

KAON Group  
2025 Sustainability Report

# CONNECTED+



# About This Report



## Interactive User Guide

This report was published in a PDF format with functions such as navigating to related pages in the report and providing shortcuts to related web pages.

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## Report Overview

This is the third sustainability report of KAON Group. Since the first report published in 2022, it has been published annually starting in 2024 with a view to transparently sharing our performances in economic, social, environmental, and governance aspects with various stakeholders.

## Reporting Scope

This report was written primarily for KAON Group and its major subsidiary, KAON Broadband. Some environmental data and financial data were prepared on a consolidated basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). (\*Criteria for determining a major subsidiary: a subsidiary with total assets exceeding 10% of the parent company's total assets or KRW 75 billion as of the end of the most recent fiscal year.)

## Reporting Period

This report covers major sustainability management activities and performances from January 1 to December 31, 2024. For quantitative performance, data from the last three years (2022–2024) were reported. In the case of some major performances and activities, contents until the first half of 2025 are included.

## Reporting Standards

This report was prepared in accordance with global standards, including the Global Reporting Initiative (GRI) Standards 2021 and the Task Force on Climate-related Financial Disclosures (TCFD). Financial performance is based on Korean International Financial Reporting Standards (K-IFRS).

## Report Verification

To secure the reliability, fairness, and completeness of the data for the report contents, the report was verified by engaging BSI, an independent verification agency, for third-party verification. The report verification applied AA1000AS v3, an international verification standard.

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# CEO Message

Dear valued stakeholders,

Despite the rapidly changing technological landscape and uncertainties in the global supply chain in 2025, KAON Group continues to achieve steady growth based on customer trust and technological competitiveness. With our vision of creating valuable connections beyond mere connections, we are committed to creating genuine connections that begin with people. Connected+ is our promise, and we place sustainable value creation at the heart of our management so that every connection we create leads to a better future. In particular, we actively support the UN Global Compact's Ten Principles in the areas of human rights, labor, environment, and anti-corruption, and are establishing a corporate culture that aligns with global standards.

In 2024, we focused on establishing a climate change response system. We improved the accuracy of our Scope 1, 2, and 3 emissions inventory by reorganizing our company-wide measurement, reporting, and verification systems, and advanced our understanding of product impacts by reflecting the characteristics of network and broadcasting and communications equipment. We are systematically discovering reduction opportunities throughout the entire product lifecycle, from design to disposal, by gradually expanding our product-level carbon footprint and life cycle assessment programs. We are concretizing a roadmap for achieving mid- to long-term reduction goals based on SBTi approval and examining risks and new business opportunities from a financial perspective through climate scenario analysis. We will strengthen our execution capabilities by simultaneously introducing renewable energy and improving energy efficiency.

We are also accelerating ESG management stabilization and strengthening executive ability. We have regularized governance, which leads to board supervision, management responsibility, and dedicated committee implementation, and expanded the linkage between ESG goals, performance indicators, and compensation systems. We have standardized our supply chain due diligence system based on human rights, environmental, and ethics criteria, thereby establishing a virtuous cycle of step-by-step evaluations, on-site auditing, and corrective actions, and elevated the level of management linked with product regulations. We are constantly reviewing key risk areas such as environmental friendliness, quality, Health and Safety, information security, and ethics and law-abidingness, and internalizing these issues into our corporate culture with employee training. In addition, we are strengthening our disclosure system to increase transparency and continuously expanding stakeholder communication channels.

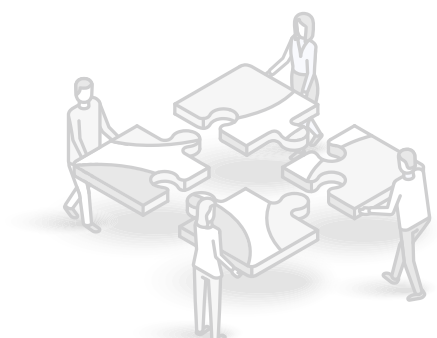
KAON Group will take climate change response and ESG management as its two main pillars to make measurable improvements to our products and operations. We will realize changes that are tangible to our customers and society with equipment that delivers greater performance at lower power consumption, safer and more inclusive workplaces, and a responsible supply chain. We will do our best so that the connections we create transcend technology and networks while envisioning unseen possibilities and paving the way to a better future. We will live up to your trust with transparent communication and sincere implementation, and will create a sustainable future together with you.

Thank you.

**"With sustainable connections between people and technology,  
KAON Group is practicing climate change response and ESG management advancement  
while creating a better future."**

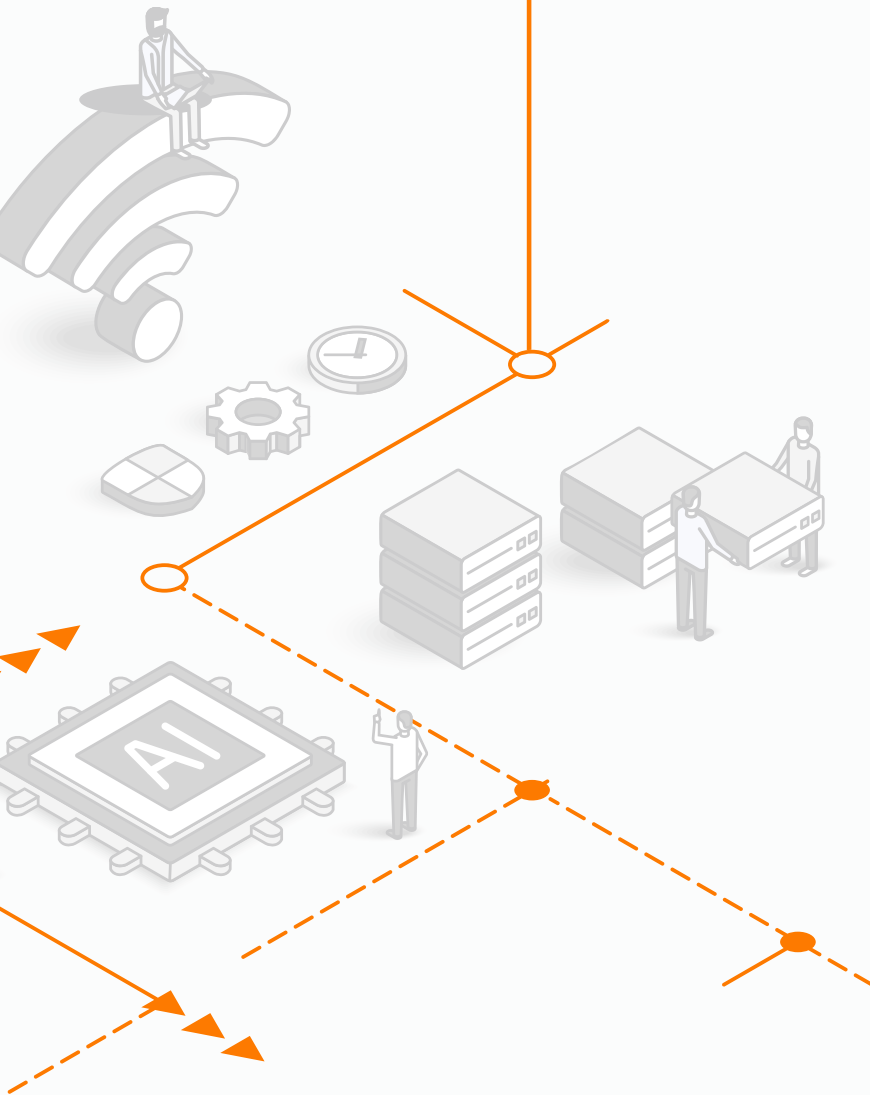


KAON Group Co., Ltd. CEO Dong-Yeon Lim



# Corporate Overview

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# Company Introduction

## KAON Group Overview

KAON Group and its subsidiaries operate media, network, and robotics platform businesses based on AI-based set-top boxes, next-generation network equipment, and solutions. We have established ourselves as a global platform leader that is leading the industry, even in a rapidly changing environment. Since its founding in 2001, KAON has repeated rapid growth through continuous technological innovation and portfolio expansion, and has built strong, trust-based global partnerships with more than 100 broadcasters in over 90 countries around the world. Furthermore, it has established and operates specialized companies in various fields to strengthen its business capabilities and secure competitiveness through technological differentiation. Currently, it has established production and service networks across Europe, the Americas, and Asia, centered on its headquarters in South Korea, and is making sustainable technological innovation its core corporate strategy. KAON is creating "value beyond connections."

### Overview of KAON Group and Its Subsidiaries

KAON Group	<ul style="list-style-type: none"> <li>• Date of establishment: May 2001</li> <li>• CEO: Dong-Yeon Lim</li> <li>• Business Areas: Broadcasting equipment terminals, AI/OTT terminals, and platform supply</li> </ul>
KAON Broadband	<ul style="list-style-type: none"> <li>• Date of establishment: July 2020</li> <li>• CEO: Yong-Hyuk Lim</li> <li>• Business Areas: Network equipment and service solution supply</li> </ul>
KAON Robotics	<ul style="list-style-type: none"> <li>• Date of establishment: March 2021</li> <li>• CEO: Jin-Seong Lee</li> <li>• Business Area: Robot Integrated Platform and Solution Supply</li> </ul>

## Vision and Core Values

### "Our Future Drawn with a New Vision and Core Values"

KAON has established its foothold in the global market while providing communications equipment and network solutions for the last several decades. KAON, which has continued its growth based on technological innovation, is now seeking to expand its corporate role beyond that of a mere technology supplier to one that offers substantive value to people and society. With this will to change, KAON has announced a new vision that contains the will to transcend mere connections and create substantive value for customers, society, and the environment. KAON's new vision and core values will become standards that guide all future decisions and activities and will become established as the foundation for the practice of sustainable management.

#### Vision

##### Beyond Connection, We create what truly matters.

KAON's vision is to go beyond simple connections and create valuable connections.

#### Core Values

##### Communicate with Openness

We always understand each other and build trust through clear and open communication.

##### Deliver with Pride

We complete our assigned tasks and take pride in the results.

##### Think Ahead

We always think ahead and read changes with awake eyes.

#### Way of Working | K-attitude

Openness, Pride, Think Ahead, and K-Attitude are KAON people's way of working.

Building trust through open communication, taking responsibility with pride, and always thinking one step ahead. This is KAON's K-Attitude.

#### Key Indicators

- Sales: \$355M (2024)
- Employees: 457 (R&D Engineers 52%)
- More than 230 global clients in over 90 countries

#### Global Network

- Direct Global Footholds: 26
- R&D Centers: three / Overseas Subsidiaries: six
- Sales Offices: 17
- After-Sales Service Networks: 44+ Service Networks are operated in 33 countries

#### Partners



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## Key Business Areas and Innovation

### KAON Group

KAON Group is a company that designs future lifestyles based on connected smart homes and AI service platforms. Based on world-class technology, it leads the digital home era and provides differentiated broadcasting and telecommunications convergence services, as it has secured a Conditional Access System (CAS) and a middleware platform. In addition, it has established a full lineup of OTT solutions in the shortest time in the industry, thereby accelerating the convergence of home TV services worldwide. With fast and stable connections, optimized user experiences, and a proprietary ecosystem based on its AI platform, it improves the value of customers' lives and realizes continuous growth.

### KAON Broadband

KAON Broadband provides broadband solutions optimized for global network environments. It offers a full range of products, including AP Routers, Wi-Fi Repeaters, DOCSIS Gateways, PONs, xDSL, and FWAs, and it supports customers to build and operate efficient network environments based on its proprietary open standard platform, QUANTUM, developed independently. QUANTUM is an open platform applicable to all products without hardware restrictions that provides an environment where both customers and end users can freely develop and use a variety of services. Through this, it creates new added value with its customers and is leading innovation in the global broadband market.

### KAON Robotics

KAON Robotics is a company specialized in robotics platforms and XR solutions that is responsible for KAON Group's new growth engine. In the robotics business sector, it has secured core technologies such as indoor and outdoor driving and modular design, has filed related patents, and is strengthening its technological competitiveness through collaboration with key domestic partners. Hereafter, it aims to lead the service robot market and establish itself as a global robotics company through continuous technological advancement and value chain expansion.

## Key Achievements and Highlights

### "World's first challenges and technology accumulation for the future"

Since technology in the media and network industry changes rapidly, R&D activities are more crucial in this industry than any other one. KAON Group and its subsidiaries employ more than 50% of their workforce in research and development (R&D) to secure differentiated competitiveness in all business areas. Based on the experience accumulated in the fields of digital broadcasting and AI terminals, they have pioneered a variety of media solutions such as IPTV, satellite, and cable, and at the same time are advancing next-generation network technologies such as Wi-Fi 7, 5G, and 10G, to provide competitive products and services to the global market. Furthermore, they are securing future growth engines while continuously investing in R&D in new business areas such as robot platforms. KAON's R&D activities go beyond the level of simply responding to market demands to create new demand with advanced technologies, and this is serving as a driving force to maintain KAON's title, "world's first." Furthermore, KAON is actively securing intellectual property rights both domestically and internationally, has applied for and registered 73 patents, 11 designs, and 40 trademarks as of the end of 2024, and is systematically managing them.

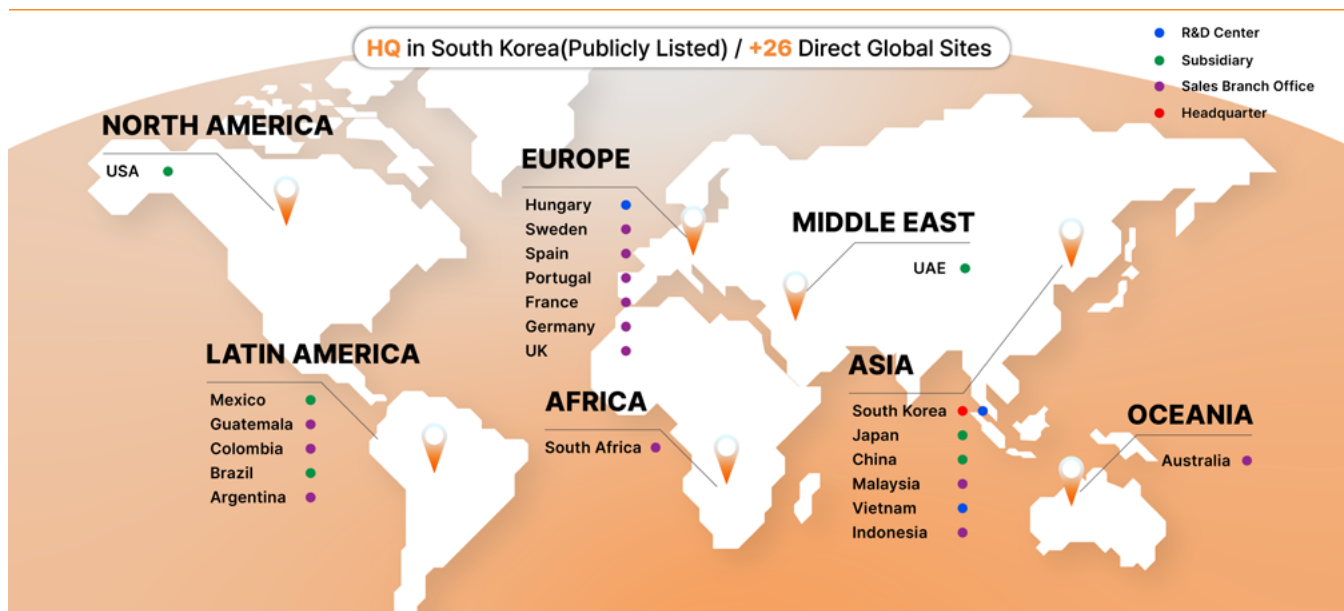
	Core Technology	Technological Development Performance
KAON Group	AI Total Solutions <ul style="list-style-type: none"> <li>Entertainment</li> <li>Smart Home Network Management</li> <li>Existing terminal control</li> </ul>	Many world's first commercialized technologies <ul style="list-style-type: none"> <li>Launch of the world's first Android-based device in 2010</li> <li>Launch of the world's first 4K IPTV in 2014</li> <li>Launch of the world's first AI terminals in 2017 (KT)</li> </ul>
KAON Broadband	Total Network Solutions <ul style="list-style-type: none"> <li>Remote management solutions</li> <li>Real-time data inspection/external attack defense</li> <li>Has full lineup of network products</li> </ul>	<ul style="list-style-type: none"> <li>5G-compliant Broadband CPE</li> <li>XGS-PON BBF.247 certified</li> <li>WiFi6 AP and Repeater FCC certified</li> <li>Developed 10G XGS-PON for WiFi6E</li> <li>Developed TRI-BAND AP Router for WiFi7</li> </ul>
KAON Robotics	Robotic Platform and Solutions <ul style="list-style-type: none"> <li>Developed Autonomous Robot Technology</li> <li>Loaded Optimized Vibration Reduction Know-How</li> </ul>	<ul style="list-style-type: none"> <li>Autonomous Service Robots for Driving on Rough Surfaces and Vibration Reduction</li> <li>Physical AI-Based Autonomous Service Robots</li> <li>Integrated operation platform for heterogeneous service robots</li> </ul>



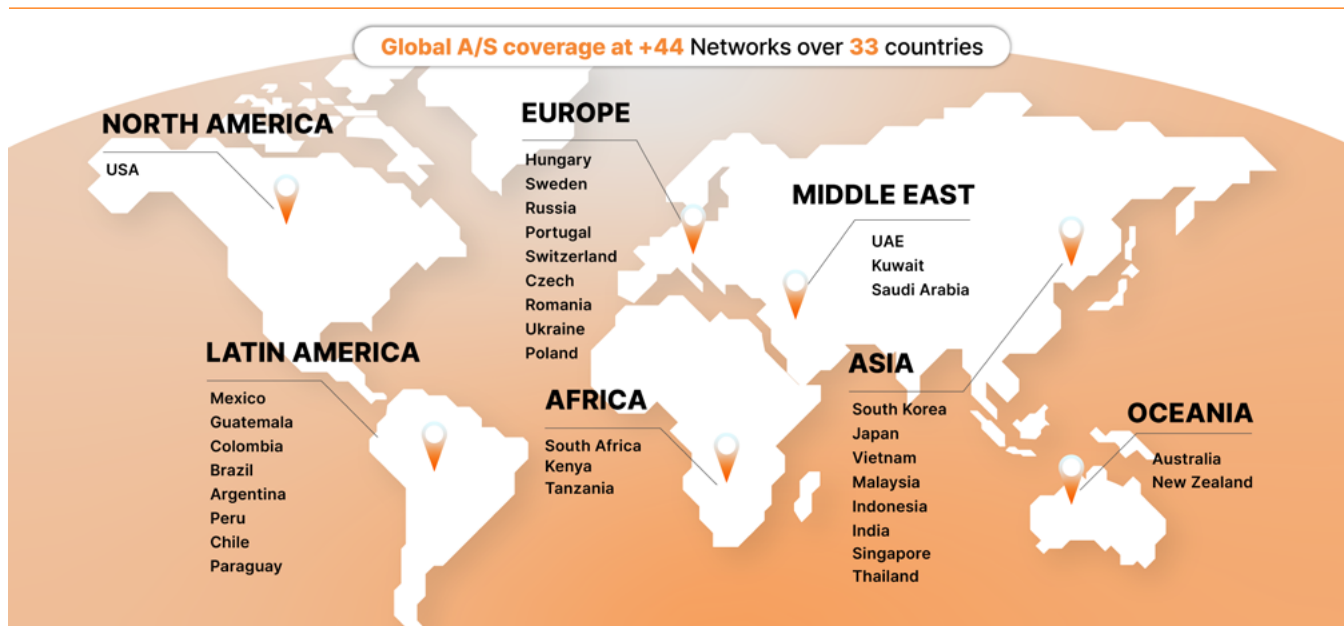
## Global Network and Responsible Management

KAON Group and its subsidiaries have headquarters in South Korea and global footholds in Hungary, the United States, and other countries, and practice responsible management in a variety of cultures and markets. They form partnerships with telecommunications companies throughout the world and simultaneously pursue ethical supply chain management, localization strategies, and sustainable production systems. With the foregoing, they provide stable and reliable products and services to their global customers while also having a positive impact on local communities and environments.

### Global Presence



### Service Network





## Key Milestones

**2021-Present:** Solutions, Platform, XR – Establishment of three major future business areas was completed

2025	<ul style="list-style-type: none"> <li>KAON Group: Received the highest rating of "Platinum" in EcoVadis ESG evaluation</li> <li>KAON Broadband: Launched South Korea's first KT Wi-Fi 7 AP router</li> </ul>
2024	<ul style="list-style-type: none"> <li>KAON Group: Launched AI set-top box based on a machine learning model</li> <li>KAON Broadband: Launched world's first Plume-certified Wi-Fi 7 router</li> <li>KAON Robotics: Obtained elevator safety certification, filed a patent application for "robots that can easily navigate bumps"</li> </ul>
2023	<ul style="list-style-type: none"> <li>KAON Group: Renamed from KAON Media to KAON Group, won the EcoVadis Sustainability Leadership Award</li> <li>KAON Broadband: Launched Wi-Fi 7 router</li> </ul>
2022	<ul style="list-style-type: none"> <li>KAON Media: Received a Platinum rating from the EcoVadis ESG assessment and won the ICT Patent Management Award (Minister of Science and ICT Award)</li> <li>KAON Broadband: Achieved the Export Tower Award (USD 70 million) on Trade Day</li> <li>KAON Robotics: Applied for a patent on autonomous robot technology</li> </ul>
2021	<ul style="list-style-type: none"> <li>KAON Media: First overseas export of its solutions (to the Middle East), South Korea's first OTT device equipped with Disney+</li> <li>KAON Broadband: Launched KRMS 3.0 and QUANTUM platform, won the government's Digital New Deal "National School Public Wi-Fi Construction Project"</li> <li>KAON Robotics: KAON Robotics was launched, developed 5G XR glasses, and supplied them to the police (Ministry of Science and ICT national project)</li> </ul>

**2013-2020:** Leading the broadcasting, communications, and network markets by converging next-generation AI and network technologies

2020	<ul style="list-style-type: none"> <li>KAON Broadband was launched</li> </ul>
2019	<ul style="list-style-type: none"> <li>Wi-Fi Alliance EasyMesh and Wi-Fi 6 were certified</li> </ul>
2018	<ul style="list-style-type: none"> <li>Launched world's first Android TV Oreo version</li> </ul>
2017	<ul style="list-style-type: none"> <li>Launched world's first AI terminal (KT)</li> <li>Dominated the domestic IPTV market (supplied to KT, SK, and LG)</li> </ul>
2016	<ul style="list-style-type: none"> <li>KT Olleh TV air (4K Video Bridge) won Best Consumer-Centric Wireless Service Innovation</li> </ul>
2014	<ul style="list-style-type: none"> <li>Launched world's first 4K IPTV</li> </ul>

**2001-2012:** Period of External Growth with the Expansion of Overseas and Domestic AI, Broadcasting, and Telecommunications Markets

2012	<ul style="list-style-type: none"> <li>Was selected as a SKBB, KT (Skylife) IPTV/Hybrid terminal operator</li> </ul>
2010	<ul style="list-style-type: none"> <li>Launched world's first Android-based terminals</li> </ul>
2005	<ul style="list-style-type: none"> <li>KAON Media listed on the KOSDAQ Market</li> </ul>
2001	<ul style="list-style-type: none"> <li>KAON Media was established</li> </ul>

# Sustainability Highlights

Division	Area	Item	Division	Area	Item
Report	E / S / G	Sustainability Report Publication	CO <sub>2</sub> emission	E	ISO 14064-1
Global Initiatives	E	SBTi (Carbon Reduction Target Approved) <sup>NEW</sup>		E	ISO 14044
	E / G	CDP (Acquired B Grade) <sup>NEW</sup>		E	TÜV Green Product Mark
	E / S / G	EcoVadis (Acquired Platinum Grade Medal) <sup>NEW</sup>	Environmental Declaration	E	Bureau Veritas PCF
	E / S / G	UNGC		E	EPD
Management System	E / G	ISO 9001 (TL9000)		E	WEEE
	E / G	ISO 14001		E	RoHS
	S / G	ISO 45001	Response to Environmental Regulations	E	REACH
	G	ISO 27001		E	Chemical Tax
	G	ISO 22301		E	Conflict Minerals
<sup>NEW</sup> : 2024 Achievement			Information System Operation	E	KGP System operation

# Sustainability Management System

## ESG Governance

KAON Group reflects ESG-related provisions in its Board of Directors operating regulations to proactively respond to changes in the ESG-centric management environment. The KAON Group Board of Directors comprehensively manages and oversees matters related to the enterprise ESG strategy, major investments, and disclosure and evaluation. Through this, it presents standards and directions for building and expanding a sustainable business model. The CEO is responsible for final decision making on ESG strategy and key issues, and the Chief Strategy Officer (CSO) oversees ESG strategy development, risk response, implementation roadmaps, investment reviews, and disclosure and evaluation responses. To strengthen the roles and responsibilities of management, ESG goals are linked to management KPIs, and evaluation results are reflected in compensation. For professional and independent review, the KAON Group operates an ESG Executive Committee, a Human Rights Management Committee, a Health and Safety Management Committee, and an Information Security Committee. Each committee reviews relevant policies, issues, and risks. Key issues are reported step-by-step from the chairman to the CSO and CEO and are brought up as board agenda items when necessary. ESG agenda items are presented separately on a regular and ad hoc basis. Regular agenda items are presented once a year during the process of establishing the ESG management plan, while ad hoc agenda items are presented when it is necessary to address other ESG-related operational matters. With this reporting and oversight system and board operations, we will strengthen the consistent implementation of our ESG strategy and performance management and advance our sustainable management system that reflects regulations, customer demand, and market changes.

### ESG Governance System Diagram



## Stakeholder Engagement

KAON Group continuously strives to communicate with various stakeholders who are directly or indirectly affected by its business operations. It designated shareholders, investors, customers, employees, partners, local communities, the government, and the local government group as its key stakeholders, considering their influence and importance to its business activities. Accordingly, it has divided stakeholders into six groups and operates various communication channels according to key interests by group. Through these channels, KAON Group continuously identifies stakeholders' main concerns and requirements and actively reflects them in sustainability management decision making with a view to satisfy stakeholder expectations.

### Stakeholder Classifications and Communication Channels

<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Disclosure</li> <li>• IR data</li> <li>• Homepage</li> <li>• Telephone</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Domestic and international exhibitions and fairs</li> <li>• Telephone and email</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• KAON Groupware</li> <li>• Labor-management council</li> <li>• Occupational Health and Safety Committee</li> </ul>
<b>Partners</b> 	<ul style="list-style-type: none"> <li>• Regular evaluation of partners</li> <li>• Telephone and email</li> </ul>
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>• Activities that contribute to local communities</li> </ul>
<b>Government and Local Governments</b> 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• System briefing sessions</li> </ul>

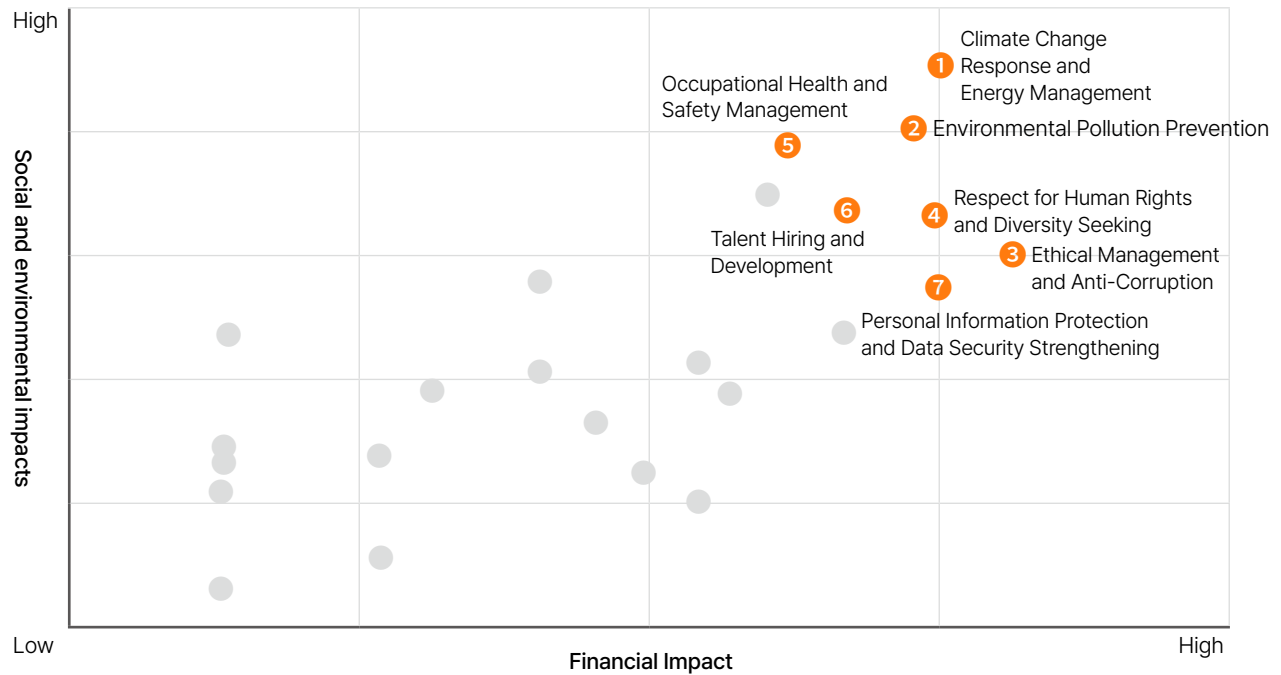
## Double Materiality Assessment

KAON Group draws important sustainability management issues that are crucial to the company's sustainability management every year with materiality assessments. It creates an issue pool using the ESG Implementation Principles (IWA 48:2024) developed by the International Organization for Standardization (ISO), the reporting topic selection principles of the Global Reporting Initiative (GRI) Standards, and the EU Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD) and conducts a double materiality assessment. The material sustainability management issues selected through the materiality assessment are reflected in KAON Group's sustainable management strategy and goals to respond to the impact on stakeholders and their expectations. As a result, it is improving business performance and enhancing environmental and social value in all corporate activities.

### Materiality Assessment Process

<b>STEP 1.</b> KAON Group Issue Pool Composition	<ul style="list-style-type: none"> <li>• Analysis of international guidelines (IWA 48: 2024), GRI Standards 2021, EU CSRD Reporting Guidelines)</li> <li>• Analysis of corporate management issues</li> <li>• Analysis of industry trends</li> </ul>
<b>STEP 2.</b> Conducting the Materiality Assessment	<p>Carrying out the analysis and evaluation of the social and environmental impacts and financial impacts for the 24 issues finally selected</p> <p><b>Social and Environmental Impact Analysis</b></p> <ul style="list-style-type: none"> <li>• Analysis of the impact of global ESG standards and assessment items (GRI, UNSDGs, ESRS, UNGC, etc.)</li> <li>• Media research analysis (3 years)</li> <li>• Analysis of the sustainability management of the peer group in the industrial group</li> <li>• Stakeholder survey: Surveys were conducted with employees, customers, partners, shareholders, and local communities (February 22-March 2, 2022) *Continued reflection of stakeholder concerns from existing materiality assessments</li> </ul> <p><b>Financial Impact Analysis</b></p> <ul style="list-style-type: none"> <li>• External ESG Evaluation Item Impact Analysis (EcoVadis, CDP, SBTi)</li> </ul>
<b>STEP 3.</b> Deriving Material Topics	<ol style="list-style-type: none"> <li>① Derive KAON Group's key sustainability management issues and related sub-issues</li> <li>② Write the report by linking seven key issues and reflect them in the report's detailed planning and content</li> </ol>

## Materiality Assessment Matrix



## Material Issue Selection

Ranking (Previous Year)	Topic	Issue	GRI Standards		Report Page
1 (1)	Environment	Climate Change Response and Energy Management	GRI 201: Economic Performance	GRI 301: Energy GRI 305: Emissions	16-24, 31, 69
2 (2)	Environment	Environmental Pollution Prevention	GRI 303: Water and Wastewater		26, 70
3 (4)	Governance	Ethical Management and Anti-Corruption	GRI 205: Anti-Corruption		60-63, 79
4 (3)	Social	Respect for Human Rights and Diversity Seeking	GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining	GRI 408: Child Labor GRI 409: Forced Labor	41-48, 52-56, 58-59, 72, 79
5 (-)	Social	Health and Safety Management	GRI 403: Occupational Health and Safety		38, 48-52, 75-76
6 (7)	Social	Talent Employment and Development	GRI 401: Employment	GRI 404: Training and Education	35-40, 72-73, 75-78
7 (9)	Governance	Personal Information Protection and Data Security Strengthening	GRI 418: Customer Personal Information		63-66, 79

\* Of the 24 ESG management issues, the top seven were selected as material issues.

\* Out of the previous materiality issue pool (27 issues), six issues (excluding one new issue) were reflected after being adjusted as follows.

· New: Occupational Health and Safety Management

· Excluded: Securing financial soundness, economic performance \*Reason: Not very related to ESG

· Integrated: Community value creation = Social contribution activities + Community investment support  
Responsible supply chain management = Supply chain (partner) risk management + Fair trade with partners

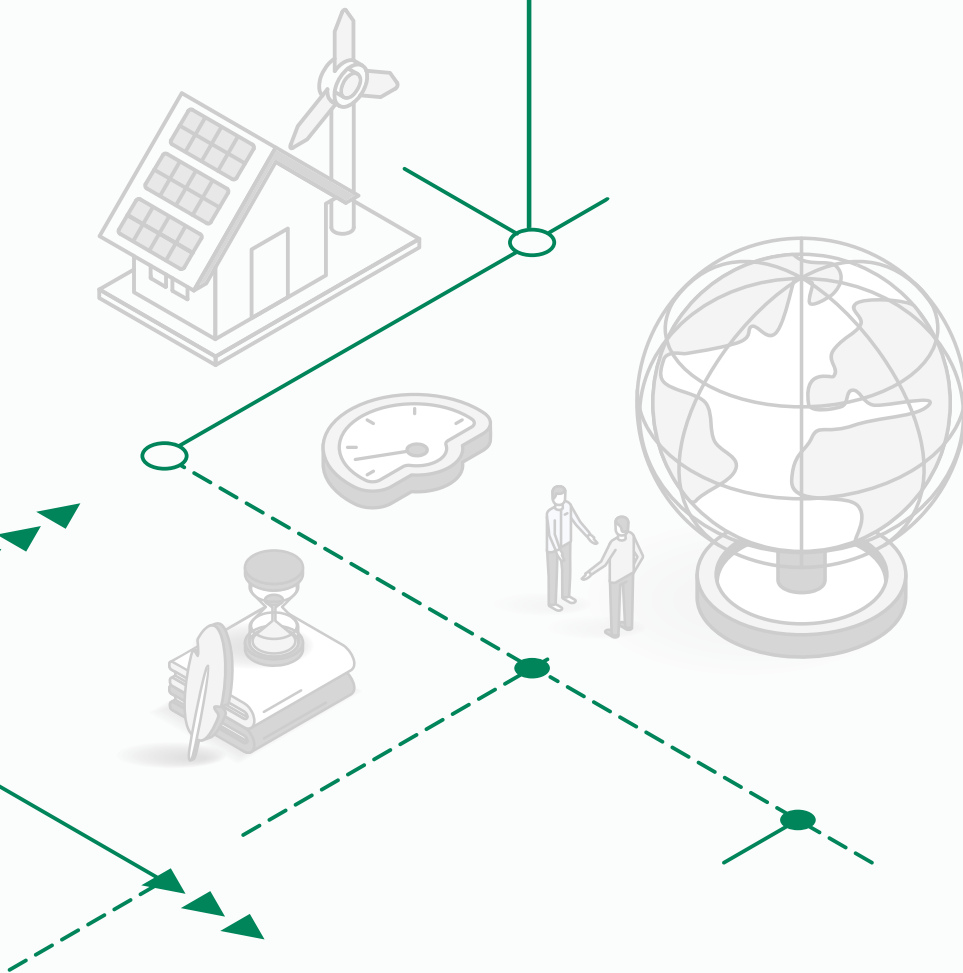
## Major ESG Policies and Implementation System

Category	Major Policies and Implementation System	Scope of Policy Application	Policy Responsibility Assignment	Policy Purpose	Policy Goals (by 2030)
Social	Customer satisfaction management		<ul style="list-style-type: none"> <li>CEO/management</li> <li>Heads of each department (by position)</li> <li>Quality management team</li> </ul>	<ul style="list-style-type: none"> <li>Meeting customer expectations and requirements for reliability and safety</li> </ul>	<ul style="list-style-type: none"> <li>Achievement rate of 95% or higher incoming quality compared to PPM target</li> <li>Achievement rate of 95% or higher process quality compared to PPM target</li> <li>A 100% customer inspection pass rate</li> </ul>
	Talent Management (Organizational Culture, Labor-Management Culture)	<ul style="list-style-type: none"> <li>Employees at all workplaces</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources Team</li> <li>Labor-Management Council (holding meetings and discussing agenda items)</li> <li>Grievance Handling Committee (operating grievance handling procedures)</li> </ul>	<ul style="list-style-type: none"> <li>Activation of Education, Training, and Capacity Development</li> <li>Activating labor-management communication</li> </ul>	<ul style="list-style-type: none"> <li>Conducting subject-specific job-level training twice a year</li> <li>Achieving a 90% or higher rate of conducting training satisfaction survey</li> <li>Maintaining the operation of four Labor-Management Council meetings per year (once per quarter)</li> </ul>
	Human Rights Management		<ul style="list-style-type: none"> <li>CEO/Management</li> <li>Human Rights Management Committee</li> <li>Human Resources Team</li> </ul>	<ul style="list-style-type: none"> <li>Prohibition of Discrimination and Harassment</li> <li>Creating a work environment in which diversity is respected and discrimination is prohibited</li> <li>Providing equal opportunities</li> <li>Creating an inclusive and respectful work environment</li> </ul>	<ul style="list-style-type: none"> <li>Conducting an internal audit to assess child and forced labor once a year</li> <li>Conducting a human rights impact assessment once a year (collecting feedback from external stakeholders (customers, local residents)).</li> <li>Maintaining a training completion rate of more than 90% every year (training to prevent workplace bullying and sexual harassment and to improve awareness of persons with disabilities to improve diversity, equity, and inclusion)</li> </ul>
	Diversity, Equity, and Inclusion (DE&I)				
	Health and Safety	<ul style="list-style-type: none"> <li>Employees of all workplaces</li> <li>Partners and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>CEO/Management</li> <li>Health and Safety Management Committee</li> <li>General Affairs Team</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Management of Health and Safety</li> <li>Promoting Employee Health and Safety</li> <li>Eliminating Health and Safety Risks from Product and Services</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining zero safety accidents and industrial accidents every year</li> <li>Maintaining zero violations of Health and safety-related laws every year</li> <li>Maintaining a 100% risk factor discovery/improvement rate every year</li> <li>Maintaining a 100% emergency training completion rate every year</li> <li>Raising the employee satisfaction score by 10% (as of 2022)</li> </ul>
	Supply Chain ESG		<ul style="list-style-type: none"> <li>CEO/Management</li> <li>ESG Executive Committee</li> <li>Purchasing Team</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining compliance with corporate ethics (Code of Conduct for Partners)</li> <li>Maintaining compliance with respect for labor and human rights for partner companies</li> <li>Maintaining compliance with Health and Safety for partner companies</li> <li>Strengthening environmental management capabilities for partner companies</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining a 90% or higher rate of participation of partners in the Sustainable Procurement Capacity Building Program</li> <li>Maintaining a 95% or higher percentage of partners who have signed the Supplier Code of Conduct</li> <li>Maintaining a 90% or higher rate of completion of supplier ESG assessments (self-assessment or on-site inspection)</li> </ul>
	Local Community	<ul style="list-style-type: none"> <li>Employees of all workplaces</li> </ul>	<ul style="list-style-type: none"> <li>General Affairs Team</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to local community</li> <li>Realizing social value</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining monthly social contribution fundraising and donations from all employees</li> </ul>

Category	Major Policies and Implementation System	Scope of Policy Application	Policy Responsibility Assignment	Policy Purpose	Policy Goals (by 2030)
Environment	Environmental Management	<ul style="list-style-type: none"> <li>Environmental Management Policy</li> <li>Environmental Management System (ISO 14001)</li> </ul>		<ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions and energy consumption</li> <li>Monitoring water consumption and improving water reuse rates</li> <li>Minimizing impacts on biodiversity</li> <li>Minimizing air pollutant emissions</li> <li>Reducing waste generation</li> <li>Managing chemical safety</li> <li>Reducing resource inputs</li> <li>Safe and environmentally friendly products</li> <li>Promoting resource circulation and responsible consumption</li> </ul>	<ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions by 42% by 2030 and 90% by 2050</li> <li>Maintaining a 2% reduction in energy consumption every year</li> <li>Maintaining a 50% share of renewable energy consumption (by 2050)</li> <li>Reducing water consumption by 3% every year</li> <li>Maintaining a 50% share of employees participating in local environmental cleanup projects every year</li> <li>Maintaining zero air pollutant emissions</li> <li>Reducing waste generation by 3% every year</li> <li>Conducting precision safety inspections and maintaining zero safety accidents every year</li> <li>Maintaining a 1% reduction in raw and subsidiary material consumption every year</li> <li>Increasing the use of recycled materials (recycled resin) by 1% every year</li> <li>Reducing product power consumption (per unit) by 1% every year</li> <li>Maintaining a refurbishment materials sales weight index of 50 or higher</li> <li>Maintaining zero customer health and safety-related accidents every year</li> <li>100% disclosure of the entire product line's LCA</li> </ul>
	Climate Change Response	<ul style="list-style-type: none"> <li>Environmental Management Policy</li> <li>Greenhouse Gas Estimation Management Regulations (based on ISO 14064-1)</li> </ul>			
	Environmental Impact Management	<ul style="list-style-type: none"> <li>Environmental Management Policy</li> <li>Environmental Management System (ISO 14001)</li> <li>Air Pollutant Emissions Policy</li> <li>Waste Management Regulations</li> </ul>	Employees of all workplaces Partners and suppliers • CEO/Management • ESG Executive Committee • ESG Team		
	Products and Environmental Responsibility	<ul style="list-style-type: none"> <li>Environmental Management Policy</li> <li>Environmental Management System (ISO 14001)</li> <li>Environmental Aspect Identification and Impact Assessment Regulations</li> </ul>			
Governance	Decision-Making Structure	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Operation Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Management</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a transparent governance structure through disclosure of the board of directors and executive compensation structure</li> <li>Ensuring board expertise, transparency, and diversity</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of an ESG Committee within the Board of Directors</li> <li>Annual publication of a sustainability report</li> <li>Introduction of an ESG performance-linked compensation system</li> </ul>
	Ethical management	<ul style="list-style-type: none"> <li>Anti-Corruption Policy</li> <li>Ethical Conduct Guidelines</li> <li>Code of Ethics</li> <li>Ethics Charter</li> <li>Anti-Bribery Management System (ABMS)</li> <li>Internal Audit Guidelines</li> <li>Fair Trade Compliance Program (CP)</li> </ul>	CEO (Decision-making) Planning Team (Policy Review) Heads of Department (Carrying out Risk Assessment) Employees of all workplaces Partners and suppliers	<ul style="list-style-type: none"> <li>Prohibition of corruption, bribery, conflicts of interest, fraud, money laundering, and anti-competitive practices</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining zero cases of misconduct every year</li> <li>Conducting a corruption risk assessment once a year</li> <li>Achieving a 100% completion rate of ethics training for employees every year</li> <li>Achieving 100% signatures of the ethics compliance pledge for employees annually</li> </ul>
	Information Security	<ul style="list-style-type: none"> <li>Information Security Policy</li> <li>Information Security Declaration</li> <li>Information Security Management System (ISMS)</li> </ul>	CEO/Management Information Security Committee IT Team Partners and suppliers	<ul style="list-style-type: none"> <li>Systematic management of information security</li> <li>Internal and external human security management</li> <li>Security incident prevention and response system management</li> <li>Disciplinary and compensation measure management</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining zero cases of information security incident reporting every year</li> <li>Conducting an information security risk assessment once a year</li> </ul>

# Environmental

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# Climate Change Response (TCFD)

## Governance




### Board of Directors' Oversight

The Board of Directors integrates climate change into the core management agenda through the ESG Committee and oversees the entire process from the formulation of company-wide strategies to their implementation. It oversees climate scenario analysis to assess the resilience of these strategies, approves climate-related corporate goals and external commitments, and monitors the present situation of their implementation on a quarterly and annual basis. It also directs management to establish a credible climate transition plan and oversees the disclosure, audit, and verification systems to ensure the reliability of disclosure and performance data and the utility of decision making. Furthermore, it approves and manages employee compensation systems to reflect climate goal achievement, thereby strengthening accountability and executive ability throughout the organization.

### Executive Role

KAON Group directly assigns climate-related responsibility to the CEO to integrate climate issues into the core of company-wide operations and business strategy. The CEO systematically assesses climate-related dependencies, impacts, risks, and opportunities, sets goals based on the findings, and regularly reviews progress toward achieving them. The CEO oversees the climate transition plan and manages the major capital and operational expenditures required for this. He or she also oversees the implementation of business strategies linked with climate issues. Significant transactions, such as mergers and acquisitions (M&A) and divestitures, are managed by the CEO in consistency with the climate strategy. Furthermore, the CEO coordinates the company's external position and implementation by managing climate-related public policy engagement and strengthens accountability and executive ability throughout the organization with climate change-related incentives.

### Climate Change Governance

	<b>Board of Directors</b> Reviews, votes, and oversees important climate change-related matters
	<b>CEO</b> Responsible for climate change strategy-related decision making
	<b>ESG Executive Committee</b> Establishment of Climate Change Management Plans Initiative Management Oversight of Transitional Task Setting and Management

## Strategy

### Strategy Establishment Process

KAON Group establishes its climate change strategy with the following process. First, it reviews its business portfolio and current situation to identify issues and define potential climate risks and opportunities by issue. Next, it conducts qualitative and quantitative assessments based on likelihood of occurrence, magnitude of impact, and timing of impact to derive key risks and opportunities. Based on the selected climate change scenarios, it analyzes the aspect of future changes and reviews situations by scenario. Next, it analyzes the financial impact using the results of the scenario analysis and assesses the financial impact of the derived key risks and opportunities. Finally, it establishes and implements response strategies for key risks and opportunities and continuously monitors and reports the performance.

### Climate Scenario Analysis and Risk Assessment Process

<b>1. Identify climate change risks and opportunities</b>	<ul style="list-style-type: none"> <li>Identify issues by reviewing the company's business portfolio and current situation</li> <li>Identify and define potential climate risks and opportunities by issue</li> </ul>
<b>2. Assess the materiality of risks and opportunities</b>	<ul style="list-style-type: none"> <li>Conduct qualitative and quantitative assessments based on the likelihood of occurrence, magnitude of impact, and timing(period) of impact</li> <li>Derive key climate risks and opportunities from assessment results</li> </ul>
<b>3. Analyze climate scenarios</b>	<ul style="list-style-type: none"> <li>Select climate change scenarios</li> <li>Analyze situations (future change aspects and future images) by scenario</li> </ul>
<b>4. Analyze financial impacts</b>	<ul style="list-style-type: none"> <li>Analyze financial impacts using climate scenarios</li> <li>Quantitatively assess the financial impact of derived key risks and opportunities</li> </ul>
<b>5. Establish response strategies</b>	<ul style="list-style-type: none"> <li>Establish and implement response strategies for key risks and opportunities</li> <li>Monitor and report the performance</li> </ul>

## Deriving Key Risks and Opportunities

KAON Group uses climate change risk assessments as an opportunity to reexamine and improve its company-wide management system. By introducing a more structured and standardized process in conformance with international standards such as ISO, GRI, and TCFD, it has strengthened its ability to more systematically identify, assess, and manage climate change dependencies, impacts, risks, and opportunities. Climate-related risks and opportunities are identified throughout the company once a year, and qualitative and quantitative assessments are conducted in its direct operations, upstream, and downstream processes from short, medium, and long-term perspectives. Risks and opportunities are categorized into physical, policy, market, reputation, technology, and legal liability categories, and the impacts on customers, employees, investors, local communities, and suppliers are considered throughout the identification process. The identified items are assessed for materiality based on the timing of occurrence of impact, likelihood of occurrence, and magnitude of impact. The timing of impact is divided into already occurred, short-term, medium-term, and long-term, and a maximum of 2 points is given. The likelihood of impact is subdivided into eight levels, and a maximum of 5 points is given. The magnitude of impact is divided into five levels based on the impact on profits, and a maximum of 5 points is given. The materiality is calculated by multiplying the scores of the three indicators, and a total score of 25 or more is defined as a major risk or opportunity.

## Entire Climate-Related Risks and Opportunities

Risk	Category	Type	Number	Item
	Physical Risk	Short-term physical environment changes	R1	Heavy rain, flooding, typhoons, tsunamis, heat waves, and power outages
		Long-term physical environment changes	R2	Chronic high temperatures, water stress, and sea level rise
	Transition Risk	Policy and regulation	R3	Strengthening carbon, product environment, and disclosure regulations
		Technology	R4	Low-power design and component transition delays
		Market	R5	Fluctuating energy, raw materials, and transportation costs
		Reputation	R6	Inadequate energy performance and environmental friendliness or disclosure errors
		Reputation	R7	Inadequate product energy performance and environmental friendliness
		Legal liability	R8	Legal disputes related to labeling, certification, safety, or the environment

Opportunity	Type	Number	Item
	Capital Flows and Financing	O1	SLL <sup>1)</sup> /Green Loan-Financing of Transition and Adaptation Investments
	Energy Sources	O2	Reducing Power Costs and Outage Risk with PPA <sup>2)</sup> /REC <sup>3)</sup> .ESS <sup>4)</sup> /DR <sup>5)</sup>
	Markets	O3	Low-Carbon and Low-Power Products Secure Premium/Additional Points in Bidding
	Products and Services	O4	Power Management Software: Auto-Sleep (Automatic Power Saving)-Remote Energy Optimization-LCA / Labeling
	Reputational Capital	O5	Increasing Customer Trust with Verified Disclosures and Regulatory Compliance Based on KGP
	Resilience	O6	Infrastructure for Submersion and High Temperature Response-BCP <sup>6)</sup> -Supply Chain Diversification
	Resource Efficiency	O7	Lightweight and Low-Power Components-Packaging Optimization-Refurbishment/Recovery (WEEE)

1) SLL: Sustainability-Linked Loan

2) PPA: Power Purchase Agreement

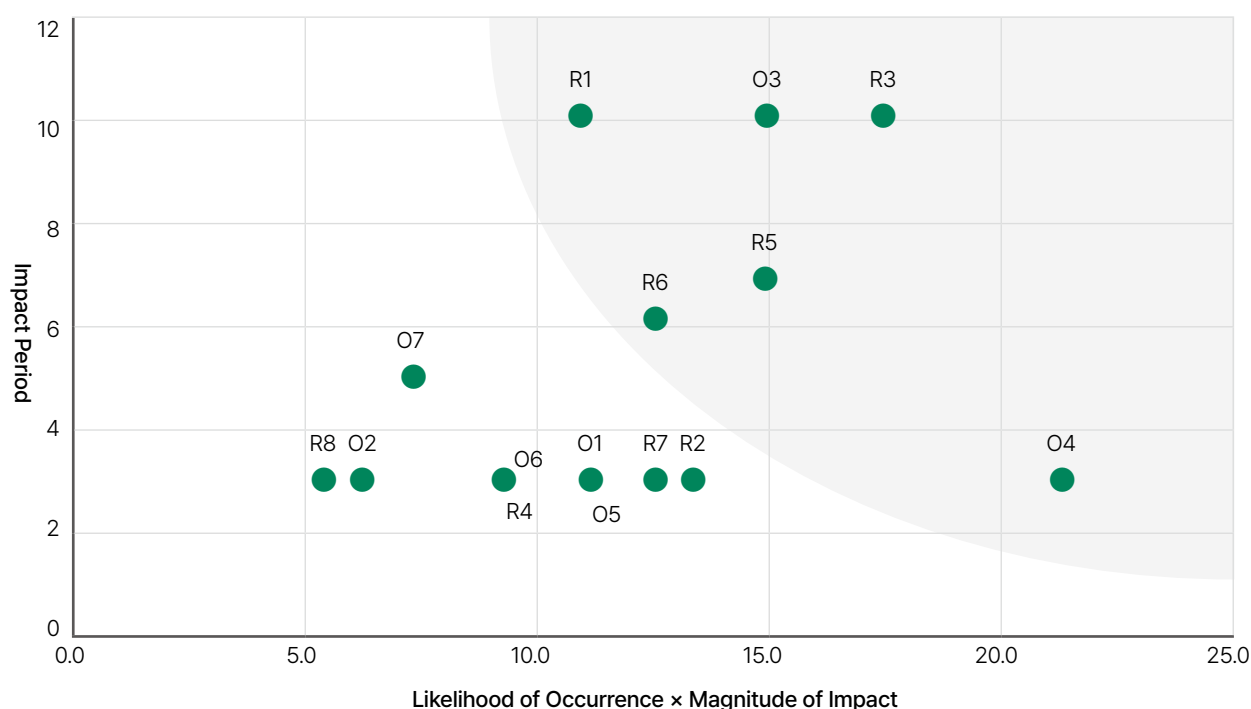
3) REC: Renewable Energy Certificate

4) ESS: Energy Storage System

5) DR: Demand Response

6) BCP: Business Continuity Plan

## Climate Risk and Opportunity Assessment Results



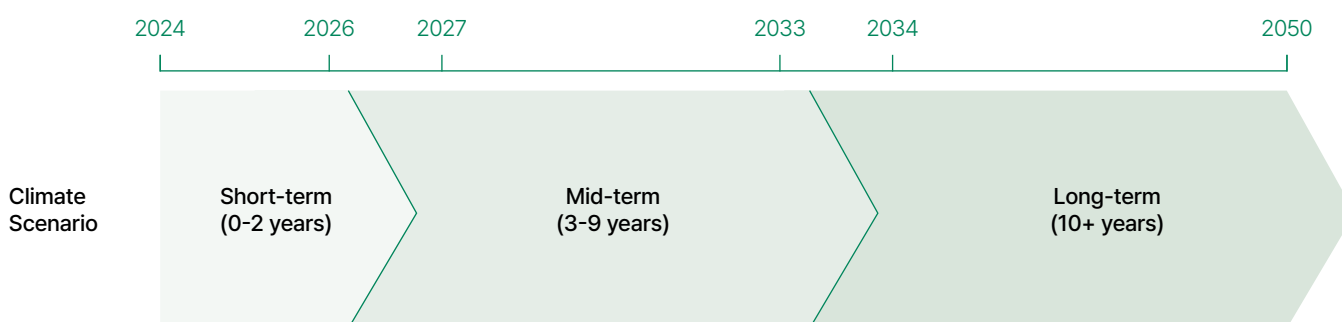
KAON Group identified a total of 15 climate-related risks and opportunities for 2024, of which four were derived as major risks and two as major opportunities.

## Derived Key Risks and Opportunities

Ranking	Category	Item	Impact
1	Risk	<b>R3</b> Strengthening Carbon, Product Environment, and Disclosure Regulations	Strengthening ETS, carbon tax, ERP, RoHS/REACH, and WEEE increases testing, certification, documentation, and verification costs. Failure to meet standards can lead to delivery delays and market entry restrictions. CBAM can also indirectly pass on costs through the unit price of raw materials and components
2		<b>R1</b> Heavy Rain, Flooding/ Typhoons, Tsunamis/Heat Waves, Power Outages	Extreme weather events such as typhoons and floods can disrupt logistics and increase freight rates, damage equipment and inventory, cause downtime, power outages, and increase cooling costs, leading to emergency repairs, insurance premium burdens, and delivery delays
3		<b>R5</b> Fluctuating energy, raw materials, and transportation costs	Sudden increases and volatility in electricity, fuel, raw materials, and sea and air freight rates drive up cost of goods sold and delivery prices, squeezing margins and reducing price competitiveness
4		<b>R6</b> Inadequate energy performance and environmental friendliness or disclosure errors	Inadequate energy efficiency and environmental information, or disclosure errors or omissions, can lower external evaluation credibility, leading to disadvantages in bidding, increased WACC, and difficulties in securing top talent
1	Opportunity	<b>O3</b> Low-Carbon and Low-Power Products Secure Additional Points in Bidding	High-efficiency terminals and equipment reduce customers' electricity bills and earn bonus points in bidding by meeting ESG procurement requirements, improving revenue and margins, and are advantageous for long-term contracts and entering new markets
2		<b>O4</b> Power Management Software: Auto-Sleep (Automatic Power Saving) · Remote Energy Optimization-LCA / Labeling	Basic provision of software-based power management, automatic power saving, and remote optimization functions and LCA and eco-label acquisition reduces energy and emissions during use and satisfies customer demand for reporting, increasing the likelihood of repeat purchases

## Climate Scenario Analysis

KAON Group conducts qualitative and quantitative climate scenario analysis every year across the scope of the entire company, and the analysis is applied for the short term (0–2 years), medium term (3–9 years), and long term (10+ years). Transition risks and opportunities are assessed using the STEPS,<sup>2)</sup> APS,<sup>3)</sup> and NZE<sup>4)</sup> of IEA.<sup>1)</sup> From the foregoing, policies, market, and reputational factors such as carbon pricing, energy mix transition, technology diffusion, and demand for low-emission products are reflected in checking the resilience of KAON Group's transition strategy, targets, and CAPEX, and the results are mapped to KAON Group's product roadmap and supply chain engagement strategy. Physical risks are assessed applying the RCP<sup>5)</sup> 2.6, RCP4.5, RCP8.5 scenarios. Based on this, KAON Group evaluates the exposure of logistics and outsourced manufacturing to extreme weather events such as heavy rain, floods, and typhoons expected in Asian and American hubs, as well as business continuity demand. According to the results of climate scenario analysis, carbon prices are expected to continue to rise in STEPS, APS, and NZE, and will increase by 90–170% in 2050 compared to 2024. In contrast, the electricity rate indexes by scenario were confirmed to gradually decrease by 20–23% by 2050 compared to 2024. In terms of physical aspects, flood and typhoon risks (especially RCP8.5) in East Asia and Southeast Asia were identified as major variables in the continuity of logistics and outsourced production. In particular, the analysis indicated that the financial damage caused by typhoons in Korea could be 2.5 to 5.5 times higher than in 2024. Considering transition and physical risks together is consistent with the TCFD recommendations, and the results derived are reflected in our risk and opportunity management, strategic and financial planning, goal setting, and transition planning.



Transition Risk and Opportunity Assessment	Scenario	STEPS	APS	NZE
	Assumptions	Reflects only energy and climate policies currently in effect or confirmed	All energy and climate goals and commitments announced by various countries are implemented	The entire world reaches net zero emissions by 2050
Physical Risk Assessment	Scenario	RCP 8.5	RCP 4.5	RCP 2.6
	Assumptions	Greenhouse gas emissions at current trends	Greenhouse gas reduction policies are substantially implemented	Implement greenhouse gas reductions immediately

1) IEA: International Energy Agency

2) STEPS: Stated Policies Scenario

3) APS: Announced Pledged Scenario

4) NZE: Net Zero Emissions by 2050

5) RCP: Representative Concentration Pathways

## Financial Impact

KAON Group assesses the impact of key risks and opportunities on finance through scenario analysis. On the risk side, it reflects increased operating expenses (OPEX) due to rising carbon prices and increased volatility in electricity, fuel, raw materials, and marine/air freight rates as cost and cash flow risks. Furthermore, it anticipates that sustainability disclosures and assessments when issuing debt securities will impact creditworthiness and fund-raising costs, and considers increased costs associated with responding to and recovering from extreme weather events such as heavy rain, floods, and typhoons. Meanwhile, on the opportunity side, it anticipates that the development of high-efficiency products will lead to lower customer electricity bills, driving demand and, consequently, contributing to increased sales and increased procurement adoption rates.

## Financial Impact Analysis - Risk

Ranking	Risk	Financial Impact Analysis Approach and Key Assumptions	Impact on Business	Financial Impact (KRW Millions, Minimum-Maximum)		Response Plan
1	<b>R3</b> Strengthening Regulations on Environmental Disclosure of Carbon Products	Operating costs are expected to increase due to rising carbon prices that are passed on. The financial impact is estimated using only direct emissions and the carbon cost of purchased electricity Formula: [Scope 1 emissions] + [Carbon passing-on rate in electricity bills 1] x [Scope 2 emissions] x CO <sub>2</sub> price (USD/tCO <sub>2</sub> e) x exchange rate.	Increased operating costs due to rising carbon prices	Short-term	113 - 399	<ul style="list-style-type: none"> <li>• Internalizing eco-design</li> <li>• Operating PCF/LCA in core lines</li> <li>• Improving regulatory compliance</li> </ul>
				Mid-term	316 - 1,304	
				Long-term	385 - 1,766	
2	<b>R1</b> Heavy Rain, Flooding, Typhoons, Tsunamis, Heat Waves, Power Outages	Heavy rain, floods, typhoons, and storm surges increase operating costs due to mitigation measures such as alternative logistics, asset/inventory repairs, and downtime recovery The impact of extreme weather events on damage was calculated using the "Annual Expected Damage Rates for Typhoons (RCP 2.6/4.5/8.5)" from the Climate Impact Explorer Formula: Average Selling and Administrative Expenses x Extreme Weather Damage Impact	Operating costs increase due to distribution disruptions, equipment and inventory damage, operational downtime, and damage mitigation activities	Short-term	7,105 - 7,335	<ul style="list-style-type: none"> <li>• Expanding supplier diversification</li> <li>• Early weather warning monitoring</li> <li>• Building energy resilience in office spaces</li> </ul>
				Mid-term	24,447 - 31,933	
				Long-term	34,808 - 52,181	
3	<b>R5</b> Energy, Raw Materials, and Transportation Costs	Volatility in electricity, fuel, raw materials, and shipping/airfare rates affects financial performance Formula: Electricity cost volatility (scenario-based electricity price index) + Raw material cost volatility (net-zero implementation cost passing on) + Transportation cost volatility (net-zero implementation cost passing on)	Direct costs increase due to increased costs	Short-term	6,299 - 34,371	<ul style="list-style-type: none"> <li>• Securing safety stock</li> <li>• Introducing multi-sourcing</li> </ul>
				Mid-term	783,188 - 202,314	
				Long-term	-	
4	<b>R6</b> Inadequate Energy Performance, Environmental Friendliness, or Disclosure Errors	Sustainability disclosures and external assessments are expected to affect trust and financing costs Formula: Cost of Debt (Interest) x Sustainability Disclosures, ESG Ratings Impact on Corporate Trust x ESG Disclosure Requirements - Difficulty of Response	Weakened competitiveness in securing orders due to insufficient sustainability disclosures and assessments	Short-term	590 - 616	<ul style="list-style-type: none"> <li>• Disclosure of product carbon information</li> <li>• Expansion of R&amp;D investment</li> </ul>
				Mid-term	1,640 - 2,015	
				Long-term	1,997 - 2,729	

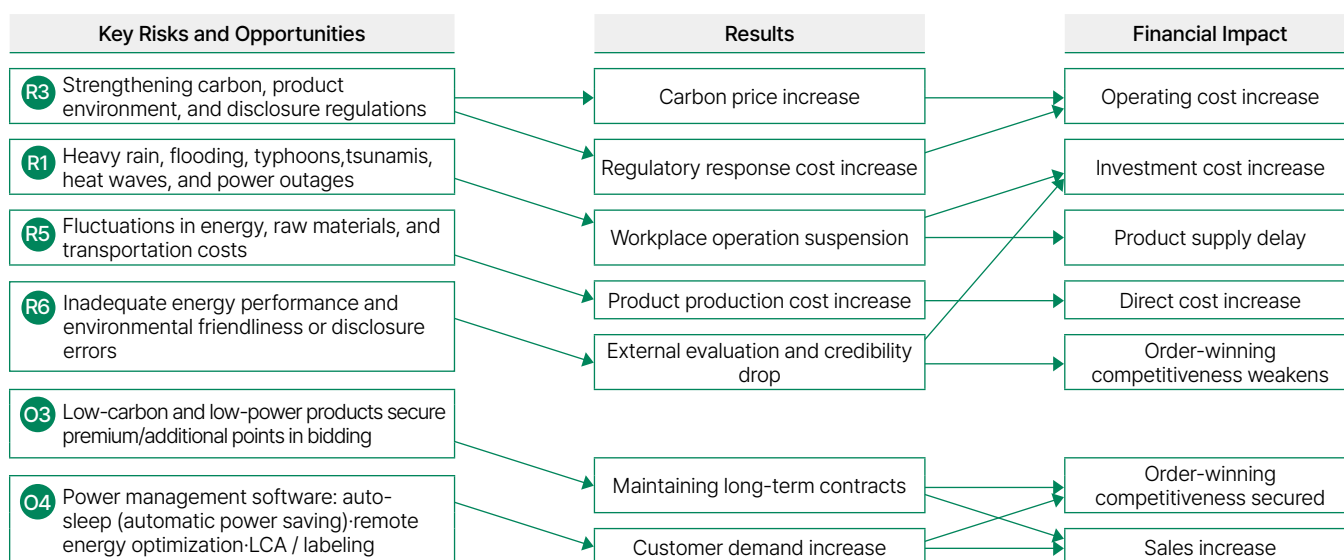
1) Carbon passing-on in electricity bills: As the proportion of renewable energy increases, the carbon passing-on rate in electricity bills increases. 0.5 is applied in the STEPS scenario, 0.8 in the APS scenario, and 0.9 in the NZE scenario.

## Financial Impact Analysis - Opportunities

Ranking	Opportunities	Financial Impact Analysis Approach and Key Assumptions	Impact on Business	Financial Impact (KRW Millions, Minimum-Maximum)		Response Plan
1	<b>O3</b> Low-Carbon and Low-Power Products Secure Premium/Additional Points in Bidding	It is assumed that procurement adoption rate will increase thanks to high-efficiency products	Sales increase thanks to securing order competitiveness	Short-term	4,577 - 7,746	<ul style="list-style-type: none"> <li>• Low-carbon product production</li> <li>• Encouraging suppliers to participate in net-zero initiatives</li> </ul>
				Mid-term	16,044 - 35,586	
				Long-term	22,512 - 55,038	
2	<b>O4</b> Power Management Software: Auto-Sleep (Automatic Power Saving)-Remote Energy Optimization-LCA / Labeling	It is assumed that customer demand will increase thanks to high-efficiency products.	Sales increase thanks to customer demand increase	Short-term	16,249 - 24,280	<ul style="list-style-type: none"> <li>• Measuring product carbon footprints</li> <li>• Expanding product carbon labeling</li> </ul>
				Mid-term	36,456 - 53,553	
				Long-term	-	

\* The long-term financial impact analysis covers values from the analysis carried out for the period until 2050

## Risk and Opportunity and Financial Impact Mapping



## Response Strategy

### Workplace

KAON Group aims to achieve Scope 1 and 2 net-zero emissions in its workplace operation by 2050 and secure operational resilience against external shocks. We will establish operational standards for the integrated management of energy, carbon, and risks to continuously advance our low-carbon yet efficient production system.

Renewable Energy Transition and Internal Carbon Pricing	BCMS <sup>4)</sup> Advanced Logistics Risk Response	Low-Carbon Product Development and Energy Efficiency
<p>We have established a new solar power generation facility on the rooftop of our head office building to produce and use renewable energy by optimizing our own consumption. As a result, we have reduced greenhouse gas emissions by 2 tCO<sub>2</sub>e in 2024 by replacing the use of grid power. Based on this operational experience, we will continue to expand our renewable energy facilities and strengthen utilization with a view to achieving 50% renewable energy use by 2050. KAON Group sets its internal carbon shadow price based on the IEA STEPS-APS-NZE trajectory. In this case, the APS is applied as the standard, STEPS as the lower bound and Sigmund as the upper bound. The price is operated as a single, company-wide value, but increased every year, and is reflected as an additional cost per tCO<sub>2</sub>e in CAPEX, operations, procurement, and product/R&amp;D decision making, and is included in the NPV<sup>1)</sup>/renewable IRR<sup>2)</sup>/TCO<sup>3)</sup> evaluations. The scope of application is Scope 1-2 and Scope 3 (Categories 1, 4, and 11), and the internal carbon price applied in 2024 is 2.2% of total emissions.</p>	<p>Since 2022, we have been certified for our natural disaster response and recovery capabilities by obtaining ISO 22301 (BCMS), the international standard certification for a "Business Continuity Management System," every year. With BCMS operation, our natural disaster response and recovery capabilities are regularly verified with internal and external audits, and we proactively improve vulnerabilities with risk management with regular inspections and mock drills. When all South China ports were closed due to Typhoon Koinu in October 2023, we maintained delivery times by switching the sea route to land routes from Huizhou, Guangdong Province to Weihai, Shandong Province, and then shipping the cargoes via the Weihai-Incheon ferry, and during the dry season in Manaus, Brazil (August-November), we secured approximately 75% of our year-end volume by mid-August through advance orders and advance stocking to secure stable shipments.</p>	<p>Even in the product stage, we are routinizing design to reduce energy consumption. We applied automatic power-saving and scheduling features to our new STB models, reducing standby power by approximately 2-4W, and this specification has been adopted by two EU customers. Furthermore, we are accelerating efficiency improvements by incorporating life-cycle assessment of product carbon footprint (LCA-PCF) results into our design decision making, including firmware modifications and power supply component changes, to meet ErP standby power requirements.</p>

1) NPV: Net Present Value

2) IRR: Internal Rate of Return

3) TCO: Total Cost of Ownership

4) BCMS: Business Continuity Management System

## Market

KAON Group will secure a market advantage based on the competitiveness of low-carbon products and verification-based trust. To reduce Scope 3 emissions (purchasing, logistics, product use, and disposal), we will establish joint reduction targets with suppliers, expand PCF1/ labeling across all product lines, and systematize practical reduction activities such as low-power design, eco-design, and recycling packaging and transportation optimization. Furthermore, we will further strengthen trust by transparently disclosing data through standardized methodologies and third-party assurance.

### BOM-Based Regulatory Compliance and Third-Party Certification Response

We manage global regulations and product requirements such as RoHS/REACH and WEEE at the BOM design stage, and provide PCF/LCA third-party certificates, RoHS/REACH test reports, and WEEE registration for each delivered product according to customer needs. In fact, major customers are continuously requesting detailed data and third-party certifications on climate change response and carbon reduction activities, and we are standardizing document packages and verification systems to meet these needs and increase reliability.

### PCF-Labeling Roadmap and RFP Competitiveness

We are expanding PCF calculation and labeling in stages throughout our portfolio. By securing third-party certification labels such as Bureau Veritas PCF, Norway EPD, and TÜV, we have gained additional points in bids for EU and Middle Eastern telecommunications companies, thereby increasing our competitiveness in winning contracts. Furthermore, in line with the growing trend of ESG assessments accounting for more than 20% of major telecommunications companies' RFPs, we are providing customized product carbon emissions and energy consumption data packs.

### Strengthening Stakeholder Communication

KAON Group transparently discloses its climate change response strategies and present situation to stakeholders every year with the publication of EcoVadis, CDP Response, and Sustainability Reports. Furthermore, KAON Group has strengthened its climate leadership in the industry by participating in climate response initiatives such as SBTi. It will proactively respond to potential stakeholder demands for NetZero emissions per product and strive to achieve its 2050 carbon neutrality goal early.

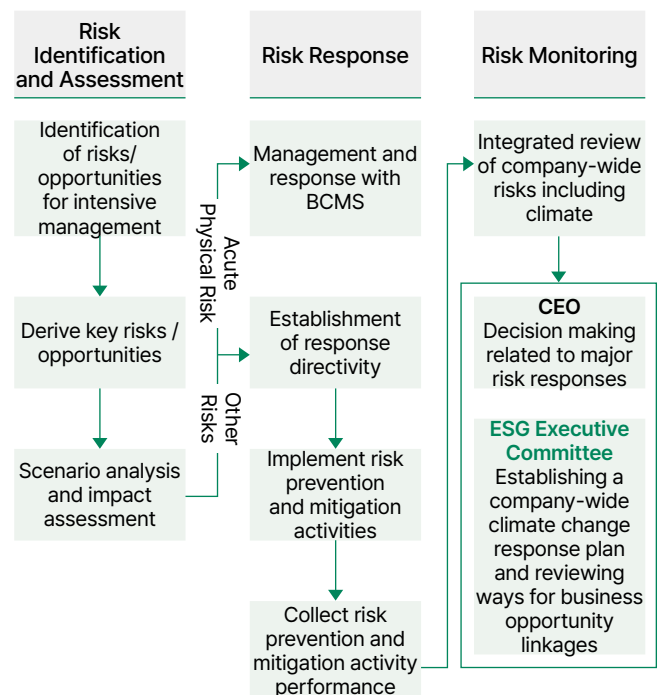
1) PCF: Product Carbon Footprint

## Risk Management

### Risk Management Process

KAON Group integrates climate risk into its enterprise-wide risk management system to manage it in the stages: risk identification and assessment → response → monitoring. First, risks and opportunities requiring priority management are identified, key risks and opportunities are derived, and major acute physical risks and other risks are divided with scenario analysis and impact assessment. In the response stage, acute physical risks are managed and responded to using the Business Continuity Management System (BCMS). For other risks, response guidelines are established to conduct prevention and mitigation activities, and the results of activities are regularly collected. In the monitoring stage, company-wide risks, including climate, are comprehensively reviewed, and the CEO makes decisions regarding key risk responses. The ESG Executive Committee establishes a company-wide climate change response plan and reviews how it can be connected with business opportunities. Through these processes, KAON Group systematically manages climate-related risks and continuously improves its implementation performance.

### Risk Management Flowchart

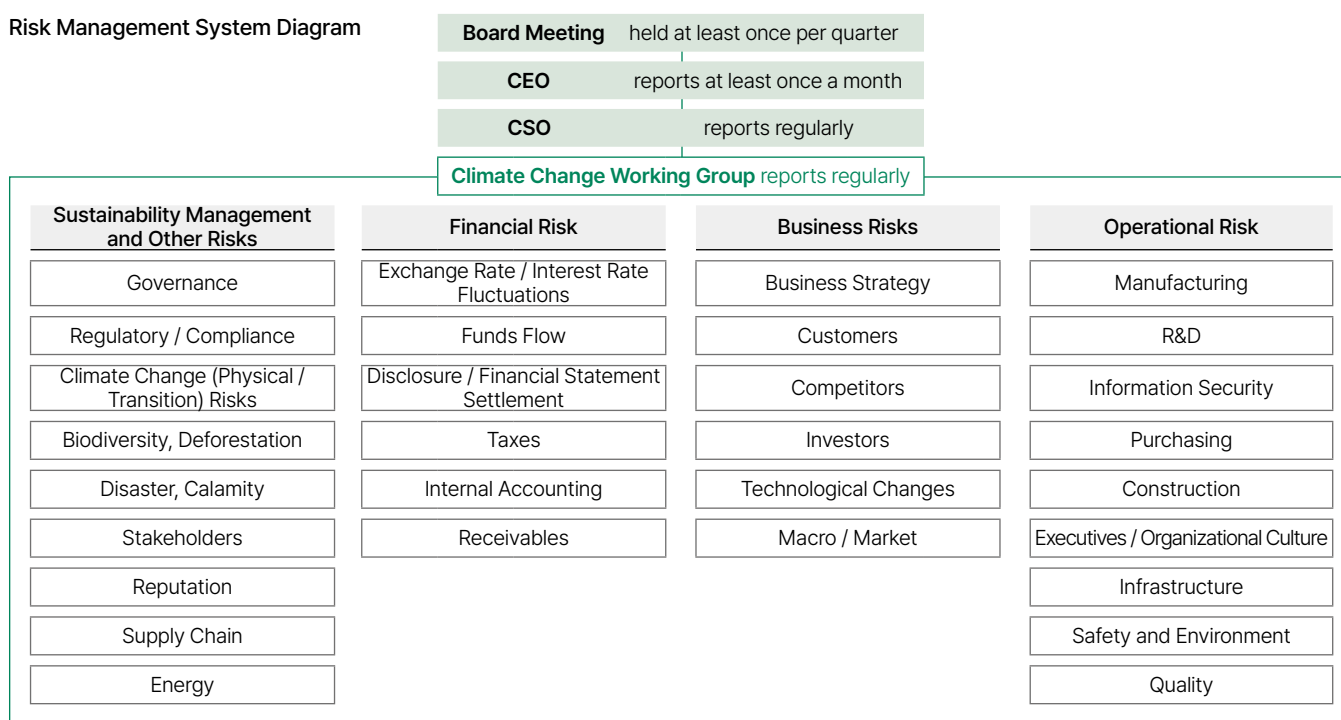




## Risk Management System

KAON Group operates a company-wide risk management system centered on the CSO. This system, with the participation of leaders from various functions, including sustainability management, finance, business, and operations, integrates and manages risks that may arise in all business activities, including climate change, safety, market, and regulations. Furthermore, based on the ISO management system, KAON Group manages risks in the environment, including climate change, at a company-wide level. With the persons in charge in the Climate Change Working Group in each department as major communication channels, we frequently implement activities to prevent and mitigate identified climate risks. The ESG team compiles the results of these activities once a month and reports significant issues out of the results to management for integrated review with company-wide risks. The Board of Directors is responsible for making final decisions regarding major risk responses and reviews measures to link these risks to company-wide business opportunities.

### Risk Management System Diagram



## Goals and Indicators

### Goals

KAON Group sets and discloses absolute greenhouse gas reduction goals based on the Science Based Targets Initiative (SBTi) standards and acquired SBTi full version approval in 2024. The base year is 2022, and the target scope includes all domestic and overseas subsidiaries identically to the consolidated financial statements. Scope 1 and 2 include all company-wide emissions, and Scope 3 sets Categories 1 (purchased goods/services), 4 (upstream transportation/delivery), and 11 (use of sold products), which account for 99.3% of total Scope 3 emissions, as target subjects. KAON Group manages its implementation path with short-term targets for 2030 and long-term targets for 2050. The short-term targets for 2030 are a 42% reduction in Scope 1+2 and a 25% reduction in Scope 3, and

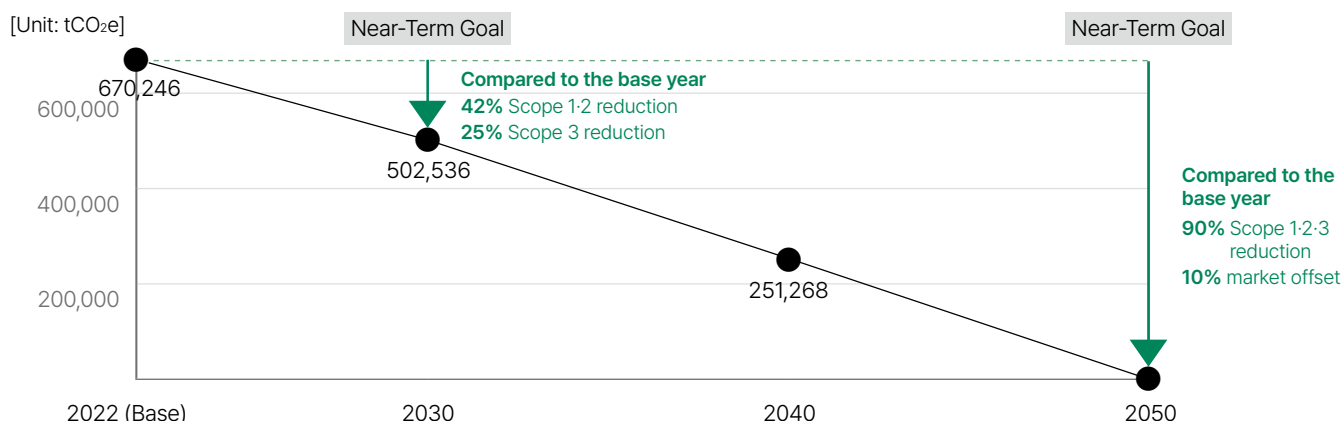
by 2050, it plans to achieve net zero by reducing Scope 1+2+3 by 90% and then offsetting the remaining 10%.

### Absolute Greenhouse Gas Reduction Goal

Base Year	Target Year	Base <sup>1)</sup>	Scope	Goal
2022	2030	1.5°C	1+2	42% reduction
		Well below 2°C	3	25% reduction
	2050	1.5°C	1+2+3	90% reduction

1) 1.5°C: Greenhouse gas reduction goal to keep the global average temperature rise below 1.5°C  
Well below 2°C: Greenhouse gas reduction target to keep the global average temperature rise well below 2°C

## Net Zero Roadmap



### Reduction Activities (Carbon)

- Reduce Carbon Emissions and Increase Energy Efficiency
  - Carbon Emissions Data Monitoring System
  - Expand Renewable Energy Use
- Eco-Friendly Product Development and Production
  - Expand the Use of Eco-Friendly and Recycled Materials
  - Product Design Considering Energy Efficiency
  - Increase the Ratio of Eco-Friendly Certified Products

- Resource Circulation System Operation
  - Waste Resource Recovery and Recycling Process Operation
  - Product Recovery and Reuse Program Operation

### Reduction activities (energy)

- Energy-Saving Activities: Air Conditioning, Lights Off, Power Management
- Renewable Energy (Solar Power) System Construction
  - 900 MWh Facility Construction
- Renewable Energy (REC, etc.) Purchase
  - Purchase Activity Reference

## Indicators

To monitor greenhouse gas emissions and the present situation of implementation, we measure and track Scope 1, 2, and 3 emissions and their basic unit emissions annually based on ISO 14064-1. In 2024, Scope 1 emissions were 105 tCO<sub>2</sub>e, Scope 2 emissions were 886 tCO<sub>2</sub>e, and Scope 3 emissions totaled 666,290 tCO<sub>2</sub>e. In 2024, Scope 1 and 2 emissions increased compared to the previous year, while Scope 3 emissions decreased. In particular, significant reductions were achieved in Categories 1 and 4. For Category 4 transport, aviation, with the largest carbon emissions among transport modes, was eliminated from priorities, and with activities such as planned transport using smart logistics systems, aviation transport volume and distances decreased by 64% compared to the previous year. As a result, total emissions (Scope 1 + 2 + 3) increased slightly in 2023 compared to 2022, but as the quantitative effects of projects initiated in the second half of 2023 were reflected, 2024 emissions decreased compared to 2023. We will track our performance on a quarterly basis and continue to achieve stable reductions every year in all areas, including Scope 1.2 and Scope 3 (Category 1.4.11), following a linear reduction path based on 2023 levels.

## Greenhouse Gas Emissions (Based on KAON Group Consolidation)

Division		Unit	2022	2023	2024
Scope 1 emissions			49	86	105
Scope 2 emissions			823	816	886
Scope 3 total emissions			669,374	742,716	666,290
Scope 3 upstream emissions	C1 purchased goods/services		121,718	113,754	88,202
	C3 other energy-related emissions		978	983	1,053
	C4 upstream transportation and delivery		122,764	83,456	30,510
	C5 workplace waste disposal		11	11	11
	C6 employee business trips		1,054	1,129	490
	C7 employee commuting		375	425	484
	C9 downstream transport and delivery		7	0	0
Scope 3 downstream emissions	C11 use of sold products		420,134	540,763	542,963
	C12 disposal of sold products after use		2,333	2,194	2,577
Total greenhouse gas emissions (Scope1+2+3)			670,246	743,618	667,280
Basic unit greenhouse gas emissions (Scope1+2+3)		tCO <sub>2</sub> e/ 100 million won	109.65	138.64	136.36

# Environmental Management

## Environmental Management System

KAON Group is strengthening its company-wide environmental management system to ensure a sustainable future and is committed to responding to climate change and conserving resources. We minimize our environmental impact through low-carbon production processes and optimized material use, and we collaborate with our partners by applying enhanced environmental standards throughout our supply chain.

### ESG Committee

KAON Group has established the ESG Committee as a decision-making body to address climate change. This committee consists of executives with expertise and insight in relation to climate change, and led by the chairman, the Committee oversees and manages all climate-related works. The ESG Committee makes decisions to strengthen company-wide environmental management activities, and these decisions are reflected in management. When a climate change-related issue arises, the ESG Team, which is a working group, analyzes the risks and opportunities of the issue and reports to the chairman. The chairman then selects key issues that have a significant impact on the company and discusses them with the Committee. The Committee then reviews these issues and submits the final decision to the CEO. The CEO then submits these to the Board of Directors for a final decision on key issues.

### ESG Issues Among 2024 Board of Directors Agendas

Division	Establishment of the 2024 Climate Change and ESG Management Plan (Draft)
Key topics	1. Purpose of Establishing a Climate Change Friendly and ESG Management Plan : Establishing a sustainable management strategy, drawing practical tasks, and reviewing progress on implementation, etc. 2. Report on Key Activities for 2024 : Final certification and disclosure of the NetZero2050 target (SBTi), etc. 3. Key Activity Plan for 2025: Establishing a five-year plan to achieve NetZero2050, etc.

We are continuing these strategic review, corporate goal setting, and oversight activities, and are examining climate change issues from various perspectives, including regulatory, technological, market, and stakeholder perspectives. With these activities, we conduct in-depth analyses of the short-, medium-, and long-term impacts of climate change on the company's financial and non-financial sectors and reflect these in the establishment of our business strategy.

## Environmental Policy

To achieve its ESG vision of "Management that Practices Innovation for Sustainability and Social Responsibility," KAON Group has established three strategic directions: corporate carbon neutrality, resource management, and eco-friendly product development. Furthermore, it has established an environmental management system (ISO 14001) and is continuously upgrading it to practice environmental management that meets global standards. Regulations and policies have been established for energy and greenhouse gases, water, air pollution, waste, and environmental impact in the stages of product use and completion, and customer health and safety and short-term goals by area are established and implemented through 2030. All environmental policies are managed by the ESG Team, which is the department responsible for environmental management, and policies and goals are reviewed once a year.

Area	2030 Goals Promoted <sup>1)</sup>
Greenhouse Gases	42% reduction in greenhouse gas emissions
Energy	2% reduction in energy use every year
Water	3% reduction in water use every year
Biodiversity	50% participation of employees in local environmental cleanup projects
Air Pollution	Zero air pollutant emissions every year
Waste	3% reduction in waste generation every year
Chemicals	Precision safety diagnostic inspection once a year
	Zero safety accident occurrence every year
Raw/sub-Materials	1% reduction in raw material use every year(quantity x weight)
Environmental Impact of Product Use	1% increase in recycled resin use every year
	1% reduction in power consumption per product every year
Environmental Impact of Used Products	50% or higher weight index <sup>2)</sup> for refurbishment materials
Customer Health and Safety	Zero occurrence of customer health and consumer safety accidents
Eco-Friendly Services	100% disclosure of LCA for all product groups

1) The targets for areas of 'greenhouse gases, energy, water, waste, raw materials, and the environmental impact of product use' were established based on 2022 figures.

2) Weight Index: Weight (g) ÷ Sales (million won)

# Environmental Impact Management

## Water Management

KAON Group's primary water usage is domestic water used at its headquarters. Water is taken through the waterworks and discharged into the sewer system, satisfying legal standards. Consequently, water pollutant emissions are extremely low and are excluded from the subjects of management, and pollutant emissions are not measured separately. Water is primarily used for living such as drinking, toilets, and cleaning, and separate metering is not conducted. However, as part of a fundamental effort to conserve water, water-saving toilets were gradually introduced for flushing toilets in bathrooms during the 2024-2025 headquarters remodeling project. These efforts resulted in a water savings of 1500 m<sup>3</sup> in 2024 compared to 2023.

## Air Pollutant Management

Due to the nature of its business, KAON Group's emissions of air pollutants, such as nitrogen oxides and sulfur oxides, are extremely low and are therefore excluded from management. Therefore, these emissions are not measured. Nevertheless, we are committed to thoroughly identifying potential air pollutants generated during our operations and minimizing emissions by handling them in compliance with relevant laws and regulations. In accordance with our air pollutant emission policy, we characterize, monitor, and control volatile organic compounds (VOCs), aerosols, corrosive substances, fine particles, and combustion byproducts that may be generated during operations, and safely dispose of them. Furthermore, we inspect the soldering environment in our research lab every six months to monitor for the release of hazardous substances. As a result, hazardous substances such as tin and n-propyl acetate have been either undetected or detected below exposure limits for the past three years. In particular, our company has not changed its basic facilities and uses lead-free soldering materials (tin, silver, and copper alloy) instead of lead, so no hazardous substances are generated due to lead. However, because tin is classified as a controlled substance, we ensure that our on-site work environment is inspected regularly by requesting it from an external specialized inspection agency.

## Waste Reduction Activities

KAON Group has no domestic production or manufacturing processes, so most of its wastes are general waste generated from buildings. Therefore, KAON Group's wastes have a minimal environmental impact, but we have established waste management regulations to systematically identify and manage the types, characteristics, and volume of waste generated at our business

sites and dispose of the wastes after properly treating them in accordance with relevant laws and regulations. Furthermore, KAON Group has set a goal of reducing waste generation by 3% annually by 2030 and is continuously striving to achieve this goal. We have installed video conferencing equipment in all conference rooms to facilitate paperless meetings and have introduced a groupware-based electronic approval system to fundamentally minimize paper-based work output. As a result, we have achieved a total waste reduction of 8.2 tons in 2024 compared to 2023.

### General and Recyclable Waste

KAON Group separates and stores waste by type and practices separate waste disposal to reduce general waste and increase the amount of recycling. We inspect the status of separated waste disposal quarterly, analyze the causes of waste generation, and implement waste minimization measures and provide annual training to employees to raise awareness. The amount of separated waste, such as aluminum, paper, plastic, and glass, is recorded in a daily facility management log to manage trends. We are reducing paper waste by using reusable paper and implementing paper waste minimizing measures and have discontinued the use of disposable paper cups in the company, and have established the use of personal mugs instead. While there has been a recent trend of increased waste generation during the summer due to the influx of disposable products from outside sources, KAON Group has fundamentally suppressed waste generation by implementing a policy of prohibiting the purchase of disposable products in the company. Furthermore, we plan to move beyond the existing manual management system and strengthen monitoring of waste generation by introducing a smart building management system.

### Designated Waste

When a designated waste is generated, an identification mark is attached and it is stored separately from general wastes in a separate storage facility for management.

### Special Waste

To minimize IT waste generation, KAON Group manages its in-house IT equipment by setting a minimum service life of five years (excluding laptops, servers, UPSs, and network equipment). The expiration dates of all equipment are tracked on an IT equipment service life management list, and each E-waste that has passed its expiration date is either periodically disposed of or reused with in-house repair and recycling to increase utilization. Furthermore, the waste disposal process is systematically progressed based on the IT equipment asset number and with the approval of the

department head. Specifically, business PCs returned after five years are assessed for further use and if feasible, they are reassigned to research or testing, thereby extending their service life. We even identify usable components for unusable PCs and apply them to other equipment to contribute to extended performance and lifespan. This management system maximizes the use of computer equipment and minimizes waste generation to contribute to environmentally friendly and responsible resource management.

### Product Waste

KAON Group is making various efforts to reduce waste generated from its products. From the product design stage, we comply with the EUWEEE Directive (2012/19/EU) to satisfy the standard of a recycling rate of at least 55%. In this way, we are strengthening resource circulation and environmental friendliness. Furthermore, we operate refurbishment and recycling services for our customers and recover used materials and reuse them to remanufacture products, thereby minimizing waste generation.

## Biodiversity Protection

KAON Group is making various efforts to minimize its impact on biodiversity during its business operations and contribute to the preservation of local ecosystems. It does not operate its business offices in or near biodiversity-sensitive areas and strives to protect living things in the surroundings. In 2025, in conjunction with the company's marathon club's activity, it collected donations for the distance employees ran (KRW 10,000 per kilometer) and gave the donations to the Seongnam Environmental Movement Federation. The relevant donations were used to preserve the habitat of the otter, a Class 1 endangered species and a natural monument, and to support the Tancheon Stream ecosystem protection program. Through this, activities such as the removal of invasive plants from Tancheon and nearby rivers, the creation and monitoring of otter habitats, and ecological education for citizens and children (including the Otter Children's Reporter Group and Environment Day events) were carried out, and biodiversity conservation practices were expanded with the participation of employees and the local community. KAON Group will continue to cooperate with local environmental organizations to preserve biodiversity and strive to fulfill its corporate social responsibility.

## Product and Environmental Responsibility

### Environmental Regulation Management System

KAON Group has upgraded its existing KAON Environmental Portal System (KGP System) to the next-generation version to strengthen environmental information management and regulatory response. The upgraded KGP system provides hazardous substance response functions to the supply chain and supports self-diagnosis functions that enable self-compliance with regulations to increase accountability and risk prevention capabilities. It introduced a conflict minerals management system to support social responsibility and compliance with global ethical procurement standards and systematically manage environmental information by product, thereby enabling a rapid response to customer demands. The highly reliable chemical substance database was built based on the REACH regulations (SVHC candidate substances) managed by the EU's ECHA and the Hazardous Chemicals Control Act, the Occupational Health and Safety Act, and the Dangerous Substances Safety Management Act, enacted and operated by relevant organizations such as the Korea Chemical Safety Agency, the Korea Occupational Health and Safety Agency, and the National Fire Agency. This provides internationally reliable regulatory information to both the supply chain and customers, while improving the quality and verification level of environmental data. Security and authority management functions have also been strengthened to systematize corporate-level authority settings and access control, securing transparency and accountability in data management. This advanced KGP system serves as a foundation for fast and accurate responses to complex global environmental regulations and as a practical support system for realizing ESG management.

### Workplace Hazardous Substance Safety Management

KAON Group identifies and records chemicals that are hazardous to humans or have the potential to pollute the environment, and safely store, transport, use, recycle, and dispose of them. To prevent employees from being exposed to hazardous substances in the workplace and protect them from excessive exposure, we require employees working in laboratories and other workplaces to create a hazardous substance handling and management log and a material safety data sheet. Material safety data sheets are placed on-site to provide information on the hazards of the



chemical products we handle, handling methods, and response measures in the event of an accident. In addition, health and safety training, including the handling of hazardous substances, is provided to all employees four times a year, with six hours per session, for a total of 24 hours. Starting in 2020, a precise safety diagnosis of the laboratory is conducted once a year by a third party, the Korea Occupational Health and Safety Agency. During the precise safety diagnosis, safety by field, the adequacy of the exposure assessments by hazardous factor, the adequacy of the handling and management by hazardous factor, and the adequacy of laboratory prior hazardous factor risk analysis are diagnosed and evaluated, and after the diagnosis, improvements are reflected to strengthen safety management. To prevent the release of chemicals into the environment, we assess the impact on the environment and take measures according to relevant procedures. In the event of a release, we respond immediately according to the emergency response plan, which contains an action manual from the occurrence of a disaster to the end of the situation.

## Management of Chemicals in Products

### RoHS

RoHS is a European regulation that restricts the use of 10 hazardous substances in electrical and electronic products: cadmium (Cd), lead (Pb), mercury (Hg), hexavalent chromium (Cr<sup>6+</sup>), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), diethylhexyl phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP). KAON Group analyzes all homogeneous materials to comply with RoHS standards. With the upgraded KGP system, we can manage the current situation of supplier compliance and immediately check the RoHS compliance of products with the bill of materials (BOM) unit analysis function. The management scope of this system has been expanded by including contract materials that had been previously excluded.

### REACH

REACH is a mandatory registration system for chemical substances manufactured or imported in Europe in quantities exceeding 1 ton per year. Registration, evaluation, authorization, and restriction procedures are applied based on the characteristics of the substance. Mixtures are managed by ingredient, and finished products are not subject to registration, but are subject to SVHC notification and SCIP reporting obligations. KAON Group manages the ingredients that make up its products by cataloging them, and monitors SVHC at the chemical level and verifies the content of homogeneous materials through the KGP system. Suppliers

are required to submit an SVHC non-use guarantee or disclose information when included, and final product data can be converted to SCIP format and submitted to ECHA. With this management system, KAON Group responds quickly to REACH regulations and strengthens the level of chemical management and customer trust throughout the supply chain.

### Chemical Tax

Since 2017, Sweden has imposed a chemical tax on certain hazardous chemicals (such as bromine, chlorine, and phosphorus flame retardants) included in electrical and electronic products. Companies that do not use these chemicals or manage their levels below the standard can receive a tax reduction of up to 95%. This system aims to reduce the environmental impact of products and promote the use of safer materials. To qualify for the chemical tax reduction for products supplied to Sweden, KAON Group guarantees that the contents of three chemicals—bromine (Br), chlorine (Cl), and phosphorus (P)—in its PCBs and plastic components are below the standard. To this end, KAON Group systematically verifies test reports and supplier warranties for homogeneous materials and officially declares the final content of guarantee to its customers based on the results. With this management system, KAON Group is actively responding to Swedish chemical tax regulations, strengthening trust with customers, and laying the foundation for supplying eco-friendly products.

### Conflict Minerals

Conflict minerals (CRMs) include tin, tantalum, tungsten, and gold (so-called "3TGs"), as well as cobalt and mica. These minerals are subject to strict international management due to the problem of illegal mining and trade in conflict zones to fund organizations that violate human rights. Global manufacturers have an obligation to verify the use of conflict minerals throughout their supply chains and establish responsible procurement systems. To respond to this requirement, KAON Group integrated a conflict minerals management module into its KGP system. This improved the work of suppliers that had to previously individually collect and submit CMRT forms manually so that they can now undergo the process of firsthand data registration, KAON approval, and immediate product-level declaration. Additionally, we provide suppliers with separate management tools to facilitate regulatory compliance and improve data reliability. With these systematic improvements, KAON Group is increasing the transparency and efficiency of conflict minerals management and effectively implementing responsible supply chain management (responsible sourcing) as demanded by the international community.

## CRMs

The EU designates essential raw materials for industrial and energy transitions that pose significant supply chain risks, such as lithium, cobalt, and rare earth elements, as Critical Raw Materials (CRMs) to manage them. These resources are used as core elements in various industries such as electronics, batteries, and renewable energy facilities, and their stable supply and sustainable use are emerging as critical challenges. To respond to these international demands, KAON Group has established a CRMs management function in its KGP system. With this, we can analyze the usage status of CRMs in products based on the CRMs list and verify the mass of CRMs at the chemical level. Furthermore, we identify components used in large quantities and use the information in supply chain-level responses and risk management to support the stable acquisition and efficient use of CRMs. With this management system, KAON Group not only responds to regulations related to CRMs but also contributes to ESG management and the realization of a circular economy.

## Eco-Design

### Dematerialization (Lightweighting and Material Saving)

KAON Group is reducing unnecessary resource use and promoting eco-friendly designs with lightweighting. In 2025, it is benchmarking eco-friendly packaging examples and proactively developing various eco-friendly design specifications and reviewing their applicability. New eco-friendly specifications, such as converting paper manuals to QR codes and eliminating sealing tape that can be applied in the product design stage, are being discussed with customers and applied. Eco-friendly packaging design is already in the practical application stage and is achieving resource savings and logistics efficiency with the application of minimal packaging, securing optimal loading efficiency, the introduction of an integrated inner pad structure, and improved work efficiency. We are also introducing modular designs to simplify peripheral circuits and reduce the use of unnecessary components to increase resource efficiency.

### Eco-Friendly Materials

KAON Group is developing various eco-friendly design specifications to change the materials used in products and packaging to environmentally friendly materials and applying them in stages in consultation with customers. First, to reduce unnecessary material use, we eliminated coating materials and reduced the use of printing ink from 4 degrees to 1 degree. Furthermore, we minimize the use of hazardous substances by using Kraft tape and plant-

based eco-friendly inks in our packaging. We are also expanding material recycling by introducing recycled plastic packaging bags (Global Recycled Standard certified) and biodegradable packaging bags (DINEN 13432 certified).

thereby minimizing the environmental impact even after disposal. In addition, we are gradually expanding the application of PCR (Post-Consumer Recycled) resins (e.g., 95% PCABS, 90% PC), and through Recyclable Design, we have unified plastic materials and eliminated the use of plastic-metal composite parts, thereby enhancing recyclability. Furthermore, we are expanding the recycling of eco-friendly flame-retardant materials, such as the application of Paper Packaging Bags (FSC-certified materials), Halogen-Free PCBs and cables, and materials that inhibit bromine, chlorine, and phosphorus flame retardant materials.

### Extending Product Lifecycle

KAON Group is operating various life guarantee systems so that its products can be used stably for long periods of time. From the product development stage, we conduct life guarantee tests for temperature, deterioration, electrical shock, and physical shock to verify various risks that may arise in actual usage environments and guarantee long-term, stable performance. Furthermore, we apply designs considering the ease of refurbishment so that products can be recycled or reused after use. To this end, we provide work guide documents including disassembly times and procedures to support faster and more efficient maintenance, parts replacement, and recycling processes.

### Energy Efficiency

KAON Group does not stop after simply meeting basic regulatory requirements, such as the current CE standard, but continuously promotes improvements to increase the energy efficiency of its products. In particular, we are proactively preparing to respond to next-generation regulations, including the Eco-Design Regulation (ERP 2027), scheduled to take effect in 2027. From the product design stage, we reflect low power consumption measures, standby power minimization, and the use of high-efficiency components to reduce unnecessary energy consumption. In this way, we simultaneously realize consumer cost savings and carbon emissions reduction effects. Going forward, we will secure the technological capabilities to meet increasingly stringent energy-related regulations and strengthen our foundation for providing eco-friendly and sustainable products.



## Resource Circularity

KAON Group is strengthening its designs considering the ease of disassembly and recyclability so that its products and packaging can be reused as new resources, even in the disposal stage. Products are designed to be easily disassembled with simple tools to increase efficiency during refurbishment and repair processes. Furthermore, detailed disassembly information, including disassembly time and procedures, is provided to facilitate smooth component replacement and reuse processes. In terms of raw/sub-materials, KAON Group is reducing the environmental burden of packaging waste by applying recycled plastic packaging bags (Global Recycled Standard certified) and biodegradable packaging bags (DIN EN13432 certified). It is also increasing its resource recycling rate by expanding the application of post-consumer recycled (PCR) resins (PCABS 95%, PC 90%) to its products.

## TÜV Green Product Mark Certification

The TÜV Green Product Mark is an international certification that comprehensively verifies a product's energy efficiency, hazardous substance management, recyclability, application of eco-friendly materials, and product safety. It officially certifies that the product meets eco-design standards. KAON Group acquired Green Product Mark certification in June 2025, gaining international recognition for its efforts in lightweighting, material reduction, eco-friendly packaging, and resource circularity strengthening. In particular, this certification is similar to the standards of the Digital Product Passport (DPP) system that the EU will introduce in the future in that it comprehensively evaluates the environmental impact in the entire product life cycle and can be said to be an achievement that proves our company's preemptive response capabilities. The scope of the certification includes improving energy efficiency, minimizing hazardous substances, securing the ease of recycling, and expanding the application of eco-friendly materials. Through this, we have laid a foundation for simultaneously improving consumer safety and environmental impact. Furthermore, KAON Group is making advance preparations such as advancing LCA-based data, material and component unit tracking management, and systemizing recycling information to respond to the EU's future DPP system. In this way, we are proactively responding to strengthening global regulations and practically supporting our ESG management goals.

## Life Cycle Assessment (LCA)

### Life Cycle Assessment (LCA)

KAON Group is applying Life Cycle Assessment (LCA) to its major products and plans to expand this to its entire product line by 2030. To this end, it has established environmental assessment and impact assessment regulations to thoroughly assess and improve the environmental impact of products throughout their production, use, and end-of-life stages. Furthermore, by transparently disclosing LCA results, it aims to support customers so that they can choose products with a lower environmental impact and encourage eco-friendly consumption practices by consumers.

### Current Situation of LCA Implementation

KAON Group continuously operates LCA to systematically analyze and improve the environmental impact of its products throughout their entire lifecycle. Based on its existing verification history with Lloyd's Register Quality Assurance (LRQA), it recently expanded its verification scope by adding TÜV Rheinland's PCF third-party verification reference. Furthermore, it conducts CO<sub>2</sub> reduction simulations across entire LCA areas to quantitatively analyze reduction factors and effects and has expanded the scope of calculation beyond existing STB and Wi-Fi Repeater products to include routers and GPON, thereby gradually expanding the scope of the target products. In addition, we are building a data system that can meet PCF and EPD calculation requirements (TÜV Rheinland, Bureau Veritas, Norge EPD) by advancing the LCA calculation operation based on ISO 14044. We are also working on listing and structuring the LCA database to shorten the calculation time and improve it to enable faster and more accurate environmental impact assessment. Through these activities, KAON Group is promoting comprehensive improvements that go beyond simple calculations in LCA, including strengthening the international verification base, expanding the product group, advancing data, improving evaluation efficiency, securing environmental friendliness and transparency, which are the core of ESG management, and realizing the strengthening of greenhouse gas reduction execution capabilities.

### Reduction Results

**Wi-Fi Repeater** | The integrated and compact design of the product body and adapter minimized the use of materials for the Wi-Fi Repeater. As a result, CO<sub>2</sub> emissions per product in the pre-manufacturing stage (raw material) were reduced from 11.6 kg CO<sub>2</sub>e to 4.3 kg CO<sub>2</sub>e, reducing greenhouse gas emissions by 7.3 kg CO<sub>2</sub>e per product.

**PON Gateway** | By miniaturizing the product body and designing a low-power circuit, we simultaneously reduced emissions in both the manufacturing and use stages. In the pre-manufacturing stage, CO<sub>2</sub> emissions per product decreased from 22.4 kgCO<sub>2</sub>e to 9.8 kgCO<sub>2</sub>e, a reduction of 12.6 kgCO<sub>2</sub>e. In the use stage, the power consumption improved from 9.65 W to 9.183 W, resulting in an additional reduction of 34.7 kgCO<sub>2</sub>e over a five-year period. These efforts resulted in a total reduction of 20.48 kWh in power consumption over a five-year period.

#### PON Gateway's LCA Results

Model Name	Existing Model (PG52###)	New Model (PG66###)
LCA Implementation Date	March 2023	March 2024
CO <sub>2</sub> Emissions (kgCO <sub>2</sub> e/ea) in the Pre-Manufacturing Stage	22.4	9.8
CO <sub>2</sub> Emissions in the Use Stage (kgCO <sub>2</sub> e/ea)	190.4	155.7
Power Consumption in the Use Stage	9.65 W/ea	9.183 W/ea
Reduction Effect (Based On 8,760 Hours of Annual Use)	4.096 kWh/ea/year	

## Customer Health and Safety Measures

KAON Group faithfully complies with international certifications from the product development stage to ensure the life, health, and safety of consumers. With various certifications, including KC (Korea), FCC (USA), CE (EU), EAA (European Accessibility Act), and Cybersecurity (EN18031), we have secured the following five major safety areas.

### Product Safety (Electric Shock and Fire Prevention)

With KC and CE certifications, we verify the safety of electrical and electronic products so that they do not pose hazards such as electric shock, overheating, or fire during use. As a result, we laid a foundation for users to use our products with confidence in everyday environments.

### Electromagnetic Safety (Interference and Tolerance Guaranteed)

With KC, FCC, and CE EMC (electromagnetic compatibility) testing, our products have been proven to not emit unnecessary electromagnetic waves and to operate reliably even under external electromagnetic interference. This further improves consumer safety by preventing malfunctions in sensitive devices such as medical devices, vehicle electronics, and communication equipment.

### Cybersecurity

With cybersecurity certification (EN18031-1/2), access control, safe over-the-air updates, encrypted communication, and data protection features were verified. As a result, personal information leaks, hacking, and device malfunctions caused by unauthorized access are prevented, and digital environments safe to consumers are provided.

### Social Safety (Ensuring Accessibility)

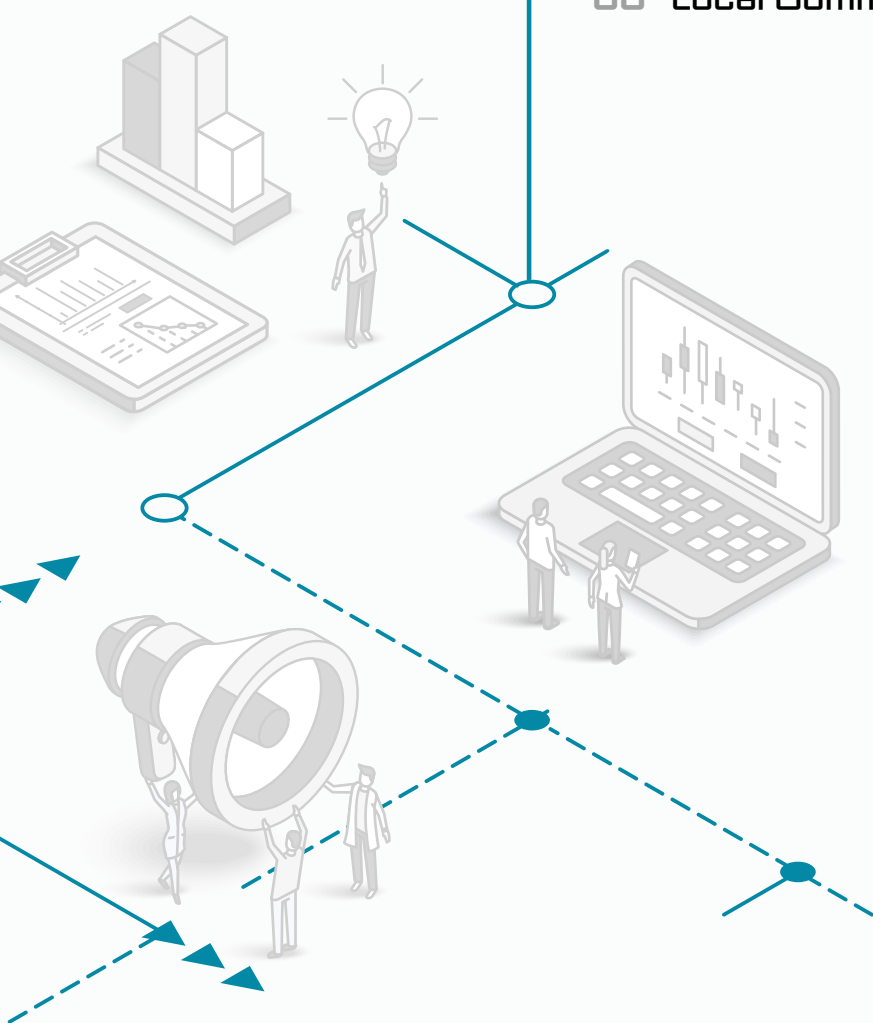
With EAA (EN301549) testing, it was guaranteed that even users with vision, hearing, or motor ability restrictions can use our products safely. By improving accessibility features such as screen readers, subtitles and audio descriptions, hearing aid compatibility, and tactile buttons, we support equal product use by all consumers.

### Recall Process (Preemptive Prevention, Rapid Response)

KAON Group immediately initiates a recall process when a significant risk to consumer safety is identified or reasonably expected. In the recall process, we quickly identify the scope of impact, communicate transparently with customers, distribution channels, and relevant authorities, and implement appropriate measures for the relevant products. After taking action, we continuously advance our safety management system with cause analysis and activities to prevent recurrence.

# Social

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# Customer Satisfaction Management

## Quality Management Policy

KAON Group gives top priority to quality in all business activities, and makes "customer-centered quality" its management philosophy. All employees participate in continuous improvement activities with a sense of responsibility for quality. KAON Group has established and operates quality management systems (ISO 9001, TL 9000) that comply with international standards to realize a company trusted by customers and society.

### Quality Goals

#### (1) Realizing Customer Satisfaction

Satisfy customers' needs and expectations to build long-term trust relationships.

#### (2) Strengthening Global Competitiveness

Continuously improve the quality of products and services to secure a competitive advantage in the global market.

#### (3) Sustainable Quality Management

Realize sustainable growth with a stable and efficient quality management system.

### Supply Chain Quality Management

KAON Group manages the quality of its global supply chain based on the principles of prevention-centered, standard operation, and continuous improvement. It improves quality levels through partnerships with its partners and capacity building and solidifies trust with transparent communication and by improving traceability.

#### (1) Global Supply Chain Quality Management System

To strengthen our global supply chain management, we have established and operate a dedicated quality management system for our outsourced manufacturing plants and raw material suppliers in China. This system encompasses field-oriented quality activities such as factory operation management, on-site visiting inspections of raw material suppliers, and regular supplier inspections, and simultaneously improves operational efficiency and quality assurance levels by applying KPIs linked with our headquarters' quality objectives.

#### (2) Supply Chain Quality Certification System

We have further strengthened quality stability throughout our supply chain by introducing raw material supplier process approval procedures, factory Outgoing Quality Control (OQC), and a visual inspector certification system. This systematic operation enables quick decision making on quality issues in the field and lays the foundation for securing sustainable quality competitiveness that meets the level of expectations of global customers.

### Manufacturing Process Quality Management

To secure quality stability throughout the entire process, KAON Group conducts systematic quality management activities throughout the entire manufacturing process, ranging from design review to initial process stabilization, real-time production management, data communication, and software development.

#### (1) Preliminary Review and Standard Management

Based on the Design For Manufacturing (DFM) standard, we conduct thorough preliminary reviews in the product design stage. We systematically manage problem cases that have occurred in the past and reflect them in the design to prevent recurrence, and verify key process elements, such as SMD, Manual Insert, Assembly, PCB layout, and component spacing, against the standard to secure mass production suitability in advance.

#### (2) Initial Process Stabilization Activities

When the initial process setup for a new product is completed, we issue a Line Production Pilot (LPP) report and formally approve mass production readiness in a quality evaluation meeting. With these early stabilization activities, we proactively block risk elements that may occur in the mass production process and realize a stable and rapid production transition.

#### (3) Real-Time Production Management System

In the production stage, all production data are collected and managed in real time through the KAON Manufacturing Execution System (MES). As a result, managers can monitor the current situation of production in real time, even remotely, and can prevent information transmission errors between workers. The MES system also ensures data accuracy and integrity to secure the reliability of production information.

#### (4) Data Communication and Software Optimization

A stable data transmission protocol is applied for the transmission of key production information between products and database servers. Furthermore, the process design organization develops its own factory software to maximize process efficiency. This integrated approach is a key foundation for further strengthening the quality stability of the manufacturing process.

### Product Quality Management

KAON Group systematically operates all process quality assurance activities to meet the various quality requirements of customers and secure reliability in the global market. Beyond simple shipment inspection, we improve product stability, efficiency, and reliability with full-cycle quality management ranging from component selection to mass production and after-sales service.

#### (1) Verification and Testing System

We apply customized testing conditions that reflect the characteristics of AP and STB products, including product

degradation testing (temperature testing). In the mass production stage, quality is verified by whether standard production quantities have been achieved and periodic reliability testing. We conduct verification that meets global standards in compliance with the ISO/IEC/IEEE29119 international software testing standard. To assure product quality, we operate verification processes sub-divided by stage ranging from the development stage to prior review, mass production, and field service stages.

### (2) Mass Production Quality Determination

In the quality assurance and mass production decision stages, whether mass production should be started is strictly judged based on the results of initial product assurance reliability tests. In the component bidding and selection process, we comprehensively review various quality evaluation indicators, including the incoming defect rate, number of nonconformities that occur, field issues, and hazardous substance response to build an optimized supply chain and continuously increase our quality competitiveness.

### (3) Software Quality Management

For software quality management, we have established a verification management system based on JIRA Tools and operate an overseas verification team to carry out consistent quality verification in a global environment. When software configuration is changed, we systematically track all test results to thoroughly manage the impact of these changes on product quality and to realize continuous quality improvement.

## Customer Quality Satisfaction

KAON Group operates a systematic quality response and improvement program to meet the level of customer expectations and secure long-term trust.

### (1) Rapid Response System

For quality issues that arise in the field, we divide action times by grade according to severity to operate an emergency response system and minimize customer inconvenience and maintain service continuity.

### (2) Systematic Improvement Activities

We apply the 8D Report process to systematically analyze the voice of the customer (VOC) and prepare improvement measures for root causes to prevent recurrence of similar problems. Through this, we go beyond simply resolving complaints to secure long-term quality stability.

### (3) Cooperation-based Technical Support

For early stabilization after product launch, we conduct intensive technical support activities to organically collaborate with research organizations, customers, and field workers, thereby minimizing initial quality risks.

## Customer Communication

KAON Group gives top priority to customer satisfaction and actively reflects customer needs and opinions with regular and systematic communication. We hold monthly quality meetings with key customers to review the progress of field issues and share improvement plans, thereby continuously improving product reliability and service quality. Furthermore, the voice of the customer (VOC) is automatically received from customers on a regular basis and managed for quick response. In addition, inquiries received through the customer support channel on our website are automatically emailed to the relevant department for prompt and professional responses.

We also transparently disclose IR information, the current management situation, and major events on our website, and provide our partners with the latest information by sending out newsletters, etc. We participate in domestic and international exhibitions every year to research market trends and meet with customers. We also operate exhibition booths at major exhibitions to promote new products and actively collect customer opinions on site, and promote improvements based on these opinions.

### List of Participation in Domestic and International Exhibitions

2023	January	CES 2023 (USA)
	February	MWC 2023 (Spain)
	July	The Independent Show (USA)
	September	IBC 2023 (Netherlands)
	September	SCTE Cable-Tech Expo 2023 (USA)
	October	Network X 2023 (France)
	October	Japan IT Week Autumn (Japan)
2024	January	CES 2024 (USA)
	February	MWC 2024 (Spain)
	April	Japan IT Week Spring (Japan)
	July	Cable Tech Show in Japan (Japan)
	September	IBC 2024 (Netherlands)
	September	SCTE Tech Expo 2024 (USA)
	October	Network X 2024 (France)
2025	January	CES 2025 (USA)
	March	MWC 2025 (Spain)
	July	CableTechShow 2025 (Japan)
	August	The Independent Show 2025 (USA)
	September	IBC 2025 (Netherlands)
	September	SCTE Tech Expo 2025 (USA)
	October	Network X 2025 (France)

# Human Resources Management

To achieve sustainable growth in a constantly changing business environment with rapid changes in the global market, accelerating technological innovation, and various customer demands, KAON Group makes major elements of talent management such as securing and fostering talent, a fair HR system, creating a culture of communication and cooperation, providing a welfare system, and fulfilling social responsibility as its core values, and supports the growth and career development of talents with a systematic talent management system.

## Human Resource Management Process

HR Strategy	Establishing a Comprehensive Human Resource Management Strategy to Secure and Foster High-Quality Talents
	KAON Group aims to become a global platform leader based on AI technology and network solutions, and has established a strategy to expand its production capacity, business portfolio, and global footholds. To realize this, securing, fostering, and retaining high-quality workers should precede. KAON Group is implementing a comprehensive human resource management strategy such as recruiting by expanding its excellent talent pool, conducting a systematic talent fostering process, operating a goal-oriented training system, and implementing fair evaluation and compensation.
Recruit-ment	Operation of Recruitment Strategy Based on Human Resource Demand
	KAON Group selects appropriate workers according to a recruitment strategy considering its mid- to long-term business strategy and project/order winning prospect. To smoothly secure excellent talents, it is diversifying recruitment channels and increasing applicant accessibility through one-on-one online consultations, etc.
	Expansion of the Talent Pool to Secure Excellent Talents
	To continuously secure talents, KAON Group operates internships and industry/academia collaboration-based field training programs to foster future ICT/network/software talents and form a network. It provides information various talents through domestic and international online and offline recruitment information sessions and registers and manages talent pools to systematically recruit experienced and specialized individuals.
	Fair Recruitment Procedure Operation
	To secure fairness in recruitment, KAON Group conducts blind interviews and carries out competency-based selection. Furthermore, it strives to bridge the information gap among applicants by transparently providing required capabilities and recruitment information in online recruitment information sessions.

Fostering and Competency Development	Systematic Career Development Management System
	KAON Group establishes personalized career development plans through one-on-one consultations and supports goal achievement with training and job placement. It supports self-directed career design and growth by providing opportunities for departmental and job transfers through its Job Posting system.
Performance Evaluation and Compensation	Operating a Goal-Oriented Training System
	KAON Group sets goals based on required competencies and is equipped with education systems by position and by job to provide a variety of training systems, including leadership development, job competency improvement, and global/digital competency enhancement. It actively promotes the development and implementation of training programs to increase the competitiveness and comprehensive professional capabilities of its members.
	Fair and Objective Performance Evaluation
	KAON Group applies a Management by Objectives (MBO) system to all employees. Goals by individual are established at the beginning of the year, and year-round review sessions are held to provide interim checks and support. Performance is evaluated based on records compared to the MBO and the level of required competencies. Multifaceted evaluations are used to reflect various opinions and maintain fairness and objectivity.
	Motivation Through Compensation
	KAON Group operates an individualized salary system that reflects performance evaluation results on compensation. Fair and objective performance evaluations lead to reasonable compensation that contributes to the improvement of employee performance and competency. It also strengthens compensation and motivates employees by providing compensation commensurate with their roles and performance through various systems such as individual performance-based pay, target incentives, and performance incentives.



## Organizational Culture Core Values

### Our Culture Code and Core Values

The connections created by KAON employees are more than technology or networks. With the belief that true connections begin with people, we listen with respect, act responsibly, and foresee even unseen possibilities. All the connections becomes a path toward a better future. Connected+ is the promise of all KAON employees. Building trust through open communication, taking responsibility to the end with pride, and always thinking one step ahead is K-attitude, the way KAON employees work.

#### Communicate with Openness

We listen, respect, and build trust with transparent collaboration. We always understand each other and build trust through clear and open communication.

#### Deliver with Pride

We take full responsibility for what we create, and complete it with care and excellence. We complete our assigned tasks and take pride in the results.

#### Think Ahead

We anticipate change and act early to turn insight into opportunity. We always think one step ahead and stay alert to emerging changes.

recruitment information to all candidates on its website and job portal and verifies the entire list of job postings for safe and accurate recruitment.

<b>Establish a recruitment plan</b>	Departments that require recruitment should identify the demand for positions in their departments and positions and submit applications through the company's electronic recruitment application form.
<b>Establish an implementation plan</b>	For approved positions, the Human Resources Department establishes a detailed implementation plan to ensure effective recruitment.
<b>Selection</b>	Establish and announce efficient operation plans by recruitment process and prepare fair and reliable recruitment procedures.

### Fair Recruitment Interviewer Pledge

To establish a transparent recruitment process and minimize negative impacts related to recruitment, such as hiring corruption, KAON Group requires all employees who serve as interviewers to sign the "Fair Recruitment Interviewer Pledge" upon their first appointment.

#### Fair Recruitment Interviewer Pledge

1. I have not received any requests or pressure regarding the recruitment process, and I will voluntarily report any requests.
2. I hereby request the exclusion of all stakeholders (superiors, relatives, acquaintances, teachers/students, etc.) related to the applicant.
3. I will refrain from gender-based discrimination during the interview, especially questions regarding physical conditions unrelated to job performance, such as appearance, height, weight, or disabilities.
4. I will refrain from asking any questions regarding the applicant's place of origin, marital status, or assets during the interview.
5. I will refrain from asking any questions regarding the education, occupation, or assets of the applicant's immediate family members, ascendants, descendants, or siblings during the interview.
6. I promise to conduct the interview fairly and without discrimination, even if I become aware of the applicant's disability during the interview, and that his/her disability will have no bearing on his/her success or failure in the interview.
7. I will not express any words or actions that imply acceptance or rejection, such as compliments, advice, or admonishments, to the applicant during the interview.
8. I will not disclose my participation in the recruitment process until the final list of successful candidates is announced.
9. I will not disclose any facts related to the evaluations made during the interview examination process.
10. I will not engage in any other actions that violate fair recruitment.

## Fair Recruitment

### Human Resource Management

Strategic talent management plays a key role in the achievement of sustainable growth and innovation by KAON Group. Therefore, we secure excellent talents through fair and transparent recruitment, support our members to demonstrate their capabilities and be immersed in their work, and continuously invest in talent development.

### Transparent Recruitment Process

KAON Group establishes and implements standards and procedures in its recruitment regulations for transparent communication with all candidates regarding employment process information. This ensures equal opportunities and no direct or indirect discrimination throughout the recruitment process. For effective communication with candidates, KAON Group ensures that all factors (e.g., recruitment field, position, type, number of employees, work location, preferred qualifications, benefits, and disqualifications) are considered when recruitment notices are developed. Furthermore, KAON Group transparently discloses



## Employee Capability Development

KAON Group has established a systematic training program to develop the capabilities and improve the work performance of all members. Through this program, KAON Group supports all members to grow into global experts in their respective fields and be developed into talents equipped with leadership.

### Career Development Management

KAON Group has set appropriate key performance indicators (KPIs) for each employee's jobs and established a career development management process to effectively achieve them. Each department evaluates its employees twice a year with KPI setting, review, mid-term, and final evaluations. Guidelines containing the significance and procedures of training are shared company-wide to improve employee job competency and strengthen the organization's competitiveness.

### Strengthening Employee Capabilities

KAON Group operates a variety of customized training programs tailored to the organization's growth stage and job characteristics to develop the professional expertise of its employees as well as their future competitiveness. To ensure continuous growth

in an ever-changing business environment, it has established a systematic training system and provides differentiated learning opportunities by position and function.

- Common Training: Collaboration/Work Improvement/Increased Efficiency
- Leadership: Leadership Capacity Development by Stage (Executives)

### New Hire Practical Training Project

KAON Group operates the MZB (MZ Generation Set-top Box) project to strengthen the practical adaptability and technical capabilities of new employees. Based on a four-week technical seminar, this project is designed to enable new employees to accumulate experiences similar to those in real-world work environments while simultaneously improving their technical capabilities and collaborative ability. As a result, new employees increase their practical adaptability and lay the foundation for rapid growth as members of the organization. The main goals of the MZB project are as follows: (1) Understanding and learning about the project progression process, (2) Improving collaboration ability and collaboration tool utilization ability, (3) Mastering work processes for project execution, and (4) Practical training in development implementation and additional feature development.

### Training Work Procedures

Establishing a Training Plan			Implementing Training			Review of Training Effect		
<ul style="list-style-type: none"> <li>Each department head identifies the need for training appropriate to each employee's position and function, based on their job description and quality environment</li> <li>Based on these findings, each department head prepares an "Annual In-House and External Training Plan" and submits it to the Human Resources team</li> <li>The human resources team reviews the "Annual In-House and External Training Plan," establishes an implementation plan for the following year, and obtains approval from the final decision maker</li> </ul>			<ul style="list-style-type: none"> <li>Each department conducts in-house training in accordance with the in-house/external training plan and then prepares and submits a report on the results or applies for external training and submits a certificate of completion</li> </ul>			<ul style="list-style-type: none"> <li>The HR team prepares and records performance against the training plan, conducts an effectiveness evaluation for external training, and performs an effectiveness evaluation for internal training if necessary</li> </ul>		

### 2024 Annual Training

Category	Training Name	Department in Charge	Training Target	Training Schedule	Hours	Lecture Format	Instructor (Training Institution)	Remarks
New Employee Training	New Employees	Human Resources Team	New Employees	Anytime	6 hours	Collective training	In-house	Once a month
	Basic Ethics		New Employees	Anytime	1 hours			Upon joining the company
Legal Mandatory Training	Safety/Health		All employees	Quarterly	6 hours per quarter	Online	KT Partner Training Portal	Office workers: 3 hours per quarter
	Personal Information Protection			December	1 hours			
	Sexual Harassment Prevention			December	1 hours			
	Workplace Bullying Prevention			December	1 hours			
Job Training	Career Development Training	Relevant Department	All employees	Anytime	Varies	Collective training	Internal/External Instructors	Conducted by department
Off-House Training				Anytime	Varies	Off-House Training	Relevant Training Institutions	

## Organizational Culture

KAON Group regards the well-being of its employees as a top priority value to secure competitiveness and implements a variety of customized welfare programs, including work-life balance, health management, cultural life, self-development, compensation systems, and communication channels so that employees can work in an optimal environment. In this way, it strives to establish a sound organizational culture.

### Customized Welfare Program

#### Welfare Division

Meal support, condolence support, resort condominium operation, online education support, child tuition assistance, health checkups for employees and their families, parental leave, welfare points provision, parking assistance, dormitory support, workshop/dinner expenses, in-house loan program, in-house networking events, and birthday celebrations

\* For personal/family health checkups, we provide biennial support through a comprehensive health checkup specialist.

### Work-Family Balance Support

To pursue a family-friendly corporate culture, KAON Group prepares and provides support for all employees to balance work and family life. Pregnant women workers, working parents, and employees with disabilities are selected vulnerable groups, and we have developed and distributed guidelines containing specific support for various health promotion initiatives in the company.

Category	Contents
Pregnant Women	Prenatal and Postnatal Leave, Reduced Working Hours During Pregnancy, Prenatal Checkup Support, Miscarriage/Stillbirth Leave, Parental Leave
Working Parents	Childcare Leave, Reduced Working Hours During Childcare, Family Care Leave, Allowed Breastfeeding Time

### Support for Vulnerable Groups

KAON Group has prepared an effective support system, including safe workplace establishment and stable psychological support, for the stable lives of vulnerable employees. It has made a Vulnerable Group Support Guide containing specific support measures, distributed it in-house, and is operating it. In particular, it guarantees payments of wages in accordance with the Gyeonggi Province Seongnam City Living Wage Ordinance to low-income individuals (single-person households). Furthermore, the HR team reports any monthly wages below the minimum wage to the head of Management Support for immediate action, thereby fostering a stable living environment for all employees.

#### Vulnerable Group Classification

Low-income individuals (earning less than the minimum wage), low-income families (70% of the average monthly income), elderly individuals, individuals with disabilities, single-parent families, married immigrants, victims of crime, victims of prostitution, and victims of domestic violence

### Pursuing a Family-Friendly Corporate Culture

To implement a family-friendly corporate culture and foster a positive organizational culture among employees, KAON Group operates a family-friendly program to provide various benefits, including maternity and childcare leave, telecommuting and flexible work hours, and childcare allowances to create a work environment that can be satisfactory to all employees.

#### Present Situation of Family-Friendly Program Operation (As of 2024)

(Unit: person)

Item	KAON Group	KAON Broadband
Prenatal/Postnatal Leave	3	2
Reduced Working Hours During Pregnancy	1	0
Prenatal Checkup Time Support	0	0
Miscarriage/Stillbirth Leave	0	0
Childcare Leave	5	5
Reduced Working Hours During Childcare	0	0
Family Care Leave	0	0
Breastfeeding Time Allowed	0	0
Support for Workers with Disabilities <sup>1)</sup>	9	1

1) 2024 employment was maintained

### Rotational Work System

KAON Group is implementing a rotational work system, which began on January 1, 2022, that enables employees to experience various departments and positions in the company for employees with at least one year of service. This system provides opportunities for employees to experience various tasks and roles and grow within the organization. The selection process for rotational work is as follows: 1) Application preparation and submission, 2) Individual interview and competency review, and 3) Final judgment and announcement of results.

#### Present Situation of Rotational Work

Division	Unit	2023	2024
Number of Applicants	Person	4	4
Number of Approvals		4	4
Number of Disapprovals		0	0

## Employee Two-Way Communication

To improve employee working conditions and job satisfaction, KAON Group conducts regular monthly communication meetings (one-on-one interviews with the HR team). In these meetings, employee opinions on a variety of topics, including the work environment, difficulties that occur when performing work, requests for work efficiency improvement, and personal challenges are collected, and the meeting results are then relayed to the CEO through an internal program (groupware) so that corrective actions can be taken when necessary.

### Two-Way Communication Process Procedure

- ① Conduct monthly meetings with five or six selected individuals (selected by the HR team)
- ② Record meeting results in groupware (internal program)
- ③ Send results to the CEO through the HR department
- ④ Decide whether to take further action based on the meeting results at the CEO's discretion

## Enhancing Employee Satisfaction

In 2024, KAON Group conducted surveys with all employees and new entrants, including a survey on job satisfaction, an introductory training satisfaction survey, and a new open recruitment training satisfaction survey. Based on the survey results, it has built a good organization for members to work in and made a pleasant corporate culture so that all employees lead healthy company lives.

### Employee Satisfaction Survey

(No. of participants: 250)

Division	Content					
	Division	1 point	2 point	3 point	4 point	5 point
Satisfaction Score (Distribution)	Job	1%	10%	30%	53%	6%
	Pay	3%	20%	39%	30%	8%
	Interpersonal	3%	11%	40%	38%	8%

### New Recruitment Introductory Training Satisfaction Survey

(No. of participants: 11)

Division	Content
Average Satisfaction Score	4.9 (out of a full score of 5.0)

### New Hire Orientation Training Satisfaction Survey

(No. of participants: 51)

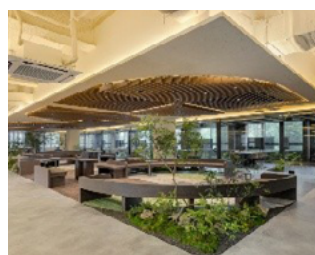
Division	Content
Average Satisfaction Score	4.3 (out of a full score of 5.0)

## Town Hall Meetings

The CEO holds regular town hall meetings with each working-level team to directly share management direction and key strategies and transparently listen to voices from the field. These meetings are not one-way briefings, but rather are operated as two-way communication. Questions, answers and suggestions are immediately recorded, and persons responsible for follow-up actions and schedules are designated. Major opinions collected are presented at management meetings and reflected in policy and process improvements, and the current situation of progress is shared with team members at the next meeting. With regular communications, KAON Group increases participation and trust and strengthens execution capabilities.

## Employee-Centered Work Environment Improvement Project

KAON Group has increased employee satisfaction and efficiency and created a healthier and safer work environment by remodeling its headquarters in 2024. Spaces were rearranged as an open structure to promote greater communication and collaboration between departments. Intensive working rooms were expanded to create a more immersive work environment for individuals. Furthermore, breakout areas, such as cafeterias and lounges, were expanded to promote a work-life balance. Video conferencing systems and smart boards were installed in conference rooms to facilitate both in-person and remote meetings. Lighting and HVAC systems were upgraded to maximize natural light utilization and improve indoor air quality. These changes are expected to increase employee satisfaction and work engagement, while also improving the efficiency of interdepartmental collaboration. KAON Group will continue to monitor post-employment satisfaction surveys, space utilization, and collaboration-related indicators, and will continue to improve the work environment based on data.



## Performance Evaluation and Compensation

Since 2022, KAON Group has been further strengthening its performance management system with a personnel evaluation system based on the establishment and achievement of key performance indicators (KPIs) by department. Also, to improve the reliability and objectivity of individual performance evaluations, a multifaceted evaluation system that diversifies evaluators has been introduced in the existing system. This evaluation system consists of four main evaluation items: leadership, job performance, work attitude, and teamwork.

① Establishing Evaluation Goals	<ul style="list-style-type: none"> <li>Establishing Evaluation Goals and Critical Success Factors (CSFs)</li> <li>Establishing Key Performance Indicators (KPIs) and Evaluation Grade Standards</li> <li>Establishing Overall Evaluation Weighting</li> </ul>
② Conducting Regular Performance Evaluations	<ul style="list-style-type: none"> <li>Conducting Self-Evaluation: Reviewing Individual Goals and Performance</li> <li>Conducting Team Leader Evaluation: Conducting Team Member Evaluations (Team Leaders Conduct Self-Evaluation Only)</li> <li>Multifaceted Evaluation: Evaluating All Employees, Colleagues, and Leaders (Evaluation Tool Provided)</li> <li>Human Resources Team: Compiling and Reviewing Team Evaluation Results</li> <li>Headquarters Manager Evaluation: Adjusting Team Leader and Team Member Evaluations and Confirming Individual Grades</li> </ul>

### Salary Increase Process

KAON Group distributes a salary increase process and a Key Result (KR) goal setting guide for individual performance evaluations to all employees for organizational sustainability. Using market research and performance evaluations, it also strives to attract excellent talents and prevent employee turnover by offering competitive salaries.

#### Salary Negotiation (Salary Increase Guidelines)

- ① Salary Negotiation Base Date: April 1 of each year
- ② Salary Period: April 1 of each year to March 31 of the following year
- ③ Salary Negotiation Eligibility: Executives and employees hired by September 30 of the previous year (excluding contract workers and interns)
- ④ Evaluation Method: KPI + qualitative assessment

#### Personal Evaluation (KR: Key Result) Achievement Rate Calculation Procedure

##### Establishing Personal Evaluation Goals

- ① Establish quantitative goals and activity details in the order of department, organization, and individual
- ② Enter information on internal and external stakeholder needs and key resources
- ③ Establish a formula for calculating KR achievement rates

##### Evaluation Implementation

- ① Select key outcomes on a semi-annual basis and assign achievement rates.
- ② Submit clear supporting documentation for KR achievement rates.

### Incentive System

KAON Group operates a performance-oriented personnel and compensation system based on fairness and objectivity. By implementing Management by Objectives (MBO) and multifaceted evaluations, it ensures a balanced reflection of individual and organizational performance and increases employee motivation, thereby laying the foundation for sustainable growth. Furthermore, it maintains a fair and transparent performance evaluation system through individual and departmental evaluations, as well as collaborative, productivity, and qualitative assessments. Evaluation results serve as key indicators for improving organizational and individual performance and fostering a culture of collaboration.

#### Individual and Department Evaluation Methods

Individual Evaluation: Achievement of individual quantitative goals (KR) + individual performance report

Department Evaluation: Achievement of department quantitative goals (KR) + department performance report

\*Performance Reporting System: Earn bonus points by directly reporting semi-annual goals and performance, taking into account the nature of one's work.

#### Collaboration, Productivity, and Qualitative Evaluation Methods

Collaboration Evaluation: Earn bonus points for peer evaluations or individual evaluations of collaboration in the department

Productivity Evaluation: Evaluation of project execution capabilities of the research institute and verification department

Qualitative Evaluation: final organization leader evaluation of talent classification and future potential

KAON Group conducts semi-annual individual evaluations and pays compensation based on grades for all employees. Evaluation results are linked to business performance. Separate rewards are awarded based on ongoing criteria for securing profitability and cost innovation performance. Sales and research institute employees are evaluated for their contribution to profitability improvement based on project performance, and cost innovation TFT employees receive performance bonuses upon achieving innovation goals.

Personnel Evaluation	Profitability Securing	Cost Innovation
Semi-annually, compensation is paid based on individual evaluation grades. However, this is based on business performance.	Compensation is paid for the successful completion of irregular projects or the occurrence of profitability improvements.	Compensation is paid semiannually based on cost improvement achievement rates, provided that cost innovation has been achieved.
All employees	Sales and research staff	Cost innovation task force staff
Operated identically in 2024	Reward based on detailed criteria	

### Employee Stock Ownership Support System

KAON Group operates an employee stock ownership association in



accordance with the Framework Act on Labor Welfare,. All employees are eligible for membership. By allowing company members to acquire and hold employee stock, KAON Group aims to improve the economic and social status of employees and promote labor-management cooperation between individuals and the company.

## Labor-Management Culture

KAON Group respects the freedom of association and collective bargaining in compliance with international human rights principles and domestic laws, and no workplace violates this right. To ensure that this right is guaranteed in practice, KAON Group guarantees worker representation and the right to consultation and bargaining through the Labor-Management Council. The Council promotes smooth communication and cooperation with the aim of companion-like labor-management relations. It consists of worker and management members. Worker members collect demands from listening to peer opinions and surveys, while management members compile issues discussed in each department and submit them as council agendas. The Labor-Management Council holds regular meetings once a quarter and ad hoc meetings as needed to discuss and reach agreements on key issues, including personnel management and labor affairs, employee benefits and work environment, performance distribution, and work efficiency. In addition, KAON Group aims to promote understanding and cooperation between workers and employers and contribute to the company's development and growth.

### Composition and Operation of labor-Management Council



\*Term of office: of members January 1, 2024 - December 31, 2026

### Labor-Management Council Operations

In 2024, Labor-Management Council meetings were held four times in total (once a quarter). Key management-related reports were reviewed, and agreements were reached on 13 agenda items.

Key Matters Reported and Agreed	
Matters reported	<ul style="list-style-type: none"> <li>Recruitment plans and current situation by department</li> <li>Current situation of annual leave usage</li> <li>Quarterly performance report</li> <li>Report on the current situation of implementation of the in-house welfare fund (loan system)</li> </ul>

Matters agreed	<ul style="list-style-type: none"> <li>Discussion on the annual leave promotion system</li> <li>Improvement of personnel evaluations</li> <li>Discussion on welfare-related matters (departmental year-end parties, sports competitions, holiday gifts)</li> </ul>
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### Whistleblowing Procedure

KAON Group strives for a culture of honesty and transparency and implements a whistleblowing policy to prevent illegal or unethical behavior and address it when it occurs so that all employees respect one another and adhere to high ethical standards. Furthermore, the policy's fundamental goal was set as "KAON Group must support whistleblowers and there must be no fear of retaliation," which is stipulated in the company-wide whistleblowing guidelines. The whistleblowing policy process consists of: ① case filing ② consultation/investigation/fact-finding and action ③ monitoring, in order of precedence. A dedicated reporting channel has been established, with one head of the Management Support Division and one head of the Human Resources Team designated as persons in charge of whistleblowing. If a whistleblower wishes to keep his/her reporting process confidential, the details will be kept confidential. Possible reporting items include criminal acts, health or safety risks, environmental damage, failure to comply with legal, professional or regulatory obligations, bribery, financial fraud or mismanagement, negligence, violation of internal policies and procedures, acts that may harm the reputation of KAON Group (including unethical acts such as discrimination, bullying and sexual harassment), child or forced labor practices, unauthorized disclosure of confidential information and intentional concealment of reporting items.

### Whistleblowing Procedure Process

① Case filing	Reporting incidents for reportable matters
	<ul style="list-style-type: none"> <li>Internal and external stakeholders</li> <li>Verbal, telephone, email, Cyber Sinmungo, etc.</li> </ul>
	The individual who received the case report must immediately report it to the Human Resources Manager. The process will then be implemented
② Consultation/ investigation/ fact-finding and action	[Separation from the perpetrator only] Investigation omitted > Report to the CEO by consultation report and take action [Agreement between the parties] Report to the CEO after a brief investigation > Convey the victim's demands to the perpetrator and reach an agreement *If agreement fails, confirm the victim's intent for further consultation and a formal investigation [Investigation and settlement] Formal investigation > Take disciplinary action against the perpetrator.
	Measures to prevent secondary damage
	<ul style="list-style-type: none"> <li>Confirm the cessation of the actions</li> <li>Confirm whether other employees have been harmed</li> <li>Confirm whether the agreement has been fulfilled</li> <li>Confirm and take action on whether secondary incidents have occurred due to disciplinary action</li> <li>Education to prevent recurrence</li> </ul>
③ Monitoring	

## Grievance Handling System

With the vision of "Innovation for Sustainability and Management that Practices Social Responsibility," KAON Group operates a grievance handling system to protect the labor and human rights of employees and stakeholders, and has prepared fast, fair, and protection-oriented processing standards to promote effective redress and the prevention of recurrence.

- ⑤ Protection and Support: Whistleblowers in good faith will be protected and supported. If a report is confirmed to be malicious or false, action will be taken in accordance with relevant regulations
- ⑥ Employee Training and Guidance: All employees will receive training at least once a year (including orientation for new employees) to inform them of reporting methods and protection principles

### Grievance Handling Management System

- 1) Responsibility Assignment and Roles
  - ① Grievance Handling Committee Members (Managing Department): The HR team oversees all operations, including case reception, investigation, and record management
  - ② Grievance Handling Committee: Up to three Grievance Handling Committee members are appointed from the members of the Labor-Management Council, and their terms of office are the same as those of the Labor-Management Council
  - ③ Counseling Room: The company establishes and operates an in-house counseling room for grievance handling. A general meeting room may also be used
  - ④ Executives/CEO: The executives are responsible for making final decisions on human rights management strategies and issues and report major management-related issues to the board of directors
- 2) Policy review and Operation
  - ① The managing department conducts regular policy updates (at least once a year) and posts notices on the company's internal groupware and partner portals
  - ② The managing department conducts a human rights impact assessment once a year, reports the results to the Human Rights Management Committee, and discloses them through the Sustainability Management Report (if necessary)

### Grievance Handling Procedures

- ① Reporting and Report Receipt
  - Notify the receipt within 3 business days (system notification for anonymous reports)
  - Written reporting to a Grievance Handling Committee Member after receiving the report
- ② Fact-Finding and Investigation Commencement
  - The person in charge verifies the facts, consults with the reporter, and confirms intent to handle the matter
  - All the Grievance Handling Committee Members holds a full consultation
- ③ Judgment and Deliberation
  - The Grievance Handling Committee deliberates to judge facts and responsibility (including recommendations for preventing recurrence)
- ④ Action
  - The reporter and the person involved are notified of the action and results (within 10 days)
  - Objections can be raised once within 7 days of receiving the notification
  - Grievances that cannot be handled internally, and important matters are referred to the next Labor-Management Council meeting
- ⑤ Closure and Prevention of Recurrence
  - Check implementation of measures and establish measures to prevent recurrence of similar cases (system improvements, if necessary)

### Grievance Handling Policy

- ① Scope and Reporting- Scope: Labor rights issues such as work environment, harassment, discrimination, child and forced labor, etc.- Subjects: Employees, partners, internal and external stakeholders, etc.- Methods: (1) Online (groupware, email) (2) Offline (suggestion box) (3) Grievance handling staff (HR team) (4) Grievance handling executive (Business Support Office) (5) Worker representative body (Labor-Management Council members)
- ② Accessibility: Multilingual and multi-channel may be used at domestic and international workplaces and partners (with an anonymous reporting channel in parallel)
- ③ Non-retaliation: Any disadvantage or retaliation against reporters or cooperators is strictly prohibited.
- ④ Confidentiality: Reporters' identities are strictly kept confidential, anonymous reporting is permitted, and all cases are handled with the minimum necessary information.

## Collective Agreement

In accordance with the fundamental principles of the Constitution and the Labor Law, KAON Group concluded an agreement signed by both parties of the KAON Group Labor-Management Council (three employer representatives and three employee representatives) on January 3, 2024, and The company is striving to create a sound work environment. KAON Group considers the collective agreement an important tool for improving working conditions, including wage increases, reduced working hours, and expanded welfare benefits, strengthening trust between workers and employers, providing standards for dispute prevention and settlement, and ensuring legal protection, to improve organizational stability and efficiency, and complies with the provisions of the agreement.

### Health and Safety

- First,** the company shall provide legal and proper protective equipment for tasks that may involve hazardous elements and shall thoroughly manage the protective equipment.
- Second,** the company shall conduct health checkups for employees in accordance with legal procedures and provide sufficient time for such checkups to be completed within the time limit.
- Third,** the company shall actively cooperate so that employees receive adequate compensation under industrial accident insurance in accordance with legal procedures in the event of work-related injuries or illnesses.
- Fourth,** the company shall require all employees to subscribe to health insurance, industrial accident insurance, and employment insurance.
- Fifth,** employees shall faithfully participate in Health and Safety training provided by the company and wear proper protective equipment when performing tasks that may involve hazardous elements to prevent potential hazards in advance.
- Sixth,** employees shall share with the company in advance the required time for health checkups and make every effort to receive annual health checkups.
- Seventh,** employees shall not falsely report their own injuries or illnesses and always do their best to ensure health and safety.

### Working Conditions

- First,** the company must negotiate a wage rate higher than the legally prescribed minimum wage.
- Second,** when the company intends to change company regulations, it must obtain the consent of a majority of employees or the employee representative of the council.
- Third,** the company must not acquiesce to agenda items raised by the council and must thoroughly review the agenda items and inform the council of the results.
- Fourth,** the company must not interfere with the council's operations and must actively support its autonomous operation.
- Fifth,** employees must actively participate in the council and do their best for the mutual prosperity of both the company and its employees.

- Sixth,** employees must actively accept the company's working conditions and, if they believe changes are necessary to improve employee welfare, make formal suggestions through the council.

### Education and Training

- First,** the company actively supports employees through education and in-house training to ensure they can perform to their full potential in their respective jobs.
- Second,** the company establishes an annual education budget to enhance employee capabilities and strives to ensure sufficient utilization of the budget.
- Third,** to promote in-house training, the company provides compensation for group training sessions lasting one hour or longer.
- Fourth,** the company develops an annual education and training plan and shares it with employees to enhance employee capabilities and ensure a smooth training schedule.
- Fifth,** the company provides training to develop employees' ethical refinement in addition to their job competencies.
- Sixth,** employees diligently complete education and training to contribute to the company through competency development.
- Seventh,** employees actively cooperate to develop a sound ethical awareness with ethics training and to create an honest corporate culture.

### Prevention of Discrimination, Bullying and Sexual Harassment

- First,** the company conducts regular training so that its employees have basic ethical refinement.
- Second,** if the company becomes aware of any incidents of discrimination, harassment, or sexual harassment, it shall resolve the issue through due process.
- Third,** the company must ensure confidentiality about employees who have suffered damage from discrimination, harassment, or sexual harassment so that they do not suffer secondary harm.
- Fourth,** the company must ensure the confidentiality of employees who report discrimination, harassment, or sexual harassment, and must not take retaliatory action against them for reporting such incidents.
- Fifth,** the company shall not discriminate based on gender, religion, or academic background in hiring, training, promotions, or performance evaluations.
- Sixth,** employees shall actively cooperate to promote sound ethical awareness with ethics training and to create an honest corporate culture.
- Seventh,** employees must immediately report any incident of discrimination, bullying, or sexual harassment to the relevant department or superior to prevent further damage.
- Eighth,** employees must not disclose to anyone information about victims or whistleblowers regarding discrimination, bullying, or sexual harassment, even if they become aware of such information.



# Human Rights Management

## Human Rights Management Policy

KAON Group has established and publicly disclosed a Human Rights Charter based on international human rights principles and norms, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child, and the International Labor Organization (ILO) Core Conventions. KAON's Human Rights Charter applies comprehensively to all employees, partners, and business activities. All employees submit a pledge to establish a culture of mutual respect and pledge to implement human rights principles.

## Human Rights Management System

In its Human Rights Management Regulations established in 2022, KAON Group stipulated actionable elements for improving the protection of the human rights of employees and all stakeholders in all business activities, and practices human rights management centered on Human Rights Management for the proper implementation of the human rights management system.

### Human Rights Management Committee



- Appointment Period: January 1, 2023 - December 31, 2024
- Matters for Review: 1) Establishment of a Basic Human Rights Management Plan  
2) Matters regarding recommendations for human rights improvement  
3) Matters regarding remedial measures for reported human rights violations  
4) Other matters necessary to promote human rights protection

### Key Execution Elements

Human Rights Impact Assessment	Conduct a human rights impact assessment at least once a year and report the results to the CEO.
Human Rights Violation Redress Procedures	Detailed guidelines on remediation methods and measures to be taken in the event of human rights violations.

### Key Performance Indicators (by 2030)

Maintaining Working Conditions and Health and Safety	<ul style="list-style-type: none"><li>• 10% increase in employee satisfaction scores (as of 2022)</li><li>• Maintain no cases of annual safety accidents and industrial accidents</li><li>• Maintain no cases of annual violations of health- and safety-related laws</li></ul>
Activating Labor-Management Communication	<ul style="list-style-type: none"><li>• Continue holding labor-management council four times a year (quarterly)</li></ul>
Continuing Education, Training, and Capacity Development	<ul style="list-style-type: none"><li>• Maintain biannual subject-specific job-level training</li><li>• Maintain a 90% or higher training satisfaction survey implementation rate</li></ul>
Prohibiting Forced labor and Child Labor	<ul style="list-style-type: none"><li>• Maintain annual internal audits on child labor and forced labor</li></ul>
Protecting the Human Rights of Customers and Communities	<ul style="list-style-type: none"><li>• Conduct human rights impact assessments and collect feedback once a year (including external stakeholders (customers, local residents)</li></ul>

## Human Rights Management Activities

### Labor and Ethical Consciousness Survey

The survey was divided into four sections: ethical consciousness, human rights management practices (child and forced labor), non-discrimination in employment, and anti-competitive practices. Through direct employee responses to these sections, we identified the current state of human rights management and are continuously striving to establish a sound corporate culture based on this.

- 1) Survey Period: August 12-16, 2024 (5 days)
- 2) Number of Applicants: 362 (90%, 402 applicants were requested to respond)

### Survey Results

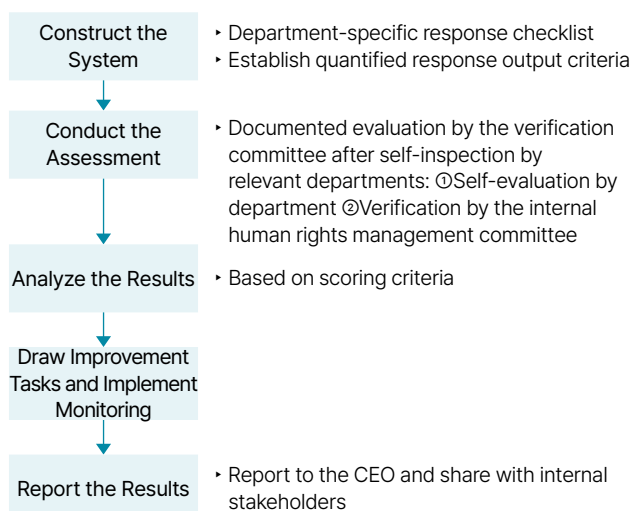
Ethical Consciousness	<ul style="list-style-type: none"><li>• Awareness of and commitment to compliance with the Code of Conduct was shown to be high, and awareness of internal reporting channels was also good. There were no reports of significant violations.</li></ul>
Actual State of Human Rights Managements (Child and Forced Labor)	<ul style="list-style-type: none"><li>• Awareness of the existence and application of prohibitive provisions was high, and the majority agreed on the need of partner management. There were no reports of violations.</li></ul>
Non-Discrimination in Employment	<ul style="list-style-type: none"><li>• While the feeling of fairness in employment evaluations and compensation was generally good, some areas for improvement were identified. Awareness of grievance channels was high.</li></ul>
Anti-Competitive Practices	<ul style="list-style-type: none"><li>• The rate of participation in and recognition of the importance of fair trade/competition law training was high, and there was general agreement on the need for prior review of association activities. There was no reports of experience of sanctions.</li></ul>

## Human Rights Impact Assessment

KAON Group conducts a human rights impact assessment once a year in accordance with its Human Rights Management Regulations to measure the extent to which organizational operations and major business activities affect the human rights of employees, executives, and stakeholders. The results are reviewed by the Human Rights Management Committee and submitted to the CEO.

### 2024 Human Rights Impact Assessment Results

#### Assessment Process (Human Rights Due Diligence)



#### Assessment Method (Human Rights Issues)

##### Key Human Rights Issue Areas (10 Areas, 33 Items, 158 Indicators)

Establishment of a human rights management system, non-discrimination in employment, guarantee of freedom of association and collective bargaining, prohibition of forced labor, prohibition of child labor, guarantee of industrial safety, responsible supply chain management, protection of human rights of local residents, guarantee of environmental rights, and protection of customer human rights

##### Table of Quantified Score Calculation Criteria (Individually Applied to 158 Indicators)

Division	Yes	Need Supplementation	No	Not Very Applicable (No Information)	Not Applicable
Score	1	0.5	0	Excluded from assessment	Excluded from assessment

\*Response contents by indicator calculation formula

Assessment score	$\frac{('Yes' \text{ response} \times 1) + ('Needs \text{ supplementation}' \text{ response} \times 0.5) + ('No' \text{ response} \times 0)}{\text{Total number of indicators, excluding 'Not very applicable (Insufficient Information)' and 'Not Applicable' responses}}$	
= 100 ×		

#### Assessment Results (Including Improvement Tasks)

- ① According to the result of human rights impact assessment, the average score in 10 areas was 93 points, which is a stable level (95 points) similar to the previous year.
- ② The improvement trend in the area of industrial safety assurance continued. ISO 45001 certification was maintained through regular post-audits, and the implementation rate of on-site improvement measures improved.
- ③ The areas of human rights management system and responsible supply chain management were maintained as key areas for improvement, and policies and procedures were advanced, and the scope of supply chain due diligence was expanded. (Responsible for Improvement: Head of Management Planning, Head of Business Support)
- ④ To strengthen the capabilities of internal auditors by assessment item, a training and evaluation system was operated regularly, and refresher training was provided according to the annual plan.

### Introduction of the Wage Peak System and Dismissal Regulations

To mitigate the negative impact of layoffs, KAON Group implements a wage peak system for employees who have reached retirement age. Furthermore, it has prepared separate regulations regarding layoffs (resignations) and is fully committed to its obligations and responsibilities toward employees who are scheduled to resign. These obligations and responsibilities are as follows: ① The head of the organization of an employee subject to layoff must conduct at least one interview with the employee and clearly explain the reasons for dismissal during the interview. However, in the absence of the team leader, the next higher-ranking employee may act in their place. ② After the interview with the affiliated department, the HR team must conduct at least one interview with the employee in question, provide written guidance on the dismissal procedure, dismissal date, etc., and faithfully conduct the interview for a smooth conclusion. ③ The company must give at least 30 days' notice of dismissal from the date of issuance of the written dismissal notice. ④ For the health and safety of employees, the company may pay a separate consolation benefit in addition to the severance pay, and the amount is determined based on the length of service, contributions to the company, and position. ⑤ The regulations on the dismissal procedure follow the resignation regulations of the company's internal rules. ⑥ If the person scheduled to be dismissed is 60 years of age or older, the company may provide re-employment services if the employee so desires in order to ensure the employee's health and safety. ⑦ The company may conduct an appropriate interview at any time, even after they receive written notice of dismissal, if the employee so desires for employee stability.

## Internal Due Diligence Assessment on Child and Forced Labor

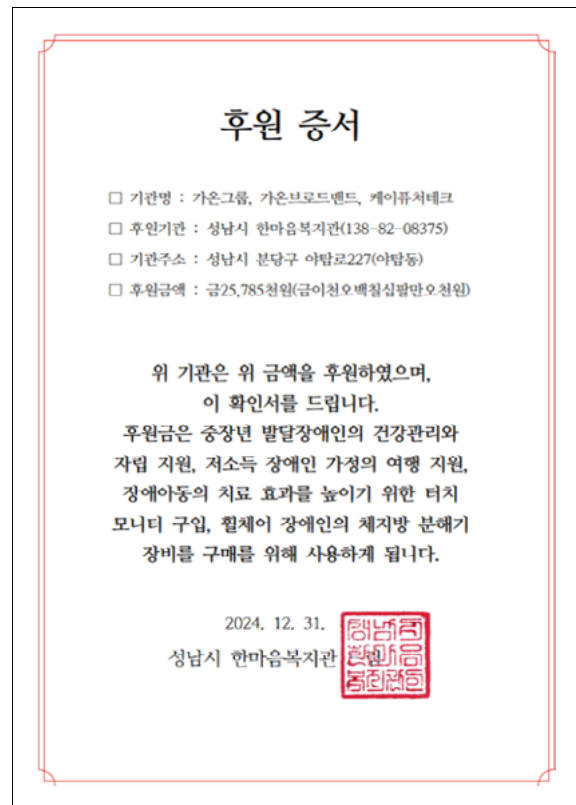
To solidify their human rights management systems, KAON Group and KAON Broadband conducted an internal due diligence assessment of child and forced labor in all departments in October 2024, and no risks of child or forced labor were identified. We proactively identify actual and potential human rights risks that may arise from our business activities, and any issues identified from the assessment are immediately reported to the chairperson of the Human Rights Management Committee.

### 2024 Internal Due Diligence Audit on Child and Forced Labor

Overview	<ul style="list-style-type: none"> <li>① Evaluation Items: 11 items in total (nine on forced labor, two on child labor)</li> <li>② Evaluation Examiner: one Business Support Office Manager</li> <li>③ Examination Target: one person from each department (randomly assigned) and approximately 50 teams throughout the company</li> <li>④ Key Contents of Items <ul style="list-style-type: none"> <li>• Forced Labor: Awareness of the policy, prohibition of all forms of forced labor, fair and transparent work practices, prohibition of misuse of personal information, involuntary overtime, physical oppression and prohibition of freedom, forced labor secured by debt, voluntary work conditions (leaving work), resignation with prior notice, and prohibition of retaliation</li> <li>• Child Labor: Whether children under 15 years of age work, and whether simple tasks that can be performed by children under 15 years of age exist.</li> </ul> </li> </ul>
Method	<ul style="list-style-type: none"> <li>① Departments Subject to Due Diligence: Research Institute (QE Department), Robotics Business Team, Research Management Team, BT/Wi-Fi Specialist Team, RMS Planning Team, Finance Team, Materials Team, IPR Team</li> <li>② Due Diligence Procedure: <ul style="list-style-type: none"> <li>• Internal Department Evaluation List (Questions on 11 items)</li> <li>• Self-evaluation conducted by evaluators (evaluatees) by department</li> <li>• Compilation and analysis of evaluation results by department and derivation of results</li> </ul> </li> </ul>
Result	<ul style="list-style-type: none"> <li>① Results of the company's internal forced labor and child labor investigation: No issues identified.</li> <li>② If any issues are identified in the future, immediate action will be taken and reported to the Human Rights Management Committee.</li> </ul>

## Child Support Sponsorship

KAON Group sponsored the treatment of children with disabilities at Hanmaeum Welfare Center to contribute to the promotion of children's rights to survival, protection, development, and participation.



## Diversity, Equity and Inclusion (DE&I)

### Diversity, Equity, and Inclusion (DE&I) Policy

KAON Group has established a Diversity, Equity, and Inclusion (DE&I) policy to achieve its management vision of "Management that practices Innovation for Sustainability and Social Responsibility," help all employees understand diversity, equity, and inclusion, and implement the foregoing throughout the company. It also encourages all workplaces, employees, partners, and suppliers to comply with the policy in all business processes. It designated a Human Resources Team as the managing department for the policy

to perform work related to the implementation of the policy such as the review and operation of the policy, monitoring, and reporting.

### Basic Principles of the Policy

<b>Diversity</b>	The company shall respect the diversity of its employees, such as their culture, gender, race, religion, beliefs, social and economic status, and abilities. It shall strive for a work environment where the members of the organization are not unreasonably discriminated.
<b>Equity</b>	The company shall provide equal opportunities in promotion, recruitment, and training so that employees can fully demonstrate their individual abilities.
<b>Inclusion</b>	The company shall pursue inclusion so that all employees can participate in work with a sense of belonging to the organization and maximally demonstrate potential. It shall strive for a work environment where all members of the organization respect each other.

### Key Performance Indicators

<b>Promoting the Awareness of Diversity, Equity, and Inclusion</b>	Maintain a training completion rate of at least 90% every year by 2030 (training to prevent workplace bullying, sexual harassment, and improve awareness of persons with disabilities to improve diversity, equity, and inclusion).
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## Diversity, Equity, and Inclusion (DE&I) Activities

### Prohibition and Prevention of Discrimination and Harassment

KAON Group stipulates acts for the prohibition and prevention of discrimination and harassment with internal regulations prepared to prevent discrimination and physical, psychological, and verbal abuse in the work environment and promote diversity, equity, and inclusion for all members. KAON Group also provides workplace harassment prevention training to all employees at least once a year (for one hour) and shared guidelines for handling discrimination and harassment when it occurs.

### Discrimination and Harassment Incident Handling Procedures

Reports of discrimination or harassment incidents are received from the person responsible for whistleblowing (HR Team, head of Management Support) or through the cyber reporting system. Then, the victim's requirements are identified through the reporting and recognition procedure, and an investigation is conducted. If the fact of harassment is confirmed as a result of the investigation, appropriate action is taken. Furthermore, ongoing monitoring, including additional measures, is conducted even after the action is taken to prevent similar incidents from recurring. In the monitoring stage, it is first verified whether agreed matters have been fulfilled and whether subsequent harassment damage has occurred. Secondly,

victim treatment actions are supported and implemented, such as support for consultations with labor attorneys/lawyers, support for psychological specialist counseling, implementing company-wide prevention training, periodic interviews, checking whether harassment recurred, and other requirements.

① Case reception			
② Counseling	Understanding the case overview and victim's requirements		
	In case where the victim wants only separation from the perpetrator,	In case where the victim wants an agreement between the parties, such as an apology from the perpetrator,	In case where the victim wants formal procedures, such as a company-level investigation,
③ Investigation	Verify brief factual grounds	Report to the CEO after a brief investigation	Formal investigation
④ Action is taken when the fact of harassment is confirmed	Write a report, report to the CEO, and then take actions.	Convey the victim's demands to the perpetrator and derive an agreement * If the agreement fails, re-consultation and a formal investigation are conducted	Disciplinary action, etc., against the perpetrator
⑤ Monitoring (including additional measures)			

### Mentoring System Operation

KAON Group encourages new hires, including women, to form mentor-mentee relationships in each department to improve the level of organizational adaptation and actively supports mentoring activities by paying activity expenses to support them. Furthermore, a post-mentoring survey was conducted and the mentoring system will be continuously improved based on the results.

#### 2024 Mentoring Satisfaction Survey Results

- Subjects (Response Rate)
  - 43 Mentors (40 responses, 100%), 48 Mentees (48 responses, 100%)
- Period: December 16-18, 2024 (3 days)
- Key Results
  - Satisfaction with Mentoring Period
 

Satisfied 80%	20% not satisfied
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  - Intention to Participate Again
 

Yes 95%	5% no
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  - Helpful in Building Relationships
 

Yes 100%	0% no
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  - Helpful for Organizational Adaptation
 

Yes 97%	3% no
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## Anti-Bullying Policy Statement/Respectful Workplace Statement

KAON Group prioritizes protecting employees' human rights as the core value of its corporate management. To this end, the company established an Anti-Bullying Policy Statement and a Respectful Workplace Statement, which were approved by the CEO in July 2019 and shared company-wide. Building on these declarations, KAON Group is committed to employee human rights protection and will continue to make ongoing improvements.

### Anti-Bullying Policy Statement

KAON Group Co., Ltd. (hereinafter referred to as the "Company") places the highest priority on policies to protect the human rights of employees and declares that it will not tolerate workplace bullying that disregards the personalities of its employees as follows.

- One.** The Company respects its employees and strives to create a safe work environment where its employees can work safely. The Company clearly declares that it will not tolerate any workplace bullying that disregards the personalities of its employees.
- One.** Management will prioritize policies to prevent workplace bullying, and in the event of the occurrence of workplace bullying, it will do its best to support victims to recover from the damage.
- One.** Managers must help employees lead a smooth company life and keep a close eye on bullying behavior among employees. They must also pay attention to communication with employees to prevent workplace bullying in advance.
- One.** Employees must treat other employees with mutual respect as a basic principle and must never engage in any behavior that physically or mentally harasses other employees.

### Respectful Workplace Statement

Employees have the right to be respected and work safely.

- One.** The company must give priority to policies to protect the human rights of employees and declares that it will not recognize any cases where the human rights of employees are violated.
- One.** In cases where the human rights of employees are violated, the company will do its best to restore human rights and will strive to restore an environment where employees can work safely.
- One.** The company will establish and implement plans so that employees can work healthily in the workplace by considering not only the physical work environment but also the mental health of employees.
- One.** Management will frequently check whether there are any work environments or factors that violate the human rights of employees and will spare no effort in creating a company where human rights are respected and will not neglect efforts to reflect the opinions of employees through active communication with employees.
- One.** Managers will always respect their subordinates when dealing with them and will not spare continuous interest and support for difficulties that subordinates experience in the company.
- One.** Employees must always be careful not to behave rudely to other employees and will never forget to respect each other when communicating with other employees.

## Health and Safety

### Health and Safety Policy

KAON Group has established a health and safety policy that incorporates a management system to achieve its vision of "innovation and social responsibility for sustainability" and to create a safe work environment. The company encourages all workplaces, employees, partners, and suppliers to comply with this policy in all business processes. The General Affairs Team oversees policy implementation, including review, operation, monitoring, and reporting.

### Health and Safety Management System

KAON Group and KAON Broadband have established a systematic health and safety management system in accordance with the requirements of ISO 45001, the international standard for health and safety management systems, and have established health and safety management regulations for the effective implementation of the system as it strives to provide a safe and healthy workplace.

### Health and Safety Organization Governance

Role	Main Duties	Person in Charge
Corporate Health and Safety Management Officer	<ul style="list-style-type: none"> <li>Final review of health and safety goals and implementation plans</li> <li>Review of health and safety management system manual, procedures, guidelines, etc.</li> </ul>	CEO
Health and Safety Management Officer	<ul style="list-style-type: none"> <li>Delivery of health and safety policy/goals</li> <li>Revision of Health and Safety management system</li> <li>Checking safety inspection results, etc.</li> </ul>	Director of Management Support Division
Health and Safety Management Supervisor	<ul style="list-style-type: none"> <li>Proposal for risk assessment meeting</li> <li>Supervision of safety measures for hazardous work, etc.</li> </ul>	Head of each department
Health and Safety Management Officer	<ul style="list-style-type: none"> <li>Implementation of and participation in special safety training for hazardous work, etc.</li> </ul>	Person in charge of each department
Safety Manager, Health Manager (Consignment Agency)	<ul style="list-style-type: none"> <li>Communication with internal and external stakeholders related to health and safety</li> <li>Management of health and safety laws and compliance matters, etc.</li> </ul>	Korea Industrial Safety Association, Korea Industrial Health Association

### Key Goals

Under the health and safety governance system, the key goals of health and safety management were set as ① Maintain zero violations of health and safety-related laws and regulations by 2030, ② Maintain zero occurrence of safety accidents and industrial accidents, ③ Maintain 100% risk factor discovery and improvement rate, and ④ Maintain 100% implementation of emergency training. Additional operational goals were established to achieve these objectives.



## Detailed Operational Goals

Detailed Item	Strategic Goals	Contents
Removing workplace risk factors (safety accident prevention)	• Verify ventilation and lighting conditions in offices and workplaces	• Inspection of risk prevention equipment and facility status before work, etc.
Establishing safety measures for workplace hazards	• Preliminary inspections of protective measures for hazardous machinery	• Checking attachment of and changes to hazard signs
Compliance with industrial safety and health laws	• Implementation of the material safety and health system • Worker health management • Operation of the safety and health committee • Safety measures for storage of hazardous materials	• MSDS handler training • Annual worker checkups • Hold safety and health committee meetings (twice a year) • Safety and health education plan
Industrial safety and health education	• Implementation of safety and health education	• Regular safety training: Once a month (at least 1 hour) • New hire training: 8 hours (at least one session) • Supervisor training: at least 8 hours every six months

## Health and Safety Policy

"All employees must be well-acquainted with and understand the relevant laws and regulations and requirements, and based on their accumulated experience and knowledge, they must establish detailed implementation plans to achieve their assigned work policies and goals and properly implement them."

- ① Fulfill social responsibility by thoroughly complying with laws and regulations related to health and safety.
- ② Management shall take the lead in creating a safe workplace.
- ③ Create a safe workplace by continuously observing and improving potential risk factors.
- ④ Provide optimal human and material resources for systematic education and training and encourage all workers to voluntarily participate in health and safety activities.
- ⑤ Publicize safety and health policies internally and externally and maintain a smooth communication system with stakeholders to ensure transparency in health and safety activities.

## Industrial Health and Safety Committee

The Industrial Health and Safety Committee is composed of four management representatives and four employee representatives. It also discusses important safety and health activities directly related to employees, such as accident prevention plans, the development and revision of safety and health management regulations, safety and health education, health checkups, and work environment measurements. This committee promotes a safe workplace, a pleasant work environment, and improved health. In 2024, the Occupational Safety and Health Committee met four times, discussed a total of 12 agenda items, and reached resolutions and decisions on each agenda item.

## Items for Deliberation and Resolution by the Industrial Health and Safety Committee (As of 2024)

- ① Matters pertaining to the establishment of an industrial accident prevention plan
- ② Matters pertaining to the preparation and amendment of safety and health management regulations and various safety and health standards
- ③ Matters pertaining to safety and health education for workers
- ④ Matters pertaining to the inspection and improvement of the work environment, including work environment measurements
- ⑤ Matters pertaining to health management, including worker health checkups
- ⑥ Matters pertaining to the investigation of the causes of major accidents and the establishment of measures to prevent recurrence
- ⑦ Matters pertaining to the recording and maintenance of statistics on industrial accidents
- ⑧ Matters pertaining to safety and health measures in the event of the introduction of hazardous or dangerous machinery, equipment, and other facilities

## Health and Safety Activities

### Health and Safety Management Review Results

KAON Group conducts regular health and safety management reviews to evaluate the general ongoing suitability, sufficiency, and effectiveness of the health and safety management system to comply with the health and safety policy and identify the potential impacts of the work environment on employees' health and safety to take preventive and corrective measures.

### 2024 Health and Safety Management Review Meeting

- Review**
- Conduct regular health and safety management review (once a year)
- Over-view**
- Primary person in charge: Head of each department
  - Final reviewer: CEO
  - Review period: October 1, 2023 - July 31, 2024
  - Health and safety management review implementation method
    - ① Collect health and safety management review data and summarize report
    - ② Prepare review report and distribute to relevant departments
    - ③ Implement corrective action in response to resolutions/instructions
    - ④ Prepare health and safety management review report

- Review Items**
- Conducting internal audits
  - Stakeholder needs and expectations
  - Feedback from stakeholders and customer satisfaction
  - Process performance, product and service suitability, and environmental safety performance
  - Nonconformance and corrective actions
  - Internal and external communication
  - Degree of achievement of health and safety goals
  - Effectiveness of risk measures
  - Adequacy of resources
  - Opportunities for continuous improvement

- Review Results (Corrective Action)**
- Continuously Strengthen the Internalization of the Management System: Establish the system as a practical, field-oriented tool that can be applied in practice with tangible quality and safety improvement activities.
  - Expand Company-Wide Participation: All executives and employees must recognize themselves as operators of the management system and voluntarily engage in improvement

activities tailored to the characteristics of their respective departments.

- Continuous Improvement and Performance Management: Regular internal audits and management reviews ensure effective feedback and performance-oriented improvement measures.
- Strengthen Education and Awareness Raising: Continuously provide customized training to all employees to raise awareness of the importance of the system and how to apply it.

## Work Environment Measurement

KAON Group conducts work environment measurements, a process to measure and evaluate workers' exposure to hazardous substances in the workplace, in accordance with the Occupational Safety and Health Act. Measurements cover exposure to hazardous substances, noise, dust, high heat, and metals. Detailed inspections are conducted semiannually. With these measurements, we pursue proper work environment improvements and proactively protect the health of our employees.

Every year, the results of these work environment measurements have been measured and evaluated as falling below the exposure standards.

### Performance Process

- ① Work environment measurement plan: Select the target process and department, plan the measurement schedule
- ② Preparation before measurement: Share the schedule with the workers of the target process and department
- ③ Measurement implementation: Measure harmful factors in the working environment
- ④ Analysis of measurement results: Assess the level of exposure to harmful factors
- ⑤ Improvement plan and action: Apply the improvement plan according to the level of exposure to harmful factors
- ⑥ Follow-up management: Continuous monitoring even after improvement measures

## Conducting Self-Diagnosis of Job Stress Factors

To alleviate workplace stress and promote psychological well-being, KAON Group conducted a self-diagnosis of job stress factors for 415 employees in November 2024. The diagnosis was divided into eight areas, and conversion scores were calculated by factor. These scores were then compared and analyzed with the scores for South Korean workers in the "Job Stress Factor Measurement Guidelines" implemented by the Korea Occupational Safety and Health Agency. This analysis identified appropriateness and inadequacy of the current situation, and improvements were developed and implemented by department.

### Results of Analysis of Job Stress by Area (Comprehensive)

(Unit: point)

Type	All	Compared to Previous Year	Male	Compared to Previous Year	Female	Compared to Previous Year
Physical Environment	48.4	-2.3	48.0	-2.4	51.7	-1.2

Job Needs	45.4	+1.2	45.8	+1.1	42.0	+0.7
Job Autonomy	50.5	-1.9	50.4	-2.2	51.0	-0.4
Relationship Conflict	44.9	-1.0	45.0	-1.3	43.7	-
Job Insecurity	48.8	-1.2	48.5	-1.5	51.2	+0.8
Organizational System	53.4	-1.5	52.8	-1.5	59.0	+0.5
Inadequate Compensation	58.1	-2.7	57.2	-3.0	66.2	+2.0
Workplace Culture	44.6	-0.8	44.7	-0.7	44.0	-1.6

## Improvements to Job Stress by Area

Eight Factors	Improvements
Physical Environment	Reflecting the results of the office building remodeling, we optimized lighting and air conditioning, and regularized noise and thermal environment inspections
Job Needs	We conducted regular coaching and consultations for employees with high job needs, and flexibly adjusted goals and workloads (HR collaboration)
Job Autonomy	We reorganized decision-making authority and approval processes to clarify R&R and streamline work processes
Relationship Conflicts	We operated an anonymous consultation and mediation channel on a regular basis and strengthened team-level conflict prevention training and leader coaching
Job Insecurity	We maintained the principle of employment stability and strengthened advance notice and transition support during organizational restructuring
Organizational System	We updated job grades and competency systems based on the latest job analysis and reorganized operational processes
Inadequate Compensation	We regularly monitored compensation data by gender and job, and identified gaps were addressed through corrective procedures
Workplace Culture	We expanded in-house community and club activities and regularized communication programs such as town halls and campaigns to foster a culture of respect and collaboration

## Organizational Culture Risk-Based Risk Assessment

KAON Group conducts a risk-based risk assessment every year to identify, evaluate, and manage potential risks in all departments and processes within the organization. The risk assessment process fundamentally identifies risks by gathering various opinions from throughout the organization, prioritizes them based on likelihood and severity, and then develops and implements response measures, including prevention, response, and recovery measures, to address the risks identified. This approach improves business processes and increases efficiency, strengthens the organization's competitiveness and pursues sustainable growth. The steps of the risk assessment process are as follows: ① Risk identification (data collection, risk list preparation, classification and description of identified risk factors), ② Risk analysis (setting risk assessment criteria, risk level assessment, \*assessment criteria: likelihood of risk occurrence (frequency), severity (intensity) of risk), ③ Risk assessment (priority determination, use of risk matrix), ④ Establishment of risk response plan (implementation of response measures)



### Implementation Results (2024)

Process Name	Hazardous Risk Factors	Improvement Plan
Software Development Using PCs	Installation of power circuit breakers by seat	Installation of power circuit breakers by seat
Software Development Using PCs	No emergency evacuation route	Installation and regular inspection of emergency evacuation routes
4F General Offices (Double-Story Warehouse)	Fall risk due to steep stairs	Construction of safety stairs
4F General Offices (Auxiliary Warehouse)	Fall risk due to the use of regular ladders	Replacement with safety ladders/stairs
B2 Building Facilities Management	Fault risk due to lack of access control for transformers	Installation and locking of intermediate safety gates

### Conducting a Precision Laboratory Safety Inspection

KAON Group commissioned the Korea Occupational Safety and Health Agency (KOSHA) to conduct a precision laboratory safety inspection in accordance with Article 15 of the Act on the Promotion of a Safe Laboratory Environment. The two laboratories were both rated Grade 1 (no safety issues and safety maintained).

KAON Group will continue to improve laboratory safety with proactive inspections and risk assessments. By investing in safety equipment and strengthening the safety capabilities of employees, we will internalize a culture of accident prevention and maintain a stable safety environment that complies with relevant laws and international standards.

### Laboratory Diagnosis Details

Field	No. of Evaluation Items	Deficiency	Results
General Safety	11	0	Good Condition
Machine Safety	10	0	Good Condition
Electrical Safety	14	0	Good Condition
Chemical Safety	11	0	Good Condition
Fire Safety	10	0	Good Condition
Gas Safety	18	0	Good Condition
Industrial Hygiene	11	0	Good Condition
Biological Safety	13	0	Good Condition

### Disaster Response System

KAON Group has established an emergency preparedness and response process in its occupational health and safety management system in line with the international standard KS Q ISO 45001:2018. This process consists of identifying emergency types, developing action plans for each type, devising emergency scenarios, conducting mock drills, reviewing issues identified in each scenario, implementing continuous improvement, responding to emergencies, and managing follow-up. The entire response process is reviewed at least once a year to ensure thorough disaster preparedness.

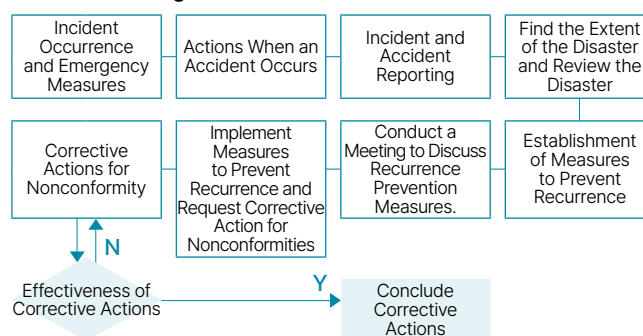
### Emergency Response Manual

KAON Group divides emergencies into fire disasters (fire, smoke, heat, etc.), environmental disasters (hazardous substances, etc.), and human disasters (accidents resulting in death, industrial accidents, etc.). An emergency response manual, which stipulates an organization chart tailored to the specific situation, a response flow chart from the onset of an emergency to its resolution, and details on key emergency response organizations, was established for each of these, and it has been documented and managed accordingly.

### Firefighting Plan

KAON Group has established a firefighting plan to proactively prevent and prepare for fire-related disasters with a fast and efficient response and recovery in the event of a fire to minimize loss of life and property. The company also appoints a fire safety manager to review the building's status and fire safety management and posts a confirmation status report.

### Accident Investigation Process



### Health and Safety Education

In early January of each year, the health and safety management supervisor establishes an implementation plan including the target, content, method, and person in charge of the health and safety education to be conducted in the corresponding year and coordinates the overall schedule in consultation with the human resources department. In this way, regular health and safety education, education for new hires, special health and safety education, and material safety and health education are systematically conducted to protect the health and safety of employees.

Regular health and safety education is conducted once every quarter for at least 3 hours, a total of four times a year, and education for new hires consists of job training according to the characteristics of the department's work, common knowledge, and Material Safety and Health Data Sheet (MSDS) education, and is conducted for 16 hours per month when hiring occurs. Special health and safety training is conducted separately when hazardous or dangerous work occurs, and material safety and health training is provided to all new employees and personnel in departments that use the relevant materials.

### Conducting Safety and Health Training

Type	Frequency and Duration	Target	Content
Regular safety and health training	Once per quarter, at least 3 hours each time	All employees	Use and management of safety equipment, health checkups, and safety, etc.
Training for new hires	16 hours upon hiring	New hires	Department-specific job training and Material Safety Data Sheet (MSDS) training
Special safety and health training	When hazardous or dangerous work occurs	Personnel performing the relevant work	Training on essential procedures for hazardous work, including work permits, risk assessments, and PDS standards
Material safety and health training	Pre-training before handling new substances + Annual refresher training (2 hours)	New hires and personnel using the relevant substances	Training on labeling, labeling, handling, storage, transportation, spills, fire response equipment, PDS wear, disposal, and discharge procedures based on understanding of MSDSs

### Training Plan for Subcontractor Employees

Curriculum	Training Target	Training Hours	Training Content
Regular training	Production workers	At least 6 hours per quarter	<ul style="list-style-type: none"> <li>• Matters regarding occupational safety and accident prevention</li> <li>• Matters regarding occupational health and occupational disease prevention</li> </ul>
	Sales workers	At least 3 hours per quarter	<ul style="list-style-type: none"> <li>• Matters regarding health promotion and disease prevention</li> <li>• Matters regarding management of hazardous and dangerous work environments</li> </ul>
	Office workers	At least 3 hours per quarter	<ul style="list-style-type: none"> <li>• Matters regarding occupational Safety and Health Act and general management</li> </ul>
Training upon hiring	New hires	At least 8 hours (Daily workers: at least 1 hour)	<ul style="list-style-type: none"> <li>• Matters regarding risks of machinery and equipment, work procedures, and work routes</li> <li>• Matters regarding pre-work inspections</li> <li>• Matters regarding organization and cleaning</li> <li>• Matters regarding emergency measures in the event of an accident</li> </ul>
Training when job description changes	Those changing jobs	At least 2 hours (Daily workers: at least 1 hour)	<ul style="list-style-type: none"> <li>• Matters regarding occupational health and occupational disease prevention</li> <li>• Matters regarding material safety data sheets</li> <li>• Matters regarding occupational Safety and Health Act and general management</li> </ul>
Special training	Those doing Hazardous or Dangerous Works	At least 16 hours (Daily workers: at least 2 hours)	<ul style="list-style-type: none"> <li>• Task-specific training content specified in "D. Special Safety and Health Training Contents by Task" in Appendix 8-2 of the Enforcement Decree of the Occupational Safety and Health Act</li> </ul>

### Safety and Health Training for Subcontractors Working in-House

KAON Group has established safety management guidelines and safety management procedures for subcontractors (partners) to ensure industrial safety and prevent accidents. To this end, the group has established a safety and health council and appointed a subcontractor representative as the responsible person. Meetings are held at least once a month to discuss safety and health-related matters and current issues. Furthermore, KAON Group conducts on-site inspections at least once every two days to identify and address non-conformities. The contractor (KAON Group) directly provides guidance and support for statutory safety and health training.

## Supply Chain ESG

### Sustainable Procurement Policy

KAON Group has established a sustainable procurement policy that includes guidelines and standards in the sustainable supply chain ESG operating system to practice sustainable supply chain management, and encourages all workplaces, employees, partners, and suppliers to comply with the policy throughout the entire business process. In addition, a "purchase team" was designated as the department in charge of the policy to carry out work related to policy implementation such as policy review and operation, monitoring, and reporting.

### Sustainable Procurement System

KAON Group has established purchasing management regulations, partner management regulations, and purchasing norms to support the growth of partners based on transparent and sound transactions and create a sustainable ESG supply chain ecosystem to encourage partners to participate in ESG management. In addition, it requires all partners contracting with the company to prepare and comply with the supply chain Code of Conduct when concluding a purchase contract. In addition, it has been conducting risk assessments of major partners to build a sustainable and stable supply chain system.

### Supply Chain ESG Management Guidelines

<b>Purchasing Management Regulations</b>	Guidelines that stipulate work procedures so that purchasing work can be operated efficiently, and specify purchasing risk analysis and management (including ESG risks) and criteria for partner qualification
<b>Partner Management Regulations</b>	Guidelines for securing stable and excellent suppliers, conducting smooth purchasing activities, and improving and maintaining the quality of purchased products by clarifying the management procedures and standards for suppliers doing business with KAON Group

<b>Purchasing Norms</b>	Purchasing norms that can be used as a criterion for decision-making and action in purchasing and related activities by all employees and suppliers of KAON Group
<b>Supplier Code of Conduct</b>	KAON Group continuously manages suppliers who have business relationships with it to participate in our ethical management by making the Supplier Code of Conduct mandatory for all suppliers at the initial contract stage

### Purchasing Norms

KAON Group performs purchasing and related work based on the spirit of win-win supply and the principle of good faith and trust, and complies with the Monopoly Regulation and Fair-Trade Act, the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises, the Fair Transactions in Subcontracting Act, etc. It has established purchasing norms related to the supply chain to support and faithfully implements internationally accepted laws and international agreements such as the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the 10 Principles of the UN Global Compact, and the UN Guiding Principles on Business & Human Rights and use them as criteria for decision making and action in purchasing and related activities.

<b>Basic Principles</b>	<ul style="list-style-type: none"> <li>• Provide equal opportunities to suppliers</li> <li>• Ethical and transparent handling of matters</li> <li>• Pursue mutual benefit and common development</li> </ul>
<b>Practice Guide</b>	<ul style="list-style-type: none"> <li>• Do not accept bribes, hospital treatment or entertainment</li> <li>• Do not leak information</li> <li>• Do not engage in conflicts of interest</li> <li>• Do not engage in solicitation</li> </ul>

### Supplier Code of Conduct (CSR Code of Conduct)

KAON Group has added a Supplier Code of Conduct to the purchase agreement to present ethical, social, and environmental standards to all suppliers doing business with it, thereby establishing an incorrupt and transparent supply chain system. In addition, if a violation of the Supplier Code of Conduct by a supplier occurs, KAON Group can terminate or limit its business relationship with the supplier. The main contents included in the Code of Conduct are ① Compliance with laws and regulations ② Principles of respect for human rights (child labor and youth, forced labor and freedom of movement, right to organize (freedom of association), discrimination and harassment, working hours and compensation/standards of satisfactory living) ③ Occupational health and safety ④ Security ⑤ Environment (resource efficiency, carbon management, pollution and emission reduction, recyclable materials and recycling rates, water resources) ⑥ Business integrity and ethics (bribery and corruption, conflicts of interest, gifts, entertainment, entertainment and hospitality, international trade compliance, fair competition,

digital ethics) ⑦ Confidentiality ⑧ Grievance procedures and transparency ⑨ Non-retaliation ⑩ Implementation and education ⑪ Consequences of violations ⑫ Reporting and contacting violations.

## Sustainable Procurement Management

KAON Group has established management governance for sustainable supply chain management in the supplier management regulations and established procedures ranging from supplier selection to contracts. Based on this, KAON Group has established three-year goals for sustainable procurement management to improve and maintain the quality of purchased products and support the growth of partners with transparent and fair transactions. Through this, KAON Group is striving to create a sustainable ESG supply chain ecosystem.

### Sustainable Supply Chain Management Governance and Roles

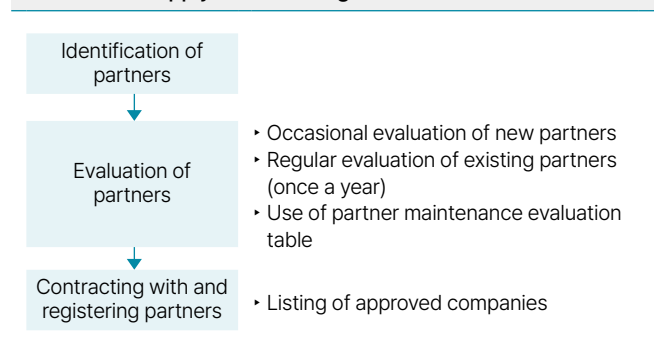
Head of Purchasing Department	<ul style="list-style-type: none"> <li>• Selection and registration of new material suppliers</li> <li>• Survey of registered companies and registration of approved companies</li> <li>• Management of registered and approved companies</li> </ul>
Head (Team leader) of Laboratory	<ul style="list-style-type: none"> <li>• Cooperation in supplier fact-finding survey and supplier evaluation</li> <li>• Development and registration application of new material suppliers</li> <li>• Material development, review and approval of new material suppliers</li> </ul>
Head of Quality Department	<ul style="list-style-type: none"> <li>• Cooperation in supplier fact-finding survey and supplier evaluation</li> <li>• Guidance on quality/environmental management system and quality/environmental management of newly registered companies</li> <li>• Due diligence of high-risk parts suppliers in the environmental/ethical/social management sectors</li> </ul>
Head of Manufacturing Technology Department	<ul style="list-style-type: none"> <li>• Cooperation in supplier fact-finding survey and supplier evaluation</li> </ul>

\* Partner: A company that supplies raw materials, auxiliary materials, and assemblies necessary for production of products

\* Registered (approved) company: A company that has completed the prescribed evaluation procedure and received approval from the head of the purchasing department

\* High Risk parts company in the environmental/ethical/social management sector: A company that supplies parts with high risk in the environmental or harmful substance management sector

### Sustainable Supply Chain Management Process



## Sustainable Procurement Plan and Performance

KAON Group has established and is implementing a three-year implementation plan to achieve sustainable procurement management. This plan focuses on improving procurement processes, expanding the purchase of sustainable products and services, and strengthening supply chain management, and clearly sets project-specific strategies, performance indicators (KPIs), formulas, and annual goals. With this plan, the company will systematically establish the foundation for sustainable procurement and will gradually review and refine its mid- to long-term roadmap.

Promotion Strategy	Performance Indicator	Indicator Formula	Unit	2022 Performance	2023 Performance	2024 Performance
Mandating Sustainable Procurement Management	Suppliers Signing the Supplier Code of Conduct	Number of Companies Implementing / Number of Target Companies	Number of Companies (%)	16 / 87 (18.3)	45 / 88 (51)	48 / 90 (53)
	Percentage of Suppliers with Contracts Including Environmental, Labor, and Human Rights Clauses	Number of Companies Implementing / Number of Target Companies		3 / 3 (100)	3 / 3 (100)	4 / 4 (100)
Promoting a Culture of Sustainable Procurement Management	KAON Verification Assessment and Self-Assessment	Number of Companies Implementing / Number of Target Companies		16 / 87 (18.3)	45 / 88 (51)	48 / 90 (53)
	KAON CSR Code of Conduct Training	Number of Companies Implementing (external)/ Number of Target Companies		20 / 87 (23)	45 / 88 (51)	48 / 90 (53)
	Suppliers Guided by KAON CSR	Number of Companies Implementing / Number of Target Companies		87 / 87 (100)	88 / 88 (100)	90 / 90 (100)

## Evaluation for Sustainable Procurement

KAON Group has established a partner evaluation system to secure a stable supply chain and manage risks and is conducting evaluations using major supply chain evaluation factors such as financial status, product stability, and ESG due diligence results for new and existing partners. In addition, KAON Group establishes and implements an evaluation plan for existing partners at the beginning of each year, and takes active measures based on the final results.

### Evaluation Categories

<b>New Partner Certification Evaluation</b>	<ul style="list-style-type: none"> <li>Document evaluation</li> <li>• Credit rating grade</li> <li>• Financial status</li> <li>• Technology and production status</li> </ul>	<ul style="list-style-type: none"> <li>Safety evaluation</li> <li>• Whether Additives are stable</li> </ul>	<ul style="list-style-type: none"> <li>Quality evaluation</li> <li>• Physical and chemical evaluation</li> <li>• Workability evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Due diligence evaluation</li> <li>• ESG linkage evaluation</li> <li>• Quality, production evaluation</li> </ul>
<b>Regular Comprehensive Evaluation of Existing Partners</b>	<b>Plan.</b> Determining evaluation method <ul style="list-style-type: none"> <li>• Forming evaluation group, confirming evaluation indicators and setting weights by group</li> </ul>	<b>Do.</b> Conducting implementation evaluation (including ESG) <ul style="list-style-type: none"> <li>• Conducting online evaluation, face-to-face/non-face-to-face due diligence</li> </ul>	<b>Check.</b> Analysis of evaluation results <ul style="list-style-type: none"> <li>• On-desk evaluation result report by partner and deriving improvement plans</li> </ul>	<b>Action.</b> Feedback on evaluation results <ul style="list-style-type: none"> <li>• Comprehensive improvement opinions and feedback on partner Code of Conduct</li> </ul>
<b>Regular ESG Evaluation Management</b>	Third-party verification	Requesting improvement plans	Implementing on-site inspection	Reviewing improvement recommendations and monitoring, bidding restrictions, etc.

## Performance Processes by Mont

Step 1. Establish an Evaluation Plan		Step 2. Conduct Written Inspection and On-Site Due Diligence		Step 3. Analyze Evaluation Results	
Dec-Jan	Jan-Feb	Feb-Mar	Mar-May	May-Aug	Aug-Oct
① Establish an evaluation plan for the next year • Decide on an evaluation method (in-house/outsource) • Personnel, budget, cooperation, etc. ② Improve the partner company evaluation system • Optimize indicators, enhance standards • Introduce evaluation guidelines	③ Select partner companies for evaluation • Key partner companies • Consider sales/business importance	④ Briefing session for partner companies • Explain the purpose of partner company evaluation and future plans	⑤ Written inspection (on-desk) <ul style="list-style-type: none"> <li>• Online operation</li> <li>• Confirmation of evaluation responses and basis</li> </ul> ⑥ On-site inspection (on-site) <ul style="list-style-type: none"> <li>• Reconfirmation of written inspection results</li> <li>• Site tour and interview</li> </ul> ⑦ Results analysis <ul style="list-style-type: none"> <li>• Risk level analysis by area, including human rights, safety, environment, and ethics</li> </ul>	⑧ Recommend improvement of partner companies <ul style="list-style-type: none"> <li>• Inform the risk assessment results</li> <li>• Recommend improvement measures and improvement plan development for each partner company</li> </ul>	⑨ Report on Evaluation Results <ul style="list-style-type: none"> <li>• Present implications of evaluation results</li> <li>• Derive key improvement cases</li> </ul> ⑩ Establish evaluation plan for the following year <ul style="list-style-type: none"> <li>• Discuss evaluation efficiency measures and incorporation into procurement policies</li> </ul>

### Actions Based on Partner Evaluation

Type of Occurrence	Category of Evaluation	Notification to Partners	Actions Taken
When Quality Issues Occur	Three times or less per year/failure in receiving inspection	Notification to partners	<ul style="list-style-type: none"> <li>Order for improvement in writing or by phone</li> <li>Reflected in regular evaluation</li> </ul>
	Four times or less per year/failure in receiving inspection	The person in charge of purchasing manager should investigate the cause together with related departments and devise countermeasures together	<ul style="list-style-type: none"> <li>Re-evaluation of the partner</li> </ul>
	Five times or less per year/failure in receiving inspection	Notification of improvement order to partner	<ul style="list-style-type: none"> <li>In case of no improvement, change the partner</li> </ul>
When Delivery Issues Occur	Three times or less per year delay		<ul style="list-style-type: none"> <li>Order for improvement in person or by communication</li> <li>Reflected in regular evaluation</li> </ul>
	Four times per year delay		<ul style="list-style-type: none"> <li>Request for a written explanation for delayed delivery and receipt of improvement plan</li> </ul>
	Five times or more per year delay		<ul style="list-style-type: none"> <li>In case of no improvement, change the partner</li> </ul>
When Environmental/Ethical/Social Issues Occur	70 points or higher		<ul style="list-style-type: none"> <li>Notice of matters for improvement</li> </ul>
	Lower than 70 points		<ul style="list-style-type: none"> <li>After notifying matters for improvement and education, receive improvement plan</li> </ul>
	50 points or lower		<ul style="list-style-type: none"> <li>After taking the above measures, in case no improvement is made, change the partner</li> </ul>

### Partner CSR Risk Assessment

KAON Group conducts partner CSR risk assessments to prevent risks that may occur in the supply chain in advance. To this end, KAON Group requests improvement measures from partners based on risk identification and analysis and supports their improvement. In addition, KAON Group has divided the risks that may occur into management, society, ethics, and environment-related risks, set detailed areas by field, and asks partners to conduct self-diagnosis.

#### CSR Risk Assessment Elements

Management	Ethics
<ul style="list-style-type: none"> <li>Employee Compensation System</li> <li>Management Officer</li> <li>KPI Setting</li> <li>Information Disclosure</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Corruption Code of Conduct</li> <li>Anti-Price Fixing Regulations</li> <li>Gift and Bribery Guidelines</li> <li>Purchasing Manager Training</li> <li>Whistleblowing System</li> </ul>
Society	Environment
<ul style="list-style-type: none"> <li>Compliance with laws</li> <li>Fair Wage</li> <li>Anti-Discrimination</li> <li>Labor Law Violations</li> <li>Health and Safety Training</li> <li>Workplace Safety Assessments</li> <li>Safety and Health Department</li> <li>ISO Compliance</li> <li>Product Safety Testing</li> <li>Product Safety Certification</li> <li>Training</li> <li>Labor Union</li> </ul>	<ul style="list-style-type: none"> <li>Environmental data collection</li> <li>Establishment of environmental management system</li> <li>Dedicated environmental department</li> <li>ISO compliance</li> <li>Violation of environmental laws</li> <li>Environmental law disputes</li> <li>REACH compliance</li> <li>Scope 1&amp;2 management</li> <li>Quantitative goals</li> <li>Performance monitoring</li> </ul>

### Supplier Incentive System

To coexist with suppliers and build a sustainable supply chain ecosystem, KAON Group is implementing a supplier incentive system and provides incentives based on the evaluation results of suppliers using a supplier maintenance evaluation table. In addition, KAON Group is strengthening the competitiveness of the entire Group and fulfilling its social responsibility.

Key Assessment Items	
Profitability and stability	Technology development and development capability
Labor-management relations stability	Quality management
Production management capability	Work environment management
Environmental impact management capability	Ethical management
Partner management	Work environment

#### Incentive Criteria

Score	Rating	Transaction Reflection Guidelines
90-100 points	A	Active increase in order quantity and improvement in payment conditions
80-89 points	B	Continue transactions and guide and foster the partner
70-79 points	C	Request corrective actions and improvement
Below 69 points	D	Stop transactions



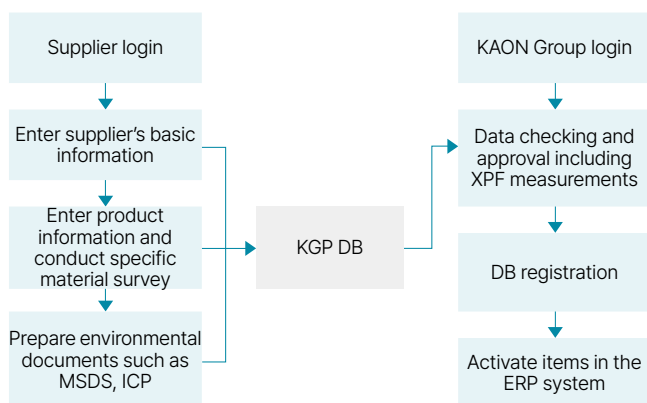
## Integrating Sustainable Procurement Goals into Purchaser Performance Reviews

KAON Group added the results of supplier CSR evaluations as an evaluation indicator (KPI) for individual performance evaluations during the first and second half year performance evaluations and multifaceted evaluations of the purchasing team in the purchasing business division to actively implement sustainable procurement.

Sustainable Procurement-Related Evaluation Indicators (Purchasing Team)	
Evaluation Indicator (KPI)	Supplier CSR Evaluation
Purpose	To evaluate the CSR performance of suppliers in order to establish sustainable procurement management
Calculation Formula	Education completion rate (30%) + CSR evaluation score (70%)
Evaluation Reflection Ratio	10%(total 100%)

## Supplier Evaluation Based on Environmental Response

KAON Group operates an environmental portal system (KAON Green Portal System – KGP system) for systematic management of environmental information and regulatory response. Partners register requirements of various environmental laws including RoHS and REACH based on supporting documents, and KAON Group ESG managers review and approve the submitted materials from partners. In addition, the purchasing team decides and proceeds with product orders based on the approved results.



## Education on the Partner Evaluation System

KAON Group first conducted education on the establishment of a sustainable procurement system and the partner evaluation system for internal purchasing employees and employees of external partners who perform purchasing work in January 2022 and has been conducting this regularly at least once a year. In

addition, KAON Group is pursuing the continuous growth of the supply chain ecosystem centered on KAON Group by improving the ethical level in the daily management processes.

### Training Attendees

Division	Unit	2022	2023	2024	Remarks
Internal	Person	9	10	10	purchasing business division
External		20	45	48	1 person per partner

# Local Community

## Domestic and International Social Contribution Activities

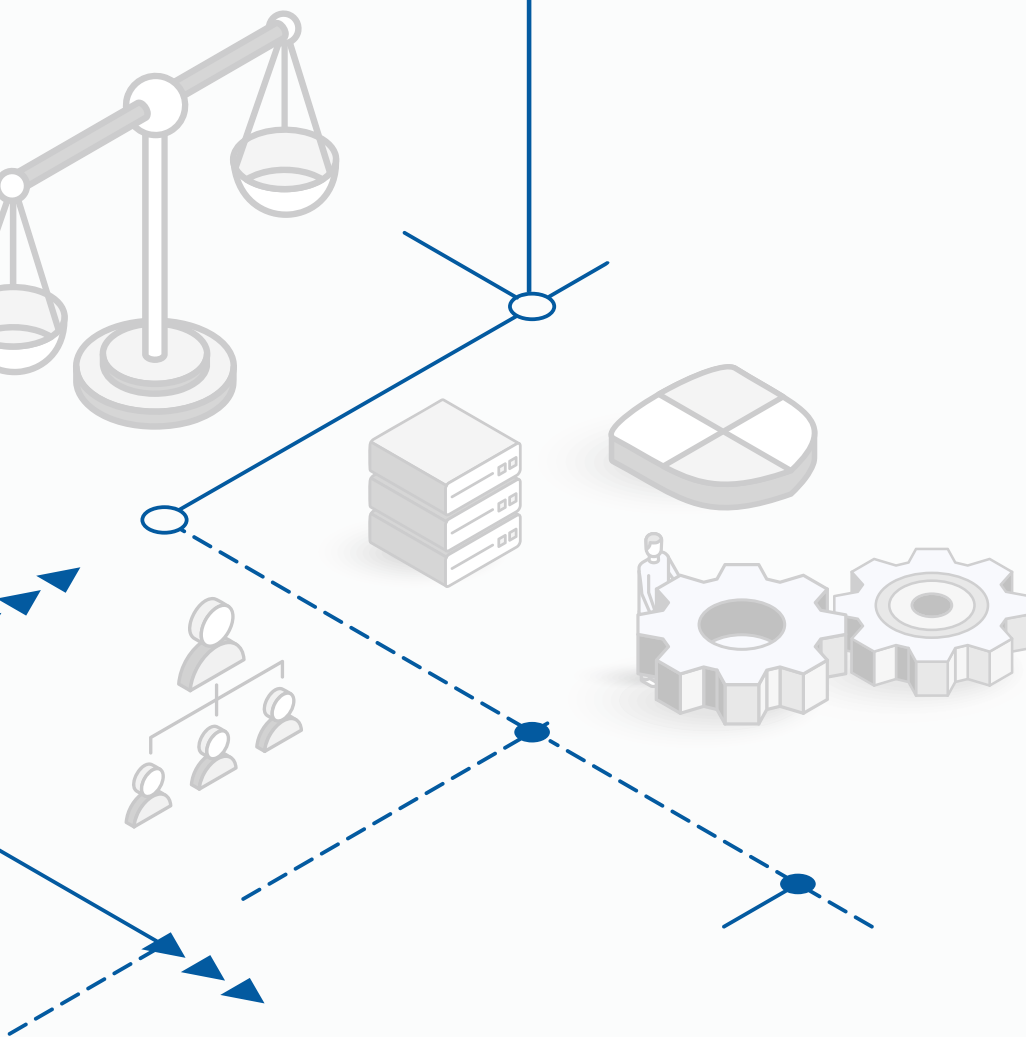
KAON Group is carrying out various social contribution activities to realize social value that grows together with the local community and is using donations based on the amount raised from all employees.

### 2024 Donation Usage Status

Category	Amount Collected	Donation	Usage Details
Jan.	KRW 6,750,000	Anna's House	Emergency Medication Support for the Homeless
Feb.	KRW 6,630,000		Meal expenses and packed lunch support for cafeterias
Mar.	KRW 6,525,000		Cafeteria kitchen, refrigerator, and flooring support
Apr.	KRW 6,420,000		Support for education expenses for children living in youth shelters/group homes
May.	KRW 6,465,000	Somang Rehabilitation Center	Support for daily necessities for the severely disabled (dryers, washing machines, etc.)
Jun.	KRW 6,495,000		Support for installation of voice-activated warning lights and emergency exit fire doors in living facilities for people with disabilities.
Jul.	KRW 6,450,000		Support for replacement of aging air conditioners in restaurants
Aug.	KRW 6,510,000		Chuseok program activity fees and snack support
Sep.	KRW 6,420,000	Seongnam City Hanmaeul Welfare Center	Purchase of touch monitors to increase the effectiveness of rehabilitation treatment for children with disabilities
Oct.	KRW 6,420,000		Purchase of wheelchair-bound body fat decomposition device
Nov.	KRW 6,450,000		Travel support for low-income families with disabilities
Dec.	KRW 6,495,000		Health management program activity expenses and self-reliance support for middle-aged and older adults with developmental disabilities

# Governance

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# Governance Structure

## KAON Group Board of Directors Structure

As of the end of March 2024, KAON Group's Board of Directors comprises three inside directors and one outside director. In accordance with Article 39 of the Articles of Incorporation, the CEO serves as the Chairman of the Board to efficiently convene and manage board meetings. The Board of Directors is responsible for resolving key matters specified in laws, regulations, and the Articles of Incorporation, supervising the execution of management duties, and assisting in making informed decisions on the company's major management issues.

### Independence and Transparency of the Board of Directors

Board directors are elected in the general shareholders' meeting, with candidates selected by the board and finalized as agenda items for submission to the shareholders' meeting. The chairman of the board, who also serves as the CEO, listens to and mediates the opinions of internal and external stakeholders. Additionally, transparency in decision making is ensured by restricting directors with potential conflicts of interest from exercising their voting rights.

### Auditing System

As of the end of December 2024, a separate audit committee has not been established. Instead, a standing auditor, appointed by resolution at the general shareholders' meeting, performs audit duties. The auditor attends board meetings to independently supervise the directors' activities and may request relevant departments to submit related books and documents concerning various business matters.

### Board of Directors Education

To enhance the competencies of board members, KAON Group conducts mandatory training programs, including disclosure officer education and industrial safety officer education. Additionally, the company plans to design and implement educational programs for the board to strengthen expertise in areas related to sustainability, such as global management, information security/compliance, ESG management, and risk management. These efforts aim to support board members in faithfully fulfilling their roles for the company's benefit and growth.

### Shareholder

KAON Group has adopted and implemented an electronic voting system and electronic proxy system to facilitate shareholders' exercise of voting rights at regular shareholder meetings, as resolved by the Board of Directors. Shareholders can exercise their voting rights via the electronic voting system from 10 days before the shareholders' meeting until the day before the meeting.

### Current Situation of the Composition of KAON Group's Board of Directors

As of the end of December 2024

Category	Name	Gender	Term	Major Career	Specialization	Remarks
Inside Director	Dong-Yeon Lim	M	March 25, 2022 - March 25, 2025	Current) CEO of KAON Group Former) Head of Management Support Division, KAON Media	Global Management, Finance/Accounting, Information Security/Compliance, Risk, ESG	Representative Director, CEO, Chairman of the Board
	Won-Yong Chung	M	March 26, 2023 - March 26, 2026	Current) Executive Director of KAON Group Former) Shinhan Bank	Finance/Accounting, Information Security/Compliance, Risk, Climate/ESG	Executive Director
	Dong-Bum Suh	M	March 25, 2022 - March 25, 2025	Current) Head of Sales, KAON Group Former) Head of R&D/New Business Team, Sony Electronics Korea Former) Head of Domestic Sales Team, KAON Media	Management, Broadcasting and Communications, Risk	Managing Director
Outside Director	Han-Geun Jeong	M	March 27, 2024 - March 27, 2027	Former) President of the Korea Communications Agency Former) Director, Spokesperson, Ministry of Science and ICT	Finance/Accounting, Risk, ESG	
Auditor	Min-Gu Kang	M	March 24, 2023 - March 24, 2026	Current) Honorary Advisor, Society for Internet Information Former) Research Center, Samsung Electronics Co., Ltd.	Management, Finance/Accounting, Audit, Risk	

## KAON Group Board of Directors Operation Status

As of the end of December 2024

Category	Unit	Current State	Remarks
Number of Meetings Held	Times	31	
Total Number of Agenda Items Resolved	Items	31	
No. of Agenda Items Related to Sustainability	Items	1	Establishment of the 2024 ESG management plan (Draft)
Attendance Rate	%	98	

## KAON Group Shareholder Status

As of the end of December 2024

Category	Number of Shares Owned (Shares)	Share Ratio (%)
Dong-Yeon Lim and 3 Others	2,652,222	15.07
Treasury Shares	1,342,145	7.63
Other	13,601,410	77.30
Total	17,595,777	100.00

## KAON Broadband Board of Directors Structure

As of the end of March 2024, KAON Broadband's Board of Directors comprises three inside directors and two outside directors. The board's composition adheres to the principle of diversity to avoid representing specific interests or biases. The chairman of the board, who also serves as CEO, possesses deep knowledge of internal affairs and a strong understanding of the organization.

## Current Composition of KAON Broadband's Board of Directors

As of the end of December 2024

Category	Name	Gender	Term	Major Career	Specialization	Remarks
Inside Director	Dae-Seok Jeon	M	July 3, 2023 - July 3, 2026	Current) CEO of KAON Broadband Former) Senior Researcher, Sambo Computer Co., Ltd.	Global Management, Finance/Accounting, Information Security/Compliance, Risk, ESG	Chairman of the Board
	Yong-Hyuk Lim	M	July 3, 2023 - July 3, 2026	Current) Head of Management Support Headquarters, KAON Broadband Former) Korean Airlines Co., Ltd.	Finance/Accounting, Information Security/Compliance, Risk, Climate/ESG	
	Young-Ho Kang	M	August 18, 2024 - August 18, 2027	Current) Head of Sales Division 1, KAON Broadband Former) ID Tech Co., Ltd.	Management, Network, Risk	
Outside Director	Tae-Cheol Jeong	M	September 27, 2024 - September 27, 2027	Currently) Outside Director, KAON Broadband Formerly) President, Incheon Airport Operation Service Co., Ltd. Formerly) Advisor, SK Broadband Co., Ltd.	Finance/Accounting, Risk, ESG	
	Nam-Seok On	M	August 18, 2024 - August 18, 2027	Currently) Outside Director, KAON Broadband Former) Expert Member, KT Former) KT Device Business Division, Device Development Manager	Governance, Compliance, Risk	
Auditor	Jong-Hoon Nam	M	January 30, 2023 - January 30, 2026	Currently) Auditor at KAON Broadband Formerly) Judge at Suwon District Court	Management, Finance/Accounting, Auditing, Risk	

## KAON Broadband Shareholder Status

As of the end of December 2024

Category	Number of Shares (%) Owned (Shares)	Share Ratio (%)
KAON Group	8,000,000	97.71
Mirae Asset Securities	187,500	2.29
Total	8,187,500	100.00

# Ethical Management

## Ethical Management Policy

In order to practice sustainable ethical management, KAON Group has established an anti-corruption policy that includes guidelines and norms within the ethical management system and encourages all workplaces, employees, partners, and suppliers to comply with the policy throughout their entire business process. In addition, KAON Group designated the Planning Team as the department in charge of the policy to carry out tasks related to policy implementation, such as policy review and operation, monitoring, and reporting.

## Ethical Management System

Norms	Guidelines for Ethical Behavior, Code of Ethics, Ethics Charter		
Performance System	Anti-Bribery Management System (ABMS)	Internal Business Audit Guidelines	Fair Trade Voluntary Compliance Program Guidelines (CP)
Purpose	Established an anti-corruption management system to achieve anti-corruption performance and secure stakeholder trust.	Established guidelines for internal auditing practices to ensure the regularization of auditing in the organization and the prevention of ethical management-related issues.	Established standards for compliance with fair trade laws and employee conduct with the operation of a fair-trade voluntary compliance program.
Implementing Organization	Board of Directors, CEO, Anti-bribery Compliance Officer, Anti-Corruption Compliance Manager, Head of each department	CEO, Internal Auditor	CEO, Voluntary Compliance Council, Voluntary Compliance Manager
Major Roles	<p>[Head of Each Department]</p> <ul style="list-style-type: none"> <li>Corruption risk assessment, goal and performance management, etc.</li> </ul> <p>[Anti-Bribery Compliance Officer and Manager]</p> <ul style="list-style-type: none"> <li>Identify issues in the organization and situation and set their importance, establish, implement, maintain and improve ABMS, establish anti-corruption policy and risk assessment, etc.</li> </ul> <p>[CEO]</p> <ul style="list-style-type: none"> <li>Approve risk assessment results and improve activities, etc.</li> </ul> <p>[Board of Directors]</p> <ul style="list-style-type: none"> <li>Review anti-corruption policy and system(once a year),etc.</li> </ul>	<p>[Internal Auditor]</p> <ul style="list-style-type: none"> <li>Check basic preparations before business audit</li> <li>Implement internal business audit and report the results               <ul style="list-style-type: none"> <li>① Period: Once a year</li> <li>② Target: Entire organization</li> <li>③ Method: Use checklist by business function</li> <li>④ Report: Write results report after audit</li> </ul> </li> <li>Take corrective action based on audit results</li> </ul>	<p>[Voluntary Compliance Manager and Council]</p> <ul style="list-style-type: none"> <li>Establish and implement CP operation plan (once a year)</li> <li>Produce and distribute the Voluntary Compliance Manual</li> <li>Revise and improve the Voluntary Compliance Manual</li> <li>Monitor violations and conduct performance evaluations</li> </ul>
Goals	<p>[Corruption]</p> <ul style="list-style-type: none"> <li>Prevention of bribery: Conduct corruption risk assessment for all departments by 2030 (continuous)</li> </ul> <p>[Conflict of Interest]</p> <ul style="list-style-type: none"> <li>Avoidance of conflict of interest: 100% implementation of employee education on conflict of interest by 2030 (continuous)</li> </ul> <p>[Fraud]</p> <ul style="list-style-type: none"> <li>Transparent behavior and rejection of illegal acts: 100% implementation of employee education on the topic of fraud (continuous)</li> </ul> <p>[Money Laundering]</p> <ul style="list-style-type: none"> <li>No participation in money laundering: 100% implementation of employee education on money laundering by 2030 (continuous)</li> </ul>	<p>[Internal Audit]</p> <ul style="list-style-type: none"> <li>Substantialization of ethical management: Conduct internal audit (ethics) risk assessments for all departments by 2030 (continuous)</li> </ul>	<p>[Fair Trade (Anti-Competitive Acts)]</p> <ul style="list-style-type: none"> <li>Pursuing fair competition: 100% implementation of employee education on the topic of preventing anti-competitive acts (pursuing fair trade) by 2030 (continuous)</li> </ul>
Disciplinary Punishment and Rewards	<ul style="list-style-type: none"> <li>Disciplinary punishment according to employment rules and personnel regulations</li> </ul>	<ul style="list-style-type: none"> <li>Hold disciplinary committee based on audit reporting</li> </ul>	<ul style="list-style-type: none"> <li>Disciplinary punishment according to the employment rules and personnel regulations</li> <li>Recommend rewards for departments with exemplary performance</li> </ul>
Other	<ul style="list-style-type: none"> <li>Reflect improvement matters according to risk assessment</li> </ul>		<ul style="list-style-type: none"> <li>Operate a CP education program</li> <li>Operate a counseling center</li> </ul>

## Ethical Conduct Guidelines

As a socially responsible company, KAON Group has established ethical conduct guidelines that serve as standards for executives and employees in their actions and judgments in all management activities, and ensures that all executives and employees are well-acquainted with them. With these guidelines, KAON Group strives for fair management performance throughout the entire company.

### Ethical Conduct Guidelines (11 Articles)

- ① Prohibition of acts of requesting, receiving, or providing financial benefits to stakeholders
- ② Prohibition of illegal solicitation
- ③ Prohibition of unfair equity investment in partners
- ④ Manipulation of documents and coefficients, false reporting
- ⑤ Illegal and unfair use of company assets
- ⑥ Formation of an organizational culture of mutual trust and respect
- ⑦ Protection of company information and document management
- ⑧ Pursuit of fair competition
- ⑨ Implementation and education
- ⑩ Rewards and disciplinary punishment
- ⑪ Reporting of violations

## Conducting Internal Business Audits

KAON Group appoints internal business auditors in accordance with the internal business audit guidelines, conducts regular internal audits of all divisions and departments once a year, and prepares an internal audit report on the results. In addition, in cases where matters for disciplinary punishment arise as a result of the audit, the internal auditor attends the disciplinary committee to expresses opinions on the level of disciplinary punishment. Major items subject to audit include compliance with the Code of Ethics implementation guidelines, protection of employee human rights such as unreasonable discrimination, prevention of corruption and bribery, transparency and fairness in concluding contracts with suppliers, and customer health and safety policy measures. Internal auditors perform audits using the Standard Checklist by Business Function for Internal Business Audit, which includes major items subject to audit.

In June 2024, KAON Group had three internal auditors, including the head of the Management Support Division conduct an internal audit of all divisions and departments, and zero violations were identified.

## Sensitive Transaction Procedure Guide

KAON Group has established and is implementing internal procedures for sensitive transactions to minimize negative impacts and ensure transparency and fairness when trading important

information or assets within the company.

Category	Deficiency
Basic Principles	<ul style="list-style-type: none"><li>① Transactions must be conducted in accordance with the KAON Group Ethical Conduct Guidelines</li><li>② Transactions must be reported to and approved by the company before conducting</li><li>③ Transactions other than those reported are prohibited</li></ul>
Types of Sensitive Transactions	Gifts, entertainment and hospital treatment, provision of money or valuables, condolence money
Before transaction	<ul style="list-style-type: none"><li>① Write and check the sensitive transaction checklist</li><li>② Check whether the relevant local laws apply</li><li>③ Check the cost budget scope and whether special approval is required<ul style="list-style-type: none"><li>&gt; Conduct pre-reporting of sensitive transactions</li></ul></li></ul>
Sensitive Transaction Business Procedures	<ul style="list-style-type: none"><li>① Check whether transactions exceeded the limit and were refunded</li><li>② Check whether donations to religious organizations, etc. are possible<ul style="list-style-type: none"><li>&gt; Conduct post-reporting of sensitive transactions</li></ul></li><li>③ Check special reasons for sensitive transactions other than the reported matters<ul style="list-style-type: none"><li>* If a reason occurs, obtain the CEO's approval and conduct post-reporting of sensitive transactions</li><li>* When necessary, decide on procedures such as writing a written apology and referring to the disciplinary committee</li></ul></li></ul>
After transaction	

## Code of Ethics and Ethics Charter

KAON Group has established a Code of Ethics and an Ethics Charter, which are the standards for proper behavior and value judgment, and is actively practicing them throughout the company. Based on them, it is continuously striving to fulfill its role as a corporate citizen.

[Code of Ethics](#) 

[Ethics Charter](#) 

## Ethical Management Performance Management

KAON Group has established and is implementing a three-year (2022-2024) plan for sustainable ethical management and will review the establishment of a mid- to long-term plan based on the results of the three-year implementation. To carry out the foregoing, KAON Group has established a promotion strategy, performance indicators, indicator calculation formula, and quantified goals by year.

Promotion Strategy	Performance Indicator	Indicator Calculation formula	Unit	2022 (Target/Performance)	2023 (Target/Performance)	2024 (Target/Performance)
Ethical Management Actualizing	Percentage of Code of Ethics violations (corruption, etc.) handled			100 (0 / 0)	100 (0 / 0)	100 (0 / 0)
	Percentage of unfair trade practice legal actions	Number of cases handled / Number of cases received	%	100 (0 / 0)	100 (0 / 0)	100 (0 / 0)
	Percentage of sanctions for other legal violations			100 (0 / 0)	100 (0 / 0)	100 (0 / 0)
Ethical Culture Substantialization	Percentage of ethical management (anti-corruption) training	Total number of times / 4 times (once per quarter)	%	100 (4 / 4)	100 (4 / 4)	100 (4 / 4)
	Percentage of employees participating in ethical management training	Those who completed / training target employees		At least 95 / 93	At least 95 / 100	At least 95 / 100
Ethical Management Operational Performance Improvement	Conduct anti-corruption and ethics audit reporting	Internal audit report reporting (once a year)	times	1 / 1	1 / 1	1 / 1
	Audit observation fulfillment rate	Number of cases of compliance with the notices / no. of notices	%	100 (0 / 0)	100 (0 / 0)	100 (0 / 0)
	Monitoring of ethical management performance	Self-integrity survey results (internal survey)	point	At least 8 (out of 10)	At least 8.5 (out of 10)	At least 8.5 (out of 10)

## Anti-Corruption Risk Assessment

KAON Group has established a process for identifying, analyzing, and evaluating corruption risks that may arise between the company and stakeholders in all business operations and establishes and applies plans to address the corruption risk factors identified and strengthen the anti-corruption management system.

### Anti-Corruption Risk Assessment Work Procedure

① Preparation for risk assessment	Preparation for assessment period, scope, and items
② Corruption risk identification	Identify risks by major business activities using the Corruption Risk Identification Assessment Table*
③ Corruption risk analysis	Analysis of the possibility of corruption risk occurrence and the impact of the results
④ Corruption risk assessments	Assessments based on the possibility of occurrence and the impact of the results
⑤ Corruption risk handling	Select management targets based on the assessment results, review the appropriateness of management methods, and establish a handling plan
⑥ Review and reporting of the validity of the assessment results	Perform continuous improvement measures through the assessment report, including handling methods, improvement measures, and goals

\* Components of the Corruption Risk Identification Assessment Table: ① Risk identification (risk type, risk definition, provision type, risk level) ② Department name, person in charge, related work, presence of business associates ③ Control measures (control means, monitoring (suitability, effectiveness, residual risk), assessment results)

### Results of the 2024 Corruption Risk Assessment

- Corruption Risk Assessment: Implemented 100% in KAON Group and 100% in KAON Broadband
- No significant violations were identified
- However, unclear procedures that had become routine in some areas of practice were identified, and improvements are recommended to concretize standards, responsibilities, and recordkeeping requirements
- Regular training, ongoing monitoring, and pre-screening procedures are being implemented to increase employee ethical awareness and continuously raise anti-corruption management levels.

## Ethics Education

### Conducting Ethics Education for All Employees

KAON Group conducts ethics-related training for all employees, including sexual harassment prevention, disability awareness, and workplace bullying prevention, in online sessions regularly every year, and encourages employees to complete the training with active notification of the implementation of the training.

### Conducting Education for New Employees

KAON Group conducts collective training for new employees once a month. The training largely consists of two courses: ① an introduction to the company and education on internal processes, and ② ethics training on human rights, ethics, and forced labor. To conduct the relevant ethics training, KAON Group produces and distributes ethical educational materials to new employees to actively inspire their ethical consciousness on issues such as corruption, child and forced labor (including human trafficking), and unfair competition.

## Cyber Shinmungo

KAON Group enforces an ethics-related reporting policy for stakeholders and accepts reports of ethics violations cases through dedicated internal and external reporting channels, including phone, email, and the Cyber Shinmungo. When incidents involving undue pressure, solicitations, entertainment, bribery, discrimination, harassment, sexual harassment, child labor, or forced labor related to employees' duties are confirmed, the company follows internal procedures to implement measures such as counseling, investigation, fact-checking, and actions based on the victim's requests. Furthermore, KAON Group has specified contents related to "whistleblower protection and support" in its internal policy and operates its reporting channels in line with whistleblower protection principles, including ensuring anonymity and prohibiting unfair treatment or retaliation.

### Cyber Shinmungo Operation Status in 2024

Category	Number of Reports Received (Cases)
KAON Group	0
KAON Broadband	0

# Information Security

## Information Security Policy

KAON Group has established an information security policy, including an Information Security Management System, to protect information assets and encourages all workplaces, employees, partners, and suppliers to comply with it throughout their business processes. The IT Team was designated as the managing department responsible for reviewing, operating, monitoring, and reporting on the information security policy and continuously raising the level of information security.

## Information Security Management System

KAON Group is building a comprehensive information security management system that includes administrative, physical, and technical protection measures to protect the organization's information assets based on the Information Security Management System. The purpose is to comply with laws and regulations related to information protection, prevent and respond to information protection accidents, and continuously improve the level of information protection. The information security process is built and implemented based on ISO/IEC 27001, an international standard established by the International Organization for Standardization (ISO).

## Major Organizations and Roles

Composition	Major Roles
CEO or Management Representative	<ul style="list-style-type: none"> <li>Approval of the establishment and revision of information security policies</li> <li>Oversight of all matters related to information security</li> </ul>
Information Security Officer	<ul style="list-style-type: none"> <li>Overall command and supervision of information security operations and organization</li> <li>Establishment and execution of the annual information security plan</li> <li>Development of internal control systems to prevent misuse and abuse of information leaks</li> </ul>
Information Security Committee	<ul style="list-style-type: none"> <li>Supervises and manages implementation plans for all security tasks within the ISMS, including information assets, access control, and operational management</li> <li>Review encryption of critical information and security server suitability</li> </ul>
Information Security Manager	<ul style="list-style-type: none"> <li>Establish and implement a plan for implementing ISMS security tasks, including methods and procedures for information assets, access control, and operational management</li> <li>Security incident monitoring, response, and recovery</li> </ul>
Information Security Audit Team	<ul style="list-style-type: none"> <li>Form an information security audit team and develop an implementation plan</li> <li>Perform information security audits and report results</li> </ul>

## Information Security Process

To successfully establish and implement ISMS, KAON Group adopted the PDCA structure and manages it with the life cycle.

Composition	Main Contents
(Plan) Establishment and implementation of ISMS	Establish and implement policies, objectives, and processes for ISMS in connection with the overall business of the organization
(Do) Operation and management of ISMS	Operation and management of ISMS policies, management, process
(Check) Monitoring and analysis of ISMS	Review and verification of ISMS policies, objectives, and processes for related laws and regulations
(Act) Maintenance and improvement of ISMS	Implementation of corrective and preventive actions through internal audits and management reviews for continuous improvement of ISMS

## Major Goal

According to the major goal of responsibly managing confidential information of systems and data, the detailed goals are to maintain the implementation of information security risk assessments (once a year) for all departments by 2030 and to maintain zero cases of information security incidents reported each year by 2030.



## Information Security Implementation

### ISMS-Based Information Security Implementation Process

To execute ISMS-based information security, KAON Group has established operational regulations and implemented a system to achieve information security goals.

#### ISMS-Based Operation Process

##### Establishment of Information Security Goals and Achievement Plans: Major Goals (Confidentiality, Integrity, Availability, Authenticity, Non-Repudiation, Accountability)

Plan	<ul style="list-style-type: none"> <li>Information Security Risk Assessment (ISRA)</li> <li>Information Security Risk Treatment (ISRT)</li> </ul>
Support	<ul style="list-style-type: none"> <li>Human Support: Education, Awareness, etc.</li> <li>Material Support: Asset Identification and Classification</li> <li>Systematization, etc.</li> <li>Communication Process</li> <li>Documented Information Management</li> </ul>
Operation	<ul style="list-style-type: none"> <li>Operational Planning and Management</li> <li>Information Security Risk Assessment and Response</li> </ul>
Performance Evaluation	<ul style="list-style-type: none"> <li>Monitoring, measurement, analysis, and evaluation</li> <li>Internal audit</li> <li>Management review</li> </ul>
Improvement	<ul style="list-style-type: none"> <li>Identification of nonconformities and corrective action</li> <li>Implementation of continuous improvement</li> </ul>

#### [ Document Maintenance Criteria ]

Document Title	List
Storage Location	Intranet or internal shared folder
Document Manager	External related document registered owner's work roles and responsibilities
Record Protection and Control	Authority to save and change external related documents
Retention Period	3 years for records

### Annual Information Security Implementation Plan

KAON Group establishes an annual Information Security plan every year and faithfully implements it to continuously improve the organization's security posture.

### Major Implemented Contents

Category	Contents Implemented Occasionally	Contents Implemented Regularly Every Month
1st Quarter	<ul style="list-style-type: none"> <li>First quarter information security training</li> <li>First quarter information asset status update</li> </ul>	
2nd Quarter	<ul style="list-style-type: none"> <li>Breach incident simulation training</li> <li>Second quarter information security training</li> <li>Second quarter information asset status update</li> <li>First half-year information security audit</li> </ul>	
3rd Quarter	<ul style="list-style-type: none"> <li>Review compliance with legal requirements</li> <li>Emergency situation response training</li> <li>Third quarter information security training</li> <li>Third quarter information asset status update</li> </ul>	<ul style="list-style-type: none"> <li>Spam/malicious virus security audit</li> <li>Asset status update</li> <li>Log and access record review</li> <li>Cybersecurity diagnosis day</li> </ul>
4th Quarter	<ul style="list-style-type: none"> <li>Second half-year information security internal audit</li> <li>Fourth quarter information asset status update</li> <li>Fourth quarter information security training</li> <li>Establishment of annual information security plan for the following year</li> </ul>	

### Information Security Risk Assessment

KAON Group conducts information security risk assessments throughout the organization in compliance with ISO/IEC 27001, the international standard for Information Security Management Systems (ISMS). In addition, KAON Group actively takes improvement measures for information security risk factors discovered and continuously monitors the status of the measures.

#### Information Security Risk Assessment Implementation Process

**[Pre-evaluation]** Determine the scope of the evaluation, collect evidence, prepare forms (toolkit)

**[Assessment implementation]** Review control areas, define compliance level

**[Post-evaluation]** Record vulnerable areas, determine improvement plan (measure), establish reevaluation schedule

**[Life cycle review]** Establish ISMS review schedule

## Information Protection Activities

KAON Group deeply recognizes that information protection activities are important in many aspects, including personal information protection, corporate asset protection, national security, cybercrime prevention, and reliable service provision. Accordingly, KAON Group has established an information protection policy and is thoroughly

implementing it, thereby continuously carrying out various activities to safely protect its customers' valuable personal information.

### Information Security Due Diligence Program Operation

KAON Group operates various information security due diligence programs to thoroughly understand the security status in the company and improve vulnerabilities to further strengthen security.

Category	Content
Network Infrastructure Security	<ul style="list-style-type: none"> <li>Perform technical and management vulnerability checks on major servers and network equipment</li> <li>Maintain ISMS certification</li> </ul>
Data Security	<ul style="list-style-type: none"> <li>Monitor real-time information security status</li> <li>Block unauthorized access at the source by encrypting important data</li> <li>Access to servers and DB is controlled and logged only by pre-authorized persons through access control solutions</li> <li>Maintain ISMS certification</li> </ul>
Service Security	<ul style="list-style-type: none"> <li>Maintain a safe service environment by performing security vulnerability checks, mock hacking, and mock training for new and changed services</li> <li>Install and operate access control devices such as intrusion prevention systems and intrusion detection systems</li> </ul>

### Third-party Data Protection

KAON Group uses a computer room management checklist to regularly check server security, devices, temperature, and humidity every month to protect third-party data and maintain a stable environment in the computer room and makes sure that the person in charge takes immediate action when a problem occurs. KAON Group requires all employees who enter the data server room to create an access log (date, affiliation, reason, time, etc.) for third-party data protection and ultimately requires the computer room manager to confirm computer room entry.

### Customer Personal Information Protection

KAON Group provides guidance on the collection and use of personal information when online inquiries about product use are received. In addition, KAON Group has established a policy for proper personal information processing and shares it with stakeholders.

[Online Inquiry](#) [Personal Information Processing Policy](#)

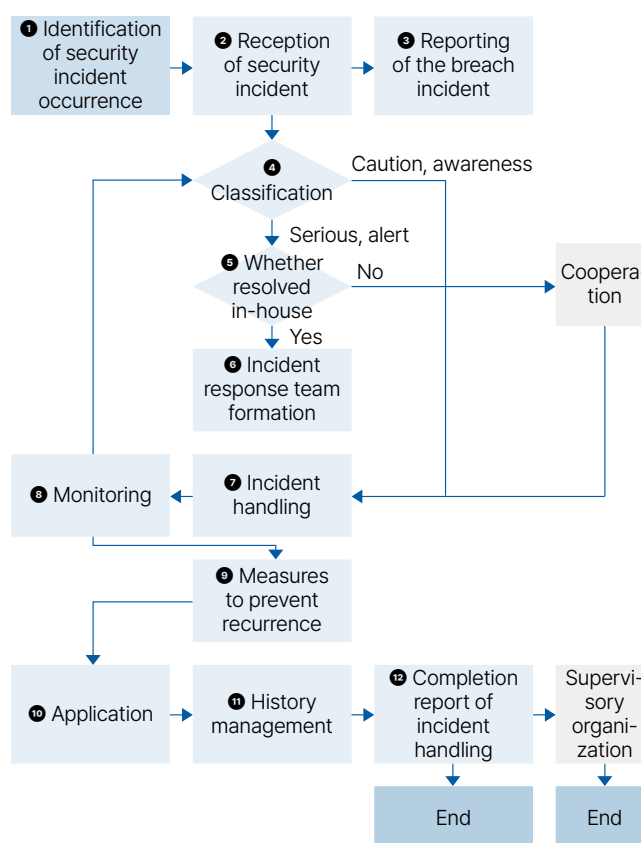
### Information Security Incident Management and Response

To establish a process for preventing security incidents and managing and responding to incidents within the Information Security Management System (ISMS), KAON Group has prepared guidelines for proper use to ensure stability by stipulating matters

related to response and recovery, minimizing damage, and preventing recurrence of various security incidents.

Information Security incident prevention measures include: ① Measures for unnecessary accounts or accounts without passwords ② Frequent system inspections using security diagnostic tools ③ Establishing an access control system to block unauthorized access ④ Obtaining data on the latest hacking methods and countermeasures to be prepared ⑤ Real-time identification through an intruder detection system ⑥ Distributing antivirus programs and posting virus information on bulletin boards ⑦ Vulnerability analysis and implementing protective measures for the results.

#### Information Security Incident Response Procedures



- 1) Immediately report security incidents upon occurrence
- 2) Classify and determine resolution methods based on the severity criteria of the level of security incident
- 3) Organize internal incident response \*Use external response agencies when necessary
- 4) Establish response strategies with approval from the Chief Information Security Officer \*External cooperation when litigation is necessary
- 5) Establish monitoring and recurrence prevention measures
- 6) Report the application and completion of incident handling
- 7) History management

## Information Security Education and Awareness Enhancement

### Conducting Personal Information Protection Act Education for All Employees

KAON Group regularly conducts information protection-related education on the Personal Information Protection Act online for all employees every year and encourages employees to complete the education with active guidance on the implementation of education.

### Conducting Education for New Employees

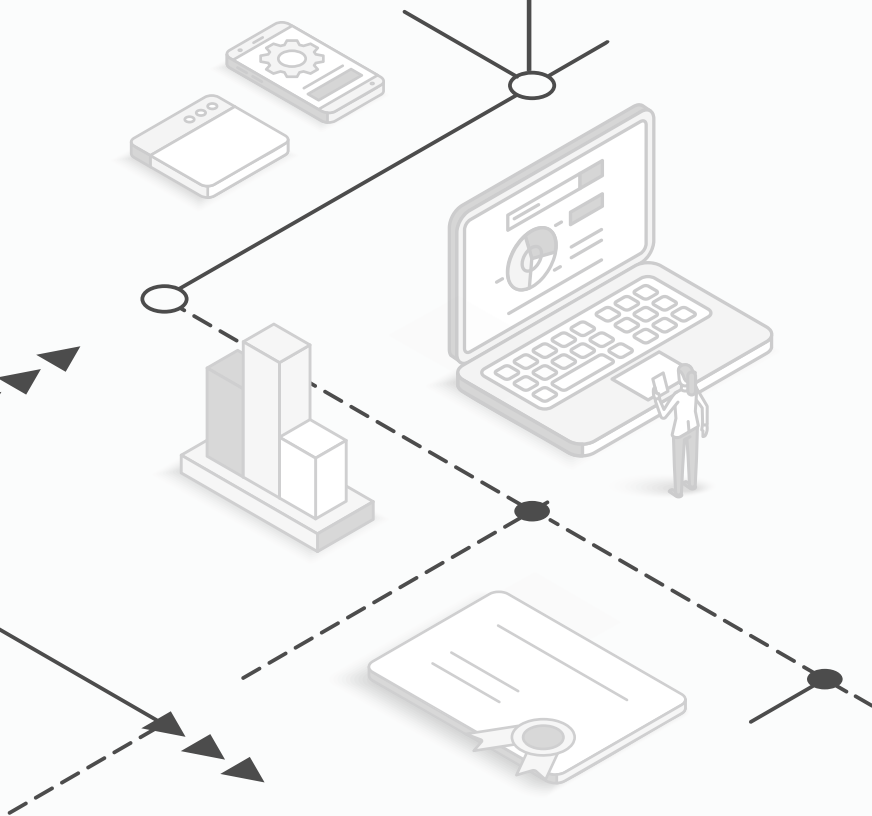
KAON Group operates group training once a month to help new employees quickly adapt to the organization and secure work capabilities. The training consists of a company understanding course that introduces the company's history, group culture, management philosophy, core values, personnel system, vision, and business areas, and a practical course that covers the processes, compliance, and ethics required for actual work. The practical course covers software usage precautions, key groupware functions, SAP usage, bulletin board operation standards, delegation of authority regulations, fund execution processes, settlement information, and expenditure resolution writing methods. Furthermore, STB and broadband product training is provided to improve business understanding, and information on business trip procedures, industrial safety and health, and other general affairs-related guidance is provided for a systematic understanding of essential requirements. To increase information security awareness, computer security training materials are distributed separately, and completion confirmation and understanding checks are conducted to ensure that the training content is accurate. We manage it so that it can be applied stably to this industry.

### KAON Information Security Campaign

To increase awareness of information security, KAON Group regularly conducts the "KAON Information Security Campaign," which includes the contents of six security rules, for all executives and employees and distributes the relevant materials throughout the company to encourage the active compliance of employees. The six security rules are: ① Security Document Organization Day ② Using genuine software ③ Do not click on suspicious messages or links ④ Change passwords regularly ⑤ Run real-time antivirus monitoring ⑥ Tidy up your desk after work.

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# ESG Data

## Economy

### Summary Consolidated

#### Statement of Financial Position

Category	Indicator	Unit	KAON Group (Consolidated)			KAON Group (Separate)			KAON Broadband (Separate) <sup>1)</sup>		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Assets	Current Assets	Million KRW	384,533	428,042	373,047	175,886	198,387	192,052	178,003	195,808	153,025
	Non-Current Assets		47,600	60,165	75,519	89,586	96,044	106,705	7,720	12,586	19,734
	Total Assets		432,133	488,207	448,566	265,473	294,432	298,757	185,723	208,395	172,759
Liabilities	Current Liabilities	Million KRW	213,243	269,716	310,361	82,375	106,158	145,064	100,856	131,212	138,515
	Non-Current Liabilities		30,812	46,204	23,308	30,712	30,599	13,038	169	10,230	10,173
	Total Liabilities		244,055	315,920	333,668	113,087	136,758	158,102	101,024	141,443	148,687
Equity	Paid-In Capital	Million KRW	69,553	71,200	72,983	69,553	71,199	72,983	54,385	54,385	54,385
	Other Capital Components		-4,703	-1,741	-4,198	-5,564	-1,783	-5,835	-	-	-
	Retained Earnings		125,035	105,834	51,073	88,396	88,231	73,507	30,314	12,567	-30,314
	Non-Controlling interest		-1,808	-3,006	-4,961	0	0	0	0	0	0
	Total Equity		188,077	172,287	114,898	152,385	157,647	140,655	84,699	66,952	24,071

1) The financial figures have been corrected based on KAON Broadband (separate) figures due to an error.

### Summary Consolidated Statement of Comprehensive Income

Category	Unit	KAON Group (Consolidated)			KAON Group (Separate)			KAON Broadband (Separate)		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Sales	Million KRW	611,235	536,375	489,342	370,764	329,413	289,042	234,933	192,765	180,752
Cost of Sales		518,913	471,988	443,173	316,301	281,783	244,874	196,948	178,505	189,784
Gross Profit		92,322	64,386	46,169	54,463	47,630	44,168	37,985	14,260	-9,032
Selling and Administrative Expenses		77,967	83,245	88,059	50,318	47,491	54,651	21,757	27,788	26,391
Operating Profit		14,355	-18,858	-41,890	4,145	138	-10,483	16,228	-13,528	-35,423
Finance Income		46,641	24,045	29,087	21,098	12,620	16,499	18,029	8,928	10,589
Finance Expenses		44,637	30,537	47,520	22,490	12,970	21,301	17,841	16,202	20,504
Other Income		5,017	5,045	4,169	456	2,952	977	413	89	127
Other Expenses		5,492	1,793	6,069	3,661	1,367	3,879	250	495	163
Profit (Loss) Before Income Tax		15,884	-22,098	-62,222	-452	1,373	-18,187	16,578	-21,209	-45,374
Income Tax Expense		4,855	-3,468	-6,141	1,103	-240	-4,096	2,906	-3,462	-2,493
Net Income (Loss)		11,029	-18,630	-56,082	-1,556	1,614	-14,091	13,673	-17,747	-42,881
Other Comprehensive Income (loss)		-1,276	4,515	-922	-12	5,350	-2,543	-	-	-
Total Comprehensive Income(loss)		9,753	-14,115	-57,004	-1,568	6,965	-16,634	13,673	-17,747	-42,881

## Environment

### Greenhouse Gas Emissions<sup>1)</sup>

Category	Indicator	Unit	KAON Group (Consolidated)			KAON Group (Separate)			KAON Broadband (Separate)		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Scope 1 Emissions			49	86	105	39	66	69	8	15	15
Scope 2 Emissions		tCO <sub>2</sub> eq	823	816	886	629	628	679	147	146	158
Scope 3 Emissions <sup>2)</sup>			669,374	742,716	666,290	247,750	239,615	209,323	293,089	314,496	397,473
Scope 3 Upstream Emissions	Purchased Goods/Services	tCO <sub>2</sub> eq	121,718	113,754	88,202	81,134	82,561	69,252	40,583	31,193	18,950
	Other Energy Related Emissions		978	983	1,053	682	678	733	144	158	171
	Upstream Transport and Delivery		122,764	83,456	30,510	39,442	29,686	11,399	82,859	53,585	18,745
	Workplace Waste Disposal		11	11	11	6	7	7	4	4	4
	Employee Business Trips		1,054	1,129	490	935	978	338	99	128	128
	Employee Commuting		375	425	484	198	209	255	73	102	105
	Downstream Transport and Delivery <sup>3)</sup>		7	0	0	0	0	0	7	0	0
Scope 3 Downstream Emissions	Use of Sold Products	tCO <sub>2</sub> eq	420,134	540,763	542,963	124,165	124,381	125,915	168,541	228,771	358,561
	Disposal of Sold Products After Use		2,333	2,194	2,577	1,188	1,115	1,424	779	554	808
Total Greenhouse Gas Emissions (Scope 1+2+3)		tCO <sub>2</sub> eq	670,246	743,618	667,280	248,419	240,309	210,071	293,244	314,658	397,646
Per-Unit GreenHouse Gas Emissions (Scope 1+2+3) <sup>4)</sup>		tCO <sub>2</sub> eq/100 million KRW	109.65	138.64	136.36	67.00	72.95	72.68	124.82	163.23	220.00
Per-Unit GreenHouse Gas Change <sup>5)</sup>		%	-	26.43	-1.64	-	8.88	-0.37	-	30.77	34.77

1) Greenhouse gas emissions are calculated in accordance with the Guidelines on Emissions Reporting and Certification for the Greenhouse Gas Emissions Trading Scheme.

2) In 2022, only a portion of Category 1 emissions from 2021 were calculated. In 2024, the scope of greenhouse gas calculations was expanded to cover all Scope 3 emissions from 2022 and 2023.

3) Transportation activities classified as "Downstream Transportation and Delivery" in 2022 were reclassified and calculated as "Upstream Transportation and Delivery" from 2023 onward. Accordingly, "Downstream Transportation and Delivery" emissions were reflected as zero from 2023 onward.

4) Based on the sales of each KAON Group (separate), KAON Broadband (separate), and KAON Group (consolidated).

5) Since emissions were not calculated for Scope 3 as a whole in 2021, the unit greenhouse gas change rate for 2022 is not provided.

### Energy Consumption and Production

Category	Indicator	Sub-Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
				2022	2023	2024	2022	2023	2024
Energy Consumption <sup>1)</sup>	Non-Renewable Energy	Electricity	TJ	4.9320	4.8840	5.2860	1.0400	1.1470	1.2320
		LNG		0.5720	0.5670	1.2690	0.1210	0.2690	0.2960
		Gasoline		0.0460	0.0032	0.0500	N/A	N/A	N/A
		Diesel		0.0400	0.0026	0.0254	N/A	N/A	N/A
		LPG		N/A	N/A	N/A	N/A	N/A	N/A
		Steam	TJ	0.1370	0.1250	0.1170	0.0320	0.0290	0.0270
	Renewable Energy	Self-produced Renewable Energy Consumption	TJ	0	0	0.0174	0	0	0
	Total Energy Consumption			5.7270	5.5818	6.7648	1.1930	1.4450	1.5550
	Per-Unit Energy Consumption <sup>2)</sup>		TJ/100 million KRW	0.0015	0.0017	0.0023	0.0005	0.0007	0.0009
	Per-Unit Energy Change		%	-22.52	9.70	38.12	-19.55	47.62	14.76
Energy Production	Eco-Friendly (Renewable) Energy Production		TJ	0	0	0.0174	0	0	0

1) Energy consumption is calculated according to the Greenhouse Gas Emissions Trading System calculation guidelines. Data for 2022-2023 will be corrected due to errors in input and calculation formulas.

- Electricity: Calculation formula error, corrected and applied based on IPCC calorific value standards. - LNG: Calculation formula error, corrected and applied based on calorific value calculation formula. - Gasoline, diesel: Errors.

2) Based on sales of each KAON Group (separate) and KAON Broadband (separate).



## Water Usage

Indicator	Sub-Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)			KAON Group (Consolidated)		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Total Water Consumption		m <sup>3</sup>	4,440	4,584	3,395	1,035	1,068	791	5,516	5,695	4,186
Water Withdrawal	Water Supply		4,440	4,584	3,395	1,035	1,068	791	5,516	5,695	4,186
	Surface Water (Rivers, Lakes)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Groundwater	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Industrial Water		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total Water Withdrawal		4,440	4,584	3,395	1,035	1,068	791	5,516	5,695	4,186
Effluent Discharge		m <sup>3</sup>	0	0	0	0	0	0	0	0	0
Water Recycling			0	0	0	0	0	0	0	0	0
Wastewater Generation <sup>1)</sup>		ton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1) KAON Group does not generate wastewater.

## Waste Generation and Recycling

Indicator	Sub-Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
			2022	2023	2024	2022	2023	2024
Total Waste			29.1	15.5	10.4	20.1	9.1	6.1
General Waste		ton	18.5	11.4	6.3	12.8	6.7	3.7
Recycled Waste			10.6	4.1	4.1	7.3	2.4	2.4
Waste Treatment	Landfill Volume <sup>1)</sup>	ton	18.5	11.4	6.3	12.8	6.7	3.7
	Incineration Amount		0	0	0	0	0	0
Waste Recycling Rate		%	36.4	26.5	39.3	36.3	26.4	39.3
Total Designated Waste Discharge		ton	0	0	0	0	0	0

1) General waste is classified as municipal solid waste and is disposed of through landfilling in accordance with local government procedures. Accordingly, the landfill volumes for 2022 and 2023 have been corrected.

## Environmental Law Violations and Environmental Facility

### Investment Costs

Category	Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
			2022	2023	2024	2022	2023	2024
Violations of Environmental Laws and Regulations	Number of sanctions for violations of environmental laws and regulations	Case	0	0	0	0	0	0
	Amount of fines and penalties for violations of environmental laws and regulations	Million KRW	0	0	0	0	0	0
Environmental Facility Investment Costs	Air-related equipment, replacement, and investment costs		0	0	0	0	0	0
	Water quality-related equipment, replacement, and investment costs	Million KRW	1	1	13	0	0	13
	Environmental R&D (certification, LCA, labeling, eco-design)		19	79	152	0	12	6
Chemical Substances	Number of safety diagnosis conducted <sup>1)</sup>	Case	3	3	3	3	3	3
	Safety accidents occurred <sup>2)</sup>		0	0	0	0	0	0
Customer Health and Safety Measures	Customer health and consumer safety accidents occurred <sup>3)</sup>	Case	0	0	0	0	0	0

1) Number of Laboratory Precision Safety Diagnosis + Number of Work Environment Measurement

2) In case a human health hazard occurs due to careless handling or inappropriate use of stored chemicals

3) In case a consumer health hazard occurs when using our products

## Air and Water Pollutant Emissions<sup>1)</sup>

Category	Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
			2022	2023	2024	2022	2023	2024
Air Pollutants	PM	ton	-	-	-	-	-	-
	Nox		-	-	-	-	-	-
	Sox		-	-	-	-	-	-
Water Pollutants	BOD	ton	-	-	-	-	-	-
	COD		-	-	-	-	-	-
	T-N		-	-	-	-	-	-
	T-P		-	-	-	-	-	-
	SS		-	-	-	-	-	-

1) KAON Group does not measure air and water pollutant emissions separately since the emissions are very small because of the nature of its business.

## Assessments of Environmental Impacts at Product Use and End-of-Life Stages

Category	Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
			2022	2023	2024	2022	2023	2024
Life Cycle Assessment	LCA Calculation Product Group Cumulative Ratio <sup>1)</sup>	%	30.0	30.0	60.0	14.3	28.6	37.5
Raw Materials	Raw Material Usage <sup>2)</sup>	ton	2,203	2,690	2,459	1,046	981	939
Product Energy Use Efficiency	Product Use (Power Consumption (Per Unit)) Usage <sup>3)</sup>	kWh/unit	13.06	12.70	13.83	254.93	292.52	82.75
Product Use Stage	Weight Percentage of Recycled Resin Used Among Total Materials	%	0.04	0.47	5.01	0.00	0.00	0.35
Product Recovery and Reuse	Per-Unit Weight of Refurbished Materials (Refurbishment) <sup>4)</sup>	g/million KRW	21.74	84.09	74.60	8.13	9.29	1.63

1) (LCA calculation retaining product group ÷ total product group) × 100

2) Weight of purchased raw materials × quantity

3) Sales volume by product × Power consumption by product (annual) ÷ Total product sales

4) Refurbishment material weight (g) ÷ Sales (million KRW) × 100

## Waste Electrical and Electronic Equipment (WEEE)

Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
		2022	2023	2024	2022	2023	2024
Weight of Collected WEEE <sup>1)</sup>	kg	1,479	4,150	91,786	1,479	4,150	91,786
Weight of WEEE Released to The Market		3,338,126	3,301,902	3,357,664	1,303,089	1,119,676	1,744,212
Percentage of Collected WEEE Out of Total WEEE Released to The Market	%	0.04	0.13	2.73	0.11	0.37	5.26

1) We are processing the collected products through a WEEE disposal agency, and the calculation is based on the receipts showing the collected quantity.

Since May 2024, we have been reporting the weight of EEE on the WEEE disposal performance registration website, and this is used for calculation. Since the company information for the recovered products was not identifiable, both KAON Group and KAON Broadband have reported the total collected quantity.

## Biodiversity

Indicator	Unit	KAON Group (Separate)			KAON Broadband (Separate)		
		2022	2023	2024	2022	2023	2024
Percentage of Employees Participating in Local Environmental Cleanup Projects Among All Employees	%	0	0	1	0	0	0

## Social

### Employee Composition and Diversity

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Employee Composition	Employees	Total	Person	271	302	285	135	140	138
		Male		227	257	248	122	126	124
		Female		44	45	37	13	14	14
		Percentage of Female Employees	%	16.2	14.9	13.0	9.6	10.0	10.1
	By Age	Under 30	Person	19	20	18	7	8	8
		30-50		211	223	196	116	105	93
		Over 50		41	59	71	12	27	37
	By Employment Type	Executives	Person	17	15	15	7	7	7
		Full-Time		233	269	250	125	130	127
		Non-Full-Time <sup>1)</sup>		21	18	20	3	3	4
	Percentage of Full-Time Employees	Total	%	86	89.1	87.7	92.6	92.9	92.0
	Management Positions (Part-Time Managers and Above)	Total	Person	65	84	81	36	42	66
		Male	Person	59	77	74	35	42	65
		Percentage of Male Managers	%	90.8	91.7	91.4	97.2	100.0	98.5
		Female	Person	6	7	7	1	0	1
Employee Diversity	People with Disabilities	Percentage of Female Managers	%	9.2	8.3	8.6	2.8	0	2
		Number of Employees	Person	7	7	9	3	2	1
		Employment Rate <sup>2)</sup>	%	3	2.7	3.2	2.9	2	1
	Foreigners	Employment Rate in Management		0	0	0	0	0	0
		Number of Employees	Person	4	3	2	0	0	1
		Employment Rate	%	1.4	1	1	0	0	1
	Veterans	Employment Rate in Management		0	0	0	0	0	0
		Number of Employees	Person	0	0	0	0	0	0
		Employment Rate	%	0	0	0	0	0	0
	Workers Under 18	Number of Employees	Person	0	0	0	0	0	0
		Employment Rate	%	0	0	0	0	0	0

1) The job type of non-regular employees is clerical work.

2) This is the rate reported to the Ministry of Employment and Labor.

### Performance Evaluation

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
	Number of Times of Implementations	Times	2	2	2	2	2	2
By Gender	Number of Male Employees	Person	227	257	250	122	126	124
	Percentage of Male Employees	%	100	100	100	100	100	100
	Number of Female Employees	Person	44	45	37	13	14	14
	Percentage of Female Employees	%	100	100	100	100	100	100
By Position	Executives		100	100	100	100	100	100
	Position Holders	%	100	100	100	100	100	100
	Staff Members		100	100	100	100	100	100
By Function	Sales		100	100	100	100	100	100
	Development	%	100	100	100	100	100	100
	Support		100	100	100	100	100	100

## Recruitment and Turnover Status

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
New Hires	New Hires	All	Person	98	94	48	32	29	23
		Male	Person	86	84	47	24	26	20
		Female	Person	12	10	1	8	3	3
	By Age	Under 30	Person	13	13	6	10	4	5
		30-50	Person	80	71	37	22	22	16
		Over 50	Person	5	10	5	0	3	2
Turnover Status (Voluntary)	Number of Turnovers	All	Person	79	57	43	40	22	17
		Male	Person	71	49	37	36	20	17
		Female	Person	8	8	6	4	2	0
	By Age	Under 30	Person	8	5	7	3	2	3
		30-50	Person	68	47	34	35	18	13
		Over 50	Person	3	5	2	2	2	1
	Average Years of Service	Turnover Rate	%	29	19	15	30	16	0
		All	Year	4.3	4.3	5.2	1.5	1.9	2.3

## Management Performance Sharing

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
Performance-Based Pay	Number of Recipients	Person	512	367	0	258	211	0
	Number of Times Paid	Times	2	2	0	2	2	0
Rewards	Number of Recipients	Person	50	478	3	27	259	1
	Number of Times Paid	Times	6	12	3	4	5	1

## Work environment

				KAON Group			KAON Broadband		
Category	Indicator	Sub-Indicator	Unit	2022	2023	2024	2022	2023	2024
Flexible Work System	Number of Participants in Flexible Work (Telecommuting, Flexible Commuting Hours)		Person	103	120	110	47	51	58
	Participation Rate in Flexible Work (Telecommuting, Flexible Commuting Hours) Programs			38.0	39.7	38.3	34.8	36.4	42.0
Maternity and Childcare Leave Usage Status	Number of Employees Who Used Maternity Leave			1	2	3	0	1	2
	Number of Employees Eligible for Childcare Leave		Person	27	26	25	24	26	19
	Number of Employees Who Used Childcare Leave			1	1	4	1	1	2
	Return to Work after Childcare Leave	Number of Employees With More Than One Year of Service	Person	1	0	4	1	0	-
		Percentage of Employees With More Than One Year of Service	%	100	0	100	100	0	-
Living Wage	Number of Employees Eligible for the Living Wage	Total Number of Employees	Person	271	302	287	135	140	138
	Current Status of Living Wage Payments <sup>1)</sup>	Payment Above Standard (Total Number of Employees)	%	100	100	100	100	100	100
		Payment Below Standard (Total Number of Employees)		0	0	0	0	0	0

<sup>1)</sup> Living wage payment standards are established and payment status is monitored in accordance with the Living Wage Ordinance of Seongnam City, Gyeonggi Province, Republic of Korea, where KAON Group is located.

## Employee Health Checkups

Indicator	Unit	KAON Group			KAON Broadband		
		2022	2023	2024	2022	2023	2024
Number of Employees Eligible for Health Checkups	Person	137	131	160	75	67	78
Number of Employees Who Received Health Checkups		129	109	145	68	62	74
Ratio	%	94.2	83.2	90.6	90.7	92.5	94.9

## Social Security System Subscription Status

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
National Pension	Number of Subscription Targets	Person	274	299	288	138	141	135
	Number of Subscribers		262	285	270	134	138	132
	Subscription Rate	%	95.6	95.3	94.0	97.1	97.9	98.0
Health Insurance	Number of Subscription Targets	Person	274	299	288	138	141	135
	Number of Subscribers		270	285	282	136	137	132
	Subscription Rate	%	98.5	95.3	98.0	98.6	97.2	98.0
Industrial Accident Compensation Insurance	Number of Subscription Targets	Person	274	299	288	138	141	135
	Number of Subscribers		267	292	278	134	137	128
	Subscription Rate	%	97.4	97.7	97.0	97.1	97.2	95.0
Employment Insurance	Number of Subscription Targets	Person	274	299	288	138	141	135
	Number of Subscribers		267	292	278	134	137	128
	Subscription Rate	%	97.4	97.7	97.0	97.1	97.2	95.0

## Social Dialogue

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Labor-Management Council	Operation of the Labor-Management Council	Number of Members	Person	269	300	285	134	139	137
		Membership Rate	%	99.3	99.3	100.0	99.3	99.3	99.3
		Number of Times of Operations	Times	4	4	4	4	4	4
		Number of Agenda Items Discussed	Case	12	15	13	12	15	13
Collective Agreement	Application of the Collective Agreement	Number of Employees Targeted	Person	271	302	285	135	140	138
		Number of Employees Affected	Person	271	302	285	135	140	138
		Ratio	%	100	100	100	100	100	100

## Employee Salary and Compensation

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
Average Compensation for Employees	Maximum Compensation	Million KRW	2,650	2,350	1,100	297	230	205
	Total	Million KRW	75	70	73	74	69	64
	Male		81	75	77	78	72	68
	Female		44	46	49	43	47	35
	Annual Total Compensation Ratio <sup>1)</sup>	%	3,533	3,357	2,075	401	333	370

1) The formula for calculating the total compensation ratio is as follows: Total compensation ratio = (Total compensation of the highest-paid individual / Median annual total compensation of all executives and employees) x 100

### Technology Development Education and Transition Support Program

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Technology Development Enhancement Training	Training Operations	Number of Training Courses Operated Annually	EA	16	15	18	6	6	6
		Total Annual Training Hours	Hours	1,200	1,088	2,033	405	420	975
		Annual Number of Targets of Participation in Training Courses	Person	271	302	285	135	140	138
		Annual number of Participants in Training Courses		480	435	813	162	168	390
		Average Training Hours Per Employee	Hour	4.4	3.6	7.1	3.0	3.0	7.1
		External Training Costs	KRW 1,000	6,336	6,012	8,130	2,376	2,508	3,900
Transition Support Program	Retirement Pension Eligibility Support		Person	200	211	232	114	119	114
	Percentage out of Total Number of Employees		%	73.8	69.9	80.8	84.4	85.0	82.6
	Retirement Pension Contributions		100 Million KRW	18	26	23	9	8	7

### Intellectual Property Rights

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
Patents	Number of Registrations	Case	62	62	60	13	13	13
Trademarks	Number of Registrations		26	34	40	0	0	0
Design Rights	Number of Registrations		15	14	11	0	0	0

### Industrial Accidents

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
Members	Total Working Hours	Hour	542,000	604,000	574,000	270,000	280,000	276,000
	Number of Work-Related Illnesses That Occurred	Case	0	0	0	0	0	0
	Number of Deaths Due to Work-Related Illnesses		0	0	0	0	0	0
	Number of Work-Related Accidents	Case	0	0	0	0	0	0
	Number of Work-Related Deaths		0	0	0	0	0	0
	Fatality Rate	%	0	0	0	0	0	0
	Total Recordable Incident Rate (TRIR)	No unit	0	0	0	0	0	0
Industrial Accident Rate	Number of Lost Time Workdays	Day	0	0	0	0	0	0
	Lost Time Injury Incidents (LTI)	Case	0	0	0	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	No unit	0	0	0	0	0	0
	Lost Time Injury Severity Rate (LTISR)		0	0	0	0	0	0



## Health and Safety

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Occupational Health and Safety Committee	Number of Times of Occupational Health and Safety Committee Operations		Times	4	4	4	4	4	4
	Applicable Employees <sup>1)</sup>	Number of Employees	Person	271	302	285	135	140	138
		Ratio	%	100	100	100	100	100	100
	Applicable Dispatched Workers <sup>2)</sup>	Number of Dispatched Workers	Person	5	5	3	0	2	0
		Ratio	%	100	100	100	100	100	100
Industrial Health and Safety Management System	Applicable Employees	Number of Employees	Person	271	302	285	135	140	138
		Ratio	%	100	100	100	100	100	100
Health and Safety Education	Number of Times of Trainings Conducted		Times	4	4	4	4	4	4
	Total Training Hours		Hour	6,360	6,480	6,528	3,132	3,258	3,072
	Training Hours Per Employee			24	24	24	24	24	24
	Number of Training Targets		Person	270	276	273	132	139	128
	Number of Employees Who Completed Training <sup>3)</sup>			265	270	272	131	136	128
	Training Completion Rate			%	98.1	97.8	99.6	98.9	97.7

1) This is the number of employees subject to the results of the Health and Safety Committee meeting.

2) This is the number of dispatched workers subject to the results of the Health and Safety Committee meeting.

## Supply Chain Management

			KAON Group			KAON Broadband		
Category	Indicator	Unit	2022	2023	2024	2022	2023	2024
Sustain- able Procure- ment	Percentage of suppliers who have signed the Supplier Code of Conduct	%	18	51	53	18	51	53
	Number of suppliers targeted to sign the Supplier Code of Conduct	EA	16	45	48	16	45	48
	Number of targeted suppliers who have completed signing the Supplier Code of Conduct	EA	87	88	90	87	88	90
	Percentage of targeted suppliers whose contracts include provisions on environmental, labor, human rights, and ethics requirements	%	100	100	100	100	100	100
	Number of new suppliers selected using ESG evaluation criteria <sup>1)</sup>	EA	5	12	16	5	12	16
	Percentage of new suppliers selected using ESG evaluation criteria	%	33	80	100	33	80	100
	Number of targeted suppliers included in CSR assessments	EA	18	51	53	18	51	53
	Number of targeted suppliers included in CSR on-site monitoring	EA	18	51	53	18	51	53
	Number of all buyers trained on sustainable sourcing	Person	8	7	7	4	4	4
	Number of monitored/assessed suppliers who have participated in corrective action plans or capacity development	EA	20	45	48	20	45	48

1) Evaluations are conducted using environmental and social criteria. Newly assessed partners are registered as both KAON Group and KAON Broadband partners.

## Risk Assessment

Indicator	Unit	KAON Group			KAON Broadband		
		2022	2023	2024	2022	2023	2024
Number of Times of Work Environment Measurement Assessments	Times	2	2	2	2	2	2
Number of Times of Risk Assessments		1	1	1	1	1	1

## Employee Training

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Sexual Harassment Prevention		Total Training Hours	Hour	272	302	275	135	140	130
		Training Hours per Employee		1	1	1	1	1	1
		Number of Employees to Be Trained	Person	277	309	276	137	143	130
		Number of Persons Who Completed Training		272	302	275	135	140	130
		Training Completion Rate	%	98.1	97.8	99.6	98.9	97.7	100.0
Disability Awareness		Total Training Hours	Hour	272	272	275	135	140	138
		Training Hours per Employee		1	1	1	1	1	1
		Number of Employees to Be Trained	Person	277	278	276	137	143	130
		Number of Persons Who Completed Training		272	272	275	135	140	130
		Training Completion Rate	%	98.1	97.8	99.6	98.9	97.7	100.0
Human Rights Education		Total Training Hours	Hour	272	272	275	135	140	138
		Training Hours per Employee		1	1	1	1	1	1
		Number of Employees to Be Trained	Person	277	278	276	137	143	130
		Number of Persons Who Completed Training		272	272	275	135	140	130
		Training Completion Rate	%	98.1	97.8	99.6	98.9	97.7	100.0
Workplace Bullying		Total Training Hours	Hour	98	94	56	32	29	22
		Training Hours per Employee		1	1	1	1	1	1
		Number of Employees to Be Trained	Person	98	94	56	32	29	22
		Number of Persons Who Completed Training		98	94	56	32	29	22
		Training Completion Rate	%	100	100	100	100	100	100
Child Labor, Forced Labor		Total Training Hours	Hour	98	94	56	32	29	22
		Training Hours per Employee		1	1	1	1	1	1
		Number of Employees to Be Trained	Person	98	94	56	32	29	22
		Number of Persons Who Completed Training		98	94	56	32	29	22
		Training Completion Rate	%	100	100	100	100	100	100

## Governance

### Board Composition and Diversity

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Composition of Internal and External Directors	Total		Person	4	4	4	5	5	5
	Male	Male Directors	Person	4	4	4	5	5	5
		Male Director Percentage	%	100	100	100	100	100	100
	Female	Female Directors	Person	0	0	0	0	0	0
		Female Director Percentage	%	0	0	0	0	0	0
Composition of External Directors	Total			1	1	1	2	2	2
	Male	Under 30s		0	0	0	0	0	0
		30s-50s		0	0	0	0	0	0
		50s and Older	Person	1	1	1	2	2	2
	Female	Under 30s		0	0	0	0	0	0
		30s-50s		0	0	0	0	0	0
		50s and Older		0	0	0	0	0	0
Composition of Internal Directors	Total			3	3	3	3	3	3
	Male	Under 30s		1	1	1	0	0	0
		30s-50s		1	0	0	3	2	2
		50s and Older	Person	1	2	2	0	1	1
	Female	Under 30s		0	0	0	0	0	0
		30s-50s		0	0	0	0	0	0
		50s and Older		0	0	0	0	0	0

### Employee Training

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Ethics Training	Anti-Corruption	Total Training Hours	Hour	98	94	56	32	29	22
		Training Hours per Employee		1	1	1	1	1	1
		Number of Persons to Be Trained	Person	98	94	56	32	29	22
		Number of Persons Who Completed Training		98	94	56	32	29	22
		Training Completion Rate	%	100	100	100	100	100	100
	Prohibition of Anti-Competitive Practice	Total Training Hours	Hour	98	94	56	32	29	22
		Training Hours per Employee		1	1	1	1	1	1
		Number of Persons to Be Trained	Person	98	94	56	32	29	22
		Number of Persons Who Completed Training		98	94	56	32	29	22
		Training Completion Rate	%	100	100	100	100	100	100
Information and Personal Information Protection Training	Information and Privacy Protection	Total Training Hours	Hour	272	302	275	135	140	130
		Training Hours per Employee		1	1	1	1	1	1
		Number of Persons to Be Trained	Person	277	309	276	137	143	130
		Number of Persons Who Completed Training		272	302	275	135	140	130
		Training Completion Rate	%	98.1	97.8	99.6	98.9	97.7	100.0

## Whistleblowing and Legal Violations

Category	Indicator	Sub-Indicator	Unit	KAON Group			KAON Broadband		
				2022	2023	2024	2022	2023	2024
Whistleblowing (Including Child Labor, Forced Labor, and Human Trafficking)	Whistleblowing	Number of Cases Received	Case	0	0	0	0	0	0
		Number of Cases Handled		0	0	0	0	0	0
	Information Security Cases	Number of Cases of Information Security and Cybersecurity Violations	Case	0	0	0	0	0	0
		Number of Cases of Violations Related to Customer Personal Information		0	0	0	0	0	0
		Number of Customer Damages Due to Data Leaks		0	0	0	0	0	0
	Ethical Management Related Cases	Number of Cases of Ethics Reports and Management Audits	Case	0	0	0	0	0	0
		Number of Violations		0	0	0	0	0	0
		Number of Actions Taken		0	0	0	0	0	0
	Child Labor/ Forced Labor Related Cases	Number of Workplaces where Child Labor/Forced Labor Occurred	EA	0	0	0	0	0	0
	Anti-Corruption Related Cases	Violation of Anti-Corruption Regulations		0	0	0	0	0	0
		Violation of Safety and Health Laws		0	0	0	0	0	0
	Fair Trade Related Cases	Violation of Unfair Support and Insider Trading-Related Laws	Case	0	0	0	0	0	0
		Violation of Unfair Trade Practice- Related Laws		0	0	0	0	0	0
		Violation of Laws Related to Unfair Joint Practices such as Anti- Competitive Acts and Collusion		0	0	0	0	0	0
		Violation of Subcontracting-Related Laws		0	0	0	0	0	0

## Cyber Sinmungo and Grievance Settlement

Category	Indicator	Unit	KAON Group			KAON Broadband		
			2022	2023	2024	2022	2023	2024
Cyber Sinmungo	Number of Reports Received		0	0	0	0	0	0
Grievance Settlement	Number of Human Rights-Related Grievances Received	Case	0	0	0	0	0	0
	Number of Discrimination Incidents Occurred		0	0	0	0	0	0
	Number of Correction Plans Implemented		0	0	0	0	0	0
	Number of Internal Reviews Based on Correction Plans		0	0	0	0	0	0
	Number of Cases Settled		0	0	0	0	0	0

# Greenhouse Gas Verification Opinion

## Scope 1, 2 Greenhouse Gas Emissions Verification Opinion

### I Scope

Direct GHG emissions (Scope 1) and indirect emissions (Scope 2) of domestic and foreign corporations in 2024

### I Data Verified

Annual direct (Scope 1) and indirect (Scope 2) GHG emissions in 2024

[Unit: tCO<sub>2</sub>e]

Corporate	2024yr		
	Scope 1	Scope 2	Subtotal
KAON Group	69.419	678.721	748.133
KAON Broadband	14.999	158.223	173.222
KAON Robotics	0.108	1.142	1.250
KAON DO BRASIL INDUSTRIA ELETRONICA LTDA(Manaus Plant)		35.393	35.393
KAON DO BRASIL INDUSTRIA ELETRONICA LTDA(Sao Paulo Office)	20.209	0.539	20.748
KAON Japan KK.	-	0.674	0.674
KAON MIDDLE EAST FZE	-	9.101	9.101
KAON Broadband Hungary KFT.	-	1.885	1.885
NEXT SOLUTIONS INC.	-	-	-
eNLink.ltd	-	-	-
Total	104.735	885.678	990

### I GHG Criteria & Protocols used for Verification

The verification was carried out at the request of the KAON Group using:

- ISO 14064-1:2018 & ISO 14064-3:2019
- Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme
- 2006 IPCC Guidelines
- BSI GHGEV Manual

### I Verification Opinion

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- Verification of Scope 1 & 2 greenhouse gas emissions for domestic and foreign corporations of KAON Group was performed with a limited assurance level, and the quality of the data conforms to important international principles for greenhouse gas verification.
- No material misstatement during the verification process for emissions was found, it was confirmed that relevant activity data and evidence were properly managed.
- Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".



For and on behalf of BSI:  
Issue: 11/06/2025

Managing Director Korea, **SeongHwan Lim**

## Scope 3 Greenhouse Gas Emissions Verification Opinion

### I Verification Objective

KAON Group's 2024 Scope 3 GHG emissions

- Scope 3 GHG emissions for Purchased goods and services, Upstream Transportation and Distribution, Use of sold products, End of Life Treatment of Sold Products.

### I Verification Scope

The scope of verification is Scope 3 GHG emissions for 2024 by KAON Group, and we verified Scope 3 GHG emissions based on activity data on purchase and sales at domestic and overseas corporations provided by KAON Group.

### I Verification level

Limited Level of Assurance

### I Data Verified

KAON Group's annual Scope 3 GHG emissions related to domestic and overseas corporations in 2024 are as follows.

Corporation	2024 (tCO <sub>2</sub> eq/yr)			
	Category1	Category4	Category11	Subtotal
KAON Group	69,252.397	11,399.018	125,914.918	206,566.333
KAON Broadband	18,949.926	18,744.680	358,561.144	396,255.750
KAON Robotics	-	-	217.457	217.457
KAON DO BRASIL INDUSTRIA ELETRONICA LTDA	-	-	5,851.40	5,851
KAON Japan KK.	-	365.839	22,186.913	22,552.752
KAON MIDDLE EAST FZE	-	-	30,797.026	30,797.026
KAON Broadband Hungary KFT.	-	-	3,917.786	3,917.786
NEXT SOLUTIONS INC.	-	-	1,367.657	1,367.657
eNLink.ltd	-	-	-	-
Total	88,202.323	30,509.537	542,962.901	661,674

### I Verification Criteria and Protocol

The verification was performed at the request of KAON Group using the following verification standards.

- WBCSD/WRI WBCSD/WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- ISO 14064-1:2018 & ISO 14064-3:2019
- Guidelines for reporting and certification of emissions from the greenhouse gas emission trading system
- 2006 IPCC Guidelines
- BSI Greenhouse Gas Emission Verification Scheme

### I Verification Opinion:

As a result of the verification in accordance with the standards listed above, it is the opinion of BSI that:

- In conducting this verification, no visits to the verification target business site or verification of the authenticity of the data provided by KAON Group were carried out.
- This verification may be affected by limited factors such as the limitation of provided data, non-execution of on-site verification, and sampling. Due to the limitation of this verification, there is an unavoidable risk that important errors may not be found and exist.
- No material misstatement in the GHG emission calculations was detected, related records were maintained appropriately.
- The data quality was considered corresponding to the international key principles for GHG emissions verification.



For and on behalf of BSI:  
Issue: 11/06/2025

Managing Director Korea, **SeongHwan Lim**



# Independent Assurance Opinion Statement

## To: The Stakeholders of KAON Group

### I Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the KAON GROUP's 2025 Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to KAON Group and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the KAON Group's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the KAON Group. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

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

The Assurer is responsible for providing KAON Group's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of KAON Group. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

### I Scope

The scope of engagement agreed upon with KAON Group includes the following:

- Report contents during the period from January 1st to December 31st 2024 included in the Report, some data of 2025 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 Accountability Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

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

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

### I Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

### I Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by KAON GROUP.

[Universal Standards]

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

[Topic Standards]

201-1&2, 205-1&3, 302-1,3,4&5, 303-1,3&5, 305-1~5, 306-1~5, 308-1&2, 401-1~3, 403-1~10, 404-1~3, 405-1, 406-1, 407-1, 408-1, 409-1, 414-1&2, 418-1

## I Methodology

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

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of KAON Group's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principles Standard (2018).
- Visit of the Headquarters of KAON Group to confirm the data collection processes, record management practices.

## I Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by KAON Group. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

## I Competency and Independence

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

## I Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain KAON Group's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

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

## I Conclusions

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

### Inclusivity: Stakeholder Engagement and Opinion

KAON Group has identified shareholders/investors, customers, employees, business partners, local communities, and government agencies as its key stakeholders. The company has established and operates various communication channels and cycles tailored to each stakeholder group. Through its stakeholder engagement process, KAON Group gathers expectations and diverse opinions from core stakeholder groups, integrates key identified issues into sustainability-related decision-making, and transparently discloses this process through its reports.

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

KAON Group has established strategies and objectives related to sustainability management and developed a process for identifying

reporting issues. Based on the environmental, social, and governance principles set forth in the International Workshop Agreement (IWA), the Global Reporting Initiative (GRI) Standards, and the EU Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), as well as through corporate issue analysis and industry trend assessments, the company has constructed a pool of 24 issues. Drawing on global ESG standards, media research, peer group sustainability management analyses within the industry, and stakeholder survey results, KAON Group has conducted a dual materiality assessment—comprising both impact materiality and financial materiality. Through this process, the company identified seven key material issues, which are disclosed in its sustainability report.

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

For the key material issues identified through the dual materiality assessment, KAON Group has established “ESG Key Policies and Implementation Framework.” Within this framework, the company has defined specific policies and execution systems for each issue, including scope of application, responsibility allocation, objectives, and targets. Furthermore, KAON Group has disclosed in its sustainability report the strategic directions and performance outcomes corresponding to each material issue.

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

KAON Group has established a process to identify and assess the impact of key material issues on the organization and stakeholders. The results of the analysis, including the impact, risks, and opportunities associated with key material issues, are utilized in decision-making for developing response strategies for each issue. This process is transparently disclosed through reports.

### **I Recommendations and Opportunity for improvement**

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- To strengthen KAON Group's governance capabilities from an ESG perspective, it is essential to establish a proactive system that incorporates global ESG regulatory developments and industry-specific characteristics. The Board of Directors and executive management should continuously build ESG expertise through regular capacity-building programs, thereby deepening their understanding of evolving regulations and stakeholder expectations. Furthermore, ESG risks and opportunities should be systematically identified and assessed, and integrated into the company's mid- to long-term strategy to ensure both responsible management and sustainability.
- To advance KAON Group's sustainability management framework, strengthening stakeholder issue identification and responsiveness is a critical priority. The company should institutionalize stakeholder engagement processes to ensure that key sustainability issues identified for each stakeholder group are addressed with clear strategies and objectives. Based on these commitments, it is advisable to establish mid- to long-term implementation plans and transparently report performance outcomes. This approach will enhance corporate accountability and credibility, while contributing to the establishment of a strategic foundation for sustainable value creation.

### **I GRI-reporting**

KAON Group has self-declared compliance with GRI Standards. Based on the data and information provided by KAON GROUP, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 12/11/2025

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

BSI representative

Sangwoo Nam, Lead Assurer(LCSAP)

Seonghwan Lim, Managing Director of BSI Korea

# GRI Content Index

<b>Statement of Use</b>	KAON Group has reported in accordance with the GRI Standards for the period (From January 1, 2024 to December 31, 2024.)
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	The sector standard was not applied because an applicable sector standard had not been announced as of the reporting date

Category	Index	Disclosure	Report Page	Note
General Disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	6-9	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and responsible person	2, 89	
	2-4	Restatements of information	68-70	Separate notes are provided for rewritten data
	2-5	External assurance	82-84	
	2-6	Activities, value chain and other business relationships	6-9	Refer to 2024 KAON Group Business Report p.10-11
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	2-8	Workers who are not employees	72	Refer to 2024 KAON Group Business Report p.269-270
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	2-10	Nomination and selection of the highest governance body	58-59	
	2-11	Chair of the highest governance body	58	
	2-12	Role of the highest governance body in overseeing the management of impacts	10	
	2-13	Delegation of responsibility for managing impacts	10	
	2-14	Role of the highest governance body in sustainability reporting	10	
	2-15	Conflicts of interest	58	
	2-16	Communication of critical concerns	10, 25	
	2-17	Collective knowledge of the highest governance body	58	Refer to 2024 KAON Group Business Report p.262-263
	2-18	Evaluation of the performance of the highest governance body	-	Refer to 2024 KAON Group Business Report p.270-273
	2-19	Remuneration policies	-	Refer to 2024 KAON Group Business Report p.270-273
	2-20	Process to determine remuneration	-	Refer to 2024 KAON Group Business Report p.270-273
	2-21	Annual total compensation ratio	74	Refer to 2024 KAON Group Business Report p.270-273
	2-22	Statement of sustainable development strategy	4	
	2-23	Policy commitments	13-14, 25, 33-56, 60-66	
	2-24	Internalization of policy commitment	13-14, 25, 33-56, 60-66	
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	2-26	Mechanisms for seeking advice and raising concerns	41, 56, 60-63	
	2-27	Compliance with laws and regulations	79	
	2-28	Membership of associations	88	
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Material Topic & Topic Standards				
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	3-2	List of material topics	11-12	
Material Topic 1: Climate Change Response and Energy Management				
GRI 3: Material Topic Management	3-3	Management of material topics	16-24	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	17-21	

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	302-3	Energy intensity	69	
	302-5	Reductions in energy requirements of products and services	31	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	69	
	305-2	Energy indirect (Scope 2) GHG emissions	69	
	305-3	Other indirect (Scope 3) GHG emissions	69	
	305-4	GHG emissions intensity	69	
	305-5	Reduction of GHG emissions	23-24	
	305-6	Emissions of ozone-depleting substances (ODS)	-	No use of ozone-depleting substances
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Due to the nature of the business, air pollutant emissions are extremely low.
<b>Material Topic 2: Environmental Pollution Prevention</b>				
GRI 3: Material Topic Management	3-3	Interactions with water as a shared resource	26	
GRI 303: Water and Effluents	303-2	Management of water discharge-related impacts	26	
	303-3	Water withdrawal	70	
	303-5	Water consumption	70	
<b>Material Topic 3: Ethical Management and Anti-Corruption</b>				
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<b>Material Topic 7: Personal Information Protection and Data Security Strengthening</b>				
GRI 3: Material Topic Management	3-3	Management of material topics	63-66	
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GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	76	
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GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	76	
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GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	26	
	306-2	Management of significant waste-related impacts	26-27	
	306-3	Waste generated	70	
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## TCFD

TCFD Recommendations			Report Page
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	b)	Describe management's role in assessing and managing climate-related risks and opportunities.	16
Strategy	a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	17-18
	b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	19-22
	c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	19-22
Risk Management	a)	Describe the organization's processes for identifying and assessing climate-related risks.	22
	b)	Describe the organization's processes for managing climate-related risks.	23
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	22-23
Metrics and Targets	a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	24
	b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	24
	c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	23-24



## UN SDGs

KAON Group supports the UN SDGs (Sustainable Development Goals) and promotes sustainable management activities in connection with the 17 detailed goals presented in the UN SDGs. Through this, KAON Group participates in the direction that humanity should move towards and continuously strive to contribute to the achievement of the UN's Sustainable Development Goals (SDGs) along with its management activities.

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## Association Membership Status

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Korea Intellectual Property Protection Association	Z-wave Alliance
Home Network Industry Association	VCCI Council
KOTRA	Broadband Forum
Korea International Trade Association	Korea Future Cable Forum (KFCF)
Seongnam Chamber of Commerce and Industry	Prpl Foundation
Korea Institute for Advancement of Technology	GS1 Korea
Federation of Middle Market Enterprises of Korea	ICT Convergence Korea Forum
Korea Digital Convergence Association	National Radio Research Agency
Korea Industrial Technology Association (KOITA)	Korea Energy Agency
KOSDAQ Association	Korea Metaverse Industry Association



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