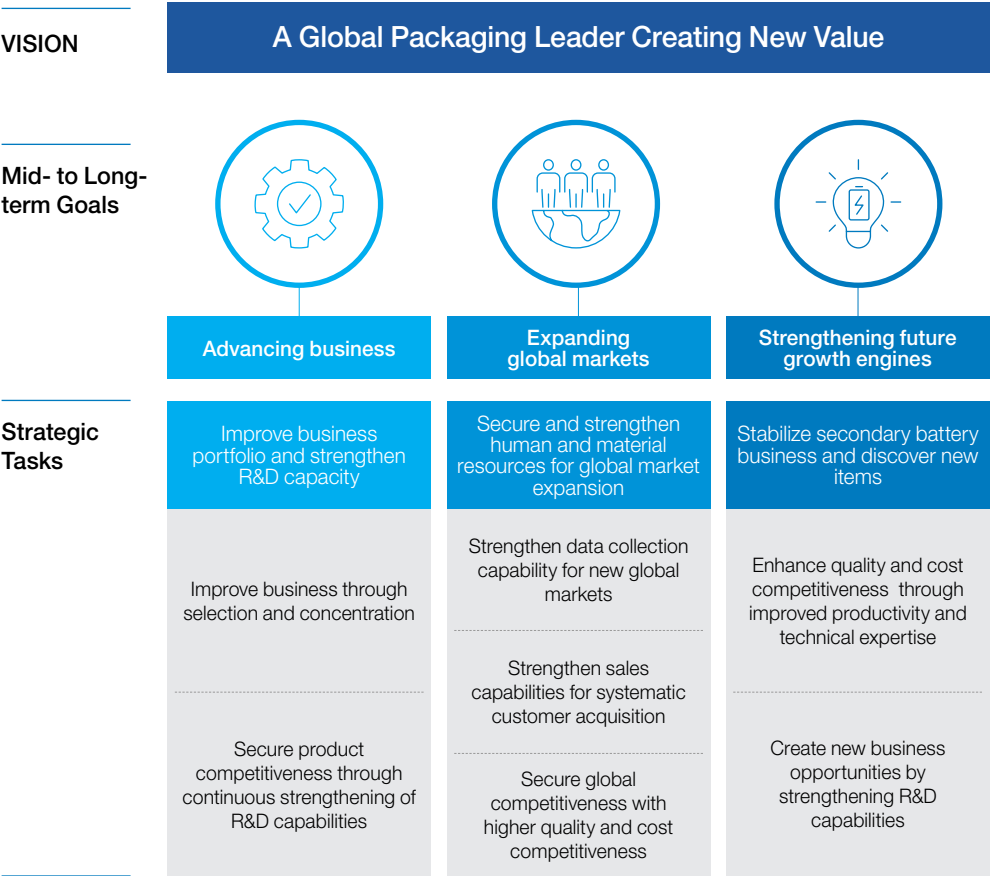
Overview

Company	DONGWON SYSTEMS CORPORATION		
Founded	1980.5.10.	Listed	1994.3.29.
Head Office	100, Asanvalleydong-ro, Dunpo-myeon, Asan-si, Chungcheongnam-do, Republic of Korea	Website	http://www.dongwonsystems.com
CEO	Jum-Kun Cho, Bum-Won Suh		
Employees	1,672	Credit Rating	A+ (Corporate Bond: Korea Ratings, NICE Information Service)

2023 Key Financial Performance

Total Assets	1,535,858	Sales	1,276,651	Operating Income	80,851	Net Income	64,350
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(Unit: KRW million)
*Based on consolidated financial statements



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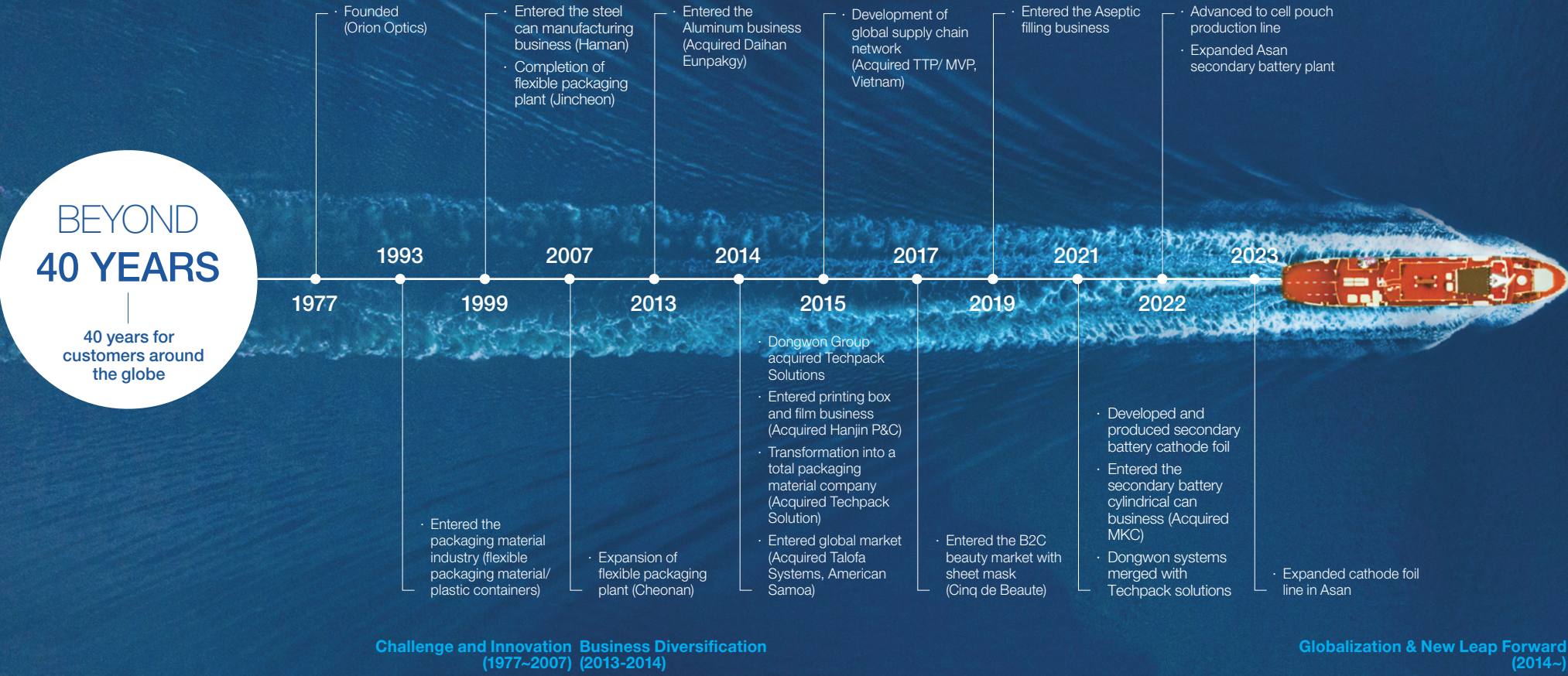
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History

Dongwon Systems has grown and focused its organizational capabilities to provide top-tier products with high functionality and convenience with a challenging spirit and a caring heart that values customers.

With bold investments in R&D, development of new, differentiated items, active expansion into overseas markets, and green initiatives, Dongwon Systems has established itself as a comprehensive packaging material specialist with global competitiveness, covering everything from raw materials to end products.



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Main Products

1. Flexible Packaging

- Retort pouch
- Refill bag
- Zip lock bag

2. Glass Bottle

- Flint
- Amber
- Emerald Green
- Georgia Green

3. PET Bottle

- Pressure Resistance (PR)
- Heat Resistance (HR)
- Heat Pressure Resistance (HPR)
- Non-Pressure Resistance (NR)

4. Aluminum Can

- Aluminum Can
- Bottle Can (BTC)

5. Battery Can

- Primary Battery Can
- Secondary Battery Can
- Deep Drawing Can

6. Steel Can

- CAN BODY
- E.O.E

7. Paper Box

- Gift Set Box
- Bag-Type Case

8. Hygienic Films Industrial Films

- TFT-LCD Film
- One-Touch Film

9. Aluminum

- Secondary Battery Cathode Foil
- Aluminum Foil
- AL Paste



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Material Business Division

Dongwon Systems specializes in the packaging material business, producing materials including flexible packaging materials, bottles, CAN, industrial films, and aluminum foil. With strong expertise and advanced systems, we maintain long-standing partnerships with domestic companies as well as leading global companies. In the future, our aim is to develop further into a cutting-edge global materials company by developing not only high-quality functional packaging materials that raise the value of our customers, but also various functions that can be used in daily life including eco-friendly packaging materials and electronics parts materials.



Flexible Packaging

With cutting-edge production facilities and excellent inspection systems, our flexible packaging material production plants in Jincheon, Cheonan, and Asan supply approximately 3,000 types of packaging materials both in and out of Korea. We have obtained various certifications in the packaging sector, including ISO 9001, ISO 14001, ISO 22000, KOSHA 18001, and FDA/IMS. Experts in our packaging research center are continuously developing a wide range of next-generation packaging materials and supplying major domestic companies including Nestlé and Mars.



Steel Can

Dongwon Systems is leading the steel can industry with a strict on-site management system equipped with the latest high-speed press facilities. We have also enabled printing on surfaces with various shapes for the first time in Korea and have contributed to ensuring quality assurance of food companies. In addition, we have been steadily gaining favor in overseas markets by reducing costs and raising competitiveness in delivery by producing Easy Open End Can (EOE) domestically, which used to be entirely imported.



Aluminum

Based on state-of-the-art facilities and over 40 years of accumulated expertise, the Aluminum division delivers top-quality products and services, achieving strong customer satisfaction. We are providing Total Material Solutions across various industrial sectors, including flexible packaging materials, heat exchanger fins for air conditioners and automobiles, secondary batteries and electrical electronics, industrial and construction materials, and wires and optical cables.



Printing business

With the accumulated printing technology and expertise, Hanjin P&C's printing business aims for excellence in cardboard boxes and commercial printing alongside efforts to meet customer expectations in terms of quality, delivery and service. Our state-of-the-art facilities enable us to supply over 1.5 million cartons* daily, covering everything from the development of various case structures to pre-press, offset printing, coating, die-cutting, processing, and delivery. We provide packaging for diverse sectors, including food, confectionery, pharmaceuticals, and cosmetics.



Film business

Hanjin P&C's film business produces films for hygiene products, food packaging, and industrial applications. We have been putting in much efforts for continuous R&D and quality improvement, while placing top priority on customer satisfaction.

*Carton: Shipping boxes made of general or corrugated cardboard.

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Packaging Business Division

Dongwon Systems have firmly established its stance as a leading company in the packaging industry by pioneering the domestic production of aluminum bottle cans, a new concept in metal packaging that previously relied on imports, and making bold investments on expanding can lines and glass bottle furnaces. We are currently supplying 30% of domestic demand with outstanding global and domestic partners including AB InBev (OB beer), Coca-Cola, Hite, Woongjin, Dong-A Otsuka, and Ottogi.



Glass Bottle

Dongwon Systems is an industry leader that supplies 40% of the domestic demand for glass bottles. Based on top-notch technology and quality, we offer bottles in a wide range of sizes and colors, which enabled us to become long-term partners with leading global companies and major domestic corporations, contributing to the growth of our customers.



PET Bottle

We were the first in the country to introduce PET bottles to Coca-Cola Korea, and through technological development, we have also introduced a one-piece carbonated bottle. Now we are also leading green packaging in Korea by commercializing preforms and PET bottles made from recycled PET materials.



Aluminum Can

We are leading the transformation and expansion of the can market through strong technological development and investment, which led to the first 2-piece aluminum can production in Korea and the introduction of bottle can facilities. Through customer satisfaction, we are now supplying 25% of the domestic demand for cans.



Aseptic Drinks

Aseptic filled beverages mean safe products produced by filling and sealing sterile contents in sterilized containers in a sterile environment. The aseptic filling system is composed of facilities that completely sterilize microorganisms present in food at ultra-high temperatures and packaging in a sterile environment.

Secondary Battery Business Division

Dongwon Systems is specialized in manufacturing parts and materials for secondary batteries, producing aluminum cathode foil and battery cans. In the future, we plan to diversify our portfolio by entering the cell pouch manufacturing sector for secondary batteries. We will continue to provide the best products and services, building on the trust of our customers.



Aluminum Cathode Foil (Battery Cathode Current Collector)

In 2020, we expanded our production line for aluminum cathode foil for secondary batteries at the Asan plant and commenced mass production of cathode foil, officially launching our secondary battery parts and materials business. The cathode foil currently being produced and sold is used in batteries for mobile phones, laptops, power tools, energy storage systems, and electric vehicles.



Battery Cell Pouch

Pouch-type batteries are secondary batteries in which electrodes, either in a “jelly roll” form where the anode, cathode, and separator are rolled up, or in a “stacking” form where the materials are layered, are enclosed in a cell pouch. In 2021, Dongwon Systems announced its entry into the cell pouch business and secured differentiated technology and product performance by building an R&D organization with key experts in the field. Dongwon Systems especially has the capability to manufacture the cell pouches entirely in-house by using our own aluminum film, and therefore aims to produce highly competitive products.



Battery Cylindrical Can

In 2021, we acquired MKC, a company that has been supplying battery cans to domestic battery manufacturers, to advance as a specialized parts and materials company for secondary batteries. As of 2022, we have established the relevant production system and are selling 21700 cylindrical battery cans applying enhanced corrosion resistance technology for the first time in the industry. We have also secured differentiated technology for the 4680 cylindrical battery cans, which are considered the next-generation cylindrical batteries, and have introduced necessary production facilities for a mass production system.

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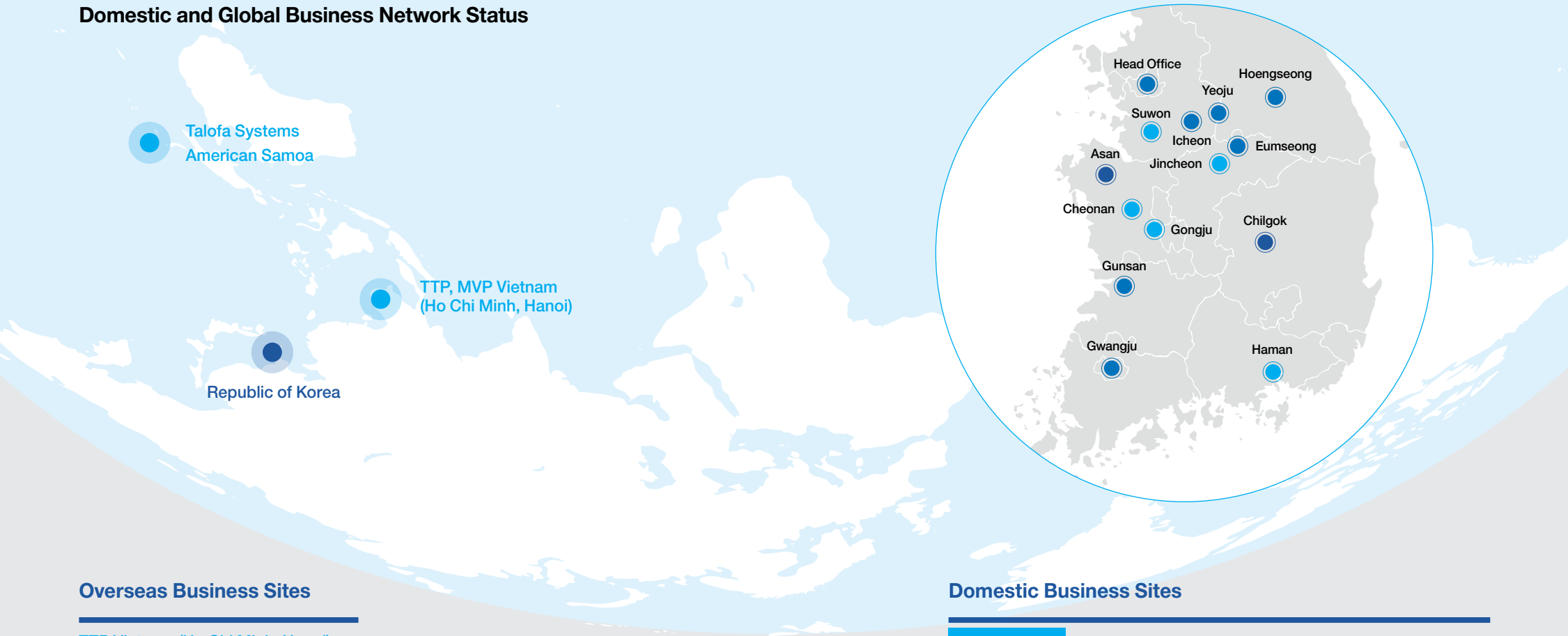
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Domestic and Global Business Network Status



Overseas Business Sites

- TTP Vietnam (Ho Chi Minh, Hanoi)**
Flexible packaging
- MVP Vietnam (Ho Chi Minh)**
Flexible packaging, PET Bottles, CAP
- Talofa Systems American Samoa**
Steel Can Body

Domestic Business Sites

Materials	Jincheon Plant Cheonan Plant	Asan Plant Haman Plant	Gongju (Print) Plant Gongju (Film) Plant	Gwangju 2 Plant Suwon Plant
Packaging	Gunsan Plant Eumseong Plant	Icheon Plant Gwangju 1 Plant	Hoengseong Plant Yeoju Plant	
Secondary Battery	Asan Plant Chilgok Plant	Gongju Plant		

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Sustainability Strategy

The core of Sustainability Management is ensuring that our organization and members grow in a healthy and transparent manner while preparing for future changes with our stakeholders.

Dongwon Systems is preparing for the future of the global packaging industry by realizing sustainability management based on a clear set of values.

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Sustainability Management Committee Chairman Message

Dear stakeholders,

I am Woo Seung Kim, the Chairman of the Sustainability Management Committee at Dongwon Systems. As Chairman, I am deeply aware of how closely connected our corporation is to the era we live in. As our decisions and actions can impact both our stakeholders and the environment, corporate sustainability is becoming increasingly important. In such challenging situations, Dongwon Systems is strengthening competitiveness and actively promoting sustainable management by establishing and implementing relevant strategies. In March 2024, Dongwon Systems newly established the Sustainability Management Committee within the Board of Directors to fully commit to sustainable management. As the importance of sustainable management continues to grow, we will strengthen our sustainability activities through the Board.

In terms of Environment, we developed eco-friendly packaging materials and increased investment in reducing environmental pollution. We obtained GRS and RCS certifications by utilizing over 50% recycled materials in our packaging and have also developed and produced lightweight plastic products. To reduce greenhouse gas emissions, we have upgraded outdated equipment and improved energy efficiency within our facilities.

In terms of Social aspects, we place top priority on the safety of our employees and have established a safety and health management system centered on work sites. Risk assessments were conducted at work sites to find improvement tasks. Moreover, to raises awareness on safety and health among all employees, we have enhanced safety inspections and preventive actions at work sites and provided comprehensive safety and health trainings for our employees.

In terms of Governance, we promoted transparent and ethical · righteous management. We have conducted ethics trainings for all employees and mandated the signing of an ethics agreement with our partners to preemptively address major unethical behaviors including fraud. Additionally, we conducted a survey among our partners to ensure compliance with our code of ethics.

Dongwon Systems aims to contribute to not only the sustainability of our company but also the sustainability of our society as a whole. Action is the most crucial element in turning these ideals into reality, and we will prove this through concrete actions and results. We ask for your continued interest and participation in Dongwon Systems' journey toward sustainable development.

Thank you.

Chairman of Sustainability Management Committee Woo Seung Kim



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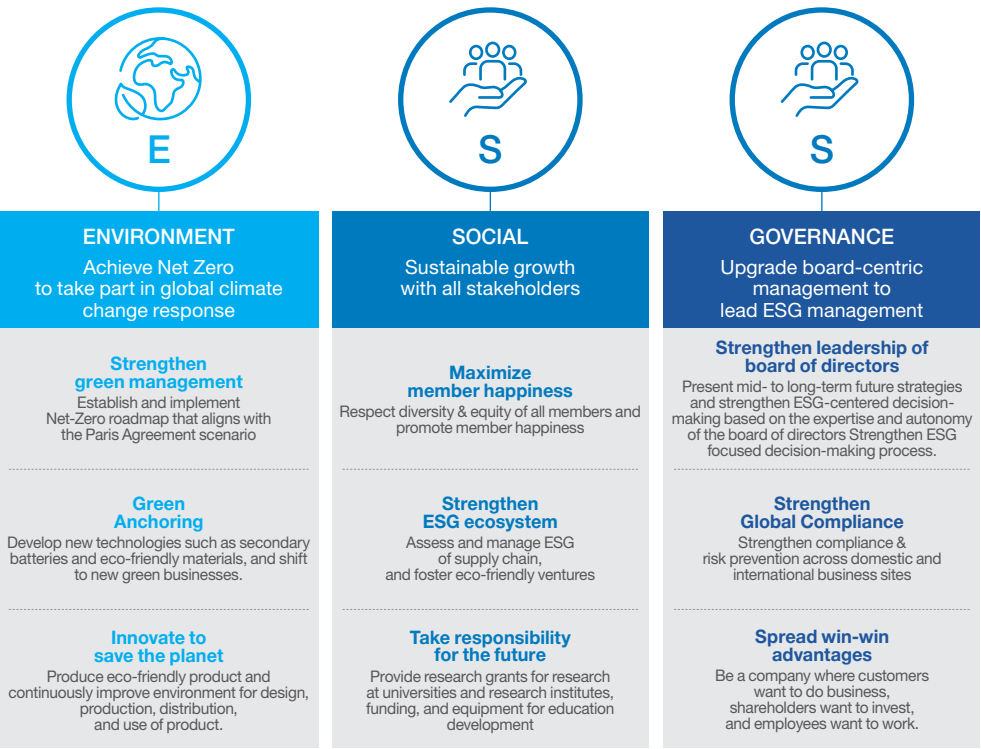
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Sustainability Management System

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2023 Sustainability Management Performance

 Environment	GRS Certification	RCS Certification	2040 Carbon Neutral Road Map	TCFD Report Publication
 Social	ESG Management Policy for Supply Chain	Regular ESG Assessment of Partner Companies	Human Rights Management Policy	Social Contribution Goals for Local Community
 Governance	Sustainability Management Committee	Board Resolution Framework for Environmental Management Performance	Board of Directors Regular Assessment	Independent Directors Assessment

Sustainable Management Road Map

2024	2025	2026
<p>Implement ESG strategy and manage performance</p> <ul style="list-style-type: none">• Manage performance of key indicators & tasks• Conduct group evaluations incl. IPM/quality• Stabilize performance management system• Link with financial value incl. investment attraction• Build ESG training program for employees	<p>Prepare for disclosure and advance ESG management</p> <ul style="list-style-type: none">• Create/Disclose sustainability report• Quantify ESG performance for each group/affiliate• Reset mid- to long-term goals	<p>Leap forward as advanced ESG company</p> <ul style="list-style-type: none">• Join global initiative RE100• Become a renewable energy infrastructure company

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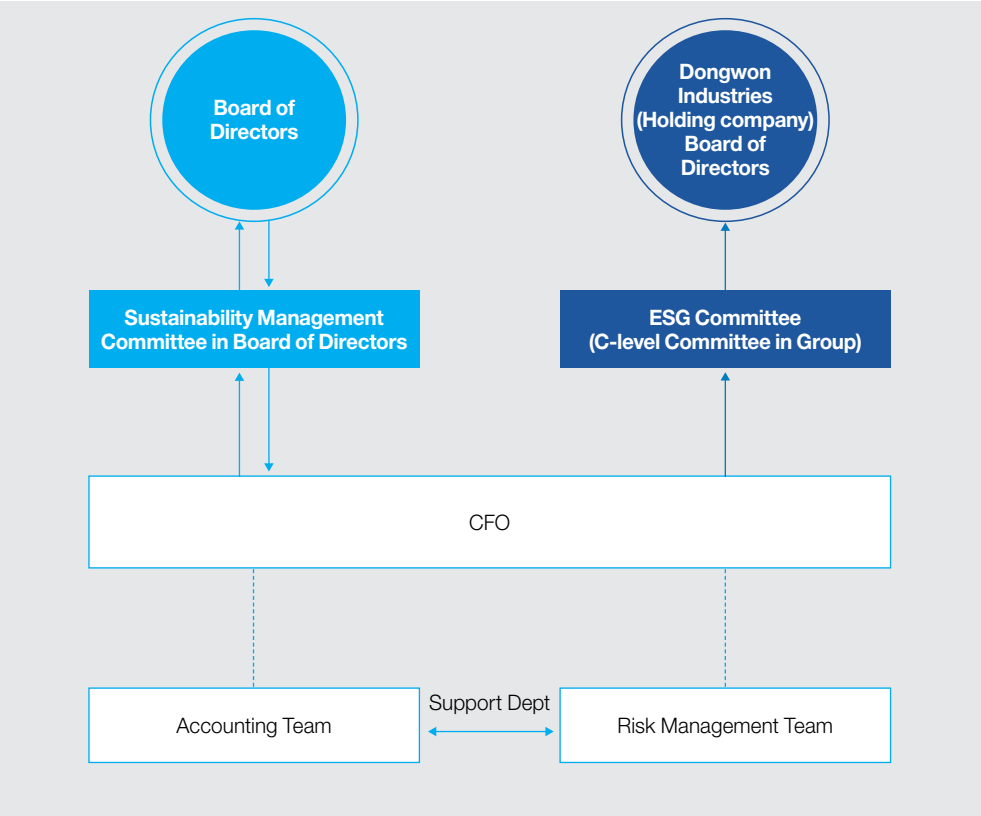
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Sustainability Management System

Sustainability Management Organization Chart

- The Sustainability Management Committee was newly established within the Board of Directors to supervise the direction and implementation of sustainable management strategies and policies, including environment, social, and governance aspects (March 2024).
- Led by the CFO, an ESG organization has been formed to manage the performance of Dongwon Systems' ESG KPIs and report improvement activities to the Dongwon Systems Board of Directors and Dongwon Industries ESG Committee.
- The Board's Sustainability Management Committee consists of Chairman Woo Seung Kim (Independent Director), Bum Won Suh (Internal Director), and Seung Geol Lee (Internal Director).
- The Sustainability Management Committee reported the results of the ESG materiality assessment and major plans to the Board, including the establishment of evaluation and management standards for the ESG Supplier Code of Conduct (March 2024).

Dongwon Systems Sustainability Management Committee Organization Chart



ESG Report to the Dongwon Systems Board(2024)

Session	Meeting Date	Agenda
3	24.03.13	Amendment of the Board of Directors' Operating Regulations following the establishment of the Sustainability Management Committee
		ESG materiality assessment result report(2023)
		Establishment of evaluation and management standards for the ESG Code of Conduct for partner companies(2023)

Dongwon Systems ESG KPIs(2024)

Classification		Indicator	Goals
Environment	Environment management	Strengthen environmental capability	- Achieved zero violations of environmental laws and regulations - Complete external environmental training (7 persons) - Secure talents that obtained professional environmental certifications (7 persons)
		Reduce GHG emissions Reduce pollutant emissions	- Achieve over 80% of the emission reduction target in 2024 - Reduce emissions by 3% compared to level in 2023
	Environment performance	Increase sales of eco-friendly packaging materials	- Increase sales by 50% compared to performance in 2023
		Issue Green-ABS	- Issue KRW 15 billion worth of Green-ABS
Social	Employee	Prevent serious accidents and safety accidents	- Non-occurrence of serious accident - Follow legal standards for safety and health inspection activities
		Prevent & reduce industrial accidents	- Reduce occurrence of safety accidents by 20% compared to number of cases in 2023 - Establish safety accident prevention process
	Partner	Safety accident prevention activities	- Reduce occurrence of industrial accidents by 20% compared to number of cases in 2023 - Issue monthly near miss accident report
		Establish righteous management system	- Obtain ISO 37001(Anti-bribery management system) certification - Sign anti-corruption pledges with partners - Evaluate stakeholders for implementation of righteous management
Governance	Ethical management	Fair Trade Act and human rights management system	- Zero violation of Unfair Trade Act - Establish human rights management system

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Strategic Task Implementation Status

Classification	Management Indicator	Detailed Indicator	Unit	2023 Goal	2023 Actual
Environment	Product lightening	PET water bottle	ton	154	150
	GHG emissions	Scope 1+2	tCO ₂ -eq	265,323	261,349
	Management of air/water pollutant emissions	NOx	ton	179.90	158.25
		SOx	ton	187.93	191.25
		Dust	ton	9.46	9.44
	Energy usage	Fuel, Electricity, Steam	TJ	4,668	4,573
		Amount of usage			
Social	Industrial safety training	Training duration	hours	25,290	25,080
		Employee participation	persons	1,686	1,673
	Industrial safety accidents	Industrial accident occurrence status	cases	25	25
	Ethical management training	Employee participation	persons	400	416
Governance	Board of directors	Board composition (Independent director ratio)	%	25	25
		Number of independent directors	Persons	1	1
	Shareholder/Investor rights protection	IR performance	cases	20	17



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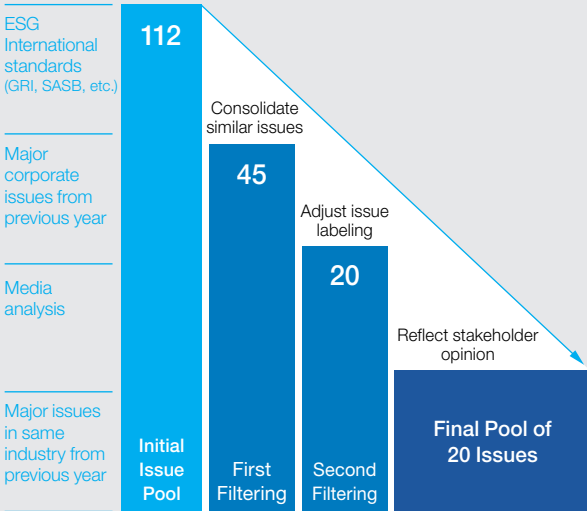
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Double Materiality Assessment

- The Double Materiality Assessment is an assessment method that comprehensively considers both how social and environmental factors impact a company's financial status (outside-in) and the influence of a company's business activities on the society and environment (inside-out).
- Through the assessment, the company can understand the concerns and interests of internal and external stakeholders, and then integrate them into corporate management activities to improve business performance and actively reflect social, environment values.
- Based on an ESG management environment analysis, Dongwon Systems formed a final pool of 20 issues, of which major issues were selected through a stakeholder survey and double materiality assessment.

Step 1 Dongwon Systems ESG Management Environment Analysis

- Analyzed sustainability management requirements for Dongwon Systems from both internal and external stakeholders, including investors and local communities, and formed pool of issues.
- Derived a total of 112 initial issues through the analysis of domestic and international ESG standards, major corporate issues, and media analysis
- Formed a final pool of 20 issues by consolidating similar issues and adjusting labeling.



*European Sustainability Reporting Standards

Step 2 Stakeholder Survey

- Classified key issues by sector (environment, social, governance, business)
- Reflected ESRS* standards in survey questions to improve the survey

Issue Pool Classification by Sector (Total 20 Issues)			
E Environment 7 Issues	S Social 7 Issues	G Governance 5 Issues	B Business 1 Issues
Composition of questions by issue			
Impact Materiality		Financial Materiality	
Positive	Negative	Opportunity	Risk
Impact Probability	Impact Probability	Impact Probability	Impact Probability
Size of Impact	Size of Impact	Size of Impact	Size of Impact
Scope of Impact	Scope of Impact		
	Impact Adjustability		

Step 3 Double Materiality Assessment

- Added weight for the internal and external environment analysis results based on impact materiality and financial materiality.
- Selected major issues requiring the highest priority response from the 20 identified issues

Classification	Items Reflected in Assessment
Impact Materiality	ESG International Standards (GRI, SASB, etc.)
	Internal stakeholder survey result
	External stakeholder survey result
Financial Materiality	Financial materiality assessment (Key issues from Dongwon Systems and same industry from previous year)
	Internal stakeholder survey result
	External stakeholder survey result

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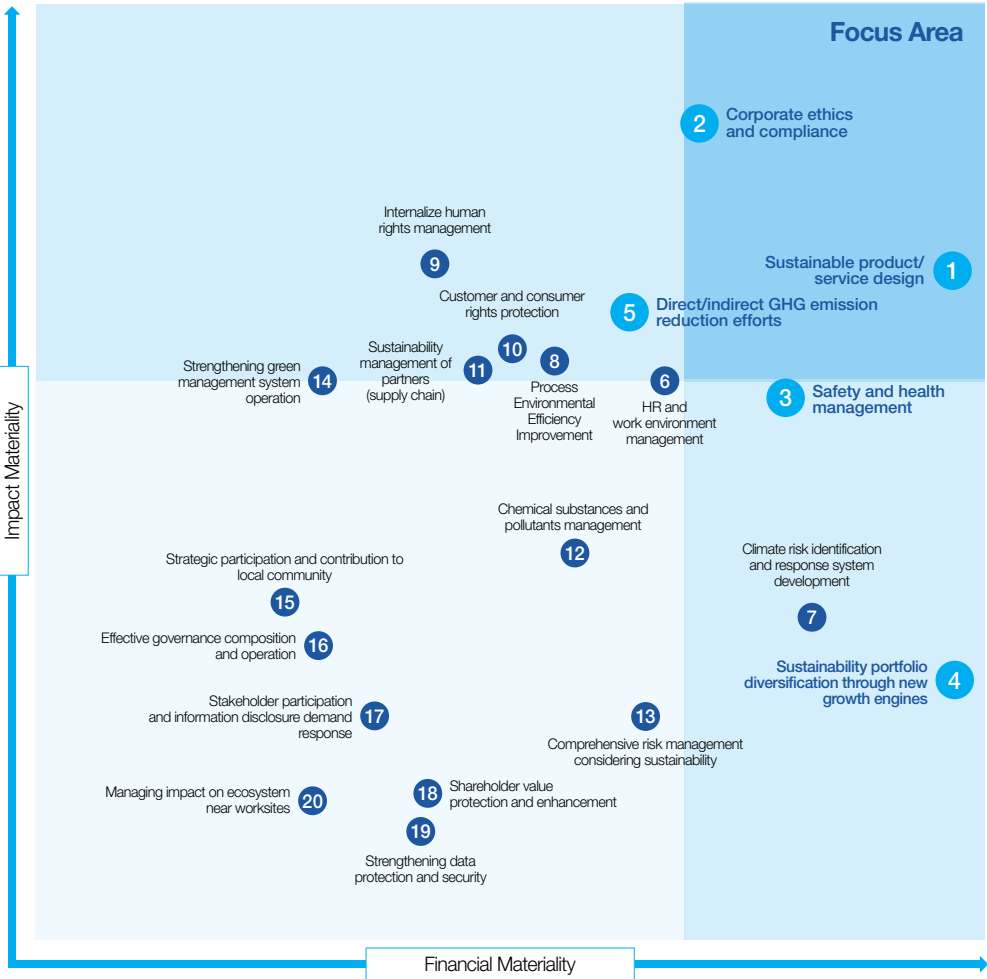
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Double Materiality Assessment Result

- The materiality assessment results were derived based on Impact Materiality and Financial Materiality.
- Based on comprehensive analysis of various impact factors, five major issues were selected for Dongwon Systems.
- The five major issues are sustainable product/service design, corporate ethics and compliance, safety and health management, sustainability portfolio diversification through new growth engines, and direct/indirect GHG emission reduction efforts.



Issue	Impact Materiality		Financial Materiality		Page in Report
	Negative	Positive	Risk	Opportunity	
1 Sustainable product/service design					p20 - 24
2 Corporate ethics and compliance					p25 - 28
3 Safety and health management					p29 - 38
4 Sustainability portfolio diversification through new growth engines					p39 - 42
5 Direct/indirect GHG emission reduction efforts					p43 - 49
6 HR and work environment management					p57 - 66
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9 Internalize human rights management					p65 - 66
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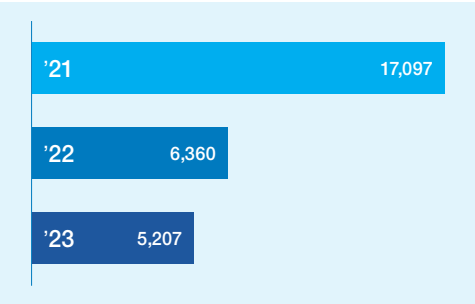
Stakeholder Status, Major Activities and Communication Channels

- Dongwon Systems is operating various communication channels to build trust with our stakeholders.
- Our key stakeholders are customers, shareholders and investors, partner companies, local communities and governments.
- Based on active communication, we will continue to pursue transparent and sustainable management with our stakeholders.

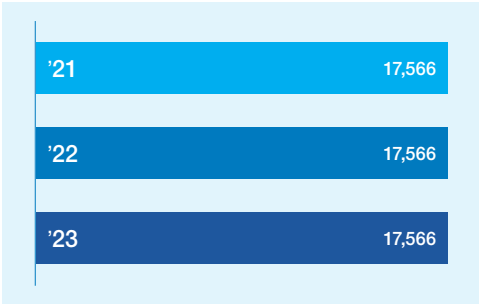
Key stakeholder	Concerns	Communication channel	Major activities
Customers	<div>- Safe and competitive service</div> <div>- Producing sustainable, green products</div>	<div>- Website (year-round)</div> <div>- Media report (year-round)</div> <div>- Various interviews (year-round)</div>	<div>- Customer and consumer rights protection</div> <div>- Sustainable product/service design</div>
Shareholders and investors	<div>- Raising corporate value</div> <div>- Risk management</div> <div>- Facilitating shareholder-friendly management</div>	<div>- General Meeting of Shareholders (once a year)</div> <div>- Extraordinary General Meeting of Shareholders (as needed)</div> <div>- Conference call (year-round)</div> <div>- Various reports (year-round)</div>	<div>- Shareholder value protection and enhancement</div>
Employees	<div>- Work-life balance</div> <div>- Fair performance evaluation</div> <div>- Win-win labor relations</div>	<div>- Employee satisfaction survey (year-round)</div> <div>- Consultation center (year-round)</div>	<div>- HR and work environment management</div>
Partner companies	<div>- Expanding win-win management</div> <div>- Building a fair partnership</div> <div>- Fair trade</div>	<div>- Partner company meeting (Once a year)</div> <div>- Training for partner companies (year-round)</div>	<div>- Sustainability management of partners (supply chain)</div>
Local community	<div>- Contributing to local community development through social contribution activities</div> <div>- Create social value</div>	<div>- Social contribution project (year-round)</div> <div>- Dongwon Yukyoung Foundation operation (year-round)</div> <div>- Cooperation with NGO activities (year-round)</div>	<div>- Strategic participation and contribution to local community</div>
Government	<div>- Legal & regulatory compliance</div> <div>- Strengthening public-private partnerships</div>	<div>- Joining relevant international associations</div> <div>- Obtaining international certifications</div>	<div>- Corporate ethics and compliance</div> <div>- Comprehensive risk management</div>

Stakeholder Economic Value Allocation Status (Consolidated basis)

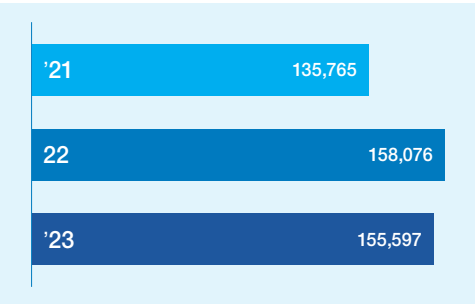
Government : Corporate tax payments



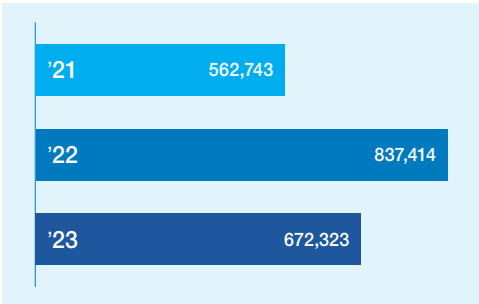
Shareholders : Total cash dividend



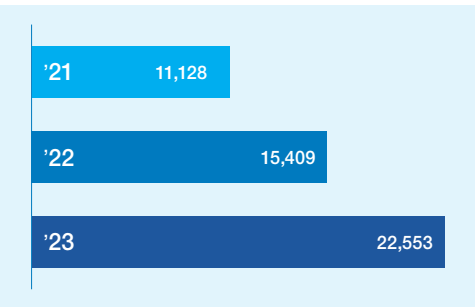
Employees : Salary, etc.



Partner companies : Purchase amount



Creditors : Interest expenses



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Major Issue
01

Sustainable Product / Service Design

Significance of Topic

Consumers look beyond performance, quality, and satisfaction when selecting products and services, and increasingly consider their development, production, and delivery processes as well as impact on society. Many companies around the world are already focusing on circular economy, not just minimizing waste in production, distribution, and consumption.

As a leading packaging material company, Dongwon Systems is accelerating the development of sustainable packaging materials in line with this trend and aims to realize the goal of providing only products that are good for the society and our planet. We are also continuously conducting research and development on eco-friendly materials that have a positive impact on the environment and society.

Our Approach

Packaging material development based on 3R strategy	Joint research and collaboration
<ul style="list-style-type: none">· Reduce use of plastic· Recycle plastic· Replace plastic with eco-friendly materials	<ul style="list-style-type: none">· Establish a resource circulation system to recycle plastic

Our Performance

Global Certification		2023 Eco-friendly Sales
GRS Certification (Jan 2023)	RCS Certification (May 2023)	KRW 5,085 M

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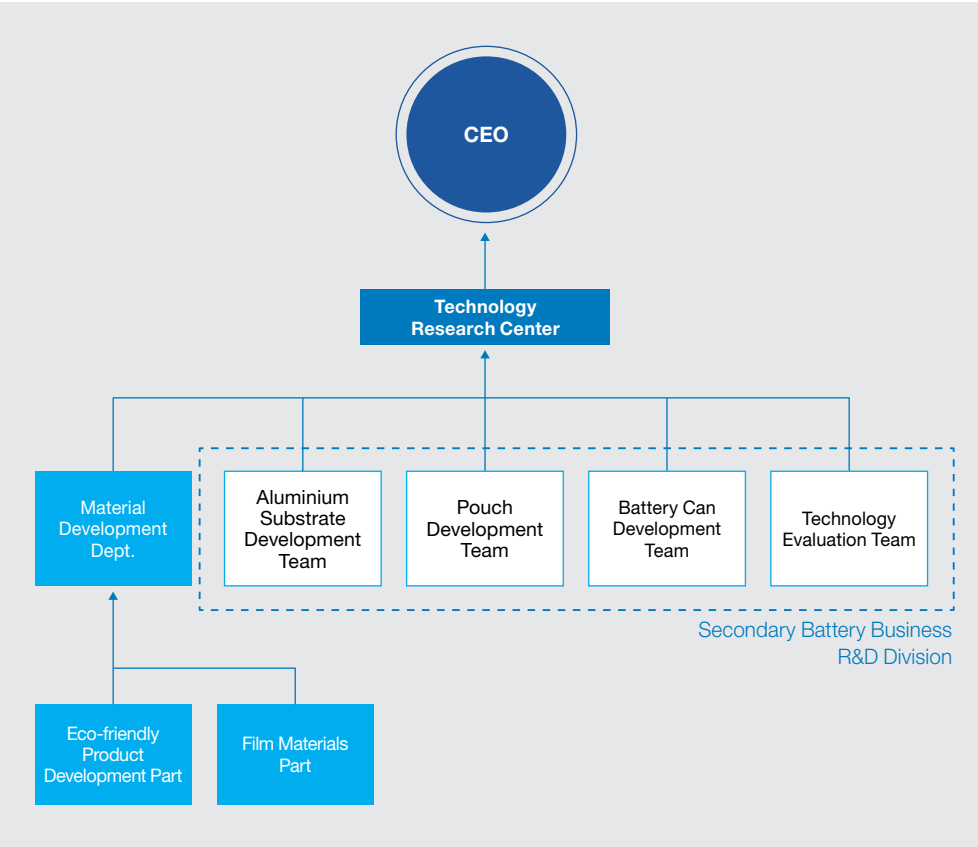
Sustainable Product / Service Design

Management System

Organization Chart

- The Technology Research Center has been established and operated to secure the competitiveness of sustainable products and to develop new materials.
- The Material Development Division consists of the Eco-Friendly Product Development Team and the Film Material Team for design and development of sustainable products/services.
- When a product is developed, its completeness is enhanced through prototype production, commercialization verification and finally customer evaluation.

Technology Research Center Organization Chart

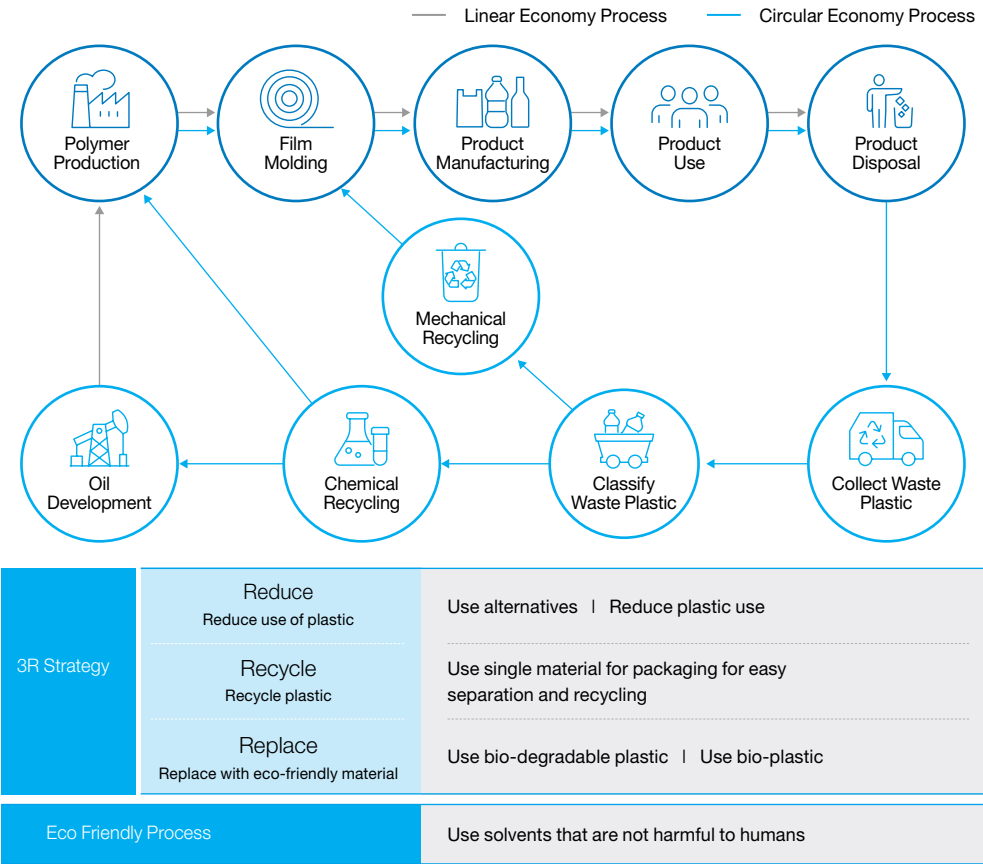


Product Design Direction

3R Strategy

- To enhance sustainability, we are transitioning from a traditional linear economy system to a circular economy system.
- We are implementing strategies to reduce use of plastic (Reduce), recycle (Recycle), and replace fossil fuel-based plastic materials with alternatives such as bioplastics (Replace).
- In addition, an eco-friendly process is applied without use of harmful organic solvents to raise the credibility of our eco-friendly products.

3R Strategy Diagram



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Sustainable Product / Service Design

Product Certification

Domestic/Global Certifications in the Material/Packaging Sector

- Dongwon Systems was certified by the U.S. Department of Agriculture (USDA) for the Ecosobre product, as it consists of 35% or more bio-based materials (July 2019).
- We obtained the "Green Technology" certification by developing solvent-free lamination packaging technology that doesn't use chemical organic solvents (November 2021).
- We obtained the "Green Product" certification by applying green technology to more than 130 packaging materials for food, cosmetics, household products, etc (April 2022).
- By utilizing more than 50% recycled materials in the packaging for industrial consumables, we obtained the GRS certification (January 2023) and RCS certification (May 2023).




Dongwon Systems Certification Status

Certification Name	Logo	Country	Certified Date	Details
USDA Biobased Product Label		USA	'19.07	- Packaging made with more than a certain amount of bio-based materials - Our packaging includes 35% of bio-based materials
Forest Stewardship Council (FSC)		Germany	'21.04 (Jincheon) '22.10 (Asan)	- Paper produced from legally harvested forests through the sustainable forest management system
Green Certification		Korea	'21.11 (Green Technology Certification) '22.04 (Green Product Certification)	- Certification for technologies that minimize greenhouse gas and pollutant emissions by conserving and efficiently using energy and resources
Global Recycled Standard (GRS)		Netherlands	'23.01	- Products proven to be made with at least 20% recycled materials throughout the entire production process - Compliance with the social, chemical standards required by GRS
Recycled Claim Standard (RCS)		Netherlands	23.05	- Products made with at least 5% recycled materials throughout the entire production process

Research & Development



Packaging Material Development Sector

Packaging Material Sector R&D Performance

Classification	Research Result
 Develop easy-to-recycle packaging material	- Developed Polyethylene(PE) and Polypropylene(PP) uni-material packaging material
 Develop packaging material using waste plastic	- Developed industrial and food/pharmaceutical packaging materials using recycled plastic materials - Obtained GRS, RCS certification
 Develop compostable packaging material	- Developing relevant technology through two national projects

Film Material Part

Film Material Sector R&D Performance

Classification	Research Result
 Eco-friendly film development	- In the process of developing renewable material films - Developed bio-degradable film extrusion process
 Self-adhesive protective film development	- Promoting diversification of grades for self-adhesive protective films

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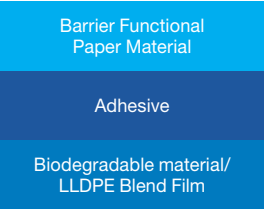
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Sustainable Product / Service Design

Eco-friendly Packaging Material Development



Ecosobre Pouch Structure

Pouch made with bio-degradable material and paper

- We developed a pouch structure composed of barrier functional paper, bio-degradable material, and LLDPE blend film.
- This pouch was certified with the Biobased product label by the USDA.



Polyethylene(PE) uni-material packaging

- We developed a PE uni-material, which can help improve recycling rates through material unification.



Polypropylene(PP) uni-material packaging

- At least 95% of the raw material is this package is composed of PP, which makes it easier to recycle.
- Excellent oxygen and moisture barrier properties make it suitable for pet food and household goods packaging.



Paper-based packaging materials for cryogenics

- We developed a plastic-reduced, paper-based packaging material usable at extremely low temperatures. The plastic content in this material is reduced by 50% compared to existing packaging.

Plastic Reduced Seaweed Packaging Material

- By avoiding the use of plastic containers in seaweed packaging, we reduced the amount of packaging by 1/3 compared to existing packaging.



Waste plastic applied packaging

- By using at least 50% of recycled raw materials in our packaging materials, we obtained GRS, RCS certifications.
- Currently under internal review for commercialization.



Solvent-free type pillow bag (certified as Green Technology)

- By applying a solvent-free adhesive lamination process technology that does not use chemical organic solvents, we reduced greenhouse gas emissions by 107,495 kg CO₂eq compared to existing process.



Lightening of product packaging

- We are applying lighter packages to glass bottles, cans, PET bottles, and aseptic beverages.
- Plastic usage is reduced by 0.2g ~ 20g depending on product.

Glass Bottle	Product A : 20g	Product B : 10g					
Can	Product A : 1.1g	Product B : 0.7g	Product C : 0.2g				
Glass Bottle	Product A : 3.2g	Product B : 3.2g	Product C : 2.2g	Product D : 2.2g	Product E : 1.0g	Product F : 1.0g	
Aseptic Beverage Bottle	Product A : 11.0g	Product B : 11.0g	Product C : 2.0g	Product D : 2.0g	Product E : 2.0g	Product F : 2.0g	Product G : 2.0g

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Sustainable Product / Service Design

Joint Research and Collaboration

Dongwon Systems and H2 Collaboration to Promote Use of Recycled PET Bottles (2024)

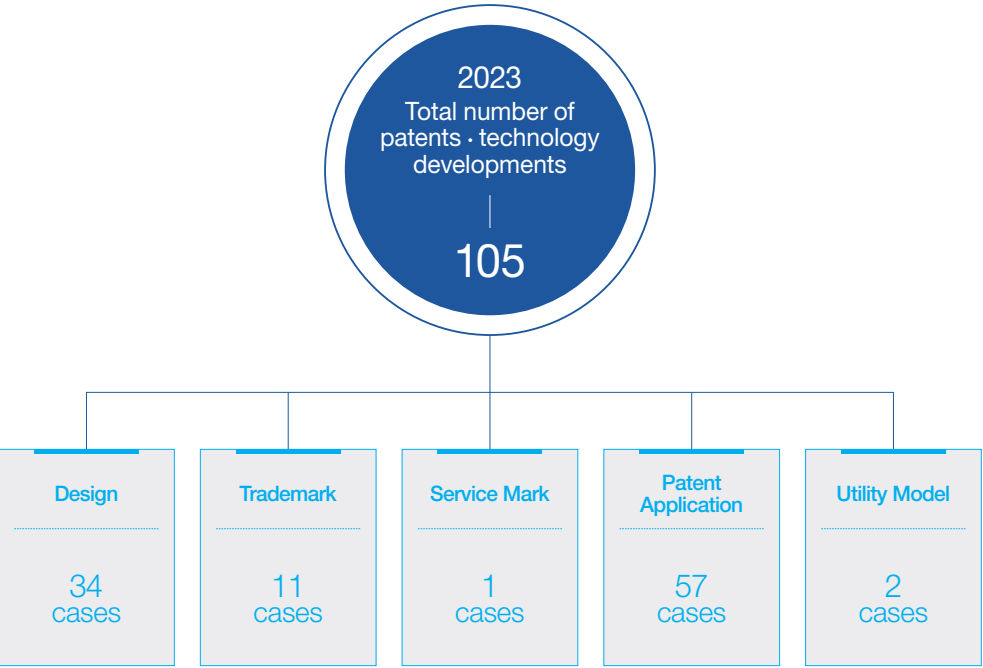
- Dongwon Systems signed a business agreement with the recycling company H2 to facilitate the use of recycled PET bottles (rPET).
- As a result, we have secured a stable supply of high-quality recycled raw materials (rPET chips) extracted from waste PET bottles from H2.
- We are expanding ESG management as we establish a resource circulation system that recycles used PET bottles as food containers.
- As a global comprehensive packaging company, we will continue to produce eco-friendly packaging materials and develop relevant technology for a more sustainable future.



Patent · Technology Development

- Dongwon Systems developed relevant technologies and obtained patents to meet the various demands of our customers.
- We have raised competitiveness by strengthening quality verification and developing innovative products that add technical edge to the company.

Total number of patents-technology developments (2023)



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Major Issue
02

Corporate Ethics and Compliance

Significance of Topic

Corporate ethics and regulatory compliance go beyond merely adhering to laws. They require fostering an ethical mindset among employees and engaging in responsible corporate activities to establish an honest corporate culture. Dongwon Systems is committed to embedding ethical management to ensure transparency in our operations. Through these efforts, we aim to become a trusted partner to our diverse stakeholders.

Our Approach

- Establish a righteous management system
 - Formalize ethical management regulations
 - Establish a reporting system for ethical management activities
- Promote introduction of anti-corruption management system

Our Performance

Implemented anti-corruption regulations within the board of directors and provided a report on the enforcement of the code of ethics for independent directors

Completed preliminary inspections of two worksites in preparation for the introduction of the anti-corruption management system

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Corporate Ethics and Compliance

Ethical · Righteous Management System

Management Policy

- The Dongwon Charter of Ethics was established to ensure management transparency and to demonstrate our commitment to ethical management at the corporate level.
- The Dongwon Code of Ethics was established and disclosed on the company website to ensure that employees implement its principles.
- Ethical Management Regulations was formalized and disclosed through the DART website to set behavioral standards for employees.
- Top-level decision-making, management, and supervision of ethical management are done through the Sustainable Management Committee.
- In case one witnesses a misconduct that violates ethical or righteous management, a reporting channel is available on the Dongwon Group website.



Dongwon Code of Ethics

Dongwon Code of Ethics provides employees with value judgement criteria and procedure for efficient operation of the Dongwon Charter of Ethics.

1 Responsibilities to Customers <ul style="list-style-type: none">• Prioritizing customer satisfaction• Respecting customer opinion/Customer-centric management• Customer information protection	2 Responsibilities to Employees <ul style="list-style-type: none">• Respecting individual creativity and creative management• Respecting diversity and providing fair compensation• Strengthening talent development	3 Responsibilities to Society and Country <ul style="list-style-type: none">• Job creation and co-prosperity• Compliance with international agreements and accounting standards• Eradication of political activities including lobbying
4 Responsibilities to shareholders and investors <ul style="list-style-type: none">• Transparent decision-making and efficient management• Continuous growth and development• Reliable and useful communication	5 Fair Competition and Trade <ul style="list-style-type: none">• Respecting the order of market economy• Compliance with fair trade regulations• Developing mutually cooperative relationships	6 Responsibilities of Employees <ul style="list-style-type: none">• Compliance with code of ethics• Building mutual trust and a healthy organizational culture• Unfair profit eradication and information security

Dongwon Charter of Ethics

Dongwon Charter of Ethics aims to establish an honest corporate culture for the ethical mindset of our employees and responsible corporate activities.

Dongwon contributes to the national economy and development of society by continuously creating jobs and honestly paying taxes.

Dongwon thinks and acts on behalf of its customers, and always creates customer value for the happiness of its customers.

Dongwon strives to provide shareholder value through reasonable and transparent management activities.

Dongwon works for shared prosperity with its partners based on mutual trust, fair opportunities, and transparent trade.

Dongwon creates a work environment where employees can work in an autonomous and creative manner, and establishes a mature, clean corporate culture based on mutual trust and respect.

Dongwon pursues both the growth of individuals and the development of the company by continuously supporting professional development of its employees.

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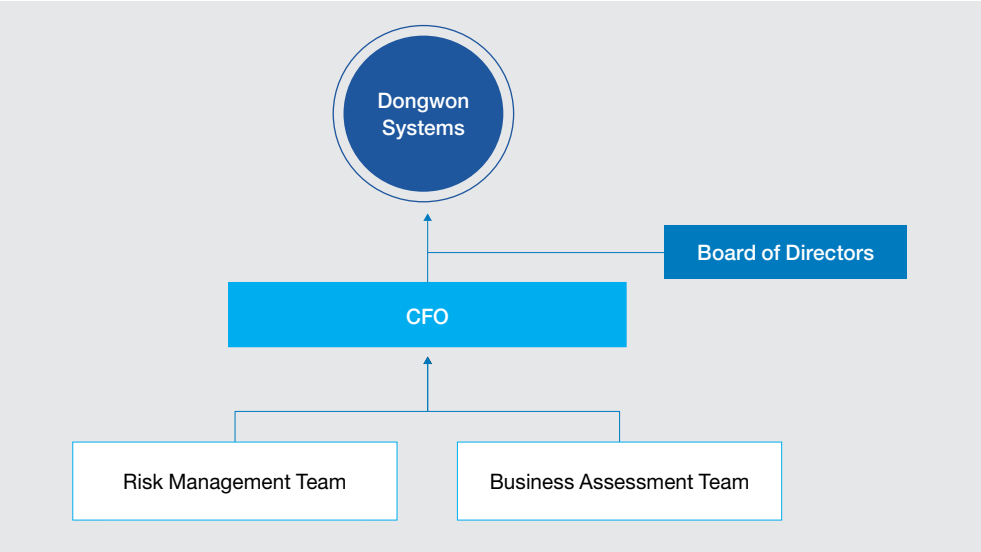
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Corporate Ethics and Compliance

Ethical · Righteous Management System

Organization Chart

- The Risk Management Team and Business Assessment Team are leading the implementation of ethical · righteous management.
- The Risk Management Team ensures legal compliance and supports fair and transparent work performance of employees.
- The Business Assessment Team performs various risk management activities related to fair practices and ethical management.
- Corporate ethics and regulatory compliance activities are reported to the Board of Directors.





Corporate Ethics and Regulatory Compliance Activities Reported to the Board of Directors

Session	Date	Report Details
3	'24.03.13	<ul style="list-style-type: none">· Risk management activities in 2023 and risk management activities planned for 2024· Implementation of anti-corruption regulations and code of ethics for independent directors

Compliance Management Process

Dongwon Group Righteous Management Reporting Center

- Dongwon Group runs a group-wide integrated Righteous Management Reporting Center to establish an honest corporate culture.
- All stakeholders including employees, customers, and partner companies are eligible to use the Reporting Center.
- As a result of operating the Reporting Center, two reports were filed and processed in 2023.
- Through the operation of the Righteous Management Reporting Center, Dongwon aims to firmly establish an ethical and transparent corporate culture.

Reportable Types of Irregularities	Report Method
<div></div> <div>Bribery/Kickbacks/Gratuities</div> <div>Embezzlement of public funds and self-serving interests</div> <div>Work-related sexual harassment and demeaning behavior among employees</div> <div>Leakage of company information and human resources</div> <div>Unfair joint behavior (collusion, etc.)</div> <div>Human rights management issues</div> <div>Other irregularities</div>	<div></div> <div>Internet: Online report</div> <div>Tel: 02-589-3742 (Management Diagnosis Division, Dongwon Group)</div> <div>E-mail: ethics@dongwon.com</div> <div>Mail: Management Diagnosis Division 19th Floor, Dongwon Industries Building, 68 Mabang-ro (Yangjae-dong), Seocho-gu, Seoul, Korea</div>

Report Center Operational Status (Recent 3 years)

Classification	'21	'22	'23
Number of reported cases	1	4	2
Number of processed cases	1	4	2
Processing rate (%)	100	100	100

*One of the two cases was processed by collecting and addressing feedback and concerns from a partner company.

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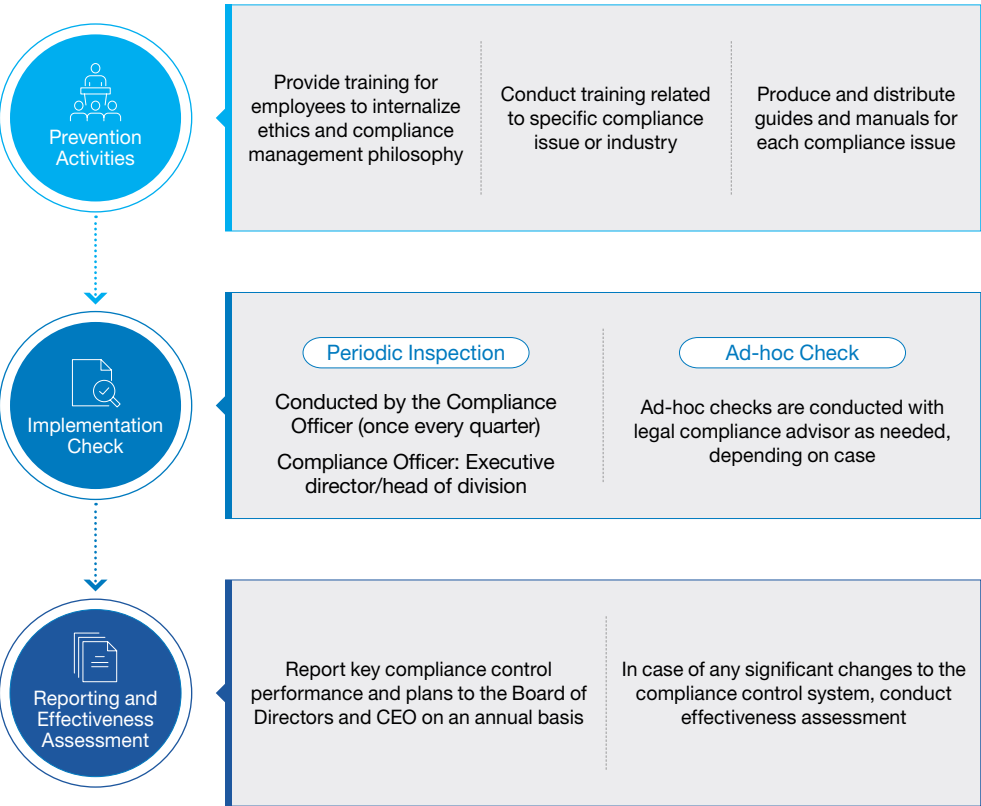
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Corporate Ethics and Compliance

Compliance Management Process

Compliance Management

- Organizational compliance activities are managed through the process of prevention-implementation checks-reporting and effectiveness assessments.
- We support our employees ethical · compliance activities across various domains including personal data protection, employee rights, and anti-corruption.
- Compliance implementation status is checked both by periodic inspections and ad-hoc checks.



Internal Pilot Assessment for Introduction of Anti-Corruption Regulations

- Internal assessments were conducted at selected worksites for introduction of the anti-corruption management system.
- A survey was conducted on all departments at the Gongju Film Plant and Gongju Printing Plant ('23.10.08~'23.10.10).
- The assessment results showed compliance with anti-corruption regulations in terms of suitability, adequacy, and efficiency, and improvements were made on minor recommendations.
- We plan to introduce the Anti-Corruption Management System (ISO 37001) in the future.

Training Program

Ethical· Righteous Management Internalization Program for Employees

- Employees were given trainings for internalization of ethical · righteous management.
- Trainings were conducted on the Fair Trade Act and ethical management.
- All employees completed the trainings (2023)

Righteous Management Training for Employees (2023)

Classification	Training Title	Subject	Training Period	Number of Completed Employees
1	Fair Trade Act Training	General employees and sales staff	'23.04	1 st : 215
			'23.05	2 nd : 143
			'23.08	3 rd : 5
2	Ethical Management Training	All employees	'23.02 '23.06	416 (based on employees in the Head Office)

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Major Issue
03

Safety and Health Management

Significance of Topic

A safe, hygienic work environment is a basic and essential right for workers, and there is a growing national awareness on the need to prevent industrial accidents and ensure safety and health. Since 2022, the Serious Accidents Punishment Act has been in effect, and protecting the lives and health of employees at industrial sites has become a basic obligation of companies. Dongwon Systems is also keeping pace with this trend by establishing a safety and health system and obtaining relevant certifications, thereby continuously improving safety levels within the workplace. We are making every effort to protect the rights of our employees to work in a safe and healthy environment, through which we are also fulfilling our corporate social responsibility.

Our Approach

Building foundation for safety and health management system	Embedding safety and health mindset
<ul style="list-style-type: none">· Formalize safety and health management policy in writing· Enhance risk assessment focused on improving safety at workplaces	<ul style="list-style-type: none">· Strengthen regular trainings on safety and health· Strengthen regular inspections and prevention activities related to safety and health

Our Performance

Risk Assessment	Regular Training, Inspection, and Preventive Activities
Performed risk assessments for all 15 workplaces, identified improvement areas, and implemented improvements	<div>Completed regular training for all employees</div> <div>Implemented 100% of set goals on business site inspection and prevention activities</div>

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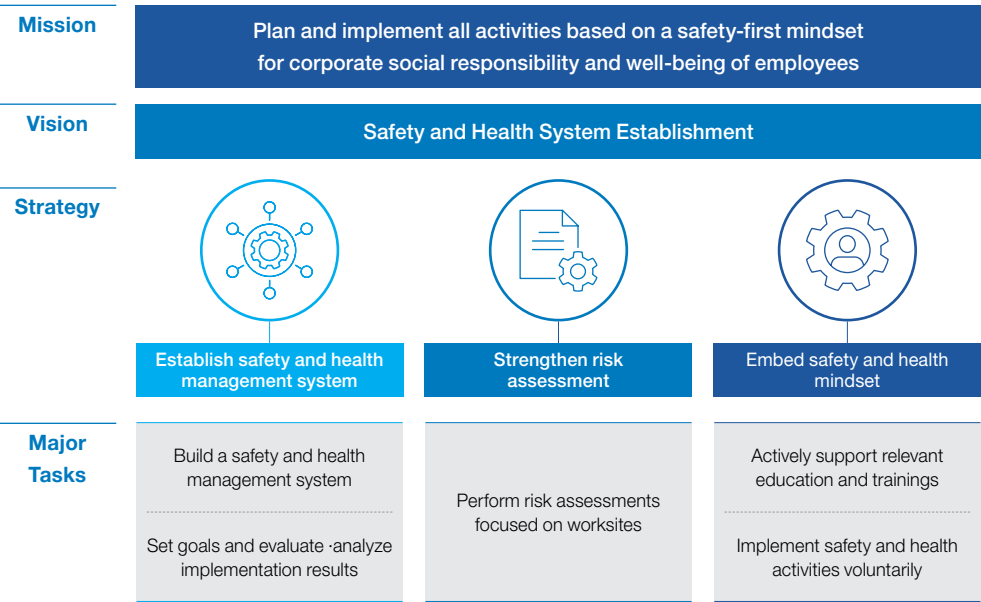
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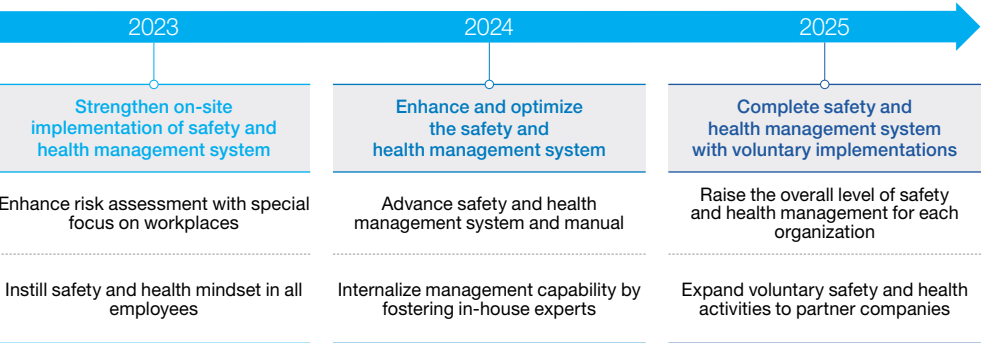
Management System

Vision and Strategy



[Full text of the Safety and Health Management Policy](#)

Mid- to Long-term Plan



Safety and Health Prevention Goal

- The safety and health accident prevention goals for 2024 are to reduce industrial accidents from 5 to 4, occupational injuries from 20 to 10, and legal violations from 4 to 0.
- The budget execution plan includes an increase of KRW 473 million compared to actual execution, which will help advance the safety and health management system.
- To ensure safe workplaces, we are investing KRW 317 million in relevant facilities to build a more effective safety and health management system.

Dongwon Systems Goals for Safety and Health Disaster Prevention (2024)

Unit: million won

Classification	2023 Actual	2024 Plan	Amount Increase in 2023 compared to 2023
Safety and Health Regular Inspection <ul style="list-style-type: none">· Safety · Health service fee· Risk assessment· Air quality self-assessment· Work environment assessment, etc.	627	690	63
Safety and Health Management System Establishment <ul style="list-style-type: none">· Safety facilities support· PSM facilities support	1,069	1,386	317
Strengthening Safety and Health Mindset <ul style="list-style-type: none">· Safety training, etc.	147	240	93
Total	1,843	2,316	473

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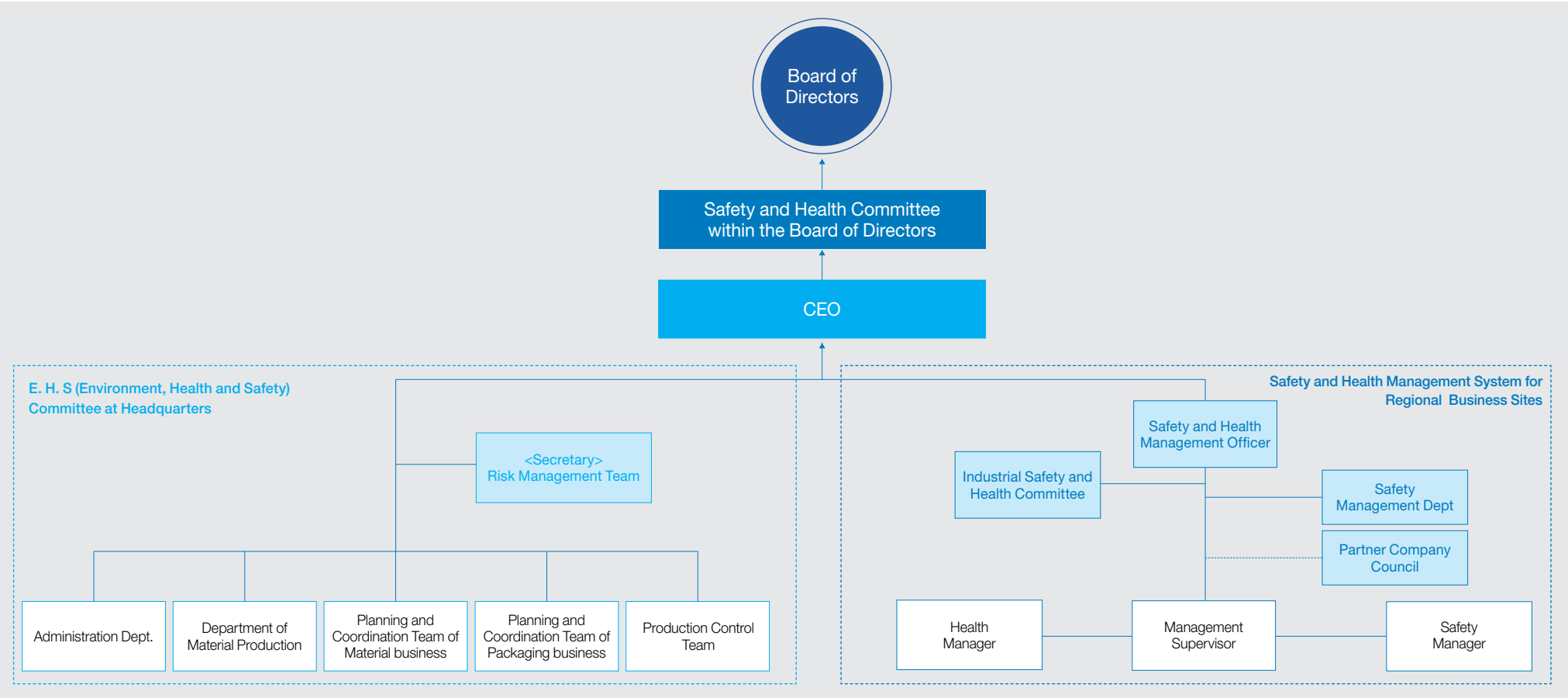
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Safety and Health Management

Management System

Organization Chart

- According to Article 14 of the Occupational Safety and Health Act, all business sites must report their safety and health performance and plan to the board of directors for approval.
- Each worksite is striving to provide a safe working environment to its employees and foster a safety-first culture through various activities, including safety and health management, safety training, safety management in partner companies, and work environment assessment.
- The following issues are handled by the E.H.S Committee at the headquarters: 1. Establishing and managing companywide environmental, health, and safety operation plans; 2. Inspecting the status of safety and health at headquarters and discussing improvement measures; 3. Discussing the status of safety and health management expenses and relevant support.
- The E.H.S Committee holds both regular meetings (at least once per half year) and ad-hoc meetings (as deemed necessary by chairman of the committee) on a periodic basis.



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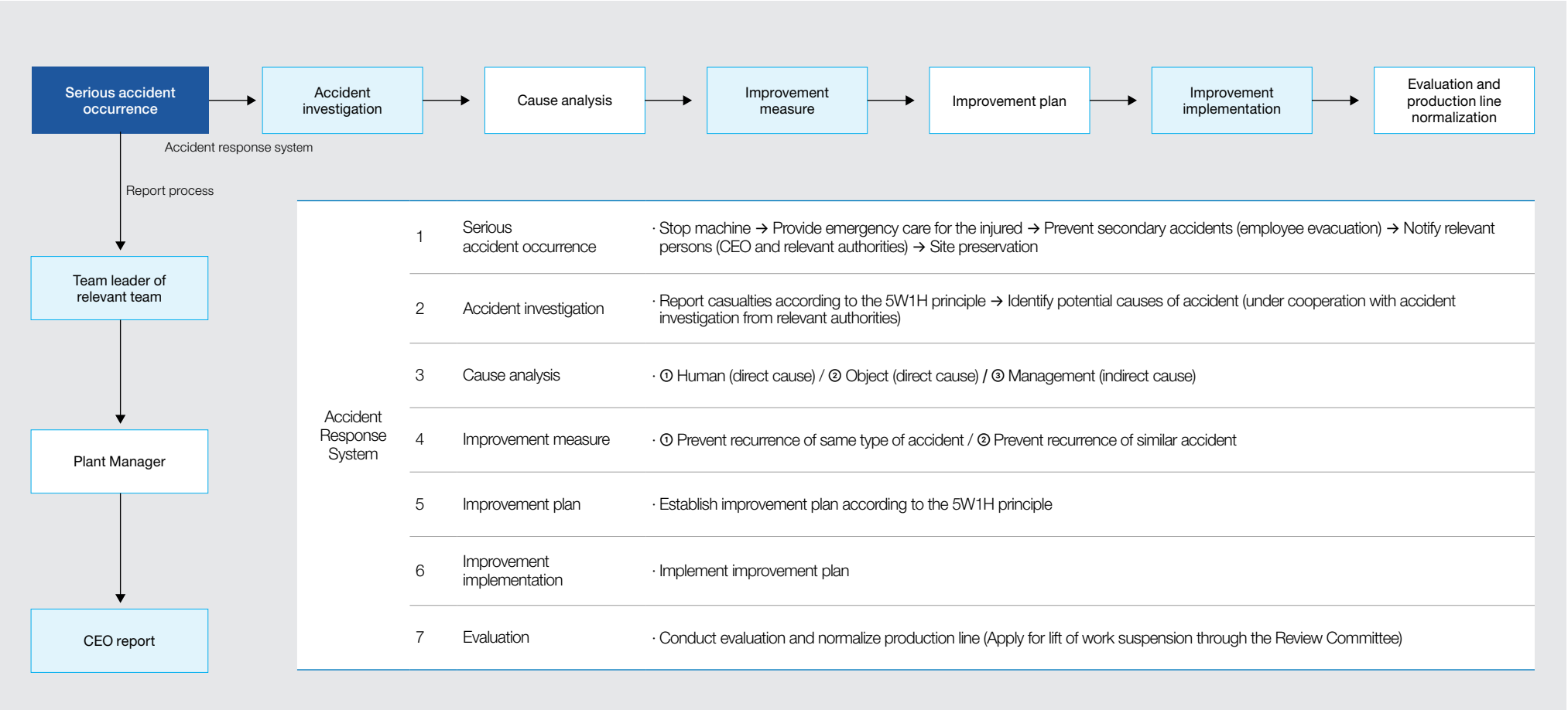
Safety and Health Management

Management System

Serious Accident Control System

- A Serious Accident Control System has been established to ensure immediate responses in the event of an accident.
- In the event of a serious accident, the accident must be reported to the CEO to maintain a swift and immediate response system.

Response Procedure for Serious Accident



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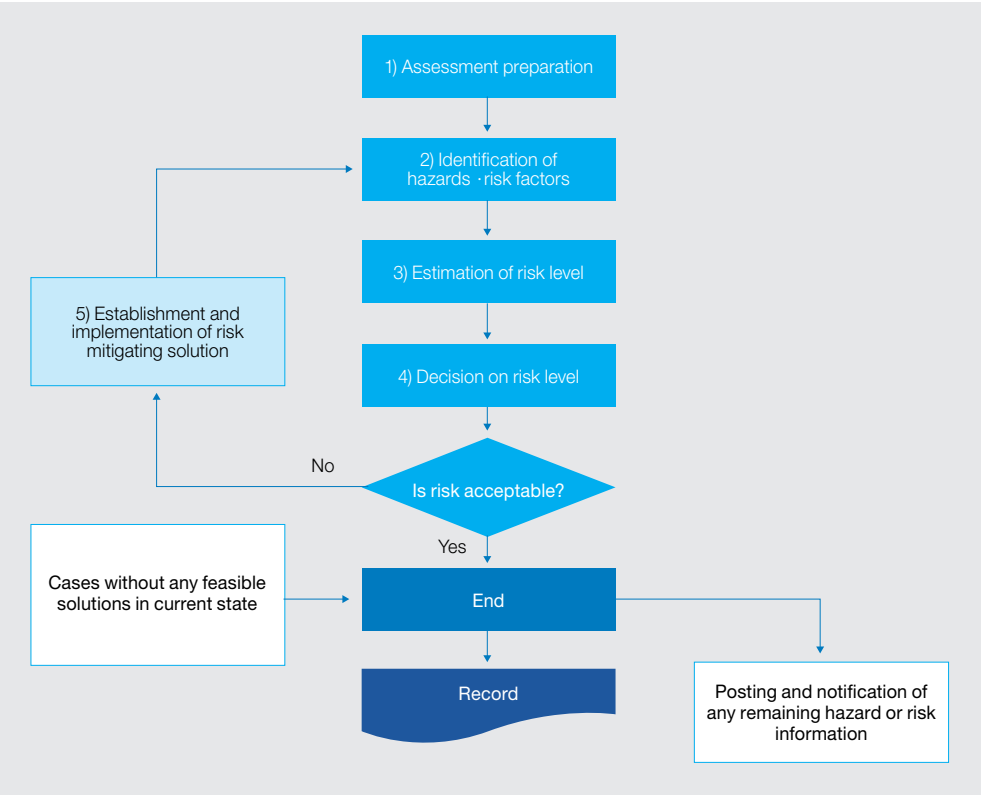
Management System

Regular Risk Assessment at Workplace

- In order to protect employees from various accidents, all our workplaces are subject to risk assessments* (Twice per year).
- 1,100 improvement tasks were identified; 143 tasks were completed (1H 2023 Assessment).
- 1,006 improvement tasks were identified; 57 tasks were completed (2H 2023 Assessment).
- Each workplace establishes and implements an individual improvement plan according to risk level.

* Risk Assessment: Once a year for Gwangju 2 Plant, Chilgok Plant

Regular Risk Assessment Process



Workplace Risk Improvement Cases

Risk of forklift overturning, collapsing, or tipping over

- Without any railings in the movement path of the forklift, there was a risk of the forklift overturning from wheel deviation.
- Safe passage was secured by installing safety railings on both sides of the path.



Risk of fire due to aged electric outlets

- There was a risk of fire or outlet sparks caused by the use of aged electric outlets.
- The outdated outlets were replaced with new ones.



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Workplace Risk Improvement Cases

Improvement of work environment for work

- Dust particles generated by the work process was seemingly affecting the workers' respiratory health.
- Ventilation fans were installed to clear out dust particles to ensure a better working environment.



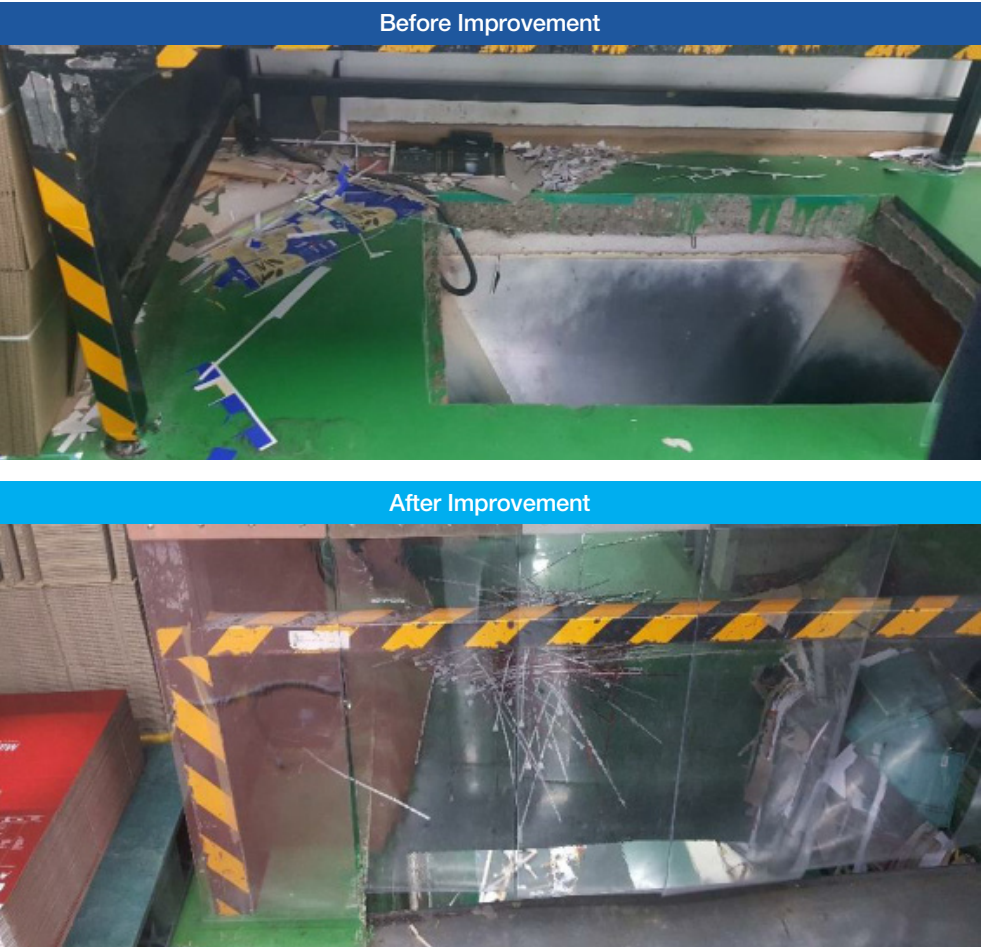
Designation of chemical substance area marked with protective gear

- There was a potential hazard as the coating solution storage area was randomly chosen without attachments of legal protective gear.
- The coating solution storage area was separately designated with protective gear attachments.



Work environment improvement for scrap paper discharge unit

- There were no means of protection for workers at the scrap paper discharge unit, which posed risks to the worker.
- Protective vinyl was installed to prevent workers from falling, which improved the work environment.



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Safety and Health Level Assessment for Suppliers

- Safety and Health Level Assessments are conducted on our suppliers to enhance their safety and health measures and to prevent serious accidents* (Twice per year).
- The assessment was conducted for 24 suppliers across all workplaces.
- The average score for our suppliers in 2023 was 85.78 (1H), which slightly increased to 89.23 (2H).
- Based on the average score, all suppliers were confirmed to have the basic capabilities to perform safe work.

*Safety and Health Level Assessment for Suppliers
: Once a year for Chilgok plant; Assessment was not conducted for Gwangju 2 Plant

Safety and Health Level Assessment Items for Suppliers

Assessment Item	
Safety and Health management system	General principles
	Plan establishment
	Roles and responsibilities
Implementation level	Risk assessment
	Safety inspection
	Implementation confirmation
	Training and record
	Safety work approval
Operation management	Signals and contact system
	Hazardous material & facilities
	Contingency measure
Accident occurrence level	Industrial accident status

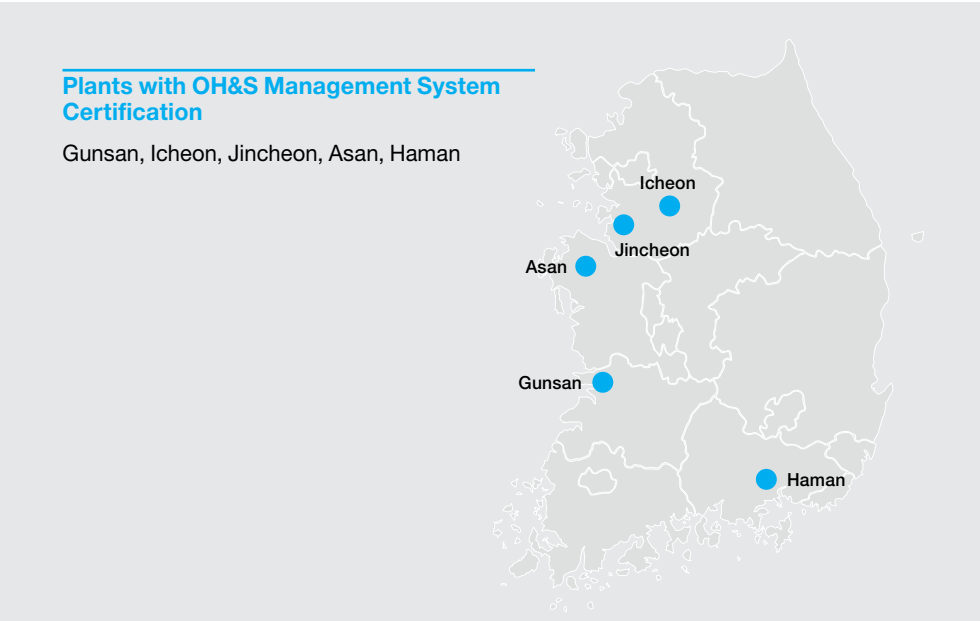
Safety and Health Certification Status

ISO 45001 Certified Plants

- We obtained the Occupational Health and Safety (OH&S) Management System certification to ensure systematic safety and health management and creation of safe work environments.
- OH&S Management System (ISO 45001) certified plants: Gunsan, Jincheon, Asan, Haman, Icheon plant.

ISO 45001 Introduction

Introduction	Under the purpose of preventing industrial accidents and creating a pleasant work environment, ISO 45001 promotes prevention of injuries and illnesses and improved safety and health environments for workers within the workplace.
Expected Effect	<ul style="list-style-type: none">- Compliance with various laws and regulations- Higher capability to respond to lawsuits related to industrial accidents- Establishment of a voluntary safety and health management system in the company- Enhanced productivity due to lower risks on workers' safety and health



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Safety and Health Management System

Hazardous Chemical Substance Management

- In accordance with ISO 45001, we have established the Hazardous Chemical Substance Management Process to monitor hazardous chemicals across the entire work process, which includes procurement, manufacturing, and usage.
- Each plant has a designated manager for hazardous chemical substances, who reports the use of the hazardous chemicals and ensures compliance with the usage amounts and methods specified by law.
- The hazardous chemical substance management process consists of four steps: 1) chemical substance registration, 2) storage, 3) usage and disposal, 4) inventory management.
- For each management unit, we have specified input, work procedure, management criteria, person in charge, and approval department.

Hazardous Chemical Substance Management Process

	Unit	Input	Work Procedure	Work Product	Management Criteria	Person in Charge*	Approval Dept*
1 Chemical Substance Registration	Chemical substance registration	- Review environmental impact of chemical substance	- Submit Hazardous chemical registration application and MSDS-related documents - Review hazardous chemical permits and approvals - Review documents and conduct environmental impact assessment.	- Hazardous chemical registration application - Hazardous chemical registration record - Environmental impact assessment data - Material Safety Data Sheet (MSDS)	- Chemical Substances Control Act	Person in charge of environment and each team leader	Production Support Team leader
2 Storage	Storage	- Hazardous chemical registration application - Hazardous chemical registration record - Environmental impact assessment data - Material Safety Data Sheet (MSDS)	- Inspect storage facilities for hazardous chemical substances - Attach toxic substance sign to storage facilities and store by item - Establish and manage inventory management ledger - Inspect storage and usage status once per month - In case of a non-conformity, implement corrective action	- Storage area selection - Hazardous chemical inventory management record - Corrective action report	- Chemical Substances Control Act	Person in charge of environment	Production Support Team leader
3 Usage and Disposal	Usage and disposal	- Corrective action report - Hazardous chemical management record	- For handling, provide safety protective gear and install storage facilities - Take measures to prevent environmental pollution due to leakage of chemical substances. - Prohibit on-site storage of hazardous chemical substances that exceed the amount of one week's usage - Ensure that the person handling hazardous chemical substances is familiar with the relevant health information and wears the necessary safety protective gear. - The manager posts the MSDS so that it is easily visible to the worker - In case of hazardous chemical disposal, dispose according to the waste material management process	- Hazardous chemical management ledger	- Wastes Control Act - Chemical Substances Control Act	Each person in charge, person in charge of environment and each team leader	Team leader of dept in charge, Production Support Team leader
4 Inventory Management	Inventory managem	- Hazardous chemical management record	- The leader of the usage team records and manages the inventory management ledger for the hazardous chemical substance - Notify monthly closing data to relevant departments within one week	- Hazardous chemical management ledger	- Chemical Substances Control Act	Usage team leader	Production Support Team leader

*Person in Charge: Changes according to workplace situation
**Approval Dept: Changes according to workplace situation

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Safety and Health Accident Prevention Activities

Safety and Health Training at Plant

- Regular safety and health trainings are implemented with focus on regional plants.
- The regular safety and health trainings are conducted on a wide range of issues according to the characteristics of the business sites, including MSDS, industrial accident compensation insurance, hazardous chemical substance safety, and use of protective gear.

Training Title		Training Contents
	Leader Training on Safety Mindset	Training leaders for enhanced safety mindset and communication skills
	Safety Mindset Innovation Training	Training on improving safety culture to enhance safety mindsets
	Basic Training on Safety Mindset	Training on basic safety rules, risk factor recognition and responses
	Construction Machine Training	Training on safe usage, maintenance, and work procedures of construction machines
	Safety and Health Training for Hazardous and Dangerous Work	Training on hazardous risk factors that may occur during work and relevant safety and health measures
	MSDS Training	Understanding MSDS
	Safety Mindset Training for Partner Companies	Training partner companies on enhancing safety mindset and joint safety management measures
	Fire Prevention Training	Training on fire response methods, prevention measures and initial responses

Safety and Health Inspection

On-Site Accident Prevention Activities

Classification	Prevention Activity	Key Details	Target (number of sessions, places, etc.)	Achievement Rate
1	Executive leadership	Inspection of safety and health management status in workplace	Workplace visit	100%
2	E.H.S Committee	Establishment of manual for Serious Accident Punishment Act and PSM Establishment of evaluation manual for qualified contractors	Workplace distribution	100%
3	Fire response	Fire evacuation and fire drills	Twice per year	100%
4	Human accident prevention	Action guideline training for individuals during human accident	Once per year	100%
5	Safety accident prevention & training	Monthly safety inspection	Once per month	100%
6	Regular inspection by Safety and Health Committee	Quarterly inspection of safety and health issues (excluding Gwangju 2, Cheonan, Suwon, and Yeosu)	Once per quarter	100%
7	Regular risk assessment	Implementation of two risk assessments per year	Once per half year	100%
8	Others	Focused management on themes vulnerable to serious disasters for each period Enhanced safety inspections before start of work	Ongoing	100%

On-Site Safety Facility Inspections

Classification	Prevention Activity	Key Details	Target (number of sessions, places, etc.)	Achievement Rate
1	Safety inspection of facilities	Inspection of facilities including buildings, electric systems, machinery, and firefighting equipment	Once per month	100%
3	Weekly inspection of chemical handling facilities	Inspection of chemical handling facilities	Once per week	100%
4	Health counseling and hygiene inspections	Employee health counseling and hygiene inspections	Once per month	100%
5	Work environment assessment	Inspection of risks in work environment	Once per year	100%
6	Air quality self-assessment	Self-assessment of air quality at mandatory plants	Once per half year	100%

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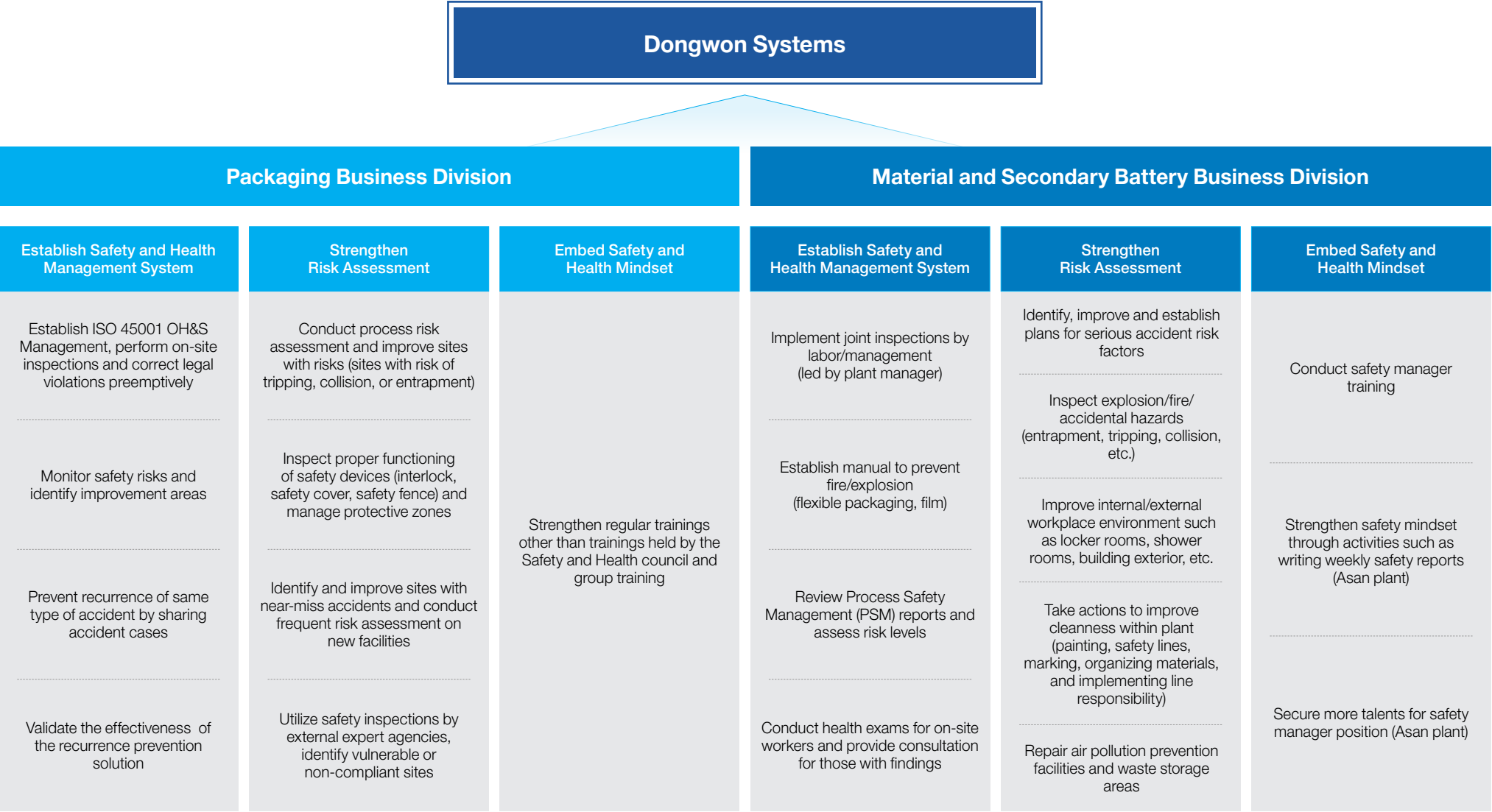
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2024 Safety and Health Management Direction



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Sustainability Portfolio Diversification through New Growth Engines

Significance of Topic

As the global need to mitigate extreme climate change emerged as an urgent issue, electric vehicles have risen in prominence with a broad energy transition underway. Consequently, the battery industry is growing at steady pace. Secondary batteries, the core power source of electric vehicles, are being recognized as new growth engines. Dongwon Systems is strengthening its competitiveness in the secondary battery sector with ongoing research and development. Through such efforts, we aim to secure future growth potential and achieve sustainable growth. By discovering and developing new growth engines, we will continue to innovate and enhance our competitiveness in the global market.

Our Approach

Research and Technology Development	Strengthening Business in New Growth Areas
<ul style="list-style-type: none">· Develop technology on secondary battery and battery materials· Expand MOU agreements for R&D and technological advancements	<ul style="list-style-type: none">· Issue green bonds· Promote secondary battery technology

Our Performance

<p>Developed Material Technology</p> <p>Five development projects underway in the secondary battery and battery sector (2023)</p>	<p>Increased Investment in Workplace Facilities</p> <table><tr><td>Issued KRW 40B worth of green bonds (2023)</td><td>Expanded cathode foil line at Asan Plant</td></tr></table>	Issued KRW 40B worth of green bonds (2023)	Expanded cathode foil line at Asan Plant
Issued KRW 40B worth of green bonds (2023)	Expanded cathode foil line at Asan Plant		

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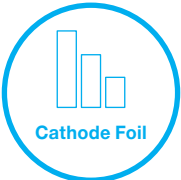

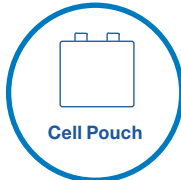
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Sustainability Portfolio Diversification through New Growth Engines

Management System

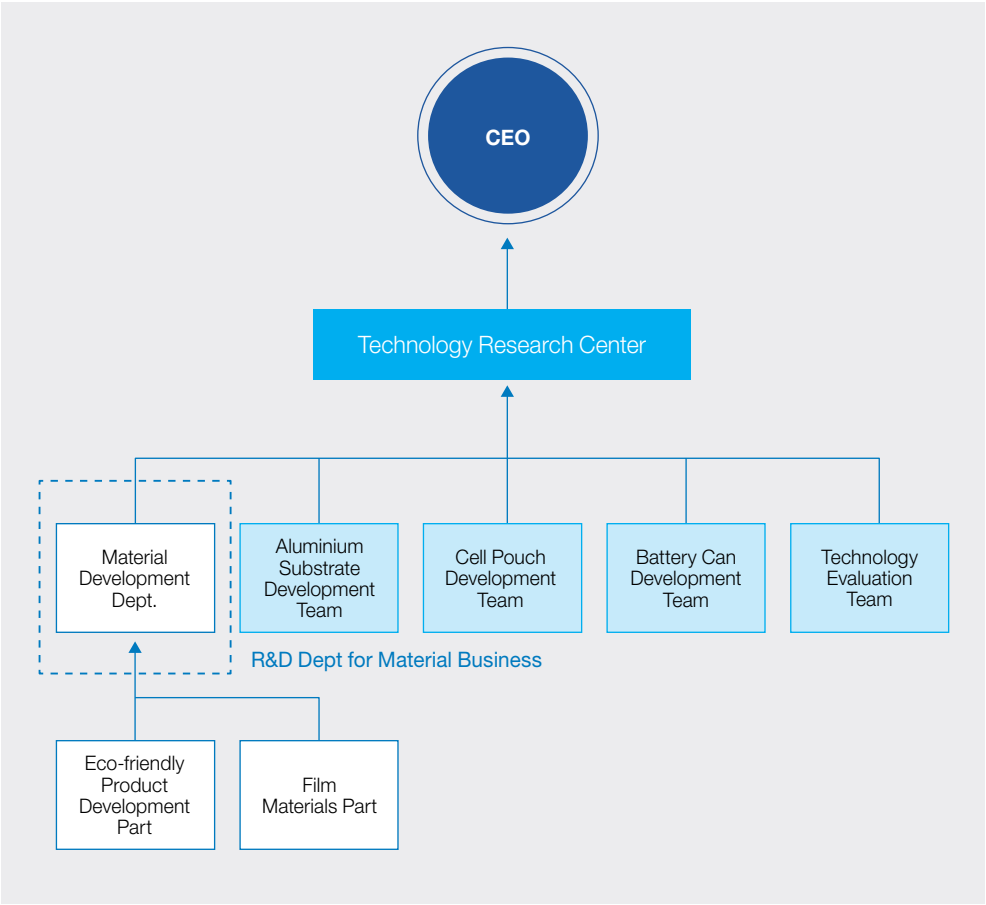
Vision and Goal

Vision	Global Leading Company in Secondary Battery Materials and Components		
Goal	 Cathode Foil	 Cylindrical Can	 Cell Pouch
	Full-scale entry into EV market by securing production quality competitiveness	Establishing full production line system through customer diversification activities	Full-scale commercialization based on approval by suppliers and customers
Strategy and Tasks	Expand future growth engines through bold challenges and innovation	Pursue business turnaround by strengthening fundamentals and enhancing management	Accelerate advancement of company-wide quality management system
	Increase added value to product quality and productivity based on technological competitiveness	Swiftly recognize and preemptively respond to changes in the downstream market and business	Build system to ensure product stability and quality reliability
	Make best efforts to enhance expert capability of all members	Conduct thorough preliminary inspections and establish proper process	Implement continuous self-assessments and benchmarking of best practices
	Strengthen trust with customers and market	Achieve qualitative growth by improving productivity and cost-efficiency	Foster talents and build infrastructure

*EV: Electric Vehicle

Organization Chart

- Through reorganization, Dongwon Systems placed four teams under the Technology Research Center to support development of secondary battery materials.
- This organization consists of the AL Substrate Development Team, Cell Pouch Development Team, Battery Can Development Team and Technology Evaluation Team.
- By developing and producing competitive products based on R&D, our goal is to grow into a global leading company in secondary battery materials and components.



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Sustainability Portfolio Diversification through New Growth Engines

R&D Performance

Secondary Battery Material

R&D Performance in Secondary Battery Sector

Classification	Research Result
Development of Aluminum surface treatment technology	- Developed surface treatment solution and technology to improve electrical resistance and active material adhesion. - Developed product that enhances battery safety
Development of AL cathode foil for secondary battery	- Development on-going for second-generation high-strength and high-elongation material
Development of cell pouch for secondary battery	- Development on-going for secondary battery cell pouch material - Established cell pouch production line

Battery Can

R&D Performance in Battery Can Sector

Classification	Research Result
Development of Battery Can	- Developed battery can used in mobile phones, laptops, power tools, energy storage devices, and electric vehicles. - Developed automated production process and material for battery top caps used in electric vehicles.

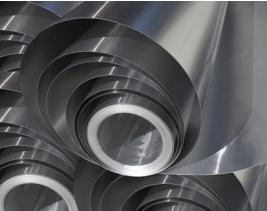
Key Products

Secondary Battery Cathode Foil

- Dongwon Systems developed the ultra-thin 9μm AL-Foil used in secondary batteries.
- We developed technology that differentiates our products, including the surface treatment and coating technology that enhances the performance and lifespan of the current collector.

Current Collector for Secondary Battery: Key Products

Classification	Product	Product Specification	Usage
Bare foil	High Strength	9~15μm/26Kgf/mm²↑	For xEV, ESS, IT
	Ultra-high Strength	9~15μm/30kgf/mm²↑	For xEV, ESS, IT
Coating foil	Coated Al foil	12~30μm / 26Kgf/mm²↑	For xEV, ESS, IT
	Coated CU foil	6~10μm / Coating Cu foil	For xEV, ESS, IT
	Ultra-thin LFP coating	9μm/28kgf/mm²↑	For IT



Secondary Battery Can

- We developed cylindrical cases made of nickel-plated steel sheets and began mass production of 18650, 21700, 46xx, and coin cells used in earphones.
- We applied advanced technologies including highly-durable mold design, high-speed deep drawing, and corrosion-resistant surface treatment, which helped us secure product competitiveness.



Secondary Battery Can: Key Products

Key Product	Product Specification	Usage
21700 Can	21 X 70mm	xEV*, ESS, IT
46xx Can	46 X xxmm	xEV
Ultra-small Wearable Can 5.1mm	9.7 X 5.1mm/ 0.7 X 5.1mm/ 11.4 X 4.7mm	Earphone (AirPods, Buzz)

*xEV: Cars powered by electricity, including hybrid, plug-in hybrid, electric, and fuel cell vehicles

Secondary Battery Cell Pouch

- We developed a multi-layered lithium-ion polymer cell pouch that is stable in high-temperature with electrochemical properties.
- We have raised product competitiveness by applying proprietary technologies including surface treatment coating, dry lamination, and extrusion lamination.

Secondary Battery Cell Pouch: Key Products

Key Product	Product Specification	Usage
DW-153BP	153μm × Width customized to customer specifications	xEV
DW-113BP	113μm × Width customized to customer specifications	ESS



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Sustainability Portfolio Diversification through New Growth Engines

Secondary Battery Business Promotion Activities

Issuance of Green Bond to Strengthen New Growth Engines (2023)

- Dongwon Systems issued KRW 30 billion worth of green bonds and laid the foundation for secondary battery business, which includes cell pouch development, cylindrical can facility expansion, aluminum coating machine introduction, and research institute establishment (2021).
- KRW 40 billion worth of green bonds were additionally issued for the construction of the secondary battery material CAN plant and introduction of relevant facilities (2023).

Participation in “InterBattery 2024”, the Largest Battery Exhibition in Korea (2023)

- Dongwon Systems promoted its secondary battery business and differentiated technology through the exhibition (Total 1,076 visitors).
- We showed our customers our proprietary technology and R&D capabilities related to battery materials, including cathode foil, cylindrical cans, and cell pouches.
- We aim to further expand our future growth engines by leading the development of eco-friendly battery technology.



MOU with Dongkuk Industries for supply of Nickel-Plated Steel Sheets for Secondary Batteries (2023)

- Dongwon Systems signed an MOU with Dongkuk Industries for the supply, sale, and development of the raw materials for nickel-plated steel sheets used in secondary batteries.
- We aim to become a global leader in advanced materials by raising our secondary battery material production capabilities, enhancing research and development, and advancing our technology.

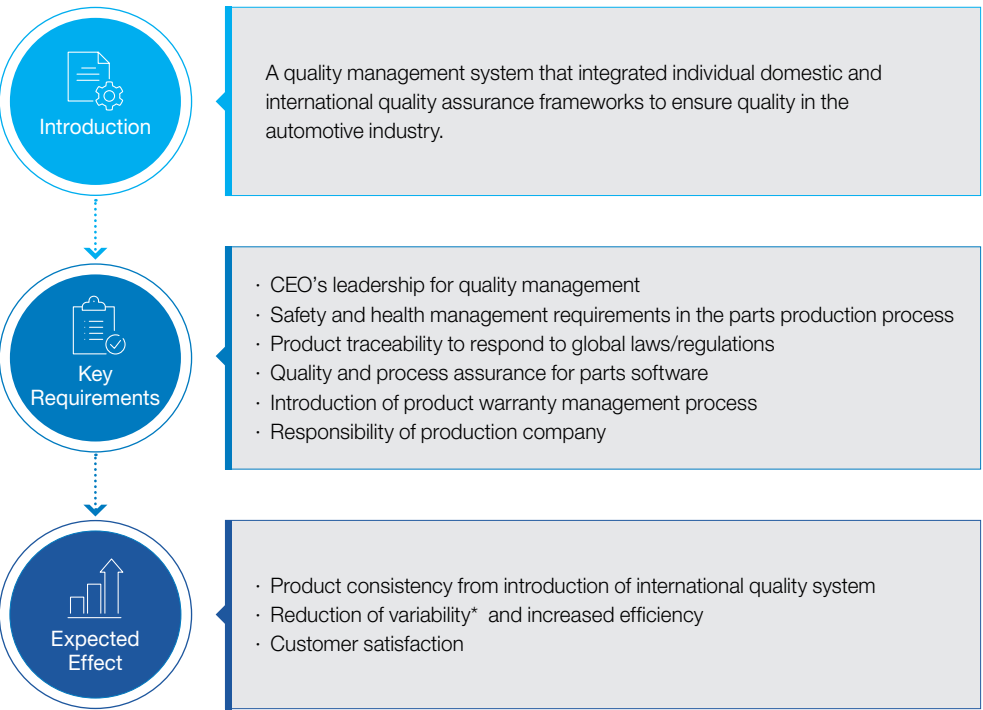


Secondary Battery Business Certification Status

Obtained IATF 16949 Certification

- Many automotive OEMs are requiring suppliers to obtain IATF 16949 certification to ensure product quality.
- By obtaining the quality management system certification, we are able to continuously improve automotive parts, prevent defects, maintain product consistency, and avoid waste of time.

IATF 16949 Certification Overview



*Variability: Inconsistency in product quality, where some products have quality degradation or defects.

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Direct / Indirect Efforts to
Reduce GHG Emission

Significance of Topic

At Dongwon Systems, we recognize that responding to climate change is not simply an obligation but a strategic opportunity to achieve sustainable growth. Led by the E. H. S Committee, we have established a companywide greenhouse gas (GHG) reduction strategy and are also seeking and implementing other effective ways to reduce GHG emissions. Moreover, by investing in R&D on climate change responses, we will continue to develop relevant technologies and create new growth opportunities.

Our Approach

Setting GHG Reduction Target

Establish a companywide GHG reduction strategy
as led by the E.H.S Committee

Invest in GHG reduction facilities and promote reduction activities

Our Performance

GHG Reduction	
2023 Invested KRW 3,391 M	2024 KRW 2,599 M additional investment planned

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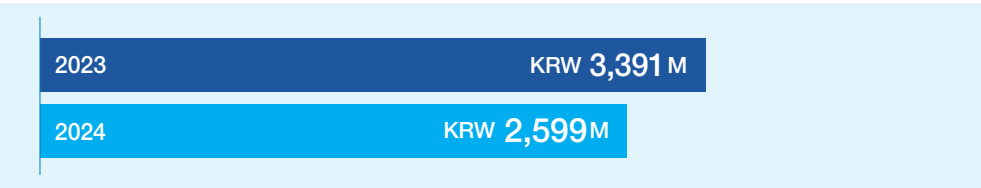
Direct / Indirect Efforts to Reduce GHG Emission

Direct/Indirect Efforts to Reduce GHG Emission

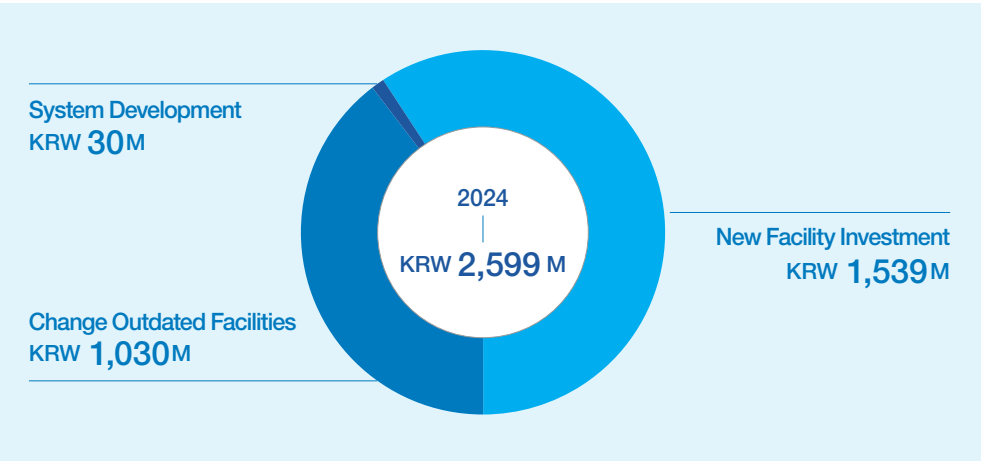
GHG Reduction Goal

- Dongwon Systems' GHG reduction goal is to achieve zero emissions at all business sites by 2050.
- We increased investments for GHG reduction facilities across all business sites as part of our GHG reduction activities.
- We invested approximately KRW 3,391 million on energy facilities that can reduce greenhouse gases (2023).
- Approximately KRW 2,599 million will be additionally invested in improving energy efficiency to contribute to reducing GHG emissions (2024).
- Furthermore, we have also set GHG emission reduction targets as part of our ESG KPIs to ensure efforts are made towards achieving these goals.

GHG Reduction Investment Performance (2023) and Plan (2024)

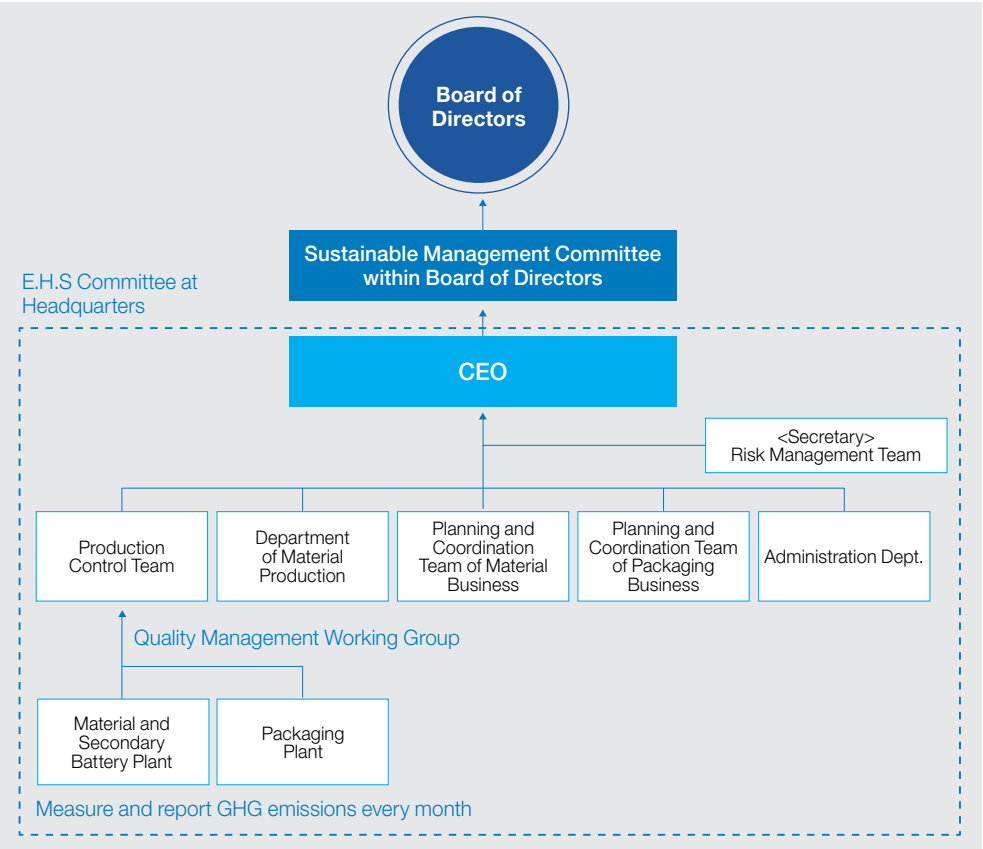


Detailed Investment Plan for GHG Reduction ('24)



Organization Chart

- Led by the E.H.S Committee at the headquarters, we have established a comprehensive greenhouse gas reduction plan and are actively engaging in climate change response activities.
- Progress towards targets are regularly reported to the Sustainability Management Committee within the Board of Directors.
- A Quality Management Working Group has been formed to establish GHG emissions management systems at each business site.
- Each business site measures and reports its monthly GHG emissions to the Production Control Team.



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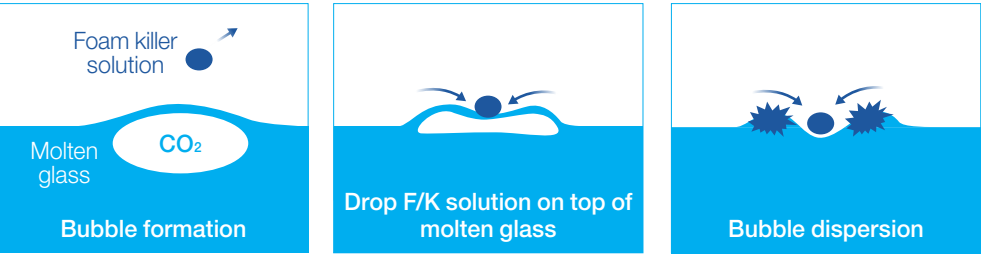
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GHG Energy Management Activities

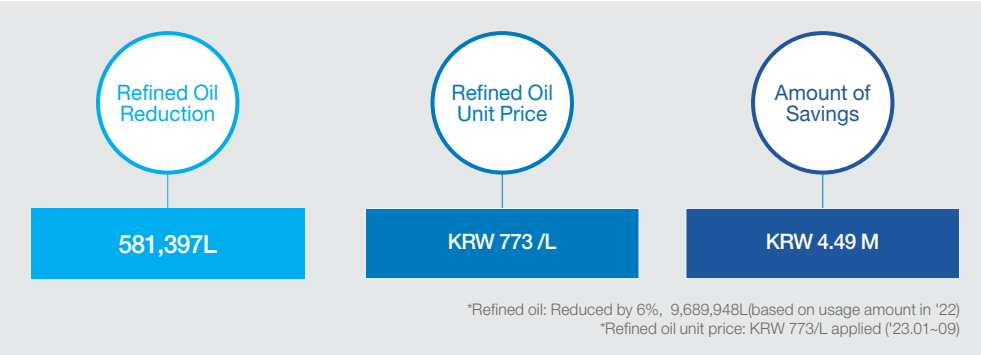
Introduction of High-Efficiency Equipment for Melting Furnace in Gunsan Plant

- The operating temperature inside the oxygen melting furnace is at least 50°C higher than that of conventional melting furnaces, which caused partial damage to the refractory materials inside the furnace.
- The rise in temperature generates a foam layer within the melting furnace, resulting in inefficient heat dispersion and higher energy consumption.
- As a solution, we are pursuing the introduction of a foam killer (F/K) to get rid of the internal foam layer and reduce energy input.
- Upon introduction, it is expected to reduce refined oil consumption by approximately 6%, save KRW 4.49 million, which will in turn contribute to GHG reduction.

Principle of Foam Killer



Estimated Reduction of Refined Oil



Improvement of Aged Equipment at Yeoju Plant

- Due to the aging of high-pressure/low-pressure air compressors at Yeoju plant, compression efficiency has decreased, and power consumption has increased.
- When the low-pressure air compressor fails, the high-pressure compressor responds by reducing pressure, resulting in excessive power usage.
- To resolve this issue, we have introduced the Air Recycling System to improve the aged equipment and recycle compressed air that goes to waste.
- By improving aged equipment and establishing the Air Recycling System, we were able to avoid unnecessary power usage.

High Efficiency LED Replacement at Gunsan Plant

- By replacing existing lights with LED floodlights of the same brightness, we were able to reduce electricity costs and improve the working environment.
- 254 Outdoor lights at the Gunsan plant were replaced and carbon emissions were reduced through the energy savings.
- As a result, approximately 51 kW in capacity was reduced compared to prior conditions.

Energy Usage Before Outdoor Light Replacements at Gunsan Plant

Lighting Type	Usage (W)	Number of Lights	Total Capacity (kW)
Existing Lights	250	204	51
	2,500	15	37.5
	250	35	8.8
Total Reduced Capacity (kW)			97.3

Energy Usage After Outdoor Light Replacements at Gunsan Plant

Lighting Type	Usage (W)	Number of Lights	Total Capacity (kW)
LED Floodlights	120	204	24.5
	1,200	15	18
	110	35	3.9
Total Reduced Capacity (kW)			46.3

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Major Issue #3 _ Safety and Health Management

Major Issue #4 _ Sustainability Portfolio Diversification through New Growth Engines

Major Issue #5 _ Direct/Indirect Efforts to Reduce GHG Emission

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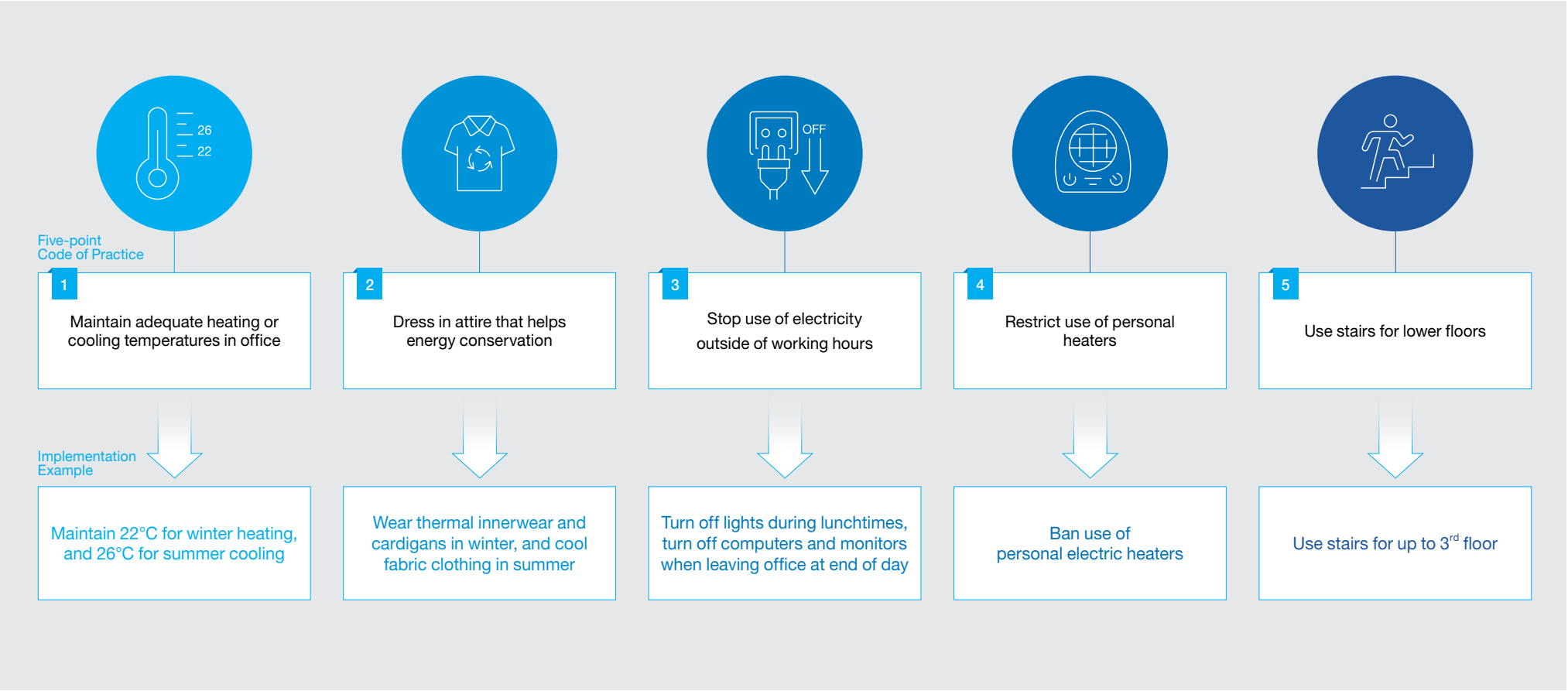
Direct / Indirect Efforts to Reduce GHG Emission

GHG Energy Management Activities

Five-point Code of Practice for Energy Conservation at Dongwon Industrial Building

- A five-point code of practice was established for employees to follow for energy conservation at the headquarters.
- Through the code, activities such as maintaining heating and cooling at adequate temperatures in winter and summer seasons, as well as avoiding the use of electricity outside of business hours, have been promoted.
- By complying with the code of practice, energy conservation activities were successfully implemented.

Five-point Code of Practice for Energy Conservation



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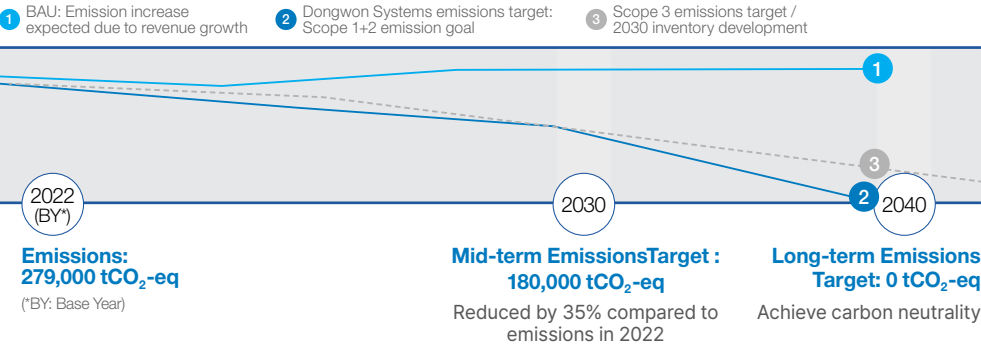
Direct / Indirect Efforts to Reduce GHG Emission

TCFD Report

- To achieve carbon neutrality for Scope 1 & 2 emissions, we are promoting the transition to renewable energy across all business sites by 2040.
- By 2050, we aim to expand this effort to our supply chain, achieving carbon neutrality throughout our entire value chain.
- By achieving carbon neutrality, we will establish a sustainable and reliable carbon-neutral system.

2023	2030	2040	2050
<div>- Implement GHG reduction target management</div> <div>- Set response direction for transition risk</div>	<div>- Set Scope 3 inventory</div>	<div>- Achieve 100% renewable energy transition across all business sites (Scope 1 & 2).</div>	<div>- Achieve carbon neutrality for entire value chain including supply chains</div>

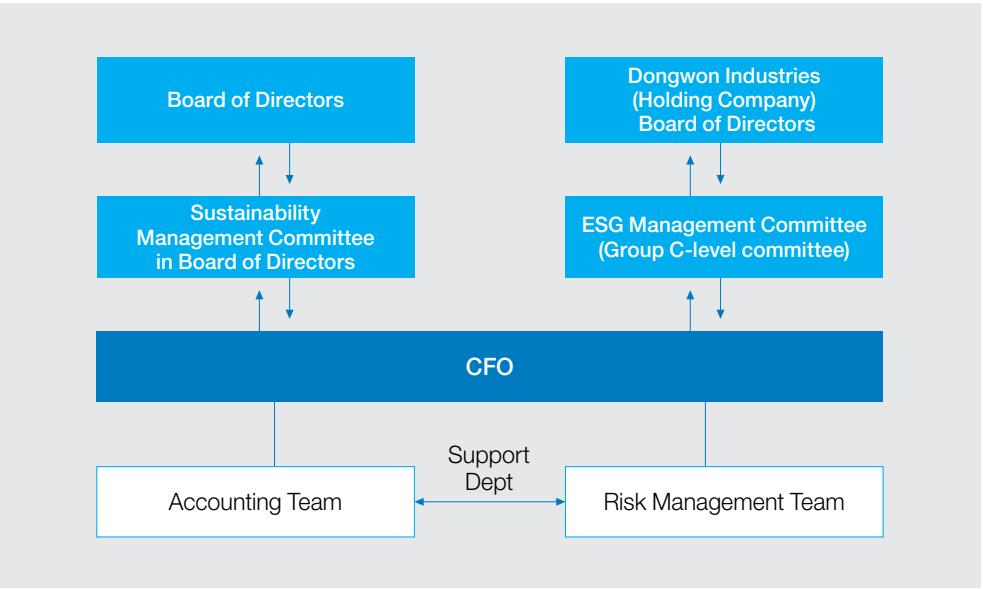
Dongwon Systems 2040 Carbon Neutrality Roadmap (Scope 1, 2)



Target	Unit	'23	'24	'25	'26	'27	'28	'29	'30	'35	'40
Target Reduction Ratio	%	4	7.8	11.5	16.8	20.2	29.7	32.6	35.3	74.9	100
Power Purchase Agreement		-			10	10	35	55	66	69	65
Solar power facility	%	-	5	10	10	28	2	1	1	1	10
Energy facility investment	(Investment ratio)	100	95	90	80	62	63	44	33	30	25

Governance

- To systematically manage risks associated with climate change, we are promoting climate change response activities led by the Sustainable Management Committee.
- Climate change risk management and GHG emissions management activities are regularly reported to and approved by the Sustainable Management Committee within the Board of Directors.
- Furthermore, Dongwon Systems ESG management activities are periodically reported to the ESG Management Committee within Dongwon Industries (holding company).



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Direct / Indirect Efforts to Reduce GHG Emission

TCFD Report

Risk Analysis

Classification	Item	Details	Potential Financial Impact	Short-term	Mid-term	Long-term
Physical Risks	Acute	· Increased frequency and intensity of extreme weather events such as typhoons, floods, and wildfires	· Lower profit due to inability to operate business and higher insurance premium · Decreased asset value due to the occurrence of acute accidents		√	√
	Chronic	· Long-term changes in climate patterns leading to rising sea levels, increasing average temperatures, and chronic heatwaves, etc.	· Increased cost of operation · Decreased productivity of employees due to extreme weather conditions (heatwaves, cold waves, etc.)		√	√
Transition Risks	Laws and policies	· Mandatory disclosure of greenhouse gas emission levels · Fluctuations in carbon emission prices	· Increased data management cost for public disclosures · Increased operating costs due to fluctuating GHG credit prices	√	√	√
	Technology	· Eco-friendly packaging material development · Development of low-power /low-carbon emission technologies	· Increased R&D costs · Increased energy efficiency, increased CAPEX against climate change risks		√	√
	Reputation	· Customer preference on products · Customer satisfaction rate related to carbon emissions	· Increase or decrease of profits according to the changed image of the company · Decrease of profits and deterioration of corporate reputation due to non-implementation of climate change response activities		√	√
	Market	· Increased preference for eco-friendly packaging materials · Increased demand for introduction of eco-friendly certified raw materials	· Decreased sales of products without eco-friendly certifications · Reduced carbon credit risk due to GHG emission reduction		√	√
	Resource efficiency	· Enhanced efficiency of water resources · Advancement of recycling and waste management systems	· Higher resource efficiency and reduced costs through circular economy, including water resources and waste management	√	√	√
	Energy resources	· Extended use of green energy sources (low carbon and renewable)	· Reduced carbon costs by switching to clean, renewable energy across all business sites	√	√	√
Opportunities	Product	· Eco-friendly packaging material development	· Expanded revenue streams through the development of new products and market leadership		√	√
	Service	· Establishment of sustainable management strategy and securing product competitiveness due to development/sales increase of low-carbon products.	· Expanded revenue streams through the development of new products and market leadership · Recognition of GHG reduction effects of Recycle-PET (creating environmental value)		√	√
	Market	· Increased sales from higher adoption of eco-friendly packaging materials · Identification of new business opportunity through entry into eco-friendly material market	· Increased sales through corporate image as a leader in eco-friendly packaging and entry into the green materials market		√	√

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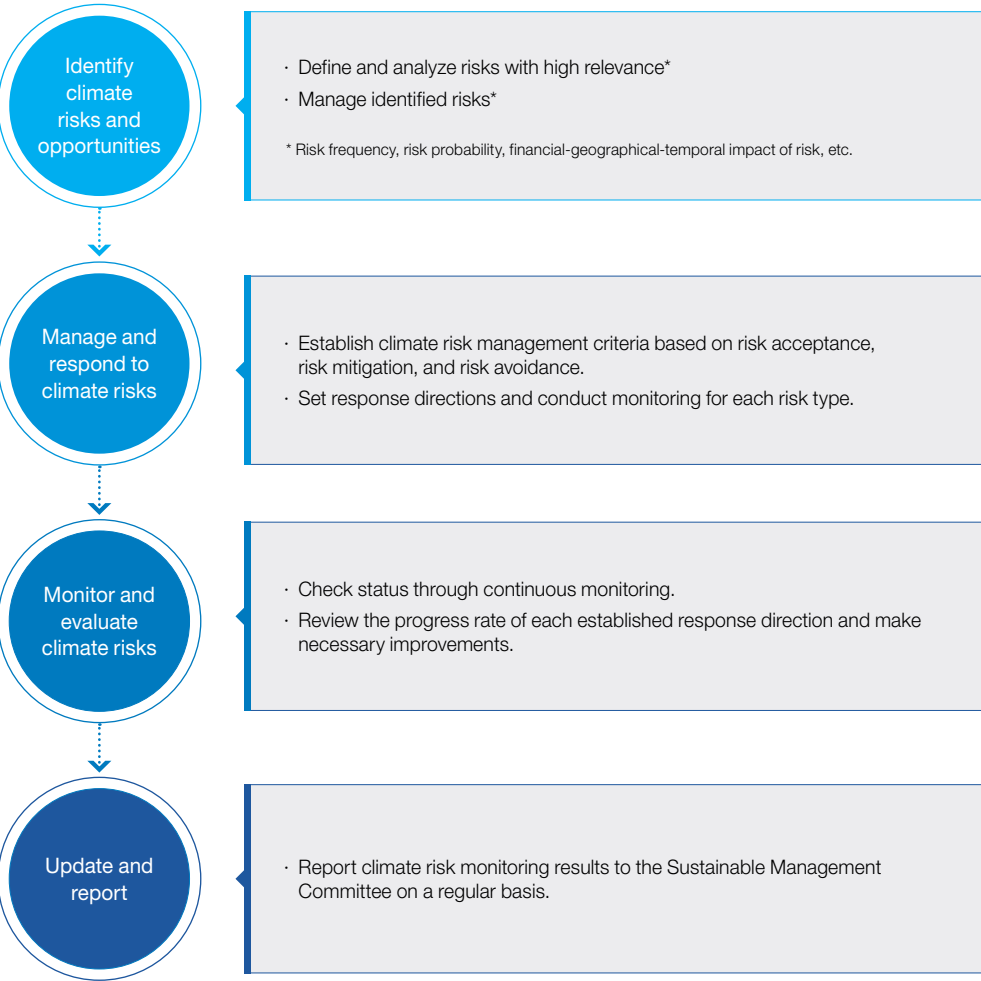
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Direct / Indirect Efforts to Reduce GHG Emission

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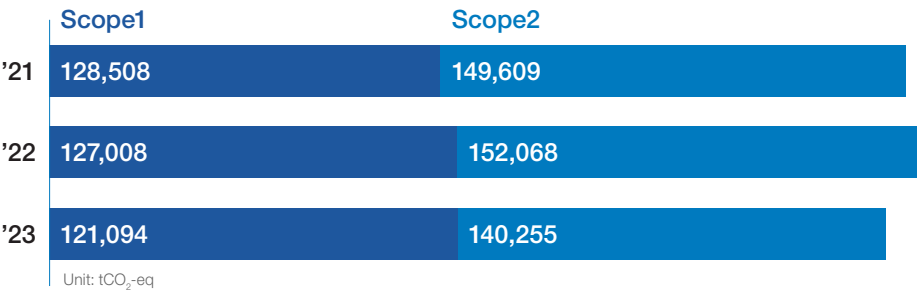
- The results derived from the risk analysis are reviewed and company-wide response measures are prepared for highly relevant risks.
- We have established a company-wide strategy, through which we are enhancing risk responsiveness, conducting monitoring, and performing improvement activities.



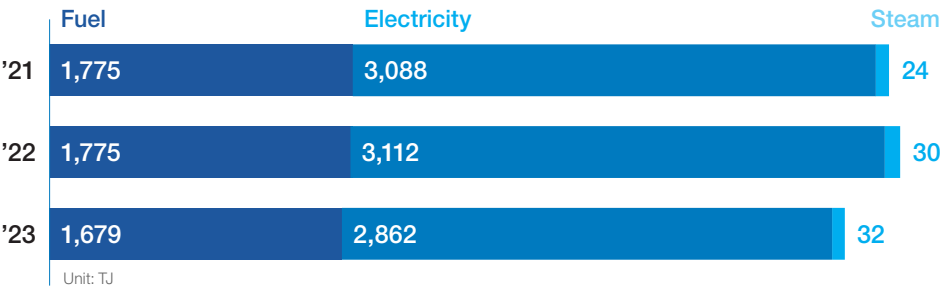
Indicators and Reduction Target

- To reduce GHG emissions, we conduct annual monitoring of GHG emissions and energy usage.
- Reduction performance is managed as a Dongwon Systems KPI target.

GHG Emission



Energy Usage



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Dongwon Systems will persist in environmental management efforts to minimize environmental impact, recognizing the intrinsic value of nature as life.

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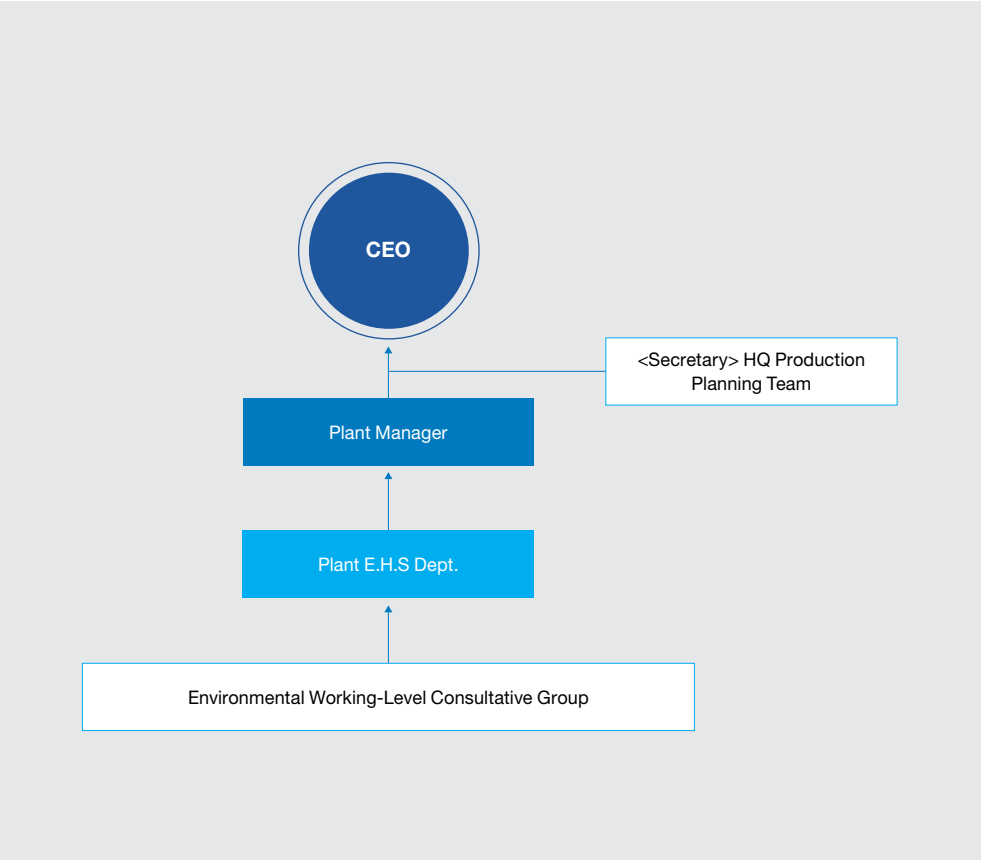
Appendix

Environmental Management

Management System

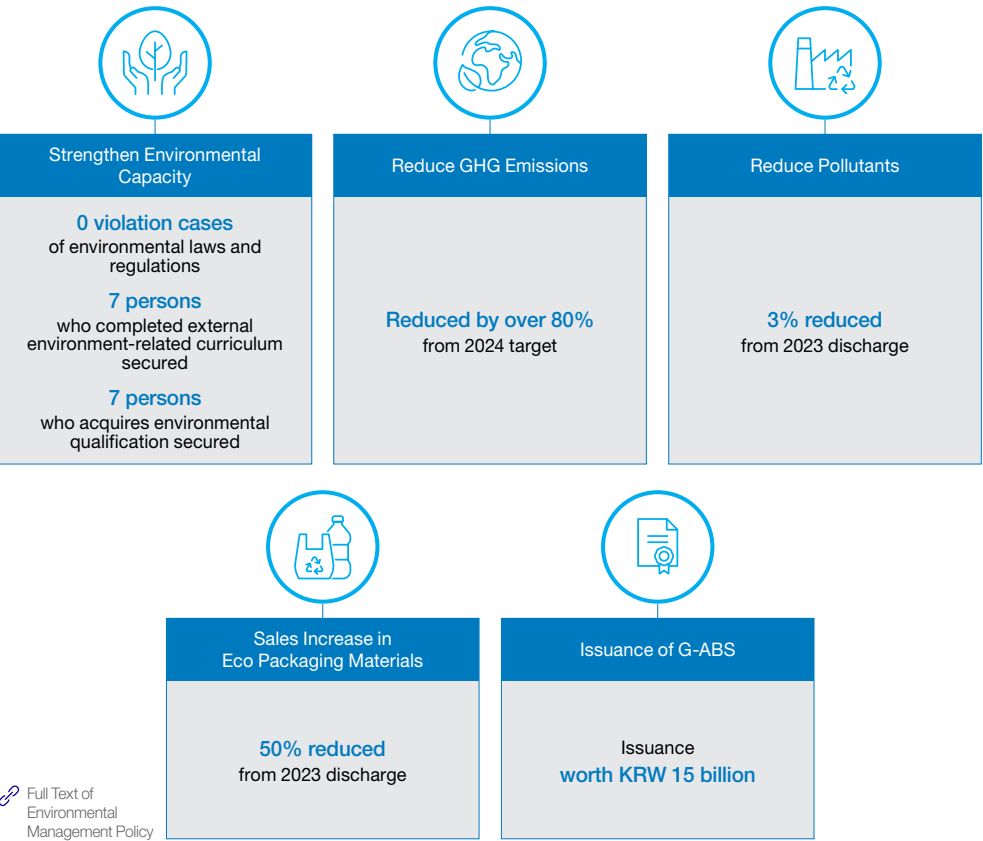
Organizational Chart

- The Plant Environment Management Committee, centered around local factory managers, sets the basic directions for factory environment management, discusses and makes decisions on major environmental issues such as mid- and longer-term plans, facility investment, etc.
- The production planning team at the HQ establishes mid- to long-term plans for company-wide environmental management, conducts environmental diagnosis and analyzes environmental cost reduction activities.
- Local plant managers report on-site environmental issues to the CEO on a regular basis.



Indicators and Detailed Objectives

- We set the environmental management objectives as KPI for Dongwon Systems managers and executives and manage their performances.
- We report improvement activities to the Dongwon Systems Board and Dongwon ESG Management Committee and check target achievement rates.
- The KPI targets are improvement of environmental capabilities, reduction of greenhouse gas and pollutants, expansion of eco-packaging materials sales and issuance of G-ABS.
- In addition, we set the environmental management policy, post it on the website and practice sustainable management.



[Full Text of Environmental Management Policy](#)

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Environmental Management

Management System

Green Procurement Policy

- Dongwon Systems establishes a green procurement policy to preserve the global environment and comfortable living environment through purchasing activities.
- We promote procurement of green products that reduces environmental pollution throughout the entire process including production, consumption and disposal, maintain high quality levels and minimize the use of hazardous substances.

Green Procurement Policy

1

1. Definition of Green Procurement

Purchasing activities that are less harmful to human and beneficial to nature in addition to basic aspects such as price and quality of products for the prosperity of the humanity

2

2. Definition of Green 'Products'

Products that reduces environmental pollution in the process of production, consumption and disposal compared with other products of the same use, maintains high quality level and minimizes the us of harmful materials in accordance with the Framework Act of Carbon Neutrality and Green Growth for Comping with the Climate Crisis

3

3. Scope of Green Procurement

- Among the materials to be purchased, those who acquired green certification
- E-mark (Korea Environmental Industry & Technology Institute)
- GR Certification (Korea Resources Circulation Industry Promotion Association)
- Energy Saving Mark (Korea Energy Agency)
- FSC Forest Management Certification Products (Forest Stewardship Council)
- Aluminum Stewardship Initiative or ASI

4

4. Green Procurement Policy

- Actively encourage and practice green purchasing to reduce pollution, save resources and realize sustainable growth
- Actively suggest proactive green procurement in setting business plans
- Consider eco-friendliness in shipping, unloading and receiving of procurement
- Continuously monitor realization of green procurement policy and come up with improvement measures

Management Standards by Environmental Media

- Dongwon Systems introduced environmental management regulations to clarify environmental management standards, organization and systems.
- We introduced and operated 11 related regulations, including environmental impact assessment, waste management, noise and vibration management and chemical management.

Environmental Management System Certifications

ISO 14001 Certified Plants

- Dongwon Systems introduced environmental management system for systematic environmental management.
- Environmental Management System (ISO 14001) Certified Plants: Gunsan, Icheon, Gongju (Film), Asan, Gongju(Print), Jincheon, Haman.

Environmental Management Education

Employee Environment, Safety Trainings

Business Div.	Training Title	Persons	Hours
Materials	Harmful Chemical Substances Safety Education _Manager	8	128
	Harmful Chemical Substances Safety Education _Operator	6	48
	Harmful Chemical Substances Education	374	748
	Water Quality Environmental Engineer Education	1	4
	Air Environmental Engineer Education	1	14
	Subtotal	390	942
Packaging	Harmful Chemical Substances Safety Education _Manager	21	336
	Harmful Chemical Substances Safety Education _Operator	18	144
	Harmful Chemical Substances Education	271	542
	Water Quality Environmental Engineer Education	1	28
	Air Environmental Engineer Education	1	28
	Subtotal	312	1,078
	Total	702	2,020

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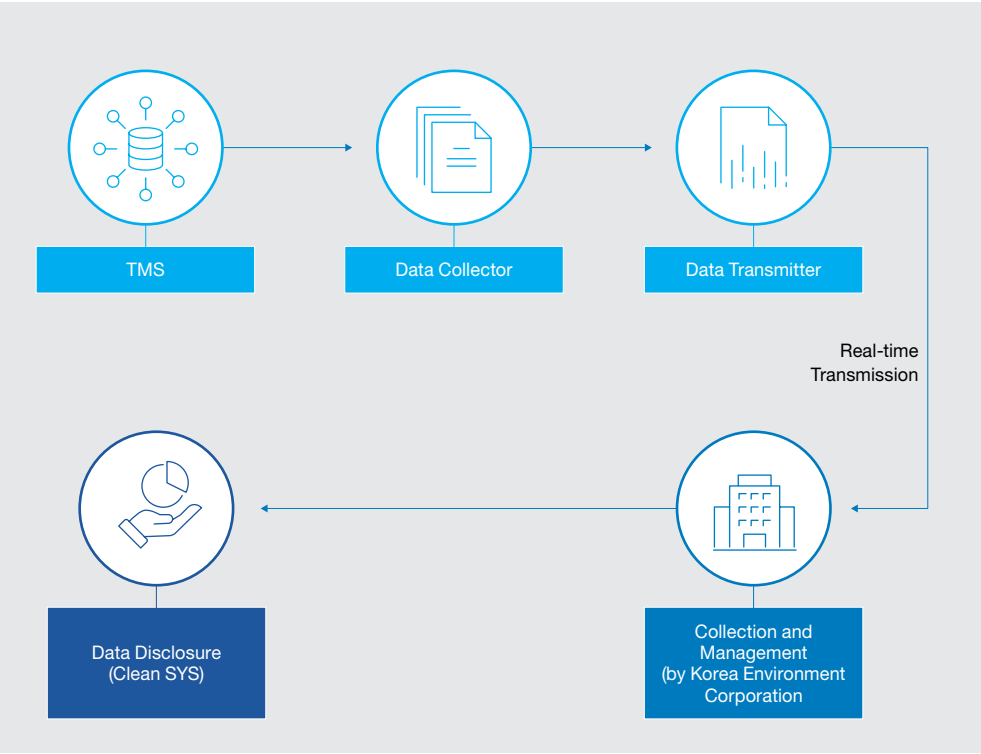
Process Environmental Efficiency Improvement

Air Pollutant Management Activities

Air TMS(Tele Monitoring System) Installed at Gunsan Plant

- Dongwon Systems installed TMS that monitors in real time to reduce air pollutants emissions.
- We measure total airborne dusts, sulfur oxide, nitrogen oxide for monitoring.
- We disclose measurement values in connection with the Clean SYS website (Korea Environment Corporation Chimney TMS Measurement Disclosure) in real time.

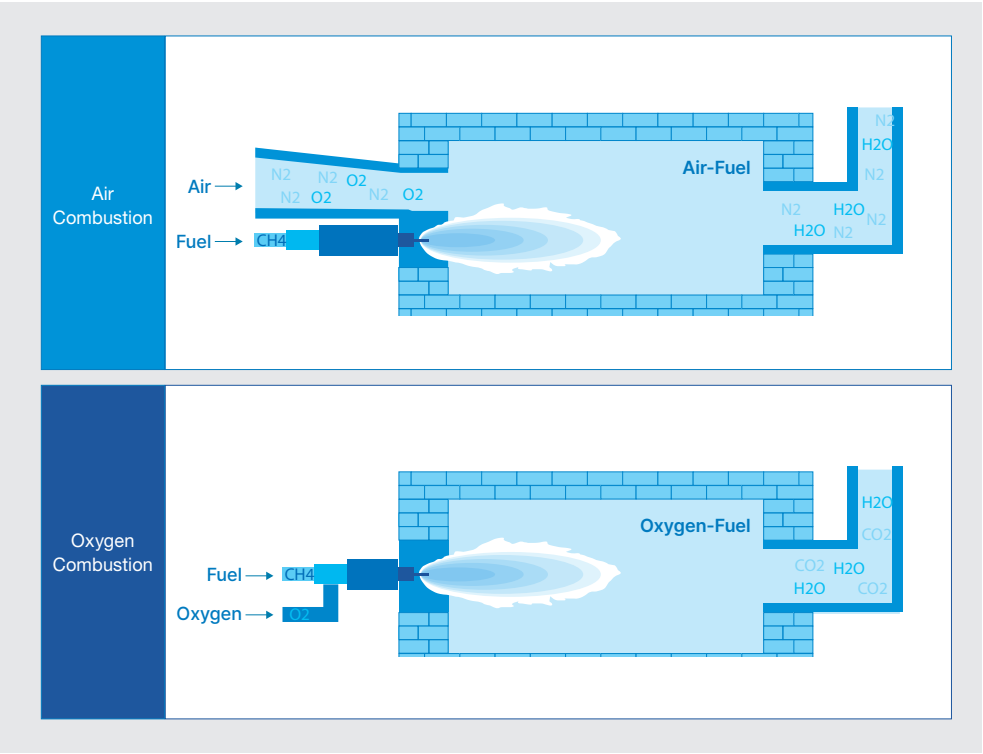
Air TMS Principles



Nitrogen Oxides Removed through Oxygen Combustion at Gunsan Plant

- Nitrogen oxides is removed through oxygen combustion methods which was changed from the previous air combustion methods at Gunsan Plant.
- In a general melting furnace, nitrogen oxide is created in the melting process through air combustion method, and nitrogen is removed in the oxygen combustion method, while with the method, nitrogen oxide generated decreases.
- Nitrogen oxide is effectively removed with the introduction of oxygen combustion with various positive effects expected such as environmental preservation and work environment improvement.

Oxygen Combustion Principles at Gunsan Plant



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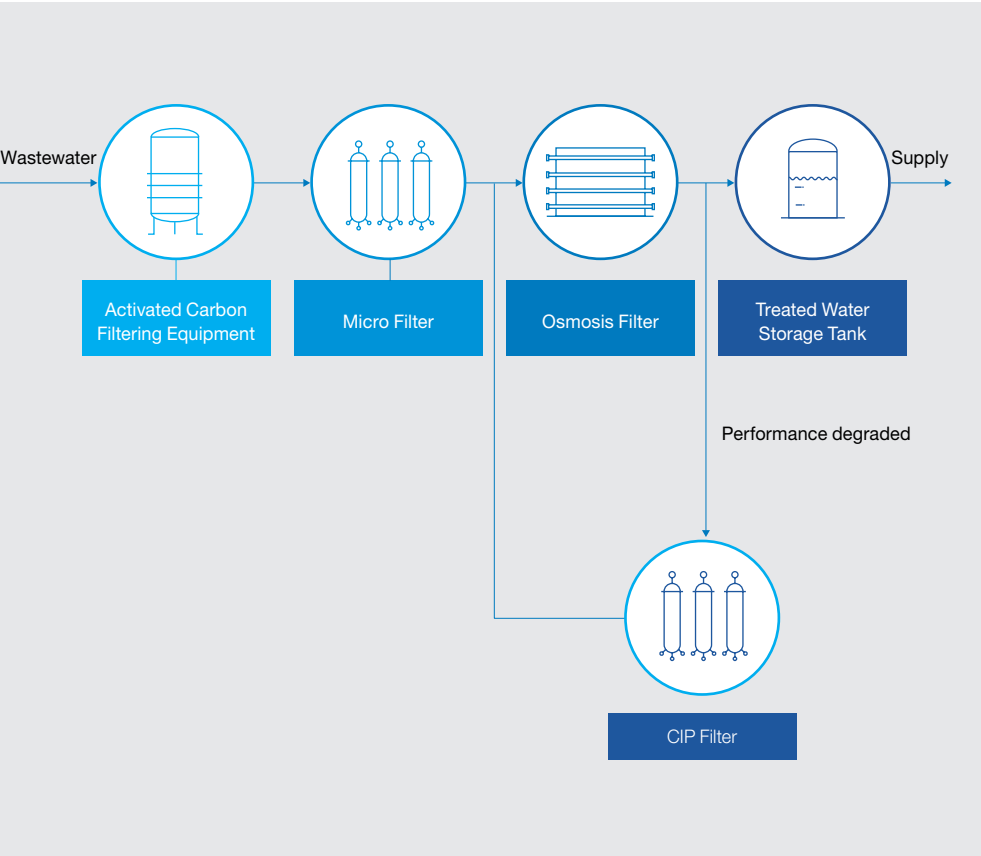
Process Environmental Efficiency Improvement

Water Resource Management

Wastewater Low Discharge System Introduced at Icheon Plant

- Wastewater low discharge system was introduced at Icheon Plant where wastewater is recycled and reused in the plant.
- Pollutant concentration is lowered through filtering devices to comply with the legal wastewater discharge standards of the local community and discharged into rivers nearby.
- Wastewater was reduced by 65-98% after the system was introduced.

Principles of Wastewater Low Discharge System



Water Stress Index Analysis

- Water stress level of production sites was identified as importance of water resource management emerges in the modern society.
- Among 15 plants, Eumseong, Jincheon, Film, Print and Gunsan Plants are identified high in water stress index.
- The Gunsan Plant has established a water recycling system to reduce water use.
- Water intake risk assessment and management methods will be reviewed at other plants.

Plants Identified as High in Water Stress Index



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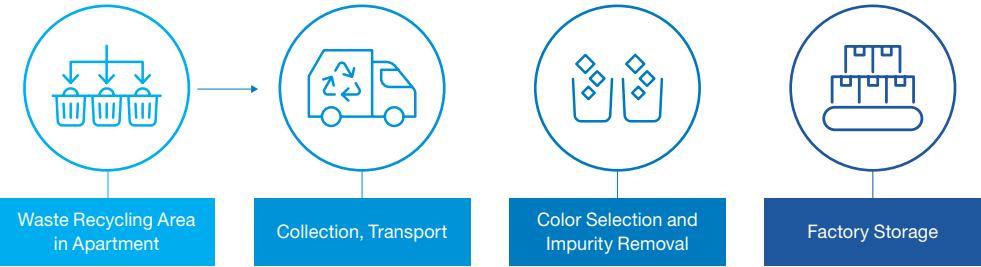
Process Environmental Efficiency Improvement

Waste Management

Waste glass bottle collection at Gunsan Plant

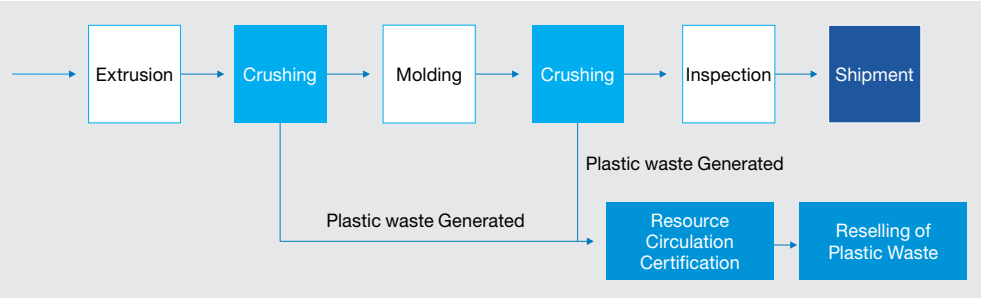
- The Gunsan Plant established the resource circulation system by collecting and re-using waste glass bottles.
- Glass bottles discharged from apartments are collected by a recycling company and then moved into the factory after selecting colors and removing impurities and recycled as raw material to produce glass bottles.
- Approximately 131,638 tons of white, brown, and green waste glass bottles were collected and recycled (2023).

Waste Glass Warehousing Process



Circular Economy of Plastic Waste at Gwangju 2 Plant

- Plastic waste by-products were generated after extrusion and molding during plastic packaging container process.
- We obtained qualification for resource circulation from the Ministry of Environment as discarded waste can be recycled (2023).
- We established a circular economy system by reselling plastic waste.



Soil Pollution Management

- The Gunsan Plant (oil storage facilities) and the Asan Plant (hazardous chemicals), which have specified facilities subject to control of soil contamination, conduct periodic soil pollution assessment according to the Soil Environment Conservation Act.
- In the investigation at the Gunsan Plant, soil contaminated with TPH was found in front of the outdoor tank site and the measures to clean up the contaminated soil was implemented (2023).
- We minimized the impact on soil by inspecting periodically and managing soil contamination to protect the surrounding ecosystem.

Local Community Environmental Impact Reduction Activities

Stormwater Pipes Installed at the Asan Plant (2023)

- Due to heavy rain and typhoons during the rainy season, floods occurred in nearby factory located lower area of the Asan Plant.
- The flood was caused by the rainwater discharged through a rainwater manhole in the Asan Plant.
- Additional stormwater pipes were installed to prevent flood damage to surrounding businesses and promote coexistence with the local community.



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The key to sustainable management is ensuring that organizations and their members grow healthily and transparently while thoroughly preparing for a future of change alongside stakeholders.

Dongwon Systems prepares for the future of the global packaging industry by realizing sustainable management based on the clear value system.

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Human Resources and Work Environment Management

Dongwon’s Values

People who think and act right

When making decisions, we make sound judgments based on facts considering various perspectives. We abide by principles and try to implement the institutions and norms of society and organizations. We take responsibility for our work from start to finish and do our best to deliver the result. We strictly separate work from personal matters and act consistently with objectives and reasonable standards.

People who enjoy their work

We actively work to gain experience and acquire basic knowledge and skills needed for the work we want to do. We plan thoroughly and take the lead to keep things running smoothly as scheduled. We adapt quickly to new situations and actively utilizes newly learned knowledge and information. We keep own emotions stable and not being frustrated by negative or difficult situations or failures.

People who want new things

We are Interested in looking at things from a new perspective and create new and various ideas. We are not complacent with habitual actions and methods, but always try new things. We have interests in various fields, strive to acquire knowledge and become an interdisciplinary thinker. When facing a problem, we identify the essence of the problems accurately and find an effective solution.

People who are engaged and aligned with goals

We have a “can-do” attitude and are committed and immersed to achieve our plans. We constantly study and learn to produce valuable results. We strive to achieve positive results with the mindset and attitude of working with others. We listen to others, communicate in a way that we build empathy and express opinions persuasively.

Personnel System

Nurtured Evaluation

- Dongwon Systems operates nurtured evaluation, fair promotion and performance-based compensation system so the company and employees can grow together.
- We operate an evaluation system that identifies individual performance and competency levels through basic qualities and work evaluation and contributes to foster human resources through strengths and complements.

Nurtured Evaluation								
Performance Management	Start of year → Mid year → End of year →			Evaluation Plan				
	Goal Setting	Interim checks	Final Evaluation					
Goal Setting	Interim checks		Final Evaluation	Achievement Evaluation				
Sharing Team KPI and Goals through Meetings	Team Members		Final evaluation based on final performance and intermediate check results	Evaluation Factors	Evaluation Based on Management Method by Objectives			
	1. Register progress status/ performance - Describe progress status, support items, etc.				Team Leader 1. Team KPI 2. Improvement /Innovation 3. HR Index	Team Member 1. Team KPI 2. Personal KPI		
Personal Goal Setting	Team Leader			Evaluation Factors	Limited Absolute Evaluation			
	1. Interim checks - Check progress status and cumulative performance - Coaching to improve work performance				S	A	B	C
	2. Re-set goals when necessary - Goals to be revised through consultation throughout the year			10%	Absolute Evaluation Scope			5%
				Leadership Risk Type(Team Leaders)				
				Evaluator	Way of Work (all employees)			
		Items	Leadership Level (Team Leader, Manager, Deputy Manager)		Leadership Risk Type (Team Leaders)			

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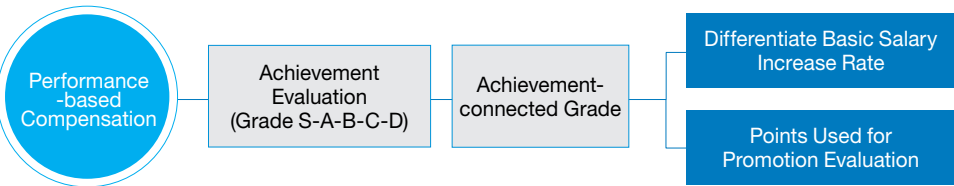
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Personnel System

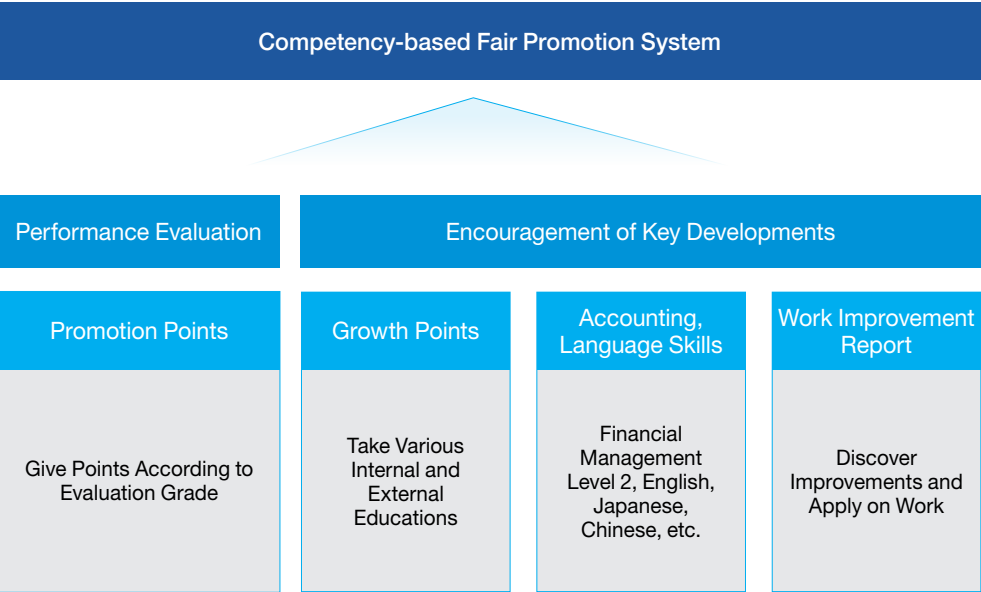
Performance-based Compensation

• Dongwon Systems operates performance-based compensation system to effectively motivate employees and fairly compensate them for their performances.



Fair Promotion

• We operate a promotion system that nurtures talents by eliminating seniority and prioritizing performance.



Welfare Benefit System

• Through various welfare benefit programs, Dongwon Systems strives to create a work environment and atmosphere where employees continue work by improving their quality of life, encouraging job immersion and increasing job satisfaction.

Details of Welfare Benefits

Support System	Details
Refresh Leave	Refresh leave (up to 4 business days) and points (up to KRW 500,000/year) for rest and recharge
Employee Welfare Points	Welfare points (up to KRW 300,000/year)
Long-term Service Rewards	Reward for long-term service - 10 years: KRW 300,000 - 15 years: KRW 500,000 - 20 years: KRW 1.3 mil. - 25 years: 220KRW 2.2 mil. - 30 years: KRW 3.5 mil.
Year-end Recognition	Each year, outstanding employees in each year are selected and awarded with cash prizes (up to KRW 2 million/year), promotion points and recognition
Health Check-up	Health check-up (up to KRW 1 million/year)
Congratulations and Condolences Expenses	Funeral services up to KRW 800,000 Supporting items mourning leave, funeral supplies, wreaths, etc.
School Expenses	Child education expenses (up to KRW 3,000,000 per semester)
Vacation Condo Booking	Family retreat facilities (once/month (up to24 nights per year))
Employee Loan	Employee loans - Housing: up to KRW 50 million - Living expenses: up to KRW 10 million

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Human Resources and Work Environment Management

Talent Hiring

Fair Hiring Policy

- Dongwon Systems recruits in a transparent and fair manner with diversity, dignity, and equal opportunities for men and women as basic values.
- We recruit various talents such as recruitment-related internship, part-time, senior recruitment.

MOU with Soonchunhyang Univ. to Nurture Secondary Battery Talents

- Dongwon signed an industrial-academic cooperation business agreement with Soonchunhyang University to foster secondary battery experts.
- We preemptively secure secondary battery experts for stable workforce operation while creating jobs for local talents.
- Since signing the MOU, we have hired 2 local talents (2022) and 9 (2023).



Job Creation for the Socially Underprivileged

- Dongwon Systems fulfills social responsibility by creating jobs for people in need of social consideration such as the disabled and veterans.
- We actively expanded recruitment by hiring those who are subject to as a special recruitment, applying additional points for document review and providing subsidies to the disabled workers after hiring.
- We have provided a subsidy of 37 million KRW to 33 employees (2023).

Retiree Support Activities

- Dongwon Systems operates a retiree support system regardless of turnover reasons such as regular retirement, involuntary turnover, etc.
- We support formation of positive attitudes toward the retirement life by considering retirees who have contributed to the company's management and development.
- As a retiree support system, we rehire employees with excellent work ability or provide reemployment support training services (once/year).
- We rehired 13 out of 26 retirees (2023).

Re-employment of Retirees over the Past Three Years (2021~2023)

Classification	2021	2022	2023
Retirees	27	40	26
Re-employment	15	19	13

Establish Worker Diversity Goals

- Dongwon systems established goals to secure worker diversity, including women, the disabled and public service honorees eligible for benefits.

Worker Diversity Goals (2023 – 2025)

Classification	2023	2024	2025
Female Management Position	8	9	10
Disabled	33	34	35
Public Service Honorees Eligible for Benefits	8	8	9

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Human Resources and Work Environment Management

Human Resources Fostering System

Strategy

- Dongwon Systems contributes to the growth as a sustainable company by fostering entrepreneur human resources and strengthening organization.
- We focus on capacity-building of employees based on the strategy of fostering human resources.

Strategy

Developing entrepreneurial talent and expertise while strengthening the organization to become a sustainable company

Mission

		
Personnel	Organization	Culture
Fostering specialized and diverse entrepreneur human resources	Capacity building into a high-performance organization	Building the right organizational culture with the right values
Fostering next-generation leaders	Developing organizational capacity at the team level	Spreading vision and management policy
Fostering key professionals		Building Work Smart culture
Fostering global human resources	Building a system for collective intelligence	Realizing GWP
Recruiting talent aligned with business strategy	Spreading a working culture and system	One-way alignment of an organization
Persistence and proactive support	Understanding the work	Setting and achieving goals
Fostering Dongwon People	Optimizing the whole	Continuous change and innovation

Employee Training System

Human Resources Development Programs

- Dongwon Systems supports growth of employees with a professional and diverse human resources fostering system.
- We operate a three-stage fostering system: junior course (1st – 4th year), professional course (practitioner level), and leader course (leader level).

Junior Training	On-Boarding Program					
	Hired	Joining	3 months	2 nd year	3 rd year	4 th year
	Pre-learning	Introductory training	In-house mentoring	Training to grow into professionals	Junior course	Super Junior course
Professional Training	In-house Job Specialty Course					
	- Fostering job experts by operating in-house training programs to cultivate job-specific expertise					
	External Job Specialty Course					
	- Support external job expertise courses to develop job-specific expertise and quickly respond to changing trends					
Leader Training	CEO Course and Management Education					
	- Nurture core managers by learning new management techniques and management theories along with best practices					
	Leadership Training					
	- Periodic education and training to nurture a leader who creates an organization with achievements such as setting team goals, identifying and nurturing team member competencies and creating an excellent organizational culture					

Common		
Dongwon D.N.A Education	Thursday Seminar	Others
Dongwonism	- Realizing Universal Management Theory	- In-house/external training
- Group spirit and code of conduct	- Employee competency development	- Cyber/mobile/foreign language
Newspapers	- Organizational cooperation	- Book support
- Newspaper-based thinking and judgement	- Invited lectures, issue-specific seminars, team seminars, etc.	
Accounting		
- Cultivating financial accounting knowledge		

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Human Resources and Work Environment Management

Employee Training System

Human Resources Development Programs

- Dongwon Systems hosted and operated around 13 programs for executives and employees (2023).
- Approximately, 2,214 persons participated with the investment of 389 million KRW (2023).
- We strengthen basic competencies and job competencies of employees through human resource development programs.

Dongwon Systems HR Development Program Status (2023)

Classification		Person	Cost (KRW)	Hour(h)	Remarks
Basic Competency	New Employee Orientation 2022 (Second Half)	15	44,335,500	1,440	
	New Employee Orientation 2022 (Second Half)_On-boarding	15	5,735,030	120	
	New Employee Orientation 2023 (First Half)	19	79,064,700	2,014	
	Rolling Admission Hire Training	25	4,049,100	191	
Common Competency	New Executive	3	4,848,800	36	
	Executive Education	15	6,847,500	173	
	Commissioned Education for Highest Level	2	20,000,000	-	
	Step Up(Promoted)	40	22,730,138	520	
	Leader High Performance Behavior Program	13	8,275,768	201	
Job Competency	Internal Training	115	-	469	By Dongwon Systems
	Commissioned Education	111	29,317,562	1,907	
Remote	Cyber	1,741	154,963,880	8,705	
	Foreign Language Learning via Phone	100	8,513,200	200	
Total		2,214	388,681,178	15,975	

Measurement of HR Development Program Effectiveness

- Dongwon Systems measures HR training program effectiveness using the NPS methods.
- Basically, NPS methods is implemented and additionally pre/post evaluation, feedback survey, actual work performance analysis and peer review are conducted.

	Group Course	NPS Average*
Basic Competency	New Employee Orientation 2022 (Second Half)	82.6
	New Employee Orientation 2022 (Second Half)_ Refresher	53.8
	New Employee Orientation 2023 (First Half)	72.1
	New Comer Training	46.6
	New Executives	59.2
Common Competency	Manager Training	81.1
	Step Up(Promoted)	69.3
	Leader High Performance PG	64
Others	Thursday Seminar	49.6
Average		64.3

*NPS Average: response rate showing the highest level of satisfaction – response rate of showing lower than average satisfaction

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Human Resources and Work Environment Management

Employee Communication System

Directions and Strategy

- Dongwon Systems promotes the Dongwon Culture 3.0 to improve corporate culture, focusing on creating healthy and performance-oriented organization.
- We establish immersive work mood, expanding smart refreshment and building flexible culture.

Direction	Dongwon Culture 3.0 Creating a Healthy, Performance-oriented Organization		
Strategy			
Tasks	Setting Work Immersive Mood	Expanding Smart Refresh	Building a Flexible Corporate Culture
	<div>Working time management</div> <ul style="list-style-type: none">- Register commute time online- Expand flexible work hours- Staggered commutes/telecommuting- Reduced work hours <div>Avoid work on holidays</div> <ul style="list-style-type: none">- Adjust on-call pay- Inform holiday work standards <div>Improve work culture</div> <ul style="list-style-type: none">- Running meetings during work hours- Practice four meeting principles- Slim/Smart meetings <div>Smart Reporting</div> <ul style="list-style-type: none">- Streamline reporting- Standardize documentation	<div>Expansion of Annual Leave Usage</div> <ul style="list-style-type: none">- Building 4 Free day atmosphere- Introducing infertility leave <div>Enhancing wellness support</div> <ul style="list-style-type: none">- Activating welfare points- Improving reading education <div>Strengthening maternal protection</div> <ul style="list-style-type: none">- Expand flex work hours for childcare	<div>Culture of Respect and Consideration</div> <ul style="list-style-type: none">- Etiquette compliance- Prevent sexual harassment <div>Grievance handling</div> <ul style="list-style-type: none">- Systemize grievance counseling- Introduce psychological counseling programs <div>Strengthening communication channel</div> <ul style="list-style-type: none">- Expand employee communications- Expand HR communication channels <div>Healthy dining culture</div> <ul style="list-style-type: none">- 1·1·3 Principles <div>Improve disclosure of personnel assessment</div> <ul style="list-style-type: none">- Disclose assessment and comments

Organization Culture Improvement Activities

Efficient Use of Meeting Time

- Dongwon Systems shares inappropriate meeting cases and spread correct meeting methods.
- We create an efficient meeting environment culture through self-diagnosis of incorrect meeting types.

Self-Diagnosis Questions for Incorrect Meeting Types

Self Diagnosis Questions	Applicable
Not accurately recognizing purpose and goals of the meeting.	
Not knowing what the issue is.	
Not clear about the time concept of the meeting (exceeds scheduled time).	
Only one person dominantly talks.	
Not clear whether it is training or meeting.	
Rampant criticism and personal attacks on work	



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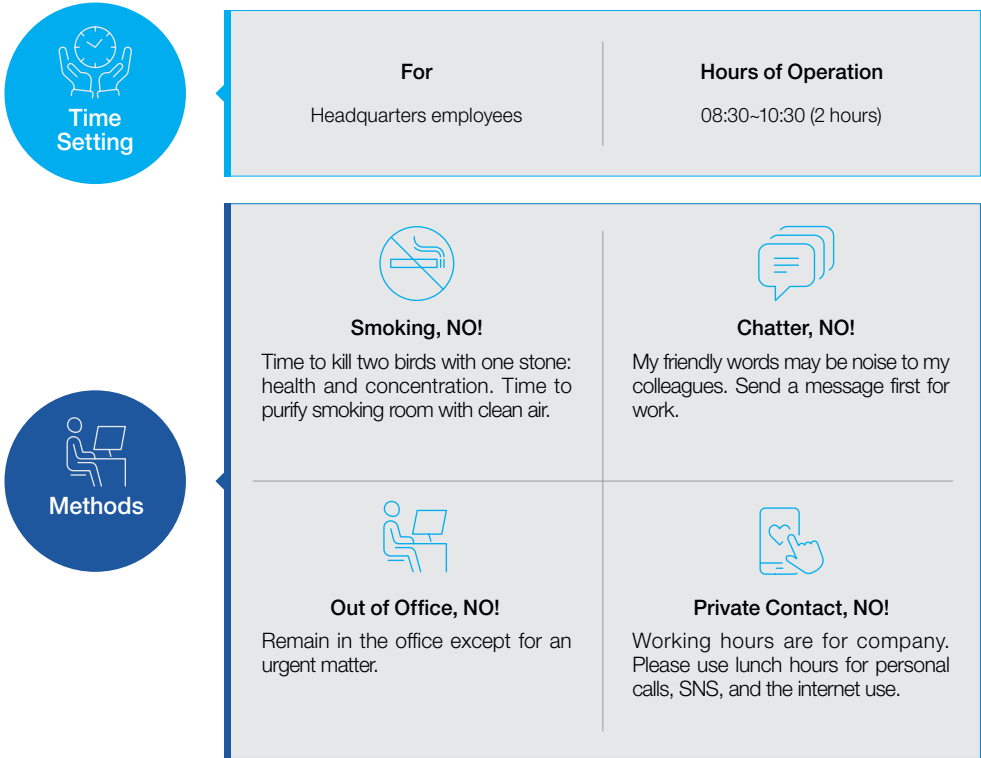
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Organizational Culture Improvement Activities

Operation of Focus Work Hours

- Dongwon Systems operates focus work hours to improve the work concentration of executives and employees and ensure efficient work performance.
- The focus hours is from 08:30 to 10:30 (2 hours) every morning.



Reporting/Documents Streamlining

- Dongwon Systems minimizes face-to-face reporting and improves unnecessary procedures through electronic approval and reporting.
- We improve work efficiency by unifying reporting forms according to departments such as human resources, general affairs and planning.

Employee Satisfaction Survey

- Dongwon Systems analyzes job satisfaction factors and the factors that hinders satisfaction through employee satisfaction survey.
- The survey result is used in many ways including identifying the characteristics and trends of the organization and proactively responding to any inconveniences.
- The survey result is submitted as an anonymous report to organization heads and CEO to be used for effective organizational management.

Employee Satisfaction Survey Status

Subjects	Period	Methods	Contents
All employees	Year-end personnel evaluation	Online (confidential)	- Behavioral competency of Dongwon People - Matters regarding leadership - Team-related matters - Organizational culture - Others

Evaluation Items		
Behavioral Competency	Leadership-related	Team-related
<div><div>1</div>Spirit of challenge</div> <div><div>2</div>Righteousness</div> <div><div>3</div>Leadership</div> <div><div>4</div>Communication</div> <div><div>5</div>Innovation-oriented</div> <div><div>6</div>Performance creation</div>	<div><div>1</div>Work promotion/goal achievement</div> <div><div>2</div>Problem-solving</div> <div><div>3</div>Professionalism</div> <div><div>4</div>Nurturing juniors</div> <div><div>5</div>Organization activation</div> <div><div>6</div>Performance creation</div> <div><div>7</div>Business manner</div> <div><div>8</div>Client-oriented</div> <div><div>9</div>Ethical awareness</div>	<div><div>1</div>Purpose execution</div> <div><div>2</div>Problem solving</div> <div><div>3</div>Decision making</div> <div><div>4</div>Leadership</div> <div><div>5</div>Human relationship</div> <div><div>6</div>Communication</div> <div><div>7</div>Cohesiveness</div> <div><div>8</div>Cooperation</div> <div><div>9</div>Efficacy</div> <div><div>10</div>Team Performance</div>
Organizational Culture		Organizational Culture
<div><div>1</div>Organizational positivity/negativity</div> <div><div>2</div>Organization development factor</div> <div><div>3</div>Job satisfaction</div> <div><div>4</div>Offering growth opportunity</div>	<div><div>5</div>Earning support</div> <div><div>6</div>Intention to turnover</div> <div><div>7</div>Immersive work</div>	<div><div>1</div>Organizational Positivity</div> <div><div>2</div>Organizational Negativity</div>

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Labor-Management Cooperation

Direction and Strategy

- Dongwon Systems discusses and shares major changes and internal issues with labor and management through regular dialogue (once/quarter).
- The labor-management council discusses employee suggestions and grievances and cooperates to ensure that the matters discussed are implemented.

Function

Maintain/improve work conditions, improve economic and social status of workers

Key Activities

Wage and Collective Bargaining in 2023
75/year (15 on average)

Dongwon Systems Labor Union Membership Status

Classification	No. of Members	Total Employees*	Sign up Rate
Labor Union	1,143	1,669	68%

* Total number of employees subject to sign-up: total number of employees on the business report (2023)



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Human Rights Management System

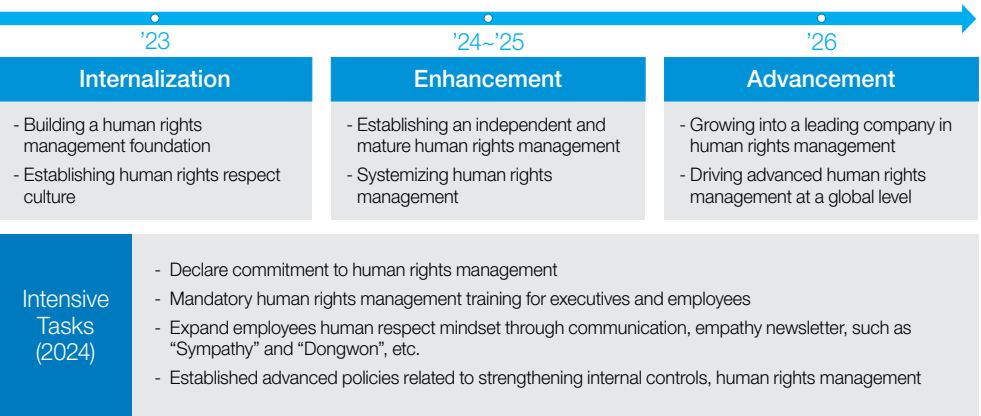
Objectives

- Dongwon Systems implements human rights management based on the following philosophy: management that brings joy to customers, a company that society needs and creates new values, and management that respects people.
- We ensure that the human rights of various stakeholders, including executives and employees as well as customers, partners and local communities are respected in all management activities.



Mid-/Long-term Plan

- Dongwon Systems established a mid- to long-term plans to promote systematic human rights management (2023 ~ 2026).
- We established independent and mature human rights management and systemized human rights management to advance human rights management (2024).
- We also selected intensive tasks to lay the foundation for advancement in human rights management (2024).



Dongwon Systems Human Rights Management Policy (Major Contents)

1. Objectives
 - Dongwon Systems established this human rights management policy to respect the human rights of all stakeholders and manage the risk of human rights violations that may occur throughout business activities.
 - Dongwon Systems respects international human rights initiatives such as the Universal Declaration of Human Rights promulgated by the UN, the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines, the 10 Principles of the UN Global Compact and the labor standards of the International Labor Organization.
 - Dongwon Systems strengthens human rights management process, including facilitating internal and external communication and redress procedures.
2. Scope of Application
 - Business partners including all executives and employees of Dongwon Systems and partner companies including domestic and foreign subsidiaries
 - All executives and employees of our company perform their work in accordance with the policy except in cases where there are special provisions in the local country's laws, organization's articles of incorporation, company regulations, etc.
3. Human Rights Risk Management System
 - Dongwon Systems establishes an internal system and regularly identify and evaluate human rights risks.
 - Dongwon Systems establishes improvement tasks for the human rights risks identified in the human rights impact assessment and share implementation status.
 - Dongwon Systems periodically reviews human rights management procedures and revises the management system from a preventive perspective by reflecting domestic and international trends.
4. Basic Principles



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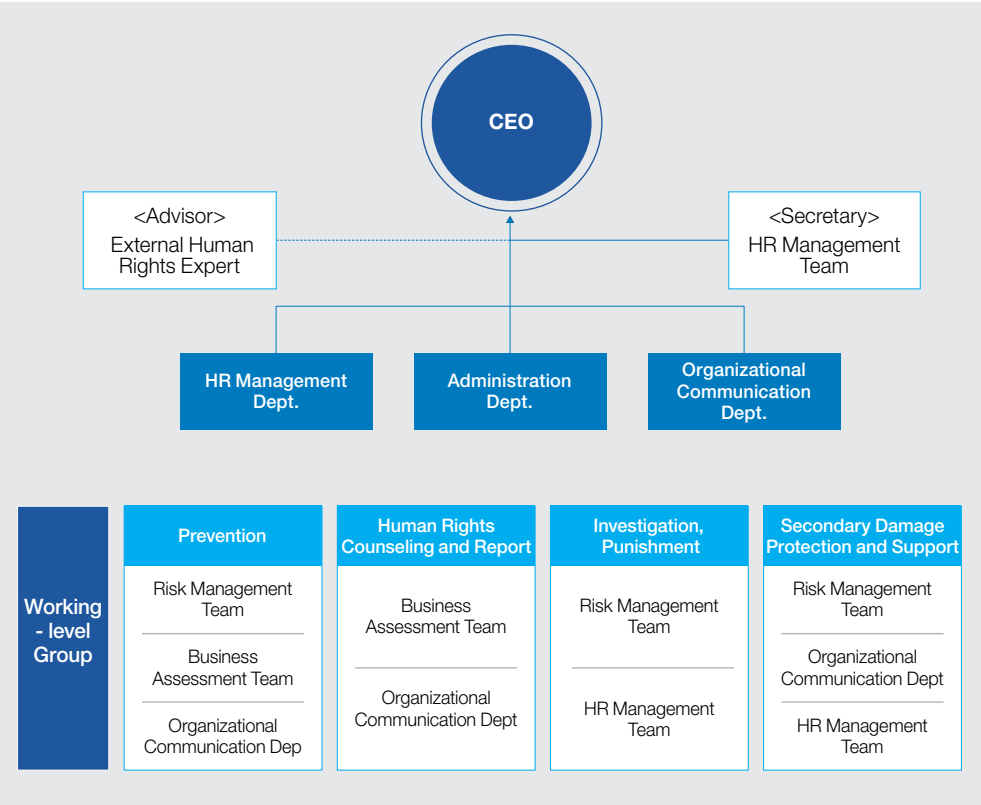
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Human Rights Management System

Organizational Chart

- Dongwon Systems organized the Human Rights Management Committee organized under the leadership of the CEO to promote human rights management activities.
- The Committee establishes plans and policies for human rights management and promotes investigation and relief activities for human rights violations.
- The Committee establishes a working group to enable immediate response to human rights violations.
- The Committee protects victims of human rights violations by operating a working group for prevention, human rights counseling, reporting investigation, punishment and secondary damage protection and support.

Human Rights Management Committee



Education Programs

Employee Human Rights Awareness Improvement Education

- Dongwon Systems offers mandatory training to improve employees' awareness of human rights and establish a culture of respect for human rights.
- We conduct workplace a bullying prevention course, a sexual harassment prevention course and a disability awareness improvement course once a year.
- All executives and employees completed the courses (2023).

Human Rights Courses for Executives and Employees (2023)

Classification	Title	Contents	Hours	Persons
1	Ethical Management Education	- Establish an organizational culture of integrity	1	316
2	Sexual Harassment Prevention	- Laws related to sexual harassment in the workplace - Handling procedures and standards of measure when sexual harassment occurs - Grievance counseling and relief procedures for workers affected by sexual harassment	1	1,673
3	Disability Awareness Raising Education	- International commitment to implement the rights of the disabled - Rights of the disabled	1	1,673

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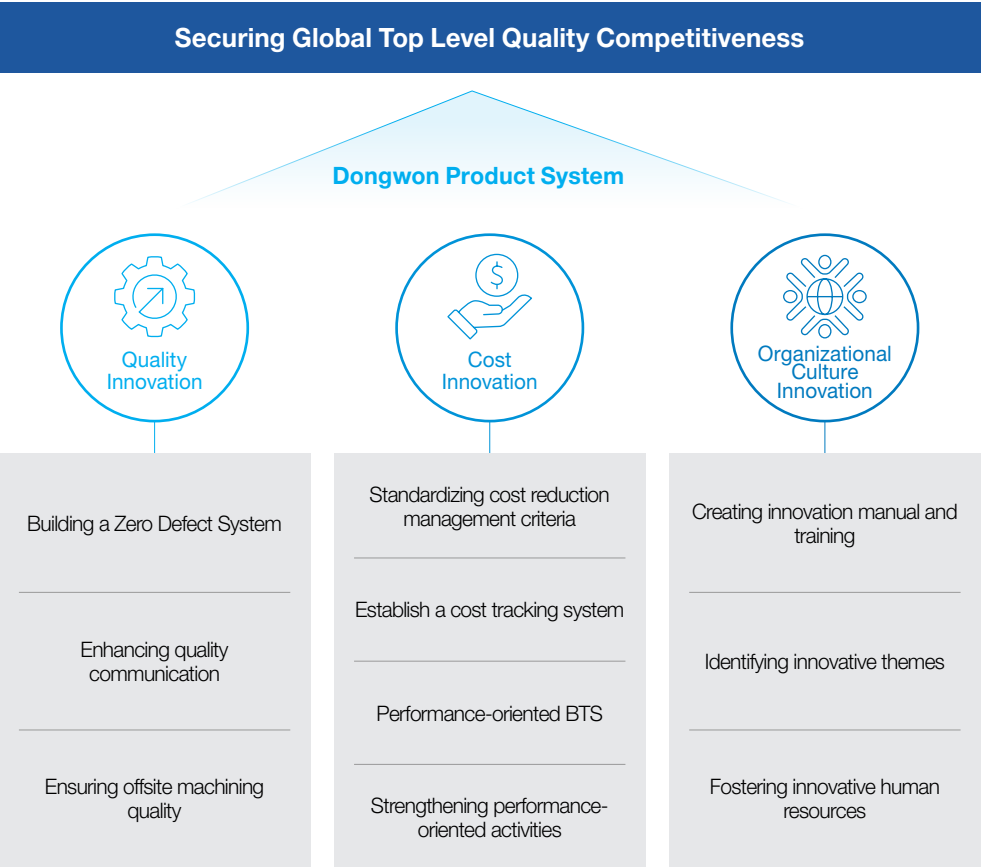
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Quality Management System

Objectives

- Dongwon Systems secures quality competitiveness by leading quality innovation, cost innovation and innovative organizational culture.
- We ensure high quality in product and services through various inspection processes to finished products according to quality management system.
- After products are shipped, we collect customer opinions and complaints, shares with the relevant departments to improve product quality.



Quality Policy

- Dongwon Systems' plants introduce quality management system (ISO 9001) and establish quality management policy and quality goals.
- Plants designate plant manager as quality management manager with all responsibility and authority.
- The Production Support Team and the Quality Assurance Team organize a working body to manage product quality at local plants.

Jincheon Plant Quality Policy (e.g.)

Quality Policy

Dongwon Systems puts quality as the top management priority, all executives and employees understand the quality policy, demonstrate passion and creativity to realize customer satisfaction with the best quality and practice the policy to contribute to customer benefit and company development.

First,: We create new customer-centered values and realize the vision “the company needed for the society that creates customer satisfaction and value”.

Second: We pursue customer satisfaction by consistently supply the best quality products and services that meet customer expectations and needs.

Third: We will make corporate-wide efforts to make the name Dongwon perceived as an image of “quality” among customers.

Quality Goal:: Minimize customer complaints (reduced 50% from the previous year)

To practice quality management, Dongwon will comply with the prescribed procedures in all work and put quality at the center of work. In addition, we will pursue quality improvement through continuous quality improvement activities and enhance technology to the global level. For efficient execution, plant manager is designated as quality management manager with all responsibilities and authority delegated.

CEO of Dongwon Systems

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Quality Management System

Quality Management System-based Internal Audit

- Dongwon Systems trains internal auditor and establishes internal audit system to strengthen quality assurance on ISO9001 and ISO/FSSC22000.
- HQ Quality Assurance Team and Production Control Team conduct a screening (once/year).
- We have completed corrective action on 5 minor nonconformances found in the internal audit on production process of the packaging business division (2023).
- We have completed corrective actions on 13 minor nonconformances found in the internal audit on the material and secondary battery divisions (2023).

No. of Nonconformances (2023)

Business Div.	Category	ISO 9001	ISO/FSSC 22000	Total
Packaging	Minor Nonconformance	5	5	10
Material and Secondary Battery	Minor Nonconformance	10	3	13

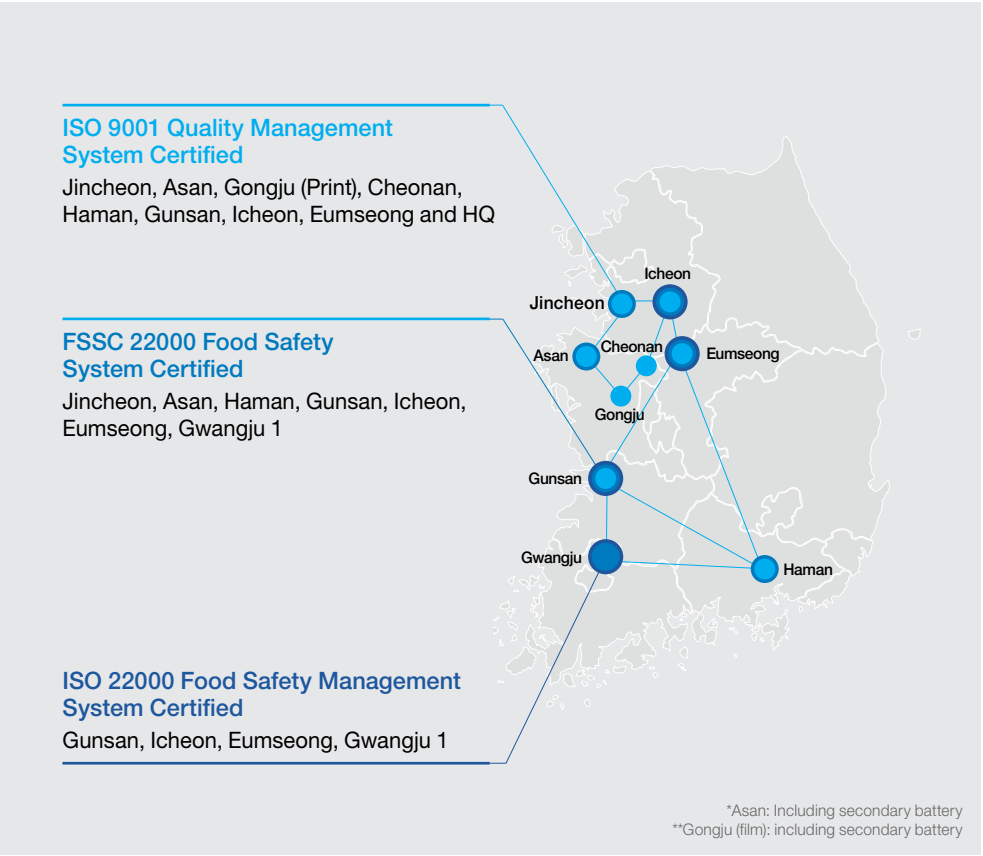
Regular Validation on HACCP Effectiveness

- Dongwon Systems conducts validation on HACCP systems in internal audit (once/year).
- We confirmed “good” in the regular effectiveness validation on packaging (2023).

Quality Management Certification Status

ISO 9001 and ISO/FSSC 22000 Certified Plants

- Dongwon Systems acquired various international quality and food safety certifications to strengthen customer trust in food safety and ensure quality.
- ISO 9001 Quality Management System Certified Plants: Jincheon, Asan, Gongju (Print), Cheonan, Haman, Gunsan, Icheon, Eumseong and HQ (2023).
- ISO 22000 Food Safety Management System Certified Plants: Gunsan, Icheon, Eumseong, Gwangju 1. (2023).
- FSSC 22000 Food Safety System Certified Plants : Jincheon, Asan, Haman, Gunsan, Icheon, Eumseong, Gwangju 1 (2023).



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Client and Consumer Rights Protection

Client Opinions and Complaints

Product Claim Monitoring

- Dongwon Systems conducts yearly monitoring on quality claims such as product damage, defective label, defective openings, etc.
- We reduced claims from 124 (2021) to 86 cases (2023) in packaging.
- However, the number of claims has increased from 10 (2022) to 12 cases (2023) in materials and secondary battery divisions.
- We prevent quality deterioration by sharing quality claim status to reduce claims continuously.

Product Claim Monitoring Result (2023)

Unit: Case

Business Div.	21	22	23
Packaging	124	104	86
Material and Secondary Battery	-	10	12

Improvement Activities

Quality Improvement Case Sharing

- Dongwon Systems organizes a quarterly sharing meeting of quality failure cases to improve product quality and minimize quality failure.
- The meeting was held at Jincheon Plant in the first half of 2023 and at our Film Plant in the second half of the year.
- The meeting aims to produce high quality products and strengthen consumer confidence through sharing sessions.



First Half, Jincheon Plant



Second Half, Film Plant

Training Programs

Quality Improvement Education

- Dongwon Systems participates in related education to manage and improve product quality.
- We offer food safety, food hygiene, quality control trainings and halal practitioner training to prepare for the Islamic cultural market.

Status of Education Programs for Quality Improvement by Business Div (2023)

Classification	Business	Education	Hours (h)	Schedule
1	Packaging	US Food Safety Modernization Act Qualification Course	20	Feb, 2023 Feb. 2024
2		Hazardous Chemical Technical Personnel and Manager Training	16	Mar. 2023
3		KMF Halal Practitioner Training	4	Jul. 2023
4		FSSC 22000 Revised System Conversion Practice	8	Aug. 2023
5		Practical Quality Management	7	Dec. 2023
6		Zero Facility Trouble and Standardization Training	42	Jan. 2024
7	Materials and Secondary Battery	Food Safety Culture that Everyone from Employees to Executives Need to Know	8	'Feb. 2024
8		Internal Quality Education	8	Feb. 2023
9		Food Hygiene Education	6	Mar. 2022
10		Food Hygiene Education	10	May. 2023
11		Quality Control Technique-Related Education	2	Jun. 2023
12		Internal Auditor Education	4	Aug. 2023
13		Standard Cost Training	8	Nov. 2023
14		Printing Defect Response Training	2	Dec. 2023
15		40 th Class Packaging Tech Manager Education	55	Aug. ~ Nov. 2023

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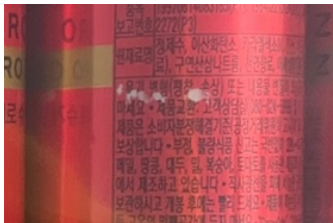
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Improvement Activities

Improvement of Can Printing Defects

- Dongwon Systems had a case of printing defects in the country-of-origin label of a produced can.
- Sticking occurs due to the increase of foreign substances in the production process.
- We improved the defect rate by removing internal foreign substances and resetting cleaning cycle.



500ml PET Bottom Damage Improvement

- During PET production, bottom surface is damaged due to deterioration of preform properties within the injection molding machine line and uneven distribution of PET thickness and stress.
- We prepared measures to prevent recurrence by improving basic design and formability and strengthening preform quality.

Bubbles Made on Exterior of Packaging Materials

- Heat resistance of the ink and ink adhesion were insufficient, resulting in bubbles on the exterior.
- We strengthened regular inspection of ink properties, changed set temperature and strengthened product testing.
- The heat resistance and ink adhesion has been improved and the bubble appearance issue has been addressed.



Foreign Substances Contaminates Exterior of Packaging Materials

- Foreign substances were mixed in due to the aging of supplier's LLDPE film manufacturing facilities
- All LLDPE films were inspected upon their receipt.
- Film quality has been improved, ensuring product safety and reliability



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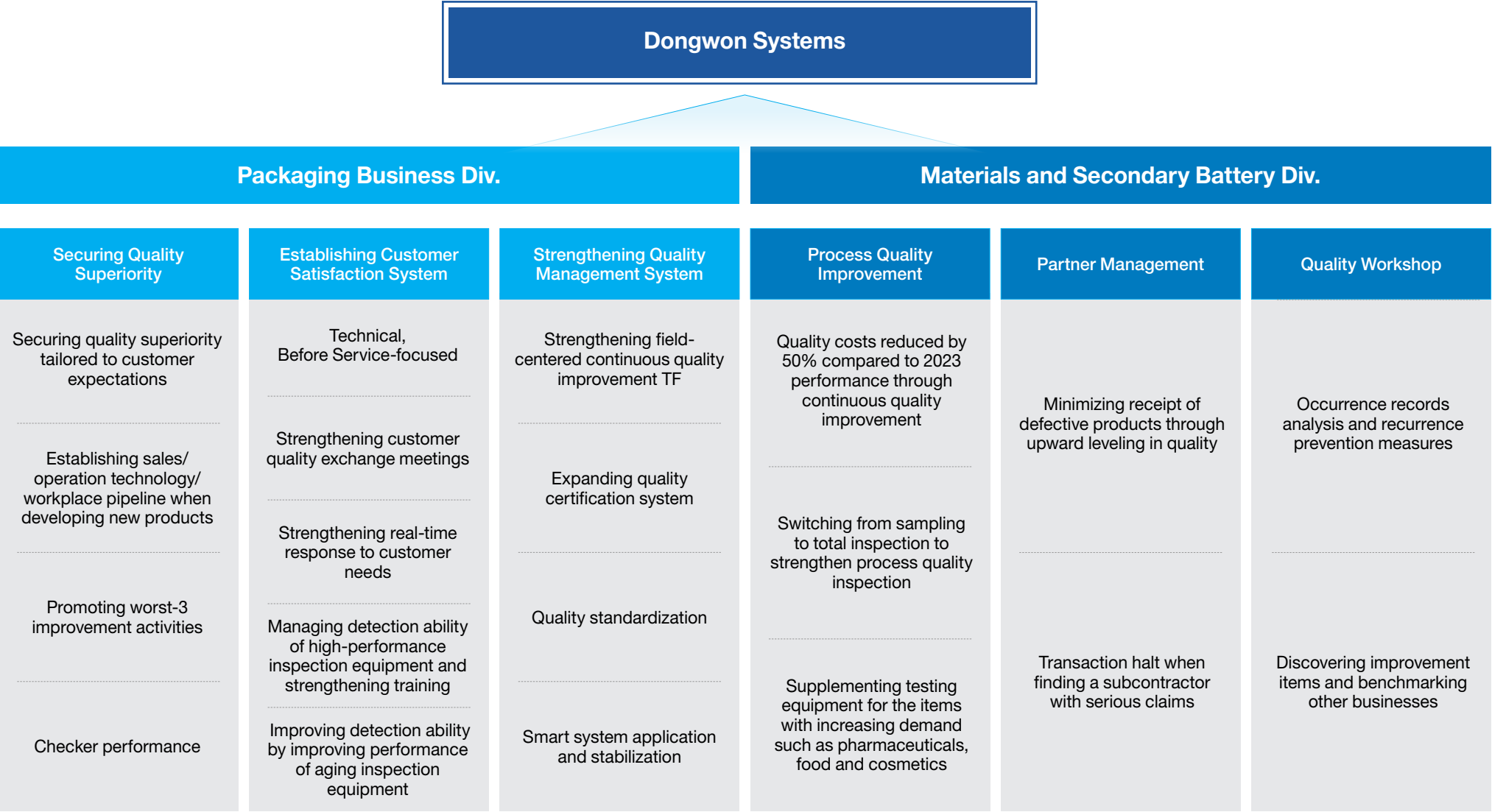
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2024 Quality Management Direction

Management Direction by Business Div.



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Management System

Establishing Code of Conducts for Partner Companies

- Dongwon Systems has established a supply chain ESG management policy to build a sustainable supply chain.
- The policy consists of partner selection standards, scope of responsibility and management, scope of ESG management, ESG evaluation system and stakeholder communication.
- By identifying risks that might occur throughout the supply chain, we create greater values with our partner companies.
- We also establish a code of conduct for partner companies and post it on the website.



Code of Conduct for Partner Companies

Dongwon Systems Supply Chain ESG Management Policy

Dongwon Systems has established a supply chain ESG management policy to build a sustainable supply chain, based on the policy, we will identify risks that may occur throughout the supply chain in the future and establish response plans and strive to create greater value with our partners.

Article 1. Partner Company Selection Standards

- Select with priority the partner companies that fulfill ESG management standards, including ethical and legal standards throughout the supply chain
- Ensure that all procured items are produced and sourced in accordance with ethical and legal standards

Article 2. Scope of Partner Company's Responsibility and Management

- Partner companies comply with the partner companies' code of conduct and supply chain ESG management policy.
- Partner companies comply with the provisions of the code of conduct and ESG management policy.

Article 3. Scope of Partner Company's ESG Management

- Ethics: anti-corruption, prevention of conflicts of interest, prevention of unfair trade, compliance with export restrictions, information protection
- Environment: establishment of environmental management system, energy use and GHG emissions management, water resource management, air pollutant management, waste management and chemical management
- Labor and human rights: prohibition of discrimination, management of working hours, prohibition of child labor, prohibition of forced labor
- Safety and health: establishment of safety and health management system, safety management of mechanical equipment, response to emergency situations, accident management, health management

Article 4. Partner Company ESG Evaluation System

- Conduct ESG evaluation of partner companies and expand ESG evaluation to support sustainable management of partner companies
- Establish due diligence criteria by conducting written evaluation via e-mail
- Support analysis and improvement of partner companies' ESG management level based on evaluation and due diligence

Article 5. Stakeholder Communication

- Establish various communication channels such as a partner reporting system on the website to address grievances of partners and promote shared growth

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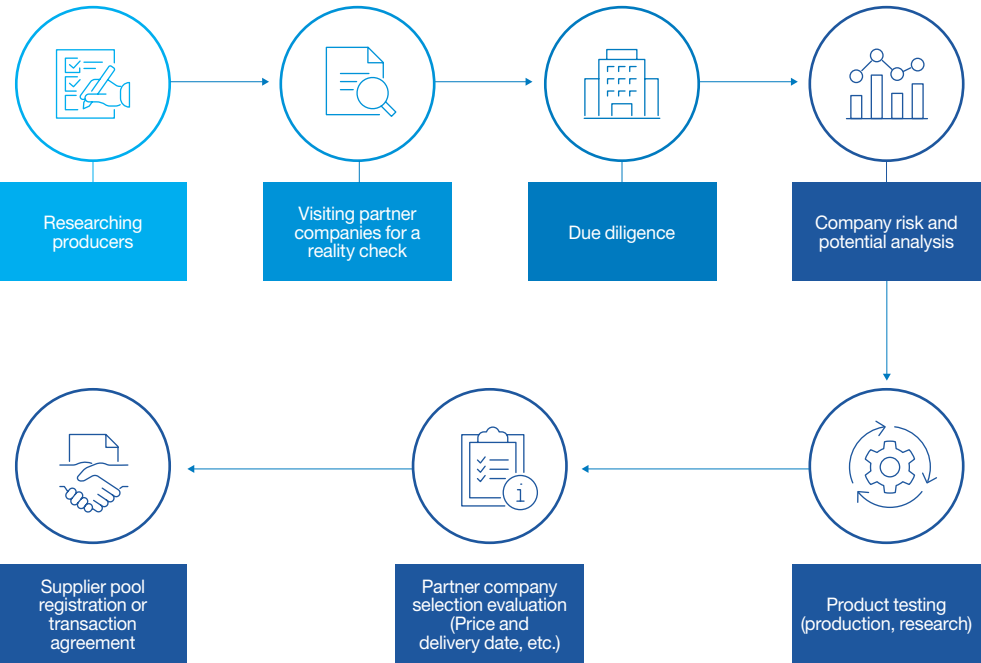
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Management System

Selection of New Partner Companies

- Dongwon Systems screen asset health and compliance issues and evaluate the six due diligence areas which are management, finance, technology, security, quality system and process evaluation, when selecting and evaluating partner companies.
- We decide on registration of new partner companies based on 4 levels: Best - Excellent - Good - Poor.



ESG Regular Evaluation of Partner Companies

- Dongwon Systems conducts regular evaluation with ESG evaluation criteria to establish sustainable win-win relations with partner companies.
- We conduct ESG regular evaluation as a form of survey on 46 main partner companies. (April 2024)
- Based on the results, we identified 23 partners with the score of over 90, 16 with the score of from 80 to 90, 5 between 70 to 80 and 2 below 70.
- We offer partner companies improvements and promote sustainability through ESG regular evaluation.

Partner Selection for Evaluation	Environment (16 items)	Social (24 items)	Governance (11 items)		
	Considering environmental factors such as waste management and carbon emission reduction	Consider social responsibility practices such as contribution to the local community	Considering sound governance including transparency ethics and fairness		

ESG Regular Evaluation Result	Score	Partner Companies
	90~100	23
	80~90	16
	70~80	5
	70	2
	Total	46

Sustainability Evaluation and Feedback	Status Check	Goal Setting	Regular Check	Feedback	Mutual Cooperation
	Review ESG practice status of both companies and commitment to improvement	Set mutually-agreed ESG goals and establish systematic action plans	Regularly check ESG performance and derive improvements	Provide feedback to partner companies and promote sustainability	Establish and implement mutual improvement plans based on feedback

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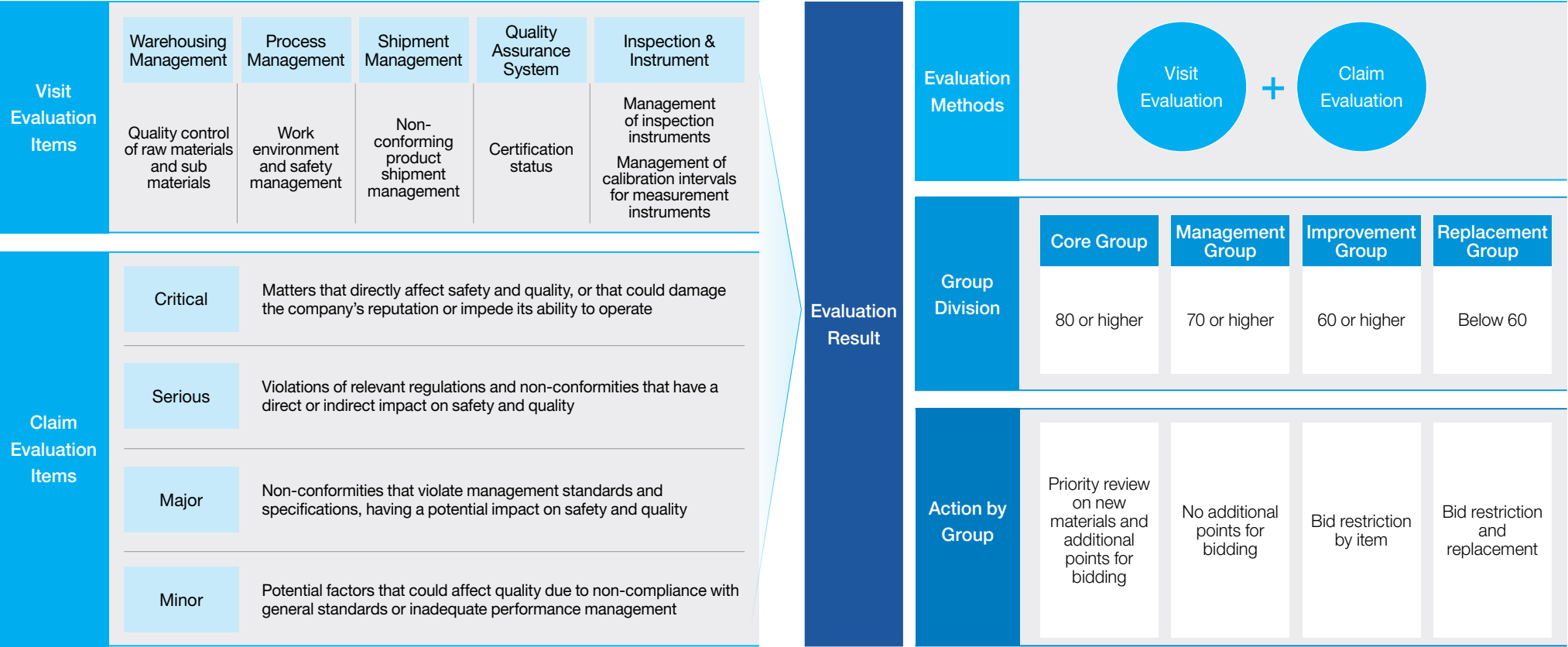
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Management System

Regular Evaluation of Partner Companies

- Based on the ISO 9001 company evaluation procedure, Dongwon Systems conducts evaluations in the categories of management ability, production capacity, quality control, cooperation, environment and safety.
- The evaluation is conducted on-site, and the score is calculated by adding up visit evaluation and claim evaluation.
- Partner companies are divided into four groups: core, management, improvement and replacement group depending on regular evaluation score and differentiated management system is established for each group.
- As a result of the regular evaluation, transactions will be suspended with partners who score less than 60 points, and transaction items will be expanded for partners with a score of 80 or more.
- Financial and welfare incentives are provided to the best or excellent-evaluated partners and meetings and consulting are conducted with low-rated partners.



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Support Activities

Partner Companies Ethics Survey

- Dongwon Systems conducts survey twice a year to evaluate the ethical management of partner companies and raise ethical awareness.
- A survey was completed for 50 partner companies in both the first/second halves of the year (2023).
- We will discuss necessary improvements with partner companies and implement changes.

Overview of Ethical Awareness Survey for Partner Companies

Period	Subject	Respondents	Improvements
July – November 2023	50 partner companies	42 companies (Response Rate: 84%)	<ul style="list-style-type: none">- Improve communication system between the company and partner companies- Establish an appropriate compensation system to provide fair rewards- Thorough discussions on pricing and delivery dates

Implementation of a Linked Unit price of the Subcontracting Payment

- To realize the value of mutual growth, we implement and operate 「Four Key Practices to Ensure Compliance with Subcontracting Regulations」 and establish a linked payment system for subcontracting delivery prices.

Fair Trade Practices by Partner Companies

- All partner companies sign an ethics agreement to ensure that their operational staff are responsible for managing fair trade procedures.
- A letter on righteousness management practices are sent to all partner companies to foster an environment that encourages the normalization of fair-trade awareness.

Responsible Sourcing of Raw Materials

- We promote the purchase of ethically sourced raw materials to fulfill social responsibility.
- We support the 10 Principles of the UNGC (UN Global Compact Network) regarding human rights, labor, environment and anti corruption.

ESG Management Activities of Partner Companies

- We provided basic ESG training to three partner companies and suggested direction for improvement (2023).
- We will intend to broaden our support to more than five partner companies (2024).
- We will identify partner companies’ needs to diversify the ESG support program.

Ethics Statement for Partner Companies

Article 1 (Purpose)

The customer (referred to as the “Company”) agrees to uphold Dongwon’s ethical code for an honest corporate culture and promises to adhere to it in all future transactions, including contracts.

Article 2 (Effect of Agreement)

① The agreement takes effect upon conclusion and remains unaffected by individual contract terminations or temporary business suspensions.

② It applies to all transactions with Dongwon, from initiation (bids, contracts) to continuation (performance) and termination (confidentiality after contract end).

Article 3 (Code of Ethics to be Followed)

We adhere to Dongwon’s code of ethics and do not engage in the following behaviors:

1. Providing money, gifts, or entertainment to employees of Dongwon for fraudulent purposes related to the acts mentioned in the preceding paragraph, including the initiation of transactions
2. Knowing Dongwon’s business processing procedures, consulting with unauthorized Dongwon employees to process business differently (such as non-contractual mutual calculations, payment of transactions not through a transaction account, etc.), or agreeing on transaction terms
3. Causing or supporting violations of Dongwon employees’ code of ethics (such as inducing the disclosure of business secrets)
4. Pursuing commercial activities such as establishing a company jointly with Dongwon employees
5. Providing gifts or entertainment to Dongwon employees in excess of what is considered acceptable by social norms, in addition to item 1.
6. Divulging Dongwon’s business secrets

Article 4 (Authorization of Penalties for Violations of the Code of Ethics)

We accept Dongwon’s penalties for violating this code of conduct.

Article 5 (Modification of Terms)

We authorize Dongwon to change this agreement upon request when modifications are necessary, such as due to changes to Dongwon’s code of ethics.

Sending Righteousness Management Letter

To Partner Companies

Subject: Request for assistance with the ‘Practice of Righteousness Management’

1. We wish your company all the best.
2. Dongwon Systems is dedicated to fostering a healthy business environment and establishing fair trading practices to support mutual growth with partner companies. Additionally, all employees at Dongwon Systems are committed to implementing righteousness management through transparent and equitable operations. As we celebrate the upcoming holiday season, we would like to reiterate Dongwon’s commitment to these values and kindly ask for your understanding and cooperation.

----- Below -----

1. We will not accept any gifts or favors from partner companies. All employees of Dongwon Systems commit to refusing any monetary benefits, entertainment, or preferential treatment, in line with the “Dongwon Group Code of Ethics and Implementation Rules,” even if such practices are considered socially acceptable.
2. Offering gifts can lead to disadvantages in business transactions. Employees who accept gifts, as well as the partner companies that provide them, could be viewed as engaging in unfair trading and may face repercussions in their dealings. We ask for your understanding and cooperation in this matter.
3. We are committed to eliminating coercion in gift set purchases. Dongwon Systems strictly prohibits employees from leveraging their superior position to pressure partner companies into buying gift sets and is dedicated to ensuring that partner companies do not experience any disadvantages.
4. We aim to establish fair trading practices with partner companies. By supporting and nurturing fair selection and evaluation processes, we seek to develop mutually beneficial relationships that promote shared growth.

We invite all partner company employees to actively engage in Dongwon System’s commitment to righteousness management practices, contributing to our goal of becoming a more transparent organization. If you observe any unfair actions by Dongwon Systems employees, please reach out, and we will ensure that reasonable corrective measures are taken without any repercussions for those who report.

Thank you.

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Strategic Participation and Contribution to Local Community

Management System

Policy and Direction

Vision	For a 'Shared Life' Fulfill Corporate Social Responsibility through Community Contribution Activities Aligned with Company Vision	
Division	 Domestic	 Overseas
Direction	Customer-oriented initiatives aligned with Dongwon System's vision	Coexistence activities for 'life together' communities near overseas business sites
Beneficiary	<ul style="list-style-type: none">Children and Youth for the Future of the Next GenerationPeople-Centered Approach for the Well-being of Vulnerable Groups	<ul style="list-style-type: none">Countries and regions of overseas subsidiariesCommunities and residents around overseas subsidiaries
Support Direction	<ul style="list-style-type: none">Donations and supplies supportNon-face-to-face remote talent donationEnvironmental/safety protection activities	<ul style="list-style-type: none">Talent and local economic support by utilizing overseas business capabilitiesSupport for improving the living environment and health of local residentsSupport for natural environmental restoration

Mid- and Long-term Goals

	2023	2024	2025
Donation	KRW 110 million	KRW 200 million	KRW 250 million
Employees' Community Contribution Activities	250 hours	350 hours	700 hours

Social Contribution Activities of Dongwon Education Foundation


Vision and Management Direction

- We are implementing scholarship programs, talent cultivation projects, and initiatives to support educational advancement, aimed at developing and nurturing talent.
- Dongwon Systems regularly provides donations to the Dongwon Education Foundation.

Vision	Fostering genuine talent who will lead the future of Korea	
Mission	Contribute to national development by nurturing genuine talents who will be the driving force of the future industrial society, and by supporting academic activities and the research efforts of professional technicians	
Program Details	 Scholarship program	<ul style="list-style-type: none">- Research funding and educational facility support- Servant leadership- Young Talent Fellowship- International Diplomatic Scholarship
	 Education Development Support	<ul style="list-style-type: none">- Life Academy- AI talent development- Cultivating cultural and artistic talent- Development of talent in happiness and market economics

Life Academy

- Dongwon Systems organized Life Academy aimed to foster talents with flexibility and diversity, embodying a community spirit.
- 13 universities participated, promoting reading discussions, lectures by distinguished speakers, volunteer activities and university-specific initiatives (2023).
- A total of 698 students participated, with an average of 166 hours of education per university (first half of 2023).

Vision	We enable individuals to transform into well-rounded talents with virtue, intelligence and physical wellbeing through various classes and activities aligned with the goals of character and holistic education.					
Key Areas	 Reading discussion	 Lecture's by distinguished speakers	 Volunteering	 Univ.-specific initiatives		
	Yonsei Pukyeong	HUFS* Sogang	Cheongju Yeungnam	Chosun Sookmyung	Korea Inha	SNU** KAIST
Participating univ (2023)						

*Hankuk University of Foreign Studies
**Seoul National University

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Strategic Participation and Contribution to Local Community

Dongwon Education Foundation Social Contribution Activities

Nurturing Cultural and Artistic Talents at Korea National University of Arts

- Dongwon Education Foundation donated 1 billion KRW to Korea National University of Arts to continuously foster talent for the future of Korean culture and arts (2023).
- Donations have been used for various scholarship and educational programs at Korea National University of Arts, contributing to discovering and nurturing outstanding artistic talent.



Nurturing Happiness & Market Economy Talents at Howon University

- Dongwon Education Foundation supports the opening of 'Happiness and Market Economy' courses at Howon University to foster market economy talents (2023).
- The Foundation provides an important opportunity to Howon University students in deepening understanding of economic knowledge and happiness, thereby growing into talented individuals who can contribute to personal growth and social development.

Community Contribution Activities

Finding Ways to Coexist with the Community Using Local Specialties

- Dongwon Systems searches for ways to coexist with the local community to increase utilization values of local specialties .
- We used local products from the Gangwon region such as deodeok , apple, buckwheat highland beets, coffee, etc.
- We reviewed business feasibility of deodeok tea, Hoengseong apple juice buckwheat tea, ABC juice and flannel drip coffee, etc.

Opening and Sharing of Parking Lot within Plant with Community

- Dongwon Systems resolved a parking shortage issue, creating a culture of sharing.
- We opened unused areas within our Film Plant as a parking space to the agricultural industrial complex residents for free of charge.



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Dongwon Systems is accelerating ESG management by establishing transparent governance based on stakeholder’s trust and practicing effective decision-making.

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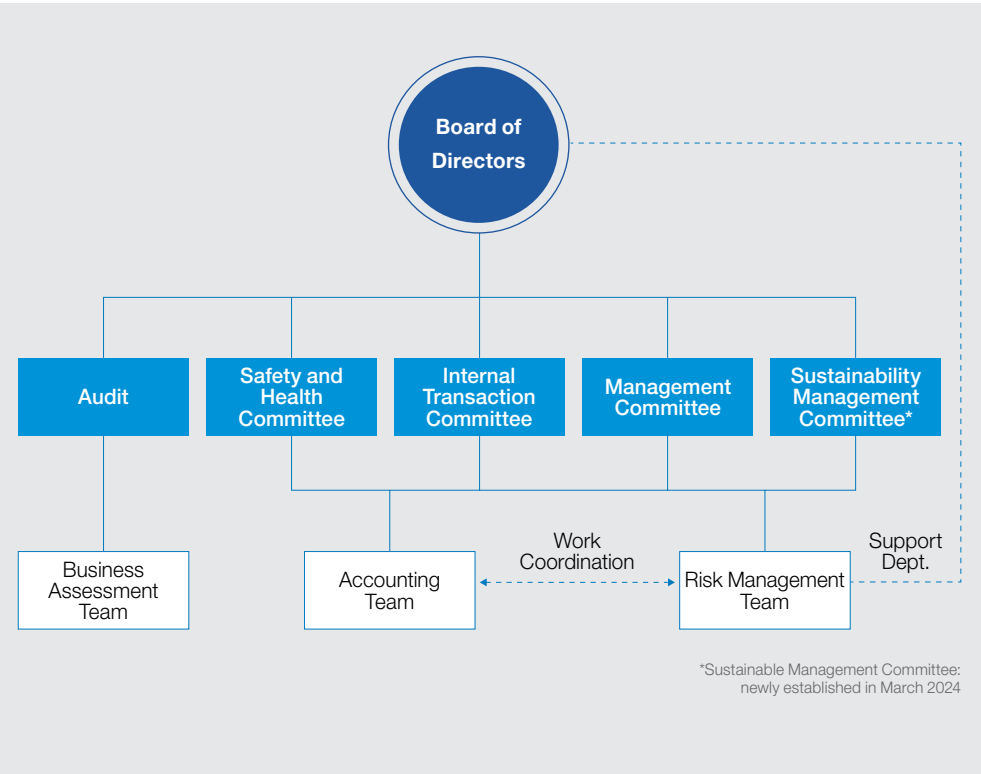
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Effective Governance Operation

Organization of Board of Directors

Organization Status

- Dongwon Systems establishes transparent and sound governance to promote longer-term, sustainable corporate development and to protect stakeholder's interest including shareholders.
- As the highest decision-making body within the company, the board of directors makes decisions on major management issues, has supervisory authority over the execution of duties by board members, and voting on overall key management matters.
- To ensure rational and efficient decision-making in management, the board has established four committees.
- The Risk Management Team, dedicated to the board of directors, along with the Accounting Team, is designated as a support unit for the boards' committees, creating an environment that allows board members to conduct thorough reviews and engage in effective discussions.



Safety and Health Committee

- To enhance the effectiveness of safety and health measures, preliminary review and resolution of safety and health-related achievements and plans are carried out.
- The Committee reports on the performance and plans of safety and health activities and was held three times in total in 2023.
- The results of the Safety and Health Committee's deliberations are reported to the board of directors in accordance with the committee's operating regulations.

Internal Transactions Committee

- To ensure management transparency and internalize a fair-trade self-compliance system, the Committee conducts prior review and status assessment of international transactions between affiliated companies.
- To ensure independence and transparency, an independent director is appointed as the chairperson.
- Resolutions on major internal transactions are being conducted, with a total of three meetings held in 2023.
- The results of the International Transaction Committee's deliberations are reported to the board of directors in accordance with the committee's operating regulations.

Management Committee

- To facilitate rational decision-making across management, the Committee conducts prior review on financial matters delegated by the board of directors or issues to be presented to the board.
- The results of the Management Committee's resolutions are reported separately to each director, with a total of two meetings held in 2023.

Sustainability Management Committee

- To ensure sustainable growth as a company and enhance shareholder value, the Sustainability Management Committee was established in March 2024.
- The Committee reports on key achievements and plans related to sustainable management and conducts prior review on significant matters concerning shareholder's rights.
- Through monitoring on financial and non-financial risks and result reporting on significant issues, the Committee ensures that responses in the ESG area are reflected in the company's management strategy.

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Effective Governance Operation

Operation

Operation Status

- The board of directors is held regularly in accordance with the operating regulations to deliberate and resolve major issues for corporate management.
- In addition to the regular quality board meetings, the efficiency of operations has been enhanced by holding interim meetings when major issues arise.

Board Meeting Status (March 2024)

Classification		Unit	2021	2022	2023~
Number of Board Meetings			24	21	22
Agenda Items Submitted to the Board	Total	Case	36*	35	46
	Resolution		29	24	31
	Report		7	11	15
Board Meeting Attendance	Internal Directors	%	100.00	98.50	100.00
	Independent Directors		81.30	100.00	100.00

*36: Revised due to the typographical error in the 2022 Sustainability Report

Establishment of Corporate Governance Charter

- Dongwon Systems announced and disclosed our Corporate Governance Charter on the company website. The initiative is based on governance principles that emphasize social responsibility, enhancing shareholder value and maintaining active communication with stakeholders (March 2024).
- The Charter includes provisions regarding shareholders, the board of directors, audit bodies and other stakeholders as well as accuracy, reliability and fairness of disclosures.

Establishment of Governance-related Guidelines

- In addition to the Articles of Incorporation, we have established the Board Operation Regulations that outline the roles and responsibilities of the board of directors. These regulations are disclosed on our website and the electronic disclosure system (DART).
- The role of each committee under the board are clearly defined by specifying the matters to be referred to each committee within the Board Operation Regulations.

Composition of Board of Directors*

Classification	Name	Gender	Position	Date of Appointment	Major Career
	Jum-Kun Cho	Male	CEO (Materials and Secondary Battery Div.)	Mar-11	· Employed at Dongwon Precision · Employed at Dongwon E&C · CEO of Dongwon Systems Materials and Secondary Battery
			Chairman of the Board of Directors		
			Chair of Safety and Health Committee		
	Bum-Won Suh	Male	Chair of Management Committee	Aug-21	· Employed at Doosan Glass · CEO of Dongwon Systems Packaging Division
			Member of Internal Transaction Committee		
			Member of Sustainability Management Committee		
	Seung-Geol Lee**	Male	CEO (Packaging Div.)	Mar-24	· Former Senior Managing Director of Samsung C&T Trading Division · Chief Executive of Dongwon Systems Materials Division
			Member of Safety Health Committee		
			Member of Management Committee		
	Woo-Seung Kim	Male	Member of Sustainability Management Committee	Mar-23	· 15 th President of Hanyang University · President of the Accreditation Board for Engineering Education of Korea · Co-chair of the National Industry-Academia Cooperation Committee
			Chairman of Internal Transaction Committee		
			Chairman of Sustainability Management Committee		

*as of March 2024

**Seung-Geol Lee: newly appointed at the General Shareholders' Meeting, in March 2024

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Effective Governance Operation

Director Appointment Procedures and Criteria

Board Composition Considering Expertise and Transparency

- To strengthen the board’s expertise, we select director candidates based on their significant career accomplishments and specialized skills.
- Qualifications such as expertise, job impartiality, ethical responsibility, and diligence are reviewed at the board and then proposed and appointed at the shareholders’ meeting.
 - In line with the company’s major business areas of materials, packaging and secondary battery production, we prioritize candidates with relevant industry expertise.
 - Woo-Seung Kim, who possesses extensive expertise in engineering closely aligned with our company’s business, was appointed as an independent director (March 2023).
- We manage and supervise conflict of interest activities in accordance with relevant laws such as Article 397 (Prohibition of Competition) and Article 398 (Transactions between Directors, etc. and the Company) of the Commercial Act.
- To ensure fair and transparent appointments, we comply with the Commercial Act’s exclusion criteria for independent director qualification, verified through the Independent Director Qualification Confirmation.
- For the appointment of internal directors, we provide leadership and overall management training to non-registered executives in the candidate pool, which aims to enhance the understanding of overall management and ensure a high level of board capacity.
 - Seung-Geol Lee, with his extensive knowledge of the internal management environment (Chief Executive Officer of the Material Division) was appointed as an internal director (Mar. 2024).

Board Skill Matrix

Classification		Internal Director			Independent Director
		Jum-Kun Cho	Beom-Won Suh	Seung-Geol Lee	Woo-Seung Kim
Gender		Male	Male	Male	Male
Birthyear		1957	1959	1959	1966
Tenure		13	3	0	1
Expertise	Accounting/Finance				●
	Marketing/Communication				●
	Legal/Risks		●	●	
	Government/Policy		●	●	
	ESG	●			
	Leadership*	●	●		●

*Leadership: career serving as CEO, the head of an institution or a committee equivalent to a government department

Evaluation and Compensation of Board of Directors

Evaluation of Board of Directors

- To enhance the overall efficiency of board operations, regular board evaluations are conducted (once a year).
 - Board evaluations involve qualitative and quantitative assessments of board’s performance in fulfilling its roles and responsibilities, independence, leadership, and other aspects required for board operations.
 - The evaluation is overseen by the board chair and the results are used to determine the board compensation limits.
- Internal director evaluations are conducted through a comprehensive review on performance indicators (including core ESG indicators), achievement rates, and financial performances.
 - Core ESG indicators are updated annually based on the previous year’s performance in each area.
- To secure the expertise of independent directors and strengthen the board’s capabilities, regular evaluations on independent directors are conducted (once a year).
 - The evaluations are comprehensive, assessing the fulfillment of roles and responsibilities, the maintenance of public decorum, attendance at board meetings and overall expertise.
 - The evaluation result are used as a reference for the re-appointment decisions of independent directors.
- The evaluation indicators for the board and independent directors are disclosed on the website.

Compensation of Board of Directors

- Compensation for directors is determined by the resolution of the shareholders’ meeting within the limits set by the shareholders’ meeting.
- The approved compensation limits and payment status are transparently disclosed in the business report.
- When a director retires, compensation is provided according to the executive severance pay regulations approved by the shareholders’ meeting.

Compensation of the Board (Dec. 2023)

Unit: KRW				
Classification	No. of persons	Unit	Total Compensation	Average Compensation per Person
Internal Directors	2*	KRW	1,016,125,160	508,062,580
Independent Directors	1	KRW	46,033,340	46,033,340
Auditor	1	KRW	96,970,660	96,970,660

*2: Seung-Geol Lee, newly appointed as an internal director through the resolution of the shareholders’ meeting in March 2024, is not yet reflected in the compensation payment status

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Operation of Audit

Roles and Activities of Audit

- Dongwon Systems does not have an audit committee, but one auditor appointed by resolution at the 43rd general shareholders' meeting performs audit duties.
 - Auditor, by attending board meetings, are granted the authority to supervise directors' activities and request submission of related documents pertaining to the company's overall operations.
 - If necessary, auditors can receive reports on business matters from the company and access management information through appropriate methods.
- The Management Audit Team is designated as a support group, assisting the full-time auditor in their independent audit tasks.

Personal Data of Auditor

Name	Career	Remarks
Jong-Hwan Oh	Dongwon Systems audit Former team leader of Netmarble's Executive Team Former Dongwon Enterprise full-time audi	Full-time audit

Audit Status

Classification	Unit	2023	Remarks
Board Attendance	Case	22	All matters submitted to the board of directors
Audit Activities	Case	46	Executing independent audit tasks

Audit Support Group

Dept. Name	No. of Members	Major Supports
Management Audit Team	1	Supporting audit duties related to financial statements, board of directors and overall management

Auditor Training

- To establish the expertise of auditors, Dongwon Systems conducts regular training on key relevant issues.
- A total of 8 sessions were conducted, covering financial audits such as internal accounting as well as non-financial elements, to enhance capabilities of full-time auditors, enabling them to manage risks from multiple perspectives (2023).

Auditor Training Status

Date	by	Major Contents
Feb. 21, 2023		Effective Interview Skills and Utilization for Internal Auditors
Mar. 7, 2023		ESG Issues and Response Strategies by Topic
Apr. 25, 2023		Conducting Financial Audits and Practical Measures for Preventing Accounting Fraud
Jun. 8, 2023	Korea Listed Companies Association	Practical Issues in Internal Accounting Management System Explained (including Consolidation)
Aug. 31, 2023		2023 Online Seminar on Auditor Designation System
Sep. 20, 2023		Seminar on Corporate System Improvement Compared to Global Standards
Nov. 27, 2023		Seminar on Understanding Hedge Accounting and Practical Guide to Accounting Treatment
Dec. 1, 2023		2023 Seminar on New and Revised K-IFRS

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Shareholder Value Protection and Enhancement

Stock and Shareholder Status

Stock Status

- The total number of shares available for issuance under Dongwon Systems' Articles of Incorporation is 200,000,000, with a par value of 5,000 won per share (common stock: 180,000,000, preferred stock: 20,000,000).
- The types of stock consist of common stock and preferred stock, with the preferred stock being non-voting, dividend-preferred, convertible shares.

Types of Share and Voting Rights (Dec. 2023)

Unit : stock

Types of Share	Total Number of Shares Issued	No. of Shares without Voting Rights	No. of Shares Excluded from Voting	No. of Shares Available to Exercise Voting Rights
Common Stock	28,991,282	-	-	28,991,282
Preferred Stock	264,111	-	264,111	-
Total	29,255,393	-	264,111	28,991,282

Shareholder Status*

Shareholders	Total		Common Stock		Preferred Stock	
	No. of Shares	Ownership Rate	No. of Shares	Ownership Rate	No. of Shares	Ownership Rate
Dongwon Industries	20,675,705	70.67%	20,594,057	71.04%	81,648	30.91%
STARKIST CO.	3,569,900	12.20%	3,569,900	12.31%	-	-
Jum-Kun Cho	5,771	0.02%	5,771	0.02%	-	-
Bum-Won Suh	1,348	0.01%	1,348	0.01%	-	-
Ho-Rang Kim	5,428	0.02%	-	-	5,428	2.06%
Do-Han Kim	10,829	0.04%	-	-	10,829	4.10%
Gi-Tae Kim	408	0.00%	408	0.00%	-	-
National Pension Service	431,110	1.47%	431,110	1.49%	-	-
Others	4,554,894	15.57%	4,388,688	15.14%	166,206	62.93%
Total	29,255,393	100%	28,991,282	100%	264,111	100%

Shareholder Status*: based on shareholders' list (Dec. 31, 2023)

Shareholder Value Enhancement

Shareholder Return Policy

- To ensure the interests of shareholders, who are key stakeholders, and to distribute a portion of the company's profits back to them, Dongwon Systems' Articles of Incorporation include specific provisions regarding dividends.
- At the 43rd Annual General Meeting of Shareholders, the Articles of Incorporation were amended to improve dividend procedures by incorporating the Korea Listed Companies Association's standard Article of Incorporation.
- Over the past three years, we have maintained a stable dividend payout ratio of over 20% annually (on a consolidated basis).

Share Type and Voting Rights Status (Dec. 2023)

Classification	2021	2022	2023
Cash Dividend Payout Ratio (Consolidated)	36.49	24.28	27.30

Enhancement of Shareholder Rights Protection

- In cases of changes to the company's ownership structure or major business areas, we collect opinions from minority shareholders and protect dissenting shareholders' rights by granting stock options, which is specified in the Article of Incorporation.
- To enhance shareholders participation in management, we introduced and implemented an electronic voting system starting from the 43rd Annual General Meeting of Shareholders (2023-).
- For shareholders unable to attend the shareholders' meeting, we ensure the ability to exercise voting rights by submitting a written proxy (power of attorney) before the meeting, which is also specified in the Article of Incorporation.

Enhancement of Shareholders Communication

- To ensure the right to information for shareholders and investors and to foster active communication, we disclose corporate information through various channels.
- In addition to matters related to general business activities, we regularly disclose our ESG management status and performance through sustainability reports and corporate governance reports.
- Major Communication Channel and Activity Records (Dec. 2023).

Major Communication Channel and Activity Records (Dec. 2023)

Classification	Records
IR(Conference Call)	9 calls in total
Face-to-Face Meeting	8 times in total

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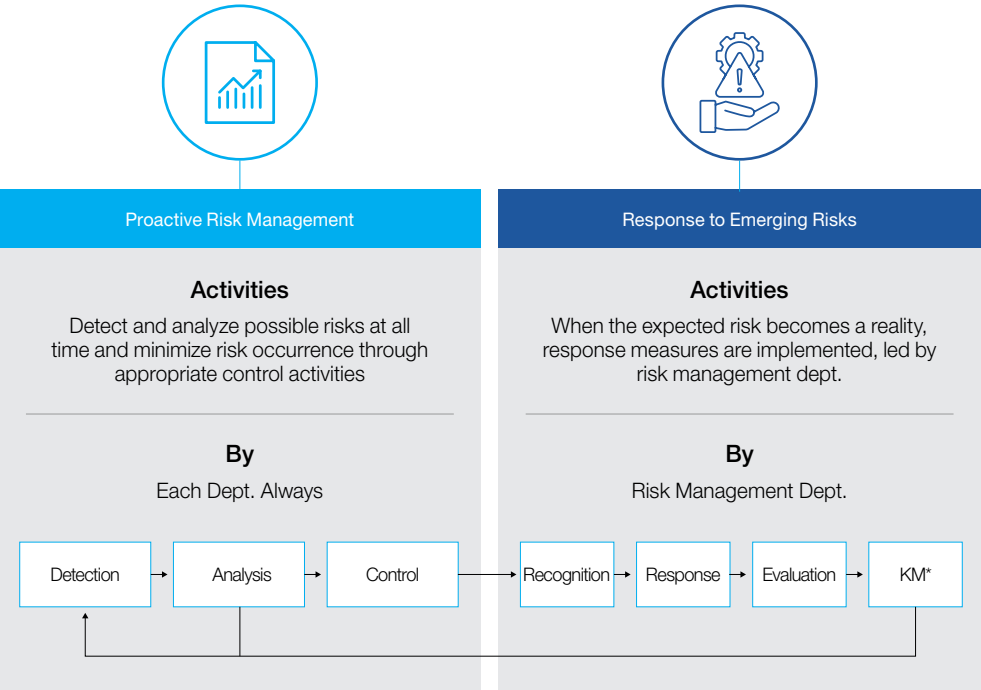
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Management System

Risk Management Process

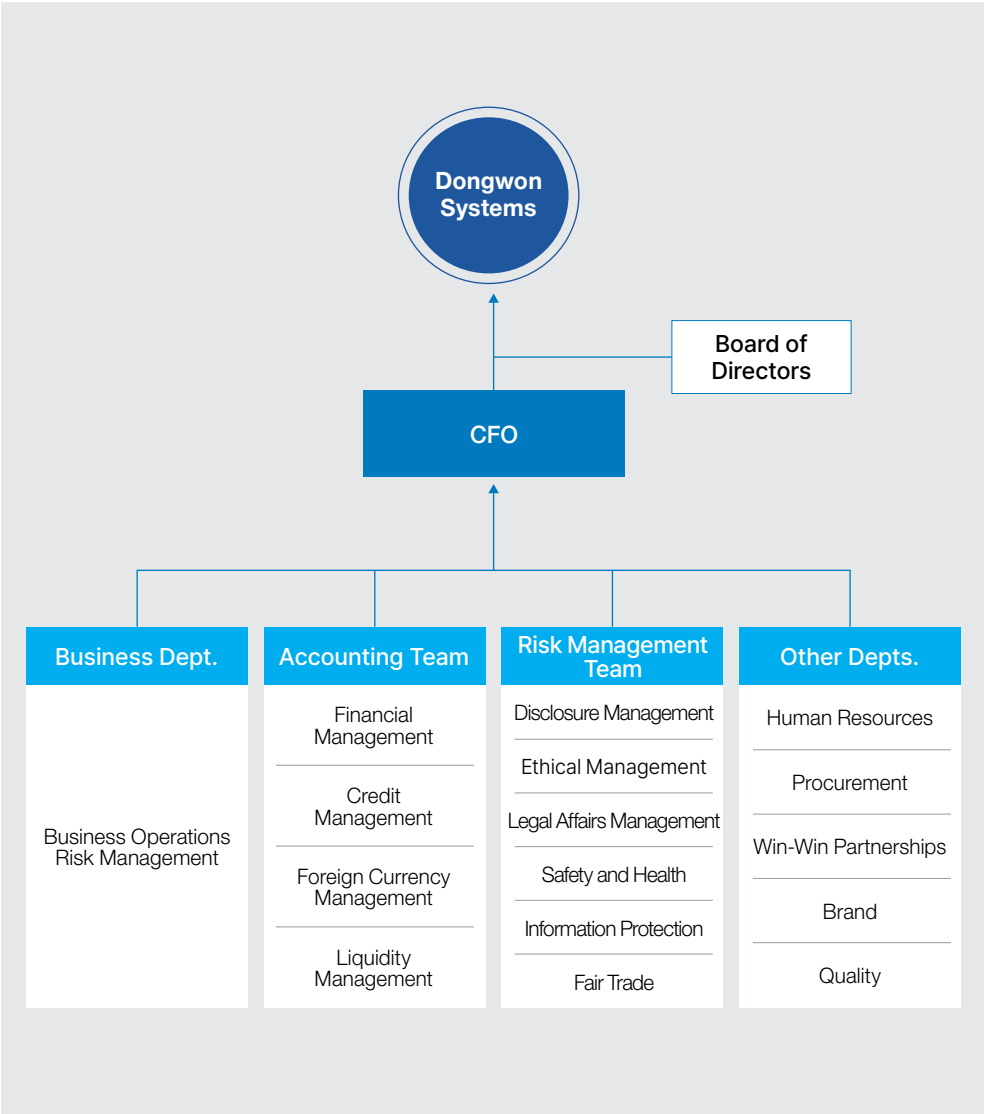
- We detect and analyze possible risks at all time and minimize risk occurrence through appropriate control activities.
- When the expected risk becomes a reality, response measures are implemented, with the leadership of the risk management department.
- Risk management organizational chart is established, and financial and nonfinancial risks are reported to the board of directors and top management in advance.
- The Chief Financial Officer oversees the Management Support Office and serves as the Chief Corporate Risk Officer.
- Risks are categorized into business operation, finance, disclosure, compliance, safety and health and managed systematically.

Risk Management Process



*KM(Knowledge Management): Manage and respond to risks by converting information produced throughout the entire process of risk recognition and response into a knowledge database.

Organizational Chart



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Integrated Risk Management

Risk Management by Risk Type

Financial Risk Management

- Dongwon Systems identifies and manages risks affecting the company’s financial performance to maintain a sound capital structure and financial soundness.
- We reduce the risks identified to an acceptable level, avoiding risks and eliminating risk factors.
- Primarily, we manage credit, liquidity, exchange rate and interest rate risks.

Financial Risk Management Type

Risk Type	Meaning
Credit Risk	- The risk that the counterparty to a financial instrument will not fulfill its obligations under the contract, resulting in financial loss.
Liquidity Risk	- The liquidity risk that an entity will have difficulty meeting its obligations related to financial liabilities that are settled by delivering financial assets such as cash.
Exchange Rate Risk	- Risk of exchange rate in the US, Japan, Europe, Canada, and Vietnam for export and raw material import transactions
Interest Rate Risk	- The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Tax Risk Management

- Dongwon Systems faithfully fulfills its tax obligations as a member of local communities and the countries where it conducts business activities.
- We prevent tax risks by strictly complying with laws and regulations related to taxation and fulfilling our obligations to file tax returns and pay taxes.
- In line with diversifying business fields and changing tax policies, the in-house tax law department continuously monitors changes in tax laws and regulations.
- The department evaluates the impact on future business activities to form transparent tax relationships.

Non-Financial Risk Management

- Dongwon Systems continuously monitors policy trends and regulatory situations related to its business activities and responds proactively.
- We have established a response system for each field including ethical management, safety and health and supply chain management.

Non-Financial Risk Management Types and Response Activities

Classification	Response Activities
Ethical Management	- Established Sustainability Management Committee through the Board of Directors
	- Established Anti-Corruption Regulations
	- Established and implemented the Code of Ethics for External Directors
	- Signed the Anti-Corruption and Ethical Management Pledge by employees and executives
Safety and Health	- Enhanced safety and health management system and manual according to the mid-to-long-term safety and health plan
	- Internalize management capabilities through development of in-house safety experts
Supply Management	- Implemented ESG Code of Conduct evaluation for suppliers (2023)
	- A supplier complaint handling process to be newly established on the website

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Information Protection and Security Enhancement

Operation System

Vision and Goals

- Dongwon Systems establishes a Hybrid Cloud infrastructure environment* to quickly respond to trends such as generative AI and to stabilize corporate operations and protect corporate data.
- We strengthen security system by applying the concept of Zero Trust** in the existing system.

*Hybrid Cloud Infrastructure: operating optimized IT infrastructure by concurrently private and public clouds
**Zero Trust: Strengthening the information security system based on the principles of de-perimeterisation and least privilege, under the notion that "no interaction can be trusted."
(Ministry of Science and ICT, Zero Trust Guideline 1.0)

Vision

Provide a Secure IT Infra Environment Capable of Quickly Responding to Changes in Dongwon's Business

Key Goals

Open Source Expansion

IT Infra Integrated Platform Management

IT Infra Stability Enhancement

Slogan

More Flexibly, More Safely

Policies and Guidelines

- Dongwon Systems operates information protection policy of the group and each company's information protection policy and guidelines to protect all information assets of the group .
- The information protection policy applies to all external personnel and visitors in a contractual relationship, including executives and employees.

Information Protection Policy Highlights

Administrative Security

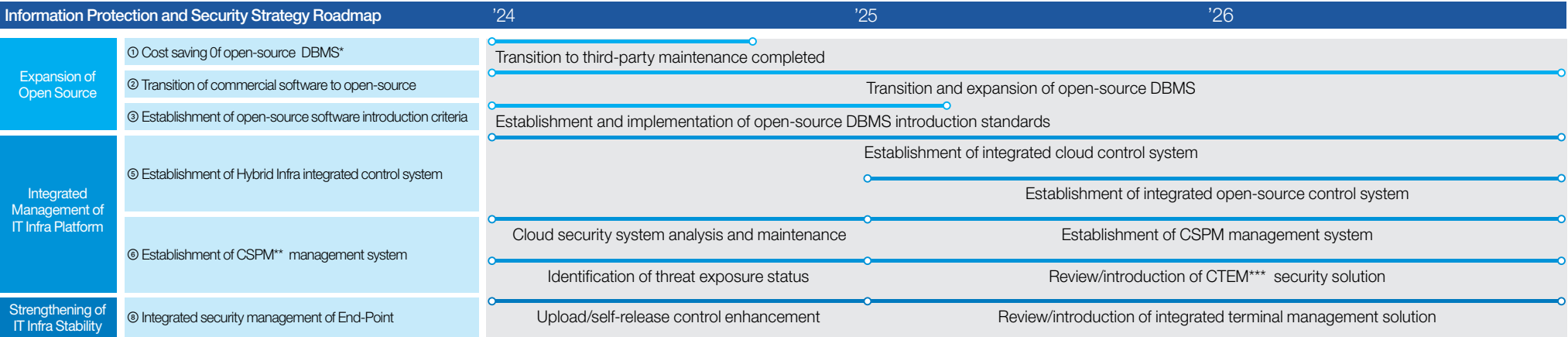
- Information Protection Training and Awareness Enhancement
- Business Risk and Continuity Management
- Response to Security Incidents
- Information Protection Check and Compliance
- Customer Information Protection, etc.

Physical Security

- Protected Areas Designation and Control
- Import/Export Control
- Computer Facility Protection, etc.

Technical Security

- System Authentication and Permission Management
- Internet Network
- User PC Security, etc.



*DBMS: Data Base Management Operation Software **CSPM Cloud Security Posture Management ***CTEM: Continuous Threat Exposure Management

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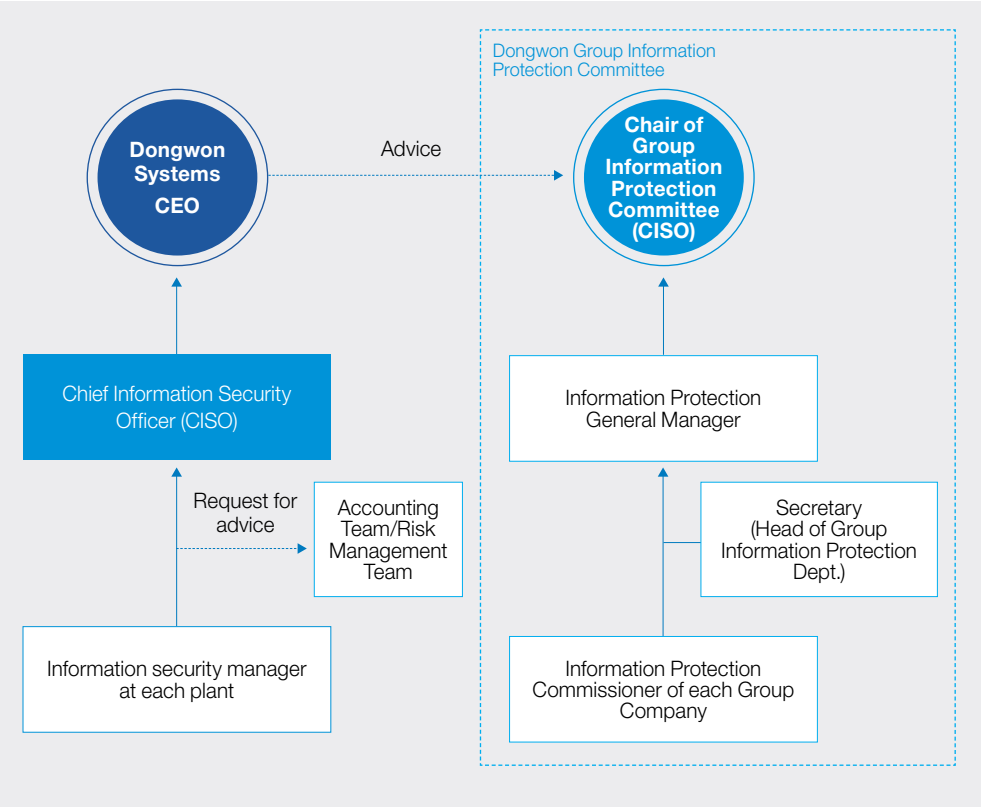
Information Protection and Security Enhancement

Operation System

Organizational Chart

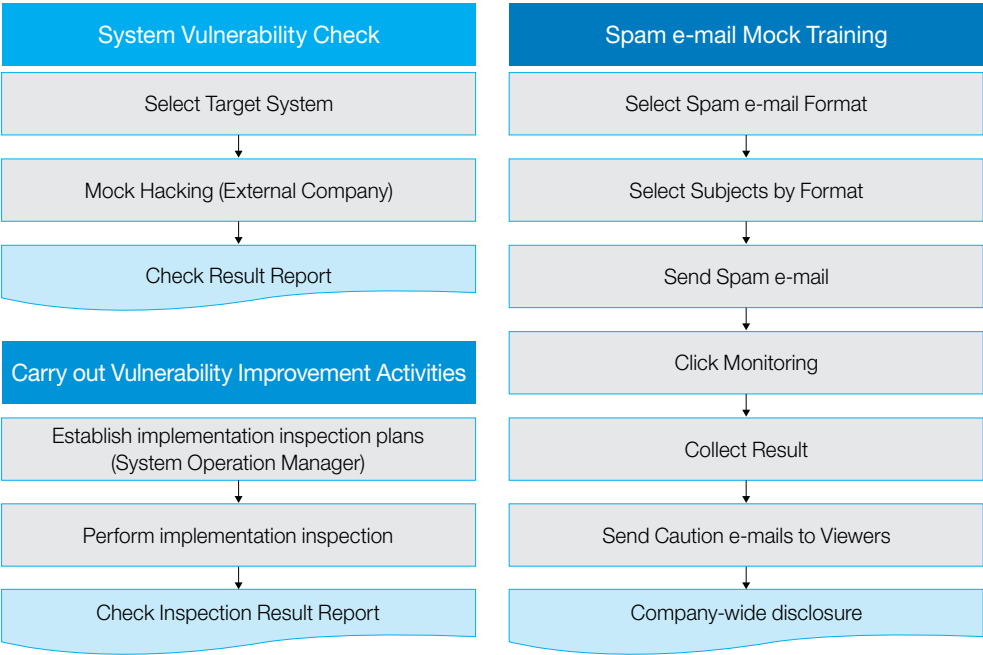
- Dongwon Systems appoints Chief Information Security Officer (CISO) who oversees information security management and security incident prevention.
- We promote efficient information protection to strengthen security system in the working department of each plant under the management and supervision of CISO.
- We improve level of information protection of group affiliates by organizing and operating information protection committee at the group level.
- We identify various security threats and leakage risks and prevent security incidents based on information security operation personnel and external control services.

Organizational Chart



Risk Management Process

- Dongwon Systems conducts mock hacking inspections on major business systems and remove identified vulnerabilities and execute improvement activities to effectively and swiftly respond to cyber threats (twice/year).
- We take measures according to the incident level when information leak attempts are detected, or an incident occurs.



Risk Management Performance

Activity	Date	Subjects
System Vulnerability Check	April 11 th – Nov. 2 nd , 2023	Web, Mobile App
Spam e-mail Mock Training	Nov. 14 – 16, 2023	All Employees

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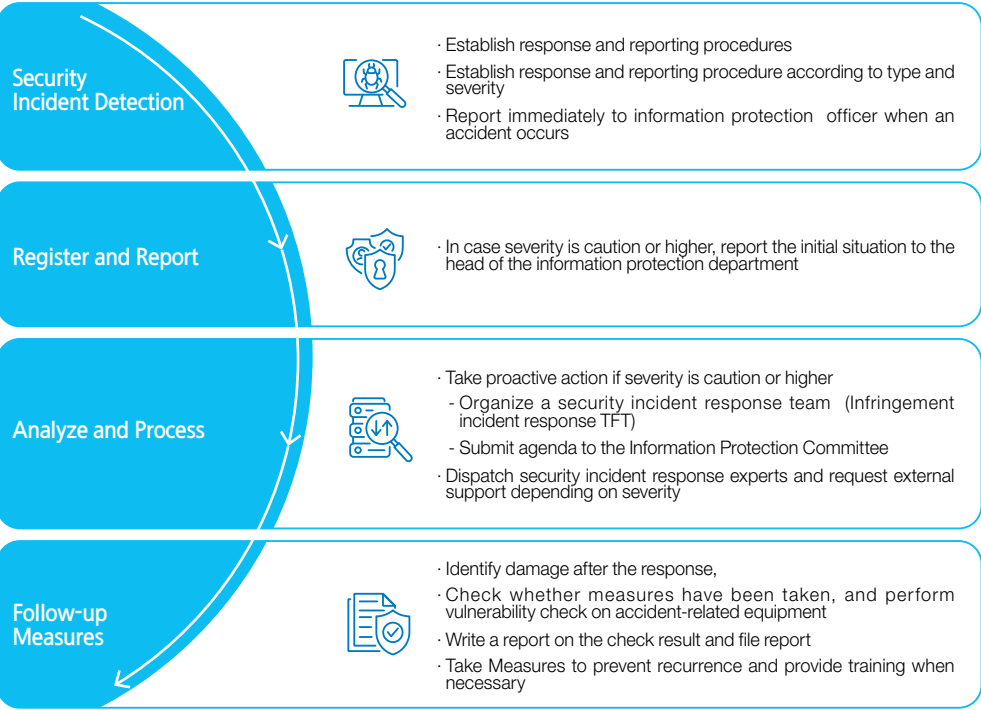
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Information Protection and Security Enhancement

Operation System

Security and Infringement Incident Response Process



Investment Rate in Information Protection

Year	2021	2022	2023
Investment Rate in Information Protection(%) [*]	4.8	4.8	3.1

^{*}Investment ratio in information protection: investment budget for information protection/total IT budget

Information Security Strengthening Activity

Strengthen Information Security Capabilities

- Dongwon Systems specifies provisions for conducting information security training in relevant policies.
 - For executives, information protection team, consigned companies, etc.
- We establish information security system and train operation.
- Technology education includes hacking prevention and technology leak prevention.
- We attend external conferences.



Basic Security System Strengthening Activities

- Dongwon Systems operates big data security control system based on trust security (Security gen 3.5).
- We install security enhancement system for employees' PCs.
- We monitor and control potential malicious behaviors in employees' EDR*-based PCs.
- Additional authentication with one-time password (OTP) is needed when accessing VPN.
- We conduct security competency strengthening activities based on information security roadmap.

*EDR: Endpoint Detection and Response



Strengthen Privacy

- Dongwon Systems periodically reviews and revises privacy policy.
- We use the network security equipment and external security-related services throughout the year.
- We apply data encryption to personal information holding system.
- We conducts individual monitoring and response to all employees' PCs.



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FINANCE

Summarized Consolidated Balance Sheet

Category	Sub-category (Tier 2)	Sub-sub-category (Tier 3)	Unit	2021	2022	2023
Total assets	-	-	KRW 1 million	1,492,015	1,451,669	1,535,858
Current assets	-	-	KRW 1 million	638,499	550,242	557,765
Non-current assets	-	-	KRW 1 million	853,516	901,427	978,093
Total liabilities	-	-	KRW 1 million	826,642	722,040	761,807
Current liabilities	-	-	KRW 1 million	514,874	420,866	558,913
Non-current liabilities	-	-	KRW 1 million	311,768	301,174	202,894
Total equity	-	-	KRW 1 million	665,372	729,630	774,051
Total equity attributable to owners of parent	-	-	KRW 1 million	662,982	728,055	772,369
Non-controlling interests	-	-	KRW 1 million	2,390	1,575	1,682

Summarized Consolidated Income Statement

Category	Sub-category (Tier 2)	Sub-sub-category (Tier 3)	Unit	2021	2022	2023
Sales	-	-	KRW 1 million	1,250,882	1,436,999	1,276,651
Operating profit	-	-	KRW 1 million	89,997	91,839	80,851
Net profit	-	-	KRW 1 million	48,135	72,335	64,350
Profit (loss), attributable to owners of parent	-	-	KRW 1 million	39,871	72,337	64,200
Profit (loss), attributable to non-controlling interests	-	-	KRW 1 million	8,264	2	150
Number of companies included on a consolidated basis	-	-	EA	7	6	5
Earnings per share	-	-	KRW	1,499	2,472	2,194

Sales by Business Unit (Consolidated)

Category	Sub-category (Tier 2)	Sub-sub-category (Tier 3)	Unit	2021	2022	2023
Packaging	Net sales	-	KRW 1 million	1,250,882	1,436,999	1,276,651
		-	%	100	100	100
	Operating profit	-	KRW 1 million	89,997	91,839	80,851
		-	%	100	100	100

Direct Economic Value Generation & Distribution

Category	Sub-category (Tier 2)	Sub-sub-category (Tier 3)	Unit	2021	2022	2023
Direct Economic Value Generated	Sales (consolidated)	-	KRW 1 million	1,250,882	1,436,999	1,276,650
	Income tax expenses	-	KRW 1 million	17,097	6,360	5,207
	Total cash dividends	-	KRW 1 million	17,566	17,566	17,566
Economic Value Distributed	Salary	-	KRW 1 million	135,765	158,076	155,597
	Donations	-	KRW 1 million	23	21	18
	Total supplier purchase amount	-	KRW 1 million	562,743	837,414	672,323
	Interest cost	-	KRW 1 million	11,128	15,409	22,553

Financial assistance received from government

Category	Sub-category (Tier 2)	Sub-sub-category (Tier 3)	Unit	2021	2022	2023
Total monetary value of government financial assistance received in reporting period	Tax relief and tax credits	-	KRW 1 million	662	1,159	4,513
	Subsidies	-	KRW 1 million	0	0	6,222
	Grants for investment or research and development	-	KRW 1 million	480	1,033	382
	All financial benefits received from or receivable from the government	-	KRW 1 million	165	32	39

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R&D Investment Status

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Intellectual property right	R&D investment cost	-	KRW 1 million	4,425	6,152	8,762
	Patent and trademark application (cumulative)	Domestic	EA	3	4	14
		Overseas	EA	0	0	0
	Patent and trademark registration (cumulative)	Domestic	EA	4	7	13

Business Site

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Business Site	Head office	-	EA	1	1	1
	Research institute	-	EA	1	2	2
	Overseas corporation	-	EA	3	5	5
	Plant	-	EA	17	15	15

GOVERNANCE

Effective Governance Composition and Operation

Board composition and operation

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Independence	Total number of directors	-	Persons	4	4	3
	Executive director	-	Persons	3	3	2
	Independent director	-	Persons	1	1	1
	- Ratio	-	%	25.00	25.00	33.33
Diversity	Gender	Male	Persons	4	4	3
		Female	Persons	0	0	0
		- Ratio	%	0.00	0.00	0.00
	Age	Under 30 years old	Persons	0	0	0
		30-50 years old	Persons	0	0	0
		Over 50 years old	Persons	4	4	3
Guaranteed term	Executive director	-	Months	24	24	24
	Independent director	-	Months	24	24	24
Board prior convening notice period	Board prior convening notice period		Days	3	3	3
	Meetings held		Meetings	24	21	18
Board operation	Total Agendas submitted	-	EA	36	35	30
		- Resolution agendas	EA	29	24	20
		- Reporting agendas	EA	7	11	10
	Attendance rate	Average attendance rate	%	97.33	98.80	100.00
		- Executive directors	%	100.00	98.50	100.00
		- Independence directors	%	81.30	100.00	100.00

1) [Board Composition and Operations]: As of December 2023

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Board Committee

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Management committee	Personnel		Persons	N/A	3	2
	Meetings held		Meetings/ Years	N/A	3	2
	Average attendance rate		%	N/A	100.00	100.00
	Resolution agendas		EA	N/A	3	2
	Reporting agendas		EA	N/A	0	0
	Independence directors rate		%	N/A	0.00	0.00
Internal transaction committee	Personnel		Persons	N/A	2	2
	Meetings held		Meetings/ Years	N/A	3	3
	Average attendance rate		%	N/A	100.00	100.00
	Resolution agendas		EA	N/A	0	3
	Reporting agendas		EA	N/A	4	0
	Independence directors rate		%	N/A	50.00	50.00
Safety and health committee	Personnel		Persons	N/A	2	2
	Meetings held		Meetings/ Years	N/A	1	3
	Average attendance rate		%	N/A	100.00	100.00
	Resolution agendas		EA	N/A	1	3
	Reporting agendas		EA	N/A	0	0
	Independence directors rate		%	N/A	0.00	0.00

1) [Management committee, Internal transactions committee, and Safety and health committee]: Activities commenced in 2022

Board compensation

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Registered executive	Personnel		Persons	3	3	2
	Total compensation		KRW 1 million	845	1,137	1,016
	Average compensation per person		KRW 1 million	282	379	508
Independent Director	Personnel		Persons	1	1	1
	Total compensation		KRW 1 million	36	36	46
	Average compensation per person		KRW 1 million	36	36	46
Audit Committee (Audit Body)	Personnel		Persons	1	1	1
	Total compensation		KRW 1 million	90	102	97
	Average compensation per person		KRW 1 million	90	102	97

Shareholder Composition

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Government	-		%	0.00	0.00	0.00
Controlling shareholders and their relatives	-		%	0.37	0.37	0.06
Registered internal director	-		%	0.03	0.03	0.03
Affiliated companies	-		%	70.20	70.67	82.60
Foreigner	-		%	12.65	12.70	13.09
Treasury stock	-		%	0.67	0.00	0.00
Other and personal	-		%	16.09	16.23	4.23

1) [Shareholder Composition]: Based on common shares

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Corporate Ethics and Compliance

Internal accounting controls

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Auditor	Audit fees paid to external auditors		KRW 1 million	406	420	420
	Non audit fees paid to external auditors		KRW 1 million	0	18	18
	Ratio of non-audit fees to audit fees paid to external auditors		%	0.00	4.29	4.29
Internal Transaction	Ratio of investment in affiliates to equity		%	0.00	0.00	0.00
Related Party Transactions	Ratio of credit facilities to affiliates to equity		%	0.00	0.00	0.00

Compliance

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Total non-compliance	administrative monetary penalty		EA	0	2	5
	administrative non-monetary penalty		EA	0	0	2
	Total fines		KRW 1 million	0	1	4
Environment-related	Judicial punishment, fines, or restrictions on participation in national or local government bidding		EA	0	0	0
	administrative monetary penalty		EA	0	2	5
	administrative non-monetary penalty		EA	0	0	2
	Total fines		KRW 1 million	0	1	4
	Environmental debt		KRW 1 million	0	0	0
Society-related	Judicial punishment, fines, or restrictions on participation in national or local government bidding		EA	0	0	0
	administrative monetary penalty		EA	0	0	0
	administrative non-monetary penalty		EA	0	0	0
Privacy	Judicial punishment, fines, or restrictions on participation in national or local government bidding		EA	0	0	0
	administrative monetary penalty		EA	0	0	0
	administrative non-monetary penalty		EA	0	0	0
Governance	Judicial punishment, fines, or restrictions on participation in national or local government bidding		EA	0	0	0
	administrative monetary penalty		EA	0	0	0
	administrative non-monetary penalty		EA	0	0	0
Etics/anti-corruption	Punishment equivalent to administrative fine, penalty fine, imprisonment, penitentiary imprisonment, detention		EA	0	0	0
	Punishment equivalent to penalty charge, monetary penalty, compulsory fine		EA	0	0	0
	Sanctions such as corrective orders and business suspension without financial punishment		EA	0	0	0

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Corporate Ethics and Compliance

Employee ethical awareness enhancement

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Sexual harassment prevention training	Number of employees targeted for training		Persons	1,698	1,606	1,673
	Number of employees participating in training		Persons	1,698	1,606	1,673
	Training hours per person		Hours/Persons	1	1	1
Disability awareness training	Number of employees targeted for training		Persons	1,698	1,606	1,673
	Number of employees participating in training		Persons	1,698	1,606	1,673
	Training hours per person		Hours/Persons	1	1	1

Communication and training regarding anti-corruption policies and procedures

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Communication on anti-corruption policies and procedures	Business partner ratio		%	100.00	100.00	100.00
Anti-corruption training	Number of employees participating in training		Hours/Persons	0	3,202	1,146

1) [Business Partners]: Dongwon Systems sends a 'Code of Conduct' to all partners to inform them of our anti-corruption policies and procedures.
2) We have enhanced the existing training content and introduced a testing procedure to ensure complete understanding in 2023.

Identified corruption cases and measures taken

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Identified corruption cases			EA	1	0	0
	Dismissal or Disciplinary Employee		EA	1	0	0
	End of partnership due to corruption		EA	0	0	0
Total number of employee			Persons	1	0	0

Grievance handling

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Hot-line operation status	Total cases		Cases	1	4	2
	Number of cases processed		Cases	1	4	2
	Processing ratio		%	100	100	100

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Shareholders Value Protection and Enhancement

Approach to shareholder engagement

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Shareholder/ Investor Protection	Number of investor relations (IR) meetings		Meetings	23	20	17
	Date of advance notice regarding venue, agenda, and other matters for the annual general meeting (AGM)		Days	22	23	19
Distribution Policy and Implementation	Number of annual dividend payments		Meetings/ Years	1	1	1
	Annual dividend per share		KRW	600	600	600
	Total cash dividends		KRW 1 million	17,566	17,566	17,566
	Net income for the period		KRW 1 million	48,135	72,335	64,350
	Cash dividend payout ratio		%	36.49	24.28	27.30

*[Annual dividend per share and total cash dividends]: Based on common shares

Stocks and Voting Rights

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Status of issued stocks	Number of shares issued		Shares	29,453,769	29,255,393	29,255,393
	Number of shares outstanding		Shares	29,255,393	29,255,393	29,255,393
Non-voting stocks	Number of shares		Shares	462,487	264,111	264,111
	Ratio		%	1.57	0.90	0.90
Stocks that can exercise voting rights	Number of shares		Shares	28,991,282	28,991,282	28,991,282
	Ratio		%	98.43	99.10	99.10
Voting rights status	Share ratio of registered executives		%	0.02	0.02	0.02
	- CEO		Shares	6,469	6,469	7,119
	- Registered executives excluding CEO		Shares	200	200	385

1) [Voting Rights Status]: Registered executives excluding the CEO

SOCIAL

Human Resources and Work Environment Management

Employees by type

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Total employees			Persons	1,698	1,606	1,673
By gender	Male		Persons	1,574	1,476	1,541
	Female		Persons	124	130	132
By region	Domestic		Persons	1,692	1,600	1,667
	Overseas		Persons	6	6	6
By age	Under 30 years old		Persons	288	272	236
	30-50 years old		Persons	885	866	962
	Over 50 years old		Persons	525	468	475
By position	Staff		Persons	1,518	1,424	1,489
	Manager		Persons	162	162	167
	Executives		Persons	18	20	17

1) [Total employees]: Presented by gender, region, age, and position according to each year's annual report.

Employees by employment type

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Full time	By highest level of education		Persons	1,661	1,581	1,624
		Number of high school graduates	Persons	800	784	765
		Ratio of high school graduates	%	48%	50%	47%
	By gender	Male	Persons	1,544	1,455	1,495
		Female	Persons	117	126	129
	By region	Domestic	Persons	1,661	1,581	1,624
		Overseas	Persons	-	-	-
Temporary	By gender		Persons	37	25	49
		Male	Persons	30	21	46
		Female	Persons	7	4	3
	By region	Domestic	Persons	31	19	43
		Overseas	Persons	6	6	6

1) [Total employees]: Presented by full time and temporary employees according to each year's annual report.

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Human Resources and Work Environment Management

Recruitment

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Total numbers of newly hired	-		Persons	282	183	198
By gender	Male		Persons	255	155	173
	Female		Persons	27	28	25
	- ratio		%	9.57	15.30	12.63
By age	Under 30 years old		Persons	153	101	99
	30-50 years old		Persons	104	63	89
	Over 50 years old		Persons	25	19	10
By region	Domestic		Persons	282	183	198
	Overseas		Persons	-	-	-
By employment type	Full time		Persons	43	99	97
	Experienced full time		Persons	218	58	90
	Temporary		Persons	21	26	11

Job turnover and resign

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Number of people	-		Persons	201	240	222

Voluntary turnover

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Number of people	-		Persons	159	183	148
Ratio	-		%	9.37	11.40	8.85
By gender	Male		Persons	12	23	22
	Female		Persons	147	160	126
By age	Under 30 years old		Persons	66	89	58
	30-50 years old		Persons	82	86	78
	Over 50 years old		Persons	11	8	12

1) [Number of people in 2021]: Revised due to misstatement in the 2022 Sustainability Report

Capacity building

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
For office workers	Total training time		Hours	16,868	23,578	16,893
	Total training cost		KRW 1 million	257	403	403

1) Training for office staff at the headquarters and regional offices

Welfare benefits

지표명	상세지표(Tier2)	상세지표(Tier3)	단위	2021	2022	2023
Defined Benefit pension (DB)	Participants		Persons	1,000	1,070	1,091
	Assets under management (separate)		KRW 100 million	527	603	585
Defined Contribution pension (DC)	Participants		Persons	395	364	378
	Assets under management (separate)		KRW 100 million	175	198	196

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Parental Leave

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Number of employees who returned after parental leave	Male		Persons	4	5	7
	Female		Persons	2	4	3
Number of employees who have worked for more than 12 months after returning from parental leave	Male		Persons	1	2	3
	Female		Persons	1	2	1
Retention rate of employees on parental leave	Male		%	25.00	40.00	42.86
	Female		%	50.00	50.00	33.33

Safety and Health Management

Safety and health management system

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Occupational safety and health management certification scope	Number of certified sites		EA	5	5	5
	Number of employees working at certified sites		Persons	938	939	922
	Number of non employees working at certified sites		Persons	718	637	698
	Total number of sites		EA	19	19	16
Worker health improvement	Number of people conducting regular health checkups		Persons	1,666	1,601	1,669
	Health Check-up Attendance Rate		%	100.00	100.00	100.00
Industrial safety training	Total training time		Hours	27,444	25,290	25,080
	Number of people trained		Persons	1,666	1,601	1,669

Industrial accident

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Employee	Fatality due to industrial accident		EA	0	0	0
	Serious disaster		EA	0	0	0
	Industrial accident		EA	20	31	25
	Industrial accident rate		%	1.18	1.93	1.49
Non employee	Fatality due to industrial accident		EA	0	0	0
	Serious disaster		EA	0	0	0
	Industrial accident		EA	0	0	0
	Industrial accident rate		%	0.00	0.00	0.00

1) Industrial accidents and serious accidents are based on the standards of the Korea Occupational Safety and Health Agency.
2) An industrial accident refers to the number of total industrial accidents excluding fatalities and serious accidents.
3) The industrial accident rate is the percentage of accidents per 100 workers = (Number of injured workers / Number of workers covered by the Industrial Accident Compensation Insurance Act) X 100. Maritime employees are not subject to the Industrial Accident Compensation Insurance Act and are managed under separate legislation.

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Embedding Human Rights Management

Employee Diversity

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Manager	Male		Persons	156	155	159
	Female		Persons	6	7	8
Junior manager	Male		Persons	1,400	1,301	1,365
	Female		Persons	118	123	124
Executive	Male		Persons	18	20	17
	Female		Persons	-	-	-
Disabled			Persons	37	34	33
Veteran			Persons	8	8	8

1) [Manager]: Managers above the assistant manager level but below executive level.
2) [Junior manager]: Managers below the assistant manager level.
3) [Executive]: Levels of Vice President, Director, and Head of Headquarters.
4) [Disabled]: Based on reported handicapped employment levy.

Human Rights Impact Management

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Corruption and Human Rights	Received via Internal Whistleblower System		EA	0	1	2
	Received whistleblower protection claims		EA	0	4	1
	Received Workplace discrimination		EA	0	0	0
	Detected child labor		EA	0	0	0
	Detected forced labor		EA	0	0	0

Partner (Supply Chain) Sustainability Management

Partner Transaction Status

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Purchase scale	Total purchase amount of partner companies		KRW 1 million	562,742	653,225	512,155
	Total purchases from small businesses		KRW 1 million	303,250	287,419	358,509
	Total Purchases from Major Suppliers		KRW 1 million	259,492	365,806	153,647
Partner status	Total partners		EA	3,010	3,313	3,313
	New partners		EA	104	180	20
	Number of partners under regular evaluation		EA	270	251	253
Supply chain management	Total wood fiber procured, percentage from certified sources		%	59.00	53.00	64.00
	Total aluminum purchased, percentage from certified sources		%	36.00	43.00	44.00

Client and Consumer Rights Protection

Product safety

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Recall	Recall occurred		EA	0	0	0
Total safety and health regulation violations for products/services during reporting period	Imposing fines or penalties for non-compliance		EA	0	0	0
	Warning for violation of regulations		EA	0	0	0
	Violation of voluntary norms		EA	0	0	0
Consumer satisfaction	Number of customer dissatisfaction cases received		EA	124	114	98
	Number of customer dissatisfaction cases resolved		EA	124	114	98
	Customer dissatisfaction resolution rate		%	100	100	100

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SOCIAL

Strategic Participation and Contribution to Local Community

Social contribution performance

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Social contribution performance	Total participation time		Hours	366	221	408
	Average participation time per person		Hours/Persons	3	2	2
	Total participants		Persons	122	147	272

Information Protection and Security Enhancement

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Information protection training	Total participants		Persons	1,666	1,601	1,669
	Average participation time per person		Hours/ Persons	1	1	1
Information security investment ratio compared to total IT budget			%	4.8	4.8	3.1

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Environmental Management

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Resource allocation for environmental management	Green Purchasing	Amount of green purchasing	KRW 1 million	215,436	242,838	182,980
		Total amount of purchases	KRW 1 million	562,742	653,225	605,503
		Ratio of green purchasing amount to total purchasing amount	%	38.28	37.18	30.22
	Investment	Capital investment amount	KRW 1 million	22,582	51,126	42,333
		Amount of ESG bond issuance	KRW 1 million	30,000	0	40,000
	Education	Average education time per person	Hours/Persons	3,312	3,152	3,240
		-	KRW 1 million	4,208	4,948	9,085
Environmental certification and verification	Sales revenue from environmentally friendly products and services	Total sales	KRW 1 million	1,250,882	1,436,999	1,276,651
		Ratio of environmentally friendly products and services amount to total sales	%	0.34	0.34	0.40

1) [Sales revenue from environmentally friendly products and services]: Sales performance of products with eco-friendly packaging certification.

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Direct/Indirect Efforts to Reduce GHG Emission

Scope 1&2 emissions

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Direct/Indirect GHG Emission(Scope 1 & 2)	Total GHG emissions	-	tCO ₂ -eq	278,117	279,076	261,349
	Scope1(Direct GHG emissions)	-	tCO ₂ -eq	128,508	127,008	121,094
	Scope2(Indirect GHG emissions)	-	tCO ₂ -eq	149,609	152,068	140,255
GHG intensity	-	-	tCO ₂ -eq/ KRW 10 billion	260.6	228.77	239.2
	Total sales of the business	-	KRW 10 billion	1,067.20	1,219.90	1,092.60
	Total sales of the business	-	KRW 1 million	1,067,210.74	1,218,876.67	1,091,616.09
GHG emissions target	GHG emissions target	-	tCO ₂ -eq	N/A	266,992	265,323
	Achievement rate against target	-	%	N/A	95.7	101.5

1) [Scope 1&2 emissions]: Revised for 2021 and 2022 due to misstatement in the 2022 Sustainability Report.

Energy consumption

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Total energy consumption(Renewable & Non renewable energy)	-	-	TJ	4,887	4,917	4,573
Renewable energy consumption	-	-	TJ	0	0	0
Non renewable energy consumption	Total energy consumption	-	TJ	4,887	4,917	4,573
	Fuel	-	TJ	1,775	1,775	1,679
	Electricity	-	TJ	3,088	3,112	2,862
	Steam	-	TJ	24	30	32
Energy intensity	-	-	TJ/KRW 10 billion	4.5793	4.0307	4.1854
	Total sales of the business		KRW 10 billion	1,067.20	1,219.90	1,092.60
	Total sales of the business		KRW 1 million	1,067,210.74	1,218,876.67	1,091,616.09
Energy consumption target	Energy consumption target		TJ	N/A	4,692	4,668
	Achievement rate against target		%	N/A	95.41	102.07

1) [Total energy consumption for 2021]: Revised for 2021 due to misstatement in the 2022 Sustainability Report.

Electricity consumption

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
By business division	Head office		kWh	593,567	605,063	726,153
	Packaging		kWh	238,368,834	243,444,411	226,090,155
	Material and secondary battery		kWh	82,814,202	80,989,069	71,392,135

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Process Environmental Efficiency Improvement

Air/Water Pollutants

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Air Pollutants	Nox		ton	179.07	185.46	158.25
	Sox		ton	211.74	193.75	191.25
	Dust		ton	12.95	9.75	11.31
	VOCs		ton	0.00	1.89	0.01
	HAPs		ton	0.56	1.87	0.98
Water pollutants	BOD		ton	1.39	1.21	1.04
	COD		ton	8.32	4.21	4.01
	TOC		ton	0.00	5.27	7.16
	SS		ton	1.85	1.30	1.24
	TN		ton	0.87	1.89	1.41
	N-H		ton	0.00	0.02	0.07
	T-P		ton	0.03	0.02	0.02

1) [Air/Water Pollutants for 2021]: Revised for 2021 and 2022 due to misstatement in the 2022 Sustainability Report.

Chemicals

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Chemical emissions			ton	4,709	3,809	3,258
Hazardous chemical emissions			ton	4,372.89	3,402.08	2,883.16
Number of hazardous chemical leaks			EA	0	0	0

1) [Chemical emissions for 2021]: Revised for 2021 and 2022 due to misstatement in the 2022 Sustainability Report.

Water and Waste Management Considering Resource circulation

Water

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023	
All sites	Total water withdrawal	-	ton	928,836	1,093,706	1,079,334	
		Water supply	ton	643,446	769,240	790,162	
		Groundwater	ton	192,311	205,173	199,182	
		Industrial water	ton	93,079	119,293	89,991	
		Recycled water	ton	313,128	379,104	344,500	
	Total water withdrawal target		ton	N/A	928,836	1,093,706	
	Achievement rate against target		%	N/A	84.93	98.69	
	Water discharge	-	ton	452,767	586,081	566,138	
		Recycled water	ton	331,323	379,104	344,527	
	Water consumption		-	ton	476,069	507,625	513,196
Packaging business division sites	Total water withdrawal	-	ton	835,685	991,931	991,843	
		Water supply	ton	589,190	717,269	746,680	
		Groundwater	ton	161,347	161,289	159,265	
		Industrial water	ton	85,148	113,373	85,899	
		Recycled water	ton	313,128	379,104	344,500	
	Water discharge	-	ton	452,767	536,228	554,572	
		Recycled water	ton	331,323	379,104	344,527	
	Water consumption		-	ton	382,918	455,703	437,271
	Material and secondary battery business division sites	Total water withdrawal	-	ton	93,151	101,775	87,491
			Water supply	ton	54,256	51,971	43,482
Groundwater			ton	30,964	43,884	39,917	
Industrial water			ton	7,931	5,920	4,092	
Recycled water			ton	0	0	0	
Water discharge		-	ton	0	49,853	11,566	
		Recycled water	ton	0	0	0	
Water consumption		-	ton	93,151	51,922	75,925	

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Water

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Business sites located in areas with 'high' or higher water stress	Total water withdrawal	-	ton	226,802	229,793	211,848
		Water supply	ton	79,978	54,871	59,641
		Groundwater	ton	60,516	60,308	65,168
		Industrial water	ton	86,308	114,614	87,039
	Water discharge	Recycled water	ton	313,128	331,323	291,975
		-	ton	14,617	5,002	10,909
		Recycled water	ton	331,323	331,323	291,975
		-	ton	212,185	224,791	200,938

1) [Water]: Revised for 2021 and 2022 due to misstatement in the 2022 Sustainability Report.
2) Summarized based on WRI and WWF criteria as 'High' or above.
Business sites with 'High' water stress: Eumseong, Jincheon, Suji, Printing, and Gunsan plants.

Waste

Category	Sub-category (Tier 2)	Sub-sub-category (Tier3)	Unit	2021	2022	2023
Waste discharge	Total amount of waste discharged	-	metric ton	9,622	11,801	10,591
		-	metric ton	8,101	9,095	8,266
General waste	Recycling	-	metric ton	3,019	5,888	4,760
		-	metric ton	1,960	1,660	1,433
		-	metric ton	3,070	1,547	2,067
		-	metric ton	52	0	6
Designated Waste	Recycling	-	metric ton	1,520	2,706	2,325
		-	metric ton	519	2,023	1,794
		-	metric ton	172	221	192
		-	metric ton	693	310	340
Waste discharge target	Total amount of waste recycled	-	metric ton	136	152	0
		-	metric ton	N/A	9,622	11,801
		-	metric ton	3,538	7,911	6,554
		-	%	36.77	67.04	61.88
Waste disposal cost	-	-	KRW 1 million	11	15	16

1) [Waste]: Revised for 2021 and 2022 due to misstatement in the 2022 Sustainability Report.

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Statement of use	Dongwon Systems has reported its sustainability performance for the period from Jan. 1, 2023 to Dec. 31, 2023, in the '2023 Dongwon Industries Sustainability Report' in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

Universal Standards

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
GRI 2: General Disclosures 2021					
	2-1	Organizational details	Introduction - Introduction to Dongwon Systems		
	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	Information re-described due to changes in the company's operations, data calculation criteria, methods, or scope is indicated with a footnote on the page where the information is presented.		
	2-5	External assurance	Appendix - Independent Assurance Report		
	2-6	Activities, value chain and other business relationships	ESG Strategy - Stakeholder Status, Major Activities and Communication Channels		
	2-7	Employees	Appendix - ESG Data - Employees by employment type		
	2-8	Workers who are not employees	Appendix - ESG Data - Employees by employment type		
	2-9	Governance structure and composition	Governance - Effective Governance Operation - Organization of Board of Directors		
	2-10	Nomination and selection of the highest governance body	Governance - Effective Governance Operation - Director Appointment Procedures and Criteria		
	2-11	Chair of the highest governance body	Governance - Effective Governance Operation - Operation		
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Strategy - Sustainability Management - Sustainability Management System		
	2-13	Delegation of responsibility for managing impacts	ESG Strategy - Sustainability Management - Sustainability Management System		
	2-14	Role of the highest governance body in sustainability reporting	ESG Strategy - Sustainability Management - Sustainability Management System		
	2-15	Conflicts of interest	Governance - Shareholder Value Protection and Enhancement - Stock and Shareholder Status		
	2-16	Communication of critical concerns	Governance - Effective Governance Operation - Operation		
	2-17	Collective knowledge of the highest governance body	Governance - Effective Governance Operation - Director Appointment Procedures and Criteria		
	2-18	Evaluation of the performance of the highest governance body	Governance - Effective Governance Operation - Evaluation and Compensation of Board of Directors		

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Universal Standards

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
	2-19	Remuneration policies	Governance - Effective Governance Operation - Evaluation and Compensation of Board of Directors		
	2-20	Process to determine remuneration	Governance - Effective Governance Operation - Evaluation and Compensation of Board of Directors		
	2-21	Annual total compensation ratio	Governance - Effective Governance Operation - Evaluation and Compensation of Board of Directors		
	2-22	Statement on sustainable development strategy	Introduction - CEO Message		
	2-23	Policy commitments	Introduction - Introduction to Dongwon Systems - Company Overview		
	2-24	Embedding policy commitments	ESG Strategy - Major Issue #2_Corporate Ethics and Compliance		
	2-25	Processes to remediate negative impacts	ESG Strategy- Major Issue #2_Corporate Ethics and Compliance - Compliance Management Process		
	2-26	Mechanisms for seeking advice and raising concerns	ESG Strategy- Major Issue #2_Corporate Ethics and Compliance - Dongwon Group Righteous Management Reporting Center		
	2-27	Compliance with laws and regulations	Appendix - ESG Data - Compliance		
	2-29	Approach to stakeholder engagement	ESG Strategy - Stakeholder Status, Major Activities and Communication Channels		
	2-30	Collective bargaining agreements	Social - Human Resources and Work Environment Management -Labor - Management Cooperation		

Material Topics

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
GRI 3: Material Topics 2021					
	3-1	Process to determine material topics	ESG Strategy - Double Materiality Assessment		
	3-2	List of material topics	ESG Strategy - Double Materiality Assessment Result		
	3-3	Management of material topics	ESG Strategy - Double Materiality Assessment Result		

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Topic Specific Standards-Economic Performance (GRI 200)

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
GRI 201: Economic Performance 2016					
	201-1	Direct economic value generated and distributed	ESG Strategy - Stakeholder Status, Major Activities and Communication Channels		
	201-2	Financial implications and other risks and opportunities due to climate change	ESG Strategy - Major Issue #5_Direct/Indirect Efforts to Reduce GHG Emission - TCFD Report		
	201-3	Defined benefit plan obligations and other retirement plans	Appendix - ESG Data - Welfare benefits		
GRI 201: Economic Performance 2016					
	203-1	Infrastructure investments and services supported	Environment - Process Environmental Efficiency Improvement - Local Community Environmental Impact Reduction Activities		
GRI 205: Anti-corruption 2016					
	205-1	Operations assessed for risks related to corruption	ESG Strategy - Major Issue #2 _ Corporate Ethics and Compliance - Internal Pilot Assessment for Introduction of Anti-Corruption Regulations		
	205-2	Communication and training about anti-corruption policies and procedures	Appendix - ESG Data - Communication and training regarding anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken	Appendix - ESG Data - Identified corruption cases and measures taken		
GRI 206: Anti-competitive Behavior 2016					
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Appendix - ESG Data - Compliance		
GRI 207: Tax 2019					
	207-1	Approach to tax	Governance - Integrated Risk Management - Tax Risk Management		
	207-2	Tax governance, control, and risk management	Governance - Integrated Risk Management - Management System		
	207-3	Stakeholder engagement and management of concerns related to tax	ESG Strategy - Stakeholder Status, Major Activities and Communication Channels		

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Topic Specific Standards-Environmental Performance (GRI 300)

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
GRI 302: Energy 2016					
	302-1	Energy consumption within the organization	Appendix - ESG Data - Energy consumption		
	302-3	Energy consumption outside of the organization	Appendix - ESG Data - Energy consumption		
	302-4	Reduction of energy consumption	ESG Strategy - Major Issue #5_Direct/Indirect Efforts to Reduce GHG Emission - TCFD Report		
	302-5	Reductions in energy requirements of products and services	ESG Strategy - Major Issue #5_Direct/Indirect Efforts to Reduce GHG Emission - Management System		
GRI 303: Water and Effluents 2018					
	303-1	Interactions with water as a shared resource	Environment - Process Environmental Efficiency Improvement - Water Stress Index Analysis		
	303-2	Management of water discharge-related impacts	Environment - Process Environmental Efficiency Improvement - Wastewater Low Discharge System Introduced at Icheon Plant		
	303-3	Water withdrawal	Appendix - ESG Data - Water		
	303-4	Water discharge	Appendix - ESG Data - Water		
	303-5	Water consumption	Appendix - ESG Data - Water		
GRI 305: Emissions 2016					
	305-1	Direct (Scope 1) GHG emissions	Appendix - ESG Data - Scope 1&2 emissions		
	305-2	Energy indirect (Scope 2) GHG emissions	Appendix - ESG Data - Scope 1&2 emissions		
	305-3	Other indirect (Scope 3) GHG emissions	N/A	Information unavailable/incomplete	Dongwon Systems plans to establish a Scope 3 measurement system by 2030.
	305-4	GHG emissions intensity	Appendix - ESG Data - Scope 1&2 emissions		
	305-5	Reduction of GHG emissions	ESG Strategy - Major Issue #5_Direct/Indirect Efforts to Reduce GHG Emission - Mid- to long-term strategy		
	305-6	Emissions of ozone-depleting substances (ODS)	N/A	Not applicable	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix - ESG Data - Air/Water Pollutants		
GRI 305: Emissions 2016					

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GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
	306-1	Waste generation and significant waste-related impacts	Environment - Process Environmental Efficiency Improvement - Waste Management		
	306-2	Management of significant waste-related impacts	Appendix - ESG Data - Waste		
	306-3	Waste generated	Appendix - ESG Data - Waste		
	306-4	Waste diverted from disposal	Appendix - ESG Data - Waste		
	306-5	Waste directed to disposal	Appendix - ESG Data - Waste		

Topic Specific Standards-Social Performance (GRI 400)

GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
GRI 401: Employment 2016					
	401-1	New employee hires and employee turnover	"Appendix - ESG Data - Recruitment Appendix - ESG Data - Job turnover and resign"		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social-Human Resources and Work Environment Management-Welfare Benefit System		
	401-3	Parental leave	Appendix - ESG Data - Parental Leave		
GRI 403: Occupational Health and Safety 2018					
	403-1	Occupational health and safety management system	ESG Strategy - Major Issue #3 _ Safety and Health Management		
	403-2	Hazard identification, risk assessment, and incident investigation	ESG Strategy - Major Issue #3 _ Safety and Health Management - Regular Risk Assessment at Workplace		
	403-3	Occupational health services	Appendix - ESG Data - Safety and health management system		
	403-4	Worker participation, consultation, and communication on occupational health and safety	ESG Strategy - Major Issue #3 _ Safety and Health Management - On-Site Safety Facility Inspections		
	403-5	Worker training on occupational health and safety	ESG Strategy - Major Issue #3 _ Safety and Health Management - On-Site Accident Prevention Activities		
	403-6	Promotion of worker health	Appendix - ESG Data - Safety and health management system		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Strategy - Major Issue #3 _ Safety and Health Management - Regular Risk Assessment at Workplace		

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GRI STANDARD		DISCLOSURE	LOCATION	OMISSION	
				REASON	EXPLANATION
	403-8	Workers covered by an occupational health and safety management system	Appendix - ESG Data - Safety and health management system		
	403-9	Work-related injuries	Appendix - ESG Data - Industrial accident		
	403-10	Work-related ill health	Appendix - ESG Data - Industrial accident		
GRI 404: Training and Education 2016					
	404-1	Average hours of training per year per employee	Appendix - ESG Data - Capacity building		
	404-2	Programs for upgrading employee skills and transition assistance programs	Social - Human Resources and Work Environment Management - Employee Training System		
GRI 405: Diversity and Equal Opportunity 2016					
	405-1	Diversity of governance bodies and employees	Appendix - ESG Data - Board composition and operation		
GRI 407: Freedom of Association and Collective Bargaining 2016					
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social - Human Resources and Work Environment Management - Labor-Management Cooperation		
GRI 414: Supplier Social Assessment 2016					
	414-1	New suppliers that were screened using social criteria	Social - Partner (Supply Chain) Sustainability Management - Selection of New Partner Companies		
	414-2	Negative social impacts in the supply chain and actions taken	Social - Partner (Supply Chain) Sustainability Management - Regular Evaluation of Partner Companies		
GRI 416: Customer Health and Safety 2016					
	416-1	Assessment of the health and safety impacts of product and service categories	Social - Client and Consumer Rights Protection - Regular Validation on HACCP Effectiveness		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix - ESG Data - Client and Consumer Rights Protection		

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Dongwon Systems has disclosed in its report the indicators for the Containers & Packaging business area in the Resource Transformation sector according to the SASB Industry criteria.

TOPIC	SASB CODE	ACCOUNTING METRIC	LOCATION
Greenhouse gas emissions	RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under a regulatory program	Appendix - ESG Data - Scope 1&2 emissions
	RT-CP-110a.2	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	ESG Strategy - Major Issue #5_Direct/Indirect Efforts to Reduce GHG Emission - TCFD Report
Air quality	RT-CP-120a.1	NOx (excluding N2O)	Appendix - ESG Data - Air/Water Pollutants
		Sox	Appendix - ESG Data - Air/Water Pollutants
		VOCs	Appendix - ESG Data - Air/Water Pollutants
		PM(Particulate matter)	Appendix - ESG Data - Air/Water Pollutants
Energy management	RT-CP-130a.1	Total energy consumed	Appendix - ESG Data - Energy consumption
		Percentage grid electricity	Appendix - ESG Data - Energy consumption
		Percentage of renewable	Appendix - ESG Data - Energy consumption
		Total self-generated energy	Appendix - ESG Data - Energy consumption
Water management	RT-CP-140a.1	Total water withdrawn	Appendix - ESG Data - Water
		Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Appendix - ESG Data - Water
	RT-CP-140a.2	Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Environment - Process Environmental Efficiency Improvement - Water Stress Index Analysis
Waste management	RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	Appendix - ESG Data - Waste
Product safety	RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern	ESG Strategy - Major Issue#3 _ Safety and Health Management - Hazardous Chemical Substance Management
Product lifecycle management	RT-CP-410a.1	Percentage of raw materials from recycled content	ESG Strategy - Major Issue#1_Sustainable Product/Service Design - Eco-friendly Packaging Material Development
		Percentage of raw materials from renewable content	ESG Strategy - Major Issue#1_Sustainable Product/Service Design - Eco-friendly Packaging Material Development
		Percentage of raw materials from renewable and recycled content	ESG Strategy - Major Issue#1_Sustainable Product/Service Design - Eco-friendly Packaging Material Development
	RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	ESG Strategy - Major Issue#1_Sustainable Product/Service Design - 3R Strategy
Materials sourcing	RT-CP-430a.1	Total wood fiber purchased, percentage from certified sources	Appendix - ESG Data - Partner Transaction Status
	RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	Appendix - ESG Data - Partner Transaction Status

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The United Nations Sustainable Development Goals (UN SDGs) are a set of shared goals for humanity adopted by the 70th session of the UN General Assembly in 2015 to address the environmental, social, and economic challenges that need to be addressed globally by 2030. The UN SDGs are organized into 17 overarching goals and 169 targets in five areas: people, planet, prosperity, peace, and partnership. As a member of the international community, Dongwon Systems is participating in efforts to achieve the UN SDGs. We are carrying out various activities in line with the direction of sustainable management and the detailed goals of the SDGs, and we will continue to do our best to achieve common goals around the world.

UN SDGs			Dongwon Systems Activity	
Goal No. 1		End poverty in all its forms everywhere	Strategic participation and contribution to local community	
Goal No. 2		End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Strategic participation and contribution to local community	
Goal No. 3		Ensure healthy lives and promote well-being for all at all ages	Human Resources and Work Environment Management	
Goal No. 4		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Human Resources and Work Environment Management	
Goal No. 5		Achieve gender equality and empower all women and girls	Human Resources and Work Environment Management	
Goal No. 6		Ensure availability and sustainable management of water and sanitation for all	Process Environmental Efficiency Improvement	
Goal No. 7		Ensure access to affordable, reliable, sustainable and modern energy for all	Environmental Management	
Goal No. 8		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Human Resources and Work Environment Management	
Goal No. 9		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Environmental Management	Strategic participation and contribution to local community
Goal No. 10		Reduce inequality within and among countries	Corporate Ethics and Compliance	Human Resources and Work Environment Management
Goal No. 11		Make cities and human settlements inclusive, safe, resilient and sustainable	Process Environmental Efficiency Improvement	
Goal No. 12		Ensure sustainable consumption and production patterns	Environmental Management	Process Environmental Efficiency Improvement
Goal No. 13		Take urgent action to combat climate change and its impacts	Direct/Indirect Efforts to Reduce GHG Emission	
Goal No. 14		Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Environmental Management	Process Environmental Efficiency Improvement
Goal No. 15		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Environmental Management	Process Environmental Efficiency Improvement
Goal No. 16		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Corporate Ethics and Compliance	Human Resources and Work Environment Management
Goal No. 17		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Strategic participation and contribution to local community	

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Dongwon Systems supports the 10 principles of the global initiative UN Global Compact (UNGC) in the four areas of human rights, labor, environment, and anti-corruption and strives to comply with them. As a global corporate citizen, we will continue to consider business and social values simultaneously and strive to create various social values

Category	Principles	Dongwon Systems Activity
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	Human Resources and Work Environment Management
	Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	Corporate Ethics and Compliance
		Partner (Supply Chain) Sustainability Management
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 labour.	Human Resources and Work Environment Management
	Principle 5. Businesses should uphold the effective abolition of child labour.	Corporate Ethics and Compliance
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Partner (Supply Chain) Sustainability Management
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges.	Environmental Management
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	Process Environmental Efficiency Improvement
	Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Direct/Indirect Efforts to Reduce GHG Emission
Anti-Corruption		Corporate Ethics and Compliance
	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Partner (Supply Chain) Sustainability Management
		Integrated Risk Management

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To the management of Dongwon Systems Corporation

We have performed a limited assurance engagement on the following sustainability information of Sustainability Report 2023 of Dongwon Systems Corporation (the “Company”) for the year ended December 31, 2023 (the “Report”).

Scope and Subject matter information

For the year ended December 31, 2023, we have provided a limited assurance on the following:

- The ESG information (the “Subject matter information”), stated on ‘ESG Data’ of the Report Appendix, is prepared in accordance with the Company’s ‘Reporting Framework’ described on the ‘ABOUT THIS REPORT’.

We have read the other information included in the Report and considered whether it is consistent with the Subject matter information. We have also considered the implications for our report in the case that we became aware of any apparent misstatements or material inconsistencies with the Subject matter information. Our responsibilities do not extend to any other information.

Criteria (the “Criteria”)

The Company has prepared the Subject matter information in accordance with Global Reporting Initiative (GRI) Standards 2021 and Task Force on Climate-related Financial Disclosures (TCFD). The report contains indicators set by the Sustainability Accounting Standards Board (SASB) and The Ten Principles of the UNGC (United Nations Global Compact).

Inherent limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

In particular:

- We did not attend any stakeholder engagement activities. Therefore, our conclusion is based on our discussions with the management and the staff members of the Company, and our review of selected documents provided to us by the Company.
- The scope of our work was restricted to performance for the year ended December 31, 2023, only, as set out in the scope and subject matter section above. Information for the year ended December 31, 2022, and earlier periods have not been subject to assurance by us.

Responsibility of the management of the Company

The management of the Company is responsible for selecting and establishing suitable criteria for preparing the Subject matter information and the preparation of the Subject matter information in accordance with the Criteria.

Our responsibilities

- Our responsibilities are the followings:
- Determining and performing the procedures to provide a limited assurance whether a material matter has come to our attention to cause us to believe the Subject matter information is materially misstated.
 - Independently expressing a conclusion in accordance with provided evidence by the Company.

Because we have engaged to form an independent conclusion on the Subject matter information prepared by the Company, our involvement may compromise our independence and is therefore not permitted.

This report, including the conclusion, has been prepared for the Company’s management as a body, to assist the management in reporting on the Company’s sustainability performance and activities. We do not accept nor assume responsibility to anyone other than the Company’s management as a body and the Company for our work or this report save where terms are explicitly agreed and with our prior consent in writing.

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Our independence and quality control

We have complied with the independence and other ethical requirements of the code of ethics issued by the Ethics Standards Board of the Korean Institute of Certified Public Accountant. We have applied International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding the compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The standard of assurance engagement

We have performed a limited assurance engagement in accordance with Assurance Engagement other than Audits and Reviews of Historical Financial Information issued by the Korean Institute of Certified Public Accountants (International Standard on Assurance Engagement 3000 (Revised) as adopted by the Republic of Korea).

Summary of the assurance work we performed.

Our work includes the following activities:

- 1. Interviews with the Company’s personnel responsible for internal reporting and data collection
- 2. Review of the samples of the Company’s internal documents related to output from the risk assessment process, sustainability-related policies and standards, the sustainability materiality assessment matrix, and other documents from stakeholder-engaged activities.
- 3. Understanding the Company’s design and implementation of key processes and controls for managing and reporting the Subject matter information
- 4. Limited testing, through inquiry and analytical review procedures, of the preparation and collation of the Company’s Subject matter information

A limited assurance engagement is less in scope than a reasonable assurance engagement. Consequently, the nature, timing, and extent of procedures for gathering sufficient, appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Conclusion

Based on the procedures we performed as described under the “Summary of the assurance work we performed” and the evidence by the Company, nothing has come to our attention that causes us to believe that the Company’s Subject matter information in the Report for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the Company’s reporting Criteria.



June 27, 2024
Shinhan Accounting Corporation
Seoul, Korea

Jong-Man Choi
Chairman, Board of directors



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Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Greenhouse Gas Emissions (hereinafter 'GHG Inventory') of Dongwon Systems (hereinafter 'Company') for 2023.

Verification Scope

KFQ's verification covered on all facilities and emission sources under the operational control and organizational boundary of Company during 2023.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of greenhouse gas emission trading Scheme¹⁾], [Rules for verification of operating the greenhouse gas emission trading scheme²⁾] and [ISO 14064-3] for every applicable part.

1) Notification No. 2023-221 of Ministry of Environment 2) Notification No. 2021-112 of Ministry of Environment.

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the greenhouse gas emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review that the entire verification process was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) The Inventory Report has been stated in accordance with "Rule for emission reporting and certification of greenhouse gas emission trading Scheme" and "ISO 14064-1".
- 2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits less than 500,000 tCO₂-eq by meeting less than 5% of the total emissions, as per the "Rules for verification of operating the greenhouse gas emission trading scheme".
- 3) Thus, KFQ concludes that the Greenhouse Gas Emissions of Company in 2023 is correctly calculated and stated in accordance with "Rule for emission reporting and certification of greenhouse gas emission trading Scheme".

Unit: tCO ₂ eq		
Scope 1	Scope 2	Total
121,097.932	140,259.212	261,349

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units



Aug 20th, 2024

Ji Young Song

CEO Ji-Young Song
Korean Foundation for Quality



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