



NEPES MAKES SUSTAINABLE FUTURE

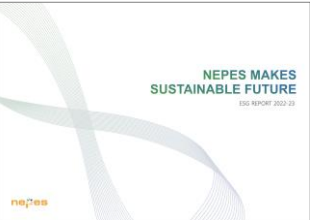
ESG REPORT 2022-23

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ESG REPORT 2022-23

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COVER DESIGN

The cover design utilizes the infinity symbol, representing sustainability in management. It also depicts the boundless future of Nepes.

Report Overview

Nepes has been transparently disclosing its sustainability management efforts and key achievements to the public. To actively communicate with stakeholders based on this transparency, Nepes published its first sustainability management report in 2011 and officially released the 2022 ESG REPORT. Moving forward, we plan to actively gather feedback from our stakeholders through this report annually and incorporate it into our management activities.

Report Writing Standards

This report takes into account the GRI (Global Reporting Initiative) standards and core indicators of supply chain K-ESG, tailored to our company's size and industry characteristics. The reporting period encompasses environmental and social achievements and management activities from January 1, 2022, to December 31, 2022. Considering the timeliness and importance of information, some data up to the first half of 2023 is included.

Scope of the Report

The financial data in this report aligns with the International Financial Reporting Standards (IFRS). For non-financial data, the report is based on major domestic business locations of Nepes and its affiliates. The respective data specifies its detailed scope through separate annotations.

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CEO MESSAGE



Nepes Corporation CEO & Chairman

Byung-Koo Lee

2022 Review

2022 was a year marked by heightened uncertainties for South Korea's key manufacturing companies, such as semiconductors and batteries, due to various geopolitical factors including US-China tensions and supply chain reshuffling. Amid this rapidly changing business environment, Nepes focused on establishing a foundation to proactively address future changes.

Last year, Nepes secured integrated packaging technology applicable to high-performance artificial intelligence semiconductors and completed R&D on core materials, processes, and components targeting application areas such as edge computing and cloud servers. Additionally, we strengthened our market position by joining the UCle (Universal Chiplet Interconnect Express) consortium which is an advanced back-end technology alliance. Our new rechargeable battery component business witnessed robust growth, propelled by the rising demand for electric vehicles. By acquiring new overseas customers, we solidified our footing in the continuously growing rechargeable battery market.

Despite various challenges and uncertainties, Nepes concluded 2022 with record-high sales, driven by the balanced growth of our advanced packaging, testing, and rechargeable battery businesses.

ESG Management

Nepes has been actively deploying various mid-to-long term ESG initiatives across all business units, such as installing solar panels, converting official vehicles to electric cars, and founding an orchestra for the disabled. Moreover, since 2021, centered around our ESG TF, Nepes has been conducting internal assessments, monitoring execution statuses, and striving for the company's sustainable development. In 2022, through our internal assessments, we shared identified tasks company-wide and undertook improvement measures, leading to various achievements like strengthening ESG information disclosure, improving human rights policies, and publicizing health and safety policies.

Moving forward, Nepes will continue to assess our ESG status annually, monitor key tasks, and elevate our ESG management standards company-wide. We also plan to proactively respond to both internal and external ESG requirements and government regulations.

2023 Outlook

The global economy in 2023 is expected to face challenges, with anticipated slowdowns in growth due to liquidity contraction and rising energy prices causing suppressed demand across the world. Despite these predicted market challenges, Nepes is committed to doing its utmost to overcome uncertain business environments and further solidify its foundation for growth.

We plan to expand our energy business portfolio by increasing our rechargeable battery application products and broadening our collaboration in the smart window business. Currently, Nepes is exploring new market entries through strategic collaborations with leading domestic and international companies, and we anticipate creating synergies with our existing businesses through these endeavors.

On the semiconductor front, we are planning to enhance our advanced semiconductor manufacturing infrastructure by forming a strategic partnership with overseas AI companies for AI factory construction. We aim to develop various technologies and services required for high-performance semiconductors across all business domains, such as processes, materials, components, and intend to expand our competitive portfolio.

This year, as a company that serves the world, Nepes will lay the groundwork for new businesses and strive to create a better future. We sincerely ask for your continued support and interest.

ABOUT NEPES

Nepes stands out as a leading back-end foundry in the core value chain of the system semiconductor industry. Guided by our mission to "serve with our technology and products to the ends of the earth," we leverage advanced technology and corporate culture as our competitive edge, consistently growing as a global top-tier company.



The name 'Nepes' is derived from a Hebrew term meaning "Eternal Life," **symbolizing the company's vision of unwavering vitality and continuous growth.**

Company Overview

As of December 2022

Company Name	Nepes Corporation
Head Office Address	105, Geumil-ro 965beon-gil Samseong-myeon, Eumseong-gun, Chungcheongbuk-do
CEO	Byung-Koo Lee
Establishment Date	December 27, 1990 (Listing Date: December 14, 1999)
Number of Employees	2,292
Total Assets	KRW 1,131.9 billion
Revenue	KRW 588 billion

Main Business Units

Semiconductors	Nepes	● Advanced Semiconductor Package (WLP)	Cheongju 1, Cheongju 2, Cheong-an
	Nepes Laweh	● Advanced Semiconductor Package (FOPLP)	Cheong-an
	Nepes Ark	● Semiconductor Test	Cheongju 2, Cheong-an
	Nepes Hayyim	● Advanced Semiconductor Package (FOWLP)	Philippines
	Jiangsu Nepes	● Advanced Semiconductor Package (WLP/DDI)	China
Chemicals	Nepes	● Chemicals for Semiconductors/Displays	Eumseong, Cheong-an
Rechargeable Batteries	Nepes Yahad	● Lead Tab (EV/HEV)	Cheongju 2
Sales Corporations	Nepes Hokmah	○ AI Semiconductor Sales & Marketing	USA
	Nepes US	○ Semiconductor Sales & Marketing	USA

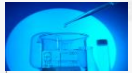
ABOUT NEPES

Chronology

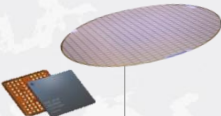
Since its inception, Nepes has continuously grown by taking on challenges in 'difficult yet necessary technologies for customers and the world'. Currently, Nepes supplies the global market with back-end value chains for system semiconductors, from advanced packaging capable of implementing low power, raw material reduction, and high performance in semiconductors, to wafer test and chemicals for semiconductors. With over 30 years of accumulated cutting-edge semiconductor processing technology, Nepes is also preparing to leap as a global top-tier back-end foundry by securing sustainable competitiveness through large-panel packaging technology that maximizes productivity.

1992

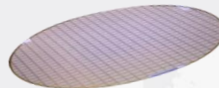
Mass production of chemicals for display & semiconductors


2000

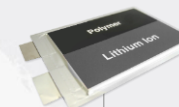
Entry into system semiconductor WLP & test business


2009

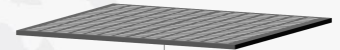
Completion of the 2nd WLP mass production plant


2016

Mass production of rechargeable battery lead tabs


2020

Completion of the world's first FO-PLP dedicated fab


2006

Establishment of Nepes Pte. JV in Singapore


2015

Started mass production of Fan-out WLP



China
Establishment of Jiangsu Nepes


2019

Launch of the test business



Philippines
Acquisition of FOWLP fab



ABOUT NEPES

KEY FIGURES

* Based on the Semiconductor Business Unit

2022 Performance (Consolidated)



Revenue

KRW **588** billion



EBITDA

KRW **140** billion

Operational Status



Number of Business Sites

7



Total Number of Employees

2,292

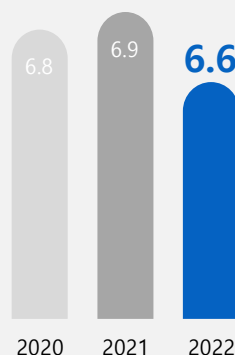
ESG Evaluation Rating



2022 Sustainvest

Environmental Safety Responsibility*

[Unit-based CO2 Emissions]

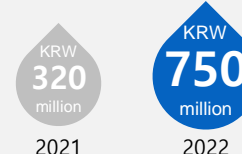


[Violations of Environmental Laws /Regulations]

0 cases

Social Responsibility

[Social Contribution Amount]



[Total Social Contribution Hours]



[Personal Data Breach Incidents]

0 cases

Certification Status for Business Sites*

QMS-IATF 16949

EMS-ISO 14001

OHS-ISO 45001

ANSI/ESD S20.20-2021

SEC Eco-Partner

SONY Green Partner

AEO(Authorized Economic Operator)

Training Hours
per Person

104
hours/person

Training Cost
per Person

KRW
400
thousand/person

Ethical Responsibility

[Rate of Addressing Unethical Reports]

100 %

[Violations of Governance Laws /Regulations]

0 cases

ESG MANAGEMENT SYSTEM

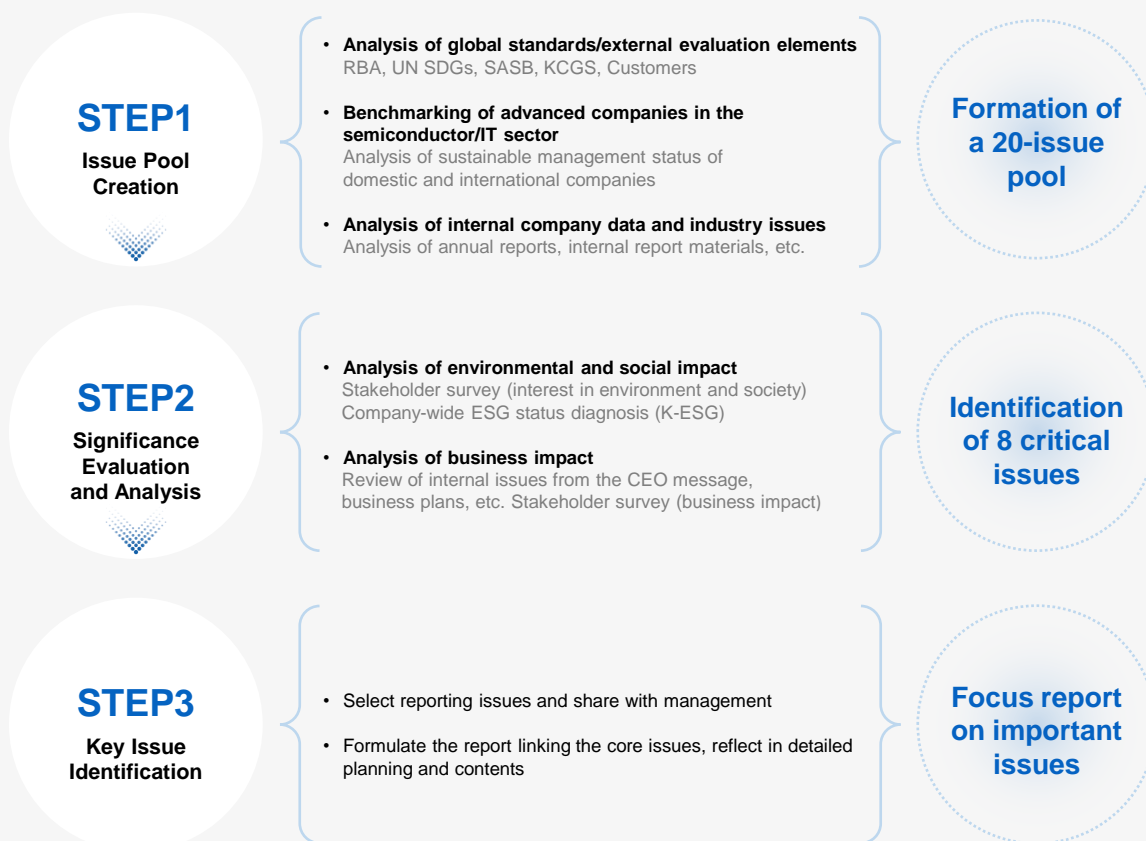
Nepes aspires for sustainable growth in harmony with the world through purpose-driven management.



IDENTIFICATION OF KEY ESG ISSUES



Process for ESG Key Issue Identification

Nepes has identified priority management items through international standards analysis, benchmarking of similar companies, and surveys of operational managers. To check the extent to which these identified items are being managed, a self-diagnosis based on the supply chain K-ESG was conducted, leading to the identification of short and long-term tasks.



Selection of ESG Key Issues

Items that our company considers significant, such as legal/regulatory management, hazardous substance management, and governance, were relatively well managed across all categories. However, greenhouse gases, waste, board-level ESG agenda proposal, labor (turnover rate), human rights, and supply chain management were identified as key issues.

Categories	Key Issues	Response Strategy
 Environment	<ul style="list-style-type: none"> • Strengthening response to greenhouse gases and other climate changes • Strengthening reduction and management of hazardous chemical emissions 	<ul style="list-style-type: none"> • Environmental management framework • Environmental impact reduction
 Social	<ul style="list-style-type: none"> • Establishing a safe workplace • Respecting the rights of members • Strategic social contribution • Sustainable supply chain management 	<ul style="list-style-type: none"> • Safe workplace operations • Strengthening human rights policy • Setting direction for sharing management strategy • Supply chain ESG management
 Governance	<ul style="list-style-type: none"> • Ethical management • Strengthening governance 	<ul style="list-style-type: none"> • Enhancing ethical management practices • Reforming board operations regulations • Enhancing board expertise (training)

* Key issues were selected through internal validation

ENVIRONMENT

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ENVIRONMENTAL MANAGEMENT

At Nepes, we are deeply committed to minimizing the environmental impact arising from all corporate activities. Through raising environmental awareness among our members and expanding resource circulation, we strive to practice sustainable environmental management.

Environmental Management Strategy

The environment stands as a paramount value that must be preserved in all sustainable business activities. Nepes places preventing global warming at the top of its management priorities and aims to realize an eco-friendly workplace.

Environmental Management Vision & Mission

VISION

Enhancing corporate social value through sustainable management

MISSION

Realization of an eco-friendly workplace

Core Values of Environmental Management



Collaboration



Ethics



Future-Oriented

Environmental Management System

Nepes has established and operates a systematic environmental management system based on the Environmental Management System (ISO 14001) across all business sites. Additionally, we've set up environmental management manuals and processes, and make continuous efforts to minimize the impact of waste and pollutants that could originate from our facilities on the environment.



ISO 14001



Environmental Management Manual (Rev.11)

Environmental Management Policy

All employees of Nepes are diligently practicing the 'Environmental Management Policy' established for the enhancement of human quality of life and the realization of sustainable management as follows.

Nepes Environmental Management Policy

- ① We are committed to achieving customer satisfaction management to ensure trustworthiness to our customers and stakeholders.
- ② We strive to comply with domestic environmental regulations and international conventions.
- ③ To achieve continuous environmental improvement, we set environmental goals and specific objectives, review the implementation status regularly, and strengthen and advance the environmental management system.
- ④ We systematically provide regular education and training to ensure all members understand and can implement the environmental management system.
- ⑤ We focus on the efficient use of energy and resources, suppress waste generation, and actively pursue recycling to realize an eco-friendly workplace.

ENVIRONMENTAL MANAGEMENT

Dedicated Environmental Organization

At Nepes, we operate dedicated environmental organizations for each of our corporate entities to support our environmental management efforts. These dedicated organizations aim to establish and operate an environmental management system, laying the foundation for sustainable environmental management.

nepes corp.

(EHS & Infrastructure Team)
Environmental Safety Part

nepes Ark

(Manufacturing Headquarters)
Infrastructure Environment Part

nepes laweh

(Infrastructure Technology Team)
Environmental Safety Part

* Note: Only corporations engaged in the semiconductor business are indicated.

Environmental Permit Reporting

Nepes has obtained environmental permits related to air quality, water quality, hazardous chemicals, waste, and soil environment in connection with our business and complies with regulatory requirements. We continuously track changes in permits to anticipate regulatory matters. Our aim is to preserve the environment and reduce both direct · indirect financial risks to our stakeholders.

Environmental Management Promotion Plan

Environmental Goals

For the promotion of environmental management, We conduct the necessary professional personnel operations and capability enhancement training for the establishment and execution of our environmental management strategies.

Nepes has set environmental goals of ① achieving 'Zero' harmful and pollutant emissions and ② expanding resource circulation (achieving a 100% recycling rate). We have derived initiatives to achieve these goals and plan to expand the implementation across the entire company.

Zero Pollution · Zero Emission

'Zero' harmful and pollutant emissions

Environmental Management System

Expanding Resource Circulation
[Achieving a 100% recycling rate]

Initiatives

Consideration	Communication	Cooperation	Capability
▼ Identifying improvement items through a comprehensive environmental assessment	▼ Enhancing environmental awareness through strengthened communication with employees	▼ Improving materials /processes through collaboration with stakeholders	▼ Evaluating and introducing air and water pollution prevention technologies

RESPONSE TO CLIMATE CHANGE

Eco-friendly Business

Nepes will continuously strengthen its portfolio centered on eco-friendly energy businesses based on our differentiated technology and capabilities.

Semiconductor Back-end Technology



Low-power, High-efficiency Semiconductor Back-end Technology

The advanced foundry technology for back-end held by Nepes enables semiconductors to be designed smaller and thinner, minimizing form factor size and enhancing the power efficiency of IT devices. Conventional semiconductor packaging processes use multiple metal wires, which generate high heat dissipation and consequently consume substantial energy to cool the heat produced by the semiconductor.

Since 2000, Nepes has been substituting these metal wires with tiny ball-shaped bumps, increasing thermal management efficiency. We have also developed a subminiature packaging technology by patterning directly on the wafer without using a substrate, enhancing integration.

As the importance of carbon emission reduction is emphasized globally, there is an anticipated high demand for low-power packaging technology. Nepes' wafer-level packaging technology and production system will offer a new solution to the energy efficiency trend required by the semiconductor ecosystem.

Rechargeable Battery



Rechargeable Battery Component Business

Since 2017, leveraging Nepes' unique semiconductor process technology, we developed the lead tab, a component of the rechargeable battery, and have been supplying it to electric vehicles worldwide, including in the US, Europe, and China. The lead tab, a core component of the rechargeable battery which is poised for inevitable growth in line with the global energy transition trend, has been growing robustly each year, positioning itself as a stepping stone for our eco-friendly new business. As the importance of fire safety in electric vehicles is increasingly recognized, Nepes is expanding its market into safety materials and components of rechargeable batteries, further strengthening our eco-friendly business portfolio.

Smart Film



Smart Window

Nepes has commercialized a smart film based on semiconductor technology applying Polymer Network Liquid Crystal(PNLC) technology. PNLC is a future technology that reduces energy load. By installing it on windows, it can easily implement smart windows and can be used not only in eco-friendly buildings but also in automobiles, displays, and various other fields. Nepes is strengthening the foundation of its eco-friendly business with PNLC, a core technology of the green building ecosystem.

RESPONSE TO CLIMATE CHANGE

Greenhouse Gas (GHG) Emission Management

GHG Emissions

Currently, Nepes' semiconductor business division operates under the 'Greenhouse Gas-Energy Target Management System', setting target values for GHG emissions. With business expansion and consequent production increase, total GHG emissions in 2022 increased by 15.6% compared to the previous year, reaching 25,713 tCO₂eq. However, considering the increase in revenue, the per-unit GHG emissions (won unit) decreased by approximately 4.3%, from 6.9 to 6.6. In the future, Nepes will strive to establish and manage reasonable emission targets not only at the ns1·ns2 campuses but also across all business locations.

Items	2018	2019	2020	2021	2022
Per Unit GHG Emission	15.0	8.2	6.8	6.9	6.6
Total GHG Emissions (tCO ₂ eq)	26,242	24,610	19,358	22,252	25,713
Scope1 GHG Emissions (tCO ₂ eq)	1,944	1,850	2,001	1,895	2,336
Scope2 GHG Emissions (tCO ₂ eq)	24,298	22,760	17,357	20,357	23,377
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	1,751	3,017	2,836	3,225	3,877

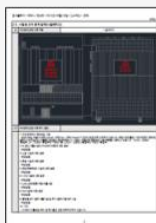
* Data Scope: Nepes Semiconductor Division (Campus 1, 2)

Energy Consumption Management

Energy Consumption

Despite the challenges of business expansion and the continuous addition of production facilities, Nepes manages its energy consumption with the ambitious goal of reducing it each year. In 2022, we consumed a total of 1,578TJ of energy. This represents a 36.9% increase from 2021, but in terms of energy intensity (won unit), the figure decreased by about 3.6%, from 0.28 to 0.27. While the annual business expansion inevitably leads to short-term increases in energy consumption, we are committed to practicing energy conservation in the future through proactive reduction activities, including expanding energy recycling and the use of renewable energy sources.

Items	2018	2019	2020	2021	2022
Per Unit Energy Consumption	0.21	0.19	0.25	0.28	0.27
Total Energy Consumption (TJ)	579	662	864	1,153	1,578
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	2,733	3,563	3,436	4,184	5,880



GHG Emission Verification

The ns2 campus semiconductor division, a GHG emission management facility, annually receives third-party verification opinions on its GHG management. (1st: private verification agencies, 2nd: Korea Energy Agency, Ministry of Trade, Industry, and Energy) The verification statement provides the verification standards, and we undergo timely verification based on the scope of greenhouse gas emissions as verified by the third-party agency.

MITIGATION OF ENVIRONMENTAL IMPACT

Water Resource Management

Water Usage

The water usage in 2022 was 1,741,187 tons, a 26% increase from 2021. Despite the inevitable short-term increase in water usage due to recent years' business expansion and addition of production facilities, the per-unit water usage, considering the increase in sales, decreased by 10.3% from 330 to 296. Each year, Nepes sets usage targets and strives for efficient resource utilization, including increasing the water reuse rate.

Items	2018	2019	2020	2021	2022
Per-unit Water Usage	306	288	341	330	296
Total Water Usage (ton)	835,851	1,025,445	1,172,513	1,382,318	1,741,187
Water inflow from the environment (ton)	783,291	972,885	1,073,772	1,270,290	1,507,296
Internal Reuse Amount (ton)	52,560	52,560	98,741	112,028	233,891
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	2,733	3,563	3,436	4,1834	5,880

Water Pollutant Emission Management

Nepes checks the performance of water pollutant emissions, including the biochemical oxygen demand (BOD), chemical oxygen demand (COD), and suspended solids (SS), for all emissions from each of our business locations, in accordance with Article 34 of the Enforcement Regulations of the Water Environment Conservation Act. We ensure that wastewater produced from our production processes is safely treated and stringently managed to minimize the impact on public water areas, such as rivers and streams.

Water pollutant discharge concentration

Management item	BOD	TOC	SS
Average discharge concentration (mg/L)	9	9	3

* Until the 2021 ESG Report, it was indicated as 'per-unit emission concentration', but from the 2022 ESG Report, it is marked as 'average emission concentration'.

Harmful Substance Emission Management

Air Pollutant Emission Management

Nepes rigorously manages the emission concentrations of nitrogen oxides (NOx), sulfur oxides (SOx), and fine dust (PM2.5) to ensure they are below the legally permissible levels set by the Air Environment Conservation Act. We continually strive to minimize the environmental impact on the surroundings of our business locations.

Air Pollutant Emission Concentration

Management Items	Nox(ppm)	Sox(ppm)	Dust (mg/Sm ³)
Average Emission Concentration	9	0	1

* Until the 2021 ESG Report, it was indicated as 'per-unit emission concentration', but from the 2022 ESG Report, it is marked as 'average emission concentration'.

Waste Recycling Rate

In 2022, we achieved a recycling rate of 90% for recyclable waste, which is a 7% increase from the previous year.

Items	2018	2019	2020	2021	2022
Waste recycling rate	75%	85%	92%	83%	90%
Waste recycling volume (including reuse) (ton)	2,210	2,483	2,094	2,332	3,221
Volume of generated waste that can be recycled (including reuse) (ton)	2,948	2,911	2,264	2,809	3,591

Nepes has not been penalized for violations of laws/regulations in environmental information management and operation over the past five years.

Violations of environmental laws/regulations

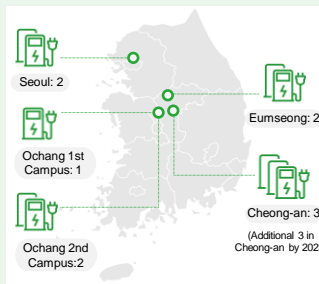
Items	2018	2019	2020	2021	2022
Type 1 - Levels of punishment including criminal penalties, fines, surcharges, etc.	0	0	0	0	0
Type 2 - Administrative fines, forfeiture, enforcement fees, etc	0	0	0	0	0

※ Note: When the fine amount exceeds 1% of the operating profit.

Environmental Impact Reduction Activities

Transition of Company Vehicles to Eco-friendly Vehicles & Installation of EV Charging Stations

Nepes is transitioning its leased vehicles to eco-friendly vehicles. In 2022, 24% of business vehicles were converted to electric vehicles, and two commuting vehicles were converted to hydrogen vehicles. We plan to convert two commuting vehicles to hydrogen vehicles every year. Additionally, in 2022, electric vehicle charging facilities were installed at all domestic business locations (10 chargers), expanding the charging infrastructure. Three more installations are planned for 2023.



Installation of Solar Panels

In 2022, Nepes Laweh Cheong-an Campus installed solar power generation facilities, producing approximately 109,500 kWha of renewable energy annually. This allows for a reduction of about 51 tons of carbon dioxide emissions annually, equivalent to planting 7,700 pine trees. The renewable energy produced here is used for the power lighting of the wastewater treatment facility itself.



Plogging Campaign

Implemented a plogging campaign where we pick up trash while walking around the office premises.



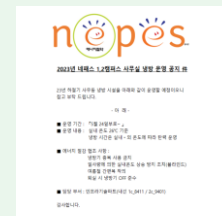
Good Cycling Campaign

Collaborating with the Milal Welfare Foundation's 'Goodwill Store', we are promoting job creation for the disabled and resource recycling through product donations.



Energy Saving in Daily Life

We promote and practice energy-saving activities that can be easily implemented, such as adjusting the cooling temperature, using stairs, turning off lights in meeting rooms, and turning off lights during lunchtime, minimizing wasted energy.



Mr. An Chi-seung from the Environmental Technology Department, was awarded the President of the Korea Environment Corporation at the '17th Environmental Science and Technology Day Commemoration Ceremony'(2022.11.25)

Mr. An Chi-seung from the Semiconductor Business Department's Environmental Safety Department was recognized for his contributions to achieving the national resource recycling target, such as achieving zero odor complaints and increasing the waste recycling rate



SOCIAL



- SAFETY AND HEALTH 17
- TALENT MANAGEMENT 20
- LABOR RIGHTS 24
- CO-GROWTH 25
- SOCIAL CONTRIBUTION 26
- INFORMATION PROTECTION 29

SAFETY AND HEALTH

Nepes recognizes that the impact of safety and health on human life has a direct causal relationship in all activities including product production and development. We apply it as a top priority in all activities for the establishment, implementation, and maintenance of the safety and health management system.

Safety and Health Management Strategy

Nepes regards the safety of employees, customers, partners, and stakeholders as the highest value. We are sharing the safety and health management strategy throughout the company so that we can work in a safer and healthier workplace

Safety & Health Management Vision & Mission

VISION

Building a workplace free of accidents and defects through the cultivation of a management culture that respects humanity.

MISSION

Creating a safe and healthy workplace

Safety & Health Management Core Values



Safety



Communication



Cooperation

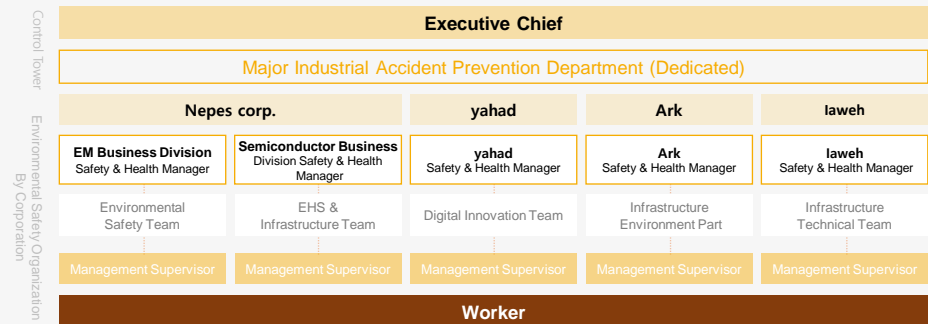
Safety and Health System

Nepes has established a safety and health policy to effectively establish and operate a safety and health management system for building a workplace without accidents and defects. The main business locations, Cheongju 1st and 2nd Campuses, Eumseong Campus, and Cheong-an Campus, have obtained ISO 45001 certification, the highest international standard in the field of safety and health, and are operating a systematic safety and health system. We also operate a safety and health dedicated organization and professional manpower for each business location and operate a major accident prevention department to respond to major accident prevention.

Nepes Safety-Health Management Policy

- 1 Recognize the health and safety of employees as the top priority in management.
- 2 Consider safety-health as one of the basic elements in management decisions.
- 3 Clearly understand domestic and international safety-health laws and regulations, international agreements, and company regulations, and thoroughly comply with them.
- 4 Establish goals for continuous system improvement and periodically review the implementation status to strengthen and develop the safety-health management system.
- 5 Continuously identify and improve safety-health risk factors to lead in the prevention of safety accidents and the promotion of worker health.
- 6 Establish a communication system with workers and stakeholders to share necessary information and cooperate for mutual benefit, enabling participation in safety-health management activities.

Safety & Health Organization Chart



*The safety and health tasks are operated by each business division, and the major industrial accident prevention tasks are managed comprehensively by the major industrial accident prevention department.

SAFETY AND HEALTH

Safety & Health Management Plan

Nepes aims to establish safety and health goals and establish a safety culture at each business location. Nepes strives to detect risk factors at the business site in advance and establish countermeasures.

Safety & Health Goals

Major/Industrial Accidents

Major Accident 'Zero'

Safety & Health Goals

Safety & Health Goals
[Achievement of 80% or more]

Status and Promotion Plan

Nepes conducts a regular risk assessment twice a year. We also regularly gather opinions on safety and health from workers through the Industrial Safety and Health Committee and consultation meetings, and receive reports on workplace 'near misses' and harmful/dangerous information via QR codes and email. We strive to remove or improve harmful and dangerous factors derived from this process and check the implementation status more than once every six months.

Nepes establishes and implements procedures and standards for managing chemical substances to prevent threats to public health and the environment caused by chemical substances and to respond promptly to accidents caused by chemical substances.

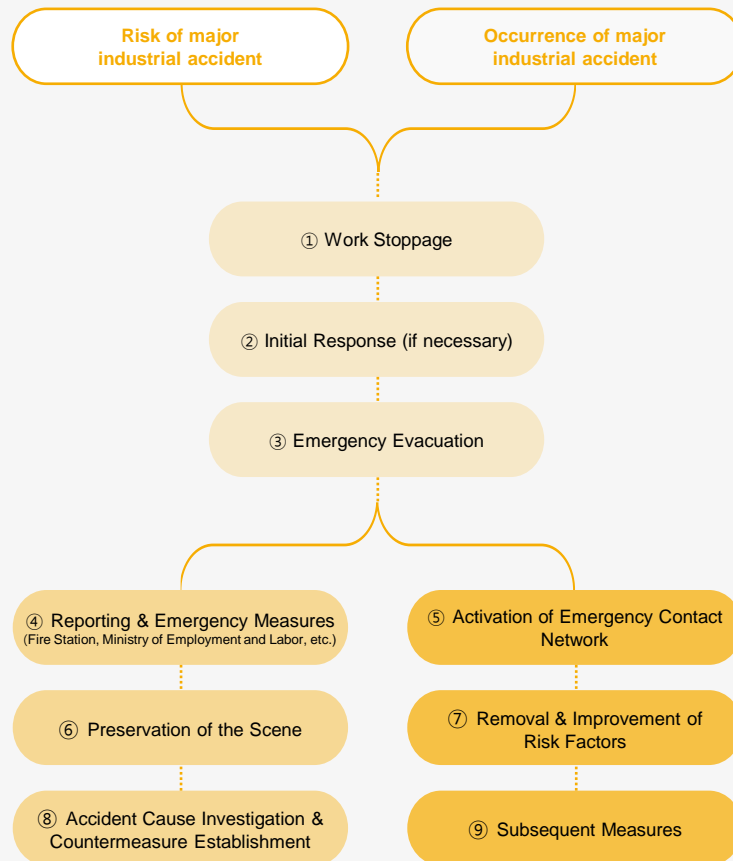
Nepes is also making efforts to establish an emergency response system by regularly conducting emergency response training to protect people, the environment, and property from the threats of accidents and natural disasters and minimize damage. We are continuously conducting emergency response training based on emergency situation scenarios such as infectious disease outbreaks, chemical leaks, fires, power outages, etc. We aim to continuously strengthen our emergency response capabilities through continuous accident prevention training and monitoring.

Understand the obligations related to safety and health laws and take necessary measures through internal audits and self-compliance evaluations, and check the status of legal compliance through external professional institutions. In 2022, in case of a significant industrial accident, we prepared a major industrial accident response manual and procedures for response measures such as work stoppage, worker evacuation, and hazard factor removal, as well as relief measures for major industrial accident victims and additional damage prevention measures.

We are also allocating and executing a budget for securing and maintaining personnel, facilities, and equipment for safety and health, and for inspecting harmful and dangerous factors for raw materials or products. We are conducting repetitive safety and health training by target and level.

SAFETY AND HEALTH

Risk of major industrial accident or response procedure in case of occurrence



Subcontractor Safety & Health Management System

Nepes strives to prevent and minimize safety and health accidents through cooperation with subcontractors. In this regard, from 2022, we have established standards for evaluating the safety and health levels of subcontractors and are selecting qualified suppliers accordingly.

Subcontractor Safety & Health Evaluation Procedure



TALENT MANAGEMENT

Nepes values 'job creation' over 'profit generation' as the company's raison d'être. We offer various training programs to our employees to support the development and advancement of their job competencies, aspiring to become a 'prestigious company' filled with top talents. Additionally, we operate various channels like Junior Board, Reverse Mentoring, and Empathy Team to foster diverse and healthy labor relations, facilitating communication and building mutual trust and respect.

Recruitment

In 2022, the number of Nepes members increased by 8% from 2021, totaling 2,292. Reflecting our value of 'job creation', we are working to create healthy job opportunities through the expansion of existing businesses and pioneering new ventures.

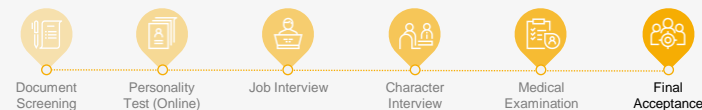
Nepes operates various recruitment channels such as open recruitment and irregular recruitment. All applicants receive equal opportunities in the recruitment process without discrimination based on academic background, gender, religion, etc. This is explicitly stated in our employment rules. Furthermore, we prioritize individuals requiring social consideration, such as the disabled and national veterans, fulfilling our social responsibilities during recruitment.

In particular, we prioritized hiring local residents when we established a new factory in Goesan, a region in Chungbuk experiencing population decline. To employ individuals with developmental disabilities, Nepes founded the "Nepes Rua Chamber Orchestra" in 2022. Additionally, in 2022, we converted dispatched employees to full-time positions, raising the percentage of regular employees to 95.2%.

Status of Nepes Members

Year	Number of Employees	Percentage of Regular Employees
2021	2,122	57.7%
2022	2,292	95.2%

Recruitment Process



Academic Collaboration Agreement List

Specialized High Schools

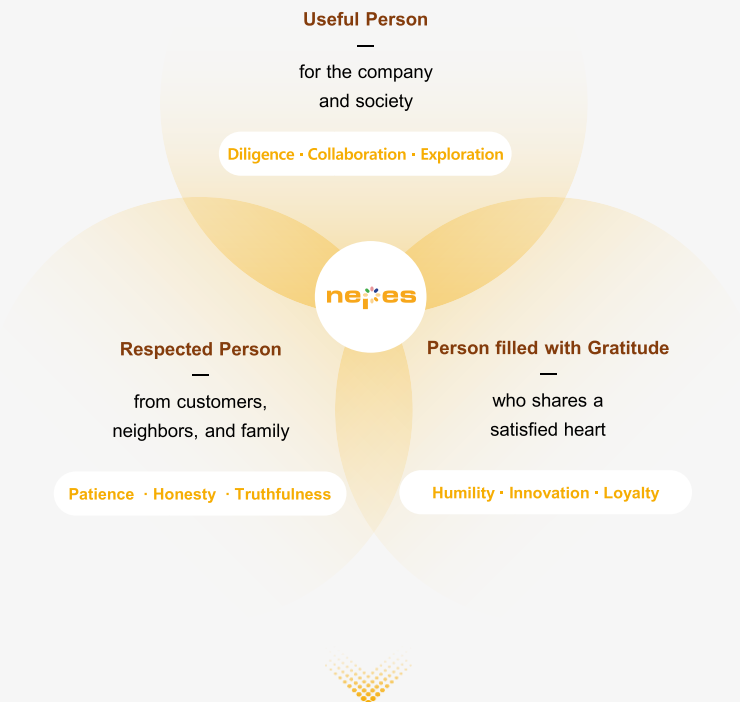
Korean Nano Meister High School,
Samcheok Meister High School,
Angang Electronic High School,
Gyeongju Industrial High School

Universities

Kyungpook National University, Gumi University,
Handong Global University,
Chungbuk National University, Korea
Polytechnics University, Cheongju Campus,
Chungbuk Provincial College, Daelim University

Education Office

Seoul Metropolitan Office of Education,
Gyeongbuk Office of Education,
Chungcheongbuk-do Office of Education



NEPES seeks individuals who are valued, respected, and overflowing with gratitude as its ideal candidate traits. We select those with the character to excel in their work.

TALENT MANAGEMENT

Talent Development

Nepes operates various development programs to nurture its members into semiconductor experts and to align them with the Nepes ideal traits: Valued Person, Respected Person and Person filled with Gratitude. We have tailored the "Superstar Essential Competency Course" for new employees, by position, and by process. By linking Individual Development Plans (IDP) and Key Performance Indicators (KPIs), we allow our members to participate in education autonomously.

Talent Development Program by Position

IS	Office Technical Role (Engineer)		Field Technical Role		Office Technical Role (Support Department)	
	NO	Category	Subject Name	NO	Category	Subject Name
	1		Reporting & Planning Skills	1		Reporting & Planning Skills
	2	Common	New Employee Orientation + Job Introduction	2	Common	New Employee Orientation + Job Introduction
	3	Competencies	Elite Leadership Training	3	Competencies	Elite Leadership Training
	4		Self-leadership (MBTI, TCI, SCT, Strengths)	4		Self-leadership (MBTI, TCI, SCT, Strengths)
	5	DT	Tableau Power User Training	5	DT	Tableau Power User Training
	6		RPA Power User Training	6		RPA Power User Training
	7		Core Tool(IATF&APQP)	7		Design Thinking
	8	Job	Practical Statistics and Data Analysis	8	Job	Customer Communication Skills
	9	Competencies	SPC	9	Competencies	Basics of Accounting and Financial Statements
	10		DOE	10		Global ESG

SS	Office Technical Role (Engineer)		Field Technical Role		Office Technical Role (Support Department)	
	NO	Category	Subject Name	NO	Category	Subject Name
	1		Reporting & Planning Skills	1		Reporting & Planning Skills
	2	Common	Elite Leadership Training	2	Common	New Employee Orientation + Job Introduction
	3	Competencies	Job Skill Enhancement Presentation	3	Competencies	Elite Leadership Training
	4	DT	Tableau Power User Training	4	DT	Tableau Power User Training
	5		Core Tool(IATF&APQP)	5		RPA Power User Training
	6	Job	Basic Statistics and Minitab	6	Job	Design Thinking
	7	Competencies	FMFA Practical	7	Competencies	Customer Communication Skills
	8		JMP Application	8		Financial Accounting Management

ES	Office Technical Role (Engineer)	
	NO	Category
	1	Subject Name
	2	Servant Leadership Training
	3	Financial Accounting MBA
	4	Participation in External Seminars & Conferences Related to the Job
		A Single Session of In-house Webinar (Video Content Creation)

Furthermore, we operate online platforms such as the "Nepes Smart AI Academy" and the "n.e.st Media Studio", offering various online education fields, producing smart learning education content, and conducting monthly Nepes webinars.

Furthermore, introductory training is provided to all new hires. This training enhances professional competence and focuses on the company's management philosophy, semiconductor collective education, and character education. Through this, our new employees discover life goals and values, growing into individuals who practice sharing and service. Nepes' training center, "Hotel West of Canaan," located in Goesan-gun, Chungcheongbuk-do, serves as an educational and resting place for our members.



Nepes Training Center
View of Hotel West of Canaan

Training Hours/Cost per Person

Nepes aims to provide Global Top-tier level training to our employees. In 2022, the average training time per person was 104 hours, and the average training cost was 400,000 KRW. Compared to 2021, the average training time increased by 3 hours, but the average training cost decreased by 400,000 KRW. This decrease in cost is due to the increased proportion of in-house training through the operation of Nepes internal instructor (TTT, Train The Trainer) system. As of 2022, 83 internal instructors are active, developing their knowledge and skills into training courses and providing direct education to members.

2022 Training Hours per Person

104_{hours}

2022 Training Cost per Person

300_{USD(\$)}

TALENT MANAGEMENT

nepes way (3.3.7 Life)

Since its establishment, Nepes has realized sustainable growth by building a unique corporate culture that values gratitude as its core value. Through Nepes' unique corporate culture, employees fill their hearts with gratitude, positivity, and harmony, preventing negative thoughts, worries, and resentment from taking root. This culture promotes individual happiness at work and collective growth with the company. Nepes is establishing a culture under the motto "3.3.7 Life", which promotes sharing at least three good things a day, reading for at least 30 minutes a day, expressing gratitude for seven things a day, and singing at least seven songs a day.

Music Classes to Enhance Happiness

To support employee performance and continuous growth, Nepes operates music classes at each business site every morning. By inviting professional singers and musicians active in the community, they sing positive and powerful songs to bring a fresh atmosphere to the workplace. In compliance with the government's distancing policies during the COVID-19 pandemic, online music classes were conducted using video broadcasting platforms. Employees who cannot attend due to remote work can join the music class anytime, anywhere. Additionally, Nepes supports concert attendance for employees and organizes internal music events.

Communication Through Reading, i-training

Nepes organizes weekly group reading sessions where they share insights from books. While gaining knowledge and information from books is essential, sharing insights helps understand colleagues better, leading to innovation and improved performance. In 2022, we invited the authors of the i-training books for direct discussions, deepening our understanding beyond just the knowledge from the books. This initiative has facilitated more in-depth discussions and applications of the learned content.

Gratitude Extending to Homes, 100 Thanks

A significant way to experience Nepes' core value of "Gratitude" is through the activity of writing 100 gratitude notes. While daily gratitude activities are meaningful, setting aside a full day to meditate on gratitude deepens one's appreciation. Especially during the family month, employees write 100 notes of gratitude for their families, re-emphasizing their appreciation and spreading the company's core values to their homes.



Promoting a Healthy Work Environment Through Family Rejuvenation and Proper Value Establishment

Father's School/Pre-Marriage School

Believing that a healthy family directly correlates with productivity, Nepes conducts various value education sessions. These sessions emphasize the importance of family, making employees realize the company's care extends to their homes. Unmarried employees also get the opportunity to learn about the importance of family and the responsibilities of family leadership.



2022. 09. 26 i-training Media Day, Author's Special Lecture



2022. 05.23-05.25 Father's School



2022. 06. 16-17 Pre-Marriage School

TALENT MANAGEMENT

Pioneering New Avenues for Communication

Nepes continually strengthens communication between management and members, fostering a horizontal communication culture where diverse opinions and suggestions are freely exchanged. To create a horizontal, creative, and autonomous communication culture, we have implemented a three-tiered rank system (s1, s2, s3), and adopted the title 'Star' for all employees.

To address employee grievances, Nepes operates a dedicated Empathy Department. This department conducts one-on-one meetings with both Nepes employees and contractors working at our facilities, ensuring they are cared for emotionally. The Empathy team also manages the 'Junior Board', comprising young professionals below manager level. This board plays a crucial role in expanding internal communication by discussing and suggesting improvements before major policy decisions. We have also introduced 'Reverse Mentoring', where younger employees mentor senior management to minimize communication blind spots.

Furthermore, each business site operates the 'n.e.st' media studio, promoting online communication. Through the 'n.e.st' media studio, messages from the CEO and management are broadcasted live using Microsoft Teams, ensuring equal access to information.



Junior Board



Reverse Mentoring

Employee Benefits System

Nepes offers a diverse range of employee benefits to enhance the quality of life, job satisfaction, morale, and job engagement.

We plan to continually develop various programs to cultivate a healthy and enjoyable workplace.

Life Support	Commuter buses, in-house cafeteria, dormitory and partial housing support, on-site daycare, child education funds, support for family events, and partnerships with nearby lifestyle service providers.
Leisure Support	Leisure Support such as company training centers and resorts, club activities.
Medical Support	Health check-up support.
Other Systems	52-hour work week, flexible work hours (staggered shifts, telecommuting), parental leave, family care leave, 2-hour leave system, and more.

LABOR RIGHTS

Respecting and ensuring the rights of members is a fundamental and core value for sustainable development of Nepes. Nepes adheres to the labor laws of the regions where we operate, ensuring a dignified life through stable employment and fostering a work environment that recognizes diversity such as race, nationality, and disability.

Internal Regulations for Labor Rights

Nepes has set internal regulations for the respect and protection of human rights. These include prohibitions against forced labor, child labor under 15, and discrimination based on race, nationality, gender, or disability.

Member Diversity

Nepes strives for an organizational atmosphere that recognizes and respects each member's differences. When the diversity and capabilities of members coexist and flourish, the organization can provide better technology and services.

Gender Diversity

Nepes aims to create an environment where everyone can excel and grow as leaders, regardless of gender. In 2022, the percentage of female employees increased by 18.9% from 2021, reaching 38.6%. The percentage of female managers of S2 Level (equivalent to manager level or above) has been steadily increasing. In 2022, the average salary ratio of women, compared to the average salary of the entire organization including executives, was 85.1%. Nepes actively recruits female talents and strives to enhance and develop their capabilities.

Nepes Gender Distribution of Members (%)

Year	Male (Total)	Female (Total)	Male (S2 and above) ¹	Female (S2 and above) ¹
2020	85.0	15.0	89.6	10.4
2021	80.3	19.7	89.3	10.7
2022	61.4	38.6	87.6	12.4

¹S2 and above: Positions at the level of manager and above.

Age Diversity

Nepes has a diverse age range of employees, from those in their 20s to those over 50. We use the title 'Star' for all employees to foster a horizontal communication culture without age bias. We also operate various programs like the Junior Board and Reverse Mentoring.

Nepes Age Distribution of Members (%)

Year	Under 30 years	30-50 years	Over 50 years
2020	31.0	58.9	10.1
2021	40.7	51.0	8.4
2022	40.0	52.3	7.7

Expansion of Employment for People with Disabilities through the Operation of Standard Business Sites for People with Disabilities

In 2022, Nepes established and has been operating a standard business facility for people with disabilities named 'Nepes Rua'. 'Nepes Rua' provides a variety of quality jobs for people with disabilities, such as orchestra performances, in-house cafe operations, and IT repairs and sales. 90% of the members of 'Nepes Rua' are people with disabilities, all of whom have severe disabilities. The employment rate for people with disabilities in 2022 was 3.08%, and we aim to achieve a legally mandated employment rate of 3.1% or higher in 2023.

Labor-Management Council Operation

Nepes continuously strives to build a cooperative relationship based on mutual respect and trust between management and workers. We operate Labor-Management Councils at each Nepes Group company, using them to build consensus on key issues and work environment changes, and to exchange opinions between management and employees.

CO-GROWTH

Nepes strives to build a genuine partnership and trust with its partner companies based on fair trade and win-win cooperation. We aim to realize shared ESG values with our partners and build a sustainable supply chain together.

Establishment and Implementation of Partner Company Code of Conduct

In 2022, we enhanced our existing 'Ethical Guidelines for Partner Companies' and introduced the 'Partner Company Code of Conduct'. This code encourages voluntary participation from partner companies and includes enhanced content on the protection of rights for partner company workers and the prohibition of using conflict minerals. We have made this code of conduct publicly available on our website to promote and ensure sustainability throughout our supply chain.



Partner Company Code of Conduct:

Operation of the CHAMP Project

CHAMP=(National Human Resource Development Consortium)

Nepes has been actively promoting the CHAMP (National Human Resource Development Consortium) project since 2012, aiming to nurture 10,000 hands-on semiconductor professionals and facilitate win-win cooperation among large, medium, and small enterprises. CHAMP is a training program designed to meet the training demands of SMEs and national strategic industries by providing customized training. As of 2022, Nepes has trained a cumulative total of 8,531 semiconductor experts through this program.

Nepes provides seven free custom training programs, including a course on 'Semiconductor Packaging Processes', to 199 partner companies nationwide. We have also built a training environment similar to actual process work to provide education, alleviating the burden of establishing educational infrastructure for SMEs.

Furthermore, in 2023, Nepes conducted two consultation sessions with representatives from partner companies. The aim was to gather feedback on next year's training needs and business suggestions, listening to the voices from the field. Nepes is committed to contributing to the competitiveness of SME talents.

Partner Company Selection and Evaluation

For supply stability and sustainability, Nepes evaluates and checks the competitiveness of partner companies in terms of quality, delivery, management status, and pricing. Companies that do not meet our requirements are not selected as trading partners. Moreover, after registration, we regularly evaluate them on ethics, fairness, worker protection, and regulatory compliance.

Responsible Resource Procurement

Nepes complies with regulations regarding the use of conflict minerals such as Gold, Tantalum, Tungsten, and Tin. Conflict minerals refer to products that support armed groups in the Democratic Republic of Congo or neighboring countries (Sudan, Uganda, Rwanda, Burundi, Tanzania, Angola, Central Africa) or cause labor/human rights violations and environmental damage.



Conflict Mineral Non-Use Agreement

We collect a 'Conflict Mineral Non-Use Agreement' from our partner companies during registration. If a partner company uses conflict minerals, they cannot be registered. We encourage our partners to verify the origin of minerals from the list provided by the Responsible Business Alliance (RBA). Moreover, Nepes regularly checks the usage of conflict minerals by our partners.



Nepes CHAMP Consultation Session (March 2023, July 2023)

SOCIAL CONTRIBUTION

Nepes is committed to sharing its success with the community through various social contribution activities. By doing so, the company contributes to a society where everyone can live happily and grow together. We aspire to continue sharing happiness with the community and grow together.

Major Activities of Nepes Social Contribution



Close Ties with Local Community

- Endowment to Chungbuk National University Development Fund
- Scholarship Support for Middle and High Schools in Chungcheong Province
- Support Kits for Low-Income Marginalized Groups
- Support for Employees and Families of Partner Companies
- (Cheongju) Hyenung Childcare Center, (Eumseong) Samsung Children's Center
- (Goesan) Regular Donations to the Elderly Welfare Center



Multifaceted Donations

- Domestic/International Emergency Disaster Relief Support
- Culture/Arts Sponsorship
- Sponsorship for Research Institutes/Conferences/Forums
- Hospital/Medical Support
- Goods Sharing/Book Donations/Blood Donations, etc.



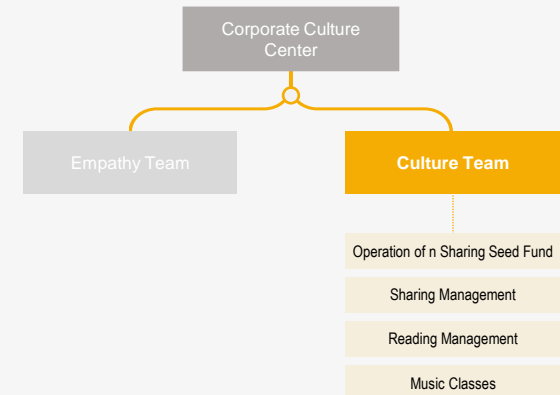
Sponsorship for Social Welfare Organizations

- Korea Red Cross
- Miral Welfare Foundation
- Community Chest of Korea
- World Vision
- Chungbuk Association for the Welfare of People with Intellectual Disabilities

Operation of Dedicated Organization for Sharing Management

Nepes encourages its members to proactively participate in sharing management activities and aims to establish an organizational culture that collaboratively addresses various societal issues. As part of this initiative, Nepes operates the 'Culture Team,' a dedicated organization for sharing management, to motivate members to participate in social contribution activities. When members engage in volunteer activities, they are recognized with paid business trips. Nepes also collaborates with World Vision, Yongam Comprehensive Social Welfare Hall, and the Miral Welfare Foundation for volunteer opportunities. Furthermore, we support internal volunteer clubs and networking opportunities for autonomous volunteers. Every year, outstanding volunteers are awarded the Nepes Appreciation.

Operation of Dedicated Organization for Sharing Management



SOCIAL CONTRIBUTION



Operation of Rua Orchestra Composed of People with Developmental Disabilities to Promote Employment

The Nepes Rua Orchestra is the first orchestra in Chungbuk composed solely of individuals with developmental disabilities. After preparing for over a year since 2021, in March 2022, we held a business agreement ceremony with the Employment Agency for the Disabled to promote employment. In May 2022, we signed employment contracts with eight orchestra members. Subsequently, through continuous recruitment, 23 members were hired, and the inauguration ceremony was held on November 3, 2022, with local community stakeholders, including the Governor of Chungbuk.

In an era emphasizing corporate social responsibility and the importance of ESG management, creating high-quality jobs for the disabled is fulfilling our most significant social responsibility. The job market for people with developmental disabilities is highly limited, and there are significant societal prejudices. The purpose of the Nepes Rua Orchestra is not just to employ those who majored in music but to hire and train those with developmental disabilities who have never been exposed to music, making its impact even more profound.

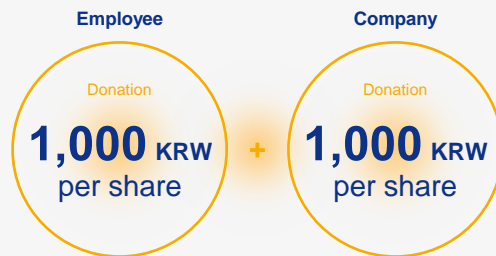
Since its inception in November 2022, the orchestra has performed 36 times, touring Nepes business sites, performing at local government offices, community organizations, and special education schools, gradually achieving tangible results in its first year. Going forward, the Nepes Rua Orchestra aims to become the best developmental disabilities orchestra in Korea and is committed to fulfilling corporate social responsibility and practicing ESG management.

SOCIAL CONTRIBUTION

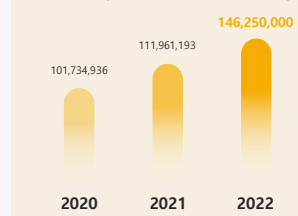
Operation of 'n Sharing Seed' Fund

(Employee Donation Program)

Since 2009, Nepes has been operating the 'n Sharing Seed' fund, continuously conducting sharing activities. 'n Sharing Seed' is a fund accumulated by employees voluntarily deducting a portion of their monthly salary for social contribution activities. Currently, about 40% of all employees participate. The company matches the amount accumulated by employees on a 1:1 basis. In 2022, the fund created through employee donations amounted to 146,250,000 KRW, with a cumulative total of 1,028,211,193 KRW. Using the 'n Sharing Seed' fund, Nepes supported international emergency relief activities due to the Ukraine war and recovery efforts for forest fires in Gangwon and Gyeongbuk. The fund was also utilized for scholarships for students growing up in challenging environments, medical expenses for disabled children, and other welfare blind spots.



Trend of 'n Sharing Seed' Collection Amount (Over 3 Years/Unit: KRW)



Achievements of the 'n Sharing Seed' Fund in 2022

Category	Donation Recipient	Details of Donation
Regular	Red Cross	Monthly donation of 500,000 KRW
	Miral Welfare Foundation	Monthly donation of 500,000 KRW
	Community Chest of Korea	Monthly donation of 3,500,000 KRW
	Community Chest of Korea	Scholarship of 300,000 KRW per month for 3 years (10,800,000 KRW in total)
Non-Regular	World Vision	Breakfast support project for undernourished children (50,000,000 KRW)
	National Disaster Relief Association	Support for forest fire damage in Gyeongnam region (50,000,000 KRW)
	Cheong-an	Repair of old houses (99,000,000 KRW)
	Association for People with Intellectual Disabilities	Donation (30,000,000 KRW)
	Samaritan's Purse	Support for children in Ukraine and the Philippines

Operation of Employee- Participation Volunteer Programs

Nepes takes the lead in building a cyclical ecosystem by continuously sharing with our neighboring communities or vulnerable groups. Beyond simple material donations, sponsorships, or one-time volunteer activities, we operate various employee-participation volunteer programs to fulfill our role as a responsible corporate citizen.

Community Revival Volunteer Activities

In 2022, Nepes conducted monthly volunteer activities for the local communities where our business sites are located. Activities included making kits for the holidays for elderly living alone, Kimjang (kimchi-making) volunteer activities for local farmers, lunchbox services, gift sharing for Children's Day, and more. Specifically, in 2022, we started a housing improvement project to give the elderly a chance for independence. We also actively participated in improving the local community environment through logging and the Good Cycling campaign.

Community Revival Volunteer Activities

Jan Gift kit making for the elderly
Feb Plogging around the business site Mar Good
Mar cycling volunteer activities
Apr Free meal distribution
May Gift kit making for Children's Day
May Making braille educational dolls

Jun Making study furniture for local children's centers
July Delivering heartfelt side dishes in Cheong-an
Aug Breakfast distribution for undernourished children

Sep Making Chuseok gift kits
Oct Repairing old houses in Cheong-an
Nov Kimjang (kimchi-making) for love
Dec Gift packing for children in Ukraine and the Philippines
Dec Domestic children's gift packing



INFORMATION PROTECTION

As the influence of information grows, it is becoming an essential asset for companies. Consequently, there are diverse methods of misuse, damage, leakage, and alteration of information by unauthorized persons. Nepes manages internal security systematically, operates related regulations and guidelines to prevent personal information leaks, and conducts education to enhance members' security awareness. Furthermore, following the implementation of the Information Security Mandatory Disclosure system in 2021, Nepes has been disclosing related content on the KISA Information Security Comprehensive Portal.

Security Management System

Nepes has a dedicated Chief Information Security Officer (CISO) to systematically and intensively protect information. Moreover, we operate various guidelines and plans, including Information Security Organization Operation Guidelines, User Security Guidelines, Personal Information Internal Management Plans, Information Security Policies, and Information Security Pledge. Nepes' internal regulations include the CEO's information security declaration and the Information Security Code of Conduct, which are shared with all members through the groupware system.

Security Activities

To prevent external security threats and internal information leakage, a firewall system has been established. Nepes operates the firewall system by distinguishing between the bandwidth of major networks like office and production site servers. Through this firewall system, the use of portable storage devices like USBs and social networking services (SNS) like KakaoTalk is prohibited without the permission of the information security department. Moreover, Nepes operates security solution systems, including the IPS (Intrusion Prevention System), APT (Advanced Persistent Threat) security solution, and web firewall, to prevent information breaches from external sources.

Personal Information Protection Policy

Nepes retains a Personal Information Internal Management Plan policy to safely process and report the personal information of various stakeholders. When handling personal information, the company ensures that the information is not lost, stolen, leaked, altered, or damaged by implementing administrative, technical, and physical measures.

Main Content of the Personal Information Internal Management Plan

1. Establishment and implementation of the internal management plan
2. Duties and responsibilities of the personal information protection manager
3. Collection/use of personal information
4. Technical and administrative safety measures for each processing stage of personal information
5. Installation/operation of video information processing devices
6. Regular self-audits
7. Response and remedies for personal information breaches

Information Security Education and Training

Every year, Nepes' information security practitioners provide information security training for employees. The content includes information security and business secrets, information security rules, and personal information protection. In 2023, we conducted personal information protection education for a total of 2,275 people. We also share daily IT security trends (Security News) and run monthly security promotion campaigns to enhance employees' awareness of information security.



Online Security Promotion Campaign
(November 2022)

Information Security Training Content

Information Security and Business Secrets	Definition of information security, methods of business secret leakage, and damages
Information Security Rules	Company-wide protection regulations, user security guidelines, employee badge management, ransomware, phishing emails
Personal Information Protection	Types of personal information, violations of security regulations, and penalties

Nepes, as a company subject to the Information Security Mandatory Disclosure, has been disclosing its information security status on the 'Information Security Comprehensive Portal' since 2021. In 2022, the company invested 4.65% of the total IT investment amount in the information security sector, thereby enhancing physical security.

(based on separate criteria)

Investment in the Information Technology Sector	4,725,754,285 KRW
Investment in the Information Security Sector	219,800,319 KRW
Main Investment Items	Establishment of output security solutions and addition of physical security equipment
Information Technology Department Personnel	54 Personnel

For the past five years, Nepes has no record of violating laws/regulations related to personal information management and operation, resulting in any penalties.

Category	2018	2019	2020	2021	2022
Number of Personal Information Breaches and Regulations	0	0	0	0	0

Information Security Status

Personal Information Breaches and Regulations

GOVERNANCE

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- ETHICAL AND LEGAL MANAGEMENT 34

BOARD OF DIRECTORS

Nepes recognizes that an independent and healthy governance structure is the foundation for long-term enhancement of corporate value and the happiness of stakeholders. We are continually striving to establish a more robust governance system.

Composition of the Board of Directors

According to Article 29 of the Nepes Articles of Association, the board consists of directors ranging from three to ten members. To reflect the perspectives of various stakeholders in the corporate management process, as of the end of March 2023, more than one-third of the board members are outside directors. According to Article 38 of the Articles of Association, the board decides on statutory and constitutional resolutions, proposals requiring shareholder approval, and other significant business matters.

Composition Status of Board of Directors

Category	Name	Expertise	Major Experience
Chairman of the Board Inside Director	Byung-Koo Lee	Management	Current: CEO & Chairman Former: LG Semiconductor
Inside Director	Hyung-geon Park	Semiconductors	Current: President of Business Support Former: Samsung Electronics
Inside Director	Kyung-tae Kim	Finance	Current: CFO Former: SeoJin Industries
Inside Director	Tae-hoon Kim	Marketing	Current: Company-wide CMO Former: Samsung Electronics
Outside Director	Hee-gook Lee	Semiconductors	Current: Outside Director at GS Construction Former: LG Group
Outside Director	Won-ho Kim	Medical	Current: Professor at Yonsei University Medical School Former: Resident at Severance Hospital

Operation of the Board of Directors

Nepes convenes the board meetings for financial statement approvals, regular shareholder meetings, and investment approvals. According to Article 37 of the Nepes Articles of Association, the CEO or a director designated by the board calls for a board meeting, notifying each director of the meeting date, location, and agenda three days in advance. In case of urgent matters, directors are promptly informed for decision-making.

Category	Main Contents of the Board of Directors Operation Rules
Number of Directors	Article 29 (Number of Directors and Auditors) ① The company shall have between three and ten directors, with at least one-quarter being outside directors.
Composition and Convening of the Board of Directors	Article 37 (Composition and Convening of the Board of Directors) ① The board of directors is composed of directors and decides on significant company matters. ② The board of directors is convened by the CEO or a designated director, notifying each director and auditor three days in advance. However, the convening procedure can be omitted with the consent of all directors and auditors. ③ The chairman of the board of directors shall be the one with the authority to convene the board of directors as stipulated in Paragraph 2. ④ Directors must report the status of their duties to the board of directors at least once every quarter.
Decision-making method of the Board of Directors	Article 38 (Decision-making Method of the Board of Directors) ① Board of directors decisions require the attendance and consent of the majority of directors. ② Directors with a particular interest in the board's decision cannot exercise their voting rights. ③ The board of directors can allow directors to participate in decisions through telecommunication means that simultaneously transmit video and audio. In such cases, these directors are considered to have attended in person.
Minutes of the Board of Directors	Article 39 (Minutes of the Board of Directors) ① Minutes must be prepared for board of directors' decisions. ② The minutes should record the agenda, summary of proceedings, results, dissenting opinions, and reasons for dissent. All attending directors and auditors should sign or affix their seal to the minutes.

BOARD OF DIRECTORS

Activities of the Board of Directors

In 2022, Nepes convened the board of directors 13 times and resolved 19 approved items. The board of directors recommends a 100% attendance rate unless there's a special reason, and the attendance rate for 2022's board meetings stood at 93%.

Nepes' board of directors is actively working to achieve a 100% attendance rate in 2023 by employing various channels like online platforms, telecommunication, and email to notify and share meeting dates and agendas more efficiently.

Before each board meeting, the agenda is shared with the board members to provide a comprehensive understanding of its background and necessity. If members have alternative opinions, preliminary coordination ensures smooth board operations.

Category		2021	2022
Attendance Rate	Overall	91%	93%
	Inside Director	95%	95%
	Outside Director	82%	89%
Number of Meetings		11times	13times
Number of Proposed Items (Approved)		21items	19items

Director Independence

Major business decisions and task execution of the company are made through the board's review and decision. Nepes also have board operation regulations in place to prevent unilateral management by major shareholders and to protect minority shareholders from potential harm.

Board of Directors Expertise and Diversity

Nepes continuously strives to ensure the expertise and diversity of board members. The four internal directors of Nepes have high expertise in company management and the semiconductor industry, closely related to company operations like management, finance, and marketing.

Nepes is committed to appointing external directors without bias to ensure diversity. The two external directors of Nepes, experts in the semiconductor and medical fields, actively participate in the board with diverse perspectives.

Appointment and Tenure of Directors

According to Articles 30 of the Articles of Association and 382 of the Commercial Act, the directors of Nepes are appointed by a resolution of the shareholders at the general meeting. A director's term cannot exceed three years. However, if the term expires before the regular general meeting regarding the final settlement, the term is extended until the end of that meeting.

Director Remuneration

The remuneration for Nepes directors is executed within the total limit of director compensation approved by the general meeting, according to Article 40 of the Articles of Association. The limit for director compensation approved at the 2022 general meeting stands at KRW 4 billion. The total amount of remuneration paid to directors is approximately KRW 2.4 billion, which includes the salaries paid to executives who resigned during the year.

(Unit: KRW 1 million)

Compensation for Board Members in 2022	Number of Directors	Total Amount Paid	Average Compensation Per Person
Inside Director	4	2,440	589
Outside Director	2	84	42

AUDIT SYSTEM

Nepes operates an audit system capable of monitoring and investigating its accounting, financial status, and overall company operations.

Audit

Nepes' auditor, as a member of the board of directors, attends board meetings and can independently supervise the directors' duties. If necessary, the auditor can receive business-related reports from the company. As of the end of March 2023, Nepes has one auditor, and the duties of the auditor are determined by Article 35 of the Articles of Association.

Auditor's Expertise

Nepes continuously strives to ensure the expertise of its auditor. Jong-hoon Yoon, an auditor of Nepes, is an expert in accounting and finance and has worked for the National Tax Service for over 30 years. His significant roles include serving as the Head of the Busan Regional Tax Office and the Seoul Regional Tax Office.



Category	Auditor
Name	Jong-hoon Yoon
Expertise	Accounting, Finance
Major Experience	Current: Auditor at Nepes Former: Head of Seoul Regional Tax Office

Audit Composition

Audit Support Organization

Department Name	Number of Employees	Position (Years of Service)	Major Activities
Finance & Accounting Team Internal Accounting Team Audit Team	15	Team Leader (1 person), Team Members (14 people) (Average service months: 142)	Support for company management activities, general meetings of shareholders, board of directors, and overall management-related audit tasks

Internal Accounting Control System

Nepes adheres to Article 8 of the "Act on External Audit of Stock Companies" (hereinafter referred to as the "Act"), Article 9 of the Enforcement Decree of the same Act (hereinafter referred to as the "Decree"), and Article 6 of the "Regulations on External Audit and Accounting" (hereinafter referred to as the "External Audit Regulations"). Based on these regulations, we have established policies and procedures necessary for the design, operation, evaluation, and reporting of the internal accounting control system (hereinafter referred to as the "internal accounting control system"). By designing and operating a reasonable and effective internal accounting control system, we aim to enhance the reliability of our financial statements.



Audit Report on Internal Accounting Control System

Responsible Person	Position	Job Responsibilities
Jong-hoon Yoon	Auditor	Evaluation & Reporting of Operational Status
Kyung-tae Kim	Director	Oversight of Internal Accounting Control System Reform & Operation
Hyun-kyu Lee	Team Leader	Overall Control of Accounting & Finance Tasks
Joon-geun Kim	Section Chief	Management & Evaluation of Operational Status of Internal Accounting Control System
Hyo-jin Kwon	Section Chief	Development, Application, & Operation of Information System

Audit Report on Internal Accounting Control System

Nepes' full-time auditor assessed the design and operation of our internal accounting control system for the fiscal year ending on December 31, 2022. As of December 31, 2022, it was determined and reported that our internal accounting control system was effectively designed and operated from a perspective of significance, based on the standard internal accounting control system.

Disciplinary Actions for Violation of Internal Accounting Rules

Violation Date	Violator	Violation Content	Disciplinary Action	Disciplinary Date
-	-	-	-	-

ETHICAL AND LEGAL MANAGEMENT

Nepes recognizes the contemporary importance of ethical and legal management. We aim for a transparent and clean corporate culture, striving to fulfill social responsibilities by respecting our workforce, establishing a fair trade order, and performing our duties ethically and legally.

Practical System for Ethical Management

Nepes aspires for free and fair competition, building mutual trust and collaboration with all stakeholders in the pursuit of mutual benefits related to employee tasks. Additionally, the 'Nepes Ethical Management Regulations', which contains specific ethical management practices and guidelines, is announced on our internal bulletin board. We are committed to preventing unethical incidents and enhancing the ethical awareness of our entire staff through programs and institutional operations.

Code of Ethics

The Nepes Code of Ethics is a condensed version of our ethical management principles, established to maintain the highest professional and personal ethical standards by Nepes employees in their relationships with customers, colleagues, suppliers, competitors, government, and social organizations.

Nepes Code of Ethics

Every Nepes employee:

- ① Complies with all relevant regulations,
- ② Treats everyone involved in their work equally, respecting their rights and dignity,
- ③ Neither seeks nor offers any unfair benefits,
- ④ Refrains from any behavior that may harm the reputation of Nepes or other employees,
- ⑤ Actively upholds the highest levels of ethical and moral conduct, serving as a model for national and societal development.

Ethical Regulations

The ethical regulations consist of responsibilities and duties towards customers, shareholders, employees, and business partners, as well as the state and society. All Nepes employees and business locations conduct their operations based on these regulations. They are also available for viewing on the Nepes website, ensuring that stakeholders can also adhere to them.

Nepes Ethical Management Internal Regulations

1. Ethical Regulations
2. Guidelines for Practicing Ethical Regulations
3. Operating Regulations for Internal Reporting System
4. Partner Company Code of Conduct

Organization and Operation of Ethical Management

Nepes' dedicated ethical management department is guaranteed independence in its operations by the management. It supports transparent business activities by reporting major issues related to ethical management to auditors and the CEO.

Ethical Management Education and Promotion

Nepes conducts continuous ethical management training for all employees. We have designated it as mandatory training for new hires, ensuring that they receive at least one hour of instruction. In January 2023, to enhance employees' awareness and encourage a proactive attitude towards ethical management, we held an online special lecture on the theme "Creating a Healthy Workplace." Starting from 2023, as part of our efforts to boost the will to practice ethical management among employees, we have been introducing explanations and examples of ethical management regulations through our internal bulletin board. Since February 2023, a total of 21 ethical posts have been published, which employees have viewed a total of 10,806 times.

Dedicated Department for Company Regulations

Nepes is committed to fulfilling our obligation to comply with laws and regulations, acknowledging the increasing emphasis on corporate social responsibility and legal compliance. To minimize the impact on the company due to unintended legal violations and to increase each department's compliance rate, we established a department dedicated to company regulations. This department continuously monitors the introduction or modification of laws, and whenever there's a need for updating our regulations, they collaborate with the responsible departments to reduce risks.

ETHICAL AND LEGAL MANAGEMENT

Unethical Report System

Unethical Report System Operation

Nepes strives to establish an ethical corporate culture and enhance business transparency. We accept reports of unethical behaviors, such as unfair business practices, undue demands, and solicitation or acceptance of bribes, through various channels like mail, phone, and email. For convenience, we have established the 'Unethical Report System' on the Nepes Ethical Management website, which also allows for anonymous reporting.

Reporting Channels

Website	www.nepes.co.kr/kr/esg/unethical_information.php
Email	ethics@nepes.co.kr
Phone	02-3470-2701
Mail	Nepes, 2415, Nambusunhwan-ro, Seocho-gu, Seoul Ethical Guardian

Protection of Unethical Reporters and Report Processing

Nepes strictly protects the identity of the reporter and ensures that they do not face any disadvantages or discrimination due to their report. We operate a whistle blower protection system by revising and updating the internal reporting system regulations. Every year, we monitor for any employment condition differences or disadvantages due to retaliatory actions against the reporter. Any attempts to identify the reporter are strictly prohibited. If such attempts are detected or if any direct or indirect harm is inflicted on the reporter, they can request corrective and protective measures. Individuals responsible for causing harm or disadvantage to the reporter will face disciplinary actions.

The organization in charge of unethical reporting initiates an immediate investigation on received reports if deemed necessary, determining violations of ethical management. The reporter is informed about the results of the investigation and, if necessary, disciplinary measures are reported to the personnel committee. The results of the unethical report investigation and disciplinary actions are publicly disclosed on the company's groupware bulletin board.

Report Processing Procedure

Report Reception	Website/Phone/E-mail/Face-to-face
Report Classification	Decision on the investigating entity based on the rank of the subject and the severity of the matter
Investigation Initiation	Involvement of related departments if necessary
Result Reporting	Review of investigation results, reporting/approving action suggestions, additional investigation if insufficient
Follow-up Actions	Feedback on results (upon request), disciplinary referral if a disciplinary reason arises

Ethical Management Index Evaluation

Response to Unethical Reporting

Category	2021	2022
Number of Reports	3	1
Case Resolution Rate	100%	100%

Nepes conducts an anonymous survey of its employees at least once a year to diagnose the level of ethical management practice and ethical awareness, aiming to uncover areas of improvement and promote the establishment of ethical management. The evaluation indicators have been developed in-house, referencing the results of the nationwide ethical index evaluation of public institutions under the Ministry of Land, Infrastructure, and Transport. The evaluation items are categorized into Nepes' ethical management infrastructure and operation system, which is a comprehensive ethical management practice system, and the level of ethical awareness, which measures the ethical consciousness of members in various sectors, such as economic and legal responsibilities. Based on the evaluation results, we plan to strengthen ethical management education and promotional activities and activate in-house ethical management practice programs.



Ethical Management Education and Pledge of Practice

When drafting employment contracts for new hires, Nepes ensures that they also draft a pledge to practice ethical management, aiming to foster a consciousness of ethical management.

Violation of Governance Laws/Norms

Over the past five years, Nepes' management has had no record of violating laws or norms, and we continuously strive for transparent business operations.

	2018	2019	2020	2021	2022
Type 1-Punishments include criminal penalties, fines, administrative fees, etc.	0	0	0	0	0
Type 2-Penalties include administrative fines, surcharges, enforcement fines, etc.	0	0	0	0	0

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ESG MANAGEMENT DATA

Environment

GHG Emissions

Items	2018	2019	2020	2021	2022
Per Unit GHG Emission	15.0	8.2	6.8	6.9	6.6
Total GHG Emissions (tCO ₂ eq)	26,242	24,610	19,358	22,252	25,713
Scope1 GHG Emissions (tCO ₂ eq)	1,944	1,850	2,001	1,895	2,336
Scope2 GHG Emissions (tCO ₂ eq)	24,298	22,760	17,357	20,357	23,377
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	1,751	3,017	2,836	3,225	3,877

* Data Scope: Nepes Semiconductor Division (Campus 1, 2)

Energy Consumption

Items	2018	2019	2020	2021	2022
Per Unit Energy Consumption	0.21	0.19	0.25	0.28	0.27
Total Energy Consumption (TJ)	579	662	864	1,153	1,578
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	2,733	3,563	3,436	4,184	5,880

Water Usage

Items	2018	2019	2020	2021	2022
Per-unit Water Usage	306	288	341	330	296
Total Water Usage (ton)	835,851	1,025,445	1,172,513	1,382,318	1,741,187
Water inflow from the environment (ton)	783,291	972,885	1,073,772	1,270,290	1,507,296
Internal Reuse Amount (ton)	52,560	52,560	98,741	112,028	233,891
Denominator for per-unit utilization (Revenue/0.1 Billion KRW)	2,733	3,563	3,436	4,184	5,880

Water pollutant discharge concentration

Management item	BOD	TOC	SS
Average Discharge Concentration (mg/L)	9	9	3

Air pollutant emission concentration

Management item	Nox (ppm)	Sox (ppm)	Dust (mg/Sm ³)
Average Emission Concentration	9	0	1

Waste Recycling Rate

Items	2018	2019	2020	2021	2022
Waste recycling rate	75%	85%	92%	83%	90%
Waste recycling volume (including reuse) (ton)	2,210	2,483	2,094	2,332	3,221
Volume of generated waste that can be recycled (including reuse) (ton)	2,948	2,911	2,264	2,809	3,591

Number of violations of environmental laws/regulations

Items	2017	2018	2019	2020	2021
Type 1 - Levels of punishment including criminal penalties, fines, surcharges, etc.	0	0	0	0	0
Type 2 - Administrative fines, forfeiture, enforcement fees, etc.	0	0	0	0	0

※ Note: When the fine amount exceeds 1% of the operating profit.

ESG MANAGEMENT DATA

Social

New Hiring

Category	Unit	2020	2021	2022
New Hiring	Number	217	449	1,193

*In 2022, contract employees were transitioned to regular employment and new hires were made.

Number of Employees by Employment Contract (Including Contract Employees)

Category	Unit	2020	2021	2022
Employment Contract Status	Regular	911	1,225	2,182
	Non-Regular	116	28	110
	Contract	775	869	0
	Total	1,802	2,122	2,292

Member Diversity

Category	Unit	2020	2021	2022
Employee Ratio (By Gender)	Male	85.0	80.3	61.4
	Female	15.0	19.7	38.6
Employee Ratio (By Age)	Under 30 years	31.0	40.7	40.0
	30-50 years	58.9	51.0	52.3
	Over 50 years	10.1	8.4	7.7

Status of Female Managers

Category	Unit	2020	2021	2022
S2 (Equivalent to Manager Level) and above	Male	89.6	89.3	87.6
	Female	10.4	10.7	12.4

Employee Education and Training Status

Category	Unit	2020	2021	2022
Training Hours per Employee	hours	100	101	104
Training Cost per Employee	USD(\$)	740	600	300

*In 2022, due to an increase in in-house training, the cost of training per employee decreased.

Number of Personal Information Breaches and Regulations

Category	Unit	2020	2021	2022
Number of Personal Information Breaches and Regulations	Case(s)	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
Semiconductor Equipment and Materials International (SEMI)	Chungbuk Semiconductor Industry Promotion Council	ASIC(American Semiconductor Innovation Alliance)
Korea World Class Enterprise Association	The Korean Microelectronic and Packaging Society	UCle(Universal Chiplet Interconnect Express) Consortium
Korean Red Cross Corporate Group RCSV	Chungbuk Economic Forum	

Awards and Honors

Award Date	Award Description	Presented By
1996.11.30	\$10 Million Export Tower	Korea International Trade Association
2005.07.11	Korean Technology Fast 50 Bronze Medal	Digital Times, Deloitte Korea, Korea Credit Information
2005.12.08	Asia Pacific Technology Fast 500	Deloitte
2006.10.19	Venture Business Silver Tower Industrial Award	Ministry of SMEs and Startups, Venture Business Association
2007.03.03	Taxpayer's Day Commissioner Award	National Tax Service
2010.12.06	Presidential Commendation for Large, Medium, and Small Business Cooperation	Ministry of Knowledge Economy, Ministry of SMEs and Startups
2011.11.09	Best Award for Sustainable Management	Ministry of Knowledge Economy, Ministry of SMEs and Startups
2011.11.10	Top 100 Great Companies to Work for in Korea	GWP Korea
2013.03.04	Taxpayer's Day Commissioner Award	National Tax Service
2015.05.29	Global CEO Award in International Management	Asia & Europe Future Society Association
2015.07.01	World Class 300 Company Certification	Ministry of SMEs and Startups
2016.06.28	Korea-China Management Special Award	Korean Marketing Association
2016.12.15	Human Management Grand Prize	Human Development Research Institute
2016.12.28	World-Class Product Certification (FOWLP)	Korea Trade-Investment Promotion Agency
2017.08.21	Korean Small Business Leader Award	Korean Management Association
2017.11.22	President's Commendation for Regional Industrial Promotion	Ministry of Trade, Industry and Energy
2018.10.16	Prime Minister's Commendation for Leading 4th Industrial Revolution Companies	Ministry of Trade, Industry and Energy
2018.12.27	National Competitiveness Award in Manufacturing	Korean Marketing Association
2019.10.02	Selected as Excellent IR Company	Korea IR Association
2021.07.05	2021 Excellent Employment Company Certification	Chungcheongbuk-do
2021.09.18	Selected as Best HRD Company	Ministry of Employment and Labor, Ministry of Trade, Industry and Energy Ministry of SMEs and Startups, Ministry of Education
2021.11.04	Minister's Award for Excellent Reading Management Workplace	Ministry of Culture, Sports and Tourism
2021.12.15	ESG Management CEO Award	Thanks Share Research Institute
2022.01.10	Selected as Outstanding SME	Ministry of Trade, Industry and Energy
2022.11.09	Selection of Next-Generation World-Class Product (Fan-out Package)	Ministry of Trade, Industry and Energy
2022.11.17	Selected as Top 10 Lighthouse Company	Ministry of Trade, Industry and Energy
2022.11.20	Gold Industrial Medal Award	Ministry of Trade, Industry and Energy

MAJOR CERTIFICATIONS STATUS

Certified Corporations	Certified Business Locations	Certification Content
Nepes	Cheongju 1st & 2nd Campus	QMS-IATF 16949
		EMS-ISO 14001
		OHS-ISO 45001
		SEC Eco-Partner
		AEO(Exporter/Importer)
		SONY GP
		ANSI/ESD S20.20-2021
	Eumseong Campus	QMS-IATF 16949
		EMS-ISO 14001
		OHS-ISO 45001
		AEO(Exporter/Importer)
Nepes Ark	Cheongju 2nd Campus	QMS-ISO 9001
		CC(Common Criteria)
		ANSI/ESD S20.20-2021
Nepes Yahad	Cheongan Campus	ANSI/ESD S20.20-2021
	Cheongju 2nd Campus	EMS-ISO 14001
		QMS-IATF 16949
Nepes Laweh	Cheongju 2nd Campus	EMS-ISO 14001
		OHS-ISO 45001
	Cheongan Campus	QMS-ISO 9001
		EMS-ISO 14001
		OHS-ISO 45001
		ANSI/ESD S20.20-2021
Nepes Hayyim	Philippines	QMS-ISO 9001
		QMS-IATF 16949
		EMS-ISO 14001
		OHS-ISO 45001
		Sony-Green-Partner

GRI INDEX

* Based on GRI Standard 2021

Disclosure Items			Location		Remarks
Reporting Theme	Number	Indicator Name	Report	Supply Chain K-ESG	UN SDGs
The organization and its reporting practices	2-1	Organization details	4	-	
	2-2	Entities included in the organization's sustainability reporting	2	-	
	2-3	Reporting Period, frequency and contact point	2	P-1-2/1-3	
	2-4	Restatements of Information		-	
Activities and workers	2-6	Activities, value chain and other business relationships	4-5/12	-	
	2-7	Employees	20/24/38	S-1-1	
Governance	2-9	Governance Structure and Composition	31	-	
	2-10	Nomination and selection of the highest governance body	32	-	
	2-11	Chair of the highest governance body	31	-	
	2-16	Communication on Critical Concerns	32	-	
	2-17	Collective Knowledge of the Highest Governance Body	32	-	
	2-19	Remuneration Policies	32	-	
Strategy, policies and practices	2-22	Statement on Sustainable Development Strategy	3	-	
	2-26	Mechanisms for seeking advice and raising concerns	39	G-1-2/1-4	
	2-27	Compliance with laws and regulations	14/29/35/37-38	S-5-4/9-2 G-1-6	
	2-28	Membership Associations	39	-	
	2-30	Collective Bargaining Agreements	24	S-1-3	
Disclosures on material topics	3-1	Process to determine material topics	8	-	
	3-2	List of material topics	8	-	
Energy	302-1	Energy Consumption within the Organization	13	E-3-2	
	302-3	Energy Intensity	13	E-3-2	
	302-4	Reduction of Energy Consumption	15	E-3-1	
Water and Effluents	303-3	Water withdrawal	14	E-6-2	
	303-4	Water Discharge	14	E-6-2	3.9/ 6.3-6.4
Emission	305-1	Direct (Scope 1) GHG emissions	13	E-3-3	3.9/ 6.3-6.4
	305-2	Energy indirect (Scope 2) GHG Emissions	13	E-3-3	
	305-4	Greenhouse Gas Emissions Intensity	13	E-3-3	
	305-5	Reduction of Greenhouse Gas Emissions	15	E-3-1	
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and and Other Significant Air Emissions	14	E-5-2	3.9
Effluents and Waste	306-4	Waste Recycling/Reuse Quantity	14	E-4-3	12.5
Employment	401-1	New employee hires and employee turnover	20/38	-	

Disclosure Items			Location		Remarks
Reporting Topics	Number	Indicator Name	Report	Supply Chain K-ESG	UN SDGs
Occupational Safety and Health	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	23	-	
	403-1	Occupational health and safety management system	17	S-4-2	
	403-2	Hazard identification, risk assessment, and incident investigation	18	S-5-3	
	403-5	Worker training on occupational health and safety	18	-	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	18	-	
Training and Education	404-1	Average hours of training per year per employee	21	-	
	404-2	Programs for upgrading employee skills and transition assistance programs	21	-	
Diversity and Equal Opportunity	405-1	Diversity in Governance Bodies and Employees	24	S-3-1/3-3	
	405-2	Ratio of basic salary and remuneration of women to men	24	S-3-2	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	20/34	G-1-2	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	25	-	

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Response to Climate Change
Mitigation of Environmental Impact

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Talent Management
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Social Contribution
Information Protection

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Ethical and Legal Management

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Individuals who participated in the creation of the ESG report

	Organization	Department/Team	Name
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2	Environmental Safety	Environmental Safety Team (EM) EHS & Infrastructure Team (Semi) Environmental Safety Part (Semi) Infrastructure Environment Part (Ark) Environmental Safety Part (Laweh) Digital Innovation Team (Yahad)	Hyung-nam Goo / Ji-eun Choi Ho-seop Gil Kyu-ha Lee / Pil-won Seo Hyun-ki Lee Seung-hoi Goo / Byung-hoon Kim Soo-young Min
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4	Infrastructure	Infrastructure Technology Part	Sang-moo Jeong / Sung-gyu Choi
5	Business Support	HR Planning Part Talent Development Team Talent Part (Ark) HR & Administration Team (Laweh) Administration Part	Sun-young Kim / Min-hwan Kim / Seung-min Kim / Yeomyung Na Ji-young Park / Da-jung Cho Sung-ho Yoon Ju-hyung Hong Jin-bok Hong / Hyun-hwa Oh
6	Financial Support	Finance Part	Dong-hwan Lee
7	Corporate Culture	Culture Team	Eun-young Go
8	Audit and Ethics	Audit Part	Dong-woo Han

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