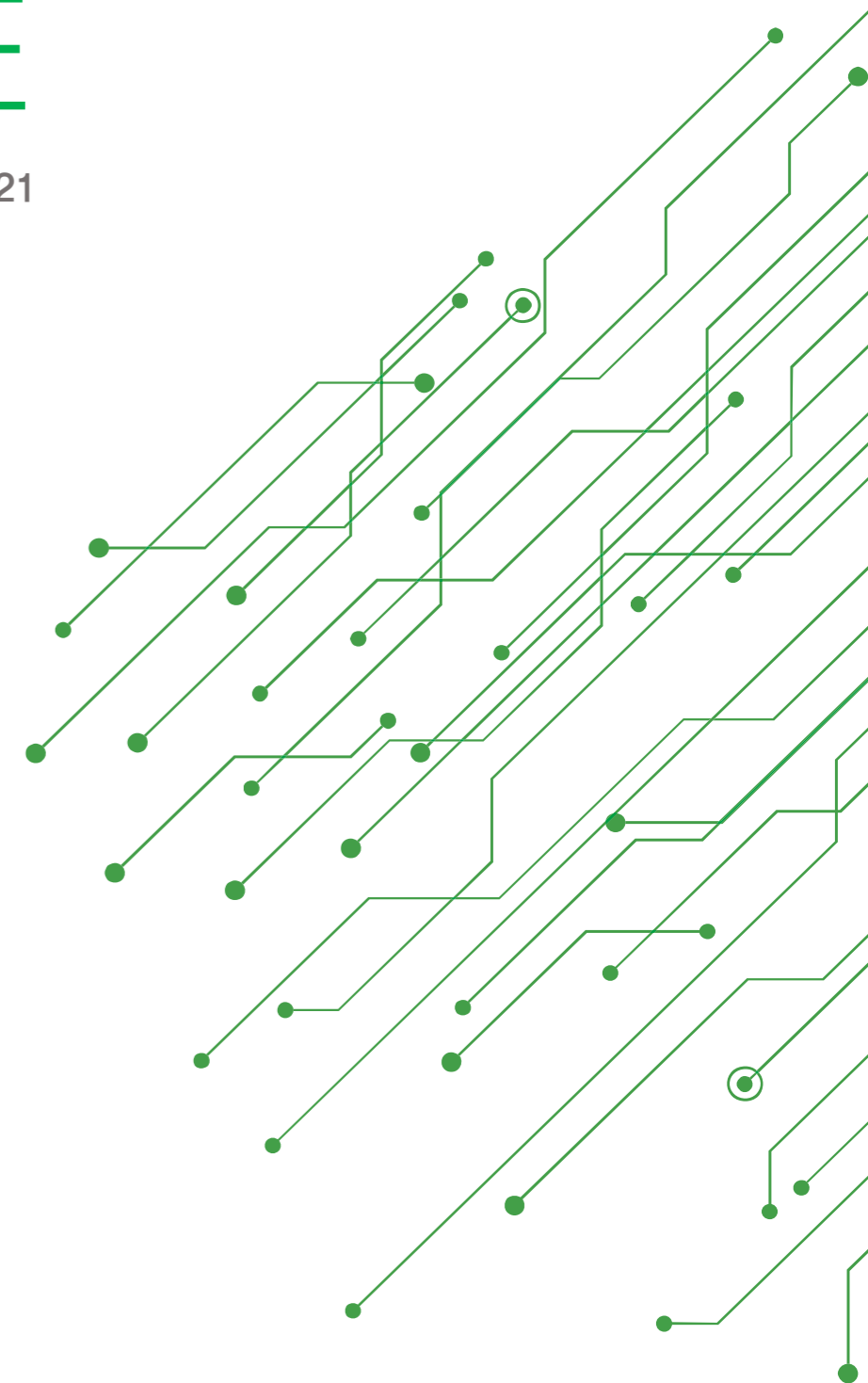


NEPES' SUSTAINABLE FUTURE

NEPES ESG REPORT 2021



<http://esg.nepes.co.kr>



ABOUT THIS REPORT

Report Overview

Since first publishing its sustainable management report in 2011, Nepes officially published the 2022 ESG Report to transparently disclose the efforts in pursuing sustainable management and its major achievements, etc., and to communicate actively with stakeholders based on this. We plan to publish this report every year to actively collect opinions from stakeholders and reflect it in our management activities.

Drafting Criteria

This report reflected the GRI(Global Reporting Initiative) standards and core indicators of K-ESG to meet our corporate scale and industry features as much as possible. The reporting period is from January 1, 2021 to December 31, 2021, and it contains our environmental and social achievements and business activities, and also includes information for up to the first half of 2022 considering the timeliness and importance of the information.

Reporting Range

The financial data of this report is consistent with the International Financial Reporting Standards(IFRS). Non-financial data were drafted based on major domestic business places of Nepes and its subsidiaries(Nepes Ark, Nepes Laweh), and the exact range is indicated for the corresponding data with separate marking.

| | |
|-------------------|--|
| Publish Date | 6/29/2022 |
| Publisher | Lee Byung-koo |
| Publishing Office | Nepes ESG TFT |
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Nepes is creating a sustainable future with ESG management of 'togetherness'

ESG management is the source of creative competitiveness, and the key to continuous growth. Nepes believes that the purpose of a company is in social responsibility and is striving to create a world where everyone can be happy.

CEO MESSAGE

Go Together, Sustainable future!



Greetings

Nepes declared ESG life management in October of 2021 and since 2022, our efforts are being disclosed through the ESG report so that all employees can give good influence to the company, environment and society.

Since its founding, Nepes has followed the innovative management policies unique to Nepes based on the truths of the Bible throughout its history of over 30 years. Nepes pursues life for the benefits of others based on the unchanging truths of love, gratitude and consideration, and strives to achieve the goals of self-expansion and the purpose of the existence of companies simultaneously.

By fulfilling the mission and responsibilities of the time given to us and the community, Nepes is practicing its holy calling to give joy and benefits to the world and to change the world.

Nepes CEO and Chairman

Lee Byung-koo

In 2021, Nepes completed customer certification of the advanced packaging solution FOPLP (fan-out PLP) process that minimizes semiconductor heating and power usage. This is a solution that will offer a new alternative for the rapidly increasing consumption of energy in pace with the global trends for high-performance high-density semiconductors. The FOPLP process offered by Nepes can be applied to PMIC (Power Management ICs) to make semiconductors smaller, but on the other hand, increase the amount of information it can store through less use of energy and high heat management efficiency. By making mass application of such advanced packaging technology through the large-area package technology of 600mm FOPLP, it has become possible for many more customers to utilize the advanced packaging technology for the environment.

Furthermore, by expanding the lead tap production capacities for secondary batteries in earnest to response to hybrid and electric vehicles, we have established a foothold for expanding our eco-friendly business. We are also actively developing eco-friendly technologies such as commercializing a smart window film to make it easier to manage cooling and heating energy for buildings and automobiles, we are building the cornerstone for sustainable growth.

Nepes' management principles for alienated areas continued in 2021. In order to practice 'creating social values for alienated areas through sound investments,' which is one of the corporate social responsibilities, Nepes invested approximately 200 billion KRW in system semiconductor production facilities and infrastructure in Cheongan, which is a key base of the K-semiconductor belt strategy, in just one year, thereby creating local jobs and striving to relieve the social and economic imbalance issue.

In addition, we are unfolding various sharing activities such as walking donations, making kits for sharing, etc. in response to the aftermath of COVID-19 to brighten up the areas near Nepes business places. In 2022, we entered an MOU for improving employment of the disabled together with the Korea Employment Agency for Persons with Disabilities as we plan to actively support the spread of positive awareness and creating jobs in the cultural and arts sector for the disabled.

The goal of Nepes is not simply to become a great company. 'Becoming someone needed in the world' is a solemn responsibility of companies, but it is a goal that gives us happiness. Nepes will spread what we have with the world and persistently practice the company's management philosophy. We will further concretize our ESG management from 2022 to do our best to create a future of growth filled with life energy together with you. We hope that you show your interest and support.

ABOUT NEPES

Nepes is an advanced back-end foundry, which is a key value chain of the system semiconductor industry, and under the corporate motto of 'Serving with Our Technologies and Products to the End of Land', we are developing into a global top-tier company that grows continuously using advanced technologies and corporate culture as our source of competitiveness.



'Nepes' means 'eternal life' in Hebrew.
It represents the corporate vision for strong vitality and continued growth.



Company Overview

| | |
|-----------------------|---|
| Company Name | Nepes |
| Headquarters Address | 105, Geumil-ro 965-beongil, Samseong-myeon, Eumseong-gun, Chungcheongbuk-do |
| CEO | Lee Byung-koo |
| Date of Establishment | 12/27/1990 (Listing: 12/14/1999) |
| No. of Employees | 1,985 |
| Total Assets | 1,104.8 billion KRW |
| Revenue | 418.3 billion KRW |

As of December 2021

Main Business Places

| | | | |
|---------------------|---------------|--------------------------------------|--|
| Semiconductors | Nepes | ● Advanced packaging(WLP) | Cheongju 1, Cheongju 2, Cheongnan(KOR) |
| | Nepes Laweh | ● Advanced packaging(FOPLP) | Cheongan(KOR) |
| | Nepes Ark | ● Test | Cheongju 2, Cheongan(KOR) |
| | Nepes Hayyim | ● Advanced packaging(FOWLP) | Manila(PHL) |
| | Jiangsu Nepes | ● Advanced packaging(WLP/DDI) | Jiangsu(CN) |
| Chemical | Nepes | ● Chemicals for semiconductors | Eumseong, Cheongan(KOR) |
| Secondary Batteries | Nepes Yahad | ● Lead tab (EV/HEV) | Cheongju 2(KOR) |
| Sales Corporation | Nepes Hokmah | ○ Sales and marketing(A.I) | San Jose(USA) |
| | Nepes US | ○ Sales and marketing(Semiconductor) | San Diego(USA) |

ABOUT NEPES | CHRONOLOGY

Since its founding, Nepes has grown while taking on the challenge of 'difficult technologies that the world needs.' Currently, Nepes has constructed a system semiconductor back-end value chain that encompasses advanced packaging to testing and chemicals for system semiconductors that can achieve low power for semiconductors, reduce raw material costs, and exhibit high performance, and is currently supplying its products to the global market. Furthermore, based on our outstanding technologies accumulated for the past 30 years, we have secured sustainable competitiveness through packaging technologies of panel levels that maximize productivity, and we are preparing to become a global top-tier back-end foundry.

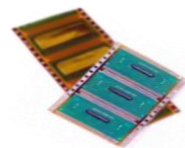
1992

Display & semiconductor chemical mass production



2000

Semiconductor packaging & test business launching



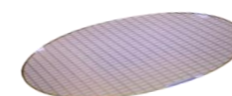
2006

Development of 12-inch WLP process



2009

Began mass production of WLP



2015

Began mass production of fan-out WLP

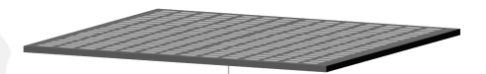


China
Established Jiangsu Nepes JV



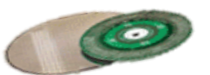
2020

Completed world's first FO-PLP exclusive fab



2019

Test business launching



Philippines
Acquired FOWLP fab



ABOUT NEPES | LEADERSHIP

The executives of Nepes pursue new innovations and changes for sustainable management based on expertise and leadership.



Chairman Lee Byung-koo established Nepes in 1990 and as of 2022, he is still serving as the CEO and chairman. Before establishing Nepes, he worked as the production center chief for LG Semiconductors and after establishing the company, he pioneered Korea's advanced back-end foundry market as he leads the expansion of the non-memory ecosystem. He has led continuous growth of the company for 32 years based on his innovative management techniques based on gratitude.

LEE BYUNG-KOO

CEO/CHAIRMAN



Chairman Chung Chil-hee joined Nepes in 2021 and is currently the chairperson overseeing the semiconductor sector as of 2022. He joined Samsung Electronics in 1979 as a researcher in charge of developing semiconductor LSI, and he devoted his life to researching memory semiconductors while leading the golden age of Korean semiconductors. He served as the director of the Samsung Advanced Institute of Technology from 2015 to 2017 where he was in charge of developing future technologies.

CHUNG CHIL-HEE

SEMICONDUCTORS BUSINESS GENERAL/
CHAIRMAN

Park Hyeong Geon
Management Support
General/President

Kim Taehoon
Corporate CMO Unit/
President

Kim Nam Chul
Semiconductor BU/
President

Song Chi Jung
Nepes Yahad/
President

Lee Chang-woo
Nepes Ark/
CEO

Shin Jae-gyeong
Nepes Laweh/
President

Kim Kyung Tae
Financial Support Office/
Executive Vice President

Jeon Hyun-goo
Corporate CQO Unit/
Executive Vice President

Kim Jong Heon
Corporate CTO Unit /
Executive Vice President

Ahn Jung Ho
Digital Information
Office/ Senior Vice
President

Kim Young-woo
Digital Transformation
Support Sector/
Senior Vice President

Kim Yong-soo
The Office of Planning
& Coordination/
Senior Vice President

Yun Jong-hoon
Resident Auditor

ESG MANAGEMENT SYSTEM

Strategic Direction of ESG Management

Nepes dreams of sustainable growth with the world based on goal-oriented management.

“

The core content of corporate environmental protection is to place business priorities on developing technologies to help prevent global warming and ensure health and safety for its members. We must focus our interest and collective wisdom to turn such environmental changes into new business opportunities in connection with existing businesses.

There are two social responsibilities for corporations. One is to look toward consideration and use profits to expand businesses through sound investments in order to contribute to society, and the other is not to look forward to consideration and reflect activities for helping the social vulnerable and weak through social consideration and kindness in the business plan.

In addition, the core of corporate governance should be goal-oriented and not focusing on a single target for management activities, while treating its members not as a tool but as a subject of management and achieving corporate management that is transparent and consistent with the course of the management activities being achieved in a proper, fair and legal manner.

ESG management is now essential. When we live by gathering our interests and wisdoms, Nepes will gain creative competitiveness.

- From the 31st year anniversary event of Nepes (10/22/2021) -

”

PHASE 1

Declaration of ESG Life Management



PHASE 2

Construction of ESG Management Foundation



PHASE 3

ESG Execution and Performance



Core ESG Issues

Core ESG Issue Deduction Process

2021 was the first year since proclaiming ESG life management, and priority management items were deduced through analysis of international standards, benchmarking similar businesses, and surveying field workers. K-ESG-based self-evaluations were conducted to check how well these items are being managed to find long-term and short-term projects.

STEP1

Standard Index Analysis/Benchmarking

- GRI standard, UN SDGs, SASB
- Benchmarking of advanced companies in the semiconductor/IT sectors
- Review of internal documents such as CEO messages and management reports, etc.

STEP2

Evaluation and Prioritization

- Composition of ESG task force team (TFT)
- Surveys and interviews with relevant internal departments
- ESG status inspection and evaluation (K-ESG)

STEP3

Reporting Issue Selection and Promotion of Activities

- Selection of reporting issues and sharing with management
- Linking with management plans (departmental KPI)
- Addition of ESG management education mandatory capacities

Core ESG Issue Evaluation Results

In all of the categories, areas that the company treated as important such as legal/regulatory management, hazardous material management, governance, etc. were being managed relatively well, but core issues were found in areas such as greenhouse gas, wastes, ESG bill motioning within the board of directors, labor (turnover rate), human rights, and supply chain management.

| Category | Core Issues | Response Plan ¹ | GRI Standards |
|---------------------|---|---|---|
| Information Publish | <ul style="list-style-type: none"> • Strengthen information disclosure | <ul style="list-style-type: none"> • ESG disclosure policy | <ul style="list-style-type: none"> • 102-46~48 |
| Environment | <ul style="list-style-type: none"> • Strengthen response to climate change such as greenhouse gases • Manage use of water and waste emissions | <ul style="list-style-type: none"> • Environmental management promotion system • Mitigation of environmental impact | <ul style="list-style-type: none"> • 305-1 ~ 305-7, • 303-1~5, 306-1~5 |
| Social | <ul style="list-style-type: none"> • Respecting human rights of members • Strategic social contribution • Construction of sustainable supply chain | <ul style="list-style-type: none"> • Establishment of human rights policies • Setting strategic direction for sharing management • Supply chain ESG management | <ul style="list-style-type: none"> • 412-1~3, • 201-1, 413-1, • 308-1~2, 414-1~2 |
| Governance | <ul style="list-style-type: none"> • Ethical management • Compliance • Strengthening of ESG management | <ul style="list-style-type: none"> • Strengthening of ethical management practice • Operation of company regulations department • Newly establish board of directors regulations | <ul style="list-style-type: none"> • 102-16,~17, 205-1~3, 206-1 • 307-1, 419-1 • 102-18~39 |

¹ To be established from 2022

ENVIRONMENT

01 ENVIRONMENTAL MANAGEMENT

02 CLIMATE CHANGE RESPONSE

03 ENVIRONMENTAL IMPACT MITIGATION

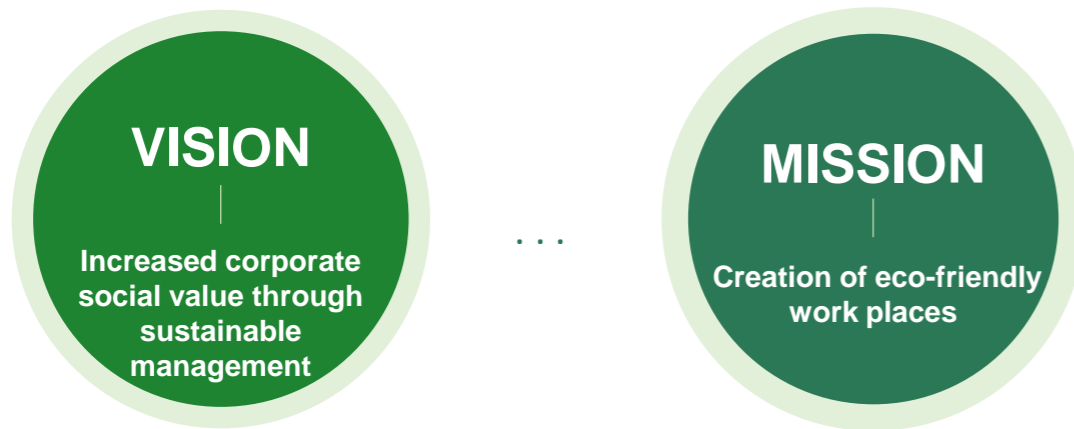
Environmental Management

Nepes is doing its best to realize eco-friendly business places in order to minimize environmental impact occurring from all corporate activities. We will continue to practice sustainable environmental management by enhancing environmental awareness among our members and expanding resource circulation.

Environmental Management Strategies

The environment is a top-priority value that must be protected for sustainable corporate activities. Nepes has set management priorities on preventing global warming as it builds eco-friendly business sites.

Environmental Management Vision & Mission



Core Values of Environmental Management



Environmental Management System

Nepes has constructed and is operating a systematic environmental management system based on the environmental management system (ISO 14001) for all of its business places. Moreover, we are striving to minimize environmental impact caused by wastes and pollutants that may be generated in the business sites by establishing and operating environmental management manuals and processes.



ISO 14001



Environmental Management Manual (Rev.11)

Environmental Management Policies of Nepes

1. Realize customer satisfaction management to instill trust in customers and stakeholders.
2. Strive to comply with domestic environment-related laws and regulations, and international agreements.
3. Establish and implement environmental goals and sub-goals to continuously improve the environment, and regularly review implementation status to strengthen and develop the environmental management system.
4. Regularly perform systematic education and training so that all members can understand and implement the environmental management system.
5. Efficiently use energy and resources, suppress generation of wastes, and actively recycle to realize an eco-friendly business place.

Environmental Management Promotion Plans

Nepes operates the company-wide dedicated organization for promoting environmental management called the 'Environmental Safety Center' and it is in charge of establishing environmental management strategies and operating experts and providing empowerment training needed for implementing the strategy.

Nepes sets the 2022 environmental goals of ① zero hazardous substance/pollutant emissions and ② increased resource circulation (achieve 100% recycling rate) and drew up projects for achieving this goal. It plans to expand it to company-wide implementation.

Environmental Goals

Pollution-free / Emissions-free

Environmental Management System

Zero emissions of hazardous substances and pollutants

Increased resource circulation [Achieve 100% recycling rate]

Promoted Tasks

| Consideration | Communication | Cooperation | Capability |
|---|---|--|---|
| Find areas for improvement through environmental evaluations for all procedures | Strengthen communication among employees to enhance environmental awareness | Cooperation with stakeholders to improve materials/processes | Air/water pollution prevention technology evaluation and implementation |

Mid-term Plans for Environmental Management (2021~2025)



Set container recycling rate goal by collecting and changing shipping containers (90% by 2024), contribute to resource recirculation (Eumseong Campus)



Gradually switch all company vehicles to EVs to reduce greenhouse gas emissions. Review switching company-wide commuting vehicles (45 seat) to EVs



Promote construction of solar power generators in 2022 and set greenhouse gas emissions mitigation goals (around 134 tCO2eq annually) (Eumseong Campus)



Minimize waste energy through practical energy conservation campaigns such as adjusting the cooling temperature, promoting the use of stairs, turning off conference room lights, turning off lights during lunch, etc.

News



Environmental Management Team Lee Sang-rim Receives Cheongju Mayor's Award at the 'December Citizen Medal Day' Event (12/13/2021)

Environmental Technology Team Lee Sang-rim of the Environmental Safety Center received the Cheongju Mayor's Award at the 'December Citizen Medal Day' hosted by Cheongju City of Chungbuk.



Environmental Safety Center Director Gil Ho-seop Receives Chungcheongbuk-do Governor's Award on Environment Day (6/4/2021)

Environmental Safety Center Director Gil Ho-seop of the Semiconductors Dep. was selected as an environmental contributor and received the Chungcheongbuk-do Governor's Award.



Climate Change Response

Eco-friendly Business

Nepes will continuously reinforce its portfolio focusing on eco-friendly energy businesses based on distinguished technologies and capacities

Advanced Packaging

Nepes

Nepes Laweh

Nepes Ark

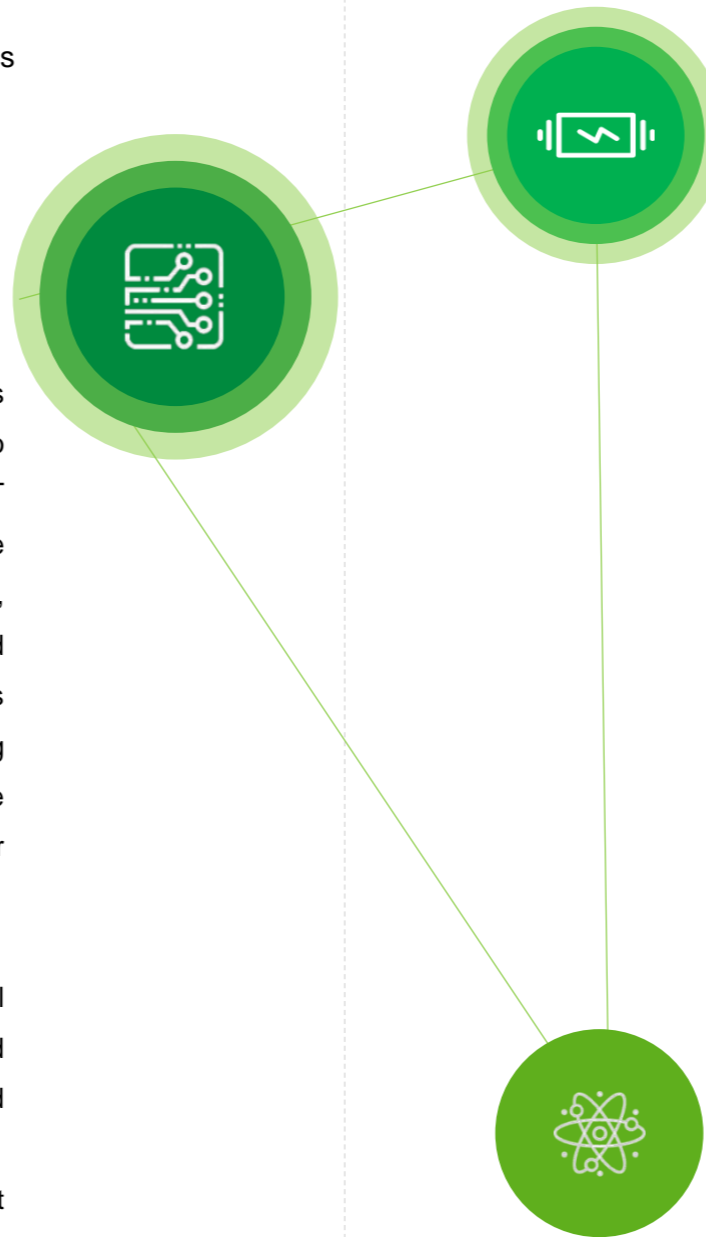
Nepes Hayyim

Low Power, High Efficiency Semiconductor Advanced Packaging Technology

The advanced back-end foundry technology by Nepes is a process technology that can make semiconductors smaller and thinner to reduce the form factor and improve electric power efficiency of IT devices. As general semiconductor package processes use multiple metal wires, they have high heat emissions, and generally, a lot of energy has to be consumed to lower the heat generated from semiconductors. Since 2000, Nepes substituted metal wires with fine ball-type bumps to develop ultra-small packaging technologies that increase heat management efficiency, while removing the part called the substrate for direct wiring on the wafer to increase accumulation.

In 2021, we mass produced the 600mm FOPLP (fan out panel level package) process for the first time in the industry and suggested a world standard for large square panel-based advanced back-end foundry production systems.

FOPLP of Nepes is a mass production innovation technology that maximizes productivity compared to the existing 300mm round process, and it can reduce use of electric power and materials (chemicals), etc. used for the same production volume, and thereby contribute to the mitigation of environmental impact. As the advanced packaging industry is expected to grow rapidly all around the world, the next-generation packaging technologies and production system of Nepes will offer a new solution for energy efficiency trends needed for the semiconductor ecosystem.

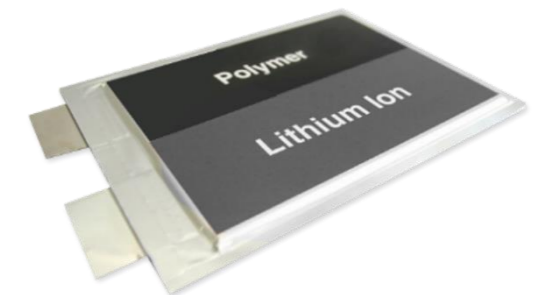


Secondary Cells

Nepes Yahad

Secondary Battery Parts Business

In 2017, Nepes developed the lead tab, which is a secondary battery part, using its unique semiconductor process technologies and has been supplying it to different parts of the world including the US, Europe and China. Lead tabs are core parts for secondary batteries that will grow in accordance to the global energy transition trends, and it has been growing at more than 50% every year, thus becoming the platform for new eco-friendly businesses. In 2022, Nepes will gradually increase lead tab production capacities to strengthen its future eco-friendly business portfolio.



Smart Film

Nepes

Smart Window

Nepes commercialized the electric discoloration liquid film called 'Super LC' that applied PDLC (Polymer Dispersed Liquid Crystal) technologies based on semiconductor technologies. Super LC is a future technology that reduces energy loads and the Smart Window can be configured easily by installing on window frames, and it can be used in various areas such as eco-friendly architecture, automobiles, display, etc. Nepes is preparing its foundation for eco-friendly businesses with core technologies of the green building ecosystem.



Greenhouse Gas Emissions Management

Greenhouse Gas Emissions

Currently, the target value for greenhouse gas emissions is being operated according to the 'greenhouse gas-energy goal management system' for the ns2 campus (Semiconductor Dep.). In 2021, the ns2 campus emitted a total of 15,542 tCO2eq. Though the absolute value increased by 17.7% compared to 13,194 tCO2eq in 2020 due to expanded productions, when basing on greenhouse gas emissions per unit considering increased revenue (base unit), it was reduced by about 13.% from 6.0 to 5.3. Nepes plans to establish reasonable emission goals for all of its corporations including the ns2 campus, which is a greenhouse gas emissions management site and manage and operate them appropriately.

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------|--------|--------|--------|--------|
| Base unit greenhouse gas emissions | 8.6 | 9.5 | 6.3 | 6.0 | 5.3 |
| Total greenhouse gas emissions (tCO2eq) ¹ | 18,217 | 20,341 | 18,520 | 13,194 | 15,542 |
| Scope1 greenhouse gas emissions (tCO2eq) | 1,236 | 1,544 | 1,415 | 1,564 | 1,441 |
| Scope2 greenhouse gas emissions (tCO2eq) | 16,981 | 18,797 | 17,105 | 11,630 | 14,101 |
| Denominator using base units (revenue/100 mil. KRW) ² | 2,128 | 2,134 | 2,921 | 2,184 | 2,938 |

1. ns2 campus (Semiconductor Dep.)
 2. Revenue of Nepes Semiconductor Dep.

Energy Usage Management

Energy Usage

Despite its continuous expansion of business and production facilities, Nepes is managing energy usage with the challenging objective of reducing energy usage every year. In 2021, Nepes used a total of 915TJ of energy. This is an 18.2% increase compared to 2020, but when based on energy integration (base unit) considering the expanded production scales and increased revenue, it is a 4.3% drop from 0.23 to 0.22. Though increases in short-term energy consumption may be inevitable due to annual business expansions, we will practice energy conservation through assertive conservation activities such as recycling energy and increased use of renewable energy, etc. in the future.

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|-------|
| Base unit energy usage | 0.20 | 0.21 | 0.19 | 0.23 | 0.22 |
| Total energy usage (TJ) | 574 | 579 | 662 | 774 | 915 |
| Denominator using base units (revenue/100 mil. KRW) | 2,850 | 2,733 | 3,563 | 3,436 | 4,183 |



Greenhouse Gas Emissions Verification

The ns2 campus Semiconductor Dep., which is the business site that manages greenhouse gas emissions, receives opinions of third-party verification institutes on greenhouse gas management of the organization every year. (1st: private verification institutes, 2nd: Korea Energy Agency, Ministry of Trade, Industry and Energy) Verification standards are suggested in the verification opinion, and the greenhouse gas emission verification range confirmed by a third verification agency is indicated to receive timely verification.

Environmental Impact Mitigation

Water Resource Management

Water usage

In 2021, the total amount of water used increased by 14.5% to 1,318,190 tons compared to 2020. Though short-term increase in water usage is inevitable as we are currently expanding our businesses and production facilities, the base unit water usage considering increased revenue dropped by 4.7% from 330 to 315. Nepes has set annual usage goals and is increasing the rate of reusing water as part of its efforts to use resources efficiently.

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|-----------|-----------|-----------|
| Base unit water usage | 286 | 306 | 288 | 335 | 315 |
| Total water usage (tons) | 816,174 | 835,851 | 1,025,445 | 1,151,099 | 1,318,190 |
| Water flown in from the environment (tons) | 763,614 | 783,291 | 972,885 | 1,073,772 | 1,253,398 |
| Amount reused within the organization (tons) | 52,560 | 52,560 | 52,560 | 77,327 | 64,792 |
| Denominator using base units (revenue/100 mil. KRW) | 2,850 | 2,733 | 3,563 | 3,436 | 4,183 |

Water Pollutant Discharge Management

Nepes recorded very low emissions compared to the amount permitted by law pursuant to Article 34 of the 'Enforcement Rules of the Water Environment Conservation Act' for biochemical oxygen demand (BOD), chemical oxygen demand (COD), and suspended solids (SS) that are generated by each of its business sites. Nepes is safely treating sewage generated from the production process and is managing them at strict levels as part of our efforts to minimize impact to the water environment of public waters such as streams and rivers.

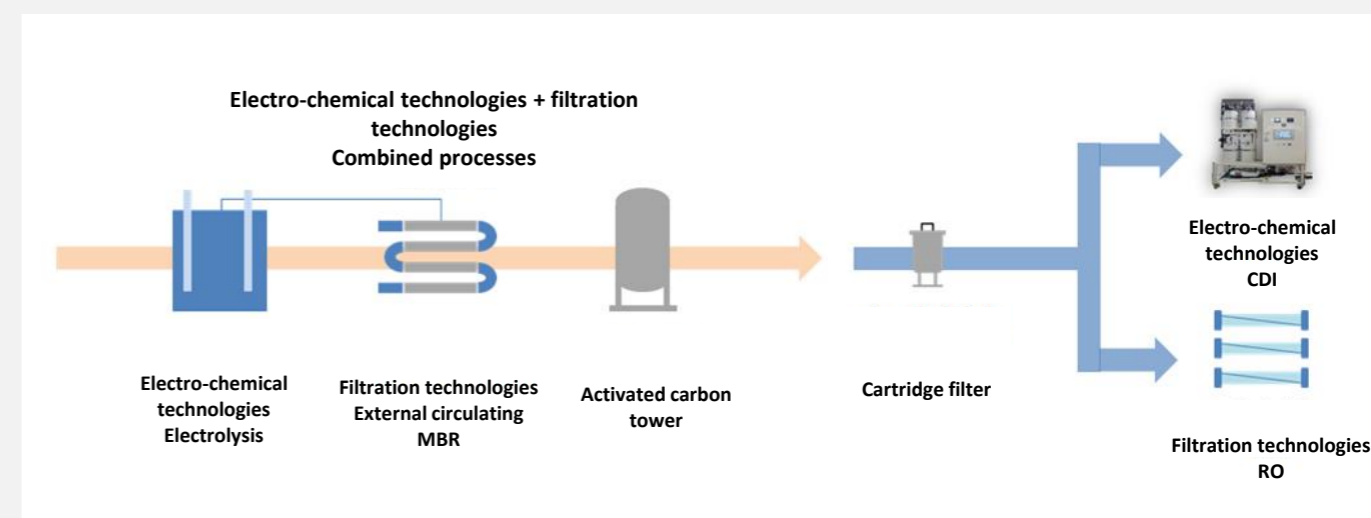
Water Pollutant Emissions Concentration

| Management items | BOD | TOC | SS |
|-----------------------------------|------|------|------|
| Base unit emissions concentration | 0.01 | 0.02 | 0.01 |

Development of Semiconductor Waste Water Treatment and Reuse Technology

Nepes is continuously looking for ways to reduce use of water resources and for the stable supply of water needed for production activities. In 2021, waste water from the semiconductor production process was treated and reused, achieving highly pure industrial water quality. Moreover, we participated in a government project as a company in demand of the 'Clean Factory Technology Development Project' to secure operational technologies that could enhance water resource usage efficiency.

Through this project, Nepes plans to reduce the cost for treating semiconductor sewage treatment by more than 70% and construct an even more eco-friendly manufacturing environment by improving water quality by reducing discharge of pollutants and enhancing use of water resources. This project is expected to continue until 2023, and we are currently designing pilot facilities through by analyzing waste water discharged from the company as of 2021.



See more related contents



Hazardous Substance Discharge Management

Air Pollutant Discharge Management

Nepes manages nitrogen oxide (NOx), sulfur oxide (SOx), and fine dust (PM2.5) discharge concentration strictly below 10% of the legally permitted amount set forth by the Clean Air Conservation Act. In addition to the above management index, emissions are being recorded below legal requirements in all aspects, and we are continuing our efforts to minimize environmental impact on the area near our business sites. In 2022, though it is within the permitted level of emissions, we plan to invest in air pollution prevention facilities for ns1 and 2 campuses in order to reduce the concentration of total hydrocarbon, which has a relatively higher emissions concentration.

Air pollutant discharge conc

| Management items | NOx | SOx | Dust |
|-----------------------------------|------|------|------|
| Base unit emissions concentration | 0.00 | 0.00 | 0.01 |

Waste Recycling Ratio

In 2021, recycling of wastes subject to recycling reached 99%, which was a 7% increase compared to the previous year.

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|--------|
| Waste recycling ratio | 71% | 75% | 85% | 92% | 99% |
| Waste recycling amount (including reuse) (tons) | 2,013 | 2,200 | 2,462 | 1,988 | 24,283 |
| Amount of waste subject to recycling (including reuse) generated (tons) | 2,834 | 2,928 | 2,890 | 2,157 | 24,543 |

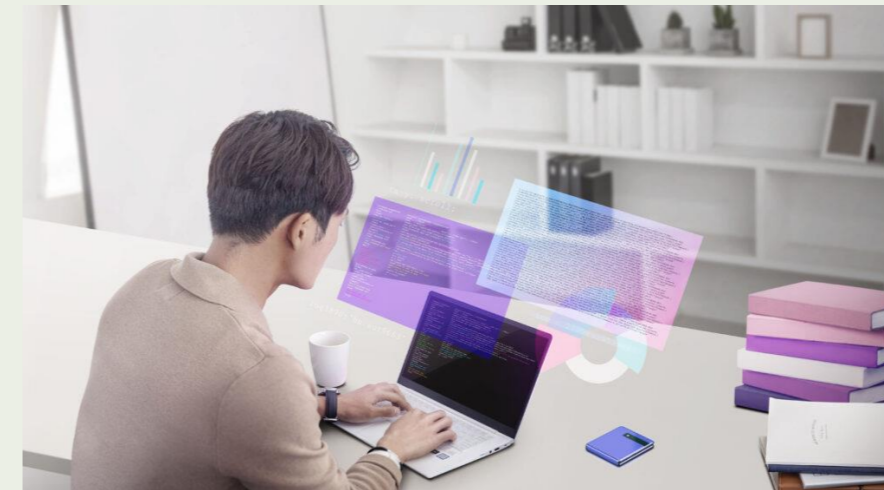
Violations of Environmental Laws/Regulations

No. of violations of environmental laws/regulations

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|
| Category 1 - Punishment level of criminal punishment, fines, penalties, etc. | 0 | 0 | 0 | 0 | 0 |
| Category 2 - Fees, penalties, enforcement levy, etc. | 0 | 0 | 0 | 0 | 0 |
| Category 3 - Corrective orders, corrective recommendation, warning, etc. | 0 | 0 | 0 | 0 | 0 |

※When the penalty exceeds 1% of operating profits

Environmental Impact Mitigation Activities



▲ Implementation of RPA (Robotic Process Automation)

Nepes promoted company-wide digital transformation in 2021 and began implementation of RPA (robotic process automation). Through RPA, we are digitalizing operations to construct a paperless environment and conserving paper resources, while also aiming at improving the labor environment of employees and transparent operation throughout the work process. Nepes is expanding the scope of applying RPA in 2022 and is striving to apply it not just as a tool for improving work efficiency, but as a part of ESG management.



▲ Good Cycling Campaign

We are mutually cooperating with the 'Good Will Store' of the Miral Welfare Foundation to help create jobs for people with disability and recirculate resources by donating goods.



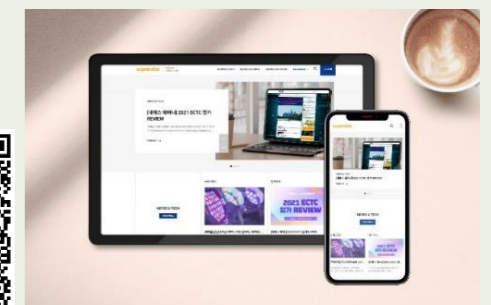
◀ Plogging Campaign

We conducted a plogging campaign for picking up wastes while walking around the business sites.



Digital Newsletter ▶

The group newsletter that has been printed for 14 years was completely switched to an online newsletter to protect environmental resources and improve accessibility.



SOCIAL

01 COVID-19 RESPONSE

02 SAFETY AND HEALTH

03 CONFLICT-FREE MINERALS

04 HR MANAGEMENT

05 CORPORATE CULTURE

06 SOCIAL CONTRIBUTION ACTIVITIES

07 INFORMATION SECURITY AND PERSONAL INFORMATION PROTECTION

COVID-19 Response

Since the World Health Organization (WHO) declared the COVID-19 pandemic in March of 2020, COVID-19 caused a global social and economic crisis. Amidst this crisis, Nepes has been doing its best for the safety of its employees, customers and community. Furthermore, we are contributing to the stabilization of the community by continuously hiring new employees despite the difficult financial circumstances.

Organization of the COVID-19 TF

Nepes organized a COVID-19 TF with relevant departments to quickly respond in the case of emergency situations or infected employees. The COVID-19 TF has established response guidelines and manuals to protect the safety of its members, and it is striving to stop the spread of the virus. We are communicating with employees via announcements, bulletin boards, text messages, e-mail, etc. to quickly respond to COVID-19 and we are informing members of our company's status and measures such as response guidelines, confirmed infections and tracking, notifications related to reporting and inspection personnel, inspection results, etc. to enhance confidence of its members for the safe working environment, while providing support so that actions could be taken swiftly in the event of suspected infections. We are also operating a TFT hotline to actively respond to questions or suggestions from employees.

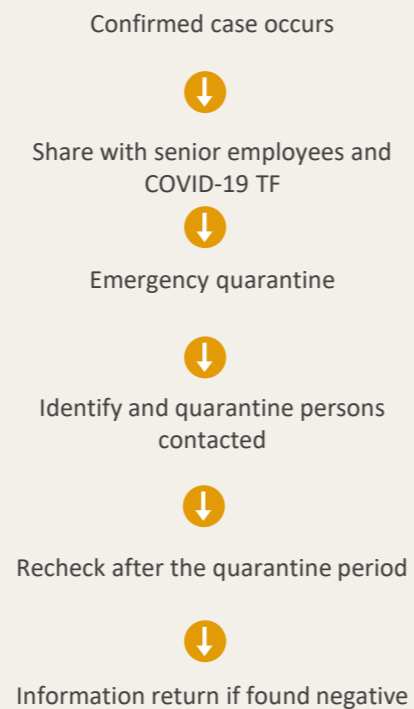
COVID-19 Prevention Measures and Activities

Nepes implemented a remote working system in order to comply with government quarantine guidelines and to place the safety of employees at the highest priority for worry-free work. We built an environment to work anywhere using cloud computing, while also establishing a contact-free working environment through video conferencing and collaboration tools Microsoft Teams. Also, in the event that there are COVID-19 issues among members, their families, or friends, the members are informed to evacuate and to categorize, inspect and take other preventive measures with persons they come into contact with in order to prevent further infections within the company.

Social Distancing Work Guidelines

Nepes shares and manages the social distancing work guidelines via company bulletin, e-mail, etc. for company-wide safe working environments.

Response Process for Confirmed Cases



Automatic temperature measuring devices were installed at the entrance of the campus for the safety and health of those entering our company. Those with high temperatures are restricted from entry, while taking measures such as self-quarantine through screening center examinations. For those applying to visit the company, we are taking temperatures and using COVID-19 self-diagnosis kits. At high-risk facilities such as the cafeteria and conference rooms, we installed droplet guards and hand sanitizers, while regularly disinfecting commute buses and open facilities as part of our ongoing efforts to reduce the risk of spreading the disease. We have revised and operate COVID-19 in-company safety rules according to changes of the government's social distancing guidelines.

COVID-19 Vaccination Support and Operation of Consulting Center

As COVID-19 vaccination became wide-scaled in 2021, Nepes introduced and operated the "Corona Vaccination Leave" program to allow employees to safely receive vaccination and rest. Employees can use vaccination leave on the day of receiving the vaccine, and if they have abnormal symptoms, they are allowed to use paid leave days. We also operate an in-company consulting center to support employees suffering from mental health issues such as depression because of COVID-19.

COVID-19 Support for the Community

When COVID-19 spread rapidly throughout the world, Nepes quickly provided support for quarantine resources both domestically and internationally. Domestically, we produced and delivered infectious disease prevention kits including masks to the vulnerable class especially in the Chungbuk area, and at our foreign business places, employees in China and Philippines provided quarantine goods such as masks to their local communities.



'Infectious Disease Prevention Kit Production' volunteer activities at the Eumseong Campus



Masks provided by Nepes being supplied to Jiangsu Nepes (in Huai'an, China) employees and medical institutes in Huai'an

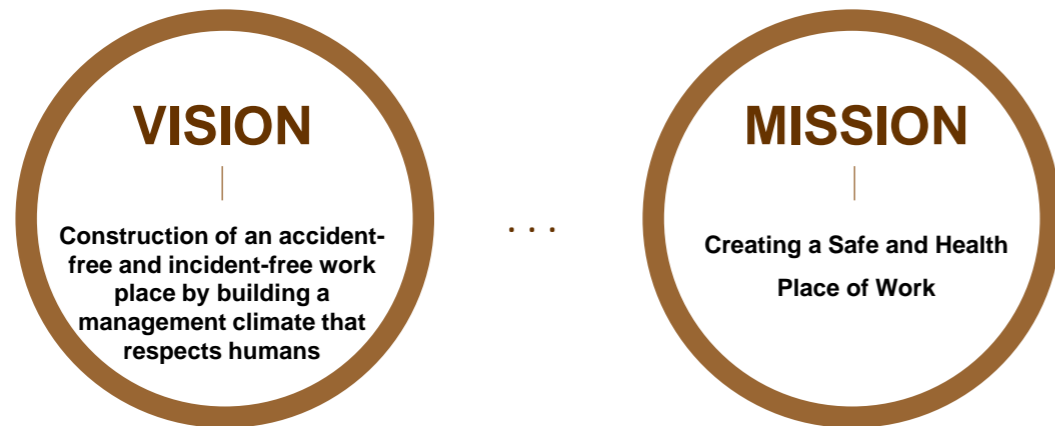
Safety and Health

Nepes recognizes that in all of its production, development and other activities, the impact on safety and health has direct cause-effect relations with human life, and has established, implemented and maintained a safety and health management system to create a safe and pleasant accident-free workplace, and we apply this with the utmost priority in all of our activities.

Safety and Health Management Strategy

Nepes places the safety of its employees, customers, partners, and stakeholders at the utmost priority. We have established and shared the safety and health management strategy throughout the entire company to allow our employees to work in a safe and health environment.

Safety and Health Management Vision & Mission



Core Values of Safety and Health Management



ISO 45001

Safety and Health System

Nepes has set up safety and health policies for the effective establishment and operation of a safety and health management system to build accident-free and incident-free work sites. We earned ISO 45001 certification, which is the highest international standard in the safety and health sector for our main work sites such as Cheongju 1 and 2 campus, Eumseong campus, and Cheongan campus to operate a systemized safety and health program. Furthermore, we have assigned organizations and experts dedicated to safety and health at each of our business sites, and in 2022, we newly established the Major Prevention Team to prevent and respond to major disasters.

Nepes Safety and Health Management Policies

1. Employee health and safety are the greatest priorities for management.
2. Health and safety are one of the basic elements for making management decisions.
3. Domestic and foreign safety and health laws and regulations, international agreements, and company regulations shall be clearly known and thoroughly observed.
4. Establish goals for continuous improvement of systems and regularly inspect implementation to strengthen and develop safety and health management systems.
5. Regularly find safety and health risk factors, remove them, and make improvements to prevent safety accidents and take the initiative to improve the health of workers.
6. Construct a communication system with employees and stakeholders to share necessary information and mutually cooperate to allow participation in safety and health management activities.

Safety and Health Management Plans

Nepes established the 2022 safety and health goals and intends to instill a safety culture in all of its business sites. Nepes is striving to discover risk factors of its work sites in advance and establish response plans.

Safety and Health Goals

Major/Industrial Disasters

Zero Major Disasters

Safety and Health Goals

Safety and Health Goals
[Achieve over 80%]

Status and Promotion Plans

Since 2022, Nepes has extended its regular risk evaluations that were held once a year to once every half-year. Furthermore, we are regularly collecting opinions from employees related to safety and health from the industrial safety and health committee and consultative body meetings, and we are receiving reports on 'near miss' and hazardous and danger information at its business sites via QR code and e-mail. We are striving to remove and make improvements to hazardous and risk factors detected through this process, and we are checking implementation at least once every half-year.

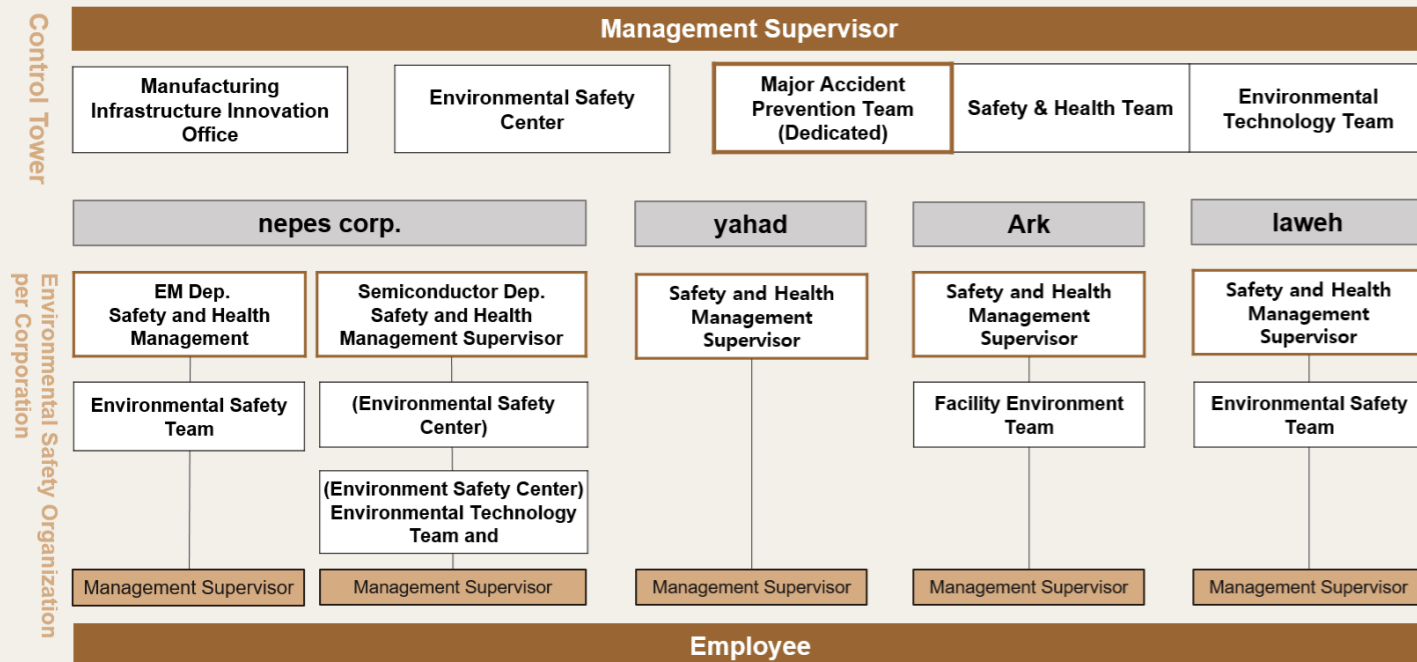
Nepes is also holding regular emergency response training to protect people, the environment and property from accidents and natural disasters around the business sites while also minimizing damages in order to build an emergency response system. Based on emergency situation scenarios such as for infectious diseases, chemical leaks, fires, blackouts, etc., we are continuously conducting emergency response training. Through continuous safety accident prevention training and monitoring, we are ceaselessly strengthening our emergency response capacities.

We are conducting self-inspections through internal reviews and self-compliance evaluations to understanding legal responsibilities related to safety and health and take necessary actions, and we are inspecting the legal execution status through external agencies specializing in these areas. Furthermore, in 2022, we are planning to provide a major industrial accident response manual to set forth response measures such as stopping operations, evacuating employees, removing risk factors, etc. when major industrial accidents occur, as well as to provide victim relief and additional damage prevention measures related to the major industrial accident.

We are also securing and maintaining personnel, facilities and equipment for safety and health, and setting aside budgets for inspecting hazardous and risk factors for raw materials and products, while conducting repeated safety and health education and training for each target and level.

Nepes assigns and operates a dedicated organization and experts for safety and health at each of its business sites. In 2022, the Major Accident Prevention Team was newly established to take on the challenge of zero major accidents.

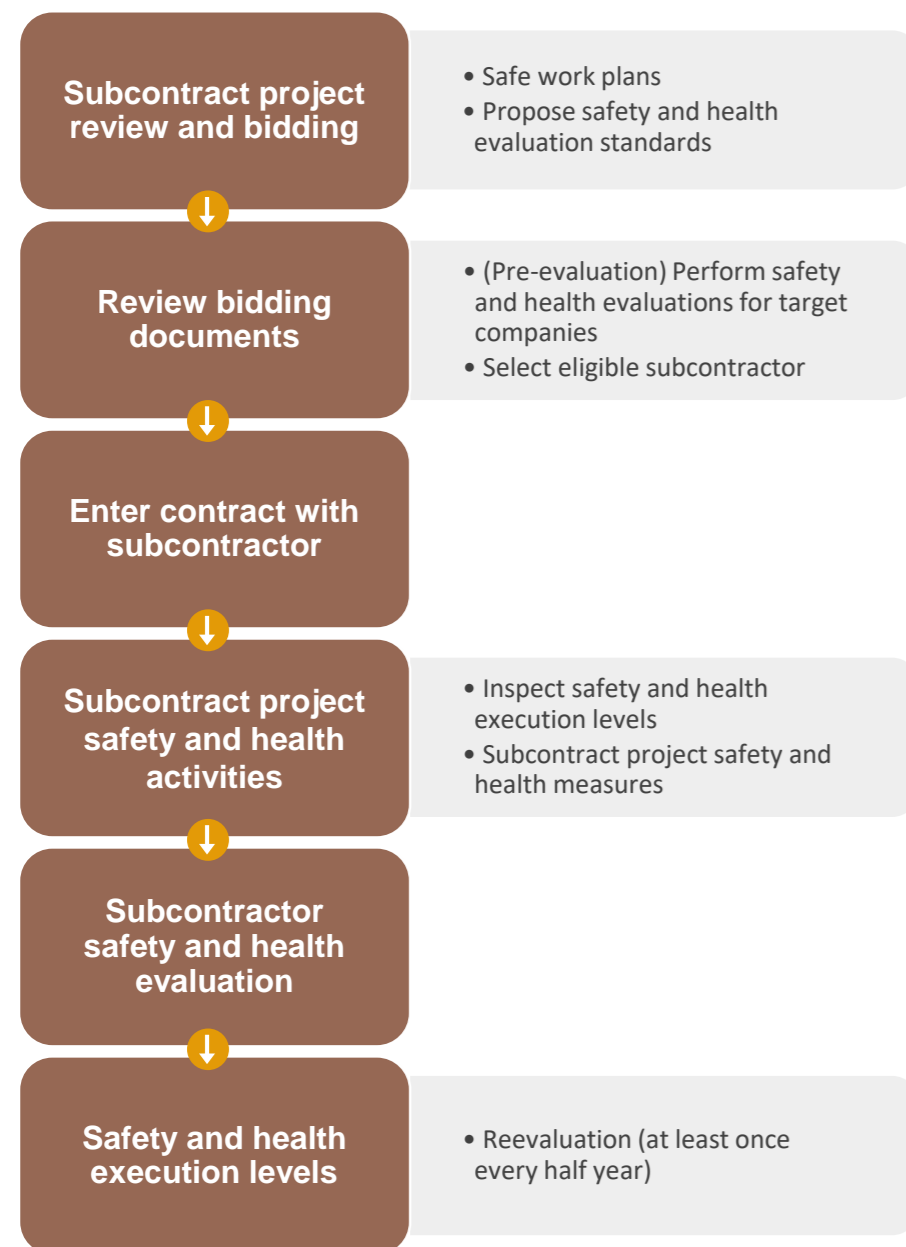
Organization in charge of safety and health



Subcontractor Safety and Health Management System

Nepes is doing its to prevent safety and health accidents and minimize the effects through mutual cooperation with subcontractors. Accordingly, we have established subcontractor safety and health level evaluation standards to select eligible subcontractors from 2022.

Subcontractor safety and health evaluation procedure



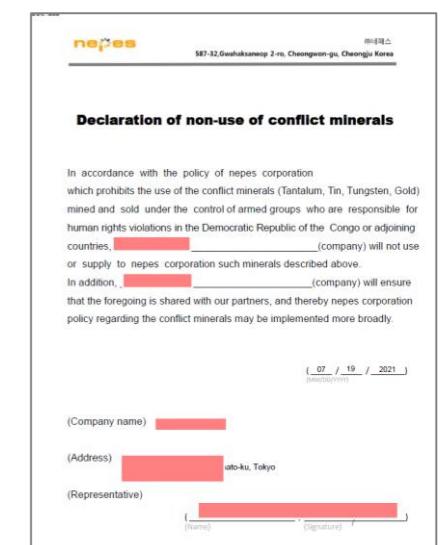
Conflict-free Minerals

Nepes operates and observes the Conflict-Free Mineral Policy to resolve risks that can occur during the production and procurement process of major raw materials and minerals. Furthermore, we are inspecting partners related to conflict minerals and aiming at continuously improving the supply chain.

Nepes observes regulations on the use of conflict-free mineral products when using gold, tantalum, tungsten, and tin. Conflict-free minerals refer to products that can support or give benefits to armed groups in the Democratic Republic of Congo and its nearby nations (Sudan, Uganda, Rwanda, Burundi, Tanzania, Angola, Central African Republic) or that can result in violations of labor and human rights, or damage the environment when mined.

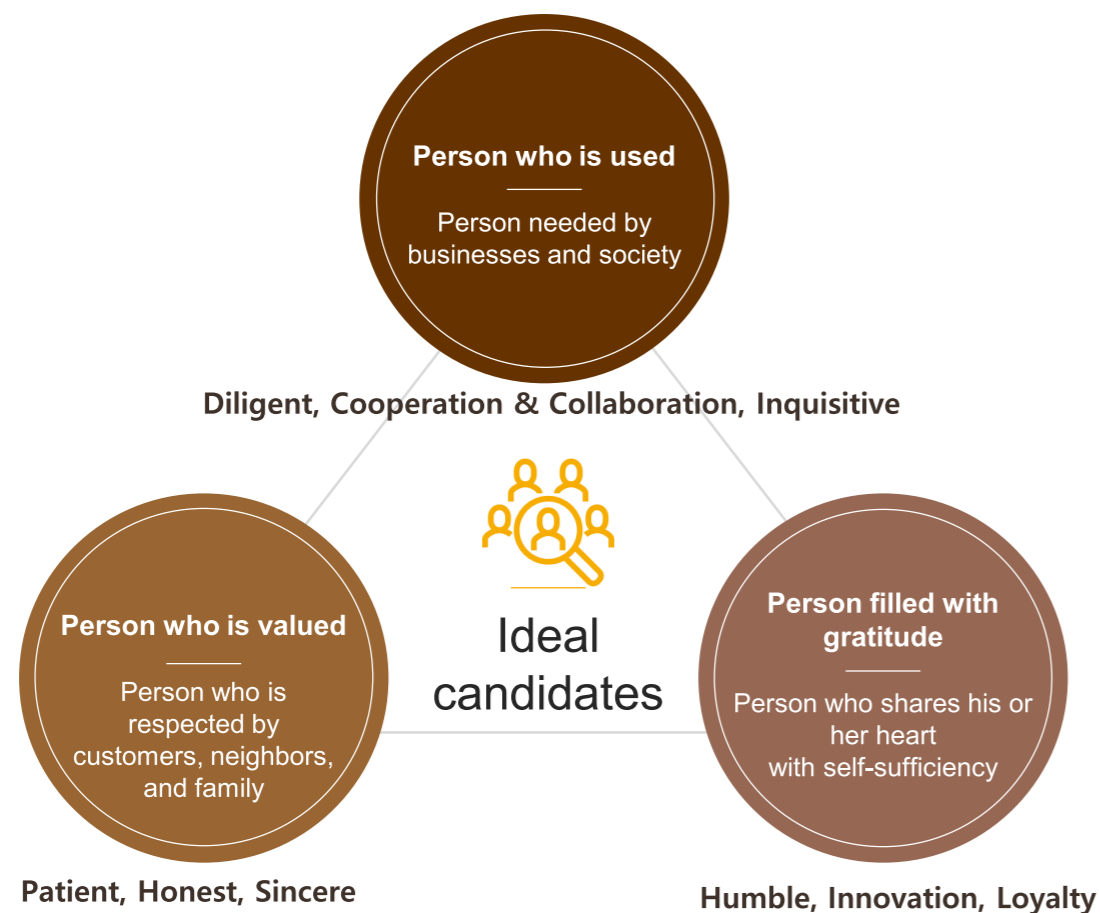
Nepes receives pledges of prohibiting the use of conflict minerals when registering its vendors. Companies that use conflict minerals cannot register as vendors. Vendors should check the origins of minerals in the list provided by the Responsible Business Alliance (RBA). Furthermore, Nepes regularly checks whether its vendors use conflict minerals. We are sharing our conflict-free mineral management system with clients as part of our efforts to build a sustainable supply chain.

Pledge of Prohibiting Use of Conflict Minerals



HR Management

Nepes has continued hiring new employees despite COVID-19 because it places the value of corporate existence not on ‘creating profits’, but ‘creating jobs’. Nepes offers various educational programs to employees to support the development and growth of work capacities for employees in order to make a ‘prestigious company’ joined by the best talents. In addition to this, we are operating various channels such as junior board, reverse mentoring, empathy team, etc. to build a diverse and healthy labor-management relationship, while building up mutual trust and respect.



Ideal candidates for Nepes are people who are used, valued, and full of gratitude, and we select people who have the character to work well.

Employment procedure

1. Review of application
2. Aptitude test (online)
3. Job interview
4. Character interview
5. Physical examination for employment
6. Final passing

Industry-Academic Cooperation List

Specialized High Schools

- Korea Nano Meister High School
- Samcheok Meister High School
- Angang Electronic High School

Universities

- Kyungpook National University, Gumi University
- Handong Global University, Chungbuk National University
- Korea Polytechnics Cheongju Campus
- Chungbuk Health Science University

Ministry of Education

- Gyeongnam Office of Education
- Gyeongbuk Office of Education (scheduled)

Hiring Talents

In 2021, Nepes had 1,328 employees, an increase of 29.3% compared to 2020. As we set the value of existence of a company in ‘creating jobs’, we are striving to make wholesome jobs by expanding existing businesses and pioneering new businesses.

Nepes is operating various employment channels such as open employment, regular employment, etc. to secure the best human resources. All applicants are given equal opportunities that do not discriminate by education, gender or religion, and this is explicated in the employment rules. Furthermore, we offer preferred treatment to persons subject to social consideration such as people with disabilities and patriots and veterans to fulfill our social responsibilities in the employment process.

In particular, we built a plant in Goesan, a region in Chungbuk where the population is decreasing, and offering preferred employment to local residents, and we also founded the Nepes Rua Chamber Orchestra. Furthermore, we will convert 820 temporary workers into our employees by 2022 to create stable jobs.

Nepes is actively continuing job creation activities despite COVID-19. Seminars were held online considering the difficulties of meeting in person to allow job-seekers to check employment information and apply from a safe environment. During employment interviews, we will thoroughly observe quarantine rules such as offering contact-free interviews, measuring body temperature, and maintaining distance at waiting areas and interview rooms to safely create jobs.

Nepes employees

| Year | No. of persons | Year-over-Year (YoY) |
|-------------------|----------------|----------------------|
| 2020 | 1,027 | +14.6% |
| 2021 | 1,328 | +29.3% |
| 2022 (as of June) | 1,921 | +44.7% |

Fostering Human Resources

Nepes offers systematic education and training programs to foster human resources and improve capacities for all employees under the four core educational keywords of digital learning, field-oriented learning, self-led learning, and micro-learning. We offer educational programs according to the capacities needed for each rank and job and we linked the individual development plans (IDP) and key performance indicators (KPIs) to allow members to voluntarily participate in education.

In 2020 and 2021, education was offered both online and offline to prevent the spread of COVID-19. Furthermore, we are operating the Nepes Smart AI Academy education platform to provide online education in various areas, produce self-made smart learning education contents, and monthly Nepes webinars.

We also provide orientation training for new employees whenever they are hired. During the orientation training, we focus on the company’s management ideology, semiconductor collective training, character education, and job training to strengthen the work capacities of each department. Through this, new employees are directed toward discovering goals and value of life, and becoming a person who practices sharing and serving. Hotel West of Canaan that is located in Goesan-gun, Chungcheongbuk-do is the Nepes training center and it is being used for education and rest for members.



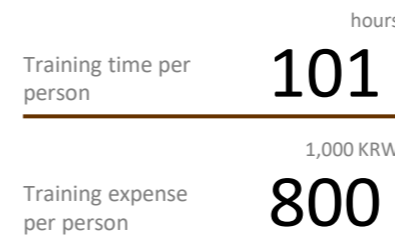
Nepes Training Center
View of Hotel West of Canaan

Human Resource Fostering Program

| | |
|--|---|
| Leadership | Self leadership, coaching leadership, mentoring leadership, etc. |
| Work capacities | Semiconductor equipment element skill training, Data statistical analysis training, FMEA training, SPC training, DOE training, digital thinking education, Financial accounting training, basic electronics, Customer communication skills training, etc. |
| Digital capacity | PRA power user fostering training, Tableau power user fostering education, etc. |
| Core Values /Organizational Culture | CEO management philosophy training, Father's school, pre-marriage school, Orange Festival (1-year training after open-house employment), Nepes Core Value Workshop, 100 Gratitude Writing Workshop, etc. |

Training Time/Expense per Person

2021



Nepes offers global top-tier education and training to its employees. According to the human resource development survey held by Expert Consulting in 2021, the training hours per person at conglomerates is 22 hours and the cost is 550,000 KRW, and Nepes is striving to empower employees at levels of the top conglomerates. In 2020 and 2021 during the COVID-19 pandemic, most of the training was held online, which resulted in increased training time and reduced training costs.

Furthermore, Nepes is actively promoting the CHAMP project for not only its employees but also the win-win training and personnel fostering of its partners. The CHAMP project is a training project that aims at achieving strategic national human resource development by finding training demand for SMEs and national strategic industries and offering customized training. Nepes was selected as a CHAMP Project operating institute in 2012 and has fostered 8,300 semiconductor experts by its 10th year in 2021.

Attempt of New Change in Communication

Nepes is carrying out various activities to establish a horizontal communication culture where various opinions and suggestions are freely exchanged by continuously strengthening communication between management and employees. One great example was the revamping of the ranking system and titles in 2021. In order to create a horizontal, creative, and autonomous communication culture, we reduced the existing ranking system into three stages (s1, s2, s3) and changed the title of all employees to ‘Star’.

Nepes operates the empathy team, which is an organization dedicated in handling the hardships of employees. The empathy team conducts 1:1 interviews for Nepes employees and vendor employees working at our business sites to offer emotional care. In addition, we operate the Junior Board that is composed of young workers under management positions. The Junior Board is a program for exchanging suggestions with management or proposing and discussing areas of improvement prior to making major policy decisions, and it expands in-company communication. In 2021, we held Reverse Mentoring where young employees coach management as their mentors and the Orange Festival, which is a new employee care program, as part of our efforts to minimize blind spots in communication.

Also, we opened the ‘n.e.st’ media studio at each business sites in 2021 to produce various video contents as we further expand our online-based communication activities. At the ‘n.e.st’ media studio, the contact-free video conferencing tool Microsoft Teams is used to broadcast CEO messages and relay lectures by management in real-time to prevent information disparities or complaints from occurring.



Reverse mentoring snapshot



n.e.st media studio

21st Century Committee Meetings

| | 2019 | 2020 | 2021 |
|---------------------|------|------|------|
| No. of times held | 4 | 4 | 2 |
| Attendance Rate (%) | 100 | 100 | 100 |

※ No. of meetings decreased in 2021 due to COVID-19

Organizational Immersion Survey Results (out of 7 points)

| | |
|------|------|
| 2018 | 4.90 |
| 2019 | 5.15 |
| 2020 | 5.18 |
| 2021 | 4.96 |

※ Dropped in 2021 due to COVID-19

Nepes also holds the 21st Century Committee, which is a labor-management meeting, every quarter and the Communication Workshop every half-year. Through this, we are forming consensus on major pending issues and changing the work environment of the company, while exchanging opinions on issues between management and employees.

In order to diagnose the organizational immersion levels through such communication activities, we are holding ‘Nepes Organizational Immersion Surveys’ for all members once a year. Focusing on 19 performance immersion factors, it is composed of a total of 54 questions. Nepes is finding areas of improvement based on the organizational immersion survey results and feedback. We will continue to hold organizational immersion surveys and use the results to come up with company-wide communication plans that all members can truly feel.

Welfare Benefit Program

Nepes offers various welfare and benefit programs to improve the quality of life of employees, improve work satisfaction, enhance motivation, and for work immersion. We will continue to develop various programs and continue our meticulous efforts to create a healthy and fun workplace.

| | |
|------------------------|---|
| Life Support | General life support such as commuting bus, cafeteria, dormitory and housing expense support, children’s tuition, congratulation and condolence allowance, etc. |
| Leisure Support | Support for leisure in life such as in-company training center, club activities, etc. |
| Medical Support | Health examination support, injury insurance, etc. |
| Other Systems | 52-hour work week system, flexible work system (different working hours, at-home work), child care leave, family care leave, quarter leave (2-hour leave), etc. |

Corporate Culture

Since its founding, Nepes has built up a unique corporate culture placing gratitude as its core value to realize continuously growing management. Through the unique corporate culture of Nepes, employees are filling their hearts with the energy factors of gratitude, positivity, and harmony so that there is no room to grow negative thoughts, worries, or hatred. We will create a corporate culture where individual members can work happily and grow together with the company.

nepes way (3.3.7 Life)

Nepes is establishing a culture with the motto of 3.3.7 Life



3.3.7 Life-related management campaign banner

“Share 3 good deeds or more a day, Read for at least 30 minutes a day, Thank at least 7 times, and sing at least 3 songs!”

Music Class for Better Happiness

In addition, we operate music classes at each business site every morning to help support the continued growth and performance of employees. We invite professional singers and performers from the community to sing positive and energetic songs that can add positive energy to the workplace. In order to observe the government’s social distancing policies since the spread of COVID-19, we have been offering the music class online using a video transmission platform. Employees who cannot participate in the music class due to at-home work can participate in the music class anywhere, anytime. In addition, we support employees to watch musical recitals and hold in-company invitational music events.

i-training that Communicates by Reading

Nepes operates ‘i-training’ where groups discuss books they read once a week to share their thoughts. Since 2020, we implemented the Yes24 e-book service and electronic library (<http://nepes.yes24library.com>) to offer unlimited book services to employees.



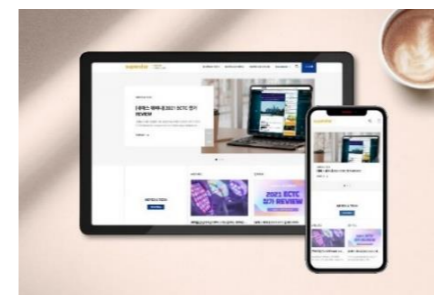
10/29/2021
Nepes certification for excellent reading management workplace
‘Minister’s Award’



Positive Language Campaign video

Gratitude Messenger, Magic Note

Nepes believes language and words are very important. Nepes repeats the ‘Gratitude Method’ every morning to refresh the minds of employees and uses the gratitude application ‘Magic Note’ to send messages of gratitude to colleagues every morning. In 2021, we attempted to create an atmosphere for smooth communication, making good human relations, and cooperation and collaboration through a positive language campaign based on the ‘100 Gratitude Languages’ (published in 2018). In addition, we are using a unique greeting of Nepes ‘superstar!’ that has the meaning that when respecting others and having a humble attitude, you will be valued by others and be able to have a positive outlook.



Nepes integrated media channel <superstar>

Promoting Communication of Members

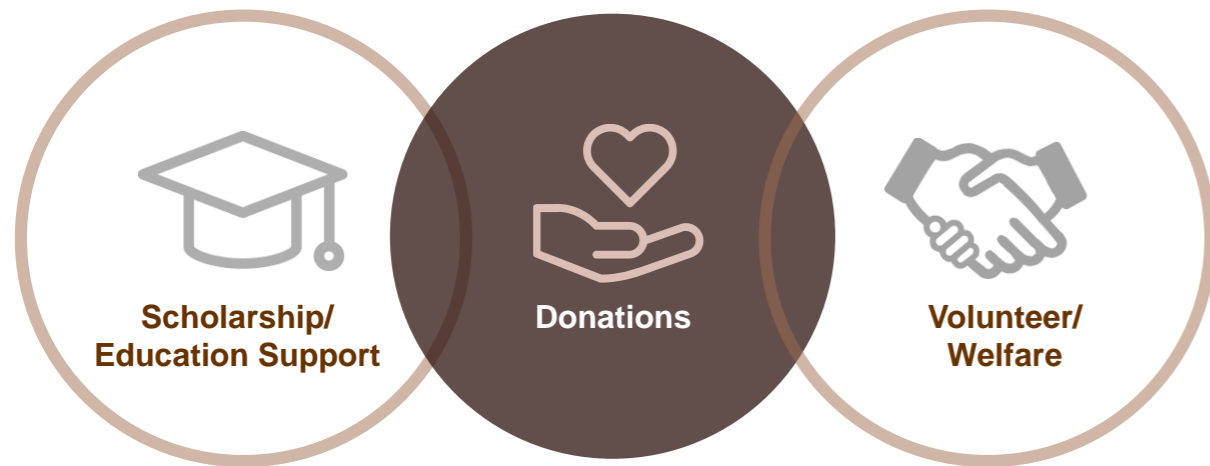
In order to create a mood of smooth communication and teamwork among its members, Nepes operates various communication methods using online and offline channels. In particular by converting the company newsletter <superstar> that was founded in 2005 to an online platform, we strengthened internal and external communication, while continuously providing opportunities for communication through new employee training, promotion trainings, and CEO lectures/management lectures.



CEO Special Lecture

Social Contribution Activities

Nepes pursues various social contribution activities to practice sharing management with neighbors and the community. Through this, we are contributing not only to the local economy, but also to the creation of a society where everyone is happy and grows together. We intend to continue to share with the local community to grow together.



Major Nepes Social Contribution Activities

Close to the Community

- Donation of development funds for Chungbuk National University
- Supported scholarships for middle and high schools in Chungcheongdo
- Support kits for low-income alienated classes
- Support vendor employees and their families
- (Cheongju) Hyeneung Orphanage, (Eumseong) Samsung Children's Center
- Regular sponsorship to (Goesan) Senior Citizen Welfare Center

Multifaceted Donations

- Support for domestic/foreign disaster emergency relief
- Culture/arts sponsorship
- Researcher/academic society/forum sponsorship
- Hospital/medical sponsorship
- Item sharing/book sharing/blood donation, etc.

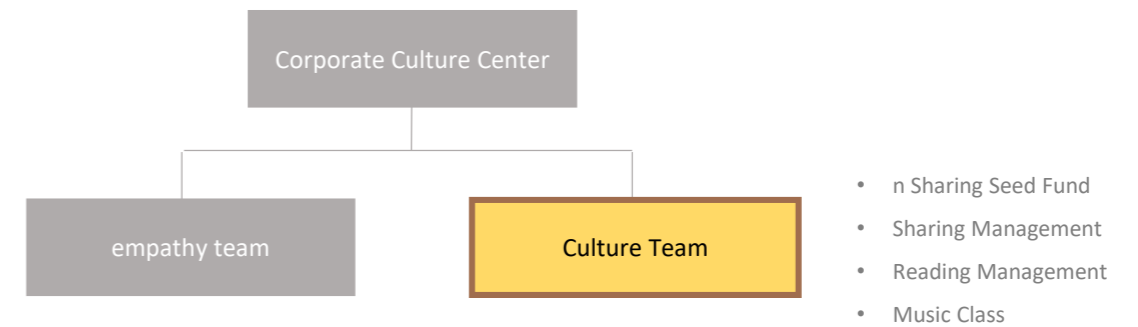
Sponsoring Social Welfare Organizations

- Korean Red Cross
- Miral Welfare Foundation
- Community Chest of Korea
- World Vision

Operation of Organization Dedicated to Sharing Management

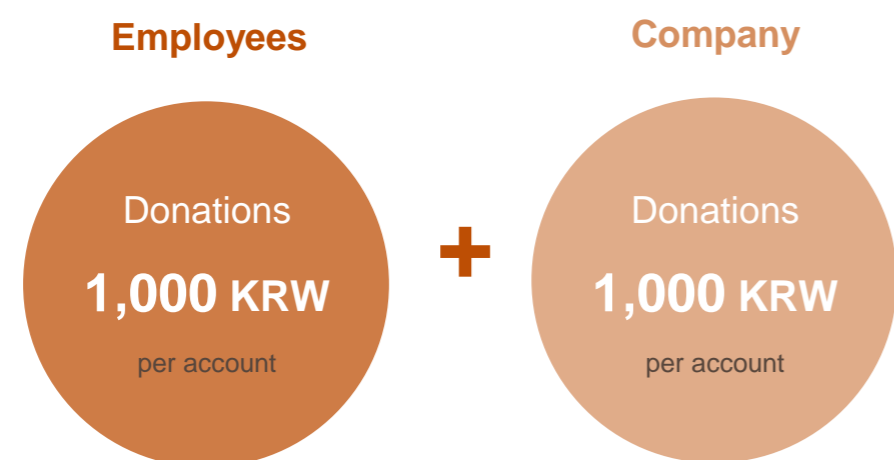
In order to have members take the initiative to participate in sharing management activities and construct an organizational culture for solving various social issues together, Nepes operates the 'Culture Team' that is dedicated to sharing management, and encourages the participation of members in social contribution activities. As part of these efforts, when members participate in volunteer activities, it is treated as a paid business trip, and employees are linked to volunteer organizations such as World Vision, Yongam Welfare Hall, and Miral Welfare Foundation, etc. Furthermore, gatherings are supported to allow networking for volunteers such as in-company volunteer clubs, and at the beginning of every year, the Nepes Award is given to the best volunteers.

Sharing Management Organization



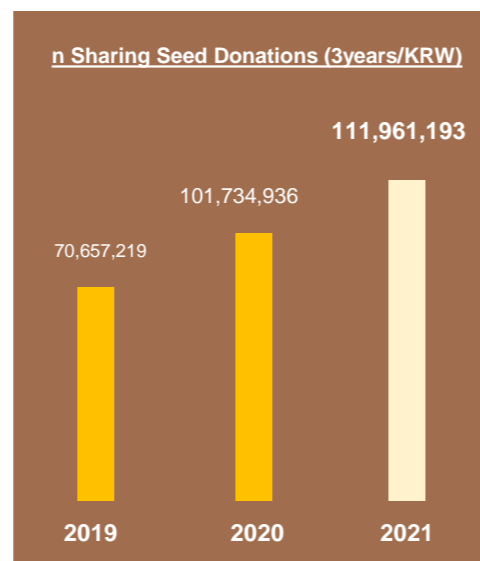
Operation of n Sharing Seed Fund (Member Donation Program)

Nepes opened the ‘n Sharing Seed’ fund in 2009 and has been continuously carrying out sharing activities. The n Sharing Seed is a program where employees voluntarily deduct part of their monthly salary to donate to social contribution activities, and currently, about 40% of all employees are participating. The company participates through a 1:1 matching grant for the amount accrued by employees. The fund accrued by member donations in 2021 was 111,961,193 KRW, with a grand total of 881,961,193 KRW. Nepes used the n Sharing Seed fund to support international relief efforts from the war in Ukraine, restoring damages from forest fires in Gangwon and Gyeongbuk, scholarships for students growing up in financial hardships, and funds needed in welfare blind spots such as medical expenses for children with disabilities.



2021 n Sharing Seed Fund Project achievements

| Category | Place of Donations | Donation Contents |
|-------------|--|--|
| Scheduled | Red Cross | Regular sharing donation of 500,000 KRW every month |
| | Miral Welfare Foundation | Regular sharing donation of 500,000 KRW every month |
| | Community Chest of Korea | Regular sharing donation of 3,500,000 KRW every month |
| | Community Chest of Korea | Scholarship 300,000 KRW per month/3 years (10.8 million KRW) |
| Non-regular | Goesan Yeonpung Regional Children's Center | Clothing Gift Kit |
| | Cheongan vulnerable class | Nepes mask and mask strap |
| | World Vision | Christmas gifts for children in vulnerable classes |
| | Miral Welfare Foundation | Christmas gifts for children with disabilities |
| | Partners | Livelihood support for partner employees |



Operation of Employee Participation-type Volunteer Programs

By continuing sharing activities with our local community and vulnerable classes, Nepes is taking the lead in building a circulating ecosystem. In order to go beyond simply donating or supplying materials and engaging in one-time volunteer activities, we are operating various employee participation-type volunteer programs in order to fulfill our role as a responsible corporate citizen from the perspective of life-to-life.

Operation of Employee Volunteer Corps

Nepes volunteer clubs ISU and Nanumi are engaging in volunteer activities. ISU is the abbreviation for the company’s unique greeting, ‘I’ll Serve You’ and it shows our intent to serve the world. Members of the club donate the entire club budget every month to the Ochang region in Chungbuk to help children with mental and physical disabilities and low-income families.

Nanumi is a volunteer club that was created with the goal of volunteering for the community and sharing with neighbors in need. It entered a sponsorship agreement with a welfare center for disabled persons in Eumseong-gun to enhance the welfare of local residents with disabilities to provide regular material donations. It is also taking part in projects for creating social jobs to support the independence of people with disabilities.

Disaster, Disease and Poverty Relief Activities

In 2021, Nepes worked on constructing a social safety net to prepare crises such as disasters and diseases, as well as exposure to risks in welfare blind spots. We engaged in volunteer activities for making solar power lanterns to improve the nighttime learning environment of Africa, and making cypress pillows and diffusers with the aim of improving the health of low-income families and to provide stability in life. Furthermore, we are actively supporting various sharing activities such as care for vulnerable classes, Love Kimchi Making volunteer activities to help with the economics of local farms, lunch service, gift giving on Children's Day, etc.

Employee Volunteer Activities (2021)

- Feb Lunar New Year's Love Lunch Sharing volunteer activity
- Feb Elderly Gift Sharing Kit Making
- Mar Solar Power Lantern Kit Making volunteer activity
- May Contact-free Mask Strap Making
- May Children's Day Gift Kit Making volunteer activity
- May Online Charity Auction
- May Infectious Disease Kit Making volunteer activity
- Sep Cypress Pillow Making volunteer activity
- Sep Chuseok Meal Delivery volunteer activity
- Oct Walking Donation Campaign (support electric mats)
- Oct Elderly-Children Generation Sharing Picnic
- Oct Live-alone Elderly Food Sharing volunteer activity
- Nov Love Kimchi Making volunteer activity

Information Security and Personal Information Protection

As the influence of information grows, information is becoming an important asset for companies. Accordingly, the methods of abusing, damaging and leaking information by unauthorized persons are diversifying. In order to systematically manage internal security and to prevent personal information leaks, Nepes is operating relevant regulations and guidelines, while conducting training to enhance security awareness among its members. Furthermore, with the enactment of the information protection mandatory disclosure program in 2021, we are also disclosing relevant contents in the KISA information security disclosure portal.

Security Management System

Nepes assigned a chief information protection officer to provide systematic and concentrated protection of information. Furthermore, we have in place information protection organization operational guidelines for information security and protection of personal information, user security guidelines, personal information internal management plans, information protection policies, and information security pledges, etc. The CEO declaration on information protection and information protection code are included in the company regulations, and it is being shared with all members through the groupware system.

Security Activities

We have constructed a firewall system to defend against external intrusions and to prevent leak of internal information. Firewall systems are operated by differentiating major frequency bandwidths for the office and production site servers. The firewall system prevents the use of portable USBs or social media such as Kakao Talk without the authorization of the department in charge of information security. Moreover, Nepes operates information solution systems such as IPS (Intrusion Preventing System), APT (Advanced Persistent Threat) security solution, and web firewalls to prevent external intrusion of internal information.

Information Security Education and Training

Information protection employees of Nepes provide information protection training for employees every year. The training comprises information security, trade secrets, information security rules, and personal information protection and is offered to all employees and for new employees.

From 2020 to 2021, we minimized group training due to COVID-19 and conducted learning and evaluation through online classes.

Furthermore, we are enhancing information protection awareness by sharing IT security news through our company groupware site and via in-company campaigns.

Information protection education contents

| | |
|---|---|
| Information Security and Trade Secrets | Definition of information security, methods of leaking trade secrets, and damages |
| Information Security Rules | Company-wide protection regulations, user security guidelines, employee ID card management, ransomware, phishing mail |
| Personal Information Protection | Types of personal information, violations of security regulations, and reprimands |

Personal Information Protection Policy

Nepes possesses personal information internal management plans and policies to safely handle and report personal information of various stakeholders. The company is coming up with managerial, technological, and physical measures to ensure safety against loss, theft, leaks, falsification or damages to personal information when handling.

Securing stability of personal information

| Category | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|------|------|------|------|
| Managerial measures | Establish, observe, supervise, educate company regulations that must be kept to protect personal information | | | | |
| Technological measures | Managing access authority of personal information handling systems, etc. prevention of forgery/modification of access records, etc. | | | | |
| Physical measures | Installation of access control and monitoring systems, etc. of personal information handling systems | | | | |
| No. of personal information violations and regulations | 0 | 0 | 0 | 0 | 0 |

- Main Contents of Personal Information Internal Management Plans**
1. Establishment and implementation of internal management plans
 2. Duties and responsibilities of the person in charge of personal information protection
 3. Collection and use of personal information
 4. Technological and managerial safety measures per handling stage of personal information
 5. Installation and operation of video information treating device
 6. Regular self-audit
 7. Personal information violation response and relief

GOVERNANCE

01 BOARD OF DIRECTORS

02 AUDIT SYSTEM

03 ETHICAL COMPLIANCE MANAGEMENT

Board of Directors

Nepes recognizes that independent and healthy governance is the backbone for long-term enhancement of customer value and the happiness of stakeholders and is striving to establish better governance.

Composition of Board of Directors

The Nepes BOD is composed of 3 to 10 directors pursuant to Article 29 of the Articles of Association. As of the end of March 2022, the BOD is composed of seven people including two outside directors. Pursuant to Article 38 of the Articles of Association, it makes decisions on important issues such as votes according to laws and the Articles of Association, proposals requiring the approval of the general meeting of stockholders, and other management issues.

Composition of Board of Directors

| Category | Name | Expertise | Main Experience |
|--|------------------|-------------------------|--|
| Chair of BOD Internal directors | Lee Byung-koo | Business Administration | <ul style="list-style-type: none"> Current CEO and Chairman Formerly at LG Semiconductors |
| Internal Director | Kim Gyeong-tae | Finances | <ul style="list-style-type: none"> Current Vice President of Finances Formerly at Seojin Industries |
| Internal Director | Kim Nam-cheol | Semiconductors | <ul style="list-style-type: none"> Current President of Semiconductor Business Dep. Formerly at LG Semiconductors |
| Internal Director | Kim Tae-hoon | Marketing | <ul style="list-style-type: none"> Current President of Company-wide CMO Office Formerly at Samsung Electronics |
| Internal Director | Park Hyeong-geon | Semiconductors | <ul style="list-style-type: none"> Current President of Management Support Formerly at Samsung Electronics |
| Outside Director | Lee Hee-gook | Semiconductors | <ul style="list-style-type: none"> Current GS Construction Outside Director Formerly at LG Group |
| Outside Director | Kim Won-ho | Medical | <ul style="list-style-type: none"> Current Yonsei University Medical College Internal Medicine Professor Former specialist at Severance Hospital |

Expertise and Diversity of Board of Directors

Nepes is constantly working on securing expertise and diversity of its BOD members. Five in-company directors of Nepes are experts in management, finance and marketing closely related to company management, as well as experts in semiconductors, which is a major business of Nepes, and they possess high levels of expertise on company management and the semiconductor industry.

Nepes appoints outside directors without discriminating against specific elements, while striving to procure diversity. The two outside directors of Nepes are experts in semiconductors and medical sectors, and they participate in the BOD assertively with different perspectives.

Appointment and Term of Directors

Directors of Nepes are appointed with the vote of stockholders at the general meeting of stockholders pursuant to Article 30 of the Articles of Association and Article 382 of the Commercial Act. The term of directors cannot exceed three years. However, if the term expires prior to the regular general meeting of stockholders on the final settlement period, the term shall be extended until the end of the general meeting.

Remuneration of Directors

Remuneration for Nepes directors are provided within the total remuneration limit of directors with the approval of the general meeting of stockholders pursuant to Article 40 of the Articles of Association. The total BOD remuneration limit approved by the general meeting of stockholders in 2021 was 4 billion KRW, and the total paid remuneration for directors was 2,288,000,000 KRW, and this may include amounts paid for registered directors who have retired.

(Unit: million KRW)

| 2021 BOD Member Remuneration | No. of persons | Total amount paid | Average remuneration per person |
|------------------------------|----------------|-------------------|---------------------------------|
| Internal directors | 5 | 2,288 | 457 |
| Outside directors | 2 | 74 | 37 |

Operation of BOD

Nepes holds BOD meetings for the approval of financial statements, convening regular general meeting of stockholders, approval of investments, etc. In accordance to Article 37 of the Nepes Articles of Association, the CEO or a director designated by the BOD shall convene the BOD and notify each director of the time, place and bill of the meeting at least three days in advance. Should there be an emergency situation, decisions can be made by quickly reporting to the director.

BOD Activities

Nepes held a total of BOD meetings in 2021 and decided on 21 cases requiring approval. Unless there is special reasons not to, the BOD is recommended to attend 100% of the meetings, and the attendance rate in 2021 was 91%.

In order to achieve 100% BOD attendance rate in 2021, the Nepes BOD made many efforts to provide ways to increasing sharing of bills by considering days of holding the meetings, etc. using various channels including online contact-free platforms, phone, and e-mail. The Nepes BOD shares bills with the BOD before holding the meeting and provides sufficient information on the background and needs, and if a member of the BOD has a different opinion, it is mediated in advance to ensure smooth operation of the BOD.

BOD activities (2021)

| | | |
|------------------|--------------------|-----|
| | All | 91% |
| Attendance Rate | Internal directors | 95% |
| | Outside directors | 82% |
| Meetings held | | 11 |
| Bills (Approved) | | 21 |

Audit System

An audit system is operated to monitor and inspect the accounting, financial status, and general company operations of Nepes.


Auditor

Nepes auditors are members of the BOD and they can independently oversee the works of directors by attending the BOD meetings. If necessary, they can receive reports on issues related to operations from the company. As of the end of March 2022, there is one Nepes auditor and the duties of the auditor are in accordance to that prescribed in Article 35 of the Articles of Association.

Expertise of Auditor

Nepes is constantly working on securing expertise of its auditors. Yun Jong-hoon, the auditor of Nepes, is an expert in accounting and finance and worked at the National Tax Service for over 30 years, and he also served as the head of the Busan District National Tax Office and the head of the Seoul District National Tax Office.

Composition of Auditors

|  | Category | Name | Expertise | Main Experience |
|---|----------|---------------|---------------------|--|
| | Auditor | Yun Jong-hoon | Accounting, Finance | <ul style="list-style-type: none"> • Current Nepes Auditor • Former Head of Seoul District National Tax Office |

Ethical Compliance Management

Nepes recognizes the needs of the times for ethical compliance management, and it performs its work ethically and legally, respects laborers, and established fair trade order in order to establish a transparent and clean corporate culture that fulfills social responsibilities.

Ethical Management Practice System

In carrying out the duties of employees, Nepes advocates free and fair competition by pursuing common interests with all stakeholders based on mutual trust and cooperation. Furthermore, we have established the 'Nepes Ethical Management Regulations' that contains detailed execution plans and policies for ethical management and announces them on the company bulletin. We also operate programs and systems for improving the ethical awareness of all employees and we are doing our best to prevent cases involving ethical issues while enhancing the ethical awareness levels of employees in the all corporations of company.

Code of Ethics

The Nepes code of ethics is a collection of ethical management established with the goal of maintaining utmost professional and personal ethical standards for employees in their relations with customers, colleagues, vendors, competitors, government, and social organizations, while respecting laborers.

Nepes Code of Ethics

All Nepes employees

1. Shall comply with all laws and regulations,
2. Treat everyone related to work fairly and respect individual rights and dignity,
3. Do not take unjust profits or provide such profits to others,
4. Do not engage in any behavior that can defame Nepes or its employees,
5. And shall actively safeguard the highest levels of ethical and moral behavior cultures that can set an example for the development of the country and society.

The ethics regulations are composed of the responsibilities and duties to customers, responsibilities and duties to stockholders, responsibilities and duties to employees, responsibilities and duties of employees, responsibilities and duties to vendors, and responsibilities and duties to the nation and society. All employees and business sites of Nepes conduct business based on the contents of the ethics regulations,

Nepes Ethical Management Company Regulations

1. Ethics regulations
2. Ethics regulations practice guideline
3. Whistle blower protection regulations
4. Vendor ethics regulations

and it is disclosed on the Nepes homepage to promote stakeholders to observe the ethics regulations together.

Ethical Management Organization and Operation

The department in charge of ethical management at Nepes is guaranteed independence in performing its duties, and regarding major issues on ethical management, they report to the auditor and CEO to support transparent management activities.

Operation of Unethical Issue Reporting System

Nepes strives to enhance business transparency and establish an ethical management corporate culture. It receives reports on unethical behavior by employees such as unfair work, wrongful requests, request/reception of money or entertainment, etc. through various channels such as mail, phone and e-mail. In order to enhance convenience, the 'Unethical Issue Reporting System' was constructed and is in operation within the Nepes ethical management website, and it also offers anonymous tips.

Reporting Channel

| | |
|----------------|--|
| Website | www.nepes.co.kr/kr/esg/unethical_information.php |
| E-mail | ethics@nepes.co.kr |
| TEL | 02-3470-2701 |
| Mail | 2415, Nambusunhwan-ro, Seocho-gu, Seoul Nepes Ethics |

Unethical Report Respo

| | |
|----------------|------|
| Category | 2021 |
| No. of reports | 3 |
| Handling rate | 100% |

Protection of Ethical Whistle Blower and Investigation of Report

Nepes thoroughly protects the identity of the whistle blower and operates a whistle blower protection system by enacting and revising whistle blower protection regulations so that he or she may not be put at an disadvantage or be discriminated against for the report. In order to ensure that the whistle blower does not incur any damages such as revenge, etc., discrimination disadvantages and revenge are monitoring regarding the working conditions of the whistle blower every year. No attempt to find the identity of the whistle blower is permitted. If such attempt is discovered or the whistle blower receives damages whether directly or indirectly, the whistle blower can request corrective and preventive actions, and the person who took action to put the whistle blower at a disadvantage will be reprimanded.

The organization in charge of reports on unethical actions shall, when deemed necessary, begin investigations directly and immediately to judge violations of ethical management. The received report and investigation results are notified to the whistle blower and if reprimand is needed, it is reported to the HR Committee. Results of unethical report investigations and the contents of reprimand are disclosed in the company groupware bulletin.

Report handling procedure

| | |
|-----------------------|---|
| Receive report | Website/phone/e-mail/mail/interview |
| Report classification | Determine investigator based on the rank of the target and gravity of the issue |
| Begin investigations | Participate relevant department if necessary |
| Result report | Review investigation results, report/approve action opinion, supplementary investigation if necessary |
| Follow-up measures | Provide feedback (if requested) of results, and request reprimand if there is cause for reprimand |

Ethical Management Index Evaluation

In order to diagnose the ethical management practice level and ethical awareness level, while finding areas for improvement, Nepes performs anonymous surveys for employees to promote the establishment of ethical management. The evaluation index was self-developed by referring to the company-wide ethics index evaluation results of a public agency under the Ministry of Land, Infrastructure and Transport. The evaluation items are classified as ethical awareness levels that measure ethical awareness of members per sector such as economic responsibility and legal responsibility, as well as the ethical management practice system that sums of the ethical management infrastructure and operation system of Nepes. The results of the survey are reflected in the next-year's ethical management activity plans.

2021 Ethical Management Index Evaluation

| Classification | Total | Ethical Management Practice System | | Ethical Awareness Level | |
|---|----------------|------------------------------------|-----------|-------------------------|----------------|
| Evaluation results | 4.10/5 | 4.00/5 | | 4.19/5 | |
| *Diagnosis grade | A | A | | A | |
| *Overall evaluation | Good | Good | | Good | |
| * Diagnosis grade and overall evaluations | | | | | |
| | 4.50 or higher | 4.00~4.49 | 3.50~3.99 | 3.00~3.49 | Less than 3.00 |
| Diagnosis grade | A+ | A | B+ | B | C+ |
| *Overall evaluation | Excellent | Good | Good | Poor | Very Poor |



Ethical Practice Pledge

Ethical Management Training and Practice Pledge Signature

Nepes performs continuous ethical management training for all employees. It is designated as new employee mandatory training to provide training for at least one hour. In December of 2021, special online education was performed to enhance the ethical management awareness levels of employees and to improve the attitude for voluntary practice. When filling out labor agreements with new employees, Nepes also drafts ethical management practice pledges to enhance ethical management practice awareness.

Operation of Department in Charge of Company Regulations

By accepting the trends of changes in which corporate social responsibilities and the responsibility for implementing legal regulations are being strengthened, Nepes strives to fulfill its duties to comply with the laws. A department dedicated to company regulations was installed to minimize impact on the company resulting from unintentionally violating laws and to elevate the legal compliance implementation rate of each department. The department dedicated to company regulations continuously monitors enactment and revision of laws and immediately cooperates with the department in charge of company regulations when enactment or revision of company regulations are found to be necessary as part of its efforts to reduce risks.

Violation of Governance Laws/Standards

Nepes has no history of receiving punishment for violating laws and standards while operating the company by the management over the past five years, and it is continuously checking and working on engaging in transparent management activities.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|------|
| Category 1 | | | | | |
| Punishment level of criminal punishment, fines, penalties, etc. | 0 | 0 | 0 | 0 | 0 |
| Type 2 | | | | | |
| Fees, penalties, enforcement levy, etc | 0 | 0 | 0 | 0 | 0 |
| Category 3 | | | | | |
| Corrective orders, corrective recommendation, warning, etc. | 0 | 0 | 0 | 0 | 0 |

APPENDIX

01 ESG MANAGEMENT DATA

02 AFFILIATED ORGANIZATIONS/AWARDS

03 MAJOR CERTIFICATIONS

04 GRI INDEX

ESG Management Data

ENVIRONMENT

Greenhouse Gas Emissions

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------|--------|--------|--------|--------|
| Base unit greenhouse gas emissions | 8.6 | 9.5 | 6.3 | 6.0 | 5.3 |
| Total greenhouse gas emissions (tCO ₂ eq) ¹ | 18,217 | 20,341 | 18,520 | 13,194 | 15,542 |
| Scope1 greenhouse gas emissions (tCO ₂ eq) | 1,236 | 1,544 | 1,415 | 1,564 | 1,441 |
| Scope2 greenhouse gas emissions (tCO ₂ eq) | 16,981 | 18,797 | 17,105 | 11,630 | 14,101 |
| Denominator using base units (revenue/100 mil. KRW) ² | 2,128 | 2,134 | 2,921 | 2,184 | 2,938 |

¹ ns2 campus (Semiconductor Dep.)

² Revenue of Nepes Semiconductor Dep.

Energy Usage

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|-------|
| Base unit energy usage | 0.20 | 0.21 | 0.19 | 0.23 | 0.22 |
| Total energy usage (TJ) | 574 | 579 | 662 | 774 | 915 |
| Denominator using base units (revenue/100 mil. KRW) | 2,850 | 2,733 | 3,563 | 3,436 | 4,183 |

Water Usage

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|-----------|-----------|-----------|
| Base unit water usage | 286 | 306 | 288 | 335 | 315 |
| Total water usage (tons) | 816,174 | 835,851 | 1,025,445 | 1,151,099 | 1,318,190 |
| Water flown in from the environment (tons) | 763,614 | 783,291 | 972,885 | 1,073,772 | 1,253,398 |
| Amount reused within the organization (tons) | 52,560 | 52,560 | 52,560 | 77,327 | 64,792 |
| Denominator using base units (revenue/100 mil. KRW) | 2,850 | 2,733 | 3,563 | 3,436 | 4,183 |

Water Pollutant Emissions Concentration

| Management items | BOD | TOC | SS |
|-----------------------------------|------|------|------|
| Base unit emissions concentration | 0.01 | 0.02 | 0.01 |

Air Pollutant Emissions Concentration

| Management items | NOx | SOx | Dust |
|-----------------------------------|------|------|------|
| Base unit emissions concentration | 0.00 | 0.00 | 0.01 |

Waste Recycling Ratio

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|--------|
| Waste recycling ratio | 71% | 75% | 85% | 92% | 99% |
| Waste recycling amount (including reuse) (tons) | 2,013 | 2,200 | 2,462 | 1,988 | 24,283 |
| Amount of waste subject to recycling (including reuse) generated (tons) | 2,834 | 2,928 | 2,890 | 2,157 | 24,543 |

No. of violations of environmental laws/regulations

| Item | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|
| Category 1 - Punishment level of criminal punishment, fines, penalties, etc. | 0 | 0 | 0 | 0 | 0 |
| Category 2 - Fees, penalties, enforcement levy, etc. | 0 | 0 | 0 | 0 | 0 |
| Category 3 - Corrective orders, corrective recommendation, warning, etc. | 0 | 0 | 0 | 0 | 0 |

SOCIAL

New Employment

| Category | Unit | 2019 | 2020 | 2021 |
|-------------|---------|------|------|------|
| Newly hired | persons | 211 | 217 | 449 |

No. of Members by Employment Contract (Including Temporary Workers)

| Category | Unit | 2019 | 2020 | 2021 |
|----------------------|-------------------|-------|-------|-------|
| Employment contracts | Full-time | 830 | 911 | 1,266 |
| | Non-full-time | 66 | 116 | 62 |
| | Temporary workers | 944 | 775 | 657 |
| | Total | 1,840 | 1,802 | 1,985 |

*In 2022, about 822 temporary workers to be converted to Nepes employees

Member Diversity

| Category | Unit | 2019 | 2020 | 2021 |
|-----------------------|------------|------|------|------|
| Member ratio (gender) | Male | 84.7 | 85.0 | 80.3 |
| | Female | 15.3 | 15.0 | 19.7 |
| Member ratio (age) | Under 30 | 23.0 | 31.0 | 40.7 |
| | Ages 30-50 | 66.6 | 58.9 | 51.0 |
| | Over 50 | 10.4 | 10.1 | 8.4 |

Female Managers

| Category | Unit | 2019 | 2020 | 2021 |
|---------------------------------|--------|------|------|------|
| S2 (Management level) or higher | Male | 91.2 | 89.6 | 89.3 |
| | Female | 8.8 | 10.4 | 10.7 |

Employee Education and Training

| Category | Unit | 2019 | 2020 | 2021 |
|-----------------------------|------------|------|------|------|
| Training time per person | Time | 90 | 100 | 101 |
| Training expense per person | 10,000 KRW | 106 | 100 | 80 |

No. of personal information violations and regulations

| Category | Unit | 2019 | 2020 | 2021 |
|--|-------|------|------|------|
| No. of personal information violations and regulations | Count | 0 | 0 | 0 |

Affiliated Organizations/Awards

Membership in Major Associations and Organizations

| | | |
|--|--|---|
| Federation of Middle Market Enterprises of Korea | Korea Semiconductor Industry Association | Nano Technology Research Association |
| SEMI (Semiconductor Equipment and Materials International) | Chungcheongbuk-do Semiconductor Industry Fostering Association | ASIC (American Semiconductor Innovation Alliance) |
| Korea World Class Enterprise Association | Korean Microelectronic and Packaging Society | Chungbuk Economic Forum |
| Korean Red Cross Corporate Organization RCSV | | |

Awards

| Award Date | Award Contents | Awarder |
|------------|---|--|
| 11/30/1995 | Five Million USD Export Tower | Korea International Trade Association |
| 11/30/1996 | Ten Million USD Export Tower | Korea International Trade Association |
| 7/11/2005 | Korean Technology Fast 50 Bronze Medal | Digital Times, Deloitte Korea, Korea Credit Information Services |
| 12/8/2005 | Asia Pacific Technology Fast 500 | Deloitte |
| 3/15/2006 | Taxpayer Day, Customs Service Director Award | National Tax Service |
| 4/25/2006 | Venture 100 Billion Club | Ministry of SMEs and Startups/Korea Venture Business Association |
| 10/19/2006 | Venture Company Awards Silver Industry Medal | Ministry of SMEs and Startups/Korea Venture Business Association |
| 3/3/2007 | Taxpayer Day, National Tax Service Director Award | National Tax Service |
| 12/6/2010 | Small, Medium and Large Enterprise Cooperation Awards, Presidential Medal | Ministry of Knowledge Economy, Ministry of SMEs and Startups |
| 11/9/2011 | Sustainable Management Awards, Grand Prize | Ministry of Knowledge Economy, Ministry of SMEs and Startups |
| 11/10/2011 | Award at the Best 100 Companies to Work For in Korea | GWP Korea |
| 3/4/2013 | Taxpayer Day, National Tax Service Director Award | National Tax Service |
| 5/29/2015 | Global CEO Award, International Management Sector | Asia-Europe Perspective Association |
| 7/1/2015 | World Class 300 Company Certification | Ministry of SMEs and Startups |
| 6/28/2016 | Korea-China Management Awards, Special Prize | Korea Marketing Association |
| 12/15/2016 | Human Management Awards, HR Management Sector Grand Prize | Human Development Institute |
| 12/28/2016 | World Class Product Certificate (FOWLIP) | Korea Trade-Investment Promotion Agency |
| 8/21/2017 | Small Giant of Korea Award Selected by Economic Scholars | Korean Academic Society of Business Administration |
| 11/22/2017 | Local Industry Promotion Merit Award 'Local Job Creation' Sector, Presidential Medal | Ministry of Trade, Industry and Energy |
| 10/16/2018 | National Productivity Conference 4th Industrial Revolution Leading Company Prime Minister's Medal | Ministry of Trade, Industry and Energy |
| 12/27/2018 | National Competitiveness Award Manufacturing Sector, Grand Prize | Korea Marketing Association |
| 10/2/2019 | Korea IR Awards, Selected as Outstanding IR Company | Korea IR Association |
| 7/5/2021 | 2021 Excellent Hiring Company Certification | Chungcheongbuk-do Ministry of Employment and Labor, Ministry of Trade, Industry and Energy |
| 9/18/2021 | Best HRD (Human Resources Development) Selection | Ministry of SMEs and Startups, Ministry of Education |
| 9/7/2021 | 2021 Brand of the Year Award - Children's Coding Education | Korea Consumer Brands Committee |
| 11/4/2021 | Korean Reading Management Excellent Workplace Certification Minister's Award | Ministry of Cultures, Sports and Tourism |
| 12/15/2021 | ESG Management CEO Award | Thanks Sharing Research Institute |

Major Certifications

| Certified Corporation | Certified Work Site | Certification Contents |
|-----------------------|----------------------|-------------------------|
| Nepes | Cheongju Campus 1, 2 | QMS-IATF 16949 |
| | | EMS-ISO 14001 |
| | | OHS-ISO 45001 |
| | | ANSI/ESD S20.20-2014 |
| | | SEC Eco-Partner |
| | Eumseong Campus | AEO (Exporter/Importer) |
| | | Sony-Green-Partner |
| | | QMS-IATF 16949 |
| | | EMS-ISO 14001 |
| | | OHS-ISO 45001 |
| Nepes Ark | Cheongju Campus 2 | AEO (Exporter/Importer) |
| | | QMS-ISO 9001 |
| Nepes Yahad | Cheongju Campus 2 | CC (Common Criteria) |
| | | EMS-ISO 14001 |
| | | QMS-IATF 16949 |
| Nepes Laweh | Cheongju Campus 2 | QMS-IATF 16949 |
| | | EMS-ISO 14001 |
| | Cheongan Campus | OHS-ISO 45001 |
| | | QMS-ISO 9001 |
| | | EMS-ISO 14001 |
| Nepes Hayyim | Philippines | OHS-ISO 45001 |
| | | QMS-IATF 16949 |
| | | EMS-ISO 14001 |
| | | ISO-OHSAS-18001 |
| | | Sony-Green-Partner |

GRI Index

| Report Theme | No. | Disclosed Information Index Name | Location | | Remarks | | |
|--|----------------|---|--|-----------------|-------------|---------|--|
| | | | Report | Other | K-ESG | UN SDGs | |
| GRI 102 General Information Disclosure | | | | | | | |
| Organization Profile | 102-1 | Organization Name | 8 | | - | | |
| | 102-2 | Activity, brand, product service | 10~11, 24~25 | | - | | |
| | 102-3 | Headquarters address | 8 | | - | | |
| | 102-4 | Name and number of countries that the organization does business in | 9 | | - | | |
| | 102-5 | Type and legal status possessed by organization | | Business report | - | | |
| | 102-6 | Geographical location where products and services are provided, relevant industries, customer and beneficiary types | | Business report | - | | |
| | 102-7 | Scope of organization | 8~9, 42, 68~71, 74 | | - | | |
| | 102-8 | Report of information on employees and other workers | 12~13 | | - | | |
| | 102-11 | Preventive approach methods or principles | 21~22 | | E-1-1/E-1-2 | | |
| | 102-13 | Memberships to Associations | 76 | | - | | |
| | Strategies | 102-14 | Decision-maker statement | 6~7 | | - | |
| | General report | 102-16 | Value, principle, standard code of conduct | 14~15, 62 | | - | |
| | | 102-17 | Advice on ethics and reporting mechanism | 63~64 | | G-4-1 | |
| Governance | 102-18 | Governance structure | 58~60 | | G-1-1 | | |
| | 102-22 | Highest decision-making organization and committee composition | 58 | | G-1-2~5 | | |
| | 102-23 | Highest decision-making organization chair | 58 | | G-1-3 | | |
| | 102-24 | Appointment and selection of highest decision-making organization | 58 | | G-1-4~5 | | |
| | 102-25 | Conflict of interest prevention process and disclosure of conflicts of interest | | Business report | G-1-3 | | |
| | 102-33 | Procedure for reporting major issues to the highest governance organization | 60 | | G-1-1 | | |
| | 102-34 | Characteristics and number of major issues reported to the highest governance organization | 60 | | - | | |
| | 102-35 | Policies per remuneration type and remuneration of senior directors | 59 | | - | | |
| | 102-36 | Remuneration decision procedure | 59 | | - | | |
| Identified major aspects and border and report profile | 102-45 | Consolidated financial statement of organization | 8 | | - | | |
| | 102-46 | Process of determining report contents and topics | 16 | | P-2-1 | | |
| | 102-50 | Reporting period of provided information | 2 | | - | | |
| | 102-51 | Most recent reporting date | 2 | | - | | |
| | 102-52 | Reporting period (annual, biannual, etc.) | 2 | | P-1-2 | | |
| | 102-53 | Contact for inquiries on report and its contents | 2 | | - | | |
| Management approach method | 102-54 | Method for meeting GRI Standards | 2 | | - | | |
| | 102-55 | GRI Index indicating the applied GRI Standards and disclosure list | 78~79 | | - | | |
| | 103-2 | Purpose of management approach method, topic management method | 16~17 | | P-2-1 | | |

| Report Theme | No. | Disclosed Information Index Name | Location | | Remarks | |
|--|-------|--|----------|-------|-------------|-------------|
| | | | Report | Other | K-ESG | UN SDGs |
| GRI 200 Economics | | | | | | |
| Economic performance | 201-1 | Direct economic value creation and distribution | 50~53 | | - | |
| GRI 300 Environment | | | | | | |
| Energy | 302-1 | Energy consumption within the organization | 27, 72 | | E-4-1 | |
| | 302-3 | Energy base unit | 27, 72 | | E-4-1 | |
| Water and sewage | 303-1 | Use of water as public resource | 29 | | - | 3.9/6.3~6.4 |
| | 303-2 | Discharged water impact management | 28 | | - | 3.9/6.3~6.4 |
| | 303-3 | Water intake | 28, 72 | | - | 3.9/6.3~6.4 |
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