

KOS LIMITED. ESG REPORT

2024 KOS LIMITED ESG REPORT

2024



Always Go Green with KOS

C O N T E N T S

OVERVIEW

About this Report	04
CEO Message	05
Company Introduction	06
Company History	07
Global Network	08

ESG JOURNEY

KOS ESG Management System	10
Stakeholder Engagement	11
Materiality Assessment	12

ENVIRONMENTAL

Climate Change Response Strategy	14
Climate Change Response Performance	17
Minimizing Environmental Impact	18

SOCIAL

Creating Future Value	21
OSH Management	22
Sustainable Supply Chain	24
Customer Satisfaction	25
Employees	26
Social Contribution	31
Information Security	32

GOVERNANCE

Ethical Management	35
Financial & Non-financial Risk Management	36
Governance	37

GOVERNANCE

ESG Quantitative Data	39
GRI Standards Index	42
TCFD Index	45
UN SDGs	46
Verification Report on GHG Emissions and Energy Consumption Statement	47

OVERVIEW

About this Report	04
CEO Message	05
Company Introduction	06
Company History	07
Global Network	08

About this Report

Overview of the Report

KOS Group disclosed the sustainability management starting from the integrated report of three major domestic companies in KOS Group from 2022, and ESG management was officially declared and introduced from 2023 to publish the ESG management report annually.

Reporting Period

This report includes the details of ESG management by KOS Ltd. in the KOS Group from January 1, 2024 to December 31, 2023. For some quantitative data, recent 3 years of performances in 2022~2024 were disclosed to enable the annual increase and decrease trend to be identified, and some qualitative data includes significant performances outside the reporting period.

Reporting Boundaries

This report is subject to the ESG management activities and performances of domestic plants and Seoul office of KOS Ltd., and details of three major corporations in KOS Group can be indicated in combination partially for better understanding. (KOS Ltd., KOSWIRE Ltd., KOS GLOBAL Ltd.)

Reporting Standards

This report composed and classified the items by referring to the GRI (Global Reporting Initiative) Standards that is the global preparation guideline for publishing the sustainability report. Moreover, other indicators such as the TCFD (Task Force on Climate-related Financial Disclosure) Recommendations and UN SDGs (United Nations Sustainable Development Goals), etc. were referred for preparation. To enable the report contents to be delivered effectively, KOS Ltd. will continue the efforts on improvement and application by collecting the feedback from the internal and external stakeholders using this data annually, and by identifying the details of the domestic and global disclosure standards continuously.

Reliability of the Report

As verification by the certified external authority according to the specific reporting standards was reviewed internally to be performed later in the current stage, verification by the external authority will be considered in the future according to the stage of progressing the KOS ESG management. This report was prepared faithfully based on the details of activities performed by each KOS Ltd. workplaces, and we hereby clarify that there are no contents prepared falsely only for disclosure.



For Additional Inquiries

KOS HR/ESG Team (053-665-8394)
bk0320@koswire.com

CEO Message

Dear stakeholders of KOS,

Since taking our first steps in 2022, KOS Group has been advancing toward ESG management and is now closing out its third year.

While we started our ESG journey with our first integrated report in 2022 and its foundation with the official declaration of ESG management in 2023, 2024 was a year of deepened efforts to further advance and internalize ESG management at KOS Group, amidst intensified global demands for carbon neutrality and supply chain transparency.

To systematically manage GHG emissions from domestic and overseas plants, we further advanced the carbon information system established last year and proactively responded to customer and market demands by establishing a product-specific carbon information production system. Furthermore, through consulting with the Korea Chamber of Commerce and Industry for RE100 renewable energy and participation in the K-Carbon flagship technology development project (KOS LTD.), we continue our preparations and exploration for eco-friendly technology development and the transition to renewable energy utilization.

Furthermore, through joining the UN Global Compact(UNGC) (KOSGLOBAL LTD.) and participating in the Corporate Renewable Energy Initiative(CoREI), we are practicing responsible management aligning with global standards and collective international actions to tackle the climate crisis and promote sustainable growth. We have also conducted a double materiality assessment to strengthen communication with KOS Group's diverse internal and external stakeholders.

In addition, we are solidifying our role as a company that grows alongside the local community by being selected as a Korean Best Job Company by the Ministry of Employment and Labor (KOS LTD.) and being certified as a Root Company, while fulfilling our social responsibilities.

We will never forget that this entire journey was made possible by your interest and trust. Moving forward, KOS Group will continue to seek sustainable paths in an ever-changing era, evolving into a company that fulfills its responsibilities for the environment, society and the future happiness of us all.

Thank you.

CEO of KOS Group



Company Introduction

The Global Leader KOS

KOS is supplying various stainless and special steel-based materials globally and strategically through the three main corporations for maximizing the efficiency of production and supply, and KOS is not only ranked No.1 in the relevant domestic industry, but also holding the leading position in the world.

Main materials are supplied to the semiconductor, precision instrument, home appliances, medical devices and mobility, etc. fields through the mission of providing various conveniences for the happiness of humanity, and top-quality products are supplied to over 50 countries by operating 16 sales offices and 11 plants worldwide.

Overview of the Company

K : KOS LTD. **K-W** : KOSWIRE LTD. **K-G** : KOS GLOBAL LTD.

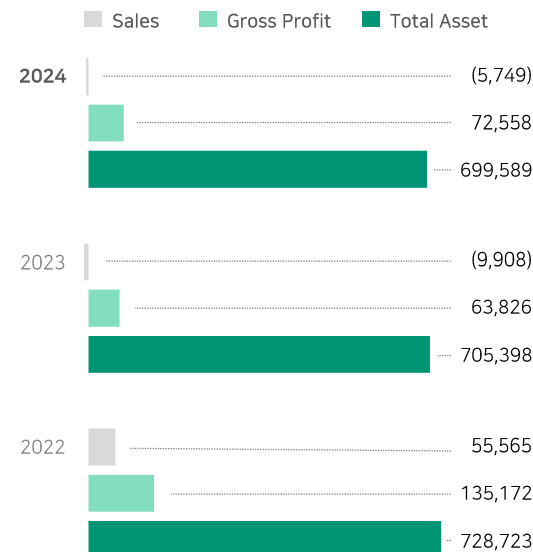
Company	KOS LTD. – KOS Group K KOSWIRE LTD. – KOS Group K-W KOS GLOBAL LTD. – KOS Group K-G
Address of Headquarters	43, Eosil-ro, Yangsan-si, Gyeongsangnam-do, Republic of Korea K 101, Gayadae-ro, Sasang-gu, Busan, Republic of Korea K-W 68, Yunoegongdan-gil, Beopsu-myeon, Haman-gun, Gyeongsangnam-do, Republic of Korea K-G
CEO	Gyeongho Jung K / Gyeongho Jung, Jin Sahgong K-W / Gyeongho Jung K-G
Month / Year of Incorporation	August 1969 K April 1999 K-W March 2016 K-G
Main Business	Stainless wire, Rope, PV Ribbon, Medical materials, Metal powder manufacturing
Employees	368 K / 136 K-W / 175 K-G (Based on domestic business sites as of the end of 2024)

Key Financial Performance

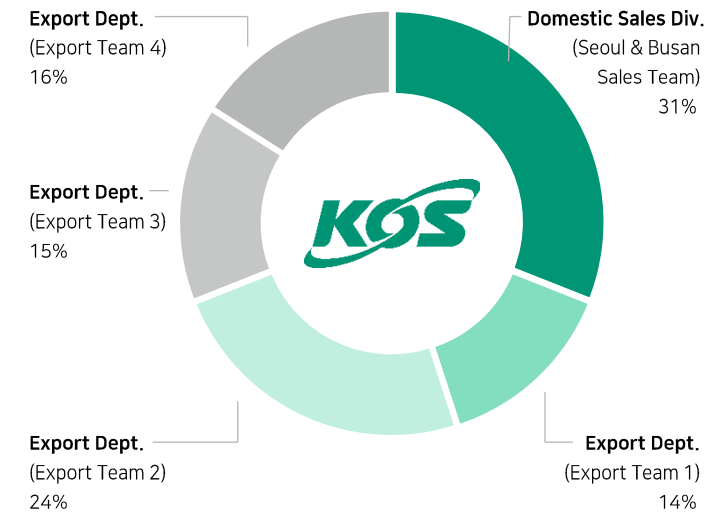
(Unit : KRW 1 million)

Category	2022	2023	2024
Total Assets	728,723	705,398	699,589
Equity	301,318	275,278	248,124
Sales	804,225	633,792	647,736
Gross Profit	135,172	63,826	72,558
Operating Profit	55,565	(9,908)	(5,749)

* Integrated data of three corporations / individual corporation's financial performances are disclosed on DART(Data Analysis, Retrieval and Transfer System)



Sales by Division



Company History

K : KOS LTD.

K-W : KOSWIRE LTD.

K-G : KOS GLOBAL LTD.

ESTABLISHMENT

1969 - 1979

- 1969 08 Established KOS Trading Company **K**
- 1977 03 Established KOS Trading Company Gamjeon Plant **K**
- 1977 04 Established KOS Trading Company Samrak Plant **K**
- 1979 11 Awarded the Prime Minister Citation **K**
(16th Export Day)

GROWTH

1980 - 1989

- 1980 01 Established KOS Trading Company Seoul Office **K**
- 1980 04 Completion of Yusan Plant **K**
- 1986 11 Received 10 million Export Tower Award **K**
(23rd Export Day)
- 1989 05 Established KOSTECH Pohang Plant **K**

MOMENTUM

1990 - 2000

- 1990 01 Established Germany Corporation **K**
(DUSSELDORF)
- 1995 01 Established US Corporation **K**
(NEW JERSEY)
- 1995 06 Established Japan Corporation **K**
(OSAKA, TOKYO)
- 1996 03 Awarded the National Medal of Coal Industry **K**
(30th TAX Day)
- 1997 10 Established Hong Kong Corporation **K**
- 1999 04 Established KOSWIRE **K-W**
- 1999 08 Established KOSWIRE Samrak Plant **K-W**
- 2000 02 Established Singapore Corporation **K**
- 2000 05 Established KOSWIRE Seoul Office **K-W**

GO GLOBAL & ESG

2001 - 2023




- 2002 09 Transfer of US Corporation **K**
(ATLANTA)
- 2002 09 Completion of US Plant **K-W**
(ATLANTA)
- 2003 02 Established KOSWIRE Uiryeong Plant **K-W**
- 2003 02 Established China Corporation **K-W**
(Shanghai)
- 2003 05 Selected as the World-Class Product by the Ministry of Commerce, Industry & Energy (S.S.WIRE) **K** **K-W**
- 2005 11 Received 100 million Export Tower Award **K** **K-W**
(42nd Trade Day)
- 2007 10 Established the Türkiye Office **K-W**
- 2008 06 Completion of Czech Plant **K-W**
- 2010 01 Established the Italy Office **K-W**
- 2012 07 Changed the Company Name from KOS Trading Company to KOS Ltd., and KOSTECH is merged with KOS Ltd. **K**
- 2015 04 Established the Vietnam Corporation **K-W**
(Ho Chi Minh)
- 2016 05 Established KOS GLOBAL Haman Plant **K-W**
- 2017 01 Established the Vietnam Corporation **K**
(Hanoi)
- 2017 07 Established KOS GLOBAL Seoul Office **K-G**
- 2020 01 Established KOS GLOBAL Uiryeong Plant **K-G**
- 2021 10 Large Enterprise & Expert Benchmarking (Decision on Promotion of ESG Management) **K** **K-W** **K-G**
- 2021 12 In-house Training of ESG (all employees), Organization of the ESG Promotion Team **K** **K-W** **K-G**
- 2022 02 Organized Divisions for Promoting ESG Management (8 Divisions, 31 Members) **K** **K-W** **K-G**
- 2022 05 Enterprise-wide ESG Promotion Status Report Meeting (Review on Status of K-ESG Standards) **K** **K-W** **K-G**
- 2022 06 Selected in the ESG Management Consulting Support Project for Small & Medium-sized Enterprises (ASEIC & ENP) **K-W**
- 2022 09 Selected in the Support Project for Publication of English ESG Evaluation Report by Medium-sized Enterprises (KOTRA & WHO'S GOOD) **K-W**
- 2022 11 Selected in the Global ESG Consulting Support Project for Medium-sized & Hidden Champion Enterprises (KOTRA & DELOITTE) **K-G**
- 2022 12 Confirmed ESG Management KPI for Each Division in 2023, KOS ESG Management Vision and Slogan **K** **K-W** **K-G**
- 2022 12 Acquired ISO 45001 Certification in All KOS Workplaces on Dec. 29th (Safety & Health Management) **K** **K-W** **K-G**
- 2023 01 Declared ESG Management in the 2023 New Year's address, and Established ESG Page in the Official Website **K** **K-W** **K-G**
- 2023 01 Received the EcoVadis Bronze Medal **K**
- 2023 01 Initiated Construction of Carbon Information System in Response to CBAM **K** **K-W** **K-G**
- 2023 02 Sent Relief Supplies for the Türkiye -Syria Earthquake Victims, and Executed the Sharing Together Program **K** **K-W** **K-G**
- 2023 03 Selected in the Eco-friendly Management Consulting Support Project by the Ministry of Environment in 2023 **K-W**
- 2023 03 Division Status Check / Training / Work discussion **K** **K-W** **K-G**
- 2023 03 Established the Carbon Information Inventory on Domestic and Foreign Plants **K** **K-W** **K-G**
- 2023 04 Established the KOS ESG Committee **K** **K-W** **K-G**
- 2023 05 Interest Discount in Response to ESG Evaluation by Shinhan Bank (QESG-Excellent Grade) **K**
- 2023 05 Supported the Sharing Together Program **K**
- 2023 06 Selected in the 2023 Supply Chain Consulting Support Project by KOTRA **K**
- 2023 07 Completion of R&D Center in the Gyeongsan Multiple Complex **K**
- 2023 10 Disclosure of 2022 KOS Group Integrated ESG Report (Korean) **K** **K-W** **K-G**
- 2023 11 Disclosure of 2022 KOS Group Integrated ESG Report (English) **K** **K-W** **K-G**
- 2023 11 Disclosure of KOS Partner Code of Conduct through the Website **K** **K-W** **K-G**
- 2024 01 Joined the UN Global Compact (UNGC) **K-G**
- 2024 03 Established the Product-specific Carbon Information System **K** **K-W** **K-G**
- 2024 03 Selected for a Project Responding to Environmental Trade Regulations by the Ministry of Environment **K-W**
- 2024 06 Selected for a RE100 Renewable Energy Utilization Consulting Project by the Korea Chamber of Commerce and Industry **K** **K-W** **K-G**
- 2024 06 Selected for a K-Carbon Flagship Technology Development Project by the Ministry of Trade, Industry and Energy **K**
- 2024 07 Joined the UN Global Compact Corporate Renewable Energy Initiative (CoREI) **K** **K-W** **K-G**
- 2024 07 Selected as a Korean Best Job Company by the Ministry of Employment and Labor **K**
- 2024 08 Acquired Root Company Confirmation Certificate (Korea Institute of Industrial Technology) and Designed as a Root Technology Specialized Company (Ministry of SMEs and Startups) **K** **K-W** **K-G**
- 2024 10 Selected for Renewable Energy Implementation Strategy Consulting for SMEs and Mid-sized Companies by the Korea Chamber of Commerce and Industry **K** **K-W** **K-G**
- 2024 10 Selected for Smart Green Industrial Complex FEMS Construction Project (Smart Energy Platform) **K** **K-W**

Global Network

K : KOS LTD. **K-W** : KOSWIRE LTD. **K-G** : KOS GLOBAL LTD.


KOS branches all around the world provide total solutions from worldwide supply to technical support.

* The group companies are legally distinct entities, but the business support activities are unified to meet the needs of customers, who are key external stakeholders.




Global Expansion
(Countries)

56




Products

16,416



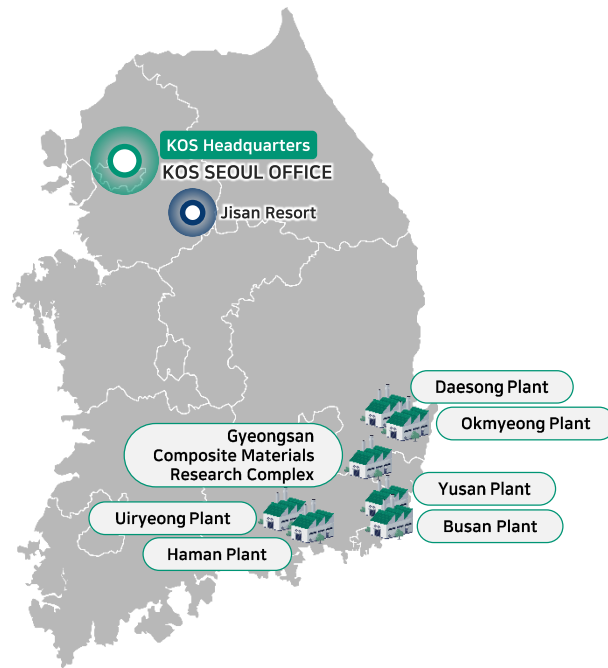
Sales Offices

16



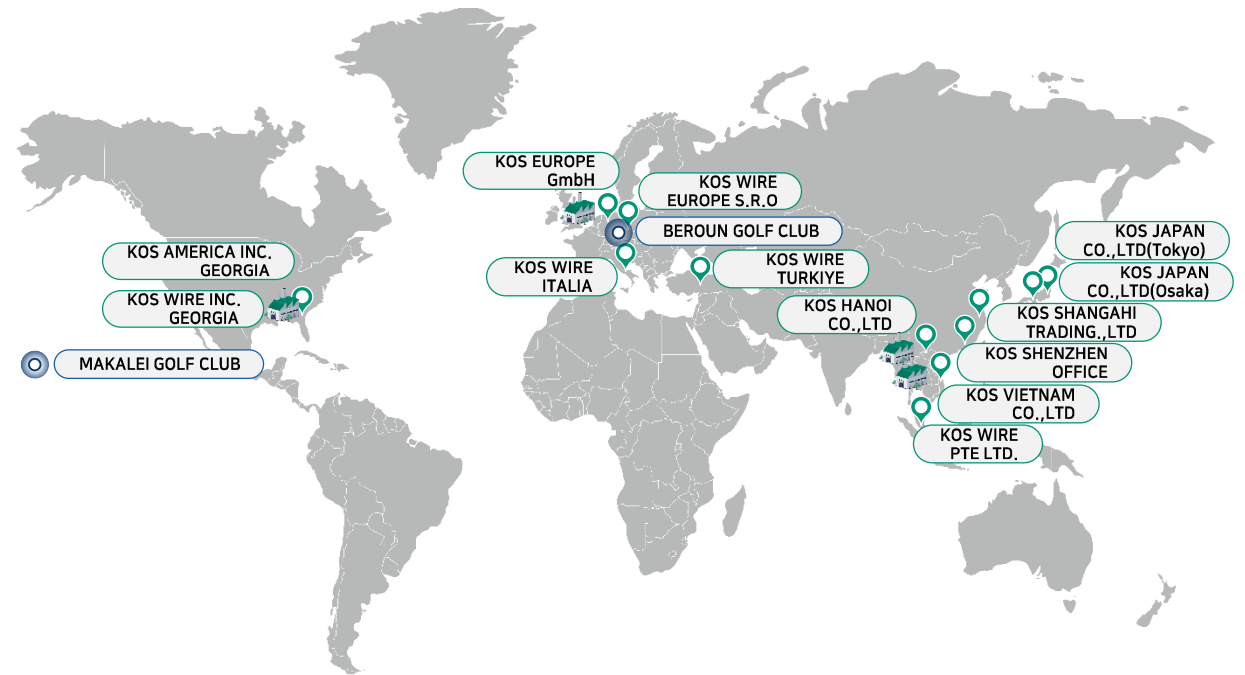
Plants

11



Research Institutes

- | | |
|--|---|
| Yongsan - Yusan Plant (Productions Base) K | Yongsan - Technical Research Institute K |
| Yongsan - Yusan2 Plant (Productions Base) K | Gyeongsan - Composite Material Technical Research Division K |
| Pohang - Daesong Plant (Productions Base) K | Busan - Affiliated Research Institute K-W |
| Pohang - Okmyeong Plant (Productions Base) K-W | Uiryeong - Affiliated Research Institute K-G |
| Busan - Busan Plant (Productions Base, Sales Base) K-W | |
| Uiryeong - Uiryeong Plant (Productions Base) K-G | |
| Haman - Haman Plant (Productions Base) K-G | |
| Seoul - Seoul Office (Sales Base) K K-W K-G | |



Overseas Business Sites

- | | |
|---|---|
| Dusseldorf, Germany - KOS EUROPE GMBH. (Local Corp., Sales Base) K | Georgia, USA - KOS AMERICA INC. (Local Corp., Sales Base) K-W |
| Istanbul, Turkiye - KOS WIRE TURKIYE (Local Corp., Sales Base) K | Georgia, USA - KOS WIRE INC. (Local Corp., Production-Sales Base) K-W |
| Singapore - KOSWIRE (S) PTE, LTD. (Local Corp., Sales Base) K | Prague, Czech - KOS WIRE EUROPE S.R.O. (Local Corp., Production-Sales Base) K-W |
| Tokyo, Japan - KOS JAPAN CO., LTD. (Local Corp., Sales Base) K | Milano, Italy - KOS WIRE ITALIA (Office, Sales Base) K-W |
| Osaka, Japan - KOS JAPAN CO., LTD. (Office, Sales Base) K | Shanghai, China - KOS SHANGHAI TRADING, LTD. (Local Corp., Sales Base) K-W |
| Hanoi, Vietnam - KOS HANOI CO., LTD (Local Corp., Production-Sales Base) K | Shenzhen, China - KOS SHENZHEN OFFICE LTD. (Office, Sales Base) K-W |
| | Ho Chi Minh, Vietnam - KOS VIETNAM CO., LTD (Local Corp., Production-Sales Base) K-W |

ESG JOURNEY

KOS ESG Management System — 10

Stakeholders Engagement — 11

Materiality Assessment — 12

KOS ESG Management System

Always Go Green with KOS

“Constantly growing company challenging for environment and humanity”



Promotion of KOS ESG Management

Establishment of ESG Management System

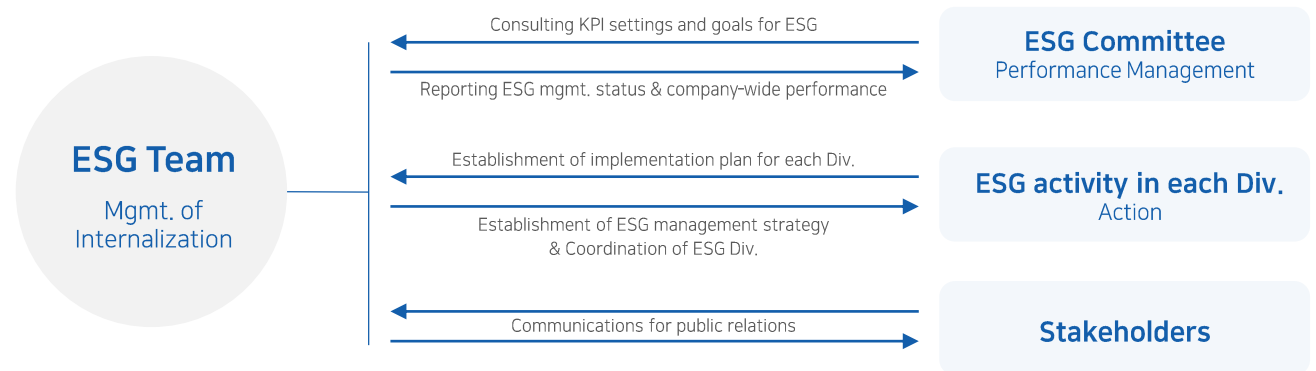
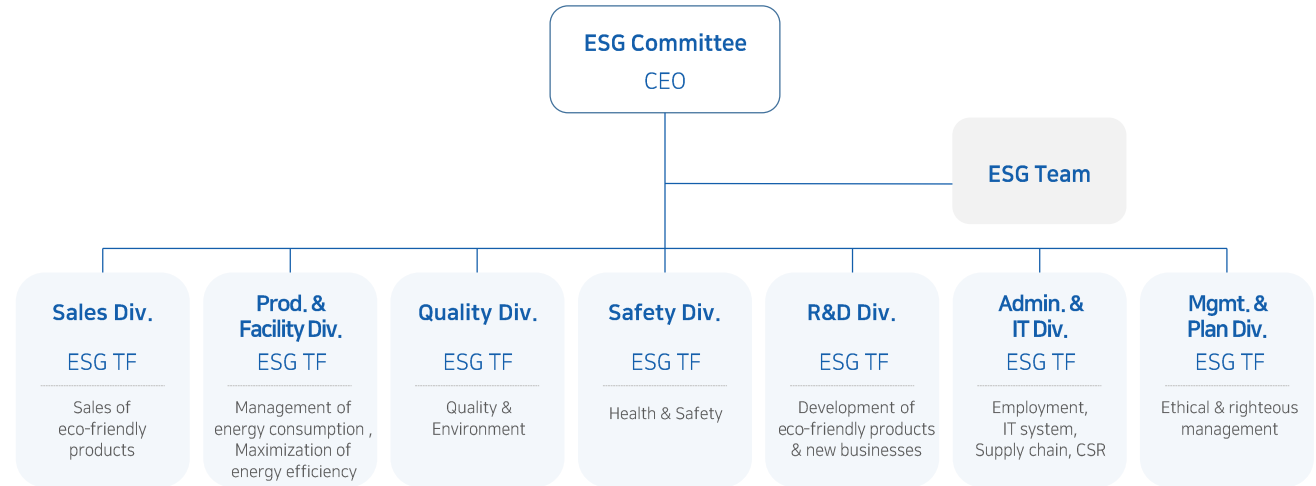
KOS establishes the required organizations and decision-making system for implementing the ESG management, and continuous improvements are made for internalization and sophistication of relevant activities.

Stakeholders Communication

KOS communicates and cooperates with all stakeholders (employees, customers, partners, shareholders, countries and communities) through management activities to enable the details of the ESG management vision to be reflected throughout the overall areas of environment, society and governance.

Supply Chain Cooperation

KOS satisfies the human rights, environmental and social standards of the supply chain area required by the international society, makes active efforts for continuous improvement, and helps to support the inspection, training and improvements through due diligence if necessary.



Stakeholder Engagement

In performing the sustainability management, KOS Ltd. is recognizing the significance of smooth communication with various stakeholders such as the customers, community, partners, government and employees, etc. to construct various communication channels according to the characteristics of each stakeholder group for identifying the major issues and requirements. Efforts are continued to listen to the opinions of each stakeholder to reflect them actively into the sustainability management activities.

Stakeholder Group	Main Interests	Response Activity	Cycle
Customer	<ul style="list-style-type: none"> Secure competitiveness in the product quality Strengthen customer satisfaction Ethical management 	<ul style="list-style-type: none"> Perform customer satisfaction survey Domestic and international fair/exhibition Response to ESG inquiries through the sales window/evaluation platform Publication of the ESG report Operation of reporting center for unfair practices 	<ul style="list-style-type: none"> Annually Frequent Always Annually Always
Community	<ul style="list-style-type: none"> Minimization of impact around the workplace Job creation and activation of the local economy Social contribution 	<ul style="list-style-type: none"> Perform environmental activities around the workplace Recruitment of disabled athletes Social contribution activities 	<ul style="list-style-type: none"> Frequent Always Always
Partner	<ul style="list-style-type: none"> Fair trade Shared growth and strengthen cooperation 	<ul style="list-style-type: none"> Operation of reporting center for unfair practices Visit the partners to discuss improvements 	<ul style="list-style-type: none"> Always Annually
Government	<ul style="list-style-type: none"> Compliance of laws and regulations Strengthen the transparency in tax payment Strengthen the government-enterprise partnership 	<ul style="list-style-type: none"> Compliance of laws and regulations Transparent accounting disclosure and tax payment Communication activities with the government and relevant agencies Participation in the government meetings and national projects 	<ul style="list-style-type: none"> Always Always Always Frequent
Employees	<ul style="list-style-type: none"> Improve working environment and organizational culture Strengthen safety & health and respect for human rights Competency reinforcement Cooperative labor-management relationship Promotion of welfare benefits 	<ul style="list-style-type: none"> Organizational culture diagnosis: Perform satisfaction survey Operation of the Occupational Safety & Health Committee Provide internal/external training program Reflect the opinions through the periodic labor-management meeting Reflect opinions from the suggestions box 	<ul style="list-style-type: none"> Frequent Quarterly Always Quarterly Always

* Regarding the organizational culture diagnosis (satisfaction survey), it was not conducted in 2024 due to a temporary business environment, and the operational criteria have been adjusted to implement it flexibly when necessary in the future.

Materiality Assessment

KOS Group conducted a materiality assessment to identify our group's key ESG topics and derive core ESG themes by comprehensively reflecting the perceptions and opinions of various internal and external stakeholders. The materiality assessment was conducted as a double materiality assessment, comprehensively considering both the financial impact of sustainability issues on the company and the environmental and social impacts of the company's activities. We will actively incorporate the nine core issues selected based on the assessment results into our corporate results into our corporate management activities to enhance ESG management,

Materiality Assessment Results

Step 1. Issue Pool Establishment

To establish an issue pool based on the ESRS Double Materiality Guide by comprehensively reviewing and incorporating external regulations, representative standards for information reporting, key issues of leading ESG companies, and KOS's own issue pool to enable a comprehensive response to sustainable management issues.

External Regulation	Domestic/International Representative Standards
EU CSRD Reporting Standards, ESRS	K-ESG Guidelines
	GRI
	KCGS
	SASB
Benchmarking	KOS's Issue Pool
Key Issue Pool for Domestic ESG-leading Companies	Internal Materials
	Business Report
	Management Strategy Framework
	Selected KPIs based on K-ESG

Stakeholder Selection

Internal Stakeholders	External Stakeholders
Management	Global Partner Companies
Officers, Employees and Affiliates	Competitors
Internal ESG Management	External Media

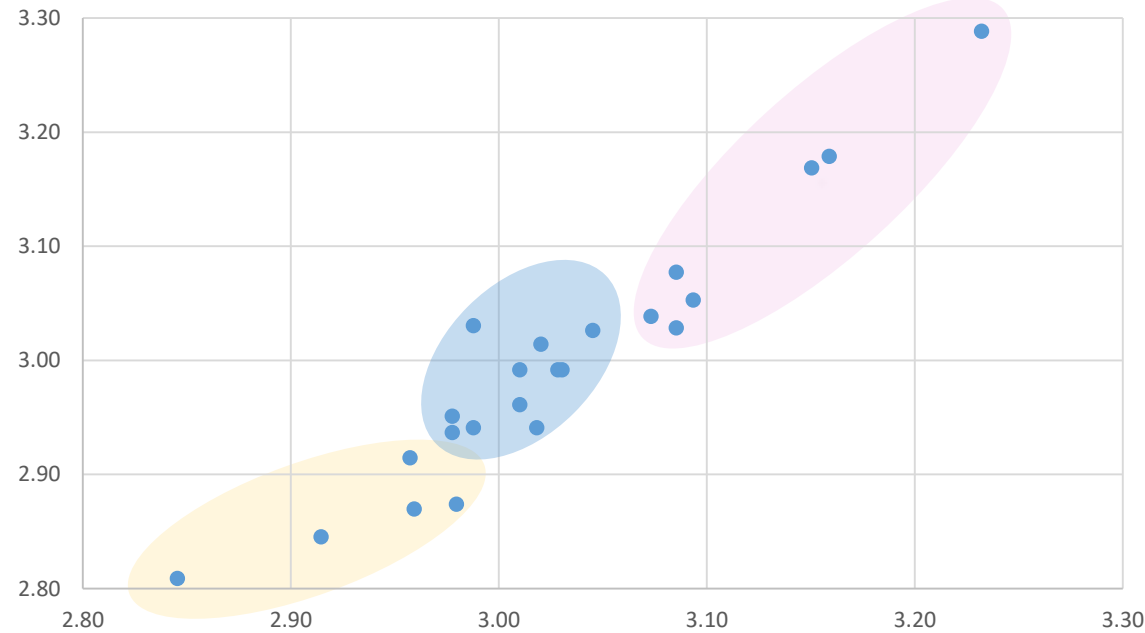
Step 2. Stakeholder Survey Implementation

To collect opinions from internal and external stakeholders regarding social and business significance.

Internal Stakeholders	
All Regular and Contract Employees of KOS Group	
External Stakeholders	
국내외 거래처	협력업체
외부 ESG전문기관	외부 인증심사기관
법무법인	비영리단체
언론	

Step 3. Prioritizing Critical Issues

To prioritize issues based on overall importance and identify critical/core issues.



Management Priority



Classified into A, B and C groups based on the importance of internal/external perspectives through matrix analysis

Step 4. Selection of key Issues

To select final key issues by considering qualitative analysis, such as the company's ESG strategy direction and business relevance, through internal staff and the ESG Committee, on top of qualified evaluation results.

No	Key Issues	Sector
1	Product Safety and Quality	S
2	Customer Satisfaction	S
3	Industrial Safety and Health Management	S
4	Supply Chain ESG Management Collaboration	S
5	Compliance and Ethical Management	G
6	Chemical Substance Management	E
7	Human Rights Management	S
8	GHG Reduction	E
9	Climate Change Response	E

ENVIRONMENTAL

Climate Change Response Strategy — 14

Climate Change Response Activities — 18

Minimizing Environmental Impact — 19

As the impacts of climate change become increasingly evident in our daily lives with each passing year, the international community recognizes mitigating climate issues through more proactive responses, including carbon neutrality, as a shared challenge. Alongside strengthened regulations by governments worldwide, diverse stakeholders, including customers and local communities, are demanding minimizing the environmental impacts arising from all aspects of corporate activities. Amidst this trend, KOS Ltd. recognizes environmental management as a core element enhancing corporate sustainability and continues its practical improvement efforts to reduce environmental impact.

To ensure systematic management and response, we have established an environmental management system and a safety & environment team. Furthermore, beyond compliance with relevant regulations such as pollutant management and monitoring, we are pursuing a gradual transition to strengthen our eco-friendly operational foundation over the medium to long term by seeking GHG reduction activities centered on managing emission sources within our facilities, optimizing energy usage efficiency, and improving processes.

Climate Change Response Strategy

KOS Ltd. Environmental Policy

As the world's top company in the stainless-steel wire rod field and challenging continuously for the new future growth in medicine and carbon fiber, etc., KOS Ltd. improves the significant environmental impacts related to products, activities and services continuously.

1. Environmental goal is established and implemented on the significant environmental impact related to the products, activities and services for continuous improvement.
2. Compliance of laws related to environmental is evaluated periodically and established and implemented with the procedures to maintain the records on the result.
3. Energy use is reduced continuously for preventing and reducing the water pollution, air pollution and waste pollution, and for efficient resource environment reduction.
4. Environmentally friendly process and product are developed and operated for continuous reduction of the harmful materials used in the production activity.
5. Training is provided on the importance of the environment to all members working in the workplace to enable their participation in the environmental preservation activity.

Environmental Management System

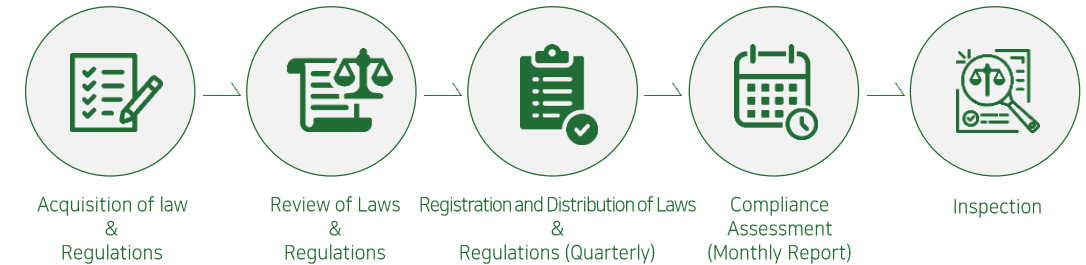
Environmental Management Promotion Organization



Introduction of Processes

1. **Environmental Impact Assessment Regulation** - conducted from raw materials to the production processes.
2. **Communication Management Regulation** - smooth communication to enable continuous development and improvement along with each government agency and partner, etc.
3. **Pollution Management Regulation** - in effort for environmental management in the workplace and to minimize the environmental pollution in the community, and independent standards that are stricter than the legal standards set by the environmental management system certification are applied in all environmental fields including water quality, waste and air, etc.
4. **Legal Management Regulation** - quarterly conduct regulation review and implement the compliance evaluation accordingly.
5. **Emergency Management Regulation** - prevent environmental accidents in advance through training on state of emergency.

Legal Management Standard



Environmental Conservation Activity

KOS Ltd. is committed to conserve the environment and safeguarding the health of local communities and employees through the following efforts.

1. **Atmospheric Environment Conservation** - installed the air pollution control facility for each production process, performs inspections in the in-house environmental standards much stricter than the legal standards.
2. **Water Environment Conservation** - collect wastewater generated from each wastewater discharge facility in the wastewater treatment plant for consignment processing by the specialized wastewater treatment company, and measure water quality independently and regularly to check the pollutant discharge standard and in-house environmental standards stricter than the legal standards.
3. **Waste Conservation** - monitors waste sludge and process sludge, waste synthetic resin and dust, etc. according to the 'Wastes Control Act' to verify the excessive wastes.
4. **Chemical Substance Management** - provides personal protection equipment related to the harmful chemical substances and Attached relevant signs to protect employees' health, and respond to enactment and amendment of laws by preparing list of harmful chemical substances.

Environmental Management System Certification

KOS Ltd. acquired the International Environmental Management System ISO 14001 Certification and maintaining the certification continuously.

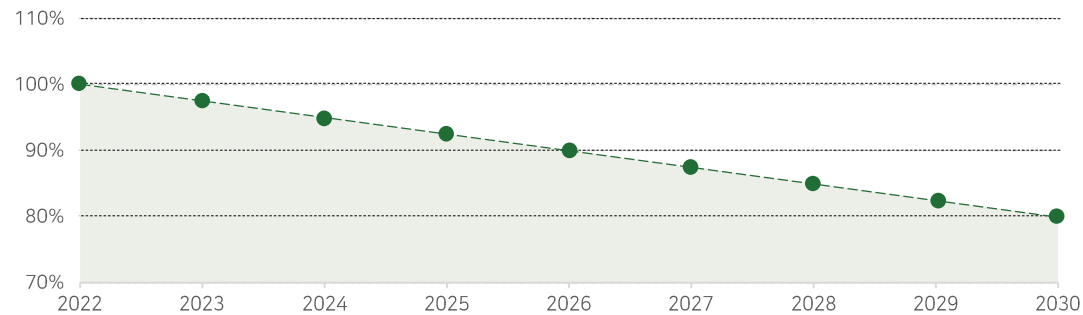
Climate Change Response Strategy

Mid-long Term GHG Emissions Reduction Plan

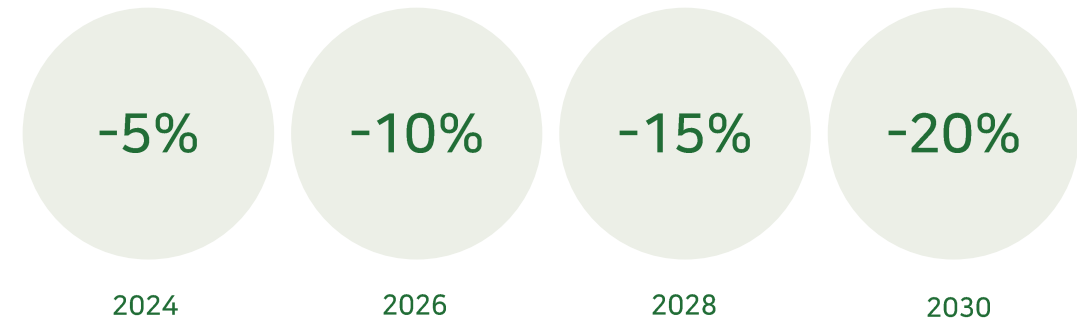
To contribute to responding to the climate change that is becoming a global issue, mid-long term greenhouse gas(GHG) emissions reduction goals were established in all domestic plants, and the goals are managed systematically through the independent cost reduction activities.

In 2023, KOS Ltd. completed the establishment of the GHG emission data aggregation system also in the overseas workplaces, and data from all domestic and overseas workplaces will be integrated and managed from 2025.

GHG Emissions Reduction Goal



GHG emissions reduction by **20%**
for each domestic business site/corporation until 2030
(Based on average emissions from 2019-2021)



Climate Change Response Strategy

Climate Change Risks & Opportunities, and Financial Impact

Category		Period	Risk / Opportunity Factors	Potential Financial Impact	Response Status and Plan
Conversion Risk	Policies & Laws	Current	<ul style="list-style-type: none"> Carbon Border Adjustment Mechanism(CBAM) will be executed from 2026 Possibility of conversion from the GHG target management system to emission trading system in Yusan Plant 	<ul style="list-style-type: none"> Payment of expenses incurred in response to the implementation of the emission trading system Increase in cost due to the increase in the paid allocation portion in the 4th scheduled period of the emission trading system (2026~2030) Increase in expenses for response and compliance to the carbon regulations 	<ul style="list-style-type: none"> Identification of the relevant matters according to the announcement schedule of the regulations details for quick and efficient response
		New	<ul style="list-style-type: none"> UK-version of CBAM will be executed from 2027 Promotion of US CCA (Clean Competition Act) introduction Domestic enactment of ESG disclosure 	<ul style="list-style-type: none"> Increase in expenses for identifying, responding and complying with new regulations 	<ul style="list-style-type: none"> Identification and monitoring of domestic and foreign trends Participation in relevant forums and meetings to provide corporate opinion Establishment of the strategy through periodic work discussion with the relevant ESG management division
	Market	Short-Mid Term	<ul style="list-style-type: none"> Request for review on localization of procurement by the customers due to introduction of system and reinforcement of regulations in various countries including EU, UK and USA, etc. Request for provision of carbon information and reduction plan for each product 	<ul style="list-style-type: none"> Increase in expenses for identifying, responding and complying with new regulations Increase in expenses for response on maintaining the continuous business relationship 	<ul style="list-style-type: none"> Identification of the systematic matters that result in additional costs for the customer to secure the competitiveness by responding to the relevant issue and improving the structure ESG management is internalized/sophisticated to support the reinforcement of ESG management on the customer Establishment and sophistication of the emission calculation system for each product
		Mid-Long Term	<ul style="list-style-type: none"> Increase in electricity bills 	<ul style="list-style-type: none"> Increase in cost due to the increase in power cost 	<ul style="list-style-type: none"> Energy efficiency and introduction of renewable energy
	Technology	Mid-Long Term	<ul style="list-style-type: none"> Requirement for change in design of existing products due to the demand for low-carbon steel products 	<ul style="list-style-type: none"> Increase in relevant R&D expenses 	<ul style="list-style-type: none"> Market demand survey on the low-carbon steel products
	Reputation	Mid Term	<ul style="list-style-type: none"> Negative awareness of the stakeholders due to lack of activities in response to climate change 	<ul style="list-style-type: none"> Decrease in corporate value due to decrease in the expectation on sustainability 	<ul style="list-style-type: none"> Construction of the climate change response system and preparation of disclosure on the relevant matters Global initiative activities such as UNGC, etc. Strengthen communication with stakeholders Strengthen response to evaluations

Climate Change Response Strategy

Climate Change Risks & Opportunities, and Financial Impact

Category		Period	Risk / Opportunity Factors	Potential Financial Impact	Response Status and Plan
Physical Risk	Acute	Short Term	<ul style="list-style-type: none"> Increase in natural disasters (Abnormal climate conditions such as typhoon, flood, draught, etc.) 	<ul style="list-style-type: none"> Sales decrease due to plant operation shutdown from the abnormal weather condition (Flooding from heavy rain and earthquake damage, etc.) 	<ul style="list-style-type: none"> Systematic operation of the supply system in connection to other workplaces and overseas plants Subscription to environmental liability insurance on each workplace Regular training through emergency plan on contingencies and scenarios
	Chronic	Long Term	<ul style="list-style-type: none"> Increase in temperature and sea level, and change in the average precipitation, etc. 	<ul style="list-style-type: none"> Increase in the energy cost of the workplace due to the increase in temperature (cooling & heating cost, etc.) 	<ul style="list-style-type: none"> Review of response scenario on long-term temperature increase Enabling high efficiency of equipment such as the HVAC system for reducing the energy cost
Opportunity	Resource Efficiency	Short Term	<ul style="list-style-type: none"> Efficiency improvement on the production and distribution processes Energy efficiency improvement on individual equipment Activation of recycling 	<ul style="list-style-type: none"> Reduction of expenses by improving efficiency Decrease in operating expenses from energy-saving through equipment efficiency Cost reduction on waste treatment from recycling 	<ul style="list-style-type: none"> Increase in review of new improvement methods other than the existing methods and routes, etc. Review on introduction and operation of the energy management system Perform full-scale review for waste recycling
	Energy Source	Mid Term	<ul style="list-style-type: none"> Reduction of emission for each product through introduction of renewable energy 	<ul style="list-style-type: none"> Decrease in the emission trading burden cost estimated with continuous increase Decrease in the power cost burden from private power generation 	<ul style="list-style-type: none"> Consulting by the renewable energy introduction and utilization expert
	Products & Services	Mid Term	<ul style="list-style-type: none"> Increase in preference by the customer 	<ul style="list-style-type: none"> Improvement of corporate image by responding actively to climate change 	<ul style="list-style-type: none"> Proactive response to climate change, and sophistication of the environmental management system
		Mid-Long Term	<ul style="list-style-type: none"> Estimate on increase in demand for personal hygienic items and medical materials Possible for response to demand for low-carbon products from development of high strength/lightweight materials 	<ul style="list-style-type: none"> Sales increase from increasing the number of customers Increase in revenue from new entry into the relevant market 	<ul style="list-style-type: none"> Sophistication of relevant product development and securement of sufficient operating equipment Development of the relevant product and market
	Market	Short-Mid Term	<ul style="list-style-type: none"> Utilization of Public support projects 	<ul style="list-style-type: none"> Reduction of indirect operating expenses from utilizing the public project 	<ul style="list-style-type: none"> Participation in the relevant public support projects for responding to the market
		Long Term	<ul style="list-style-type: none"> Opportunity arising from long-term increase in local emission trading price, and increase in the cost and price due to increase in the local energy cost 	<ul style="list-style-type: none"> Utilization of opportunities according to the long-term balance of response costs and market prices when continuous cost competitiveness is secured, and increase in revenue following 	<ul style="list-style-type: none"> Effective introduction and utilization of renewable energy Improvement and development of low-carbon manufacturing process

Climate Change Response Activities

GHG Emissions Performance in the Current Term

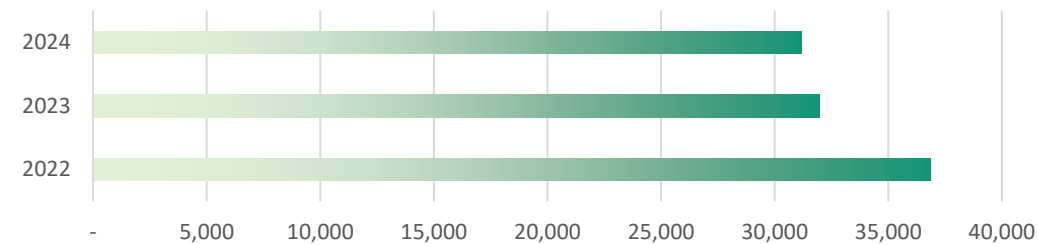
KOS Ltd. measures and monitors the GHG emissions in all workplaces through verification by the external specialized energy agency, and through the internal calculation system. Each workplace is entering the GHG data, analyzing and reporting the increase & decrease factors in basic unit, and the responsible department is performing integrated management on the GHG emissions.

* GHG emissions performance is managed based on Scope 2, electricity consumption, which accounts for approximately 99.7% of total GHG emissions across our workplaces.

* The previous report applied outdated emission factors; this report corrects them by applying year-specific emission factors.

Three-year GHG Emissions

(Unit : tCO₂-eq)



Greenhouse Gas (GHG) Target Management System Implementation Status

The Ministry of Environment is operating the GHG target management scheme on companies and workplaces emitting GHG exceeding certain amount to achieve the national GHG reduction goal according to the <Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis>. Accordingly, Yusan plant is setting the annual reduction goal to manage the annual GHG emissions within the range set by the government, and reported to the government every year.

GHG emissions of Yusan plant in 2022 was 22,886tCO₂-eq to exceed the relevant annual goal by approximately 10.4%, and the GHG emissions in 2023 was 19,414tCO₂-eq to also exceed the relevant annual goal by about 1.3%. The GHG emissions in 2024 before adjustment was 22,134tCO₂-eq and the relevant goal will be confirmed by the Ministry of Environment by end of October, 2025.

Energy Efficiency Improvement Activity

KOS Ltd. Yusan plant improved the operation method of its existing drying equipment heaters, which were previously run continuously, by switching to timer control and conditional operation. This resulted in reduced wasted power consumption and, as a secondary benefit, also confirmed a reduction in degreasing solution usage and energy consumption in the degreasing tank.



Minimizing Environmental Impact

Environmental Performance & KPI Linkage

KOS Ltd. established the environmental management goal and goals for each detailed diagnosis item on the legal/regulatory violation on the water, waste, pollutants and environment, and monthly performance monitoring is performed in connection. In addition, KOS Ltd. is also performing status analysis and establishment of measures. In 2023, ESG KPI is also set and managed by the quality sector.

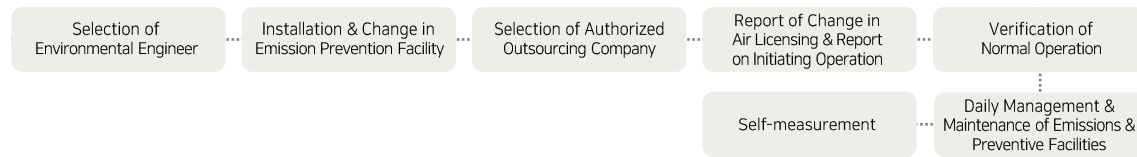
Water Usage

Through the water resource reduction activities for each workplace, KOS Ltd. is continuing the efforts for protecting the water resources, and to minimize the environmental impact. Main efforts include registering the water usage of the workplace in the ERP system for monitoring, and also setting the internal management standards on the water pollution issue for monitoring.

Atmospheric Environment Conservation

Through the air pollutant reduction activities for each workplace, KOS Ltd. is continuing the efforts for protecting the air resources, and to minimize the environmental impact. Especially, main efforts include establishing the air pollutant emissions standards in the workplace to perform monitoring through self-measurement.

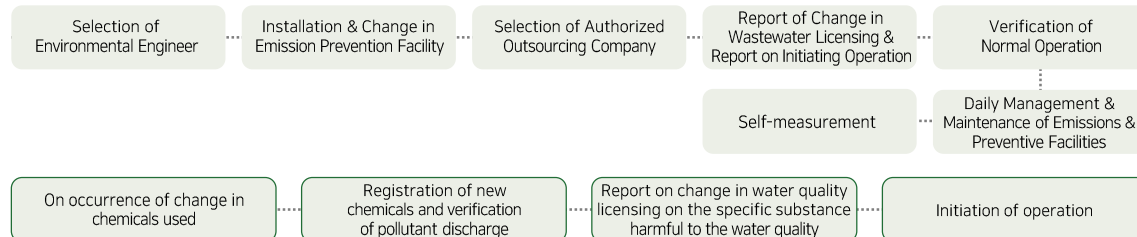
Air Control Standard Process



Water Environment Conservation

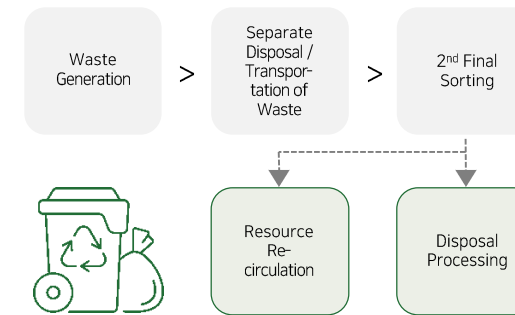
Through the water pollutant reduction activities for each workplace, KOS Ltd. is continuing the efforts for protecting the water resources, and to minimize the environmental impact. Especially, main efforts include establishing the water pollutant emissions standards in the workplace to perform monitoring through self-measurement. In addition, plating line cleaning is performed regularly to check any special matters, and wiping conditions of the pre-plating bath and plating bath are checked every time.

Water Quality Management Standard Process

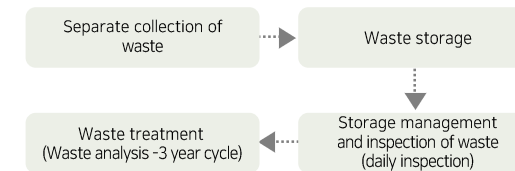


Waste Conservation

KOS Ltd. is performing monitoring on the waste discharge amount to reduce the amount of waste, and to activate the recycling. Among the wastes, those possible for recycling are stored separately for processing, and this contributes to increasing the resource circulation rate by recycling the waste.



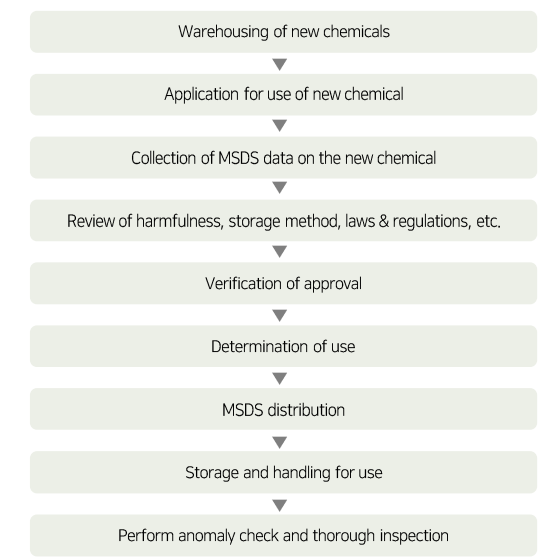
Waste Management Standards



* Details regarding waste management is included during the training on the actions on emergencies (On rain and fire)

Chemical Substance Management

KOS Ltd. provides safety training and personal protective equipment, and placed safety signs when it's related to hazardous chemicals, to ensure the employees' health. We are responding to the enactment and revision of laws by preparing a list of hazardous chemicals for each plant.



* Regular training on chemical handling and use

Response to Environmental Regulations on the Product

Response is made actively to various environmental regulations on the products.

IMDS	chemSHERPA	FDA	CMRT	CRT	MSDS	RoHS
Reach	California Prop 65	Direct 94.62.EC	Stockholm Convention	WEEE	Halogen Free	Other Environmental Regulations in EU

Minimizing Environmental Impact

Environmental Risk Inspection Activity

Environmental impact assessment is regularly performed from the raw materials to the process. Regarding the changes, environmental impact assessment is performed frequently, and identified risks are verified of the necessity for management set the priorities. In addition, monitoring and improvements are performed. Moreover, pollutant discharge is managed through the overall monthly inspection on facilities.

Periodic Inspection

Category	Inspection Cycle		Main Inspection Item
	Operating Department	Safety & Environment Team	
Air pollution prevention facility	Daily	Monthly	Inspection on normal operation and legal compliance of the prevention facility
Consigned wastewater storage facility	Daily	Monthly	Inspection on the management state and legal compliance of the consigned storage facility
Waste storage facility	Daily	Monthly	Compliance of waste storage standard
Chemical storage facility	Daily	Monthly	Inspection of management status and legal compliance of the chemical storage location

Environmental Impact Reduction Activity

KOS Ltd. Yusan plant achieved resource circulation by connecting condensate from distillation units to a collection tank for recovery and reuse, thereby reducing tap water consumption and wastewater generation.



S O C I A L

Creating Future Value — 22

OSH Management — 23

Sustainable Supply Chain — 25

Customer Satisfaction — 26

Employees — 27

Social Contribution — 32

Information Security — 33

Amid rapidly changing human needs and diverse technological advancements, industries are also undergoing constant transformation. Accordingly, KOS Ltd. is striving to secure new growth engines with outstanding future growth potential through pioneering innovative technology development, aiming to play a key role as a leading company. Recognizing that people, alongside employees and the local community. We strive to build a sustainable organizational culture by creating a safe and healthy work environment for employees, expanding opportunities for personal growth, and supporting work-life balance, while also fulfilling our responsibility as a corporate citizen to foster mutual prosperity with the local community. We will continue to contribute to building a sustainable society where people and regions grow together.

Creating Future Value

Future Value Creation System

Mid-long Term Goal		Detailed Strategy
<ul style="list-style-type: none"> Development of future sustainable products through core development capability reinforcement 	<ul style="list-style-type: none"> Secure product competitiveness through R&D Development of high-quality products customized for the customers Development of high value-added products 	<ul style="list-style-type: none"> Qualitative reinforcement of stakeholder communication Activation of industry-university-research linked technical research Advancement of R&D working environment

Establishment of Sales Strategy for Creating Future Value

KOS Ltd. establishing a future value driven business strategy by expanding sales of eco-friendly products and medical devices. Departing from the conventional steel industry practice of focusing on mass-volume demand, the company is setting eco-conscious product-oriented sales targets and leading the steel industry toward a new generation.

Development of High-Performance Eco-friendly Alternatives for Cold Heading Materials

G-co, KOS Ltd.'s flagship product, addresses the environmental issues associated with conventional coated materials used for cold heading. The product contains no hazardous substances, is easy to remove, and offers outstanding cold heading performance. Through continuous quality improvements and proactive marketing efforts, KOS Ltd. is implementing a business strategy to position G-co as a leading eco-friendly alternative in the market.

Responsible Technological Investment toward the Medical Industry

As part of its responsibility as a leading steel manufacturer, KOS Ltd. continuously develops and supplies a diverse range of small-lot, specialized medical materials that are difficult to source from typical steel companies. Furthermore, KOS Ltd. is committed to investing in technological innovation that looks beyond current profitability, dedicating itself to the sustainable growth of the medical industry, which is poised to become a core pillar of the future, and to creating value for the next generation.

R&D Network

KOS Ltd. Technical Research Institute

located in Yangsan-si, Gyeongsangnam-do is focusing on developing high-quality products and new steel products including overall process improvement and development.

KOS Ltd. Composite Material Technical Research Institute

located in Gyeongsan-si, Gyeongsangbuk-do is developing composite materials for construction, carbon fiber cable and various composite material products.

R&D Status

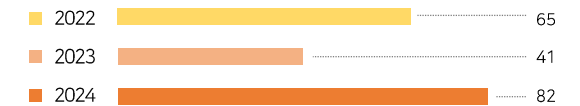
R&D Manpower

(Unit : Persons)



Investment Costs

(Unit : KRW 1 million)



R&D Performance Status

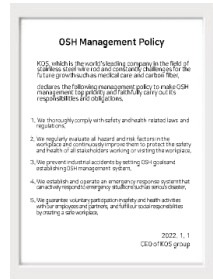
Development of High-Performance Carbon Fiber Reinforced Plastic

CFRP(Carbon Fiber Reinforced Plastic) is an advanced material that has been recognized since 1982 as an ideal substitute for steel cables. Recently, it has been applied worldwide in regions such as the United States, Europe, the Middle East, and Japan for bridge reinforcement materials, corrosion-resistant enhancer, suspension bridge load-bearing supports, elevator pulley materials for super high-rise buildings, and core materials for transmission wire ropes. In contrast, the domestic market for stranded CFRP cables is currently non-existent and the composite material stranded cable market remains entirely absent. In response, KOS Ltd. continues to enhance its R&D capabilities for developing and mass-producing new products, driven by a strong sense of mission as a globally recognized pioneer in the future technology field.

OSH Management

OSH Management Policy

OSH Management Policy



- ① We thoroughly comply with safety and health-related laws and regulations.
- ② We regularly evaluate all hazard and risk factors in the workplace and continuously improve them to protect the safety and health of all stakeholders working or visiting the workplace.
- ③ We prevent industrial accidents by setting OSH goals and establishing OSH management system.
- ④ We establish and operate an emergency response system that can actively to emergency situations such as serious disaster.
- ⑤ We guarantee voluntary participation in safety and health activities with our employees and partners, and fulfill our social responsibilities by creating a safe workplace.

OSH Management System

Safety & Health Committee

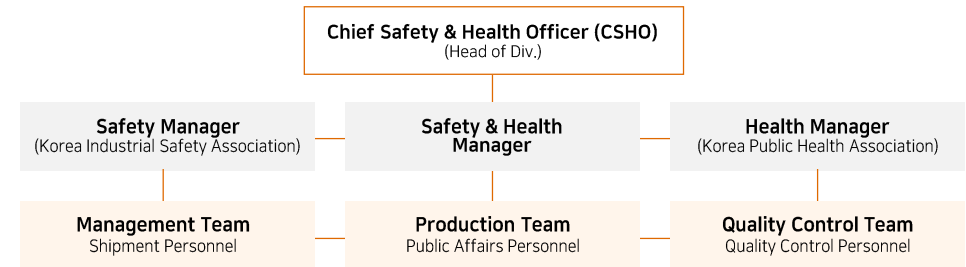
KOS Ltd. established the enterprise-wide safety & health management system by implementing policies and detailed management regulations to safeguard the safety and health of employees. To strengthen the professionalism and independence of this system, a safety and health committee is established and operated as its highest decision-making body. Delegated with full authority from the Board of Directors, the committee swiftly makes decisions related to safety budgets, recruitment, organizational structure and operations, and safety-related investments. Under the committee, the safety & environment team, composed of safety experts, oversees and manages safety activities across all business sites.

Safety & Health Committee



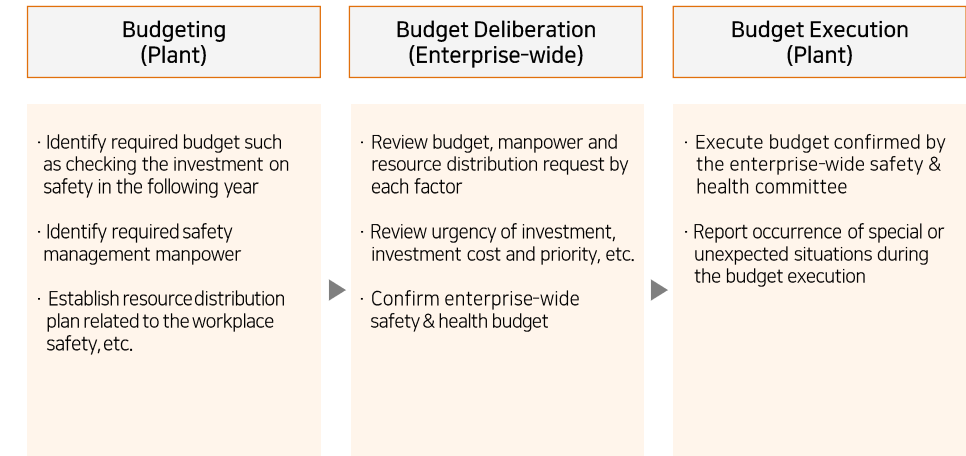
Organization of Safety & Health Group in Each Plant

KOS Ltd. safety & health group for each plant is organized centrally with the head of sector with general responsibility on each plant, and external agencies related to safety (Korea Industrial Safety Association, Korea Public Health Association) and in-house safety & health manager playing the main role. In addition, safety & health personnel are selected and operated under each group.



Safety & Health Budget and Resource Distribution

Budget, manpower and resource distribution, etc. required for safety & health management are confirmed and executed through final deliberation.



OSH Management

OSH Risk Management

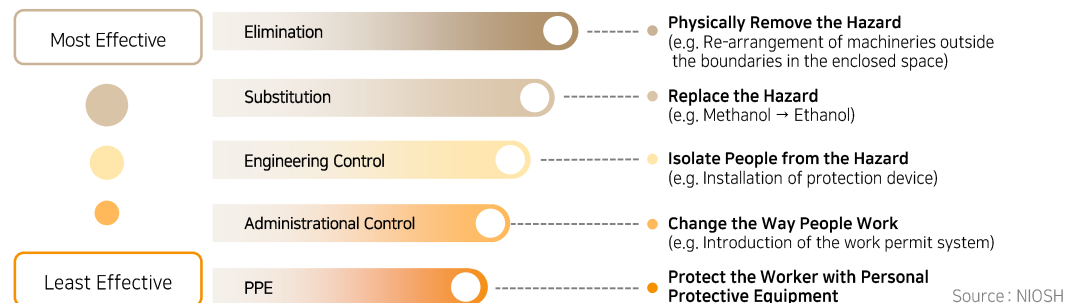
Risk Assessment

To discover and prevent the risk factors in the workplace in advance, KOS Ltd. performs enterprise-wide periodic or non-periodic risk assessment under the supervision of safety team and through participation by safety director of each plant, labor union (labor-management council) and external specialized agencies such as the Korea Safety Technology Center, etc. Risk factors derived through the assessment are established with the improvement measures immediately to implement the improvement activities, and this is recorded for management.

Safety Inspection

KOS Ltd. is actively performing activities for preventing safety accidents by performing safety inspection on an annual/ semi-annual/ quarterly/ monthly/daily basis. When discovering any risk factors as a result of the inspection, control methods are reviewed in the order of elimination → substitution → engineering control → administrative control → PPE.

Category	Inspection Details	Scope	Subject
Annual Inspection	· Review of safety & health management system · Establishment of annual safety & health business plan	Enterprise-wide	Safety Team
Semi-annual Inspection	· Evaluation on the operation status of the safety & health management system	Enterprise-wide	Safety Team
Quarterly Inspection	· Inspection of safety management according to the Occupational Safety & Health Act	Enterprise-wide	Safety Team
Monthly Inspection	· External inspection related to on-site safety · Dangerous equipment in the safety related activity, etc.	Plants	Korea Safety Technology Center
Daily Inspection	· Workplace, facility and mechanical equipment check before the work · Check whether wearing personal protective equipment · Daily safety training, instruments, etc.	Plants	Production Team Leader



Occupational Safety and Health Training

TBM Activity (Safety Meeting Before the Work)

KOS Ltd. holds the TBM meeting through the on-site manager after the manufacturing to check the health condition of the employees every day, and to receive any improvements regarding safety. Moreover, safety details related to the work and safety cautions when planning high-risk work are provided to enhance the safety awareness of the workers, and workers are encouraged to perform the work safely.

Employee Safety Training

KOS Ltd. is providing safety training to the employees regularly through the safety manager in the company or through the external safety expert in effort to create a company without serious safety accidents.

Category	New Employees Training	Regular / Refresher Training	On Change in Work Contents (1 time)	Special Training (1 time)	
Worker	General	8 hour(s)	· (General) 12 hour(s) every half a year · (Office worker) 6 hour(s) every half a year · (Management Supervisor) 16 hour(s) a year	2 hour(s)	16 hour(s)
	Daily work	1 hour(s)	-	1 hour(s)	2 hour(s)
Contract Worker	General	1 hour(s)	-	-	16 hour(s)
	Short-term/ Intermittent	1 hour(s)	-	-	2 hour(s)
Safety & Health Work Personnel	Occupational Safety&Health Manager	6 hour(s) or more	· 6 hour(s) or more (2 year cycle)	-	-
	Safety/Health Manager	34 hour(s) or more	· 24 hour(s) or more (2 year cycle)	-	-
	Safety&Health Management Personnel	-	· 8 hour(s) or more (2 year cycle)	-	-

Sustainable supply Chain

Sustainable Supply Chain Management

KOS Ltd. is disclosing and operating the KOS Code of Conduct Partners on the official website, which requires the partners supplying products and services to KOS Ltd. to comply with the code of conduct for establishing the sustainable supply chain environment.

KOS Code of Conduct Partners is composed of regulations and rules that must be followed for sustainable supply chain operation such as human rights & labor, safety & health, environmental protection, ethical management and management system, etc., and efforts will be continued on improving the risks by checking and evaluating through mutual cooperation, and to minimize the supply chain risks.

Conflict Mineral Management

KOS Ltd. is participating in the global actions towards eradicating the serious human rights infringement and exploitation issue such as child labor and forced labor during the mineral mining, etc., and continuing the efforts for establishing the sustainable supply chain system. To prevent the minerals mined from conflict and high-risk areas from being used in the overall production process and raw & subsidiary material supply chain, KOS Ltd. is disclosing the KOS Code of Conduct to request the responsible material purchase of partners, and use of these minerals are checked through the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Mineral Reporting Template).



Customer Satisfaction

Customer Satisfaction Management

Promotional Strategy for Customer Satisfaction Management

Based on the motto of recognizing the customer risk to perform continuous process stabilization and improvement, KOS Ltd. is continuing the efforts to increase the customer satisfaction by fulfilling the customer requirements, and to comply with the delivery schedule. In addition, KOS Ltd. is aiming for maximizing the customer satisfaction through effective and efficient implementation of the quality management system related to the products, activities and services.

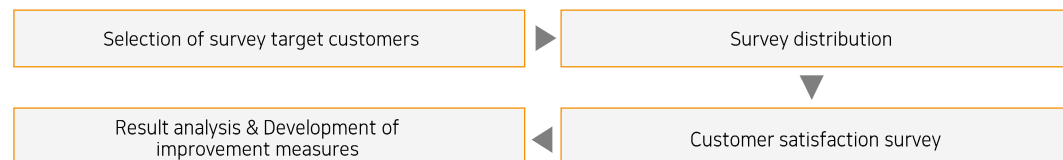
Customer Satisfaction Management Activity

KOS Ltd. performs monthly quality meeting enterprise-wide for sharing the customer needs to improve the customer satisfaction, and various measures are considered to meet the needs of the customers. Feedback is received from the applied matters for improvement. Moreover, along with the follow-up actions such as A/S, abnormal signs on the quality are identified from the customer in effort to maximize the customer satisfaction by performing the preemptive blockade measure of B/S aggressively.

Survey on Satisfaction of Customers

By setting 'Customer First' as the core value, KOS Ltd. performs annual survey on satisfaction of external customers. Requests and inconveniences received from the customers are implemented with improvement measures, and feedback is provided to focus on enhancing the customer satisfaction level.

Satisfaction Survey Process



2024 Satisfaction Survey Result

Performance Cycle	2022 Overall Score	2023 Overall Score	2024 Overall Score
Annually	85.6	86.8	86.8

* Average of values aggregating the overall scores for each area, and the value was rounded off on the first decimal point

* Corrected 2022 data errors identified in the previous year's report

Quality Management System (QMS)

KOS Ltd. focuses on the capabilities for strengthening the preventive quality activities, performing activities to impress the customers, and for improving the internal quality. For quality history management and establishing the quality system, and to improve the product quality, quality management system required by IATF 16949(automobile), AS 9100(aviation) and ISO 13485(medical device) is operated in integration based on the ISO 9001. Also, industrial standard (JIS and BIS, etc.) certifications of specific countries were acquired to reflect the requirements of the customers. KOS Ltd. is continuing the efforts for perfection in fulfilling the customer requirements and product quality.

Quality Management System(QMS)



Quality Policy

Quality Policy

As the world's top company in the stainless-steel wire rod field and challenging continuously for the new future growth in medical care and carbon fiber, etc., KOS maximize the customer satisfaction through effective and efficient implementation of the quality management system related to products, activities and services continuously.

Goal KOS is aiming for maximizing the customer satisfaction through effective and efficient implementation of the quality management system related to the products, activities and services.

Promotional Strategy

- Customer risk is recognized to perform process stabilization and improvement continuously.
- Customer satisfaction is enhanced by complying with the customer requirements and delivery schedule.
- Effectiveness and efficiency of the quality management system are improved continuously by achieving the quality objective.

Action Item

- Management of process capacity, 4M change and statistical quality control (manufacturing process review and cause analysis on the defect, etc.)
- No. of customer complaints received, and required time of customer complaints replied
- Product defect rate, and quality failure cost

Quality Improvement Activity

· Monthly quality meeting with the sales team for communication

Monthly meeting with the production & quality departments	Quality meeting with the sales & quality departments
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Total of 50 quality issues were discussed in 2024

Total of 156 quality issues were discussed in 2024(KOS group)

* Annual internal audit (System Audit: 2 time/year, Manufacturing Process/Product Audit: 2 times/year)

* Quality Circle / Issue meetings are held for each plant

Employees

Talent Development Strategy

KOS Ltd. is continuing the best efforts to develop not only the top experts in each duty in the main business of stainless wire manufacture and sales, but also developing the talents required for each new business such as development of new steel grade.

To enable the KOS Ltd. employees to develop their capabilities in balance as the members for leading the future, KOS Ltd. developed various training programs including value, leader and global competence, and support is provided actively to enable the employees to take the self-directed efforts to strengthen their competencies.

KOS Manpower Training Direction



Training System

KOS Ltd. established the customized training system according to the position and competency level of the employees in the 4 major areas of value, leadership, expert and global to continue the efforts for implementing the training, and to enable all employees to receive the preferred training in various areas and according to their interests, KOS Ltd. is encouraging the employees to take self-directed efforts in the learning in connection to the HRD-Net program provided by the Ministry of Employment & Labor. Along with the job training, employees are free to receive training through the HRD-Net program on various certificates, hobbies and training for re-designing the life after retirement, and KOS Ltd. is supporting the employees actively such as providing training points.

Category	Value Training			Leadership Training		Job Training						Global Leader	
	Training for Promoted Personnel	Refresher Training for Promoted Personnel	Life Planning Training	Organization Management Training	Person in Charge / New Person In Charge	Sales	Export	Prod. Mgmt.	Quality	Research	Mgmt.	Sogourning Employee Selection & Training Course	Internal & External Language Course
Chief					Next Generation Leader Training (Expert Adviser)	Expert/Professional Course							
Senior				Preliminary Manager Leadership Training (During the Training for Promoted Personnel)		Specialist Course							
Associate	Orientation Training					Basic Course							
Self-directed	Self-directed learning is performed through the job training portal by Ministry of Employment & Labor(HRD-Net) e.g. Capacity building, Learning Languages, Learning for personal pursuits, etc.												

Employees

Job Competency Reinforcement

With the desire to create new value and products based on the world-class professional knowledge and experiences, KOS Ltd. is operating the job competency reinforcement program to enable all members to become the top experts in each responsible job. From 2020, KOS Academy was established to invite retired employees from long-term service as in-house lecturers to provide the job-related professional knowledge and know-how. In addition, satisfaction survey is conducted after the training to reflect on improving and enhancing the training program.

Category	Training Sessions	Trainees	Total Training Hours	Average Hours Per Person
2022	164	40	4,315	107.9
2023	30	9	180	20.0
2024	51	33	1,716	52.0
Total	245	82	6,211	75.7

*Including KOS Academy Online Training

Leadership Competency Reinforcement

KOS Ltd. is operating the training program specialized for each position and role to strengthen the leadership. As the flexible manager, leaders of KOS Ltd. must always take the initiative on enabling the organization to challenge and innovate at all times, and support should be provided to cultivate a harmonious and efficient work environment that promotes effective communication among members of the organization. In addition, KOS Ltd. appoints managers based on the competency regardless of the long service and position, therefore, the employees must always be prepared to perform the role as the manager.



Global Competency Reinforcement

To enable the employees to respect diversity as the global citizen, and to have the competency to perform various overseas businesses, KOS Ltd. provides various trainings to develop global talents. When the KOS Ltd. employee wishes to study foreign language, KOS Ltd. offers tickets for language learning app or tuition reimbursement for online and offline language courses at any time.



Value Training

Pride, a sense of unity, and the aptitude to elevate the basic value of the company are fostered through orientation training for new employees, as well as promotional training. Also, life & career planning education and liberal arts education, etc. are provided to support the growth as a healthy member of the society.



Mentoring Program for New Employees

KOS Ltd. operates a mentoring program in which new employees are paired one-on-one with senior employees for 1. Through this program, mentors help new employees better understand their roles, adapt to the organizational culture, and build networks that support smoother integration into the company.



Re-employment Support Consulting

KOS Ltd. received the corporate consulting on the re-employment support service performed by the Labor-Management Development Foundation from 2023 for introducing the re-employment support service system and to establishing the system. In the consulting, part of the targeted employees received the training directly, and had the time to prepare the life & career planning roadmap to show high satisfaction level of 4.5 points or more. Based on this, KOS Ltd. will continue the efforts for supporting the system establishment based on this for the employees to prepare their future design systematically from career after retirement to funds and health even under the rapidly aging population trend.

Employees

Gender Equality & Work-Family Balance Support

Wage Policy

KOS Ltd. does not have pay discrimination between male and female employees, and wages in the same level are provided when having equal position and qualifications.

Promotion & Development Policy

KOS Ltd. has no discrimination at all in promotion and training policies between genders, and everyone can be promoted and receive the training benefits according to the same standards and procedures.

Maternity Protection

KOS Ltd. is complying with the maternity protection program set by the law, and the program is promoted to solve the gender discrimination, and to address the grievances of the female employees on raising children. Especially, all female employees giving birth are using maternity leave, and when there are no special circumstances, most of the female employees are using one year for the maternity leave. In addition, KOS Ltd. supports the female employees actively to enable them to perform the original work again after returning from the maternity leave.

Category	2022	2023	2024	Total
Employee subject to maternity leave	1	1	4	6
Employee currently under maternity leave	1	1	4	6
Maternity leave rate	100%	100%	100%	100%
Average period of maternity leave	9 months	9 months	9 months	9 months

*Count based on the year each maternity leave started

*Average period of maternity leave is based on employees returned from the maternity leave in each year

Flexible Working Hours for Parents with Young Children

To support employees raising young children, KOS Ltd. actively operates the legally mandated reduced working hours program for childcare. In addition, KOS Ltd. offers a flexible start-and-finish scheme available to all employees regardless of gender, so that parents can adjust their working hours to align with their children's daycare, kindergarten, or elementary school drop-off and pick-up schedules.

Drinking Culture Improvement Campaign



194 No Forced Drinking Culture

KOS Ltd. is performing the drinking culture improvement campaign referred to as '194 No Forced Drinking Culture' to prevent the get-together culture of forcing the employees to participate in an unwanted get-together, or the get-together lasting too long until late at night. '194 No Forced Drinking Culture' campaign is performed under the slogan of finishing the get-together in one restaurant, with expense within KRW 40,000 per person, and not forcing others to drink alcohol.

Eum Office

To active the exchange between the plants/regions, KOS Ltd. installed shared offices called Eum office in each plant/office to support the employees to work freely in other plants/regions for exchange. Eum office can also be requested for use other than for work such as promoting friendship between the employees or for personal use separately from the business trip purpose, and KOS Ltd. is supporting expenses for transportation and expenses to the employees using Eum office.



Region	Location
Seoul Office	Office on 6 th Floor (6 Seats)
Yusan Plant	1 st Floor in Main Building (3 Seats) 1 st Floor in Production Building (3 Seats) Laboratory (2 Seats)
Daesong Plant	Office on 1 st Floor (2 Seats)

Establishment of the Smart Office(Paperless)

To improve the work efficiency, and to solidify the protection of intellectual property rights, KOS Ltd. established the Smart Office system on changing the existing manual approval documents into electronic documents. Smart Office can provide not only simple approval and inquiry system for the employees, but also check the progress in real-time and reduce the time required for decision-making to greatly enhance the productivity in the work, and enable flexible response to various working environments such as Eum Office and telecommuting. Moreover, approval documents that are approximately 200,000 documents in annual average are converted to e-documents to reduce the use of ink and save the expenses and storage spaces, and it is expected to contribute greatly also in environmental aspects.

Employees

Improvement of Long Working Hours

Early Adoption of 52-hour Work Week System

Even before the mandatory adoption period of the 52-hour work week policy, KOS Ltd. is applying the 52-hour work week system from 2016 through labor-management agreement, and cooperation is made between the labor and management to improve the long working hours by adopting the flexi-time system in 3-month unit.

Introduction of Work Hour Management System (Shiftee)

KOS Ltd. Has introduced a work hour management system to prevent employees from working long hours. This system monitors employees' total working hours in real time and provides advance notifications to managers when long working hours are anticipated, ensuring systematic management to prevent overtime.

Up-Day Campaign

To ensure the work-life balance respecting personal lives of the employees, KOS Ltd. designated every Wednesday as the 'Up-Day' to avoid afternoon meetings. When the employee goes home early without any get-togethers or overtime work, he/she can enjoy spending time with family, or personal hobbies or leisure activities. The name 'Up-Day' came from the Gyeongsang-do dialect for 'None', and it means not having any 'meetings', 'get-togethers' and 'overtime work' but means 'mood', 'happiness' and 'health' going 'Up' in English.

Operation of Flexi-time System

KOS Ltd. is recognizing that the time for productive work is different for each employee according to the work characteristics and individual tendency, and that there can be employees working unnecessarily after the working hours. Therefore, KOS Ltd. is operating the flexi-time system (max. of 3 hours per day) to enable all employees to complete their work within the given working hours. By adopting the flexi-time system, KOS Ltd. employees can set their time for coming to the work every day according to their individual work characteristics and tendency without prior approval or minimum period. As a result, employees are no longer required to work unnecessarily after the working hours, and there are secondary effects such as reducing the exhaust gas (employees commuting by car), and securing the personal leisure time due to reducing the commuting time.

Revision of Employee Compensation System

KOS Ltd. has converted its performance-based bonuses, which were previously paid annually on a variable basis depending on business performance, into monthly salary to enhance wage stability for employees. The previous performance bonus system varied in total payout based on company performance and achievement of management goals, causing employee hardship due to salary uncertainty. By fully incorporating the performance bonus into base pay, we have established a predictable salary structure independent of management performance, preventing employee morale decline, and built a more stable and responsible compensation system where company growth and employee growth can continue together.

Promotion of Using the Annual Vacation

KOS Ltd. actively encourages the employees to use the annual vacation to take sufficient rest, and employees working in the office must use 100% of their vacation days from 2020. Before promoting the use of annual vacation, the percentage of using the vacation by the employees working in the office was only 12%, but in 2024, percentage of using the vacation was almost 85.2% to show that the use of annual vacation is activated. By guaranteeing the use of annual vacation, KOS Ltd. will always take the lead in not only improving the work efficiency and satisfaction level of the employees, but also for maintaining the work and life balance

Employee Welfare & Benefit System

KOS Ltd. is operating various welfare & benefit systems such as supporting stable living, culture/leisure activities, and providing medical/health support, etc. for the stable and enriched lives of the employees.

Recreational facilities supported

Art/Cultural activity events and welfare points provided

Fitness club supported

5 days of summer vacation provided

General/Health examination supported

Employees

Labor Relations and Communication

Operation of Labor-Management Council

KOS Ltd. respects the labor's three primary rights on the workers, and guarantees the activities of the labor union and labor-management council stated in the law. Main management issues, safety and welfare are discussed actively with the labor union and labor-management council through the labor-management consultative group. Labor union is established and operated each in the Yusan and Daesong plants.

KOS Ltd. Unionized Workforce

Category	Unit	2022	2023	2024
Yusan plant	Person(s)	124	126	119
Daesong plant		98	96	92

* As of December of each year

* Yusan2 plant is excluded from the aggregation as it discontinued its operations during 2024

CEO-Labor Union Executive Conference

KOS Ltd. and the labor union have the mind of understanding the position of each side based on mutual trust to be the companion growing together, and the meeting of the labor and management is not limited only to the activities having a specific form and procedure in an official conference such as the wage & collective agreement or labor-management council, etc. Both the labor and management share the awareness that both parties must meet frequently according to the need for communication.

Based on this awareness, the CEO is communicating with the labor union executives through conferences on each visit to the plant, and pending issues are also communicated and discussed frequently through mail or phone.

In addition, KOS Ltd. has the philosophy of providing active support in the required period when the matter is required for the employees, and when it can be taken care of by the company. This may not be in the form of wage and collective agreement, and welfare systems required for the employees are discussed and promoted such as providing tuition for the employee's child in university, supporting influenza vaccination, and providing mobile gift cards, etc.

Transparent Information Disclosure

Significant management matters, personnel transfers, promotion and various activities of KOS Ltd. are posted on the groupware noticeboard to enable all employees to read the relevant details, and other overall regulations and manual on HR, wage, promotion and training, etc. are also posted on the groupware for providing the notification and for transparent operation.



Social Contribution

Social Contribution Policy

KOS Ltd. is committed to fulfilling its social responsibilities through diverse corporate social responsibility initiatives as part of its efforts toward a sustainable future. We will continue to create meaningful value across various fields, actively foster a culture of sharing and contribute to it to grow together with our society.

Social Contribution Activities Volunteer Activities by Employees

KOS Sharing Together Program

KOS Ltd. is actively promoting the volunteer activities by the employees in hope that the happiness of sharing and warmth in the society are spread. KOS Sharing Together Program is promoting the voluntary volunteering activities by the employees of 'Sharing Together', and the activities are sponsored by the company to enable many employees to take interest on volunteering and 'Sharing Together'. This 'Sharing Together' Program was started from 2023 to sponsor goods on 2 activities such as talent donation and volunteering in the abandoned dog shelters, etc.

Donation & Delivery of Emergency Relief Supplies for the Türkiye-Syria Earthquake

KOS Ltd. executed the donation campaign to support Türkiye-Syria on overcoming the damages from the earthquake. Employees of KOS Ltd. voluntarily donated the emergency relief supplies such as clothes, personal hygiene items and supplies for protection from wintry weather from the heart of helping those suffering with difficulties from the big earthquake, and they were delivered to the suffering victims through the Embassy of the Republic of Türkiye in Korea.

Love Food Car

Employees from the KOS Ltd. Daesong plant have been performing the volunteer activity on supporting the lunch box through the 'Love Food Car' with the Pohang City General Social Welfare Center Team. 'Love Food Car' is a volunteer activity of finding the underprivileged class nationwide to provide free meals, and KOS Ltd. employees prepared healthy ingredients and cooked and packed the food to deliver them to the single parent families and the less fortunate neighbors in Pohang.

Social Contribution Activities

Regular Sponsorship

KOS Ltd. has been consistently providing regular sponsorship to Good Neighbors, the Autism Society of Korea, contributing to the establishment of a foundation that enables these organizations to pursue systematic and sustained support activities for vulnerable groups in need.

Workplace	Date	Contents
Seoul	2019. 1 ~	Good Neighbors (KRW 150,000 every month)
Seoul	2022. 9 ~	Autism Society of Korea (KRW 2 million every month)

Recruitment of Disabled Athletes

KOS LTD. has been directly employing and continuously supporting disabled athletes through agreements with sports organizations to alleviate the hardships they face, such as financial difficulties preventing them from dedicating themselves to training, purchasing sports equipment, or participating in competitors.

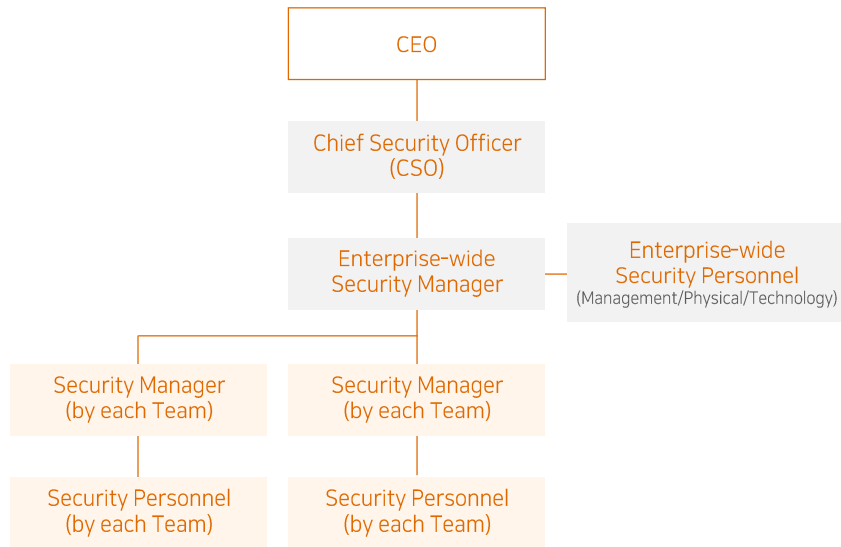


Category	Unit	2022	2023	2024
No. of People Employed	Person(s)	4	4	4

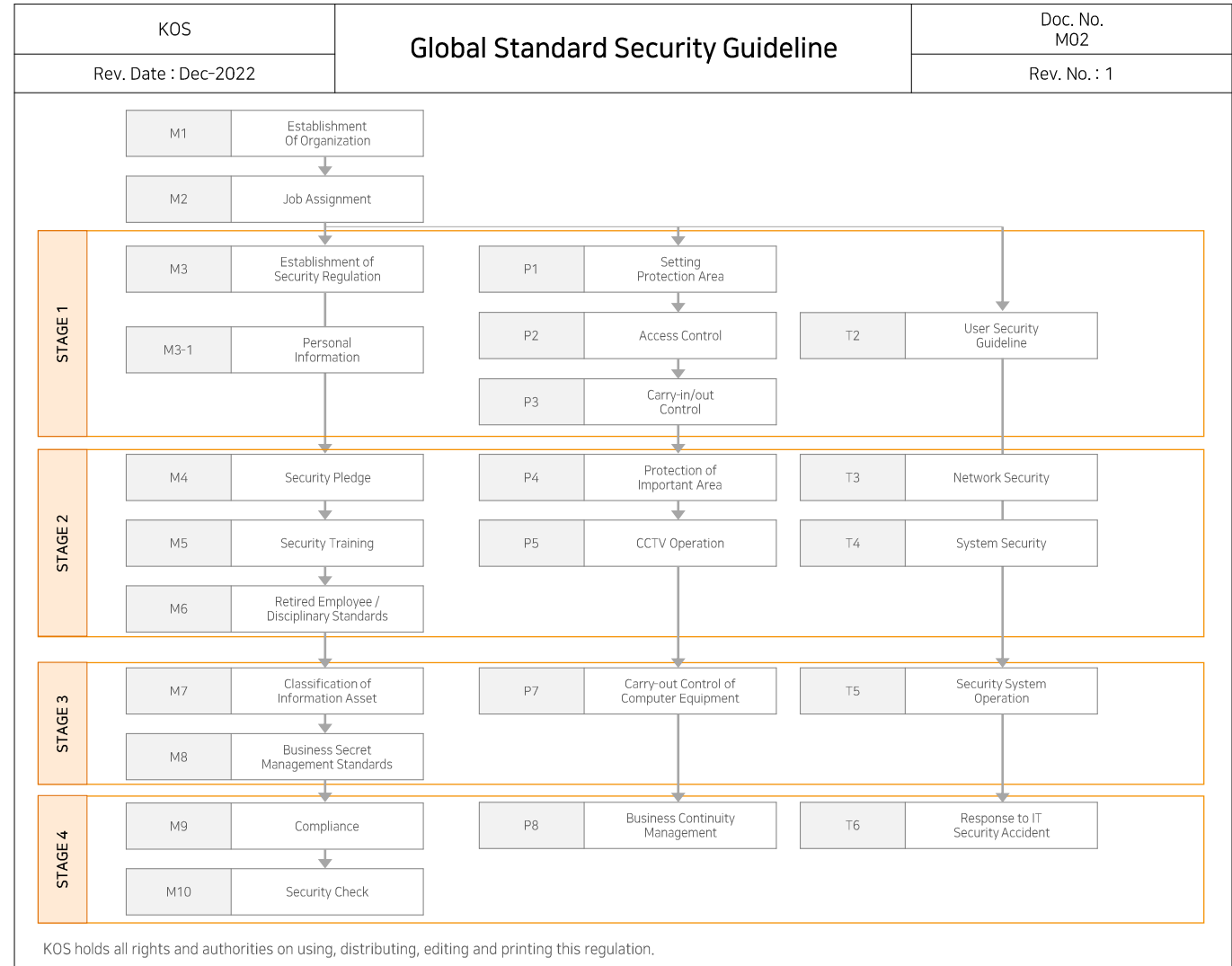
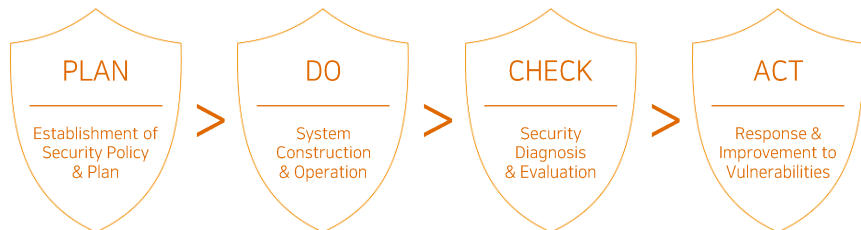
Information Security

KOS Ltd. established the information security operation process to strengthen the management. Continuous efforts are given on information management for establishing the security policy for domestic and overseas corporations, system construction and operation, security diagnosis and evaluation, improvement and response to vulnerabilities, and to increase the trust of internal and external customers.

Information Security Organization Chart



Information Security Operation Process



Information Security

Establishment (Reinforcement) of Information Security Regulation

The purpose is to establish the base organization for the information security activity by the KOS Ltd., protect the KOS Ltd. employees and facilities safely from illegal acts by the unauthorized person, protect the data processed, saved and communicated by the information system from threats such as virus and hacking, etc., and eliminate the vulnerable factors for continuous information protection management of the company.

According to the key management regulations in each area including physical/administrative/technical security, etc., overall key information security procedures such as information asset classification, business secret, facilities, secured area, access control, device carry-in/out management, security system construction, establishment of security organization and security accident management, etc. are included in the company regulations for continuous management.

Information Security Training and Personal PC Inspection

For improving the awareness of the employees that is the most important factor in information protection, KOS Ltd. is performing information security simulation and performing analysis to share the contents with all employees through the groupware, and follow-up training is performed according to the results. In addition, the responsible division is performing PC security monitoring at all times on all employees, and performing PC management and inspection. Moreover, manual on preventing and responding to various security risks is distributed in effort to strengthen the capability of security check.



GOVERNANCE

Ethical Management	36
Financial & Non-financial Risk Management	37
Governance	38

Sustainable growth is achieved on the basis of transparent and responsible governance. KOS Ltd. comprehensively recognizes not only financial risks but also non-financial risks such as ethics, climate change, and fair trade, strengthening proactive responses and systematic management frameworks. To manage risks company-wide, we operate a risk response organization and processes, and strengthen the foundation for sustainable management by regularly identifying and reviewing major potential risks. Furthermore, based on our Code of Ethics Practice Guidelines, we are making every effort to establish a sound ethical culture within the organization through employee training to enhance ethical awareness, including fair trade and anti-corruption, and by operating a fraud reporting center. Additionally, we have established an ESG Committee to review non-financial issues and discuss response strategies, continuing our ongoing improvement activities to enhance the transparency and accountability of decision-making.

Ethical Management

Ethical & Compliance Management

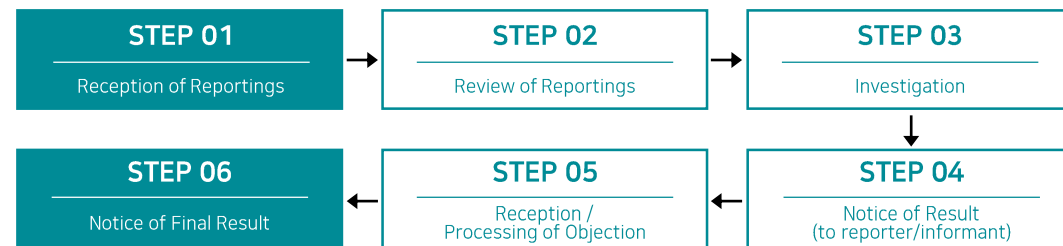
KOS Ltd. declared ethical management from 2019 to prohibit the custom of giving or receiving holiday gifts with the partners. Transparent management was disclosed to the partners, and official document for cooperation on emphasizing on win-win cooperation was sent. Ethics regulations and code of conduct for the employees were posted in various languages (Korean, Chinese, Japanese, English) in the KOS Ltd. website to enable the internal and external stakeholders to access the information conveniently, and continuous efforts are given on internalization of the ethical management culture.

Training on Ethical Management

KOS Ltd. strives to embed ethical management not merely as a set of rules, but as an integral part of our everyday organizational culture. We provide training on fundamental principles related to corporate ethics, fair trade, and anti-corruption, and support employees in gaining practical understanding by sharing relevant policies and real-world cases of key ethical risks that may arise during business operations or daily work life.

Ethical Audit and Operation of Cyber Audit Office

KOS Ltd. operates the reporting center for unfair practices in the Cyber Audit Office to prevent misconduct in order to establish a transparent organizational culture. It is accessible via the website so that anyone, including employees and external stakeholders, can freely access it, and separate reporting processing standards and systems are in place to ensure anonymity and protection. Received reports undergo preliminary fact-finding investigations, followed by internal audits when necessary. Based on audit findings, improvement measures are derived and feedback is provided to relevant departments, leading to enhancement in systems and processes.



2024 Reports Received by the Cyber Audit Office

Type of Report	Unit	Reports	Actions
Employees		2	2
Business partners	Case(s)	0	0
Others		0	0

Scope of Illegal Act



- ① Embezzlement, Misappropriation, KICK-BACK
- ② Reception of bribes, money and valuables and entertainment
- ③ Acts of external leakage of trade secrets and key information within the company
- ④ Possession/occupation and misappropriation of corporate assets without permission
- ⑤ Workplace bullying, sexual harassment, internal/external violence (physical/verbal)
- ⑥ Monetary transactions/provision of valuables between executives and employees
(Mutual and within the scope of allowable by social norms such as congratulations and condolences is an exception)
- ⑦ Providing or trading money and valuables with the external stakeholder
- ⑧ Forcing external stakeholders into unfair conduct
- ⑨ Other acts that violate the company's ethics regulation

Rewards for Report

When contributing to preventing the future damage to the company by reporting the embezzlement, the report shall be provided with monetary reward. The reward amount shall be determined by the management through overall considerations.

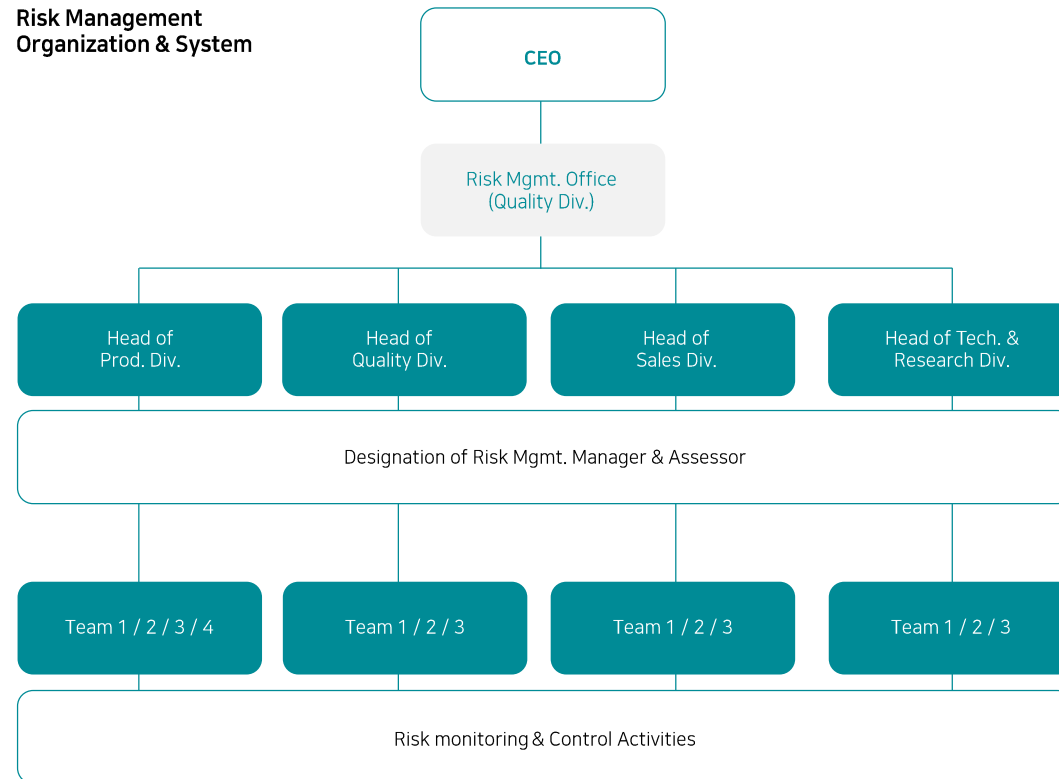


Financial & Non-financial Risk Management

Risk Management Organization

KOS Ltd. operates the risk management office affiliated to the CEO. Each head of division appoints the risk personnel and evaluator for each team in the relevant sector, and the risk evaluator evaluates, selects and register the internal & external issues, stakeholder status and requirements, major environment, safety & health issues and risks on compliances for monitoring. The risk personnel collect this information to report to the CEO through the risk management office.

Risk Management Organization & System



Risk Management & Validation

Performance of monitoring on the risk management matters and establishment of measures are verified through internal audit, and effectiveness is verified through the management review meeting at the end of each year to establish the risk and management index that require management in the following year.

SELF-ASSESSMENT for Risk Response

KOS Ltd. issues the report on the monthly risk monitoring and control activities. The relevant department is holding non-periodic meetings when discussion is required on the main issues that must be managed, and derived results are reflected in the site to improve the control activity.

The management office discusses with each head of division on the ripple effect on occurrence of serious risks and on the response methods, and the results are shared. If required, cooperation is made with the relevant departments actively.

Reporting Process for Serious Disaster

In preparation for the <Serious Accidents Punishment Act> enforced as of January, 2022, KOS Ltd. established the independent report process for implementation to secure the efficiency and effectiveness of responding to the risks when occurred with serious accidents, and to take quick response.

Tax Risk

Tax Policy

KOS Ltd. set compliance of tax laws and payment obligation as the basic principles, and established the tax policy accordingly. In addition, honest tax payment is performed strictly according to the tax law, and friendly and mutual cooperative relationship is maintained also with the taxation authority. Moreover, various legal matters that can occur from advancing into the new business are consulted with the certified agency to receive advice, and reviewed carefully to continue the best efforts on minimizing the legal risks.

Tax Risk Management

KOS Ltd. performed the compliance work strictly for effective control and management of tax risks, and cooperated actively during the regular and special investigation by the taxation authority to provide qualified evidence for defining the factual grounds. Also in operating the overseas corporation, difference in tax laws between countries are recognized clearly to prevent any tax risks in advance, and proper commercial trade principle is strictly followed according to the normal price for preemptive management of the double taxation and risk from the transfer price. Moreover, supports are received from the professional tax corporation performing business with KOS Ltd. to continue the efforts for eliminating the tax uncertainties..

Governance

Organization of the ESG Committee

According to the introduction of ESG management in 2023, KOS Ltd. organized the ESG Committee to create sustainable value with all stakeholders according to the corporate activities based on the environment, social and governance. The KOS Ltd. ESG Committee is composed of three or more responsible members in the positions of division head or higher. As the organization for setting the ESG management goals and for performing the decision-making on the ESG risks and opportunities, ESG Committee determines and approves detailed implementation plans. The relevant activities are managed, supervised, evaluated and reviewed for final deliberation on the disclosure of corporate sustainability.

ESG Committee Operation and Activities

The KOS Ltd. ESG Committee is classified into the periodic and non-periodic committee meetings. In principle, the periodic committee meeting is to be held twice a year, and when discussing the matters duplicated during the risk review meeting operated separately, it is defined to substitute one meeting through the relevant meeting.

2024 ESG Committee Operation Status

Category	Unit	2023	2024
Convocation of the Committee Meeting	Times	2	2
Discussed Agenda	Cases	11	11
Participation Rate	%	100	100



APPENDIX

ESG Quantitative Data	40
GRI Standards Index	43
TCFD Index	46
UN SDGs	47
Verification Report on GHG Emissions and Energy Consumption Statement	48

APPENDIX

· The data on this page are rounded to the nearest whole number and total/average may slightly differ from the calculation of individual data shown accordingly (calculated total/average including decimals)

ESG Quantitative Data

Greenhouse Gas Emissions – Scope2

Location	Unit	2022	2023	2024	Annual Average
Yusan	tCO ₂ -eq	25,784	22,349	21,761	23,298
Yusan2		-	280	362	321
Daesong		11,092	9,362	9,042	9,832
Total		36,876	31,991	31,165	33,344

* Scope1 emitted from non-manufacturing facilities are being aggregated internally by source, but not disclosed as their impact is minimal at 0.55% in 2024
 * The previous report applied outdated emission factors; this report corrects them by applying year-specific emission factors.

Water Consumption

Location	Unit	2022	2023	2024	Annual Average
Yusan	Thousand Tons	116	73	78	89
Daesong		58	60	56	58
Total		174	133	134	147

Environmental Regulatory Violations

Category	Unit	2022	2023	2024
Violation	Cases	0	0	1
Fine	KRW 1million	0	0	0

Waste Management_General waste

Location	Unit	2022	2023	2024	Annual Average
Yusan	Tons	265	209	216	230
Yusan2		-	11	10	11
Daesong		159	121	113	131
Total		425	341	339	368

Waste Management_Designated waste

Location	Unit	2022	2023	2024	Annual Average
Yusan	Tons	1,529	824	570	974
Daesong		244	209	206	220
Total		1,772	1,033	776	1,194

Air Pollutants

Location	Air Pollutants	Unit	2022	2023	2024	Annual Average
Yusan	Nox	PPM	0	1.700	5.300	2.333
	Sox		0.250	1.600	0.000	0.617
		Fine dust	mg/m ³	3.191	38.200	9.200
Yusan2	Pb	PPM	0.000	0.000	0.006	0.002
	Fine dust	mg/m ³	0.000	0.000	4.300	1.433
Daesong	Nox	PPM	-	-	-	-
	Sox		-	-	-	-
		Fine dust	mg/m ³	1.089	24.600	3.900

APPENDIX

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ESG Quantitative Data

Detailed Status of Employees

Category		Unit	2022	2023	2024	
Total No. of Employees		Persons	356	400	368	
Gender	Male		325	352	325	
	Female		31	48	43	
Employment Type	Regular		Male	306	338	304
			Female	27	44	38
	Temporary		Male	19	14	21
			Female	4	4	5
Age Group	Under 30		51	58	51	
	30 to 49		199	223	207	
	50 or above		106	119	110	
Socially Disadvantaged	Disabled employees (Korea)		7	7	7	
Non-affiliated Employees (Korea)	Male		63	63	63	
	Female		10	10	12	

Female Employees

Category		Unit	2022	2023	2024
Employees	Total employees	Persons	356	400	368
	Female employees		31	48	43
	Ratio		%	8.7	12.0
Managers (Team Leader)	Total Managers	Persons	21	28	15
	Female Managers		2	4	0
	Ratio		%	9.5	14.3

* Including overseas employees and executives

Hires and Turnover

Category		Unit	2022	2023	2024	
New Hires	Total new hires	Persons	45	74	17	
	Gender		Male	38	66	14
			Female	7	8	3
Turnover Rate	Total turnover rate	%	3.1	8.3	16.0	
	Gender		Male	2.5	7.5	13.6
			Female	0.6	0.8	2.4

* Aggregated only domestic and when recruitment or retirement has been over 3 months

* For retirement, exclude non-voluntary retirement such as mandatory retirement or dismissal, etc.

APPENDIX

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ESG Quantitative Data

Performance Evaluation

Category		Unit	2022	2023	2024
No. of Employees Subject to Performance Evaluation (Domestic)		Persons	76	112	106
Evaluation Ratio	Male	%	100	100	100
	Female		100	100	100

* Excluded employees not possible for performance evaluation due to leave of absence/reinstatement

Base Salary of Female Compared to Male Employees

Category	Unit	2022	2023	2024
Average Wage Per Person(Overall)	KRW 1million	66	62	65
Ratio of Base Salary for Female to that of Male (Starting salary by position)	%	100	100	100

Accidents and Injuries

Category	Unit	2022	2023	2024
Injuries	Cases	3	4	6
Incidence Rate	%	0.8	1.2	1.8

Labor Union Membership Status

Category		Unit	2022	2023	2024
Yusan	Participation Target	Persons	125	127	119
	Labor Union Members		124	126	119
	Ratio	%	99.2	99.21	100
Yusan2	Participation Target	Persons	-	18	-
	Labor Union Members		-	18	-
	Ratio	%	-	100	-
Daesong	Participation Target	Persons	105	102	103
	Labor Union Members		98	96	93
	Ratio	%	93.33	94.12	90.29

* Participation Target(All employees), No. of Participants(All employees except for those excluded from unionizations)

* Target for Exclusion from Participation: Contract workers and new employees within 3 months from employment

* Labor union activities discontinued in 2024 due to the cessation of plant operations

APPENDIX

GRI Standard Index

GRI2: General Disclosure

		Indicator	Page
The organization and its reporting practices	2-1	Organizational details	6, 8, 10
	2-2	Entities included in the organization's sustainability reporting	4, 8
	2-3	Reporting period, frequency and contact point	4
Activities and workers	2-6	Activities, value chain and other business relationships	6, 7, 8
	2-7	Employees	41
	2-8	Workers who are not employees	41
Governance	2-9	Governance structure and composition	38
	2-12	Role of the highest governance body in overseeing the management of impacts	37, 38
	2-13	Delegation of responsibility for managing impacts	37, 38
	2-14	Role of the highest governance body in sustainability reporting	38
	2-15	Conflicts of interest	11
	2-16	Communication of critical concerns	37
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	10, 14, 23, 25, 26, 36
	2-24	Embedding policy commitments	10, 14, 15, 19, 20, 23, 24, 25, 26, 37
	2-25	Processes to remediate negative impacts	26
	2-26	Mechanisms for seeking advice and raising concerns	26, 36
	2-27	Compliance with laws and regulations	14, 19, 40
Stakeholder engagement	2-29	Approach to stakeholder engagement	11
	2-30	Collective bargaining agreements	31, 42

APPENDIX

GRI Standard Index

GRI3: Material Topics

Indicator			Page
Disclosure on material topics	3-1	Process to determine material topics	12
	3-2	List of material topics	12
	3-3	Management of material topics	12, 16, 17

GRI200,300: Topic Specific Standards

Indicator			Page
Economic Performance	201-1	Direct economic value generated and distributed	6, 22
	201-2	Financial implications and other risks and opportunities due to climate change	16, 17
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	32
	203-2	Significant indirect economic impacts	32
Anti-corruption	205-1	Operational assessed for risks related to corruption	37
	205-2	Communication and training about anti-corruption policies and procedures	36
	205-3	Confirmed incidents of corruption and actions taken	36
Energy	302-4	Reduction of energy consumption	18
Water and Effluents	303-1	Interactions with water as a shared resource	19
	303-2	Management of water discharge-related impacts	19, 20
	303-5	Water consumption	40
Emissions	305-2	Indirect(Scope2) GHG emissions	15, 18, 40, 48
	305-5	Reduction of GHG emissions	15, 18, 40
	305-7	Nitrogen oxides(NOx), sulfur oxides(SOx) and other significant air emissions	40

APPENDIX

GRI Standard Index

GRI300,400: Topic Specific Standards

Indicator		Page	
Waste	306-2	Management of significant waste-related impacts	19, 20
	306-3	Waste generated	40
	306-5	Waste directed to disposal	40
Employment	401-1	New employee hires and employee turnover	41
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27, 28, 29, 30
	401-3	Parental leave	29
Occupational Health and Safety	403-1	Occupational health and safety management system	23
	403-2	Hazard identification, risk assessment, and incident investigation	24
	403-3	Occupational health services	30
	403-4	Worker participation, consultation, and communication on occupational health and safety	23, 24
	403-5	Worker training on occupational health and safety	24
	403-6	Promotion of worker health	30
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	23, 24
	403-8	Workers covered by an occupational health and safety management system	23, 24
	403-9	Work-related injuries	42
	403-10	Work-related ill health	42
Training and Education	404-1	Average hours of training per year per employee	28
	404-2	Programs for upgrading employee skills and transition assistance programs	28, 29
	404-3	Percentage of employees receiving regular performance and career development reviews	42
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	38
	405-2	Ratio of basic salary and remuneration of women to men	42




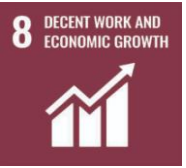





APPENDIX

TCFD Index

TCFD Disclosure		Page
Governance	a) Committee's oversight of climate related risks and opportunities	38 (In the risk-opportunity review phase)
	b) Management's role in assessing and managing climate-related risks and opportunities	
Strategy	a) climate-related risks and opportunities identified over the short, medium and long-term	16,17
	b) Impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	
	c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	N/A (Planned to be incorporated into the business strategy after review)
Risk Management	a) Organization's processes for identifying and assessing climate-related risks	15, 18, 19, 20
	b) Organization's processes for managing climate-related risks	
	c) Description of how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	N/A (In the review phase)
Metrics and Targets	a) Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	N/A (In the review phase)
	b) Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas(GHG) emissions and the related risks	N/A (In the review phase)
	c) Targets used by the organization to manage climate-related risks and opportunities and performance against targets	15, 18, 48

APPENDIX

UN SDGs

UN SDGs	Activities	UN SDGs	Activities	UN SDGs	Activities
	No Poverty: End poverty in all its forms everywhere Lunchbox volunteer activities for people in need, Recruitment of disabled athletes, Regular sponsorship to charity, Donation of relief supplies to the international community		Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all Consulting on renewable energy adoption review supported by the government, Joining and participating in CoRE initiative of UNGC KOREA		Responsible Consumption and Production: Ensure sustainable consumption and production patterns Efforts on reducing actual waste through cost reduction and process improvement activities, Promoting the use of renewable raw/subsidiary materials, Communications for public relations through regular publication of ESG report and improvement activities
	Good Health and Well-being: Ensure healthy lives and promote well-being for all at all ages General/Health examination supported, Fitness club supported, Club activities supported, Lunchbox volunteer activities for people in need, Disclosure & Management of environmental information through establishment of an environmental management system-based manual, environmental management monthly report and ESG report, etc.		Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Contribution to business diversification and quality job creation through investments in future industries, Contribution to strengthening industrial competitiveness through mutual cooperation and shared growth with suppliers, Recruitment of disabled athletes, Gender equality, Respecting and embracing diversity in the workplace, No discrimination of any kind		Climate Action: Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy Establishment and operation of GHG emissions management system for all domestic and overseas business sites, Review on climate change conversion&physical risks, Energy efficiency improvement activity, Establishment of 2030 GHG emissions reduction plan, Review on strengthening climate change response system through participation in CoRE initiative of UNGC KOREA and Affiliate's CAA program activities of UNGC
	Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Operation of KOS Academy, Leadership competency reinforcement, Global competency reinforcement, KTA(KOS Training Academy), Mentoring program, In-house training on ESG management, Career planning training by re-employment support consulting		Industry, Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation Enhancement of technical capabilities through operation of corporate research institutes and R&D investment, Regular sponsorship to charity		Peace, Justice and Strong Institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels Ethical&Compliance training, Code of conduct for KOS/KOS partners, Establishment of personal information security policy, Organization of the ESG committee, Operation of VoE
	Gender Equality: Achieve gender equality and empower all women and girls Fair employment with no gender discrimination HR management&Wage policy with gender equality, Maternity leave(including miscarriage and stillbirth), Reduced working hours during pregnancy/childcare period, Check-up leave, Childbirth Incentives, Paternity leave, Childcare leave, Flexi-time system, Unpaid menstrual leave once every month upon request		Reduced Inequalities: Reduce inequalities within and among countries Pursuit of horizontal organizational culture improving the business hierarchy, No discrimination based on gender, race, ethnicity, nationality, cultural background, disability, age, gender identity, religion, etc., Operation of VoE, Operation of anonymous message board, Operation of cyber audit office, Pursuit of autonomous workplace, 194 campaign, Execution of the life planning leave system, Regular sponsorship to charity, 'Sharing together' program promoting volunteer activities by the employees		Partnerships for the Goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development Benchmarking and internalization through affiliate's UNGC KOREA activities and CAA program of UNGC, Joining and participating in CoRE initiative of UNGC KOREA, Continuous response and updates to EcoVadis assessment, Establishment of supply chain due diligence system to respond to CSDDD in progress
	Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all Water environment conservation activities through the environmental management manual, Minimization of hazardous materials discharges by operating our own wastewater treatment plant, Activities to increase water utilization in all areas		Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient, and sustainable Love food car, Regular sponsorship to charity, Establishment of climate change response strategy, Efforts on minimizing environmental impact		

APPENDIX

Verification Report on GHG Emissions and Energy Consumption Statements (Yusan Plant)

Subject Company	Company	KOS LTD.	Subject Year	2024
	Corp. Reg. No.	180111-0025428	Representatives	Gyeongho Jung
	Address	43, Eosil-ro, Yangsan-si, Gyeongsangnam-do		
Verification Authority	Organization	Korea Productivity Center Quality Assurance (KPC)	Verification Field	Common, Minerals, Waste
	Registration No.	110111-1002536		

GHG Emissions and Energy Consumption(Post-Verification)

No.	Company	Annual GHG Emissions(ton CO ₂ -eq)			Annual Energy Consumption(TJ)			
		Direct Emissions (scope1)	Indirect Emissions (scope2)	Total	Fuel Consumption	Power Consumption	Steam Consumption	Total
1	KOS LTD.	119.74	22,015.051	22,134	1,837	460.034	0.000	461
	Total	119.74	22,015.051	22,134	1,837	460.034	0.000	461

Emissions by GHG type (Post-Verification)

Operating Scope	CO ₂ (tCO ₂ -eq)	CH ₄ (tCO ₂ -eq)	N ₂ O (tCO ₂ -eq)	PFCs (tCO ₂ -eq)	HFCs (tCO ₂ -eq)	SF ₆ (tCO ₂ -eq)	Total (tCO ₂ -eq)
Subtotal	116.772	0.424	2.544	0.000	0.000	0.000	119,740
Direct Emissions	Stationary Combustion	18.290	0.007	0.010	0.000	0.000	18.307
	Mobile Combustion	98.452	0.417	2.534	0.000	0.000	101.403
	Process Emissions	0.000	0.000	0.000	0.000	0.000	0.000
	Fugitive Emissions	0.000	0.000	0.000	0.000	0.000	0.000
	Waste	0.000	0.000	0.000	0.000	0.000	0.000
	Etc.	0.030	0.000	0.000	0.000	0.000	0.000
Subtotal	21,885.158	3.623	126.270	0.000	0.000	0.000	22,015.051
Indirect Emissions	External Power	21,885.158	3.623	126.270	0.000	0.000	22,015.051
	External Heat(Steam)	0.000	0.000	0.000	0.000	0.000	0.000
	Total	22,001.930	4.047	128.814	0.000	0.000	0.000

● Subject

- KOS Ltd. GHG emissions and energy consumption statements 2023

● Verification Criteria

- GHG target management scheme operating guidelines
- Guidelines for reporting and certification of GHG emissions trading scheme
- Emissions statement registered as finalized on NGMS

● Verification Process

- Verification was planned and conducted following GHG target management scheme operating guidelines, and reasonable assurance was provided.

● Verification Issue

- Electricity consumption was significantly reduced as a result of a decrease in production and energy rationalization projects including monitoring of electricity consumption on an hourly basis to take into account the most appropriated production efficiency.
- The uncertainty in LNG(city gas) consumption was corrected to the uncertainty in the emissions calculation plan.

● Limitations

- Based on the prescribed guidelines and the implementation plan distributed to the NGMS, The verification applied the sampling method in accordance with the verification plan allowed by the National Institute of Environmental Science and Technology for GHG emissions statements, related data, information provided by KOS Ltd. and their related system. Therefore, it implies a limitation on detection errors that might caused by the limitation of sampling.

● Comments(appropriate/appropriate on condition/inappropriate)

- KOS Ltd. GHG emissions statement for 2023 contains the possibility of error mentioned above, and meets the materiality threshold (0%, which is below the materiality threshold of 5.0%). And it was prepared using accurate parameters and activity data overall. Therefore, the GHG emissions described in the statement are "appropriate" in accordance with the GHG target management scheme operating guidelines.

○ Materiality calculation method

- [Emissions due to uncorrected errors / GHG emissions reported as finalized] x 100

● Conclusion

- KOS Ltd. GHG emissions and energy consumption for 2024 were properly collected, prepared and reported in accordance with guidelines, and it's verified that emissions from major emitting facilities, which account for 99%, of GHG emissions by weight, are calculated and reported without omissions.

Verification Authority : Korea Productivity Center Quality Assurance(KPC)
Representative : Jang-Jin KANG





The Global Leader **KOS**