

Green Innovation for Sustainable Tomorrow

2024 DS Neolux ESG Report





About This Report

About This Report

DS Neolux aims to achieve sustainable management in the aspects of economy, environment, society, and governance. We publish annual ESG reports to disclose and communicate relevant information to stakeholders in a transparent manner. For this year's report, we conducted a double materiality assessment to report on our activities and performance for each key issue.

Reporting Period

This report is based on our activities and performance from January 1, 2023 to December 31, 2023. For qualitative activities regarding certain key issues, the report also covers activities carried out in the first half of 2024, and for major quantitative performance, data from the recent three years (2021 to 2023) is disclosed to show changes in trends.

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Reporting Principles

This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the international guideline on reporting sustainable management. The given financial information is based on consolidated financial statements in accordance with the K-IFRS (Korean International Financial Reporting Standards), and the given non-financial information is based on the fiscal year, in conformity with disclosure standards. Major changes to the data are described in the footnotes.

Reporting Scope

The environmental, social, and governance information disclosed in this report is limited to the activities and performance of DS Neolux's Cheonan office. Consolidated financial information includes data from DS Neolux as well as its subsidiary, Chengdu DS Co.,Ltd.(located in China).

Report Assurance

This report underwent a thorough review by the Board of Directors of DS Neolux before publication. To improve the internal and external credibility of its contents, independent assurance has been completed by an independent assurance provider, NICE Information Service, according to the four principles of AA1000AP(2018): inclusivity, materiality, impact, and responsiveness. Detailed opinions regarding the assurance can be found on pp. 63-64.

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User Guide

The ESG Report of Duksan Neolux Co., Ltd. has been created in PDF format, with hyperlinks to related pages for easier reader comprehension. By clicking the Home, Table of Contents, or Previous Page buttons, you can navigate to the corresponding pages. Additionally, you can click the icons located in the top left corner of the page to quickly access the desired function.



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CEO Message

Dear valued stakeholders

Thanks to your unwavering trust and support, DS Neolux continues to achieve meaningful results as a global materials company. With our innovative technologies and quality improvements, we successfully developed light-emitting OLED materials Red Host and Prime in 2014 and 2019, and commercialized Black PDL, a key eco-friendly material in Eco² OLED™, a non-polarizing low power technology, for the first time in the world in 2021. Such achievements have now become important milestones that highlight our outstanding technology and ability to lead the market. Going forward, we will work towards the following four goals to achieve sustainable growth.

First, we will enhance our practical commitment to ESG management.

In 2022, the beginning year of its ESG management, DS Neolux established the vision of “continuous innovations and challenges for a sustainable future” and launched the Working-level ESG Committee to set detailed goals for the environment, society, and governance sectors. For effective accomplishment of these goals, we will formulate systematic management strategies and transparently disclose relevant information in our annual ESG reports.

Third, we will continuously develop world-class technologies.

In addition to reinforcing our R&D activities for OLED materials, we will focus on developing new materials that can drive our future growth, and preemptively respond to risk factors such as macroeconomic volatility and global recession. Such efforts will equip us with strategies for sustainable business growth so that we can retain our competitiveness in the global market.

With unwavering efforts to challenge and innovate itself, DS Neolux promises to achieve growth that lives up to its stakeholders’ expectations and trust. We promise that all members of the company will do their utmost to accomplish sustainable development. We look forward to building a sustainable future with you, and ask for your continued support and interest. We wish the well-being and happiness of our stakeholders from the bottom of our hearts. Thank you.

Second, we will work towards eco-friendly management.

Although DS Neolux is not subject to GHG emissions regulations, we are fully aware of the importance of the climate change response. We have set mid- to long-term goals for reducing GHG emissions and will review and implement various means to this end, actively practicing eco-friendly management.

Fourth, we will strive to fulfill our social responsibility and foster talent.

DS Neolux plans to expand its social contribution activities to work closely with the local community and fulfill its social responsibility. Furthermore, we will concentrate our efforts on talent development to establish a work environment where employees can fully exhibit their capabilities and build an equal, inclusive organizational culture. We will work to facilitate employee growth by providing continuous training and self-improvement opportunities.



Chairman of DS Neolux **Bumsung Lee**



About Us

Introduction

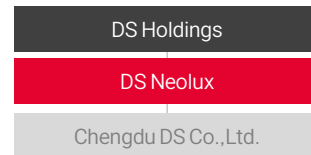
DS Neolux, a key affiliate of DS Group, which develops and manufactures OLED materials for displays, devotes its skills to developing next-gen materials, establishing a systematic strategy for future growth. In the OLED materials market, where corporations from both Korea and overseas fiercely compete with one another, we display unrivaled manufacturing and production capabilities, and continue to strengthen our position in the market through strategic partnerships with competitors across the globe. Furthermore, we concentrate our efforts on attracting skilled researchers and improving development facilities with bold investments.

(As of December 31, 2023)

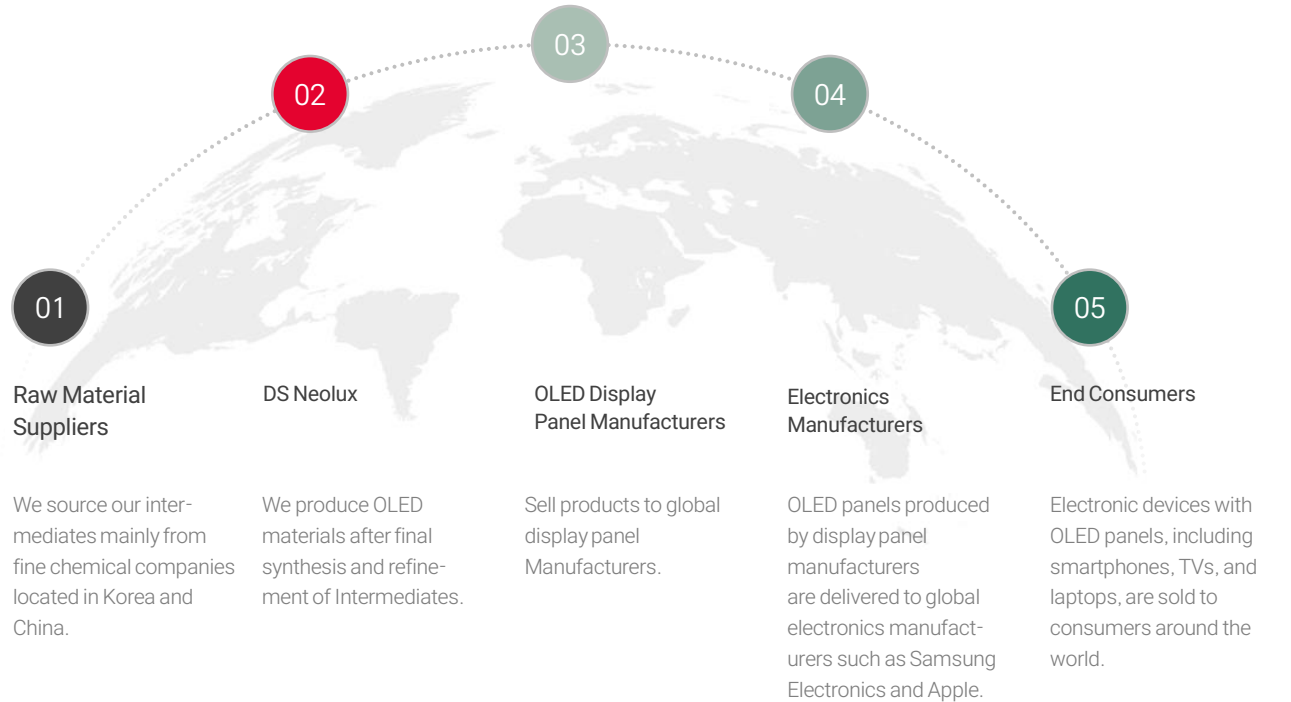
| | | | |
|----------------------------|--|------------------|---|
| Company Name | DS Neolux Co., Ltd. | Website | www.dsnl.co.kr |
| Foundation Date | December 31, 2014 | HQ Address | 21-32, Ssukgol-gil, Ipjang-myeon, Seobuk-gu, Cheonan-si, Republic of Korea |
| CEO | BumSung Lee | Listing Date | February 2005 (KOSDAQ) |
| Classification of Business | Manufacturer of electronic Components | Type of Company | Midsized company |
| Main Area of Business | Development, production, sales and servicing of OLED materials | No. of Employees | 254 employees |
| Credit Rating | A- (ECREDIBLE) March 2024 | Subsidiaries | <ul style="list-style-type: none"> Chengdu DS Co.,Ltd Tigris Investment No.42 |

Subsidiary

In 2022, DS Neolux established Chengdu DS Co.,Ltd. in China to conduct local sales activities and support client companies.



Business Value Chain





About Us

Business Status

DS Neolux specializes in producing organic light-emitting materials, a core component of OLED (Organic Light Emitting Diode) displays. Organic light-emitting materials for OLEDs emit light and color by converting electricity to light, which removes the need to use a backlight unit(BLU) as an LCD (Liquid Crystal Display) does. Therefore, OLED panels can be manufactured in more diverse forms, and has many advantages over LCD panels, including wide viewing angles, high contrast ratios, and shorter response times. In 2014, DS Neolux became the first Korean company to develop and mass-produce an emissive layer of organic light-emitting OLED materials, Red Host, and also successfully developed supporting layers, Red Prime and Green Prime, in 2017 and 2021, respectively. These have become its flagship products. We also manufacture and supply Black PDL (Pixel Define Layer), an eco-friendly, low-power, non-emitting material that we developed for the first time in the world in 2021. In 2023, we devoted our efforts to R&D in order to successfully grow the conductive particle (CP) business we took over from DS Hi-Metal, and we are now expanding our business area to non-emitting and next-gen materials so as to build future growth strategies.

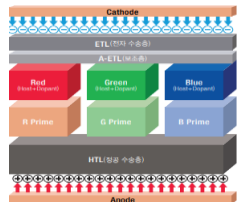
Main Products

| | |
|--|--|
| <p>OLED (Organic Light Emitting Diode) Materials</p> | <p>DS Neolux develops and produces organic light-emitting materials, a core component of OLED panels. In addition to mass-producing and supplying our flagship products such as HTLs(Hole transport Layers), red host, red prime, and green prime, we continue our R&D activity in order to develop new organic materials</p> |
| <p>PDL (Pixel Define Layer Materials)</p> | <p>In 2021, DS Neolux became the first company in the world to develop Black PDL, a non-emitting material, by upgrading multiple properties of conventional PDLs, which were mainly supplied by overseas companies. We have mass-produced and supplied the material since then. The introduction of Black PDL enabled the implementation of non-polarizing POL-less technology, allowing us to mass-produce thinner OLED panels for foldable displays. These panels improve luminous efficiency by at least 20% while reducing energy consumption by 25% or more, in addition to providing high visibility. Black PDL, free of polarizers, reduces plastic usage in OLED panel production and improves energy efficiency thanks to its high luminous efficiency. Considering this eco-friendly aspect, we expect a significant increase in the usage of Black PDL in the near future.</p> |
| <p>Conductive Particles</p> | <p>Conductive particles refer to particles on polymer beads whose edges are electrolessly plated, and serve as a key component of an anisotropic conductive film (ACF). An anisotropic conductive film (ACF) is a material in which conductive balls are distributed across the adhesive film so that the current flows in one direction between the panel and chip or PCB. ACFs are connected by heat and pressure on film-type connectors. Our conductive particles display world-class performance in distribution, evenness, strength, elasticity, conductivity, and surface adhesiveness, which leads to dramatic improvement in the performance and defect rates of anisotropic conductive films and Anisotropic conductive paste(ACP), thereby enhancing product reliability and profitability. DS Neolux is a supplier of all conductive particle products, from polymer cores to insulating coatings.</p> |

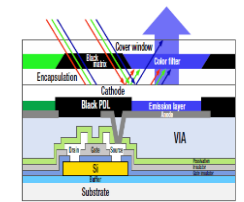


Product Images

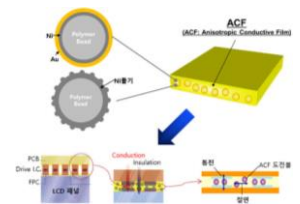
Structure of OLED Panels



Structure of Black PDL



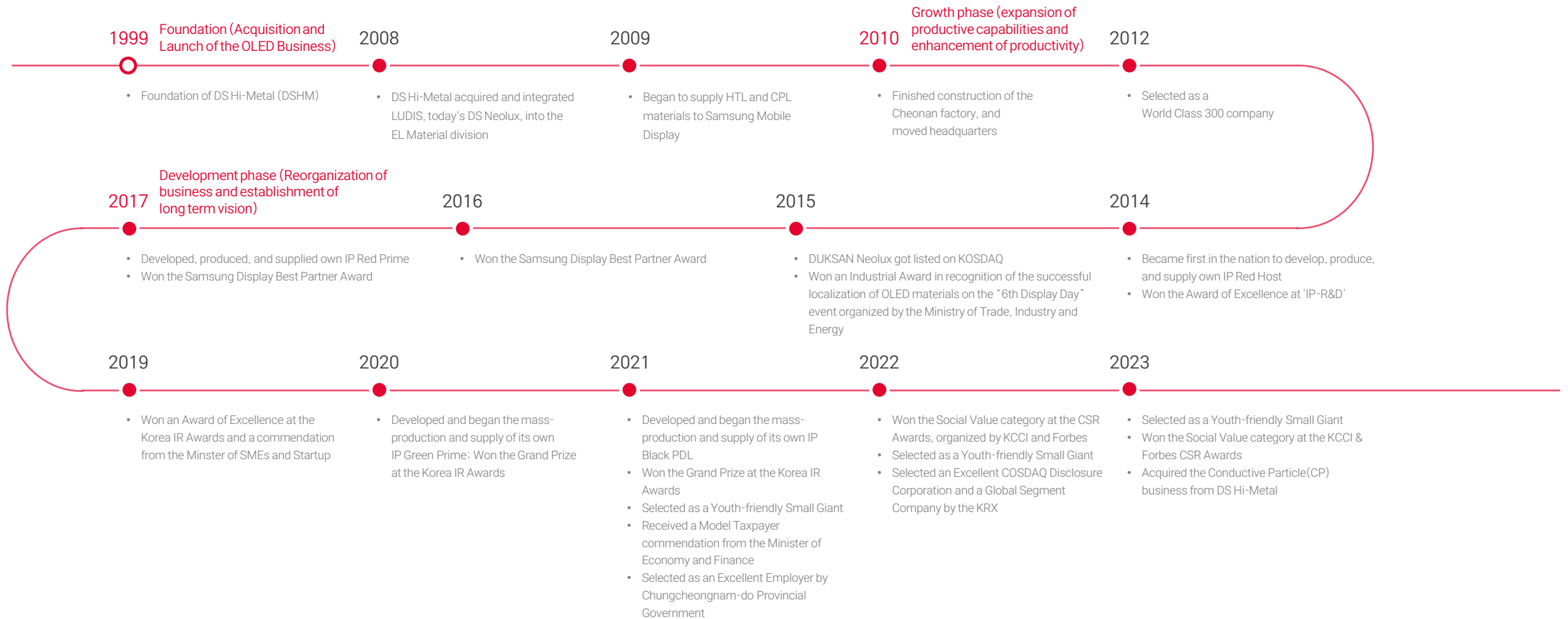
Conductive Particles





About Us

History








About Us

Continued R&D Activity

R&D Strategies

DS Neolux is an R&D-oriented company that develops and produces display materials based on its flagship products, organic OLED materials, and puts company-wide efforts into strengthening its competitiveness in the R&D sector. Our OLED Research Team, in particular, devotes its skills to enhancing the competitiveness of our products by developing a key component of OLEDs (Organic Light Emitting Diodes), organic materials, that display excellent performance and quality. The New Material Business Team, on the other hand, is working to broaden our lineup of display materials and initiates various R&D projects, including national projects and business unit takeovers, to foster our growth into a global display material company and build future growth strategies.

(as of December 31, 2023)

| | | |
|---|---|--|
| <p>R&D Investments</p> <p>KRW 20.7 billion</p>  | <p>Number of Patents Registered</p> <p>146 Patents</p>  | <p>Percentage of R&D Employees</p> <p>48.8%</p>  |
|---|---|--|

R&D Organization and Employees

To keep up with the fast-changing organic material market, the R&D institute of DS Neolux comprises two teams: the OLED Research Team, which develops organic OLED materials, and the New Material Business Team, whose mission is to diversify our display product lineup. The institute currently has a total of 125 researchers. We organize internal conferences and guest seminars for talent development and encourage employees to participate in conferences in Korea as well as overseas to keep up with development trends and strengthen their R&D competencies. Going forward, DS Neolux will continue its effort to recruit and develop R&D talent.

R&D Organizational Chart



R&D Employees

| Classification | Unit | 2021 | 2022 | 2023 |
|--|---------|------|------|------|
| No. of R&D employees | Persons | 123 | 109 | 125 |
| Percentage of R&D employees company-wide | % | 50.6 | 43.7 | 48.8 |



About Us

Continued R&D Activity

R&D Investment

At DS Neolux, over 10% of its annual sales is invested in R&D in order to gain a competitive edge in the R&D sector. We continue to invest in new analytic tools for a multifaceted analysis of the materials we develop. To preemptively respond to the changing market situation, we also made an additional investment to introduce a new OLED deposition machine for IT in 2023. Furthermore, considering the increasing number of Chinese clients in the OLED panel market, another investment has been confirmed to purchase a new deposition machine for our Chengdu office. The installation of the new machine is to be completed by the end of 2024.

R&D Achievements

DS Neolux, as a leader of the OLED display material sector, carries out constant R&D activity. In 2023, in response to a client request, we developed high-efficiency, long-lasting red and green supporting layers which consume less electricity and are stabler than existing products. We now supply these OLED materials for multiple products, including the Galaxy series. Our continuous research on deuterium-substituted and blue phosphorescent materials to extend OLED panels' lifespan is another factor that makes our materials competitive. In addition to developing organic OLED materials and diversifying our business, we're working to improve the properties of the non-emitting material Black PDL and to enhance the light resistance of low-temperature PRs for color filters used with Black PDL. After acquiring the Business Division in 2023, we also began the development of conductive balls and are now in the process of improving their properties and developing technologies for large-capacity synthesis. We continuously apply for patents, a strategic move to achieve constant growth in the display market. In 2023, we applied for 316 patents and registered 146 patents for techniques related to light-emitting, non-emitting, and inorganic materials. Going forward, we will continue to secure patents that support our business through active R&D activities.

R&D Investments

| Classification | Unit | 2021 | 2022 | 2023 |
|-------------------------------|-------------|--------|--------|--------|
| Amount of R&D investment | KRW million | 21,405 | 22,587 | 20,653 |
| R&D investment to sales ratio | % | 11.13 | 12.78 | 12.62 |

Patent Status

| Classification | Unit | 2021 | 2022 | 2023 |
|----------------|-------|------|------|------|
| Application | Items | 125 | 175 | 316 |
| Registration | Items | 114 | 119 | 146 |

R&D Tasks

| Task | Status as of 2023 |
|--------------------------|--|
| Light-emitting materials | <ul style="list-style-type: none"> Development of materials for Tandem OLEDs Development of blue phosphorescent materials |
| Non-emitting materials | <ul style="list-style-type: none"> Upgrading Black PDL Development of low-temperature PR materials with improved light resistance |
| Inorganic materials | <ul style="list-style-type: none"> Improving the quality of quantum dot materials Improving the defect rate of conductive ball materials |



Key ESG Achievements

February 2023

The 6th Yuha Pureun Foundation Scholarship Ceremony

Yuha Pureun Foundation, to which the company has made regular donations since the Foundation was established with private funds from Junho Lee, the Honorary Chairman of DS Group, held a scholarship ceremony on February 24, awarding scholarships worth KRW 100 million to 29 students. To date, the Foundation has granted scholarships worth KRW 734 million to 100 students, who also receive various kinds of educational support such as annual winter and summer school with renowned lecturers.

March 2023

Winner of the Social Value Category of the KCCI & Forbes CSR Awards for Two Consecutive Years

The KCCI & Forbes CSR Awards, awarded to exemplary companies and organizations conducting systematic, organizational social contribution activities, are co-organized by KCCI and Forbes Korea, and sponsored by the Ministry of Trade, Industry and Energy and the Ministry of Health and Welfare. At the 14th KCCI & Forbes CSR Awards, DS Neolux was selected as one of the winners in recognition of its effort to enhance its CSR with activities such as support for pediatric patients.

April 2023

Additional Recruitment of Brand Image Creators with Developmental Disabilities and Holding an Exhibit at a Special School

In 2022, DS Neolux recruited two “brand image creators” with developmental disabilities, acknowledging their passion for culture and arts. Their mission is to build a brand image for DS Neolux by sharing its corporate activities as artwork. In this way, we assist people with disabilities in joining the wider community, and also support the artistic activities of those we recruit. In 2023, another brand image creator joined the company as part of this campaign, and on April 20, in celebration of the Day of People with Disabilities, brand image creators held an exhibit at Cheonan Neulhaerang School, a special school near the company, and delivered a message of bravery to students with disabilities.

May 2023

Support for Pediatric Palliative Care at Asan Medical Center

DS Neolux paid a visit Asan Medical Center to make a donation of KRW 10 million for pediatric palliative care. Our support for the hospital started in 2022, with a pledge to donate a total of KRW 500 million by 2025 for its pediatric palliative care. This time, the contribution was handed in person with a visit to Asan Medical Center. With this support, Asan Medical Center officially launched the “Sunshine Tree Service,” a palliative care program to cater to the special needs of critically ill pediatric patients and their families, and opened the Pediatric Palliative Care Center in July.

June 2023

Prime Minister Ducksoo Han Visits DS Neolux, a Youth-friendly Company

As part of the second initiative of the “Companies for Youth” campaign, Prime Minister Han Duck-soo paid a visit to DS Neolux, a Youth-friendly Small Giant, to listen to the voices of the company and its young employees. Prime Minister Han recognized how DS Neolux, as a highly competitive mid-size company in the OLED material sector, is striving to build a youth-friendly corporate culture for its young employees, who take up about 60% of its workforce, and thanked all small- and mid-size manufacturers in small cities making such efforts. The prime minister agreed that young workers, even after surviving the competitive job market, frequently struggle with adjusting to workplace cultures and preparing for their future, whereas companies in small cities face difficulty in recruiting talent, saying that the government would provide more support to address these issues.

January 2024

Selected as a Youth-friendly Small Giant for Four Years in a Row

Every year, the Ministry of Employment and Labor selects youth-friendly companies, workplaces considered ideal for young workers, based on criteria such as wage, work-life balance, and employment stability. We were selected as a Youth-friendly Small Giant for four consecutive years after receiving high scores in all the three criteria. Building on this achievement, we will foster a healthy corporate culture, provide a beneficial, motivating work environment, and create quality, stable jobs to enhance our ESG management as a youth-friendly company.



ESG Approach

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ESG Management

ESG Vision and Goals

The ESG vision of DS Neolux is to create a sustainable future with all its stakeholders, including clients, employees, suppliers, and the local community, by innovating and challenging itself. We set strategic direction and key strategies and implement them in a systematic manner, deliver exceptional results and share them with stakeholders.

ESG Vision and Goals

| | | | |
|-------------|--|---|---|
| | Infinite Innovations and Challenges to Build a Sustainable Future | | |
| ESG Vision | A Global Leader with Internalized ESG Management | | |
| Core Values | Environmental Endeavor to Minimize Environmental Impact | Social Endeavor to Enhance Social Value | Governance Commitment to Responsible and Trusted Management |
| ESG Goals | <ul style="list-style-type: none"> Reinforcing environmental management Improving product sustainability | <ul style="list-style-type: none"> Respecting human rights and improving employees' quality of life Reinforcing supply chain management Broadening the impact of social contribution | <ul style="list-style-type: none"> Reinforcing ESG activities Internalizing ethical & compliance management |

Key ESG Improvement Tasks

| | |
|---|---|
| Climate change response | 15% reduction in per-unit GHG emissions from 2022 by 2030 |
| Air pollutant management | Keep the concentration of dust and hydrocarbon emissions below 30% of the legal limit |
| Reducing water usage | 10% reduction in water usage by 2025 |
| Building a circular economy | Maintain at least 90% waste circularity rate at business sites |
| Improving environmental aspects of products | Facilitate the recycling of raw materials and packaging materials |
| Development of eco-friendly products | Develop next-gen PDLs and Blue Host |
| Managing the sustainability of supply chain | Include ESG factors in supplier evaluation |
| Reinforcing the social contribution system | Develop mid- to long-term social contribution strategies while reinforcing social contribution activities |



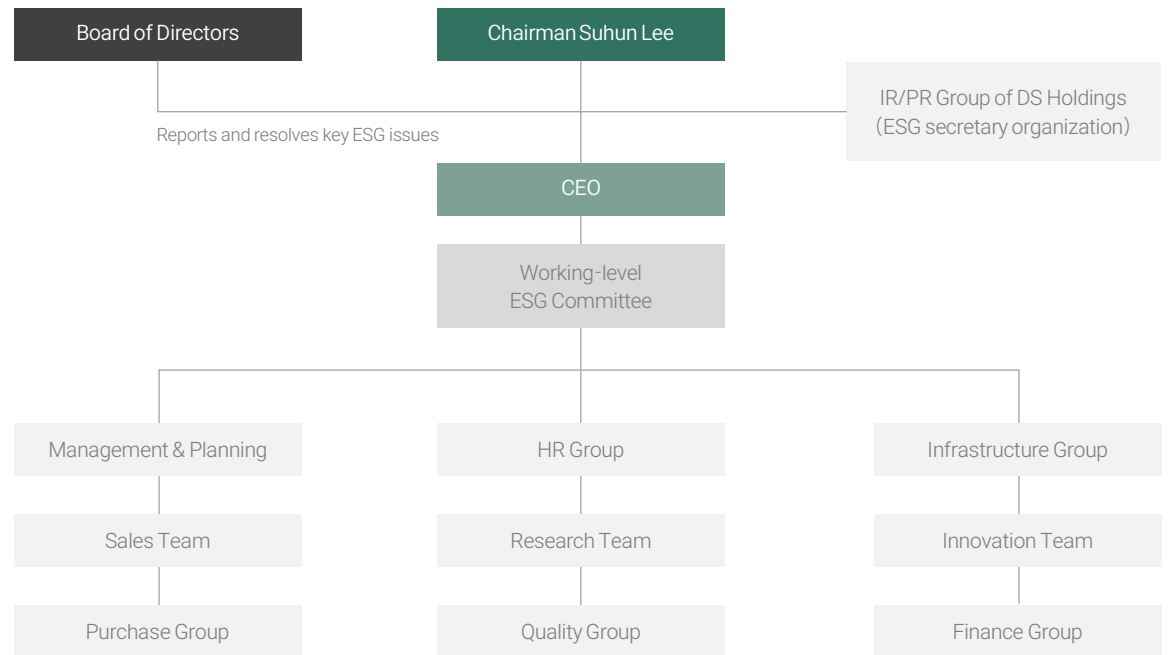
ESG Management

ESG Improvement and Tasks

Establishing ESG Governance

The Working-level ESG Committee of DS Neolux, which reports directly to the CEO, conducts various activities including working on ESG improvement tasks, performance management, publishing ESG reports, responding to external ESG assessments, and shareholder communication. We cooperate with the IR/PR Group of DS Holdings, which assists DS Group affiliates in their ESG management. The Committee's activities are regularly reported to the CEO, who confirms the ESG vision, goals, and improvement tasks. The BOD reviews the company's key and reported ESG issues identified by the annual materiality assessment and their practical and potential impacts, checks the contents of the ESG report before its publication, and evaluates the efficiency of ESG management activities implemented throughout the year. While DS Neolux's ESG management performance is currently not reflected in the performance review of the CEO or board members, it is linked with the KPIs of the IP/PR group and responsible executives. Going forward, we will continuously develop measures to strengthen the ESG responsibilities of top management.

ESG Governance





Stakeholder Engagement

Stakeholder Engagement and Communication

DS Neolux regards stakeholder communication as a core factor in its ESG management, which is why it categorizes influential stakeholders into groups such as clients, employees, shareholders and investors, suppliers, and the local community, and manages each group differently. In addition, using various communication channels, we actively encourage stakeholders' participation and collect their opinions regarding key ESG issues, reflecting them in our management activities to create value.

Process of Reflecting Stakeholder Opinions

| | |
|---|--|
| Step 1 Collecting Shareholder Opinions | Collect shareholder opinions via communication channels |
| Step 2 Executive Discussion | Discuss whether necessary to reflect stakeholder opinion |
| Step 3 BOD Discussion | Discuss whether necessary to reflect stakeholder opinion |
| Step 4 Decision by Top Management | Top management determines whether to implement the matter discussed by the BOD |

Communication Channels and Key Interests of Stakeholders

| Stakeholder | | Key Interests | Communication Channels |
|----------------------------|---|---|--|
| Clients | <ul style="list-style-type: none"> B2B clients | <ul style="list-style-type: none"> Enhancing products' competitiveness in pricing and quality Reducing products' environmental impacts Patent infringement | <ul style="list-style-type: none"> Client meetings (continuous) Website (continuous) |
| Employees | <ul style="list-style-type: none"> BOD Top management Company employees | <ul style="list-style-type: none"> Anti-discrimination and respecting diversity Reinforcing employee benefits Facilitating employee communication Work-life balance | <ul style="list-style-type: none"> Management briefing sessions (if required) Labor-Management Council meetings (four times a year) Employee communication events (if required) Satisfaction surveys (annually) Website (continuous) |
| Shareholders and investors | <ul style="list-style-type: none"> Individual and group investors Organizations Analysts, etc. | <ul style="list-style-type: none"> Management performance Shareholder return policies Reinforcing management transparency Risk management | <ul style="list-style-type: none"> General meetings (annual general meetings and, if required, extraordinary general meetings) IR briefing sessions (if required) IR conference calls (continuous) Business reports (four times a year) Website (regular) |
| Client | <ul style="list-style-type: none"> Suppliers, etc. | <ul style="list-style-type: none"> Promoting fair trade Promoting shared and mutual growth Active two-way communication | <ul style="list-style-type: none"> Supplier meetings (continuous) Website (continuous) |
| Local community | <ul style="list-style-type: none"> Local universities Charitable organizations, etc. | <ul style="list-style-type: none"> Job creation Contributing to the development of the local community Creating social value | <ul style="list-style-type: none"> Social contribution activities (continuous) Hiring local talent (continuous) |

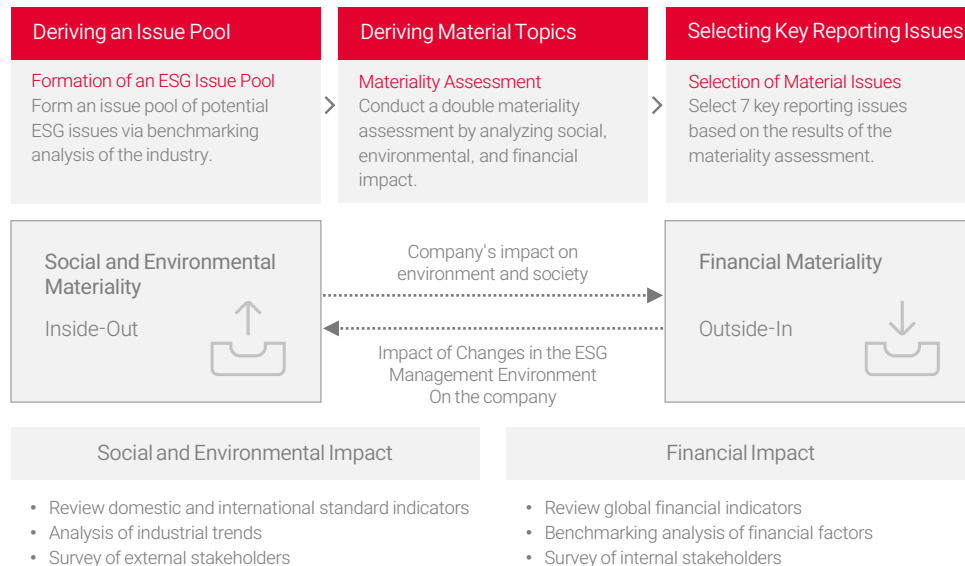


Double Materiality Assessment

Double Materiality Assessment Process

DS Neolux conducted a double materiality assessment to identify issues that have significant impact on the company. A double materiality assessment identifies financially important issues and issues that affect external stakeholders, taking into account the financial impact and the environmental and social importance of each issue. After assessing the priorities of 38 potential ESG issues, six key reporting issues were derived.

Double Materiality Assessment Process



Process of Deriving Material Topics

Impact Materiality (social and environmental impact analysis)

Review of domestic and international standard indicators

Review domestic and international sustainability management standards and assessments, including GRI Standards, NICE ESG, KCGS, and UN SDGs

Analysis of Industrial Trends

Examine media articles about DS Neolux published from Jan. 1, 2023 to Jun. 30, 2024, focusing on analyzing valid articles

Survey of External Stakeholders

Conduct a survey of ESG experts about social and environmental materiality and identify DS Neolux's responsibilities and activities regarding sustainable management.

Financial Materiality (Financial Impact Analysis)

Review of Global Financial Indicators

Review standard indicators such as SASB and EcoVadis to identify sustainability factors that are highly likely to have important financial impact on the company.

Benchmarking analysis of financial factors

Identify key financial impacts by analyzing the material and reporting issues of leading companies of the same industry

Survey of internal stakeholders

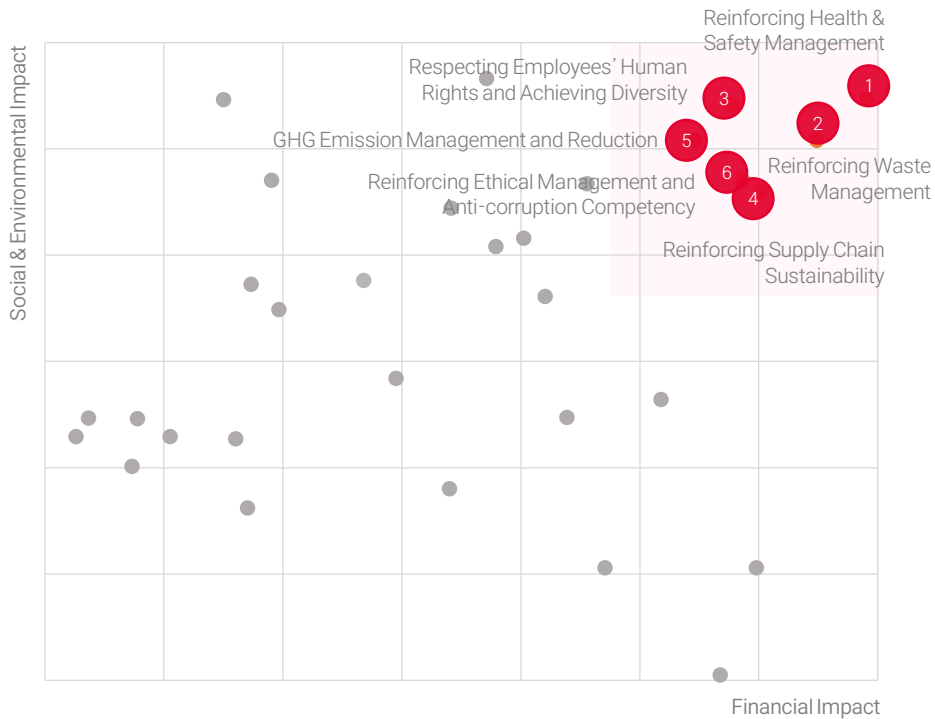
Conduct a survey of DS Neolux employees about the financial importance of each issue



Double Materiality Assessment

Double Materiality Assessment Results

Materiality Map






Key Reporting Topics

| Rank | Classification | Issue | Status | Type of Impact | | GRI Index | Reporting Page |
|------|----------------|---|------------|----------------|--------|----------------|----------------|
| | | | | Financial | Social | | |
| 1 | Social | Reinforcing health and safety management | Maintained | H | M | 403 | pp.33-36 |
| 2 | Environment | Reinforcing waste management | Maintained | H | M | 306 | p.22 |
| 3 | Social | Respecting employees' human rights and achieving diversity | Maintained | M | M | 405, 406 | pp.27, 31 |
| 4 | Social | Reinforcing supply chain sustainability | Maintained | H | L | 308, 414 | pp.39-40 |
| 5 | Environment | GHG emission management and reduction | New | M | M | 305-1 to 305-5 | pp.23-25 |
| 6 | Governance | Reinforcing ethical management and anti-corruption competency | Maintained | H | L | 205, 206 | pp.48-49 |



Double Materiality Assessment




Management of Key Reporting Issues

| Reporting Issue | Importance of issue | DS Neolux's Response | 2023 Performance | Goal | UN SDGs |
|--|---|---|---|--|--|
| Reinforcing health and Safety management | Health and safety management, which has a direct impact on the protection of employee's lives and health, is considered a key factor of sustainable management. Therefore, it is crucial that companies fulfill their social responsibility in this sector. The foremost priority of their management activities should be "achieving zero health and safety accidents" to ensure workplace safety and employee health. | To this end, DS Neolux formulated health and safety management policies, based on which we obtained the ISO 45001 certification and established a health and safety management system. | <ul style="list-style-type: none"> Improved risk factors by conducting risk assessments Introduced the "five-minute action observation" system Received an "A" grade from the safety activity assessment Conducted ESH training | <ul style="list-style-type: none"> Achieving zero safety accidents through health and safety management |  |
| Reinforcing Waste Management | Along with climate change response, waste disposal is one of the most urgent environmental issues that our generation faces. Without sustainable manufacturing, it is impossible to resolve waste problems or efficiently utilize limited Earth resources. Such efforts also have a direct impact on a company's social reputation and competitiveness as a supplier. | DS Neolux manages and disposes of waste in a systematic manner to minimize the environmental impacts of its business activities and puts continuous efforts into realizing a circular economy. | <ul style="list-style-type: none"> Achieved 91.8% waste circularity rate at our business sites | <ul style="list-style-type: none"> Maintaining at least 90% waste circularity rate at our business sites |  |
| Respecting Employees' Human Rights and Achieving Diversity | As global regulations become increasingly strict, small- and medium-sized companies, not only large corporations, are expected to practice human rights management through efforts such as self-assessment based on the criteria of global human rights due diligence and raising the level of human rights management. Otherwise, companies may find themselves at a disadvantage as new regulations roll out. | DS Neolux respects the human rights of all stakeholders across its management and production activities. In 2023, in an effort to foster a human rights-oriented corporate culture, we established a global human rights charter based on international standards and guidelines on human rights and labor. | <ul style="list-style-type: none"> Established a human rights charter Operated DS Clean Reporting Center Ongoing recruitment of employees with disabilities | <ul style="list-style-type: none"> Examining the status of human rights management through an employee survey about workplace human rights and developing response strategies |  |



Double Materiality Assessment

Management of Key Reporting Issues

| Reporting Issue | Importance of issue | DS Neolux's Response | 2023 Performance | Goal | UN SDGs |
|---|--|---|--|---|---|
| Reinforcing Supply Chain Sustainability | There is an increasing social consensus that, when it comes to ESG risk management, companies must manage environmental and human rights risks not just within the company but also in their supply chain. In today's management environment, where stakeholders expect companies to build their supply chain with responsibility and ESG regulations across the globe impose stricter standards on supply chain, "managing supply chain's sustainability" is no longer a task that only applies to large corporations but an issue that every company should actively respond to. | To build a sustainable supply chain, DS Neolux established a purchasing ethics charter and operates a fair, transparent purchasing process. We work only with suppliers that do not use conflict minerals or environmentally regulated materials and, considering the insufficient ESG competency of some small-size businesses, will gradually reflect ESG factors in our supplier selection and evaluation process. | <ul style="list-style-type: none"> Active communication with suppliers to pursue mutual growth | <ul style="list-style-type: none"> Continuing activities to enhance suppliers' competencies Including ESG factors in the supplier selection process |  |
| GHG emission management and reduction | Managing and reducing GHG emissions, a core element of climate change response, is integral to a company's sustainable management. In response to growing social interest, companies are obligated to actively manage and reduce their GHG emissions. By fulfilling this task, they can comply with regulations as well as satisfy shareholder expectations, and effective management and reduction strategies lead to a more sustainable, competitive business. | Recognizing the fact that at least 90% of its GHG emissions comes from electricity consumption during manufacturing, DS Neolux implements measures to help improve energy efficiency. We also operate EV charging stations at our business sites as part of our active effort to reduce GHG emissions. | <ul style="list-style-type: none"> Conducted a third-party assurance of GHG emissions Responded to the CDP assessment Reduced GHG emissions by 7% from the previous year | <ul style="list-style-type: none"> Introducing an energy management system 15% reduction in GHG emissions by 2030 |  |
| Reinforcing Ethical Management and Anti-Corruption Competency | Ethical and compliance management is an issue closely related to management risks, and even a single violation may cause serious damage to a company's reputation or result in financial losses to the company such as penalties and fines. It is also an essential need of clients and investors and a key factor in building mutually beneficial relationships with suppliers. | To this end, DS Neolux established a company ethics charter and a code of ethics, complies with law and ethics, and strives to achieve ethical management by diligently fulfilling its role and social responsibility. Our performance in this sector is measured by the completion rates of relevant training and number of non-compliance reports. | <ul style="list-style-type: none"> All employees submitted their pledge of ethical management Conducted ethics and compliance training Operated DS Clean Reporting Center | <ul style="list-style-type: none"> Allowing external shareholders, not just company employees, to report to DS Clean Reporting Center |  |



Environmental

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Environmental Management

Environmental Management Structure

Reinforcing Environmental Management

Since its foundation, DS Neolux has fully recognized the importance of environmental management. This is why we preemptively established an environmental management system and incorporated environmental management into our resources, products, and policies through various green-growth efforts. We first obtained the ISO14001 certification for our development, production, sales, and servicing of OLED materials at the Cheonan office in 2007 and have maintained it since by undergoing annual reviews and triennial recertification reviews. In 2023, we further reinforced our environmental management system by launching the Infrastructure Team, a team dedicated to the environment sector, as well as the Facility Management and Safety Environment Teams, which oversee energy management and environment management, respectively. As a member of the Working-level ESG Committee, the Infrastructure Team Lead keeps the Committee informed of the company's environmental management status and reports environmental issues discovered at work. The CEO of DS Neolux, also a member of the BOD, makes final decisions on climate change and other environmental issues, evaluates the importance of environmental issues discussed by the Working-level ESG Committee, and develops response and risk management strategies with executives. Also, if required, the CEO resolves urgent matters as BOD agendas.

Environmental Management Policy

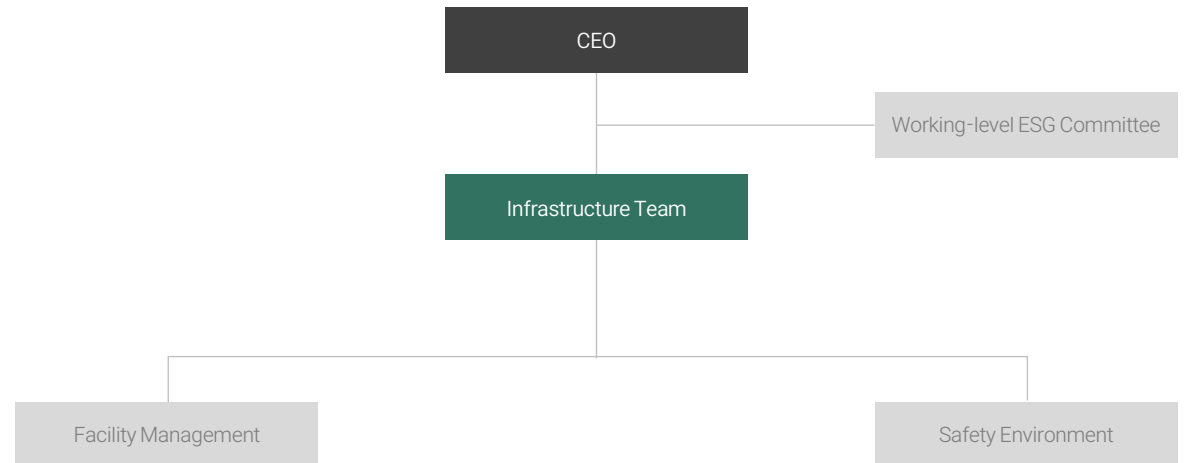
1. Understand and comply with environmental regulation and laws imposed on management activities.
2. Establish and operate systems optimized for environmental policies and goals.
3. Actively discover potential risks across all aspects of management activities and improve them.
4. Provide continuous education and training for all employees to strengthen the company's management system and culture.

Certificate of Environmental Management System



ISO14001 Certificate

Environmental Management Organization Chart





Environmental Management

Climate Change Response

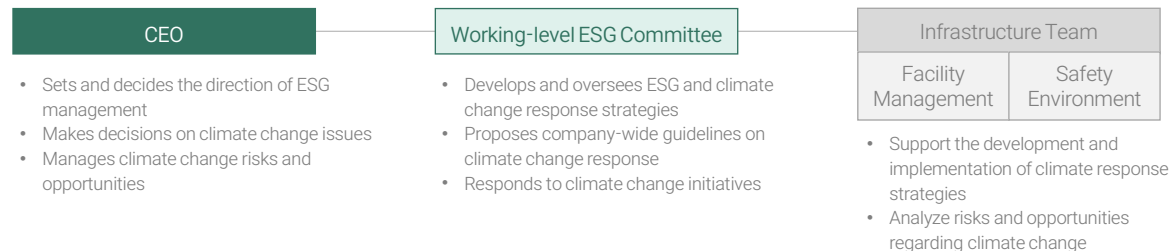
Climate Change Response Strategies

Fully aware of the critical threats posed by climate change on the Earth, DS Neolux has no doubt that addressing climate change is key to accomplishing a sustainable future. Accordingly, we put continuous efforts into reducing GHG emissions and fulfill our responsibilities as a main user of the low-carbon economy. We set and manage mid- to long-term climate response goals to reduce our carbon footprint, in addition to taking active part in global initiatives to keep temperature rise to 2°C or below and the government’s energy policies for carbon neutrality.

Mid- to Long-term Goals for Climate Change Response

| Classification | Description |
|-----------------------------|---|
| GHG emission reduction | 15% reduction in per-unit GHG emissions from 2022 by 2030 |
| Building a circular economy | Maintain at least 90% waste circularity rate at business sites |
| Reducing water usage | 10% reduction in total emissions by 2025 |
| Air pollutant management | Keeping the concentration of air pollutant (dust and hydrocarbons) emissions below 30% of the legal limit |

Organization and Management System for Climate Change Response



Climate Change Response Efforts

DS Neolux deeply understands the urgency of climate change and seeks to take preemptive action. In 2023, we expressed support for the TCFD(Task Force on Climate-Related Financial Disclosures) and took part in the CDP(Climate Disclosure Project)’s climate change response assessment. Furthermore, for systematic management of ESG risks and opportunities related to climate change, we established the Working-level ESG Committee and designated the IR/PR Group of DS Holdings as the secretary organization to support the Committee in its proceedings. Important matters regarding climate change are also reported to the BOD through the IR/PR Group. Transition risks that the company may face regarding climate change in the mid to long term include revenue decline, cost increase, and reputation damage resulting from reinforced management of Scope 3 emissions by corporate clients and increasingly strict domestic and global GHG emission regulations. We expect that these risks, if properly addressed, can be pivoted into opportunities. We have also set GHG emission reduction goals and adopted a range of measures to achieve them, with plans to link these goals with the KPIs of the relevant teams and executives for higher accomplishment rates.

Energy Saving Activities

DS Neolux is a display material manufacturer, and over 90% of its GHG emissions come from the electricity consumed during manufacturing. To reduce such emissions, we are taking a range of measures for improving the energy efficiency of our manufacturing process. We installed power-saving timers and high-efficiency inverters in our utility facilities in 2020 and 2022, respectively, in addition to replacing all lights in the office, manufacturing, and research buildings with LED lamps, successfully reducing energy consumption. EV charging stations have also been installed at our business sites for the convenience of employees and visitors driving EVs, and employees make a range of energy saving efforts in their daily lives such as minimizing the operation of air conditioners on weekends and public holidays and turning off lights during meals and breaks. Our remote cooler/heater monitoring system makes sure that the temperatures inside buildings stay within the appropriate range. Furthermore, we are actively reviewing plans to make facility-related investments for climate change response, which include using materials with high energy efficiency and high-efficiency transformers when building offices or factories.



Environmental Management

Climate Change Response

Commitment to GHG Reduction

By building a smart air conditioner control system, an energy-saving means for GHG emission reduction, DS Neolux saves electricity costs worth KRW 687 million every year. In 2023, we reduced total GHG emissions by 7% from the previous year.

GHG Reduction Activities

DS Neolux provides four EV charging stations at its business sites for the convenience of employees and clients driving EVs, in addition to actively participating in many other GHG reduction activities.

EV charging stations in our business sites



GHG Reduction Plans for 2024

| | |
|---|--|
| Minimizing air conditioner operation to reduce electricity costs | Utilizing waste heat of transformers in R&D center to reduce electricity costs |
| Utilizing the waste heat of air compressors to reduce electricity costs | Changing the operating conditions of PCW supply pumps in PRO Center |
| Piping integration and alternating operation of air compressors in PRO Center to reduce electricity costs | Changing the operating conditions of chiller circulation pumps in R&D Center |
| Installing heat pump chillers in PRO Center to reduce electricity costs | Adjusting the rotation of supply air fans by sensing the temperature of air conditioners in the element water-cooling clean rooms of R&D Center to reduce electricity costs |
| Introducing an integrated air compressor control system in R&D Center to reduce electricity costs | Installing automatic dampers and differential pressure sensors for air conditioners and automatically adjusting the amount of air supply at Cleaning Room 1 and the finished goods warehouse in PRO Center to reduce electricity costs |
| Changing the absorption dryer control system in R&D Center to save energy | |
| Piping integration and minimizing PCW chiller operation in PRO Center | |

Reducing Environmental Impact

Raw Material and Waste Management

Reinforcing Raw Material Management

At DS Neolux, sustainable management of raw materials is one of the most important priorities. We manage the supply chain for raw materials in a transparent manner to minimize environmental impact, and use raw materials in amounts optimized for resource efficiency. Furthermore, the introduction of recyclable packaging materials has allowed us to generate less waste.

Use of Sustainable Packaging Materials

DS Neolux uses sustainable packaging materials to help protect the environment. In selecting packaging materials, we first consider their recyclability and eco-friendliness, and our packaging is designed to enable minimal use of materials. We also run packaging collection and recycling programs to promote a circular economy and reduce the waste of resources.



Recycled cardboard



Multi-use danpla box

Waste Management

In accordance with its environmental management system, DS Neolux sets strict standards to ensure efficient management of waste generated from manufacturing and seeks to minimize waste, thereby complying with laws and regulations and preventing environmental pollution. We evaluate our performance in resource circularity every year to build and implement strategies for appropriate management and minimization of waste. Waste generated at DS Neolux is categorized into business site waste and hazardous waste. Business site waste includes general waste and wastepaper from the office, while hazardous waste is liquid and solid waste generated from manufacturing. All types of waste are efficiently disposed of by our recycling partner. With the aim of creating a circular economy, we have reinforced our effort to practice systematic waste management and disposal, maintaining at least a 90% waste recycling rate.



Reducing Environmental Impact

Reinforcing Products' Eco-friendliness

Technology Development for Eco-friendly OLEDs

DS Neolux strives to produce more eco-friendly products by developing OLED display materials and upgrading their performance. An OLED display, in which each pixel of the panel emits light on its own, emits light only where necessary and, unlike an LCD, works without a backlight, leading to higher energy efficiency. In 2021, DS Neolux became the first company in the world to succeed in the mass production of Black PDL, which can replace conventional polarizers to enhance the penetration rate of OLED panels, minimize electricity consumption and, ultimately, extend battery life. This product is undergoing continuous development for better stability and performance as well as broader application. In addition, to develop eco-friendly organic OLED materials, we are constantly improving the voltage, efficiency, and lifespan of light-emitting materials used for OLED displays. In order to enhance the low internal quantum efficiency of the fluorescent Blue Host material currently being used, we are working on a next-gen Blue Host, using phosphorescence, thermally activated delayed fluorescence, and hyper fluorescence (HF) methods, in addition to developing a synthesis method that recycles the solvent used for deuterium substitution of the synthesized material. In this way, DS Neolux strives to reduce its negative environmental impact in various areas and enhance the eco-friendliness of OLED displays and display materials.

| Session Dates | Attendance Rate (Attendees/ Employees required to attend) | Topic |
|-----------------|---|---|
| May 24, 31 | 100% (171/171) | Characteristics, current status, and danger of chemical accidents |
| July 12, 19, 27 | 100% (175/175) | |

Commitment to Reducing Environmental Impact

DS Neolux endeavors to minimize its environmental impact. To ensure the spreadability of PR materials like Black PDL, we mainly use Per- and polyfluoroalkyl substances (PFAS) as leveling agents. However, research suggests multiple negative effects of PFAS, including their weak decomposition in natural environments, accumulation in the environment and organisms to affect the human immune system in case of long-term exposure, causing hormonal disruption or reproductive health issues. As the hazards of PFAS become increasingly evident, some countries have introduced systems that restrict or ban their use. In contrast, Korea imposes regulations only on PFOS, a type of PFAS, but not on the entire PFAS group. Nevertheless, to keep up with global trends and minimize our environmental impact, we are developing a PFAS-free Black PDL, and all materials currently being developed at DS Neolux, including Black PDL, are free of PFAS.

Standards for Use of Hazardous Substances

- The Act on Registration and Evaluation of Chemical Substances
- The Chemicals Control Act
- The Occupational Health and Safety Act
- The Act on the Safety Control of Hazardous Substances
- EU REACH Regulations
- EU RoHS Regulations
- Japan's Chemical Substances Control Law (J-REACH)
- Japan's Industrial Health and Safety Act
- China State Council Decree 591, China Ministry of Environment (MEP) Order 7

Minimization of Environmental Impact

Prevention of Environmental Accidents

In an effort to identify environmental risks, DS Neolux conducts biennial assessments on the environmental impact of its business activities, products, and services. The environmental impact assessment we conducted in September 2023 identified a range of potential risk factors, including air pollution, water pollution, and spill of hazardous chemicals, but found no major risk factors that require specific action. Going forward, we will carry out environmental impact assessments in the event of any important change, such as development of a new product or a change in the manufacturing process, to prevent environmental incidents and make more environmentally beneficial decisions across our processes.

Environmental Management of Supplier Products

In compliance with domestic and international regulations and client companies' policies, DS Neolux ensures that none of its products use hazardous substances, and such management standards apply to its suppliers as well. We ask our suppliers to submit an RoHS test report upon signing their contract with us and monitor compliance with regulations on hazardous substances by regularly commissioning a certified institution to conduct in-depth testing. If a supplier is found to use substances subject to environmental regulations, we examine the possibility of improvement through discussion, then request the supplier to submit improvement plans and implement them within a certain period, or find a new supplier to replace them.

Internalization of Environmental Awareness

DS Neolux provides all environmental awareness company-wide. employees with regular environmental training to raise



Reducing Environmental Impact

Minimization of Environmental Impact

Management of Hazardous Chemicals

DS Neolux obtained its business license in compliance with the Chemicals Control Act and operates a chemical management system to ensure the safe handling of hazardous chemicals. Material safety data sheets (MSDS) for all types of chemicals are placed across our business sites and updated regularly. We also register chemicals we handle, monitor their quantities, and diligently respond to statistical reporting and performance surveys conducted by the National Institute of Chemical Safety under the Ministry of Environment. In addition, our semiannual chemicals hazard assessments allow us to identify risk factors and take improvement measures, and employees who manage or handle chemicals receive safety training every two years. All employees involved in chemical-related work are provided certified safety equipment and regularly participate in drills to prepare for spills of hazardous chemicals or fires, which reflects our commitment to preventing accidents. As a result of such efforts, the business sites of DS Neolux reported zero chemical accidents in 2023. We will continue the endeavor to minimize our impact on the local community's environment and to ensure the health and safety of our workers.

Air Pollutant Management

DS Neolux strictly complies with emission standards to preserve local air quality. We install optimal air pollution prevention facilities and monitor the concentration of emissions in real time using IoT systems, contributing to the efficient management and reduction of air pollutants. Activated carbons used in our air pollution prevention facilities are replaced every six months to ensure efficient operation, while the emissions of air pollutants like fine dust are kept to a minimum. The concentration of our dust emissions in 2023 was far below the legal limit, reflecting our dedication to air pollutant management.

Water Resource Management

DS Neolux is fully committed to conserving water resources and the efficient management of water and wastewater. In 2023, 11,353 tons of water was used at DS Neolux, and we plan to reduce our water usage gradually by improving the water facilities and reusing municipal water and rainwater. We also operate our own facilities for releasing wastewater, saving all wastewater in storage tanks and disposing of it through an external service provider. We monitor every stage of the wastewater disposal process via Mulbaro, an electronic system, and report our annual disposal performance to the local city hall. Such measures are part of our continued commitment to efficient water resource management and environmental protection.

Biodiversity Conservation

DS Neolux recognizes the importance of achieving the UN SDGs concerning biodiversity. To this end, we plan to take measures that help prevent, minimize, and mitigate biodiversity-threatening factors by conducting an additional environmental impact assessment when purchasing business sites or launching a new project, as well as regular biennial assessments. Furthermore, in compliance with the Convention on Biological Diversity(CBD) and the local regulations in all regions to which the Convention applies, we will not develop protected areas or cause negative impact to threatened species or protected species, while continuously working towards no net loss(NNL) of biodiversity.



S o c i a l

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Employee Management

Reinforcing Talent Management

Human Resource Policies

We recognize that employee growth leads to organizational growth. DS Neolux implements an HR system that allows employees to deliver results in a proactive manner and reinforce their competencies. At DS Neolux, both male and female employees are guaranteed equal opportunities in recruitment, hiring, training, placement, promotion, retirement, and dismissal. We also strictly adhere to our human resource policies, which prohibit discrimination based on gender, age, religion, social class, place of origin, academic background, marriage, pregnancy, or illness.

Talent Recruitment

With the aim of achieving sustainable growth, DS Neolux conducts a range of activities to recruit competent employees. We operate an online recruitment system to recruit creative talent with "growth-oriented mindset" and individuals with display expertise, including knowledge of the synthesis and refinement of organic materials, on a regular as well as ongoing basis. We also work closely with top universities in Korea and abroad by offering job positions and scholarships to students, and requesting relevant academic departments and labs to recommend skilled talent. The extent of our recruitment is increasing every year, and we have been selected as a "Youth-friendly Small Giant" for four consecutive years for our continuous efforts to create jobs and develop talent.

Core Values

A 1st INNO-Creator Who is Positive, Creative, and Challenge-driven

Positive

Positive Mindset

A self-driven, active individual with a positive mindset

Creative

Creative Spirit

A relentless innovator with a fresh perspective and hardworking attitude

Challenge-driven

Challenge-driven Attitude

A passionate dreamer who aims for the best

Respecting Employee Diversity

DS Neolux provides all employees with equal opportunities regardless of gender, location, or race. We respect diversity and treat all employees equally by adopting a rational performance evaluation and promotion system. The gender of recruited individuals does not affect their wages and benefits, and recruitment and promotion processes are carried out without discrimination. Our employees, recruited through a fair and just process, receive equal treatment and objective performance evaluations. DS Neolux, committed to achieving employee diversity, is also reviewing plans to expand our hiring of individuals with disabilities and recipients of MPVA benefits to build a more diverse workforce. Our internal policies clearly forbid discrimination and are strictly managed to ensure that no employees face discriminatory treatment. We will continue to promote employee diversity and build a fair and just work environment.

Diversity-oriented HR Policy

DS Neolux operates its HR policy with diversity and inclusivity as the core values and has a more gender-balanced workforce than the material industry average. The gap in average tenure between male and female employees is also smaller than the industry average.

Percentage of Female Employees and the Gap in Tenure between Male and Female Employees

| Classification | Unit | 2021 | 2022 | 2023 |
|--|--------|------|------|------|
| Percentage of female employees | % | 21.4 | 20.5 | 19.7 |
| Average tenure of male employees | Months | 57.7 | 60.9 | 66 |
| Average tenure of female employees | Months | 41.5 | 50.7 | 53.8 |
| Difference in average tenure between male and female employees | Months | 16.2 | 10.2 | 12.2 |

Promoting the Recruitment of Employees with Disabilities

To fulfill its social responsibility and foster a organizational culture free of discrimination and stereotypes, DS Neolux grants additional points to applicants with disabilities in the recruitment process and treats them equally in terms of working conditions and environment. As of the end of 2023, the percentage of employees with disabilities at DS Neolux is 2.0%.



Employee Management

Reinforcing Talent Management

Employee Development

DS Neolux implements a phased annual training plan to support employee growth based on their career stage and job position. In 2020, we abolished the job ranking system to ensure a more performance- and competency-oriented HR management and to help promising employees reach their full potential. An employee's job position is determined based on competencies, not the length of employment, and competent employees are promoted to higher positions for faster growth. We also encourage employees to challenge themselves and pursue growth through job transfers.

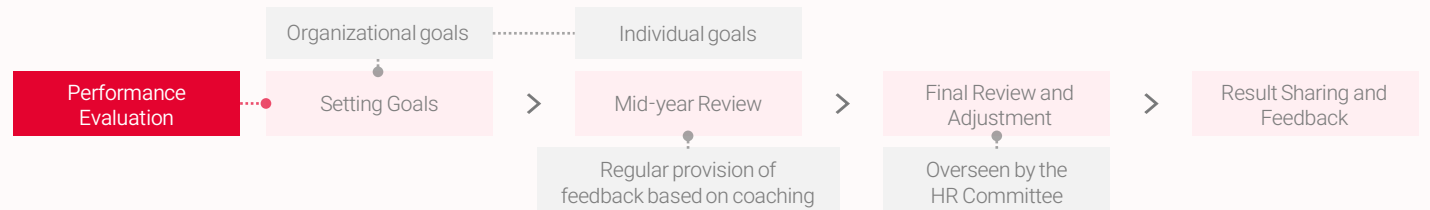
Main Training Programs

| Classification | Topic |
|--|---|
| Fostering leadership | Onboarding training for newly hired executives and employees |
| | Training for executives and employees |
| Position-tailored competency development | Position-tailored leadership training |
| | Onboarding training for newly hired employees (entry-level and experienced) |
| Job competency development | Online and in-person job training |
| | Report preparation and project management |
| | Finance and internal accounting |
| | Foreign languages |
| Mandatory training | Preventing workplace sexual harassment and bullying |
| | Disability awareness |
| | Privacy protection |
| | Information security |
| | Ethical Management |

Employee Performance Evaluation and Compensation

At DS Neolux, employees set goals and evaluate their performance on their own through a performance evaluation system based on the MBO(Management By objectives) approach. The goals of individual employees are set according to the shared company-wide goal, with their progress being examined in the review and feedback session conducted in July. We also carry out an employee competency assessment to share our core values with employees in an objective manner and help them develop the necessary skills. Every October, we set forth shared competencies, leadership competencies, job competencies, and behavioral indicators and evaluate employees accordingly, sharing exemplary cases and encouraging improvement. Team leads and executives, in particular, have their leadership competencies reviewed through a multi-angled evaluation, and the results of these evaluations directly affect the employee's promotion and compensation.

Performance Evaluation System



Employee Compensation System

| | |
|--------------|--|
| Fixed pay | Base salary: Annual salary |
| Variable pay | Management performance-based bonus: provided differentially based on company-wide, organizational, and individual performance |
| | Stock options: irregular granting of stock options based on tenure and performance (To be regularly granted in the future) |
| | Improvement suggestion rewards: provided differentially based on improvement performance of production and quality-related teams |
| | R&D rewards: provided to employees with significant contribution to R&D and revenue generation |
| | Performance incentives: provided differentially based on performance, accounting for overall achievement of company-wide(shared), organizational, and individual goals |

Employee Management

Innovating Organizational Culture

Fostering a Culture of Mutual Respect Among Employees

DS Neolux aims to build a free and horizontal organizational culture that respects the individuality of employees. With ‘mutual respect’ as our core value, we designated the 11th day of each month as a “Mutual Respect Day.” On this day, we carefully listen to the voices of employees and regularly inspect internal circumstances. In 2023, reflecting employees’ suggestions regarding mutual respect, we made improvements to the “2023 Mutual Respect Guidelines.” Employees are also provided with opportunities to freely and actively communicate with the company and give honest feedback, which we aim to actively incorporate into our culture. Going forward, DS Neolux will foster an organizational culture of mutual respect supported by communication and trust.

Reinforcing Labor-Management Communication

Recognizing that good labor-management relations are a key driving force for corporate growth, DS Neolux seeks to establish a corporate culture where the labor and management respect and trust each other. We hold quarterly Labor-Management Council meetings to promote labor-management communication, as well as quarterly management briefing sessions, where the CEO shares company policies and management status with all employees and listens to their suggestions and concerns. Employees can make work-related suggestions anytime via “Suggestions for Improvement,” a bulletin board on the company intranet. We also operate the “DS Communication Square” bulletin board for employees to post petitions and questions regarding general matters such as improving quality of life, and take appropriate measures.

Operation of Employee Communication Channels

DS Neolux operates a range of communication channels to better communicate its organizational culture and minimize conflicts that may arise between employees of different generations and positions. Workshops and employee clubs also help us build a more energetic organization by facilitating communication and networking among employees. Furthermore, to improve our organizational culture, we collect employee opinions through company-wide surveys on organizational culture and multi-dimensional reviews of executives. DS Neolux will continuously facilitate employee communication in the future, fostering a transparent organizational culture.

Organizational revitalization



Management briefing session



Workshop





Employee Management

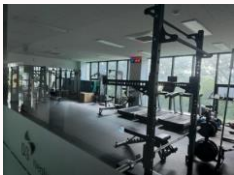
Innovating Organizational Culture

Improving Employees' Working Conditions

At DS Neolux, where employees' well-being and a healthy work environment come first, there are continuous, active efforts to build a better workplace. In response to employees' suggestions, we have improved the office environment, offer flexible working hours, and are reinforcing job-related training. We also provide health checkups, welfare programs, and many other benefits that promote work-life balance to improve employee satisfaction. DS Neolux will continue to create a better work environment through endless improvement and innovation.

Employee Welfare Programs

Recognizing the importance of work-life balance, DS Neolux offers a selective working hour system for employees. While all employees are expected to be at work during the core time from 10:00 a.m. to 3:00 p.m., they can start and end work as they choose during the other hours. This system allows employees to work flexibly to suit their individual needs and schedule, thereby improving work efficiency and quality of life. Furthermore, we implement family-friendly programs for pregnant and parent employees to build a work environment that strictly complies with maternity protection laws, and encourage employees of all genders to make full use of benefits like parental leave, reduced working hours, family care leave, and paid leave. To promote the use of paid leave, DS Neolux offers free stays at resorts in the peak summer holiday season, and pays for the health checkups of employees and their spouses. Our various welfare programs, including assistance for housing expenses (for newly hired employees) and children's tuition fees, contribute to improving employees' quality of life. We will continue reviewing and improving such support programs and benefits to ensure employees' work-family balance, build a good corporate culture, and achieve sustainable growth as an organization.



On-site gym



On-site cafeteria



Commute shuttle

Main Welfare Programs

| Classification | Specifics |
|----------------------------|--|
| Housing expense assistance | Housing expenses of employees who have moved alone from other cities (for 6 years) |
| | Security deposit for newly hired employees (KRW 10 million for 3 years) |
| Medical expense assistance | Health checkups of employees and their spouses |
| | Paid emergency leave for infectious diseases |
| Leisure expense assistance | Points worth KRW 1 million for selective use of benefits (per year) |
| | Free use of resort facilities during the peak summer holiday season |
| Family event assistance | Expense assistance and paid leave for weddings, funerals, childbirths, and graduations |
| | Funeral supplies |
| Tuition assistance | Tuition fees for employees' children and cash gifts upon school admission |
| | Tuition fees for employees |
| Commute assistance | Commute shuttles |
| | Flexible working hours |
| Revitalization assistance | On-site gym, cafeteria, lounge (with massage chairs), fitness facilities |
| | Club operation costs, revitalization costs for each team |



Employee Management

Practicing Human Rights Management

Human Rights Management Policy

DS Neolux respects the human rights of all stakeholders, including employees, across all its management and production activities. We established a human rights charter in 2023 to reinforce our people-oriented corporate culture.

DS Neolux Human Rights Charter

1. Basic Principle

DS Neolux upholds international standards for human rights and labor, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the key conventions of the International Labor Organization (ILO). We practice human rights management to prevent human rights violations.

3. Management Guidelines

3-1 Prohibition of Discrimination

We prohibit discrimination based on gender, race, or religion, and pay equal wages for equal work.

3-2 Compliance with Working Conditions

We comply with the labor laws and minimum wage regulations of the country where we operate, and provide wage contracts and invoices.

3-3 Humane Treatment

We prohibit mental/physical coercion and abuse, and if such an event occurs, take measures to prevent recurrence while prioritizing the protection of the victim.

3-4 Prohibition of Forced Labor

We do not force labor against employees' free will and protect the health of female employees by ensuring that they are not forced to work overtime or on holidays. We do not request the surrender of ID cards as a condition of employment.

3-5 Guarantee of Freedom of Association and Collective Bargaining

We guarantee employees' rights to organize, conduct collective bargaining, and take collective action, and provide sufficient opportunities for employees to communicate with the company regarding working conditions.

2. Scope of Application

The DS Neolux Human Rights Charter applies to all employees, overseas affiliates, and suppliers of DS Neolux, and may also be used to evaluate companies that DS Neolux invests in, acquires, or merges with.

3-6 Prohibition of Human Trafficking

We prohibit the recruitment, transfer, and harboring of human resources for exploitation.

3-7 Compliance with Minimum Employment Age

We comply with the minimum age of employment and only hire employees aged 18 or above.

3-8 Guarantee of Occupational Safety

We regularly inspect the facilities and equipment of our business sites and conduct relevant training to build a safe work environment.

3-9 Operation of Grievance Handling Process

We operate grievance channels accessible to employees as well as external stakeholders to address issues concerning human rights violations and develop measures to prevent their recurrence.

3-10 Inspection of Human Rights Management Status

We regularly inspect the status of our human rights management and, if required, take improvement measures.

Human Rights Governance

The human rights management of DS Neolux is led by the HR Group under the Management Support Division. The HR Group is responsible for preventing, identifying, and managing human rights risks and takes part in the Working-level ESG Committee to report on and discuss major human rights issues. Among these, agendas that require the review and approval of the BOD are compiled and reported to the BOD by the ESG secretary organization, the IR/PR Group under DS Holdings. At DS Neolux, the BOD bears the highest responsibility for the management of human rights risks.

Human Rights Management Process





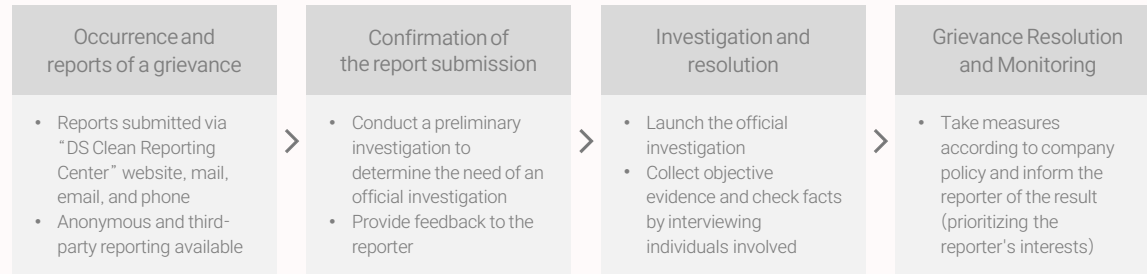
Employee Management

Practicing Human Rights Management

Operation of a Human Rights Grievance Channel

Internal and external stakeholders of DS Neolux can report human rights violations to our online grievance channel, DS Clean Reporting Center. The Center accepts reports via website, email, and mail 24/7 and ensures anonymity to encourage reporting. Information on the Reporting Center and how to make a report is communicated both online and in person via the groupware bulletin board and posters at our business sites. External stakeholders, including suppliers, can also find the same information on our website. If a report requires investigation, we implement appropriate measures to protect the victim, and if the violation is confirmed, strict disciplinary action is taken against the relevant individual according to company policy. We also use the reports made to DS Clean Reporting Center to identify potential human rights risks, and report them to the BOD. Based on the BOD's resolution, we implement risk management activities, such as the introduction of new disciplinary rules and conducting human rights training and campaigns. In 2023, no reports related to human rights were submitted.

Grievance Handling Process



Human Rights Training for Employees

As part of its human rights management, DS Neolux conducts human rights training to protect and promote the human rights of employees and ensure that all members of the company respect the value of dignity and equality. Such efforts also help us prevent various forms of discrimination and foster a fair corporate culture. Our human rights training covers topics including prevention of sexual harassment and bullying, and improvement of disability awareness, which allows us to create a culture where all employees respect and protect human rights. Such activities reflect our commitment to building a better workplace culture and fulfilling our social responsibility for sustainable growth.

Human Rights Training in 2023

| Classification | Employees Required to Attend | No. of Sessions | Attendance Rate |
|----------------------------------|------------------------------|-----------------|-----------------|
| Prevention of sexual harassment | All employees | 1 | 100% |
| Improving disability awareness | All employees | 1 | 100% |
| Prevention of workplace bullying | All employees | 1 | 100% |



Health and Safety Management

Reinforcing Health and Safety Systems

Health and Safety Management System

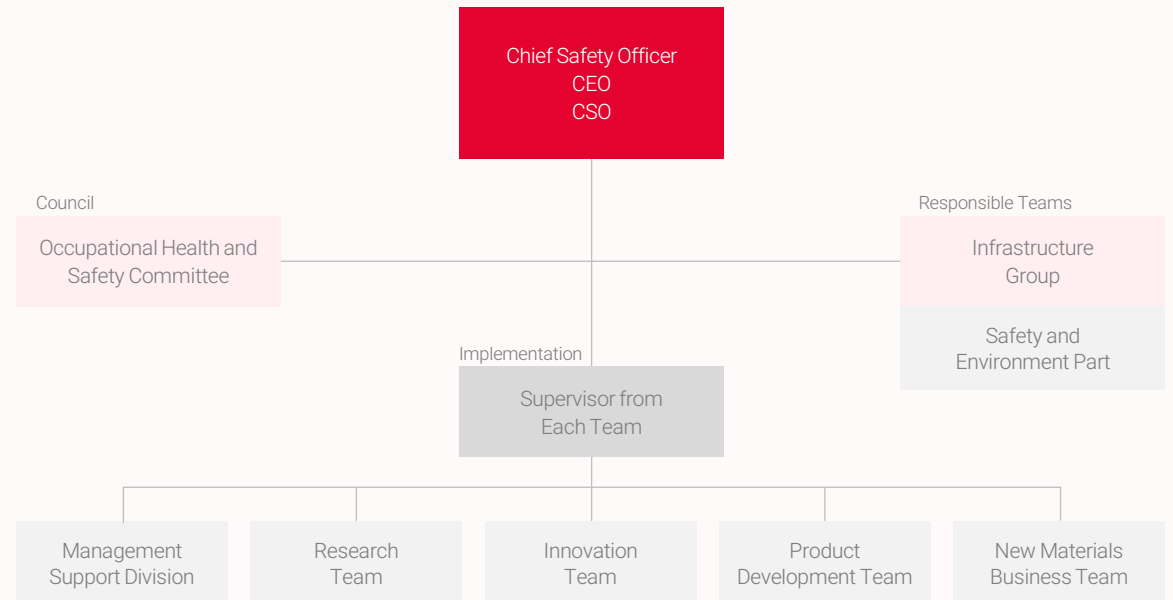
For systematic and continuous management of health and safety, which form the foundation of all management activities, DS Neolux strives to strengthen and maintain its health and safety management system in compliance with global standards. To this end, we established a dedicated policy and system for health and safety management. The health and safety management system applies across our business sites at Cheonan and Ulsan and all employees, and defines processing team employees of O and T positions as physical workers. In 2022, we obtained the ISO 45001 certification and appointed our CEO as the CSO to reinforce the implementation of health and safety management. DS Neolux operates a Health and Safety Committee, which reviews important health and safety matters, and has also launched a team dedicated to health and safety, the Safety and Environment Part, under the Infrastructure Team. We appoint division executives as health and safety directors and have designated health and safety supervisors in all teams to ensure a strong management system. Such efforts have allowed us to achieve 100% completion rates in both internal and external due diligence and maintain a safe and health work environment.

ESH Policy

Regard environment, safety, and health as our core management values and improve accident prevention and sustainability through systematic ESH management.

- First, strictly comply with the basic principles, policies, and regulations regarding ESH.
- Second, build a mature ESH culture by voluntarily participating in and implementing ESG activities.
- Third, continuously identify and improve hazards and risk factors to foster a safe and healthy work environment.
- Fourth, fully understand the characteristics of chemicals and wear protective equipment to prevent ESH accidents.
- Fifth, make continuous improvements to the work environment and reinforce health-promoting activities.
- Sixth, conduct practical ESH training and drills to improve the level of ESH.
- Seventh, minimize the generation of pollutants and preemptively prevent and manage environmental incidents.

Organization Chart of Health and Safety Management





Health and Safety Management

Reinforcing Health and Safety Systems

Operation of the Occupational Health and Safety Committee

DS Neolux holds Occupational Health and Safety Committee meetings every quarter to review and resolve key health and safety matters, including health and safety budgets, health checkup plans and results, and activities to improve health and safety management at its business sites. The Occupational Health and Safety Committee comprises five work-level members and five employee members, the latter including the employee representative, and works to prevent occupational accidents and improve work environments by facilitating communication and cooperation between labor and management.

Notable Results from Occupational Health and Safety Committee Meetings in 2023

| Agenda | Result |
|---|---|
| Banning the use of earphones during processes | Banned the use of earphones during processes to ensure prompt response in case of emergency |
| Changing the location of the evacuation assembly area | Changed to a place considered to be safer in emergencies |
| Revising the Health and Safety Management Policy | Revised the policy and announced the revision |
| Changing the frequency of health consultations provided by commissioned healthcare provider to employees with abnormal health checkup results | Changed from once a month to twice a month |
| A request to flatten the floor in front of the in-building storeroom to prevent falls | Completed the flattening of the floor in front of the in-building storeroom |

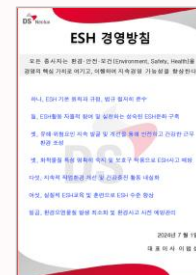
Assigning Health and Safety Responsibilities

DS Neolux assigns responsibilities for conducting ESH training and inspections to its health and safety managers, which include executives appointed as health and safety directors and the health and safety supervisor of each team. The results of these activities are linked with the performance evaluation of the responsible health and safety managers, ensuring that they perform their duties with a strong sense of responsibility.

Reinforcing Health and Safety Responsibilities

The CEO of DS Neolux regularly inspects work sites and carries out joint inspections at least twice a year to raise awareness of health and safety responsibilities. In addition, the CEO presides over the monthly safety management meetings attended by executives, where he receives updates on the monthly progress in health and safety activities and instructs the inspection and improvement of risk factors, encouraging health and safety management across the company. The CSO undergoes regular training to reinforce relevant competencies and will diligently fulfill obligations for any supplementary training required.

Policy and Certificate



ESH management policy



ISO45001 certificate



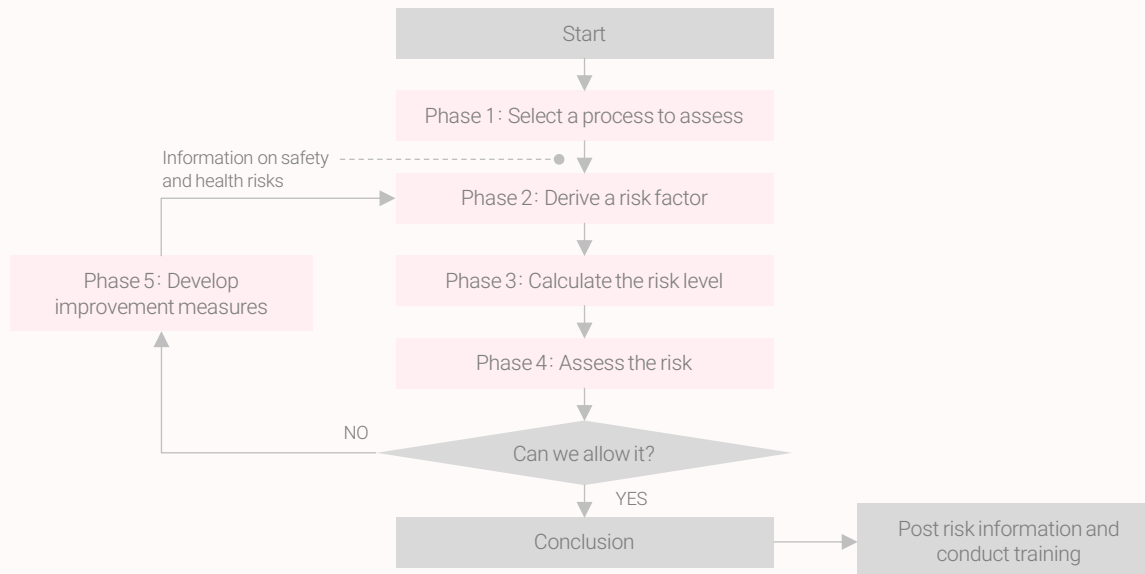
Health and Safety Management

Workplace Safety Management

Health and Safety Risk Assessment

DS Neolux conducts annual health and risk assessments led by the team responsible for health and safety management to analyze and assess all hazard and risk factors that arise in business sites and take improvement measures. This assessment, partaken by all employees, discovers risk factors and evaluates their risk level on a scale of 20. Factors with a risk level of 9 or above are addressed through self-supervised training sessions in each team and voluntary improvement activities, and the results are reported to the CEO at the end of the year. In addition, teams and individuals that deliver outstanding results receive rewards, which leads to more quality assessments as well as more active risk management.

Risk Assessment Process



Health and Safety Inspections and Management

Our safety and health managers conduct joint monthly safety inspections to identify and address hazard/risk factors and non-compliance with occupational health and safety regulations at business sites. The results are reported to the CEO at the safety management meeting every month. We also commission safe management experts to carry out weekly on-site inspections of 12 facilities that handle hazardous substances and monthly on-site inspections of firefighting facilities. We also conduct general in-depth inspections and operational function inspections conducted twice a year, putting continuous effort into preventing occupational accidents.

Results of the 2023 Health and Safety Risk Assessment and Risk Factor Improvement Performance

(Unit: items)

| Total No. of Risk Factors Discovered | Improvement Target | Risk Factors to Improve | Risk Factors That Completed Improvement |
|--------------------------------------|--------------------|-------------------------|---|
| 912 | 252 | 280 | 220 |

Examples of Improved Risk Factors in 2023

| NO. | Classification | 내용 |
|-----|----------------|--|
| 1 | Risk | Due to the uneven floor of the trench section, the carrier pipe may be damaged when a cart passes over it. |
| | Improvement | Changed cart wheels to anti-vibration wheels to reduce impact. |
| 2 | Risk | Workers may collide in the dark in the event of a blackout. |
| | Improvement | Applied phosphorescent stickers to the floor and walls to indicate the evacuation route. |
| 3 | Risk | The unsecured high-pressure gas containers may cause falls. |
| | Improvement | Installed holders to secure the gas containers. |
| 4 | Risk | Workers may get caught in the label testing conveyor belt. |
| | Improvement | Installed safety guards in the conveyor belt. |



Health and Safety Management

Fostering a Safety-oriented Culture

Activities to Build a Safe Work Environment

DS Neolux carries out various activities in order to build a safe work environment. We inspect the safety management status of our business sites and conduct monthly “joint employee inspections” for immediate improvement of discovered issues. Such efforts allowed us to receive an A grade for the safety activity assessment in 2023. Most safety accidents occur due to unsafe actions. To prevent such accidents, we implemented a “five-minute action observation” system, which requires the health and safety manager to observe a worker’s action and procedure for five minutes and give instruction and advice upon the discovery of any unreasonable action. Through this protocol, DS Neolux aims to encourage safer procedure and prevent accidents.

Collecting Safety and Health Suggestions

DS Neolux holds safety and health meetings with newly hired employees in an effort to examine its safety and health management from a fresh perspective. In 2023, the meeting resulted in notable improvements such as the installation of a safety mirror in the parking lot, improving the wind speed of the local exhaust system, and enhancing the output of emergency alert speakers.

Safety and Health Activities



Emergency drill



On-site fitness facility

Health and Safety Training and Drills

To build a safe workplace for employees, DS Neolux strives to internalize a safety-oriented culture as well as upgrade its safety management system. We actively assist work-level teams in improving their health and safety competencies by encouraging them to carry out voluntary health and safety management activities. In addition to the monthly health and safety manager training, we conduct health and safety training for all employees every month. We have also established an emergency response system to prepare for emergencies such as fires, natural disasters, and blackouts. Our emergency plans, which are updated annually, clearly outline the emergency response procedure and the role of each team. We have built a risk minimization process that involves reporting an emergency, analyzing its cause, developing preventive measures, and carrying out chemical spill drills and company-wide fire drills to reinforce our emergency response capabilities.

Emergency Drills Conducted in 2023

| Classification | Description | No. of Drills Conducted |
|--------------------------------|---|-------------------------|
| Company-wide joint drills | 1. Fire evacuation drill 2. Earthquake evacuation drill | 2 |
| Team-tailored Emergency drills | 1. Fire evacuation drill 2. Blackout evacuation drill 3. First aid drill 4. Chemical spill drill | 14 |

Management of Employee Well-being and Health

Employees of DS Neolux receive special health checkups twice a year to ensure early diagnosis of any occupational illness. We systematically manage employees who receive abnormal test results or require observation, and report this to the CEO. If necessary, we take measures such as transferring employees to different positions or teams. Employees also receive general and comprehensive health checkups on a regular basis, and for employees with abnormal results, we offer monthly consultations with specialists and nurses from our partner healthcare provider. Furthermore, we operate an in-company fitness facility to promote employee health. These comprehensive healthcare programs help us protect the health and safety of employees in a persistent manner.

Healthcare Programs

| Classification | Description |
|------------------------------|---|
| Health checkup | Annual health checkup. Semiannual special health checkup |
| Work environment measurement | Semiannually |
| Health consultation | Twice a month |
| Fitness facility | Free access to the on-site gym |



Product Quality Management

Enhancing Quality Management

Establishment of Quality Management Principles

At DS Neolux, the goal of quality management is to achieve the quality standards expected from our clients, for which we implement active efforts across the company. In addition to establishing our four quality management principles, we have built and manage a quality management system in compliance with the requirements of the ISO 9001 standard. Going forward, we plan to constantly pursue quality management activities that improve client satisfaction.

Obtaining and Maintaining the Quality Management System Certification

To reinforce product quality and safety, DS Neolux obtained the certification for ISO 9001, a quality management system standard. After obtaining our certification in 2007, we have undergone annual reviews as well as triennial recertification reviews, ensuring the proper operation of our quality management system through objective evaluations by an external certifier.

Organizational Chart for Quality Management



The Four Quality Management Principles

| Client Satisfaction | Change and Innovation | Perfect Quality | Respect for Basics |
|--|---|--|---|
| We always listen to clients, think from their perspective, impress them with top quality and a prompt, precise response. | We never stop learning and bravely take on challenges to gain a competitive edge and create future markets. | No matter what, we achieve perfect quality with our own hands to protect our, and the company's pride. | We strictly follow processes and procedures to start out the right way, while prioritizing quality. |

Quality Management System





Product Quality Management

Reinforcing Quality Management

Product Quality Management

DS Neolux established and operates the DS-QMS (DS Supplier Quality Management System) for more efficient management of raw materials. As part of our quality management efforts, all raw materials delivered to us undergo receipt inspections before the manufacturing process, and we conduct additional manufacturing inspections and verifications of products before shipment to ensure that they meet our specification requirements and the client’s quality standards.

Activities to Improve Product Quality

We supply only environmentally friendly products to our clients by checking the presence of hazardous substances in raw materials that are brought in. To ensure objective quality management, we regularly commission accredited certifiers to conduct in-depth inspections of raw materials and products received by us. Furthermore, products produced by DS Neolux undergo hazard and risk assessments in compliance with domestic and international chemical management regulations,



Test Report of Hazardous Substances in Products

Management of Hazardous Substances in Products

In accordance with domestic and international standards as well as client policies on hazardous substances, DS Neolux developed a “product environment process” to ensure that no hazardous substances are used in its raw materials and finished products.

Supplier Quality Management

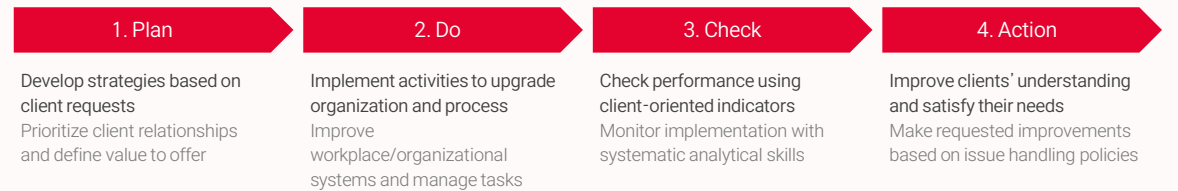
DS Neolux regularly holds quality sessions in order to manage supplier quality and reinforce its communication and partnership with suppliers. These sessions allow us to communicate our quality standards and management requirements to suppliers, as well as listen to their concerns and take improvement measures, addressing quality issues through collaboration. Furthermore, we regularly conduct quality audits at supplier companies to ensure the quality of raw materials we purchase, and make sure that suppliers’ standards for managing work sites, raw materials, facilities, and human resources meet clients’ expectations, which leads to a higher level of quality management across all suppliers.

Enhancing Client-oriented Management

Client-oriented Quality Improvement

At DS Neolux, client satisfaction is our highest priority, which is why we strive to achieve world-class competitiveness in product quality. With the goal of implementing client-tailored quality management, we established a quality management system and have been maintaining our ISO 9001 certification for the development, production, sales, and additional services of electronic materials for OLED displays, practicing client-oriented quality management.

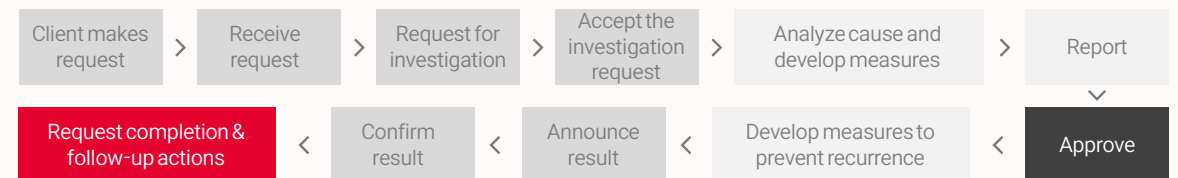
Virtuous Cycle of Client-oriented PDCA



Client Satisfaction Process

DS Neolux established and operates its own client satisfaction process. We pay close attention to the VoC (Voice of Customer), and if a quality-related issue arises, we work closely with the relevant teams, the CEO in particular, as well as all suppliers that affect product quality to analyze the cause and promptly offer satisfying solutions for the client.

Client Satisfaction Process





Supply Chain Management

Supply Chain Management

Reinforcing Supply Chain Management

DS Neolux has established a purchasing ethics charter for a fair, transparent purchase process, and practices sustainable supply chain management by ensuring the competitiveness and cooperation of its supply chain. We evaluate and select suppliers according to internal guidelines and conduct regular operation inspections to check their trading conditions and management status. We also actively listen to and address the VoS (Voice of Supplier), striving to vitalize our communication with suppliers.

Key Supply Chain Management Policy

| | |
|------------------------------------|---|
| Purchasing Ethics Charter | Outlines obligations of integrity agreements between DS Neolux and its suppliers, including strict compliance with fair trade regulations |
| Conflict Mineral Purchasing Policy | Prohibits trading with suppliers who are in business relationships with or provide direct or indirect support to organizations engaged in human rights abuse or crimes or to affiliates of such organizations |

Establishment of Supplier Classification Standards

At DS Neolux, suppliers are divided into key suppliers and general suppliers for more effective management. Key suppliers refer to companies with whom we signed a non-disclosure agreement(NDA). We make large-scale purchases from these partners, and they require mid- to long-term management. We expect key suppliers to meet our quality management standards, which include notifying us of changes and taking measures for nonconforming products. Key suppliers also receive various support from DS Neolux that helps enhance their technological competencies.

Supply Chain Management System

The purchasing process of DS Neolux is led by the Purchase Group, the team responsible for supply chain management. We develop supply chain management plans by forecasting demands and checking inventories and production plans. Our supplier selection process involves document reviews and on-site inspections, as well as follow-up reviews, in accordance with our supplier management policy. We transparently disclose information such as purchase forecasts and quality requirements, sharing our supply chain plans with suppliers. Moreover, we offer technological partnerships and training support to enhance suppliers' productivity, building a virtuous cycle for producing better quality and stable products.

Supplier Selection and Evaluation

DS Neolux selects its key partners through evaluations based on its internal checklist and grading system. The management status and level of quality management of potential suppliers, including technological competencies, production capabilities, safety/health/environment management, and hazardous substance management, are evaluated comprehensively and allotted scores, with those scoring 70 or more out of 100 signing transaction contracts with DS Neolux. We also conduct annual follow-up evaluations with our registered key suppliers and require those with unsatisfying results to take corrective measures and undergo a second evaluation. We grant priority in order placement to key suppliers who receive high scores, motivating them to make voluntary improvement efforts.

Key Supplier Status

| Classification | Unit | 2021 | 2022 | 2023 |
|--------------------------------|-----------|------|------|------|
| Domestic sourcing | Companies | 16 | 16 | 18 |
| Domestic outsourced processing | Companies | 4 | 4 | 2 |
| Global sourcing | Companies | 2 | 2 | 2 |
| Total | Companies | 22 | 22 | 22 |

Supplier Evaluation Criteria

| Grade | Supplier Registration | Frequency of Follow-up Evaluation | Additional Management Needs |
|--------------------|---|---|--|
| A (90 or above) | Registration (Registration maintained) | Once a year | Granted priority in order placement over suppliers of the same conditions |
| B (80 to 89) | Registration (Registration maintained) | Once a year | Encouraged to maintain current performance Provided with support and guidance to help achieve grade A |
| C (70 to 79) | Conditional registration (Registration maintained) | Twice a year (Once a year if conditions met) | Find an alternative supplier Place orders on a conditional basis |
| D (Below 70) | Registration canceled (Registration impossible) | - | May conduct a second evaluation if conditions satisfied |



Supply Chain Management

Supply Chain Management

ESG Management at Key Suppliers

DS Neolux selects its key suppliers by assessing their safety, health, and environmental management as well as hazardous substance management. All key suppliers are requested not to use materials from conflict zones or environmentally regulated materials. Those that trade mass-produced materials with us must submit an agreement to not use the four main conflict materials, cobalt, or mica, as well as a CMRT(Conflict Minerals Reporting Template) and an EMRT(Extended Minerals Reporting Template) in accordance with RMI standards (Responsible Minerals Initiative). We annually review the validity and appropriateness of the submitted documents and take necessary action based on our internal policies upon discovering a false document, incorrect submission, omission, or use of an uncertified mineral. In addition, suppliers subject to environmental regulations are requested to submit a document confirming their non-use of environmentally regulated materials.

Supplier Communication Efforts

| | |
|--------------------------------|--|
| Regular meetings | Monthly or quarterly meetings to ensure active communication and prompt addressing of issues |
| Collecting suppliers' Opinions | Surveys and feedback requests to reflect suppliers' needs and opinions |
| Training | Sharing latest management and technological trends to help suppliers achieve shared goals |
| Sharing performance | Annual performance reviews and continuous efforts towards improvement and innovation |

Fair Trade with Suppliers

All employees and suppliers of DS Neolux receive training on fair trade to ensure their compliance with fair trade rules. We also provide training on the code of conduct, sign fair trade agreements with new suppliers, and actively encourage our primary and secondary suppliers to sign fair trade agreements with one another. Furthermore, we constantly communicate with main suppliers to ensure that both DS Neolux and its suppliers comply with fair trade regulations and to take preventive measures. If an unfair trade practice is found, we review the relevant contract and take actions for improvement.

Fair Trade Guidelines

| | |
|--|--|
| Fair Contracts | Contracts should be fair, clear, and based on mutual consent. |
| Transparent Trade Conditions | Disclose all conditions and do not force disadvantageous conditions on the other. |
| On-time payment | Payments should be paid by the promised date to prevent any disadvantages in management. |
| Reinforcing mutual trust And cooperation | Pursue mutual growth based on trust to build a long-term partnership. |



Supply Chain Management

Supply Chain Management

Building a Mutual Growth System

DS Neolux continuously looks for opportunities to support key suppliers so it can enhance its cooperative partnership and communication with them. We also make improvements to our trade policies and sign fair trade agreements with suppliers to promote fair trade practices. In an effort to achieve mutual growth, we regularly communicate with representatives from main suppliers while offering a range of support such as technical and recruiting assistance.

Support Programs for Mutual Growth

DS Neolux utilizes its communication channels to reinforce communication and transparent trade. Our technical assistance programs involve sharing our latest technology and know-how with suppliers to improve their competitiveness, while our training programs allow suppliers to enhance their competencies in various aspects such as administration, product quality, and environmental management, leading to stronger long-term partnerships.

Support Programs for Mutual Growth

| | |
|-------------------|---|
| Technical support | Sharing latest technical know-how to reinforce suppliers' competitiveness |
| Training support | Recommending and providing training programs on product quality, environmental management, etc. |

Conflict Mineral Purchasing Policy

- DS Neolux will not tolerate, benefit from, contribute to, or facilitate any of the following.
Torture, abuse, and human rights violations · Coercion, forced labor · Child abuse · Infringement on freedom · Human rights violations, human rights abuse · War crimes, violation of international humanitarian law, genocide
- In the case we identify a substantial risk regarding a possibility that our supplier may be trading with someone engaged in any of the activities stated in no. 1 or other illegal activities, we will not trade with that supplier, and if we have already been trading with such a supplier, we will terminate our transaction with said supplier.
- We will not tolerate providing anti-government armed groups or their affiliates with direct or indirect support, such as purchasing minerals from, making payments to, or supplying equipment to them. "Anti-government armed groups or their affiliates" refer to groups that illegally seize mines, transportation routes, or minerals for distribution, impose taxes on them, and extort minerals, money, and valuables.

Contribution to the Local Community

Social Contribution

Social Contribution Strategies

DS Neolux regards contributing to society while pursuing growth as its corporate obligation. Reflecting the philosophy of Junho Lee, our Honorary Chairman, that “management should move people,” we are fully committed to supporting and investing in “people”. We have been funding the Yuha Pureun Foundation since its establishment in 2017 to discover and foster industrial talent and to support underprivileged members of the community, while implementing various other social contribution activities to achieve balanced growth with the local community. Such efforts allow DS Neolux to grow together with the local community and build a better future.

Social Contribution Strategies



Contribution to the Local Community

From the left

- Opening ceremony of the Sunshine Tree Program Room
- Donation being handed to Asan Medical Center
- Activities for people with developmental disabilities
- 2023 Forbes CSR Awards
- Certificate of selection as a Youth-friendly Small Giant



Social Contribution Activities

Fostering STEM Talent

The Yuha Pureun Foundation, which operates with personal funding from our Honorary Chairman, Junho Lee, as well as additional donations from Ulsan Cheil MG Community Credit Cooperatives and DS Group affiliates, including DS Neolux, awards scholarships to undergraduate and graduate STEM students in Ulsan twice a year. We also offer a range of lectures and internships focused on technical assignments and plan to develop support programs for academic researchers and aspiring business owners, reinforcing our effort to foster local STEM talent.

Support for the Underprivileged

DS Neolux, which signed a donation agreement worth KRW 500 million with Asan Medical Center, has made donations to support pediatric patients at the hospital every year since 2022. These donations are used to build a center to support pediatric palliative care and manage its medical staff. In January 2024, the Sunshine Tree Program Room, a facility dedicated to the palliative care of pediatric patients, successfully opened with our donations. We also continuously recruit employees with developmental disabilities as our brand image creators.

Creating Quality Jobs

In recognition of its continuous social contribution activities as well as achievements in the employment sector, including creating jobs in the Cheonan region, achieving job security, and building good work environments, DS Neolux became a three-time winner of the KCCI & Forbes CSR Awards (co-organized by the KCCI and the Korea Joongang Daily & winners selected by Forbes Korea). In 2024, we were also selected as a Youth-friendly Small Giant for the fourth consecutive year.



G o v e r n a n c e

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Governance

Composition of the BOD

The Board of Directors (BOD) of DS Neolux diligently performs its duties by deliberating and resolving the company's essential management policies and key matters related to business execution in accordance with the applicable law, regulations, and the Articles of Incorporation, while thoroughly reviewing and deciding matters delegated from general meetings. The BOD is appointed following a legitimate procedure prescribed by the Articles of Incorporation and, as of December 31, 2023, comprises four members (three executive directors and one independent director). To ensure responsible management and efficient business execution, the chair of the BOD is elected from among executive directors, non-executive directors, and independent directors. Both executive directors and independent directors serve a term of three years. Reappointment decisions are made upon the expiration of term, based on the evaluation of members' activities.

Appointment of the BOD

DS Neolux appoints directors by verifying their professional competencies, and the final appointment decision is made at the general meeting. The appointment process of the BOD takes into account the candidate's career, field of expertise, interests, and understanding of the job and ensures that the appointed directors do not fall under any disqualifying conditions outlined in the relevant laws and regulations, including the Commercial Act, which enables the independence of directors. In addition, we review whether the appointed director is involved in any major interests, such as owning shares in DS Neolux or other companies and past employment at DS Neolux, and restrict directors with such interests or potential conflicts of interest from exercising their right to resolution. We appoint executive directors by assessing whether they possess the appropriate level of expertise, while independent directors are required to be knowledgeable of the organic light-emitting OLED material industry and have extensive experience across various professional fields.

Diversity and Expertise of the BOD

When appointing directors, DS Neolux does not discriminate against candidates because of their gender, race, religion, nationality, or cultural background, and assesses their competencies based on work experience and expertise. Although we currently do not have an organization dedicated to supporting independent directors' work, the relevant support team within the company assists independent directors in performing their professional duties in the BOD. We plan to provide directors with annual external training, and keep them informed of the company's status and matters regarding their duties.



Governance

Composition of the BOD

Independence and Transparency of the BOD

In accordance with the Commercial Act and the Articles of Incorporation, we appoint independent directors after a thorough review based on disqualifying conditions and independence requirements. We have appointed a full-time auditor with expertise to monitor our management activities and attend BOD meetings, granting the auditor with authority to independently supervise the work of directors and request information. Furthermore, at DS Neolux, independent directors also have the right to request data, which allows them to view management information and make independent decisions regarding the agendas of BOD meetings.

Members of the BOD

(As of March 31, 2024)

| Classification | Name | Gender | Career Highlights | Competencies | Term |
|----------------------|---------------------------------|--------|---|---------------------------|-----------------------------------|
| Executive Director | Suhun Lee | Male | Masters in International Trade, Korea University CEO of DS Holdings CEO of DS AETHER CT Director of DS Navcours | Management/ leadership | Mar. 30, 2023 to Mar. 29, 2026 |
| | Bumsung Lee | Male | PhD in Chemistry, KAIST CEO of DS Neolux | Management/ leadership | Mar. 31, 2022 to Mar. 30, 2025 |
| | Wuhan Kim (Chair of the BOD) | Male | PhD in Chemistry, Seoul National University Former Vice President of LG Chem COO of DS Holdings | Management/ leadership | Oct. 24, 2023 to Oct. 23, 2026 |
| Independent Director | Byungsoo Kim | Male | PhD in Chemistry, University of Minnesota Associate professor of chemistry at UNIST Professor of chemistry at Yonsei University | Risk management | Mar. 15, 2023 to Mar. 26, 2024 |



Governance

Operation of the BOD

DS Neolux holds regular BOD meetings following its annual management plan, and may also hold extraordinary meetings as necessary. The date, place, and agenda of the BOD meeting is notified to each director in writing at least 7 days before the meeting. In 2023, a total of nine BOD meetings were held, addressing 10 agenda items, and the attendance rate of the BOD was 100%. In BOD meetings, resolutions are made with the presence of a majority of directors and an affirmative vote of a majority of the present directors, and all opinions regarding the corresponding agenda item, whether affirmative or negative, are transparently disclosed.

BOD Operation Status in 2023

| Date | Attendance Rate | Status | Description |
|----------|-----------------|----------|--|
| 23.12.04 | 100% | Approved | the conclusion of a monetary loan agreement |
| 23.10.24 | 100% | Approved | Appointment of the BOD Chair |
| 23.09.21 | 100% | Approved | Approval of the publication of the 2023 DS Neolux ESG Report |
| 23.09.11 | 100% | Approved | Holding of the extraordinary general meeting and resolution of the reported agenda |
| 23.08.02 | 100% | Approved | Extension of loan |
| 23.03.31 | 100% | Approved | Business acquisition |
| 23.02.28 | 100% | Approved | Extension of trust agreement for treasury stock acquisition |
| 23.02.15 | 100% | Reported | 1. Holding of the 9th general meeting and resolution of the reported agenda 2. Reporting of the management status and assessment of the internal accounting management system in 2022 |
| 23.02.06 | 100% | Approved | Approval of the 9th (2022) financial statement, consolidated financial statement, and business report |

BOD Evaluation and Remuneration

DS Neolux conducts BOD evaluations through a comprehensive review of factors such as the length of employment, contribution to the company, and expertise, and provides remuneration based on these evaluations in a fair manner. While we do not operate a separate committee for supervising decisions regarding the remuneration of directors and executives, the remuneration limits for directors are determined through resolutions at the general meeting in compliance with Article 388 of the Commercial Act. We strictly follow the approved limits as well as the relevant policies to ensure transparent and reasonable remuneration. Each year, we fully disclose the total amount of remuneration paid as well as the average amount received per person through our business report.

BOD Remuneration Status

| Classification | Unit | 2021 | 2022 | 2023 |
|---------------------------------|-------------|-------|------|------|
| Total amount of remuneration | KRW million | 1,185 | 842 | 529 |
| Average remuneration per person | KRW million | 395 | 281 | 282 |



Governance

Enhancing Shareholder Value

Shareholder Composition

DS Neolux has 80,000,000 authorized shares (with a par value of KRW 200), and as of December 31, 2023, has 24,831,179 issued shares of common stock. Our largest shareholder is DS Hi-Metal Co., Ltd., which holds 36.67% of shares, and DS Neolux owns 0.7% of treasury shares.

Enhancing Shareholder Value

DS Neolux implements a range of shareholder policies to reinforce and protect shareholders' rights. We introduced an e-voting system and a proxy voting solicitation system for shareholders' benefit, and hold the general meeting within three months after the end of each settlement period through the BOD's resolution. If necessary, extraordinary general meetings may be held as well. All shareholders are entitled one voting right per share regardless of the number of shares owned, and receive equal treatment. Upon the end of quarterly settlements, we actively implement IR(Investor Relations) activities where we report our business activities, providing shareholders with ample and transparent information. Going forward, we will further reinforce our shareholder-related policy to protect shareholder rights.

Shareholder Status

(As of December 31, 2023)

| Shareholder Composition | No. of shares owned |
|-----------------------------|---------------------|
| DS Hi-Metal Co., Ltd. | 9,105,856 |
| Affiliated persons | 4,565,669 |
| Other minority shareholders | 10,978,028 |
| DS Neolux Co., Ltd. | 181,626 |
| Total | 24,831,179 |



Ethics and Compliance

Reinforcing Ethics and Compliance

Development of the Ethics and Compliance Policy

DS Neolux practices fair and transparent management based on the firm resolve of the CEO. We established and disclose our own ethics charter and code of ethics, constantly monitoring compliance. The code of ethics is distributed to all employees, and we encourage external shareholders, including suppliers, to follow it as well. In an effort to reinforce employees' sense of responsibility, we have declared it mandatory to submit a pledge of ethical management once a year, ensuring that all employees strictly adhere to our ethical standards. Such efforts allow us to practice more ethical and transparent management.

Ethics Charter

We share the same corporate philosophy and management policies as the company, respect the order of free, competitive markets and the principles of fair competition, and implement a code of ethics of the highest level and management activities in compliance with laws and regulations in every region and country where we conduct business to enhance our corporate value, thereby achieving mutual prosperity with all our stakeholders.

Code of Ethics

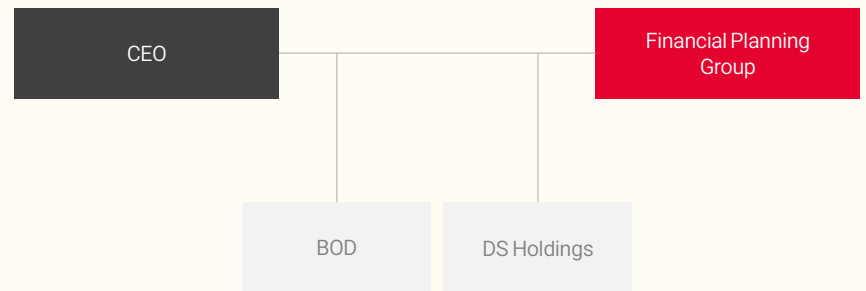
Based on trust and communication, DS Neolux actively implements ethical management by adhering to laws and ethical standards and fulfilling its corporate and social responsibilities.

1. We uphold the company's development as the highest virtue, making it our utmost priority.
2. We do our utmost to enhance the investment value for shareholders and investors.
3. We practice value-oriented management and produce outstanding quality and service.
4. We respect the principle of free competition, lead healthy industrial development through fair trade and competition, and pursue shared development with suppliers based on mutual trust.
5. We carry out all trade activities following transparent and fair principles, and shall not provide or receive money, valuables, or entertainment to or from stakeholders.
6. We strive for environmentally friendly management, improving work environments, and preventing accidents.
7. We perform our duties with a positive mindset, creative spirit, and challenge-driven attitude, and act with a sense of responsibility and ownership.
8. We strive to secure and retain the company's intellectual property rights and to protect its tangible and intangible assets as well as information.
9. We endeavor to build a healthy organizational culture and relationships with coworkers, respect the human dignity of individual employees, and seek to improve our quality of life.
10. All management information shall be prepared and disclosed in a fair, transparent manner according to relevant laws, regulations, and company policies.

Reinforcing the Ethics and Compliance System

DS Holdings, the holding company of DS Group, is responsible for the integrated management of ethics and compliance at DS Neolux, ensuring the company's independence and autonomy, which are integral to ethical and compliance management. DS Holdings develops relevant policies, conducts training and monitoring, and operates DS Clean Reporting Center, concentrating its efforts on internalizing ethical and compliance management through trust and communication. Within DS Neolux, the Financial Planning Group receives relevant information from the HR Group to assess the measures for controlling ethics and compliance at least once a year, and in 2023, no major corruption risks were found. In the future, we plan to identify risk factors and develop improvement measures based on the assessments of the HR group and reports submitted to the Reporting Center, and report them to the BOD for approval.

Organizational Chart for Ethical and Compliance Management





Ethics and Compliance

Reinforcing Ethics and Compliance

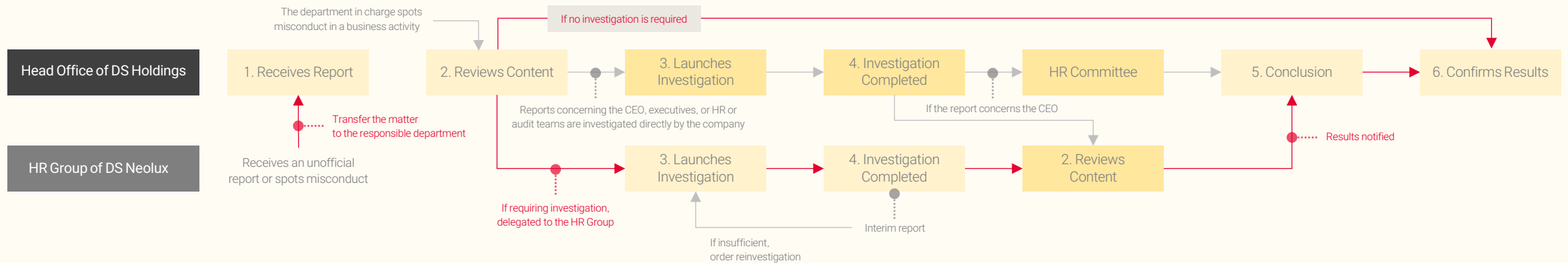
Operation of an Ethics and Compliance Reporting Channel

DS Neolux operates the DS Clean Reporting Center to receive reports of unfair or unethical employee conduct that violates its ethical standards. Reports made to the Center are directly handled by the audit organization of our holding company to ensure objective and fair investigation. After a fact-checking process, the matter is delegated to the HR Team, which takes action based on the company's discipline policy.

Protection of Confidentiality

Reports made to DS Clean Reporting Center undergo fact-checking investigations by DS Neolux, and the confidentiality of the content as well as the reporter's identity are protected with various measures, allowing employees to report issues without fear of retaliation.

Report Handling Process at DS Clean Reporting Center



Raising Ethical Awareness Among Employees

DS Neolux conducts regular company-wide training to prevent ethics and compliance risks and internalize awareness of ethics and compliance. We also plan to publish periodical newsletters and hold employee events to promote ethical and compliance management in a more natural and friendly manner.

Ethics and Compliance Training Programs

| Topic | Description |
|--------------------|--|
| Ethical management | <ul style="list-style-type: none"> • Anti-corruption • Fair trade • Whistleblowing • CSR • ESG management |



Information Protection

Reinforcing Information Protection

Information Protection Policy and Strategies

At DS Neolux, information of all kinds, including management information, trade secrets, and intellectual property, are considered important company assets, and we implement various efforts to protect them. We strictly comply with domestic and international laws on information protection, including the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Data Protection, and established information security rules, which we share with all employees. We regularly review these rules to ensure their validity, in addition to building and operating various systems for technical security, privacy protection, and the physical security of facilities to minimize information security risks.

Information Protection Policy

DS Neolux practices the following rules for information protection.

- All individuals handling the company's information are obliged to comply with its security policies and standards and actively protect information.
- Contribute to building a healthy security culture through security training, inspections, and communication.
- Make appropriate investments in security and maintain a reasonable level of control.
- Diligently follow security requirements prescribed by laws, regulations, and contracts.



Information security training

Operation of the Information Protection Organization

DS Neolux, as a company handling national core technologies, has a designated CISO(Chief Information Security Officer) and established and operates the Information Planning Group, a department dedicated to information protection, to protect the company as well as its stakeholders. The Information Planning Group identifies matters that require inspections according to the information security rules, compiles issues that have arisen, and provides regular and ad-hoc reports on them. It also prepares response guidelines for different scenarios, continuously monitors abnormalities, and implements internal and external security solutions to take preventive measures against security incidents.

Information Protection Activities

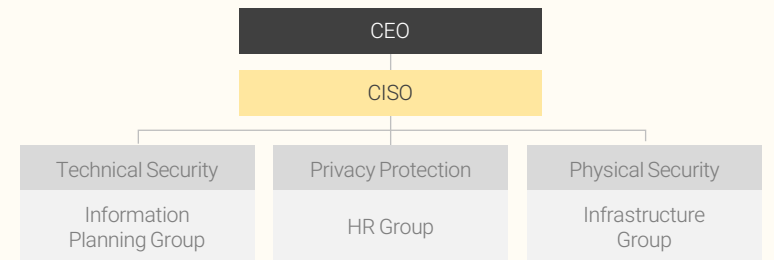
With the aim of enhancing the company's technical security competencies, the Information Operation Group of DS Neolux monitors the latest trends in information security, encourages employees to attend external training sessions, and organizes internal job training. It regularly implements campaigns to raise awareness of security among employees and promote their voluntary compliance with security rules, as well as security training sessions with external experts and e-learning activities. The Group is also responsible for various promotional activities such as the creation and distribution of security guidelines and security newsletters.

Information Security Training Status

Information Protection Management System

DS Neolux strives to protect not only its business information but also information concerning stakeholders, such as national core technologies and client information. We have built a 24/7 real-time security control system against possible cyberattacks and regularly check for any security vulnerabilities in internal IT systems to take necessary measures, leading to a higher level of security. In the event of a security incident, the Security Incident Response Team, consisting of teams responsible for security and the development and operation of information systems, identifies the damage and impact and takes emergency action.

Organizational Chart for Information Protection



| Classification | Attendance Rate (Attendees/Employees required to attend) | | |
|--|---|-------------------|-------------------|
| | 2021 | 2022 | 2023 |
| Attendance rate of information protection training | 100% (183/183) | 100% (235/235) | 100% (249/249) |



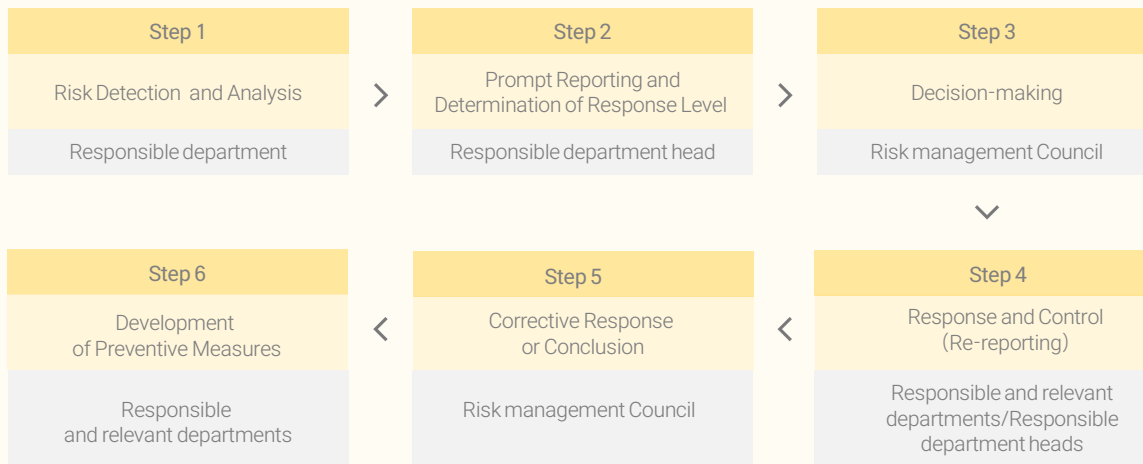
Risk Management

Reinforcing Risk Management

Establishment of a Risk Management System

DS Neolux has established and operates a systematic risk management system to ensure prompt response to internal and external risks that may arise in the fast-changing corporate environment. We work towards a sustainable business structure by defining all types of potential risks and building a timely response system across the company. Risks identified by each department are reported to the responsible department head, who in turn conducts continuous monitoring to prevent the risk from occurring, and in the case it does, develops measures to minimize the damage. In weekly Risk Management Committee meetings, the heads of responsible departments gather to review the trends in company-wide risks and establish response strategies, which are promptly reported to the CEO through meetings.

Risk Response Process



Risk Management Governance System





Risk Management

Tax Strategies

DS Neolux considers diligent compliance with tax obligations as a corporate social responsibility and fully understands that taxes paid by citizens serve as a key resource for the nation’s balanced development and environmental sustainability. With this recognition, we established tax strategies in 2023 and fulfilled tax obligations in an honest, transparent manner following principles. We also systematically manage our tax-related risks to prevent and address potential issues.

Tax-related Awards

| Classification | Awarded by | Award Title |
|----------------|---|----------------|
| 2021 | Ministry of Economy and Finance | Model Taxpayer |
| 2022 | Chungcheongnam-do Provincial Government | Model Taxpayer |

Tax Strategies

1. Fulfillment of Tax Obligations

- We strictly adhere to the tax laws of the country where we conduct business activities, and diligently fulfill our tax reporting and tax paying obligations.
- We transparently communicate with tax authorities and, in the event of an investigation or data request, provide the relevant information without delay.
- We do not take unfair advantage of differences in tax laws between countries to avoid tax obligations or use tax havens. For international transactions with affiliated persons, we follow the arm’s length principle based on the OECD Transfer Pricing Guidelines and local laws and regulations.

2. Management of Tax-related Risks

- We define the roles and responsibilities of employees in charge of tax reporting and payment.
- We make important decisions, such as enhancing business competitiveness or increasing investments, by considering tax issues as the top priority and actively utilizing internal and external experts.
- If there are uncertainties in the interpretation of tax laws, we actively consult external experts such as accounting firms.
- Important tax-related matters, including the establishment and revision of tax policies, are decided through the BOD’s approval.



ESG Factbook

| | |
|---------------------------|----|
| Economic Performance | 54 |
| Environmental Performance | 55 |
| Social Performance | 57 |
| Governance Performance | 63 |



Economic Performance

Consolidated Balance Sheet

| Classification | Unit | 2021 | 2022 | 2023 |
|------------------------------|-------------|---------|---------|---------|
| Current assets | KRW million | 188,013 | 189,300 | 100,923 |
| Non-current assets | KRW million | 148,652 | 172,238 | 148,652 |
| Total assets | KRW million | 336,666 | 361,538 | 404,327 |
| Current liabilities | KRW million | 22,651 | 16,165 | 23,665 |
| Non-current liabilities | KRW million | 26,909 | 25,041 | 27,469 |
| Total liabilities | KRW million | 49,559 | 41,206 | 51,134 |
| Capital | KRW million | 4,966 | 4,966 | 4,966 |
| Additional paid-in capital | KRW million | 138,602 | 138,602 | 138,602 |
| Other equity items | KRW million | 2,404 | (4,155) | (7,559) |
| Retained earnings | KRW million | 141,035 | 180,820 | 217,087 |
| Non-controlling interest | KRW million | 100 | 98 | 97 |
| Total equity | KRW million | 287,107 | 320,332 | 353,193 |
| Total liabilities and equity | KRW million | 336,666 | 361,538 | 404,327 |

Economic Value Distribution

| Classification | Unit | 2021 | 2022 | 2023 |
|---------------------------------|-------------|---------|--------|--------|
| Employee wages* | KRW million | 19,032 | 19,589 | 19,087 |
| Purchases from suppliers | KRW million | 128,248 | 99,987 | 92,552 |
| Corporate tax payment | KRW million | 9,501 | 5,867 | 5,938 |
| R&D investments* | KRW million | 21,305 | 22,913 | 20,653 |
| Donations for local communities | KRW million | 160 | 200 | 249 |

* 2021-2022 figures were modified in this year's report for consistency with the business report

Consolidated Income Statement

| Classification | Unit | 2021 | 2022 | 2023 |
|--|-------------|---------|---------|---------|
| Sales | KRW million | 191,358 | 176,677 | 163,702 |
| Costs of Sales | KRW million | 123,503 | 116,927 | 106,253 |
| Gross profit | KRW million | 67,855 | 59,750 | 57,449 |
| SG&A expenses | KRW million | 16,880 | 14,884 | 24,530 |
| Operating profit | KRW million | 50,976 | 44,867 | 32,920 |
| Other income | KRW million | 2,263 | 2,742 | 1,407 |
| Other expenses | KRW million | 744 | 2,429 | 1,821 |
| Financial profit | KRW million | 4,440 | 4,722 | 10,298 |
| Financial cost | KRW million | 899 | 5,341 | 1,504 |
| Profit from investments in associates | KRW million | 56,336 | 44,787 | 41,724 |
| Net income before corporate tax expenses | KRW million | 9,501 | 5,867 | 5,920 |
| Corporate tax expenses | KRW million | 46,834 | 38,920 | 35,804 |
| Net income | KRW million | 191,358 | 176,677 | 163,702 |

Shareholder Composition and Status

| Classification (As of Dec. 31, 2023) | No. of Shares Owned (Unit: Shares) | Ownership Ratio (Unit: %) |
|--|------------------------------------|---------------------------|
| DS Hi-Metal Co., Ltd. | 9,105,856 | 36.67 |
| Junho Lee and other affiliated persons | 4,565,669 | 18.39 |
| Other shareholders | 10,978,028 | 44.21 |
| Treasury stock | 181,626 | 0.73 |
| Total | 24,831,279 | 100.00 |



Environmental Performance

GHG Emission Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|---------------------|---------------------------------|------------------------|----------|----------|----------|
| GHG Emissions | Scope 1 (direct) emissions | tCO2eq | 71.1 | 79.2 | 60.9 |
| | LPG | tCO2eq | 9.6 | 9.7 | 10.9 |
| | Gasoline | tCO2eq | 56.0 | 63.1 | 47.0 |
| | Diesel | tCO2eq | 5.6 | 6.4 | 3.1 |
| | Scope 2 (indirect) emissions | tCO2eq | 10,869.9 | 13,041.5 | 12,225.8 |
| | Total GHG emissions | tCO2eq | 10,941.0 | 13,120.7 | 12,286.8 |
| Emission intensity* | Scopes 1 + 2 emissions per unit | tCO2eq/KRW 100 million | 5.72 | 7.43 | 7.51 |

* 2021-2022 figures were modified from the previous year's report for consistency with the 2023 business report

Energy Consumption

| Classification | | Unit | 2021 | 2022 | 2023 |
|--------------------------|-----------------------------------|--------------------|-----------|-----------|-----------|
| Total energy consumption | | GJ | 228,223.0 | 273,722.0 | 256,407.7 |
| Direct energy | Electricity | GJ | 227,145.5 | 272,526.1 | 255,475.0 |
| | Total direct energy consumption | GJ | 227,145.5 | 272,526.1 | 255,475.0 |
| Indirect energy | LPG | GJ | 165.4 | 167.2 | 189.7 |
| | Gasoline | GJ | 832.7 | 938.0 | 698.9 |
| | Diesel | GJ | 79.4 | 90.7 | 44.1 |
| | Total indirect energy consumption | GJ | 1,077.5 | 1,195.9 | 932.7 |
| Energy intensity* | | GJ/KRW 100 million | 119.3 | 154.9 | 156.6 |

* 2021-2022 figures were modified from the previous year's report for consistency with the 2023 business report

Raw Material Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|--|--|------|------|------|------|
| Total raw material usage | | ton | 33.7 | 57.6 | 62.4 |
| Raw materials for main light-emitting OLED materials | | ton | 6.3 | 8.9 | 8.9 |
| Raw materials for main non-emitting OLED materials* | | ton | N/A | 32.3 | 34.7 |
| Usage of other raw materials | | ton | 27.5 | 16.4 | 18.7 |

* The data for "Raw Materials for Main Non-emitting OLED Materials" has been managed since 2022 due to the implementation of new projects.

Water Resource Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|----------------------------|--|------|-------|--------|--------|
| Total water usage | | ton | 6,166 | 10,204 | 11,353 |
| Municipal water usage | | ton | 6,166 | 10,204 | 11,353 |
| Total wastewater discharge | | ton | 279 | 373 | 378 |



Environmental Performance

Waste Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|--|------------------------------------|------|-------|-------|-------|
| Total waste generation | | ton | 445.0 | 474.5 | 460.1 |
| Disposal of non-recycled waste | Total generation of general waste | ton | 20.0 | 29.5 | 30.2 |
| | Incinerated | ton | 20.0 | 29.5 | 30.2 |
| | Total hazardous waste | ton | 13.6 | 16.4 | 7.6 |
| | Incinerated | ton | 13.6 | 16.4 | 7.6 |
| Total generation of non-recycled waste | | ton | 33.6 | 45.9 | 37.8 |
| Disposal of recycled waste | Total generation of recycled waste | ton | 411.4 | 428.6 | 422.3 |
| | Liquid and solid organic solvents | ton | 411.4 | 428.6 | 422.3 |
| | Waste recycling rate* | % | 92.4 | 90.3 | 91.8 |
| Waste disposal | Total waste disposal | ton | 33.6 | 45.9 | 37.8 |

* 2021 waste recycling rate was corrected in this year's report due to inaccurate parameter selection standards in the previous year's

Air Pollutant Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|--|--|--------------------|-------|-------|-------|
| Pm(dust) emissions | | mg/Sm ³ | 0.004 | 0.008 | 0.002 |
| PM concentration compared to regulations | | % | 0.01 | 0.03 | 0.005 |

Chemical Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|--------------------|--|------|------|------|------|
| Chemical usage | | ton | 264 | 119 | 136 |
| Chemical discharge | | ton | 128 | 91 | 109 |

Environmental Investment Performance

| Classification | | Unit | 2021 | 2022 | 2023 |
|--------------------------|------------------------------------|-------------|-------|------|-------|
| Environmental investment | Amount of environmental investment | KRW million | 104.9 | 27.9 | 169.0 |



Social Performance

Employee Status

| Classification | | Unit | 2021 | 2022 | 2023 |
|------------------------|-------------|---------|------|------|------|
| Total no. of employees | | Persons | 241 | 245 | 254 |
| Gender | Male | Persons | 190 | 195 | 203 |
| | | % | 78.8 | 79.6 | 79.9 |
| | Female | Persons | 51 | 50 | 51 |
| | | % | 21.2 | 20.4 | 20.1 |
| By age | Under 30 | Persons | 85 | 91 | 87 |
| | | % | 35.3 | 37.1 | 34.3 |
| | 30 to 49 | Persons | 147 | 147 | 156 |
| | | % | 61.0 | 60.0 | 61.4 |
| | 50 or above | Persons | 9 | 7 | 11 |
| | | % | 3.7 | 2.9 | 4.3 |
| By employment type | Permanent | Persons | 234 | 238 | 242 |
| | Male | Persons | 184 | 189 | 194 |
| | | Persons | 50 | 49 | 48 |
| | Temporary | Persons | 7 | 7 | 12 |
| | Male | Persons | 6 | 6 | 9 |
| | | Persons | 1 | 1 | 3 |
| Non-employee workers | | Persons | 0 | 0 | 0 |

| Classification | | Unit | 2021 | 2022 | 2023 | |
|-----------------------|------------------|---------|---------|------|------|----|
| By position | Special position | Persons | 8 | 3 | 10 | |
| | Production | Persons | 25 | 27 | 26 | |
| | | 01 | Persons | 17 | 20 | 21 |
| | | 02 | Persons | 8 | 7 | 4 |
| | 03 | Persons | 0 | 0 | 1 | |
| | Research | Persons | 39 | 46 | 46 | |
| | | T1 | Persons | 36 | 43 | 42 |
| | T2 | Persons | 3 | 3 | 4 | |
| | Office job | Persons | 160 | 160 | 161 | |
| | G1 | Persons | 102 | 92 | 82 | |
| | G2 | Persons | 47 | 58 | 68 | |
| | G3 | Persons | 11 | 10 | 11 | |
| Executive | Persons | 9 | 9 | 11 | | |
| By workplace location | Cheonan | Persons | 168 | 177 | 242 | |
| | Seoul | Persons | 2 | 3 | 0 | |
| | Others | Persons | 71 | 65 | 12 | |



Social Performance

Average Employee Tenure

| Classification | | Unit | 2021 | 2022 | 2023 |
|-------------------------|--------|--------|------|------|------|
| Average employee tenure | | Months | 56 | 59 | 62 |
| Gender | Male | Months | 59 | 61 | 65 |
| | Female | Months | 51 | 53 | 54 |

Employee Diversity

| Classification | | Unit | 2021 | 2022 | 2023 |
|---|---|-------------------------------|---------|------|------|
| Female employees | Special position | Persons | 4 | 3 | 5 |
| | Production | Persons | 0 | 0 | 1 |
| | 01 | Persons | 0 | 0 | 1 |
| | 02 | Persons | 0 | 0 | 0 |
| | 03 | Persons | 0 | 0 | 0 |
| | Research | Persons | 8 | 10 | 5 |
| | T1 | Persons | 8 | 10 | 5 |
| | T2 | Persons | 0 | 0 | 0 |
| | Office job | Persons | 39 | 36 | 40 |
| | G1 | Persons | 27 | 22 | 23 |
| | G2 | Persons | 12 | 14 | 16 |
| | G3 | Persons | 0 | 1 | 1 |
| | Executive | Persons | 0 | 0 | 0 |
| | By department & job type | Revenue-generating department | Persons | 2 | 2 |
| | STEM department | Persons | 49 | 48 | 48 |
| Employees from disadvantaged backgrounds | No. of employees with disabilities | Persons | 2 | 4 | 5 |
| | Percentage of employees with disabilities | % | 0.8 | 1.6 | 2.0 |
| | No. of employees who are recipients of MPVA benefits | Persons | 0 | 0 | 0 |
| | Percentage of employees who are recipients of MPVA benefits | % | 0 | 0 | 0 |
| | No. of employees who are foreign nationals | Persons | 5 | 6 | 5 |
| Percentage of employees who are foreign nationals | % | 2.1 | 2.4 | 2.0 | |



Social Performance

New Hires and Turnovers

| Classification | | Unit | 2021 | 2022 | 2023 | |
|----------------------------|--------------------|-------------|---------|------|------|------|
| Total no. of employees | | Persons | 241 | 245 | 254 | |
| New hires | Total no. of hires | | Persons | 64 | 39 | 53 |
| | Gender | Male | Persons | 48 | 33 | 44 |
| | | | % | 75.0 | 84.6 | 83.0 |
| | | Female | Persons | 16 | 6 | 9 |
| | | | % | 25.0 | 15.4 | 17.0 |
| | By age | Under 30 | Persons | 48 | 21 | 40 |
| | | | % | 75.0 | 53.8 | 75.5 |
| | | 30 to 49 | Persons | 13 | 17 | 11 |
| | | | % | 20.3 | 43.6 | 20.8 |
| | | 50 or above | Persons | 3 | 1 | 2 |
| | | | % | 4.7 | 2.6 | 3.8 |
| | By employment type | Permanent | Persons | 57 | 33 | 35 |
| | | Temporary | Persons | 7 | 6 | 18 |
| Internal recruitment | | Persons | 0 | 2 | 1 | |
| Total no. of turnovers | | Persons | 36 | 34 | 63 | |
| Turnover rate | | % | 14.9 | 13.9 | 24.9 | |
| No. of voluntary turnovers | | Persons | 35 | 32 | 63 | |
| Voluntary turnover rate* | | % | 14.5 | 13.1 | 26.1 | |
| Employee Turnovers | Gender | Male | Persons | 33 | 27 | 54 |
| | | | % | 91.7 | 79.4 | 85.7 |
| | | Female | Persons | 3 | 7 | 9 |
| | | | % | 8.3 | 20.6 | 14.3 |
| | By age | Under 30 | Persons | 18 | 13 | 28 |
| | | | % | 50.0 | 38.2 | 44.4 |
| | | 30 to 49 | Persons | 17 | 19 | 33 |
| | | | % | 47.2 | 55.9 | 52.4 |
| | | 50 or above | Persons | 1 | 2 | 2 |
| | | | % | 2.8 | 5.9 | 3.2 |
| | By employment type | Permanent | Persons | 25 | 31 | 52 |
| | | Temporary | Persons | 11 | 3 | 11 |
| | By job type | Office job | Persons | 20 | 29 | 55 |
| Production | | Persons | 16 | 5 | 8 | |

Parental Leave Status

| Classification | | Unit | 2021 | 2022 | 2023 | |
|--|------------------------|---------|---------|------|-------|-------|
| No. of employees who took parental leave* | | Persons | 2 | 1 | 1 | |
| No. of employees who took maternity leave | Total no. of employees | Persons | 3 | 4 | 5 | |
| | Gender** | Male | Persons | 0 | 2 | 2 |
| | | Female | Persons | 3 | 2 | 3 |
| No. of employees who returned to work after parental leave | Total no. of employees | Persons | 3 | 1 | 5 | |
| | Gender | Male | Persons | 0 | 0 | 3 |
| | | Female | Persons | 3 | 1 | 2 |
| Percentage of employees who have worked at least for 12 months after returning from parental leave | Total no. of employees | Persons | 2 | 3 | 4 | |
| | Gender | Male | Persons | 1 | 1 | 2 |
| | | Female | Persons | 1 | 2 | 2 |
| Percentage of employees who returned to work after parental leave | Total no. of employees | % | 66.7 | 25.0 | 60.0 | |
| | Gender | Male | % | 0.0 | 0.0 | 100.0 |
| | | Female | % | 66.7 | 50.0 | 33.3 |
| Percentage of employees who have worked for at least 12 months after parental leave | Total no. of employees | % | 50.0 | 60.0 | 66.7 | |
| | Gender | Male | % | 0.0 | 100.0 | 50.0 |
| | | Female | % | 50.0 | 50.0 | 100.0 |

*2022 figures were modified in this year's report due to changes in data calculation standards

**2022 gender figures were corrected in this year's report due to inaccuracies in the previous year's

Operation of the Labor-Management Council

| Classification | Unit | 2021 | 2022 | 2023 |
|---|-------|------|------|------|
| No. of Labor-Management Council meetings held | Times | 4 | 4 | 4 |
| No. of agendas discussed in Labor-Management Council meetings | Items | 4 | 4 | 4 |
| No. of agendas resolved in Labor-Management Council meetings | Items | 4 | 4 | 4 |
| Percentage of agendas resolved | % | 100 | 100 | 100 |



Social Performance

Employee Training

| Classification | | Unit | 2021 | 2022 | 2023 |
|---|---------------------------|------------------------|---------------|--------|--------|
| No. of employees who attended training (cumulative) | | Persons | 1,472 | 1,716 | 1,569 |
| Total training costs | | KRW 1 thousand | 68,246 | 85,746 | 82,144 |
| Total training hours* | Training Hours | | Hours | 14,167 | 13,010 |
| | By job type | Office job | Hours | 13,871 | 12,504 |
| | | On-site job | Hours | 296 | 506 |
| Training cost per person* | | KRW 1 thousand/Persons | 41.0 | 22.8 | 33.2 |
| Training hours per persons* | | Hours/Persons | 9.6 | 7.6 | 7.5 |
| Ethics & anti-corruption training | No. of attendees | | Persons | N/A | 232 |
| | Total training hours | | Hours | N/A | 928 |
| | Training hours per person | | Hours/Persons | N/A | 4.0 |
| Human rights training | No. of attendees | | Persons | 241 | 232 |
| | Total training time | | Hours | 723 | 696 |
| | Training hours per person | | Hours/Persons | 3.0 | 3.0 |
| Health and safety training** | No. of attendees | | Persons | 241 | 229 |
| | Total training hours | | Hours | 5,784 | 5,496 |
| | Training hours per person | | Hours/Persons | 24.0 | 24.0 |
| Environmental training | No. of attendees | | Persons | N/A | 229 |
| | Total training hours | | Hours | N/A | 458 |
| | Training hours per person | | Hours/Persons | N/A | 2.0 |
| Information security training | No. of attendees | | Persons | 229 | 232 |
| | Total training hours | | Hours | 229 | 232 |
| | Training hours per person | | Hours/Persons | 1.0 | 1.0 |

* 2021-2022 figures were modified in this year's report due to changes in data calculation standards.

**As workplaces that were accident-free in the previous year are given 50% reduction in the regular health and safety training hours, our regular health and safety training hours for 2023 decreased from the previous year's 24 to 12 hours.

Occupational Health and Safety

| Classification | | Unit | 2021 | 2022 | 2023 |
|---|---|---------------------------------------|-----------------------|-------|------|
| Employees | No. of serious occupational accidents | | Cases | 0 | 0 |
| | No. of fatalities due to injuries | | Persons | 0 | 0 |
| | Injury fatality rate | | Cases/1 million hours | 0 | 0 |
| | No. of fatalities due to illness | | Persons | 0 | 0 |
| | Illness fatality rate | | Cases/1 million hours | 0 | 0 |
| | No. of accident victims | | Persons | 0 | 0 |
| | No. of occupational accidents | | Items | 0 | 0 |
| | Occupational accident rate | | Cases/1 million hours | 0 | 0 |
| | Loss Time Injury Frequency Rate(LTIR) | | Cases/1 million hours | 0 | 0 |
| | Total Recordable Incident Rate(TRIR) | | Cases/1 million hours | 0 | 0 |
| | Occupational Illness Frequency Rate(OIFR) | | Cases/1 million hours | 0 | 0 |
| | Suppliers | No. of serious occupational accidents | | Items | 0 |
| No. of fatalities due to injuries | | Persons | 0 | 0 | |
| Injury fatality rate | | Cases/1 million hours | 0 | 0 | |
| No. of fatalities due to illness | | Persons | 0 | 0 | |
| Illness fatality rate | | Cases/1 million hours | 0 | 0 | |
| No. of accident victims | | Persons | 0 | 0 | |
| No. of occupational accidents | | Cases | 0 | 0 | |
| Occupational accident rate | | Cases/1 million hours | 0 | 0 | |
| Loss Time Injury Frequency Rate(LTIR) | | Cases/1 million hours | 0 | 0 | |
| Total Recordable Incident Rate(TRIR) | | Cases/1 million hours | 0 | 0 | |
| Occupational Illness Frequency Rate(OIFR) | | Cases/1 million hours | 0 | 0 | |



Social Performance

Employee Remuneration*

| Classification | | Unit | 2021 | 2022 | 2023 | |
|-------------------------|---|---|-------------|------|------|------|
| Average salary | Male | KRW million | 32.7 | 34.9 | 35.1 | |
| | Female | KRW million | 32.8 | 34.8 | 34.2 | |
| | Female to male average remuneration ratio | % | 100 | 100 | 97 | |
| Average remuneration | Male | KRW million | 45.2 | 51.4 | 52.6 | |
| | Female | KRW million | 44.7 | 50.3 | 49.7 | |
| | Female to male average remuneration ratio | % | 98.9 | 97.9 | 94 | |
| Average O1 remuneration | Base salary | Male | KRW million | 23.1 | 23.1 | 25.4 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| | Remuneration | Male | KRW million | 33.5 | 34.8 | 40.0 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| Average O2 remuneration | Base salary | Male | KRW million | 27.4 | 28.0 | 30.9 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| | Remuneration | Male | KRW million | 41.9 | 41.7 | 48.1 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| Average T1 Remuneration | Base salary | Male | KRW million | 23.6 | 26.2 | 26.5 |
| | | Female | KRW million | 23.5 | 25.8 | 26.0 |
| | | Female to male average remuneration ratio | % | 99.6 | 98.5 | 98.1 |
| | Remuneration | Male | KRW million | 34.9 | 38.0 | 37.8 |
| | | Female | KRW million | 33.1 | 36.4 | 36.8 |
| | | Female to male average remuneration ratio | % | 94.8 | 95.8 | 97.4 |

* Since there is only one O3 employee, base salary and remuneration for the corresponding position are not disclosed.

**2021-2022 employee remuneration figures modified in this year's report due to changes in data calculation standards.

Employee Remuneration**

| Classification | | Unit | 2021 | 2022 | 2023 | |
|-------------------------|--------------|---|-------------|-------|-------|-------|
| Average T2 remuneration | Base salary | Male | KRW million | 32.8 | 36.2 | 35.3 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| | Remuneration | Male | KRW million | 47.1 | 50.7 | 51.5 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| Average G1 remuneration | Base salary | Male | KRW million | 30.1 | 32.0 | 32.2 |
| | | Female | KRW million | 30.3 | 32.3 | 31.6 |
| | | Female to male average remuneration ratio | % | 100.7 | 100.9 | 98.1 |
| | Remuneration | Male | KRW million | 43.6 | 46.7 | 46.4 |
| | | Female | KRW million | 42.0 | 46.7 | 45.5 |
| | | Female to male average remuneration ratio | % | 96.3 | 100.0 | 98.1 |
| Average G2 remuneration | Base salary | Male | KRW million | 41.6 | 43.4 | 44.0 |
| | | Female | KRW million | 40.0 | 42.0 | 41.9 |
| | | Female to male average remuneration ratio | % | 96.2 | 96.8 | 95.2 |
| | Remuneration | Male | KRW million | 60.7 | 64.0 | 64.6 |
| | | Female | KRW million | 52.6 | 61.0 | 62.1 |
| | | Female to male average remuneration ratio | % | 86.7 | 95.3 | 96.1 |
| Average G3 remuneration | Base salary | Male | KRW million | 54.6 | 56.5 | 57.1 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| | Remuneration | Male | KRW million | 84.3 | 91.3 | 91.1 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| Executive Remuneration | Base salary | Male | KRW million | 207.0 | 190.0 | 166.1 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |
| | Remuneration | Male | KRW million | 207.0 | 190.0 | 166.1 |
| | | Female | KRW million | N/A | N/A | N/A |
| | | Female to male average remuneration ratio | % | N/A | N/A | N/A |



Social Performance

Employee Wage

| Classification | | Unit | 2021 | 2022 | 2023 |
|---|--------|-------------|-------|-------|-------|
| Ratio of entry-level male employees' wages to minimum wage* | | % | 166.7 | 174.1 | 162.8 |
| Ratio of entry-level female employees' wages to minimum wage* | | % | 166.7 | 174.1 | 162.8 |
| Starting salary of entry-level employees | Male | KRW million | 35 | 40 | 40 |
| | Female | KRW million | 35 | 40 | 40 |

* 2022 figures corrected in this year's report due to inaccuracy in the previous year's

Employee Performance Evaluation

| Classification | | Unit | 2021 | 2022 | 2023 |
|--|-----------------------------------|---------|------|------|------|
| Employees subject to performance evaluation | No. of employees evaluated | Persons | 200 | 213 | 212 |
| | Percentage of employees evaluated | % | 83.0 | 86.9 | 88.0 |
| Utilization of the MBO system | No. of employees subject | Persons | 154 | 153 | 155 |
| | Percentage of employees evaluated | % | 63.9 | 62.4 | 64.3 |
| Utilization of comparative analysis system | No. of employees subject | Persons | 200 | 213 | 212 |
| | Percentage of employees evaluated | % | 83.0 | 86.9 | 88.0 |
| No. of employees who received regular performance evaluations | | Persons | 154 | 153 | 154 |
| Percentage of employees who received regular performance evaluations | | % | 63.9 | 62.4 | 60.9 |

Social Contribution Activities

| Classification | Unit | 2021 | 2022 | 2023 |
|---------------------------------|-------------|------|------|------|
| Total social contribution costs | KRW million | 160 | 200 | 100 |

Information Security Violations

| Classification | Unit | 2021 | 2022 | 2023 |
|---|-------|------|------|------|
| No. of violations of information protection laws or regulations | Items | 0 | 0 | 0 |
| No. of information protection incidents | Items | 0 | 0 | 0 |

Supply Chain Management

| Classification | | Unit | 2021 | 2022 | 2023 |
|-----------------------------------|---|-------------|---------|--------|--------|
| No. of key suppliers | | Companies | 30 | 31 | 35 |
| Amount of purchase from suppliers | Raw and subsidiary materials | KRW million | 102,620 | 69,142 | 67,515 |
| | Construction services | KRW million | 12,674 | 18,404 | 15,485 |
| | Consumables | KRW million | 12,955 | 12,441 | 9,552 |
| | Total purchase amount | KRW million | 128,248 | 99,987 | 92,552 |
| Supplier ESG Management | No. of suppliers that submitted a pledge for non-use of conflict materials | Companies | 30 | 31 | 35 |
| | No. of suppliers that submitted a pledge for non-use of environmentally regulated materials | Companies | 30 | 31 | 35 |

Reports of Human Rights Violations

| Classification | Unit | 2021 | 2022 | 2023 |
|---|-------|------|------|------|
| No. of human rights violation reports | Cases | 0 | 0 | 0 |
| No. of human rights violation reports processed | Cases | 0 | 0 | 0 |

R&D Status

| Classification | | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|--|-----------------|--------|--------|--------|
| R&D employee status | No. of R&D employees | Persons | 123 | 109 | 125 |
| | Percentage of R&D employees | % | 50.6 | 43.7 | 48.8 |
| | No. of R&D employees with master's or PhD degrees | Persons | 87 | 81 | 78 |
| | Percentage of R&D employees with master's or PhD degrees | % | 70.7 | 74.3 | 61.4 |
| R&D investment status | Amount of R&D investment | KRW 100 million | 21,405 | 22,587 | 20,653 |
| | Percentage of R&D investment in revenue | % | 11.1 | 12.8 | 12.6 |
| Patent applications and registrations | Application | Items | 125 | 175 | 316 |
| | Registration | Items | 114 | 119 | 146 |



Governance Performance

Composition of the BOD

| Classification | Unit | 2021 | 2022 | 2023 |
|-------------------------------------|---------|------|------|------|
| No. of BOD members | Persons | 3 | 3 | 4 |
| Male | Persons | 3 | 3 | 4 |
| Female | Persons | 0 | 0 | 0 |
| No. of executive directors | Persons | 2 | 2 | 3 |
| Male | Persons | 2 | 2 | 3 |
| Female | Persons | 0 | 0 | 0 |
| No. of independent directors | Persons | 1 | 1 | 1 |
| Male | Persons | 1 | 1 | 1 |
| Female | Persons | 0 | 0 | 0 |
| Percentage of independent directors | % | 33.3 | 33.3 | 25.0 |
| Percentage of executive directors | % | 66.7 | 66.7 | 75.0 |

Operation of the BOD

| Classification | | Unit | 2021 | 2022 | 2023 |
|------------------------|--|-------|------|------|------|
| BOD meetings | No. of BOD meetings held | Times | 13 | 13 | 9 |
| BOD meeting agendas | No. of agendas reported in BOD meetings | Items | 13 | 17 | 10 |
| ESG agendas | No. of ESG risk-related agendas reported in BOD meetings | Items | 0 | 0 | 1 |
| BOD meeting attendance | BOD meeting attendance rate* | % | 100 | 97 | 100 |
| | Attendance rate of executive directors | % | 100 | 96 | 100 |
| | Attendance rate of independent directors | % | 100 | 100 | 100 |
| Length of BOD term** | Average length of BOD term | Years | 3.4 | 2.7 | 2.9 |
| | Average length of executive directors' term | Years | 4.7 | 3.2 | 2.9 |
| | Average length of independent directors' term | Years | 0.7 | 1.7 | 2.7 |

* 2022 figures corrected in this year's report due to inaccuracy in previous year's.

** 2022 figures modified in this year's report due to changes in data calculation standards

BOD Assessment and Remuneration

| | Classification | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|--|---------------------|--------|--------|--------|
| BOD remuneration | Total BOD remuneration | KRW million | 1,185 | 842 | 529 |
| | Average BOD remuneration | KRW million | 611 | 439 | 200 |
| | Average BOD remuneration per person | KRW million | 395 | 281 | 282 |
| Remuneration of executive directors | Total remuneration of executive directors | KRW million | 1,149 | 806 | 493 |
| | Average remuneration of executive directors | KRW million/Persons | 574.5 | 403 | 164 |
| Remuneration of independent directors | Total remuneration of independent directors | KRW million | 36 | 36 | 36 |
| | Average remuneration of independent directors | KRW million/Persons | 36 | 36 | 36 |
| Remuneration of CEO and employees* | Remuneration of CEO | KRW million | 899 | 806 | 243 |
| | Median employee remuneration | KRW million | 62 | 56 | 49 |
| | Employee to CEO remuneration ratio | Times | 14.5 | 14.5 | 5.0 |
| | Increase rate of CEO remuneration | % | (11.9) | (10.4) | (69.8) |
| | Increase rate of median employee remuneration | % | (18.4) | (10.9) | (12.0) |
| | Employee to CEO ratio of remuneration increase rates | Times | 64.7 | 94.8 | 581.5 |

*1) 2022 figures of CEO and employee remuneration modified from the previous year's report due to rounding off

2) Total remuneration decreased due to the transition from the Co-CEO to the one-CEO system between 2022 and 2023, and 2023 average remuneration decreased due to multiple midyear hires

Expertise of the BOD

| Classification | Unit | 2021 | 2022 | 2023 |
|--|---------|------|------|------|
| No. of independent directors with experience in the industry | Persons | 1 | 1 | 1 |



Governance Performance

Tax Payment Status

| Classification | Unit | 2021 | 2022 | 2023 |
|--|-------------|--------|--------|--------|
| Earnings before tax | KRW million | 56,336 | 44,788 | 41,754 |
| Accrued corporate tax (Corporate tax to pay) | KRW million | 7,182 | 2,882 | 2,993 |
| Corporate tax expenses | KRW million | 9,501 | 5,867 | 5,938 |
| Tax rate | % | 22.0 | 22.0 | 21.0 |
| Effective tax rate | % | 16.9 | 13.1 | 14.2 |

Regulatory Violations

| | Classification | Unit | 2021 | 2022 | 2023 |
|-----------------------|---|-------------|------|------|------|
| Regulatory violations | Total no. of violations | Items | 0 | 0 | 0 |
| | Violations of environmental regulations | Items | 0 | 0 | 0 |
| | Violations of occupational safety regulations | Items | 0 | 0 | 0 |
| | Violations of fair trade regulations | Items | 0 | 0 | 0 |
| Amount of fines | Total amount of fines | KRW million | 0 | 0 | 0 |
| | Violations of environmental regulations | KRW million | 0 | 0 | 0 |
| | Violations of occupational safety regulations | KRW million | 0 | 0 | 0 |
| | Violations of fair trade regulations | KRW million | 0 | 0 | 0 |



A p p e n d i x

| | |
|---------------------------------|----|
| GRI Standards 2021 | 66 |
| Independent Assurance Statement | 69 |
| GHG Emission Assurance | 71 |
| ESG Initiatives | 72 |
| Membership & Awards | 74 |



GRI Standards 2021

Universal Standards

| Classification | Indicator | Disclosure | Page | Note |
|---------------------------------|-----------|---|--------------|------|
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | 6 | |
| | 2-2 | Entities included in the organization's sustainability reporting | 2 | |
| | 2-3 | Reporting period, frequency and contact point | 2 | |
| | 2-4 | Restatements of information | 54-56, 59-63 | |
| | 2-5 | External assurance | 69-70 | |
| | 2-6 | Activities, value chain and other business relationships | 6-7, 39 | |
| | 2-7 | Employees | 57 | |
| | 2-8 | Workers who are not employees | 57 | |
| | 2-9 | Governance structure and composition | 44-45 | |
| | 2-10 | Nomination and selection of the highest governance body | 44-45 | |
| | 2-11 | Chair of the highest governance body | 44-45 | |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 46-47 | |
| | 2-13 | Delegation of responsibility for managing impacts | 44-45 | |
| | 2-14 | Role of the highest governance body in sustainability reporting | 13 | |
| | 2-15 | Conflicts of interest | 44-45 | |
| | 2-16 | Communication of critical concerns | 46-47 | |
| | 2-17 | Collective knowledge of the highest governance body | - | N/A |
| | 2-18 | Evaluation of the performance of the highest governance body | - | N/A |
| | 2-19 | Remuneration policies | 46-47 | |
| | 2-20 | Process to determine remuneration | 46-47 | |
| | 2-21 | Annual total compensation ratio | 61 | |
| | 2-22 | Statement on sustainable development strategy | 5 | |
| | 2-23 | Policy commitments | 31, 40 | |
| | 2-24 | Embedding policy commitments | 32, 59 | |
| | 2-25 | Processes to remediate negative impacts | 48-49 | |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 49 | |
| | 2-27 | Compliance with laws and regulations | 63 | |
| | 2-28 | Membership associations | 73 | |
| | 2-29 | Approach to stakeholder engagement | 15 | |
| | 2-30 | Collective bargaining agreements | - | N/A |
| GRI 3: Material Topics n2021 | 3-1 | Processes to determine material topics | 16 | |
| | 3-2 | List of material topics | 17 | |

Material Topics

GHG Emission Management and Reduction

| Classification | Indicator | Disclosure | Page |
|--------------------|-----------|----------------------------------|------|
| GRI 3 | 3-3 | Management of material topics | 19 |
| GRI 305: Emissions | 305-1 | Direct (Scope 1) GHG emissions | 55 |
| | 305-2 | Indirect (Scope 2) GHG emissions | 55 |
| | 305-4 | GHG emissions intensity | 55 |

Reinforcing Waste Management

| Classification | Indicator | Disclosure | Page |
|----------------|-----------|--|------|
| GRI 3 | 3-3 | Management of material topics | 18 |
| GRI 306: Waste | 306-1 | Waste generation and significant waste-related impacts | 23 |
| | 306-2 | Management of significant waste-related impacts | 23 |
| | 306-3 | Waste generated | 56 |
| | 306-4 | Waste diverted from disposal | 56 |
| | 306-5 | Waste disposal | 56 |

Respecting Employees' Human Rights and Achieving Diversity

| Classification | Indicator | Disclosure | Page |
|--|-----------|--|--------|
| GRI 3 | 3-3 | Management of material topics | 18 |
| GRI 405: Diversity and Equal Opportunity | 405-1 | Diversity of governance bodies and employees | 57 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 60 |
| GRI 406: Non-discrimination | 406-1 | Incidents of discrimination and corrective actions taken | 32, 61 |



GRI Standards 2021

Material Topics

Reinforcing Supply Chain's Sustainability

| Classification | Indicator | Disclosure | Page |
|----------------|-----------|-------------------------------|------|
| GRI 3 | 3-3 | Management of material topics | 19 |

Reinforcing Ethical Management and Anti-corruption Competency

| Classification | Indicator | Disclosure | Page |
|--------------------------|-----------|--|--------|
| GRI 3 | 3-3 | Management of material topics | 19 |
| GRI 205: Anti-corruption | 205-2 | Communication and training about anti-corruption policies and procedures | 49, 59 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 63 |

Reinforcing Health and Safety Management

| Classification | Indicator | Disclosure | Page |
|---|-----------|---|-------|
| GRI 3 | 3-3 | Management of material topics | 18 |
| GRI 403: Occupational Health and Safety | 403-1 | Occupational health and safety management system | 33-34 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 35 |
| | 403-3 | Occupational health services | 36 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 34 |
| | 403-5 | Worker training on occupational health and safety | 36 |
| | 403-6 | Promotion of worker health | 36 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 36 |
| | 403-8 | Workers covered by an occupational health and safety management system | 34-35 |
| | 403-9 | Work-related injuries | 59 |
| | 403-10 | Work-related illness | 59 |



GRI Standards 2021

Non-Material Topics

Economic Standards

| Classification | Indicator | Disclosure | Page |
|------------------------------------|-----------|--|----------|
| GRI 201: Economic Performance | 201-1 | Direct economic value generated and distributed | 54 |
| GRI 202: Market Presence | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 61 |
| GRI 203: Indirect Economic impacts | 203-1 | Infrastructure investments and services supported | 42 |
| | 203-2 | Significant indirect economic impacts | 9-10, 42 |
| GRI 204: Procurement Practices | 204-1 | Proportion of spending on local suppliers | 62 |
| GRI 207: Tax | 207-1 | Approach to tax | 52 |
| | 207-4 | Country-by-country reporting | 64 |

Environmental Standards

| Classification | Indicator | Disclosure | Page |
|------------------------------|-----------|---|--------|
| GRI 301: Materials | 301-1 | Materials used by weight or volume | 55 |
| GRI 302: Energy | 302-1 | Energy consumption within the organization | 55 |
| | 302-3 | Energy intensity | 55 |
| GRI 303: Water and Effluents | 303-1 | Interactions with water as a shared resource | 25 |
| | 303-2 | Management of water discharge-related impacts | 25, 55 |
| | 303-5 | Water consumption | 55 |
| GRI 305: Emissions | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 56 |

Social Standards

| Classification | Indicator | Disclosure | Page |
|-------------------------------------|-----------|--|--------|
| GRI 401: Employment | 401-1 | New employee hires and employee turnover | 59 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-term employees | 30 |
| | 401-3 | Parental leave | 59 |
| GRI 402: Labor/Management Relations | 402-1 | Minimum notice periods regarding operational changes | 29, 59 |
| GRI 404: Training and Education | 404-1 | Average hours of training per year per employee | 60 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 28 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 62 |
| GRI 408: Child Labor | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 31 |
| GRI 409: Forced or Compulsory Labor | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 31 |
| GRI 413: Local Community | 413-1 | Operations with local community engagement, impact assessments, and development programs | 42, 62 |
| GRI 418: Customer Privacy | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 62 |



Independent Assurance Statement

To Executives and Stakeholders of DS Neolux

NICE Information Service (the “Assurer”) was commissioned by DS Neolux to provide independent assurance for the 2024 DS Neolux ESG Report (the “Report”). All information and claims stated in the Report are the responsibility of DS Neolux, and this independent statement was prepared based on the results of the assurance we conducted according to the data and information disclosed by DS Neolux in the Report.

Standards and Scope

This assurance was conducted according to the AA1000AS v3, an international assurance standard, against Type 1 and at a moderate level. It also includes a review of the Report’s compliance with the GRI Standards 2021.

- Review of the AA1000AP(2018): inclusivity, materiality, responsiveness, and impact
- Review of the reporting principles of the GRI Standards 2021
- Review of the level of compliance with the GRI Standards 2021

We verified and confirmed that the topic standards of the GRI Standards 2021 that are linked to material topics derived from the double materiality assessment are as follows:

| No. | Material Topic | Topic Standard | |
|-----|---|----------------------|---------------------|
| | | Applicable Indicator | Reporting Indicator |
| 1 | Reinforcing Health & Safety Management | 403 | 403 |
| 2 | Reinforcing Waste Management | 306 | 306 |
| 3 | Respecting Employees’ Human Rights and Achieving Diversity | 405, 406 | 405, 406 |
| 4 | Reinforcing Supply Chain’s Sustainability | 308, 414 | - |
| 5 | GHG Emission Management and Reduction | 305-1-305-5 | 305-1-305-2, 305-4 |
| 6 | Reinforcing Ethical Management and Anti-corruption Competency | 205, 206 | 205-2-205-3 |

Subjects and Methodology

In accordance with the above-stated standards, the Assurer conducted an assurance on the corresponding subjects with the following methodology.

- Review of the quality of the contents in the Report
- Review of the double materiality assessment process to verify the appropriateness of the key issue selection method and its results
- Interviews with the responsible personnel regarding the sustainability strategies, promises, and plans stated in the Report
- Review of the disclosed information (business reports, websites, etc.) to verify the reliability of the information in the Report
- Checking internal management systems, including data generation, management, and reporting processes, regarding the reported performance (by sampling)
- Site visit (Cheonan office) to check the appropriateness of the sustainability data and information

Limitations

In accordance with the above-stated standards and scope, the Assurer verified the information stated in the Report as follows. Some of the reported data was verified using disclosed sources such as business reports and electronic disclosure systems, and materials posted on external channels were not included in the scope of assurance. During the site visit, we checked evidence and conducted interviews with personnel responsible for each type of performance, and the verification of data was conducted in a limited scope assuming that the management processes and data provided by DS Neolux were accurate. Data and information regarding suppliers, contractors, or other third parties outside reporting boundaries stated in the Report were not included in the scope of assurance.



Independent Assurance Statement

Conclusion and Opinion

On the basis of standards, scope, subjects, and methodology stated above, the Assurer found no inappropriate aspects in the information and data included in the Report. The Assurer's opinion in accordance with each principle is as follows.

- Inclusivity**
 DS Neolux defined key stakeholders that affect its management activities as clients, employees, shareholders and investors, suppliers, and the local community, and established a stakeholder engagement process considering the characteristics of each group. We confirmed that it uses this process to listen to and collect stakeholders' opinions and reflect them in its management.
- Materiality**
 We confirmed that DS Neolux conducted a double materiality assessment to select material issues and that it selects material issues by analyzing their financial social and environmental impacts through forming an issue pool as well as analysis of financial statements and the direction of ESG strategies. We also confirmed that all the six key issues derived from the double materiality analysis were reflected in the Report.
- Responsiveness**
 We confirmed that DS Neolux manages its ESG improvement tasks and performance by forming an Working-level ESG Committee that directly reports to the CEO and that its BOD deliberates significant decisions made regarding ESG management. To reflect stakeholders' interests and expectations, DS Neolux also operates internal and external communication channels, such as client and supplier meetings, the Labor-Management Council, general meetings, and IR conference calls, and manages and responds to opinions collected from them.
- Impact**
 DS Neolux carries out monitoring activities according to quantitative indicators to identify and manage the direct and indirect impacts of key topics. We confirmed that DS Neolux measures the impact of its organizational activities on stakeholders in terms of sustainability, analyzes values that affect stakeholders, and considers their impact from a mid to long-term perspective.

Reliability of Performance Data

The Assurer verified the data regarding the quantitative performance included in the Report, in addition to the Report's compliance with the four principles required for Type 1. Focusing on the material issues of DS Neolux, we verified the reliability of the performance data by reviewing evidence and prepared materials through data sampling and found no intentional errors or inaccuracies.

Recommendations

It is the Assurer's opinion that DS Neolux displays excellence in its preemptive response to internal and external ESG demands, as evident in its efforts to internalize ESG management, which include establishing an ESG governance system and operating an Working-level ESG Committee. In particular, we consider it remarkable that DS Neolux established a human rights charter as well as a conflict mineral policy for internal and external stakeholders, including employees and suppliers, and strives to comply with them. For DS Neolux to improve its sustainability performance in the future, we present the following recommendations.

- We recommend DS Neolux to clarify and measure the management scope and standard of each issue for more advanced ESG performance management, and to manage the measured performance in a continuous manner.
- We recommend DS Neolux develop a detailed process for identifying specific risks and opportunities in response to climate change and build and implement strategies and goals accordingly.


Competence and Independence

NICE Information Service, which was commissioned by DS Neolux to conduct this assurance, is an assurance provider holding the AA1000 qualification of the UK firm AccountAbility. This assurance was conducted by a team of assurers who have in-depth knowledge of ESG and expertise in assurance. NICE Information Service did not carry out any work related to the preparation of the Report and has no interests that may degrade its independence.





GHG Emission Assurance Statement



bsi. Verification Opinion

덕산네오룩스(주)

검증범위
 덕산네오룩스 2022년 Scope 1, 2 온실가스 배출량.
 본 검증에서 다루어진 Scope 1, 2 온실가스 배출량은 덕산네오룩스의 온실가스 배출량 산정 자료에서 수집된 활동데이터를 바탕으로 분사, 사업소 및 각 현장의 직, 간접 온실가스 배출량을 산정하였음.
 - WRI/WBCSD GHG Protocol 에서 제시한 방법에 따라 운영통계 접근법을 채택하여 보고 대상 사업장의 배출원을 파악하고 온실가스 배출량을 산정하였음.
 - 고정연소배출, 이동연소배출과 간접배출을 대상으로 배출량을 산정하였음.

검증의 보증수준
 제한적 보증수준(Limited Level of Assurance)

중요성(Materiality) 평가
 중요성 수준: Moderate
 중요한 불일치(오류, 누락 또는 허위 기록)에 대한 양적 판단 기준치는 총 배출량의 5%를 적용함.

검증 데이터
 덕산네오룩스의 2022년도 온실가스 배출량은 다음과 같습니다.


| 구분 | [단위: ton CO2-e/yr] | | |
|--------------|--------------------|-------------------|---------------|
| | Scope1 | Scope2 | Total |
| 덕산네오룩스 | 79.119 | 13,041.510 | 13,120 |
| Total | 79.119 | 13,041.510 | 13,120 |

※소수점 이하 절사본 중 배증량 차이가 있을 수 있음

검증에 사용된 온실가스 관련 기준 및 지침
 덕산네오룩스의 요청에 따라 다음의 기준 및 지침을 활용하여 검증이 수행되었습니다.
 - ISO14064-1:2018 및 ISO 14064-3:2019
 - WBCSD/WRI 온실가스 지침
 - IPCC 온실가스 지침 - 2006년 개정
 - 온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침(환경부 고시 제 2022-279 호)
 - BSI 온실가스배출량검증 매뉴얼
 검증과 관련된 모든 활동에 대해 BSI Group Korea 의 표준 기밀 유지 원칙이 적용됩니다.

검증 의견
 위의 온실가스 관련 지침에 따라 검증을 수행한 결과 BSI 의 검증의견은 다음과 같습니다.
 - 본 검증은 덕산네오룩스에서 제공한 활동데이터와 근거자료를 바탕으로 제한된 보증 수준 하에서 검증이 수행되었습니다.
 - 검증 활동 수행 결과, '적당'하다는 검증 결과에 중요한 영향을 미칠 오류 누락 및 허위기록을 발견하지 못했습니다.
 - 데이터의 질적인 측면의 수준은 온실가스 검증의 중요 국제 원칙에 부합하지 않는다는 증거는 확인하지 못했습니다.

For and on behalf of
BSI:



Managing Director Korea, Seonghwan Lim

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ESG Initiatives

UN SDGs

DS Neolux recognizes the importance of achieving the UN SDGs (United Nations Sustainable Development Goals) and implements activities related to 13 of the 17 SDGs to contribute to global and national efforts for the sustainable development of humanity.

| No. | Goals | Key Activities | Reporting Page |
|-----|---|---|----------------|
| 1 | No poverty | We promote the recruitment of employees with disabilities and strictly prohibit discrimination regarding working conditions or type of employment. | 27 |
| 3 | Good health and well-being | We make donations to the Red Cross and hospitals and support medically disadvantaged people through our sponsorship for the Yuha Pureun Foundation. | 42 |
| 4 | Quality education | In addition to offering continuous support for employees to upgrade their skills, we provide scholarships for local students and make donations for the development of research institutions and universities through our sponsorship for the Yuha Pureun Foundation. | 42 |
| 5 | Gender equality | We operate our talent recruitment, performance evaluation, and compensation systems based on the principle of equality and strive to create a women-friendly corporate culture. | 27 |
| 6 | Clean water and sanitation | We set quantitative targets to reduce water usage and manage and dispose of waste water in compliance with laws and regulations. | 25 |
| 7 | Clean energy | We are developing new technologies to improve the energy efficiency of our processes and have replaced old facilities with high-efficiency ones. | 22 |
| 8 | Decent work and economic growth | We strive to hire more young employees by creating local jobs (Cheonan) and to foster a safe, satisfying work environment. | 27 |
| 9 | Industry, innovation and infrastructure | We actively implement R&D activities to lead innovation in the OLED display material sector. | 9-10 |
| 10 | Reduced inequalities | We provide equal opportunities for not only employees but also all stakeholders and eliminate any form of discrimination based on gender, nationality, race, religion, age, or disability. | 27 |
| 11 | Sustainable cities and communities | To preserve the local environment (Cheonan), we manage hazardous chemicals, air pollutants, and industrial waste and prevent environmental incidents in compliance with laws and regulations. | 25 |
| 12 | Responsible consumption and production | We implement activities to maintain a high level of waste recycling rate as we do now and for fundamental reduction of waste generated. | 23 |
| 13 | Climate Action | We set quantitative targets for reducing GHG emissions and review effective reduction means to achieve the targets. | 22-23 |
| 16 | Peace, justice and strong institutions | We establish systems to practice fair and transparent management and reinforce employees' ethical awareness. | 48-49 |



ESG Initiatives

10 UNGC Principles





DS Neolux agrees with the founding purpose of the UNGC(United Nations Global Compact), a global corporate sustainability initiative, and strives to comply with the UNGC’s ten principles regarding human rights, labor, environment, and anti-corruption.

| No. | | Goals | Key Activities | Reporting Page |
|-----------------|--------------|--|---|----------------|
| Human Rights | Principle 1 | Support and respect the protection of internationally proclaimed human rights. | DS Neolux complies with global standards and guidelines on human rights and labor set by the UNGP and ILO and established a human rights charter in 2023 to internalize human rights management. To prevent human rights risks, we conduct regular human rights training and receive reports of human rights violations through DS Clean Reporting Center, an online channel available for external stakeholders as well as employees. In addition, we operate our talent recruitment, performance evaluation, and compensation systems based on the principle of equality, strictly prohibit the employment of minors, and take measures to promote the recruitment of employees with disabilities, investing continuous efforts in protecting the socially disadvantaged. | 27, 31-32 |
| | Principle 2 | Make sure not to be complicit in human rights abuses. | | |
| | Principle 3 | Uphold the freedom of association and the effective recognition of the right to collective bargaining. | | |
| Labor | Principle 4 | Eliminate all forms of forced and compulsory labor. | | |
| | Principle 5 | Effectively abolish child labor. | | |
| | Principle 6 | Eliminate discrimination in respect of employment and occupation. | | |
| Environment | Principle 7 | Support a precautionary approach to environmental challenges. | DS Neolux established and operates a global-level environmental management system so it can fulfill its environmental responsibilities. To reinforce our environmental management, we set improvement goals for major sectors in 2022, including GHG reduction and creating a circular economy, and conducted an independent assurance through a certified agency to enhance the reliability of our emission data. Going forward, we plan to obtain the ISO 50001 (energy management system) certification to upgrade our execution of environmental management, in addition to developing strategies for achieving environmental goals. | 21-22, 71 |
| | Principle 8 | Undertake initiatives to promote greater environmental responsibility. | | |
| | Principle 9 | Encourage the development and diffusion of environmentally friendly technologies. | We implement R&D activities to improve the energy efficiency of existing organic OLED materials and develop new non-emitting materials, with plans to reduce product packaging to a minimum. | 9-10 |
| Anti-corruption | Principle 10 | Work against corruption in all its forms, including extortion and bribery. | We established and disclosed an ethics charter and a code of ethics for fair and transparent management and receive reports of unethical or unfair conduct through DS Clean Reporting Center. We require employees to submit a pledge of ethical management to reinforce their awareness of ethics and compliance, while providing regular ethics and compliance training. | 48-49 |

Membership & Awards

Membership Status

2023

| Association | Description |
|--|--|
|  Korean Information Display Society (KIDS) | <p>KIDS is an academic association that implements a range of programs to promote the academic and technological development of the display sector, which include R&D support, facilitating academic activities, fostering experts, and enhancing industry-academia collaboration. DS Neolux regularly takes part in the association's seminars and conferences to keep up with latest trends and build cooperative relationships.</p> |
|  Korea Display Industry Association (KDIA) | <p>The KIDA is an association founded to help strengthen the bonds within Korea's display sector, promote mutual benefits, and facilitate the development of the display industry across all aspects. It offers various support activities for its members, including the exchange of technological information and assistance in entering overseas markets.</p> |
|  Samsung Supplier Association | <p>Samsung Supplier Association was founded in 1981 to promote the mutual growth of Samsung Electronics and its suppliers through building smooth cooperative relationships, exchange of information, and collaborative technological development. It now has 39 primary suppliers as its members, and DS Neolux has taken part in various tasks and projects of the association since joining it in 2014.</p> |
|  Korea Investor Relations Service (KIRS) | <p>The KIRS is a non-profit corporation built in 2009 by the KRX with the approval of the Financial Services Commission to promote the healthy development of the capital market. It seeks to raise awareness of investor relations (IR) and facilitate IR activities among listed companies. DS Neolux has been a member of the association since 2021.</p> |

Awards

| Details | Date | Organization |
|--|--------------|------------------------------------|
| Selected as a Youth-friendly Small Giant (for three consecutive years) | January 2023 | Ministry of Employment and Labor |
| 2023 KCCI & Forbes CSR Awards - Winner of the CSR Award in the Social Value category (for two consecutive years) | March 2023 | Korea JoongAng Daily, KCCI, Forbes |

2023 KCCI & Forbes CSR Awards



