

# 2025 ESG Report

Smart Agriculture for a Sustainable Future





# About This Report

## Overview

Daedong Group has established goals and action plans to achieve sustainable growth. The 2025 Sustainability Report shows its ESG goals, progress, performances and management directions with stakeholders. Daedong Group will continue to disclose ESG and sustainability activities and achievements through the publication of ESG Report each year.

## Reporting Standard and Principles

This report is structured in accordance with the Global Reporting Initiative Standards 2021. The report also incorporates the recommendations of the Task Force on Climate-related Financial Disclosures(TCFD), and adheres to the United Nations Sustainable Development Goals (UN SDGs) index to address key issues for Daedong Group as a leading agricultural machinery and components company.

## Reporting Period

This annual sustainability report presents the group's sustainability activities and performance from January 1 to December 31, 2024, and highlights key outcomes from the first half of 2025. To illustrate year-over-year trends, we provided quantitative data of the past three years(2022–2024).

## Reporting Scope

The report covers the economic, environmental, social, and governance activities of Daedong, Daedong Mobility, Daedong Gear, and Daedong Metals as of 2024. Some subsidiaries are excluded from this report due to their scale and local circumstances. Any variations in reporting scope or changes in data from previous reports are clearly noted.

## Independent Assurance

To ensure the reliability of the reported information, the accuracy of our financial data was verified by the Korea Productivity Center Quality Assurance (KPCQA). The assurance process followed the four AA1000 Accountability Principles: inclusivity, materiality, responsiveness, and impact. The assurance statement is included in the Appendix (p.156-157).

## Interactive Guide

The Daedong Group 2025 ESG Report is available on the Dadong's official website. It has been published as an interactive PDF to improve user convenience, including features such as direct links to relevant content pages and embedded page shortcuts.

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## ESG at Daedong Corporation

# Future agriculture leading company for a sustainable humanity

### Future Agriculture Leading Company for a Sustainable Humanity

Daedong Group has established its ESG vision as the "Future Agriculture Leading Company for a Sustainable Humanity", and aims to promote Daedong's unique sustainable management by building three key pillars: responding to climate change, achieving mutual growth and coexistence, and establishing transparent and fair governance. To accomplish this, we have set tasks including advancing environmental management, addressing climate change, fostering win-win relationships with partners and local communities, creating a safe and happy workplace, strengthening human rights management, enhancing ESG management systems, and reinforcing compliance frameworks. We are committed to internalizing sustainable management throughout our organization.



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A Daedong agricultural robot, a small white and black vehicle with large black tires and a control panel on top, is positioned in a field of green crops. The robot is facing right, and the field extends to the horizon under a clear blue sky.

# BUSINESS OVERVIEW



# Company Overview

## Subsidiaries

### Daedong

As Korea's first company to produce cultivators, Daedong has led the domestic market in tractors, combines, rice transplanters, and utility vehicles. The company is driving the paradigm shift toward smart agriculture through advanced agricultural machinery and digital-based services.

### Daedong Mobility

Daedong Mobility manufactures small tractors, electric and diesel multipurpose vehicles, and ride-on lawn mowers. Leveraging on electrification, autonomous driving, and telematics technologies, the company is expanding into smart mobility sectors such as AI robotic mobility and e-bikes.

### Daedong Gear

Daedong Gear specializes in powertrain components, producing transmissions and axles for agricultural machinery, reducers for construction equipment, and high-precision gears and shafts. The company is expanding into automotive, industrial machinery, compact construction equipment (CCE), and mobility sectors to strengthen its global competitiveness.

### Daedong Metals

Daedong Metals is the first in Korea to mass-produce diesel engine cylinder blocks and heads, leading the localization and production of advanced cast materials such as hydraulic valves (MCVs) for construction machinery, industrial castings, and semiconductor equipment components, laying the foundation for Korea's machinery industry.

### Daedong Agtech

Daedong Agtech is moving beyond agricultural machinery manufacturing to advance agricultural platforms and develop smart farm solutions by collecting crop growth data and expanding into the smart farming sector. The company aims to become an Agtech & Mobility Platform provider by integrating AI, autonomous driving, and big data technologies.

### Daedong AI Lab

Daedong AI Lab drives transformation across all product lines to lead the global agricultural robotics market. It develops universal AI systems like the Autonomous Driving Control Unit (ADCU) for agricultural machinery and mobility, and the Autonomous Robot Control Unit (ARCU) for agricultural and industrial robots. Daedong strives to advance robotics across industries and establish a Robot-as-a-Service (RaaS) subscription model.

### Daedong Robotics

Daedong Robotics, established by Daedong Mobility in partnership with KIRO, develops AI-powered autonomous robots for agriculture and industry, and conducts joint research to commercialize core robotics technologies.

### HYDROTECH

HYDROTECH develops hydraulic products for various heavy industries based on its agricultural machinery hydraulic technology, aiming to become a global leader in hydraulic solutions.

### Jeju Daedong

Jeju Daedong was established in Aewol-eup, Jeju, to develop refined resort complexes that combine future agriculture and tourism. It currently focused on developing tourist sites and accommodation buildings as well as agriculture-linked facilities.

### DAEDONG CANADA

Daedong Canada established after the Daedong USA, focusing on tractors under 100 horsepower for the North American market.

### DAEDONG Kioti Europe B.V.

Daedong Kioti Europe based in Rotterdam, Netherlands, exporting tractors, parts, and agricultural machinery optimized for local demand to about 30 European countries, supporting Daedong's expansion in the European market.

### DAEDONG USA

Daedong USA focuses on tractors under 100 horsepower as its main business.





# Daedong

## CEO MESSAGE



Dear Stakeholders,

We are increasingly faced with environmental and social issues that derive from accelerating climate changes, increasingly complex global value chains and tightening ESG disclosure requirements. Amid these risks, we believe that sustainable management is vital for corporate survival and growth. Under the vision of leading future agriculture for sustainable humanity, Daedong continues to strengthen the foundation of its ESG management.

The year of 2024 was a pivotal turning point in our ESG journey. For the first time, we published a Integrated ESG report encompassing the performance of all group affiliates. In accordance with GRI standards, our ESG report contains results from double materiality assessments we conducted, and is verified by a third-party conformity assurance body to enhance the reliability and transparency of our ESG data. We reinforced responsible governance by establishing the Independent Director Candidate Recommendation Committee and the Compensation Committee within the Board of Directors. As a result, our ESG rating from the Korea ESG Standards Institute (KCGS) rose by two levels to B+.

We have also made notable progress in addressing climate change. Beginning with TCFD-based disclosures, we conducted physical and transition risk assessments using RCP and SSP scenarios, analyzed the financial impact of greenhouse gas emissions, set science-based targets (SBT), and developed a comprehensive carbon neutrality roadmap.

Building on these achievements, Daedong will focus on the following key priorities in 2025 as follows.

First, **proactively responding to global ESG regulations** by conducting Life Cycle Assessments (LCA) of our flagship products, building in-house LCA capabilities by 2026, and establishing a company-wide LCA system by 2027. This is a strategic investment to enhance product competitiveness beyond regulatory compliance.

Second, **advancing our ESG disclosure framework** to align with global standards such as ISSB, KSSB, and ESRS, and preparing an integrated ESG data system to comply with domestic disclosure requirements and the EU CSRD by 2029.

Third, **turning ESG challenges into opportunities** through innovation in robotics, AI, and data—launching the RT100 agricultural transport robot, commercializing precision agriculture solutions, and expanding into North American and European markets to achieve both sustainability and business competitiveness.

Today, ESG is not merely an option, but the strategic language of sustainable growth. Daedong will continue to strengthen trust with stakeholders through concrete action plans and transparent disclosure, and lead the way in building a sustainable future for agriculture.

We sincerely appreciate your continued interest and support for Daedong's ESG journey. Thank you.

CEO of Daedong  
**Kim, Jun Sik**

A handwritten signature in black ink, appearing to read 'Jun Sik Kim', written in a fluid, cursive style.



Daedong

Daedong Business Portfolio

Daedong holds the No. 1 market share in agricultural machinery in Korea and ranks third in North America for tractors under 100 horsepower. The company operates in more than 70 countries around the world and cooperate with more than 530 dealers in North America and 70 Europe, strengthening our global network. In addition to smart agricultural machinery and precision agriculture solutions, we will leap forward as a global leading company leading sustainable future agriculture through business portfolio expansion and product innovation such as smart farms and robotics.

Company Name	Daedong
Date of Establishment	1947
Location	<ul style="list-style-type: none"><li>• Headquarters/Daegu Campus : 35, Nongongjungang-ro 34-gil, Nongong-eup, Dalseonggun, Daegu, Republic of Korea</li><li>• Vision Campus : 39, Changnyeonggongdan-gil, Changnyeong-eup, Changnyeong-gun, Gyeongsangnam-do, Republic of Korea</li><li>• Seoul Office : 2493, Nambusunhwan-ro, Seocho-gu, Seoul, Republic of Korea</li></ul>
CEO	Kim Jun Sik, Won Yu Hyun

Sales Revenue

KRW 1.41 trillion



Total Assets

KRW 2.13 trillion



Employees

1,022





# Daedong

## Daedong Business Area

## Business Portfolio

### Smart Agricultural Machinery

As Korea's first cultivator producer, we are advancing our product portfolio of tractors, combines, rice transplanters, and utility vehicles—by integrating precision agriculture and smart farming technology.



Precision Agriculture Platform



Tractor

### Robotics

We develop agricultural and industrial robots such as sprayers and transport robots to automate farming and logistics. Daedong-KIRO Robotics Center has been established to develop autonomous driving and autonomous work technologies, and based on this, the company aims to leap forward as an integrated solution provider in both agricultural and non-agricultural sectors.



Spraying Robot



Transport Robot

### Compact Construction Equipment (CCE)

With our in-house engine-hardware platform, telematics technology, and a global network, brand, and know-how built through our agricultural machinery business, we are expanding our global supply chain in the Compact Construction Equipment (CCE) market. We are also strengthening our competitiveness by focusing on product lines with high market attractiveness.



Skid Loader



Compact Track Loader

### Smart Farming

Our company is leading the digital transformation and productivity innovation of both indoor and outdoor agriculture through smart farming technologies based on AI, big data, drones, and IoT. We are developing and expanding four core services: precision fertilization and pest control solutions, crop growth analysis, and a farm work outsourcing platform.



Leafy Vegetable cultivation room / AI growth imaging & analysis



Smart Farm

### Smart Mobility

We are growing into a lifestyle-oriented mobility company by combining electrification, autonomous driving, and digital platform technologies, focusing on a diverse range of products such as personal mobility (electric scooters, smart chair robots), leisure, gardening, and utility electric vehicles (golf carts, utility vehicles), and electric trucks.



Gardening Mobility



Leisure Mobility



## Daedong Mobility

### CEO MESSAGE



Dear Stakeholders,

We are navigating rough waters due to intensifying climate challenges, rapid technological change, and growing supply chain uncertainty. In this environment, we have placed ESG—environment, social, and governance—at the core of our strategy, committed to building a more sustainable future.

Despite a difficult external landscape, we achieved meaningful progress last year. Through company-wide collaboration, we overhauled our golf cart lineup, resolving longstanding quality issues and setting a new industry standard with the GS100 model. Our main products now boast a first-pass yield(FPY) of over 90%, earning greater customer trust.

We also launched premium products such as our limousine golf cart and the cabin-type TB310, while refining our sales and distribution channels tailored to product characteristics.

Looking ahead to 2025, we are poised to accelerate our leadership in smart agriculture. With the launch of our AI- and robotics-powered RT100 transport robot, we will expand into new markets for agricultural robots—including pest control, weeding, and management solutions—positioning ourselves as a game-changer in the field.

For us, ESG management is more than a mere risk control; it is a key driver of long-term growth. Our eco-friendly and sustainable business model centered on electrification-based smart mobility and AI-robotics technologies serves as a key means to address climate change and realize the future of sustainable agriculture.

In 2024, we completed Korea's largest rooftop solar power facility at our S-Factory, which now supplies 100% of our daytime energy needs with renewables. This achievement raised our renewable energy self-consumption rate to 5% and reduced greenhouse gas emissions by approximately 10% compared to the previous year.

This is more than an infrastructure upgrade—it represents a fundamental shift in how we reduce the carbon footprint across our production processes. Building on these efforts, we are advancing our sustainability roadmap with SBTi-aligned carbon neutrality targets, product-level LCA systems, and stronger ESG value chain management.

This ESG report reflects our commitment to transparency and to sharing our progress and future direction with you.

We thank you for your continued trust and support and look forward to building a more sustainable future together.

Sincerely,

**CEO of Daedong Mobility**  
**Won, Yu Hyun**

Daedong Mobility

Daedong Mobility Business Portfolio

Daedong Mobility started with industrial chains and agricultural parts, and now offers electric scooters, trucks, golf carts, and smart chair robots. Guided by the vision “Micro Mobility as an Everyday Life”, the company is shifting from manufacturing to a platform business by integrating AI, autonomous driving, remote monitoring, and SaaS services.

Company Name	Daedong Mobility
Date of Establishment	1977
Location	<ul style="list-style-type: none"><li>• Headquarter/Factory: 4867-11, Seodong-daero, Daedeok-myeon, Anseong-si, Gyeonggi-do, Republic of Korea</li><li>• 2nd Factory: 30, Gukgasandan-daero 39-gil, Guji-myeon, Dalseong-gun, Daegu, Republic of Korea</li><li>• Seoul Office : 1st, 3rd, and 4th floors, 347, Hyoryeong-ro, Seocho-gu, Seoul, Republic of Korea</li><li>• Busan Office : 30, Gonghang-ro 1207 beon-gil, Gangseo-gu, Busan, Republic of Korea</li></ul>
CEO	Won, Yu Hyun

Sales Revenue

KRW 202.3 billion



Total Assets

KRW 299 billion



Employees

436





## Daedong Mobility

### Daedong Mobility Business Area

### Business Portfolio

#### Personal Mobility

We develop and sell electric micro-mobility for last mile delivery, daily use, tourism, and leisure. With GS series electric scooters and smart chair robots, we integrate autonomous driving and AI-connected services to lead personal mobility.



Electric Scooter



Control System

#### Leisure Mobility

We are expanding to domestic and global markets with a lineup of electric vehicles—including golf cars, tour cars, short and long-deck, and utility carriers for leisure and resort spaces. We are also advancing the electrification and smart mobility trend by integrating EV platforms, IoT, autonomous driving, and sensor-based safety technologies.



Golf Cart



Multi-purpose Carrier

#### Gardening Mobility

We provide compact tractors, zero-turn mowers, multi-purpose carriers, and skid loaders for garden care in leisure and landscaping spaces. With strengths in autonomous driving, smart management, electrification, and customization, we hold about 20% of Daedong Group's tractor export market share.



Sub-compact Tractor



Zero-Turn Mower

#### Chain

We offer chains for automotive, steel, shipbuilding, construction, and agricultural machinery. With 40 years of expertise in design and automated assembly, we lead in quality management and strengthen global competitiveness through ongoing R&D and innovation.



RS Chain



Conveyor Chain

#### Implement

We develop and manufacture implements for agriculture, landscaping and facility management, targeting both domestic and international tractor markets, and expand to tractor-compatible attachments such as rotary tillers, loaders, and mid mowers. We are also changing the landscape of smart implements with our autonomous and data driven features and technologies.



Rotavator



Implement

## Daedong Gear

### CEO MESSAGE



To Our Valued Stakeholders,

We are pleased to share 2025 ESG Sustainability Report, reaffirming our commitment to transparency and responsible growth.

In 2024, despite global uncertainty, Daedong Gear delivered strong results and accelerated business diversification. Expanding into agricultural machinery, electric and hybrid vehicles, e-mobility, industrial machinery, and defense, the company secured KRW 1.4234 trillion in cumulative automotive orders demonstrating technological leadership and the trust of global partners.

The ESG strategy is closely tied to export competitiveness and global expansion. By embracing green manufacturing, responsible value chain management, and meeting international environmental standards, Daedong Gear is strengthening its position as a sustainable partner for leading global OEMs.

ESG is now central to the future strategy. The company focuses on delivering real impact through three priorities:

**First, advancing green manufacturing**—cutting carbon emissions, transitioning to renewables, and strengthening circular economy practices to reduce environmental footprint.

**Second, building a sustainable value chain**—ensuring a safe, healthy workplace, fostering strong supplier partnerships, and promoting ethical sourcing and fair trade. The company is also committed to positive labor relations and active community engagement.

**Third, enhancing accountability and transparency**—introducing ESG based executive evaluations, strengthening risk management, and upholding ethical business practices to build lasting trust with all stakeholders.

At Daedong Gear, responsible management and ESG are at the heart of global competitiveness. We are deeply grateful for your warm interest and support as we continue our journey toward sustainable growth.

**CEO of Daedong Gear  
Seo, Jong Hwan**

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Daedong Gear

Daedong Gear Business Portfolio

Daedong Gear specializes in powertrain components for agricultural machinery, automobiles, and industrial equipment. The company produces transmission and axle assemblies, single engines for rotavators, and gear components for agricultural machinery, as well as transmission gears, shafts, and connectors for automobiles. For industrial machinery and mobility, Daedong Gear manufactures reducers and camshaft gears, supplying domestic partners and expanding its global presence through exports.

Company Name	Daedong Gear
Date of Establishment	1973
Location	42, Gongdan 1-ro, Sanam-myeon, Sacheon-si, Gyeongsangnam-do, Republic of Korea
CEO	Seo Jong Hwan, Kim Jun Sik

Sales Revenue

KRW 257.1 billion



Total Assets

KRW 249.4 billion



Employees

235



## Daedong Gear

### Daedong Gear Business Area

### Business Portfolio

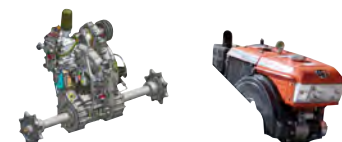
#### Agricultural Machinery

Drawing on 50 years of powertrain expertise, Daedong Gear supplies transmissions, front axles, reducers, and precision gears and shafts for agricultural machinery, supporting Daedong's smart farming and autonomous tractors. We are also broadening global partnerships and accelerating expansion into emerging markets like Ukraine.



Tractor P/T

Rice Transplanter P/T



Combine P/T

Cultivator

#### Automotive

We are expanding our portfolio of core components for internal combustion, hybrid, and electric vehicles, supplying domestic and global automakers and parts suppliers. The company currently provides gears and shafts for transmissions and powertrains to Germany, the US, and Japan, and is preparing to supply major global automakers directly.



Internal Combustion Engine Parts



Hybrid Module parts

Electric Vehicle Parts

#### Industrial Machinery

As a global supplier of construction equipment drivetrains, we design and manufacture travel and slewing reducer assemblies to meet diverse customer requirements. Our advanced engineering and quality-driven manufacturing enable us to respond flexibly to the evolving needs of the global construction equipment market.



Skid Loader



Reducer



Trans Axle



UTV P/T

#### Mobility & New Business

We deliver advanced solutions for multipurpose electric carriers, defense systems, and air mobility. Our in-house design and production of gears and reducers ensure optimal performance tailored to each application. Notably, we aim to strengthen our position in new business areas by continuously advancing quality-based manufacturing technologies, with a strong focus on ensuring strict reliability.



E-P/T (Golf Cart &amp; LSV)



Propeller Reducer



Gear, Reducers, Transmissions



## Daedong Metals

### CEO MESSAGE



Dear Stakeholders,

We are pleased to present Daedong Metals's second ESG Report, reaffirming our commitment to responsible corporate citizenship in 2025.

Despite global economic volatility, rapid electrification, and geopolitical tensions, we view these challenges as opportunities to lay the groundwork for new growth—by entering emerging markets and strengthening our organizational structure.

To achieve sustainable growth, Daedong Metals has set two main strategic pillars: entering the lightweight materials market and expanding its large-scale casting business. We are proactively responding to future industries by developing eco-friendly components and high-value-added casting technologies. In addition, we are making focused investments in research and development (R&D) and talent cultivation, pursuing a strategy that simultaneously strengthens both sustainability and profitability.

In 2025, our ESG management will focus on three key areas:

**First, strengthening profitability and building a foundation for future growth** through cost reduction, process optimization, and quality innovation, while shifting our portfolio toward new ventures.

**Second, fostering a people-centered, safe, and inclusive workplace** through human rights and diversity training, improved welfare, and zero-accident initiatives, along with strong labor-management relations and supplier partnerships.

**Third, advancing decarbonization** by improving energy efficiency, minimizing hazardous substance emissions, and expanding eco-friendly processes.

For Daedong Metals, ESG is not just a declaration—it is a core strategy for survival and competitiveness. We remain committed to transparent progress and to creating sustainable value for all stakeholders by integrating ESG values with financial performance.

We will continue to practice 'moderate management', 'responsible management', and 'future-oriented management' and create sustainable value together with all stakeholders, including shareholders, customers, and local communities.

Thank you for your continued interest and support.

CEO of Daedong Metals  
**Lee, Pung Woo**

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Daedong Metals

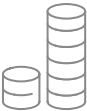
Daedong Metals Business Portfolio

Daedong Metals is a casting specialist recognized for pioneering the mass production of high-complexity cylinder blocks and heads for diesel engines in Korea. The company produces a range of castings—including cylinder blocks, MCVs, and semiconductor parts—using advanced materials like gray cast iron, ductile iron, and CGI. Daedong Metals continues to enhance its technological edge through quality improvements and real-time process optimization.

Company Name	Daedong Metals
Date of Establishment	1947
Location	602, Nongong-ro, Nongong-eup, Dalseong-gun, Daegu, Republic of Korea
CEO	Lee Pung Woo, Kim Jun Sik

Sales Revenue

KRW 99.5 billion



Total Assets

KRW 97.3 billion



Employees

130





Daedong Metals

Daedong Metals Business Area Business Portfolio

Automotive Components

Our company is at the forefront of production technology for automotive cylinder heads and cylinder blocks, which require advanced casting techniques. Recognized for technological expertise, we are the sole supplier of cylinder heads to specific automotive manufacturers. We produce essential engine components, including cylinder heads and blocks, which form the core of the engine.

Agricultural Machine Components

We produce core cast components for agricultural machinery, supplying major domestic manufacturers and directly exporting to Japan. With highly durable and machinable engine parts—such as cylinder heads and blocks—the company has earned the trust of agricultural machinery makers at home and abroad.

Heavy Equipment Components

We have established technical reliability by steadily supplying MCVs and hydraulic components, which are essential for industrial construction machinery, to major domestic and international manufacturers. With large-scale production and custom design capabilities, the company is expanding exports beyond the domestic market.

Semiconductor Components

We supply core vacuum pump components essential for semiconductor manufacturing directly to global vacuum pump manufacturers. Vacuum pumps play a critical role in maintaining the clean and stable environments required for semiconductor production.

Engine Components for Automotive



Cylinder Block



Bed Plate



Cylinder HEad



Clutch Housing



MCV



Screw Stator



Stater

Cylinder Head for Commercial Vehicles



CNG



3TON



Transmission Case



Cylinder Block



Flywheel Housing



Cylinder Head for Vessel Equipment



Inlet Stator



Head Plate



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# ESG MANAGEMENT

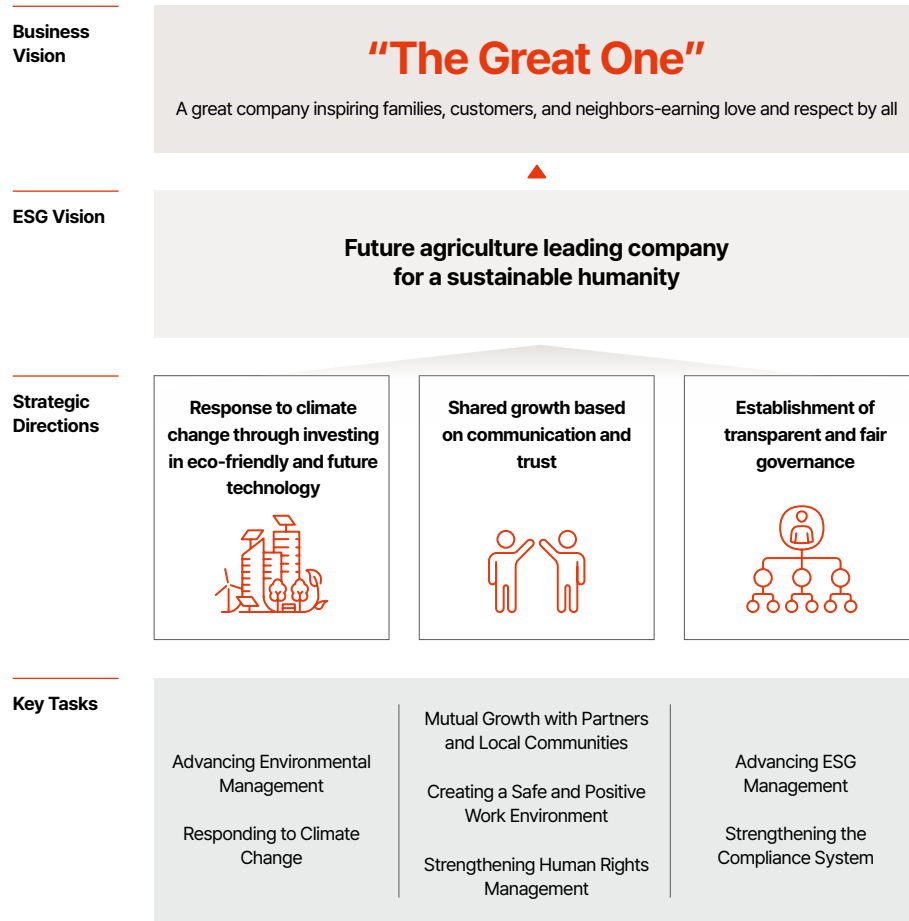




## ESG Management Structure

### Strategic Framework

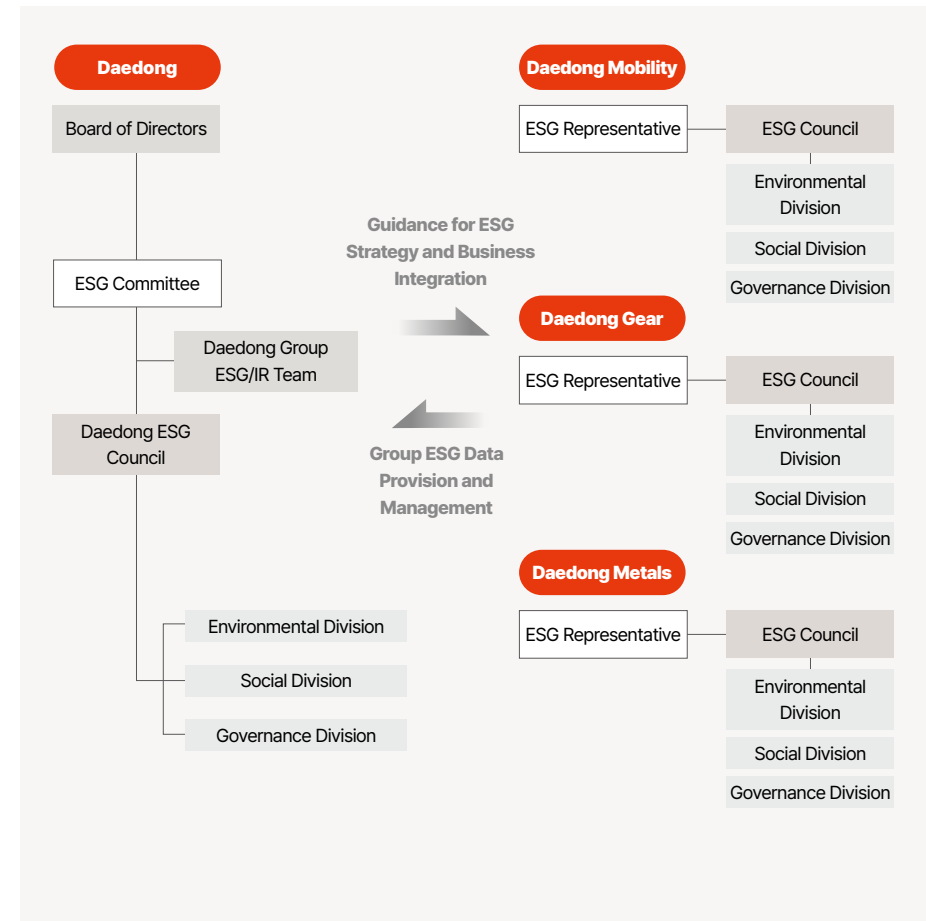
Daedong Group's management vision, "A great company loved and respected by all", reflects our commitment to social responsibility and sustainable growth. Guided by this, our ESG vision—"Future agriculture leading company for a sustainable humanity"—sets a clear direction for the Group. We continuously strive advance eco-friendly and future-oriented technologies to address climate change, foster mutual growth through trust, and ensure transparent governance over our businesses.



### Management Structure

Since the establishment of the ESG Committee in 2023, Daedong Group has strengthened ESG management as a core group-wide management priority and its response to key non-financial risks. The Committee addresses major issues, sets performance targets for each division, and integrates these results into KPIs, fostering sustainable management through close collaboration across the group.

### ESG Council Organizational Chart - Daedong Group



## 2024 ESG Highlights

### Environmental

 daedong mobility



Hosted by KEEA, KEPCO, KICOX, KEA,  
Korea Industrial Complex Managers Association,  
Global Leading Companies Association

**'2024 Industrial Complex  
Electricity Energy Saving  
Competition' Grand Prize winner**



 daedong

 daedong mobility  daedong gear  daedong metals

All four Daedong affiliates certified by  
**ISO 14001**



 daedong gear

 daedong metals

**Life Cycle Assessment (LCA)  
Conducted for Major Products**



### ESG

**Published ESG Reports  
For two consecutive years**  
Daedong Group



### Social

 daedong

 daedong mobility  daedong gear  daedong metals

**'2024 Partnership Day'**  
150+ partners, 200+ attendees



 daedong

Hosted by the Korea Standards Association

**'2024 KS-QEI'**  
**No.1 agricultural machinery**  
No.1 Tractors (4 years in a row),  
No.1 Combines (2 years in a row)



 daedong

**Selected as 2024 Excellent  
Employment-Friendly Company**  
(Daegu, Republic of Korea)



### Digital

Daedong Connect app  
**10,000+ New Users**



### Governance

 daedong

**ISO 27001**  
Information Security Management  
System certified



 daedong

Won Yu Hyun, Vice president of Daedong  
Hosted by Innovation Cluster Association  
**'Innovation CEO Award'**



 daedong

**Establishment of the  
Independent Director Candidate  
Recommendation Committee  
& the Compensation Committee**



### Technology

Daedong AI Home Grower  
**Winner of the  
'CES 2025 Innovation Award'**





# 2024 ESG Highlights

## Key Achievements of Year 2024

### Record Performance Achievement in North America and New Market Entry Visualization



In 2024, Daedong achieved record-high performance in North America, reaching an 8.7% share in the under-100 horsepower tractor market despite external uncertainties. The company also successfully expanded to new markets, including commercial entry into Ukraine and participation in Türkiye’s Konya Agricultural Fair. Daedong surpassed KRW 1 trillion in sales for three consecutive years and proved its global leadership by winning a CES 2025 Innovation Award for its AI Home Grower in the Food & AgTech category.



### Smart Mobility Lineup & Technology Leadership



Daedong Mobility expanded into gardening, leisure, and personal mobility with new smart products like electric scooters, limousine golf carts, and self-driving LSVs. The company introduced three golf cart models, including a premium version with an industry-first intelligent HVAC control system and heated, ventilated and massage-enabled seats applied. Its GS100 Lite electric two-wheeler was named a 2024 Pinup Design Award Top 100 product. Daedong Mobility also showcased major mobility and robotics innovations at FIX and DIFA 2024, including a pilot project of an autonomous medical service robot, and launched the GS100 PLUG-IN and Special Edition F/L in 2025.



### Future Mobility & Electrification Portfolio Expansion



In 2024, Daedong secured KRW 1.423 trillion in cumulative orders, providing a strong foundation for its transition to future mobility. Notably, the company won a major contract worth KRW 183.6 billion for the supply of Output Shaft Sub Assemblies—representing 76% of its annual sales—for Hyundai Motor’s new EV platform. Leveraging this success, Daedong is expanding its portfolio from automotive, heavy equipment, and agricultural machinery to electric powertrains, EVs, robotics, and defense, and has entered the high-value defense sector through a strategic alliance with Able MAX.

### R&D Advancement & Delivery Excellence



Daedong Metals specializes in developing cylinder blocks and heads for agricultural machinery and commercial vehicles, supplying parts to global automakers. The company also delivers main control valves (MCVs) and related hydraulic components for construction equipment. In 2024, Daedong Metals completed the development of various components and materials, including vacuum pump parts, self-propelled artillery components, and marine engine parts for both domestic and international clients. These achievements are expected to drive stronger and more diversified sales going forward.

## 2024 ESG Highlights

### Key Targets for 2025

#### Global Expansion & Future Farming



Daedong aims to achieve a 10% market share in North America by 2025, expand sales of medium and large tractors in Europe, establish a foundation for new CCE (Construction and Compact Equipment) business, and stabilize new markets such as Ukraine and Turkey. We plan to equip telematics on all tractor models to increase exports to the U.S. and actively commercialize precision agriculture and transport robots. Over the past four years, we have conducted precision agriculture demonstrations on 410,000 pyeong (approximately 1.35 million square meters) of farmland and are now leveraging the data collected to fully launch B2G (Business-to-Government) operations this year. Additionally, as the industry's first, we plan to lead the future agricultural robot market by releasing autonomous work transport robots.

#### Smart Mobility & Global Market



With the goal of improving profitability and achieving top-line growth, we plan to strengthen our management by expanding sales, reducing costs, and streamlining production. We plan to mass-produce new mobility products like electric scooters, limousine golf carts, and self-driving LSVs, expand into leisure, gardening, and logistics markets, and develop region-specific models for North America, Europe, and Southeast Asia. We also plan to advance smart mobility technologies—including AI autonomous driving, remote control, and connected services—while accelerating commercialization of AI agricultural robots with Daedong Robotics and upgrading our R&D and smart factory infrastructure to enhance technological competitiveness.

#### Electric Powertrain & New Market Expansion



From 2025, Daedong will ramp up its future mobility components business by advancing in-house electric powertrain technology and expanding its modular lineup. The company plans to drive growth by diversifying its global customer base, strengthening its overseas dealer network, and rolling out new business models like rentals and leasing. With upgraded R&D capabilities, Daedong aims to lead both internal combustion and electric powertrain markets, while also expanding into defense and preparing for domestic government contracts.

#### Enhancing Profitability & Future Growth Foundation








Building on its proven expertise in cylinder heads, blocks, and industrial hydraulic parts, Daedong Metals plans to drive continued growth and expand into future markets such as mobility, defense, and robotics. The company will commercialize large castings like marine engine components, broaden its business into new materials (such as aluminum), and actively grow production and sales beyond the auto and ag machinery sectors. Alongside strengthening competitiveness, Daedong Metals will pursue sustainability initiatives to secure new growth engines and enhance its position in the global market.

# 2025



## Stakeholder Engagement

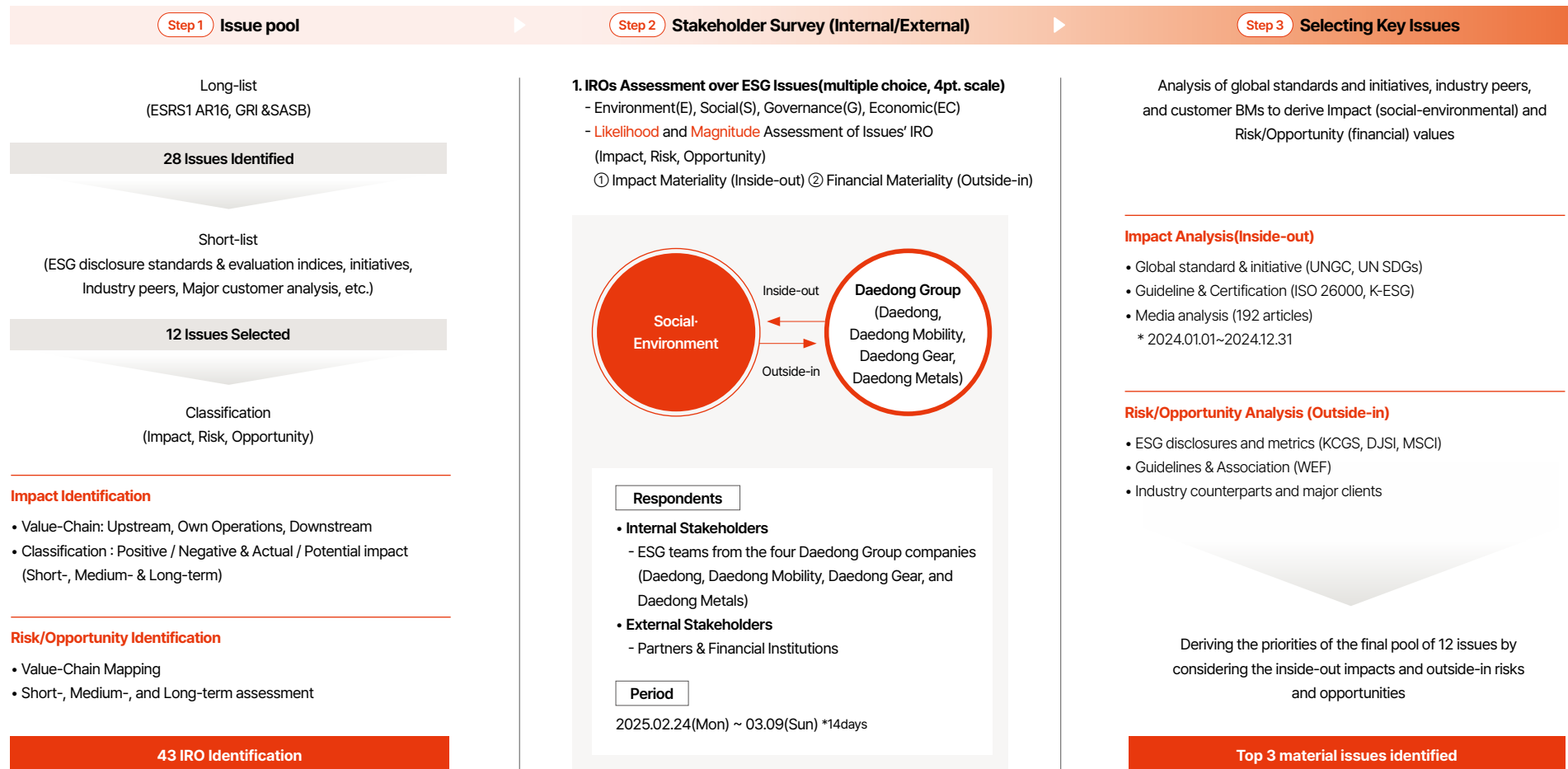
Daedong Group puts emphasis on communication with internal and external stakeholders to enhance corporate value through sustainable growth based on mutual trust. The group identifies key stakeholders as customers, shareholders and investors, partners, employees, government, media and incorporates their diverse opinions and expectations into management activities. We will continue to engage with stakeholders sincerely and transparently and actively expand communication channels in various ways.

Stakeholders	Key Interests	Major Activities	Communication Channel
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Strengthening product and technological competitiveness</li> <li>• Providing sustainable products</li> <li>• Enhancing quality satisfaction</li> <li>• Protecting customer information</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting future-oriented technology R&amp;D</li> <li>• Implementing regular components evaluations</li> <li>• Conducting customer satisfaction surveys and monitoring Voice of Customer (VOC) feedback</li> <li>• Checking information security levels and enhancing security measures</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Customer Inquiry Center</li> <li>• Customer Satisfaction Survey</li> <li>• Press Releases</li> </ul>
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Enhancing shareholder value</li> <li>• Ensuring transparent governance</li> <li>• Establishing and operating corporate risk management systems</li> </ul>	<ul style="list-style-type: none"> <li>• Holding regular shareholders' meetings for transparent decision-making</li> <li>• Disclosing ESG reports, business reports and corporate governance reports</li> <li>• Establishing and operating corporate risk management system</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Reports</li> <li>• Disclosure Materials</li> <li>• Shareholders' Meeting</li> <li>• Major Regular Reports</li> </ul>
<b>Partners</b> 	<ul style="list-style-type: none"> <li>• Building a system of mutual cooperation</li> <li>• Ensuring fair trade compliance</li> <li>• Enhancing partner communication and capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing a code of conduct and transaction management regulations for partners</li> <li>• Conducting regular evaluations on the effectiveness of fair-trade compliance programs and prohibiting unfair trade practices</li> <li>• Support partner training</li> <li>• Hosting 'Partnership Day' events</li> </ul>	<ul style="list-style-type: none"> <li>• Grievance Handling Channel</li> <li>• Partner Communication Events</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Fair evaluation and compensation</li> <li>• Improving welfare benefits</li> <li>• Enhancing employee capabilities</li> <li>• Strengthening workplace health and safety management</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an employee evaluation system</li> <li>• Operating welfare program and conducting satisfaction surveys</li> <li>• Providing employee training</li> <li>• Conducting health and safety education</li> <li>• Holding regular occupational health and safety evaluation meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Grievance Handling Channel</li> <li>• Labor-Management Council</li> </ul>
<b>Government and Media</b> 	<ul style="list-style-type: none"> <li>• Membership and participation in industry associations</li> <li>• Sharing the main business directions of the company</li> <li>• Disclosing corporate management activities</li> <li>• Disclosing ESG information</li> </ul>	<ul style="list-style-type: none"> <li>• Publishing ESG report</li> <li>• Posting press releases on the Daedong NEWS website (<a href="https://daedong-kioti.com/news/daedongnews">https://daedong-kioti.com/news/daedongnews</a>)</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Report</li> <li>• Website</li> <li>• Press Releases</li> <li>• Business and Audit Reports</li> <li>• Meetings and Councils</li> </ul>

## Double Materiality Assessment

Daedong Group annually conducts a Double Materiality Assessment, with direct participation from internal and external stakeholders, considering both social and environmental impacts of its operations (Impact Materiality) and the financial effects of sustainability issues on the Group (Financial Materiality), based on the European Sustainability Reporting Standards (ESRS). This assessment was conducted through a comprehensive analysis encompassing global disclosure standards and evaluation metrics, international initiatives, guidelines and industry associations, ESG management trends within the peer industry, internal analyses of Daedong Group, critical ESG issues identified by major clients, and surveys conducted among key internal and external stakeholders of Daedong Group. As a result, a final pool of 12 material issues was established. For these 12 issues, the value chain was mapped, and the impact, risks, and opportunities associated with each issue were identified to analyze their characteristics and scope of influence. From these, the top three priority issues were selected. Daedong Group commits to transparently disclosing its related activities and performance on these key issues and to actively integrating the insights gained into the formulation of future corporate management strategies, thereby establishing the strategic direction of its ESG management framework.

### Assessment Process





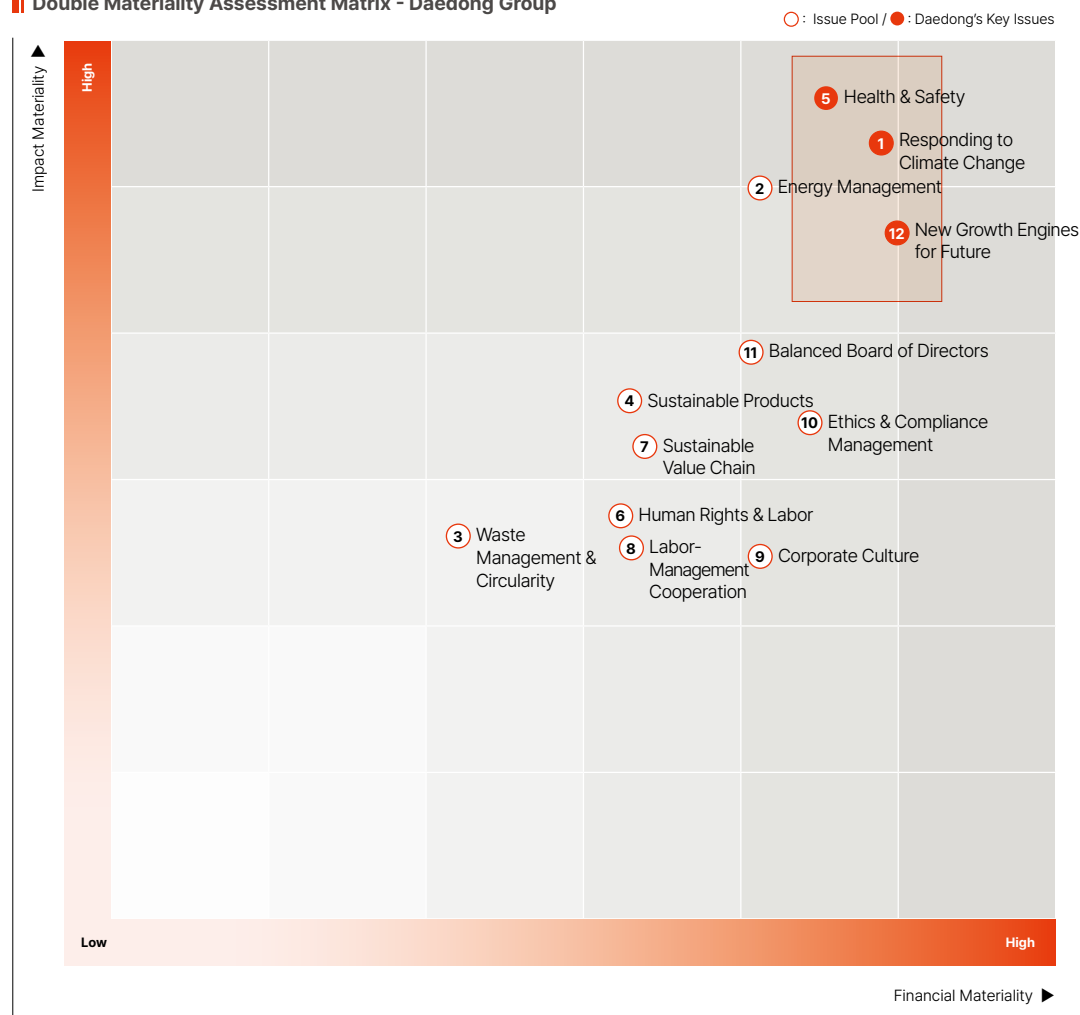
## Double Materiality Assessment

### Double Materiality Assessment Results

Following Daedong Group's 2025 double materiality assessment, three top-priority material issues—Responding to Climate Change, Health & Safety, and New Growth Engines for the Future—were selected from a short-list of 12 issues. These are featured in the 'Key Issues' section and organized according to the four-pillar framework of IFRS S1 & S2 standards from the ISSB<sup>1)</sup>. All other sustainability issues are also managed as important, with no differentiation in management level, and are systematically overseen based on IRO(Impact, Risk and Opportunity) evaluation results.

1) International Sustainability Standards Board

#### Double Materiality Assessment Matrix - Daedong Group



Rank	Short-list	Category	Issue Impact			Page
			Impact Materiality	Financial Materiality	Total	
1	1 Responding to Climate Change	Environmental	●	●	●	31-35
2	5 Health & Safety	Social	●	●	●	36-45
3	12 New Growth Engines for Future	Economic	●	●	●	46-52
4	2 Energy Management	Environmental	●	●	●	60
5	11 Balanced Board of Directors	Governance	●	●	●	105-111
6	10 Ethics & Compliance Management	Governance	●	●	●	101-103
7	4 Sustainable Products	Environmental	○	●	●	72-73
8	7 Sustainable Value Chain	Social	●	●	●	86-92
9	9 Corporate Culture	Social	●	○	○	82
10	6 Human Rights & Labor	Social	○	○	○	75-76
11	8 Labor-Management Cooperation	Social	○	○	○	84-85
12	3 Waste Management & Circularity	Environmental	○	○	○	68-71

Issue Impact: ● High / ● Medium / ○ Low (Impact assessment using minimum and maximum criteria)

## Double Materiality Assessment

### Material Issue Assessment Result

#### Impact

Area	Issue	Impact Factors	Value Chain			Impact Type		Time horizons		
			Up	Own	Down	Positive/ Negative	Actual/ Potential	Short	Medium	Long
E	Responding to Climate Change	• Greenhouse gas emissions from manufacturing accelerate climate change	●	●		Negative	Actual	●	●	●
		• Air pollutants from fossil fuels and equipment use contribute to climate and air quality impacts			●	Negative	Actual	●	●	●
S	Health & Safety	• Workplace hazards threaten workers' physical and mental health		●		Negative	Actual	●	●	
EC	New Growth Engines for Future	• Developing eco-friendly products drives low-carbon transition in industry		●	●	Positive	Potential		●	●
		• Technological cooperation with suppliers strengthens industrial innovation	●	●		Positive	Potential		●	●

#### Risk/Opportunity

Area	Issue	Value Chain			Risk(R) / Opportunity(O)	Impact on the Company	Time horizons			Strategy
		Up	Own	Down			Short	Medium	Long	
E	Responding to Climate Change		●		R	• Stricter carbon regulations leading to higher carbon tax and emission allowance costs	●	●		Daedong Group is committed to developing eco-friendly engines and electric agricultural equipment, while increasing the adoption of low-carbon technologies and renewable energy. To address risks from extreme weather and natural disasters, we are enhancing disaster prevention systems at key production sites.
		●	●		R	• Increased risk of facility damage and shutdowns from extreme weather		●	●	
			●		O	• New market entry through low-carbon products		●	●	
S	Health & Safety		●		R	• Higher direct costs from workplace accidents, production stoppages, damage-compensation, and increased insurance premiums	●			Daedong Group prioritizes workplace safety by upgrading factory safety infrastructure, providing regular safety training, and supporting supplier safety management. Our proactive safety systems are designed to boost both productivity and quality.
			●		R	• Business interruption risk from violation of safety regulations	●	●		
		●	●		R	• Liability for subcontractors' safety incidents	●	●		
			●		O	• Accident prevention and cost reduction through the establishment of proactive safety management systems		●	●	
		●			O	• Enhanced value chain safety by supporting suppliers in building effective safety and health management systems	●	●		
EC	New Growth Engines for Future		●		R	• Decreased sales and profitability due to delayed response to market needs		●	●	With the rise of eco-friendly agricultural machinery and smart farming, Daedong Group is seizing new business opportunities by advancing technology and internalizing core capabilities to drive profitability and market growth.
			●	●	O	• Securing a leading position in the industry by internalizing core technologies		●	●	

## Double Materiality Assessment

### Details of Materiality Assessment Results\*

#### Impact

Area	Issue	Impact Factor	Value Chain			Impact Type		Time horizons		
			Up	Own	Down	Positive/ Negative	Actual/ Potential	Short	Medium	Long
E	Responding to Climate Change	• Greenhouse gas emissions from manufacturing accelerate climate change	●	●		Negative	Actual	●	●	●
		• Fossil fuel use in machinery emits air pollutants and contributes to climate change			●	Negative	Actual	●	●	●
	Energy Management	• Increased workplace energy use leads to higher indirect GHG emissions		●		Negative	Actual	●	●	●
	Waste Management & Circularity	• Manufacturing waste pollutes soil and water	●			Negative	Actual	●	●	●
	Sustainable Products	• Developing eco-friendly products and technologies reduces environmental impact		●	●	Positive	Potential	●	●	●
S	Health & Safety	• Workplace hazards threaten workers' physical and mental health		●		Negative	Actual	●	●	
	Human Rights & Diversity	• Low female employment rate perpetuates gender imbalance		●		Negative	Potential		●	●
	Sustainable Value Chain	• Fair supplier selection and trade support healthy industry growth	●			Positive	Potential		●	●
	Labor-Management Cooperation	• Labor-management conflicts cause social unrest and division		●		Negative	Potential	●	●	
	Corporate Culture	• Work-life balance initiatives foster a healthy workplace culture		●		Positive	Potential	●	●	●
G	Ethics & Compliance Management	• Compliance and ethical management promote a culture of integrity		●		Positive	Potential		●	●
	Balanced Board of Directors	• Diverse boards strengthen social inclusion		●	●	Positive	Potential		●	●
EC	New Growth Engines for Future	• Eco-friendly products accelerate the low-carbon transition		●	●	Positive	Potential		●	●
		• Technical cooperation with partners enhances industrial innovation	●	●		Positive	Potential		●	●

\* Summarizes key findings from the materiality assessment of short-listed issues. EC refer to 'Economy' area.



## Double Materiality Assessment

### Details of Materiality Assessment Results\*

#### Risk/Opportunity

Area	Issue	Value Chain			Risk(R) / Opportunity(O)	Impact on the Company	Time horizons		
		Up	Own	Down			Short	Medium	Long
E	Responding to Climate Change		●		R	• Stricter carbon regulations leading to higher carbon taxes and emission allowance costs	●	●	
		●	●		R	• Increased risk of facility damage and shutdowns from extreme weather		●	●
			●		O	• New market entry through low-carbon products		●	●
	Energy Management	●	●		R	• Growing uncertainty in power supply due to government energy policy shifts	●	●	●
		●	●		O	• Long-term cost reduction via energy-efficient equipment adoption		●	●
			●		O	• Lower energy costs through renewable energy infrastructure investments		●	●
	Waste Management & Circularity		●		R	• Stricter waste regulations raising compliance risks and disposal costs	●	●	
			●	●	O	• Cost savings from waste recycling and circular resource systems		●	●
	Sustainable Products		●	●	R	• Lagging eco-tech development weakening market competitiveness		●	●
		●		●	O	• Differentiate products and command premium pricing with green components		●	●
S	Health & Safety		●		R	• Higher direct costs from workplace accidents, production stoppages, damage-compensation, and increased insurance premiums	●		
			●		R	• Business interruption risk from safety law violations	●	●	
		●	●		R	• Liability for subcontractors' safety incidents	●	●	
			●		O	• Accident prevention and cost reduction through the establishment of proactive safety management systems		●	●
		●			O	• Enhanced value chain safety by supporting suppliers in building effective Health & Safety management systems	●	●	
	Human rights & diversity		●		R	• Reputational damage and talent attraction challenges from human rights issues	●	●	●
			●		O	• Enhanced organizational innovation through greater gender and age diversity		●	●
	Sustainable value chain management	●		●	R	• Supplier non-compliance with environmental, labor, or safety standards negatively impacts product reputation and trust		●	●
		●			O	• Supporting supplier ESG capabilities to build sustainable partnerships		●	●
	Labor-Management Cooperation		●	●	R	• Labor disputes causing production delays and delivery risks	●		
			●		O	• Stable production through collaborative labor-management relations		●	●
	Corporate Culture		●		R	• Higher workforce management costs due to expanded leave policies	●	●	
			●		O	• Improved business performance through greater employee motivation and satisfaction		●	●
G	Ethics & Compliance Management		●		R	• Direct costs from fines and penalties for compliance violations	●	●	
			●		O	• Lower legal risk costs through proactive compliance systems		●	●
			●		R	• Governance risks from lack of board independence or expertise		●	●
	Balanced Board of Directors		●		O	• Stronger risk management and new business opportunities through enhanced board expertise		●	●
EC	New Growth Engines for Future		●		R	• Decreased sales and profitability due to delayed response to market needs		●	●
			●	●	O	• Securing a leading position in the industry by internalizing core technologies		●	●

\* Summarizes key findings from the materiality assessment of short-listed issues. EC refer to 'Economy' area.



31 Key Issue 1. Responding to Climate Change

36 Key Issue 2. Health & Safety

46 Key Issue 3. New Growth Engines for Future



**KEY ESG  
ISSUE**



## Key Issue 1. Responding to Climate Change

Daedong Group acknowledges its responsibility to address climate change as a fundamental corporate duty and is proactively formulating and executing strategic initiatives in a systematic manner to contribute to a sustainable future. In key markets as North America and Europe, we strictly abide by emission regulations and ensure air pollution control and improvement.

Through targeted eco-friendly R&D, we minimize product environmental footprints while reducing GHG emissions and energy consumption across operations. By aligning with global environmental standards, Daedong Group is positioning itself as a sustainability leader committed to long-term ecological stewardship.



# KEY ISSUE 1

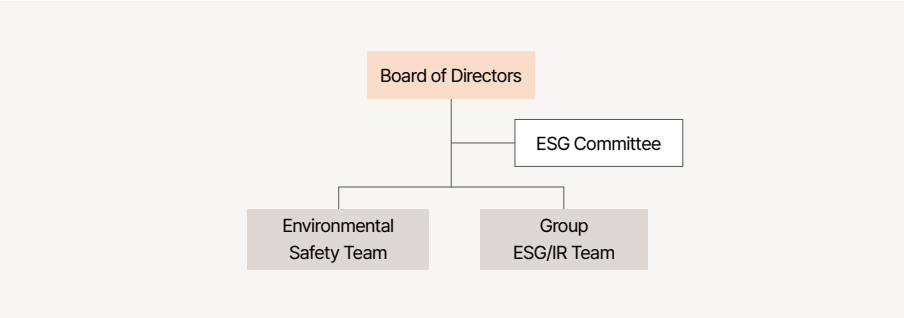


# Key Issue 1. Responding to Climate Change

## Governance

Daedong Group manages climate-related risks and strategies under the Board of Directors. Key climate actions and risks are regularly reported to the CEO, ensuring effective company-wide risk management and opportunity identification. In 2023, Daedong established a Board-level ESG Committee and a Group ESG/IR team, reinforcing governance over sustainability and ESG. The company continues to strengthen its climate strategy and GHG management, working closely with the Environmental Safety Team to enhance group-wide climate response. In 2024, the ESG Committee reviewed and approved major climate-related issues, including GHG emissions results, reduction strategies, and future action plans.

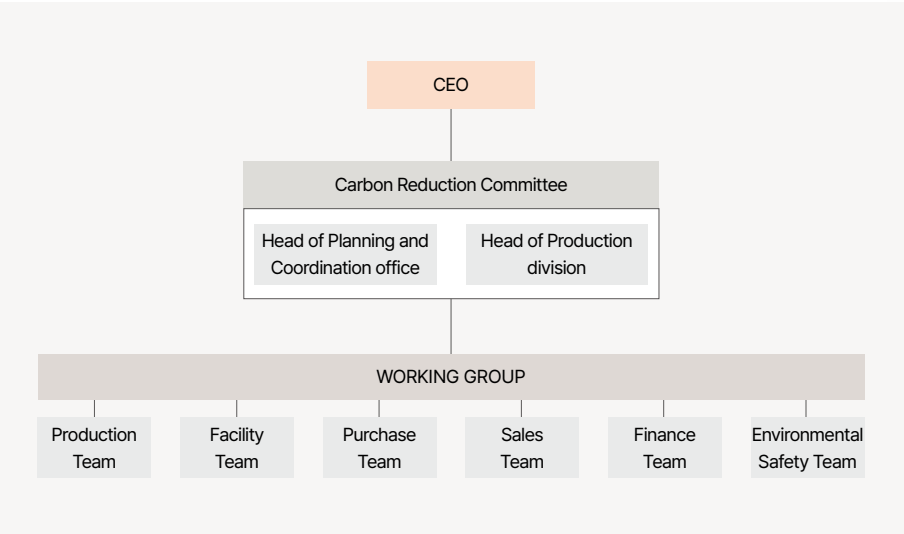
### Governance Structure of Climate Change Response - Daedong



Reporting and Discussion of Governance-related Agenda Items	
Date	2024.05.13
Agenda	Reporting on GHG Emissions for Climate Change Response

In 2025, Daedong is strengthening regular monitoring and external verification of Scope 1 and 2 greenhouse gas emissions. The company is preparing a carbon neutrality roadmap and Science Based Targets (SBT). Going forward, the Board of Directors and ESG Committee will review climate-related issues semiannually to enhance strategic decision-making on climate action.

### Governance Structure of Climate Change Response - Daedong Metals



Daedong Metals has set a goal to cut greenhouse gas emissions by 20% from 2019 levels by 2030 as part of its climate strategy. To achieve this, the company has identified 42 reduction initiatives—such as improving energy efficiency—which are now under review before rollout. To drive execution, Daedong Metals also established a Carbon Management Governance Committee, clarifying departmental roles and ensuring a coordinated, company-wide approach to emissions reduction.

### Key Roles and Responsibilities by Organization - Daedong Metals

CEO	<ul style="list-style-type: none"><li>Sets sustainability and GHG targets</li><li>Approves major reduction plans</li><li>Allocates budgets and resources</li></ul>
Carbon Reduction Committee	<ul style="list-style-type: none"><li>Sets GHG strategy and policy</li><li>Approves annual targets and action plans</li><li>Oversees risk and issue management</li></ul>
WORKING GROUP	<ul style="list-style-type: none"><li>Plans and executes reduction actions</li><li>Executes and monitors Tracks, reports, and manages data</li><li>Assesses investments and suggests improvements</li></ul>

## Key Issue 1. Responding to Climate Change

### Strategy

#### Climate Change Risks and Opportunities Analysis

Daedong Group is committed to meeting the demands of the international community and strengthened ESG disclosure standards by enhancing company-wide climate action. The Group continuously identifies and assesses key risks and opportunities related to climate change—including physical and transition risks—and systematically evaluates and manages their impacts. Strategic and financial analyses of identified risks and opportunities are conducted to develop response strategies and determine priorities, which are then reported to the Board of Directors and management. Based on these decisions, company-wide action plans are established and implemented, continually enhancing Daedong's climate risk management capabilities.

Category		Risk Description	Potential Occurrence Period	Financial Impact	Risk Factors	Opportunity Factors	Strategy
Physical Risks	Acute	Increased natural disasters such as typhoons and heavy rainfall	Long-term	High (Rising Insurance Premiums, Damage to production facilities)	Increased likelihood of extreme weather due to rising temperatures: higher risk of cyclones and floods	-	1) Develop/operate disaster response manuals 2) Secure disaster insurance coverage 3) Regularly review the likelihood of natural disasters
	Chronic	Increased abnormal weather due to rising temperatures	Long-term	High	Decreased work efficiency due to rising average annual temperatures. Risk of drought and water shortages	-	1) Enhance management system to strengthen operation processes 2) Optimize product inventory management processes 3) Secure disaster insurance coverage
Transition Risks	Policy/ Legal	Strengthening emission trading scheme and increasing emission credit costs	Short-/ Mid-term	High	Strengthened emission allowance regulations to achieve national carbon neutrality, reduced emission quota allocations, increased paid allocations, and heightened price volatility driven by the activation of emission trading	Create revenue from selling surplus emission credits generated through emission reductions	1) Manage emission credit surplus/shortfall through regular emission forecasting 2) Monitor the emissions trading scheme for preliminary impact assessment 3) Establish long-term GHG reduction plans 4) Reduce emissions through facility upgrades and energy-saving activities
		Expansion of Global Greenhouse Gas Regulation	Mid-/ Long-term	Medium	Increased production costs due to global regulations such as CBAM	Enhance market competitiveness by meeting global regulations	1) Secure globally compliant, eco-friendly materials 2) Manage product-specific emission intensity
	Technology	Transition demand to low-carbon production technologies	Mid-term	Medium	Challenges of expanding infrastructure and securing skilled workforce associated with low-carbon technology development, along with the substitution of existing products by new low-carbon alternatives	Reduce GHG emissions through low-carbon technology expansion	1) Strengthen R&D for low-carbon technologies and products 2) Improve energy efficiency through equipment upgrades and process improvements
	Market	Demand shift to eco-friendly products	Short-/ Mid-term	High (approx. KRW 1.5~2 billion)	Increased demand for eco-friendly products to satisfy consumer needs. Increased investment on R&D for product transition	Expand sales through eco-friendly product	1) Expand eco-friendly product lineup 2) Invest in R&D to expand the development of new products
		Renewable Energy Market Expansion	Mid-/ Long-term	High	Increased production costs for renewable energy transition	Reduce electricity cost volatility through renewable energy transition	1) Develop an RE100 transition strategy and roadmap 2) Expand mid- to long-term renewable energy contracts (e.g.,PPA)
	Reputation	Increased Stakeholder's demands	Mid-/ Long-term	Medium	Rising demands from customers and investors for climate change action, and OEM clients' requirements to achieve carbon neutrality	Enhance competitiveness through eco-friendly branding	1) Improving order-winning capability with an eco-friendly corporate image 2) Invest in R&D to satisfy customer needs

Key Issue 1. Responding to Climate Change

Strategy

GHG Reduction Strategy

Daedong is implementing mid- to long-term greenhouse gas reduction strategies across various areas to achieve a 30% reduction in GHG emissions by 2030 and carbon neutrality by 2050. Based on these strategic directions, we are pursuing gradual improvements. Recognizing the uncertainties in the climate and energy transition landscape, we will continuously refine our strategies with a phased and flexible approach, regularly evaluating feasibility and effectiveness.

GHG Management Process - Daedong



GHG Reduction Strategy - Daedong

Strategic Roadmap by Period	Key Focus Areas	Detailed Action Plan
Mid-term Strategy (2025~2030)	Energy Efficiency Improvement	Optimize energy use across operations and pursue phased upgrades to high-efficiency equipment
	Clean Energy Transition	Explore ways to lower carbon intensity, including renewable energy sourcing and improving the power mix
	Process Optimization & Operational Efficiency	Enhance production efficiency by minimizing energy loss and streamlining operations
	Advanced GHG Data Management	Build stronger internal management with advanced monitoring and integrated improvement systems
Long-term Strategy (2031~2050)	Adoption of Low-Carbon Products and Technologies	Reduce product emissions by shifting to eco-friendly products and advancing technologies
	Strengthening Value Chain Emissions Reduction Collaboration	Work closely with suppliers on GHG reduction and provide clear guidelines
	Carbon Offsetting and External Carbon Credits	Assess opportunities for emission rights acquisition and carbon offsetting
	Advanced Climate Response System	Align response strategies with leading global standards such as ISO and SBTi

Risk Management

Enhancing Energy Efficiency

Daedong Gear and Daedong Metals are reviewing the adoption of a Facility Energy Management System (FEMS) to maximize energy efficiency and establish a mid- to long-term low-carbon operational framework. FEMS enables real-time monitoring and analysis of energy use across key facilities, helping identify inefficiencies and abnormal patterns early.

With this shift to data-driven energy management, the companies aim to optimize peak power, improve equipment operation, and expand high-efficiency systems—making FEMS a core part of their energy transition strategy.

Going forward, FEMS data will support energy KPI management, precise Scope 2 GHG calculations, and renewable energy feasibility studies, moving toward an integrated platform for energy and carbon management. This marks a significant step in advancing Daedong’s ESG and energy transition goals.

Additionally, Daedong Gear installed a 99.19 kW solar power system on its main building, reducing annual GHG emissions by about 60.77 tons.





Key Issue 1. Responding to Climate Change

Metrics & Targets

GHG Emissions

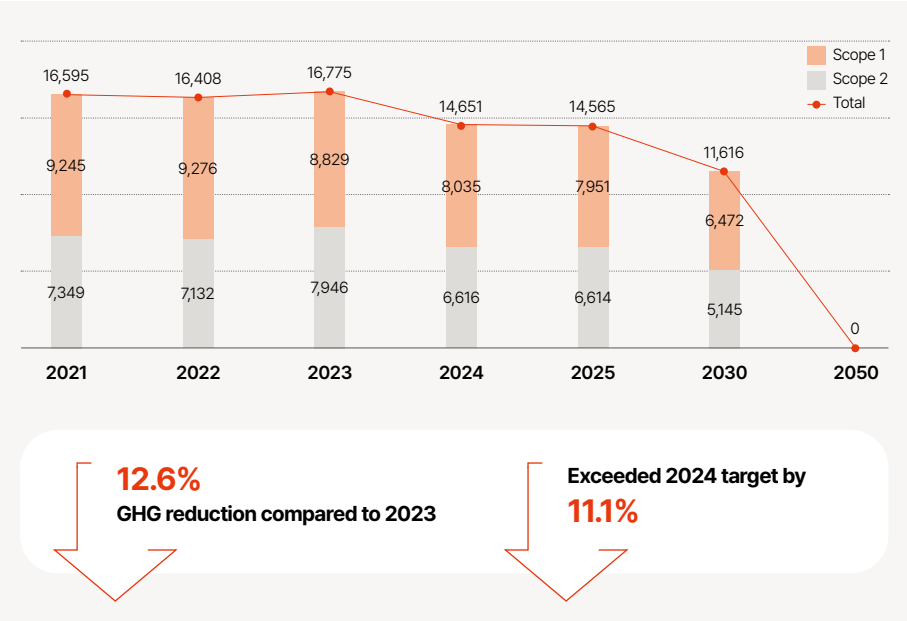
Daedong has systematically tracked its greenhouse gas (GHG) emissions since 2021, setting reduction targets aligned with national carbon neutrality goals. In 2024, the company achieved 12.6% year-on-year emissions reduction, surpassing their annual target by 11.1%. This progress reflects strengthened climate initiatives initiatives across both and value chain.

Greenhouse Gas Emissions - Daedong

Year	GHG Emissions (tCO <sub>2</sub> eq)
2021	16,594.66
2022	16,407.98
2023	16,775.09
2024	14,651.47

GHG Reduction Roadmap - Daedong

(Unit: tCO<sub>2</sub>eq)



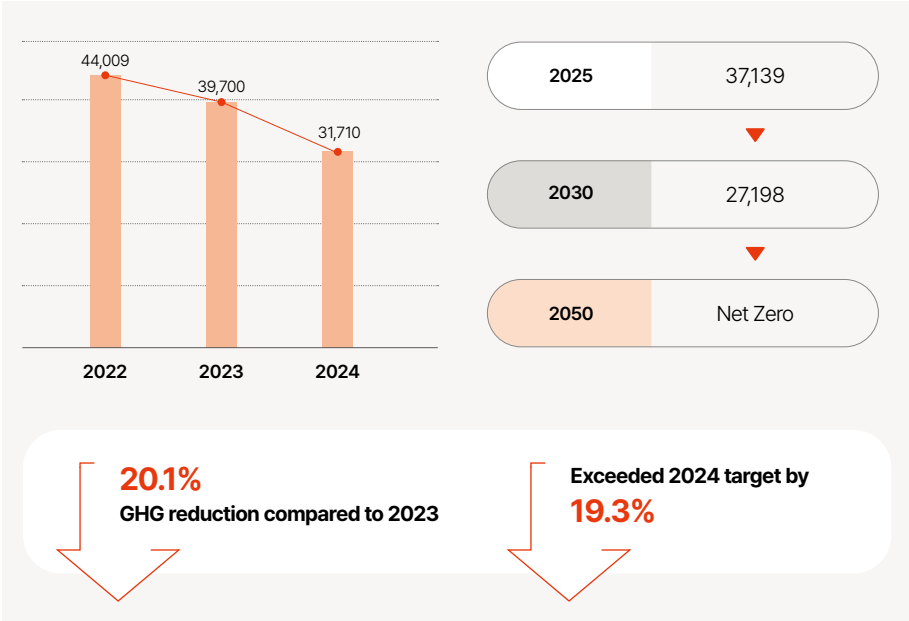
GHG Reduction Target - Daedong




Daedong Metals reduced its greenhouse gas emissions by 20.1% in 2024 compared to the previous year, exceeding its 2024 target by 19.3%. The company is actively utilizing solar power and will continue to identify and implement effective GHG reduction measures.

GHG Reduction Roadmap - Daedong Metals

(Unit: tCO<sub>2</sub>eq)



## Key Issue 2. Health & Safety



Daedong Group views investing in occupational health and safety as vital for future growth. We believe every business activity must be grounded in safety—both as a fundamental corporate duty and a core social responsibility. As a manufacturer facing inherent risks of major accidents, Daedong treats systematic safety and health management as an ongoing, company-wide priority.

Daedong Group goes beyond regulatory compliance, positioning health and safety as a strategic driver of sustainability and competitiveness. By implementing a robust safety management system and applying standards that exceed legal requirements, Daedong is committed to proactively preventing any kinds of accidents and continuously strive for improvements.

# KEY ISSUE 2

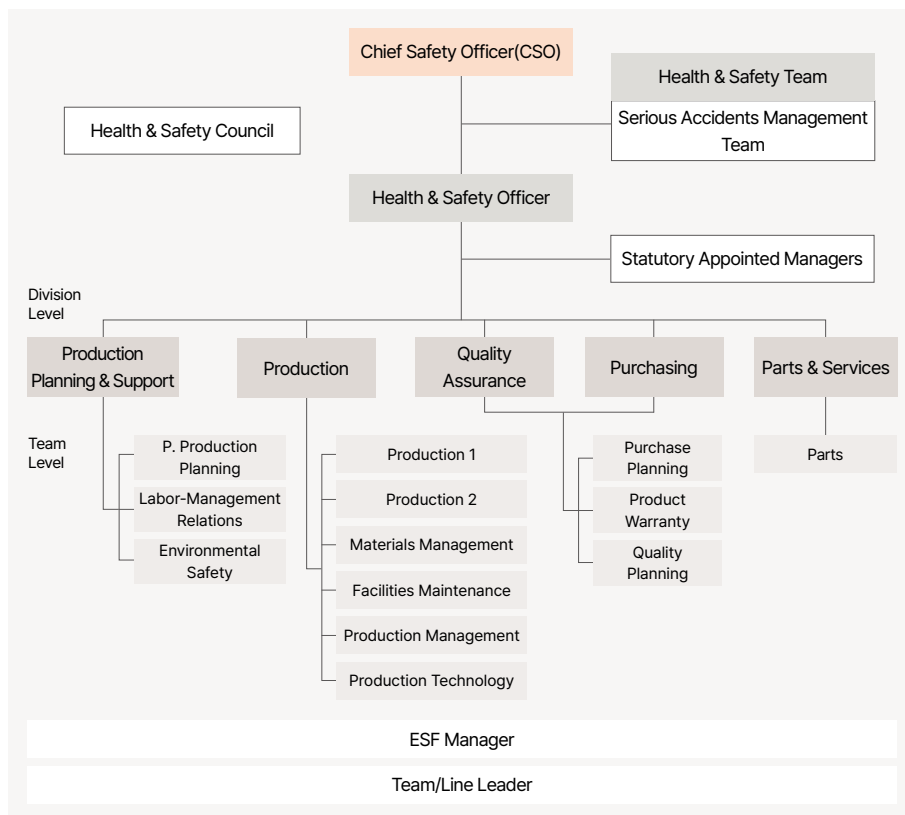
## Key Issue 2. Health & Safety

### Governance

Daedong Group has appointed a Chief Safety Officer (CSO) to lead company-wide health & safety management. The CSO oversees policy, implementation, and resource allocation, ensuring a unified safety system across all sites. Each business unit has its own safety management framework and systematically promotes accident prevention.

In line with the Serious Accidents Punishment Act, Daedong conducts biannual compliance checks and closely monitors safety measures. The Group also maintains robust systems to comply with relevant regulations and, since 2022, has enhanced its capabilities by introducing the ESF (Environment, Health & Safety and Fire Fighting) system and establishing a dedicated 'Serious Accidents Management Team'.

#### Health & Safety Organizational Chart - Daedong

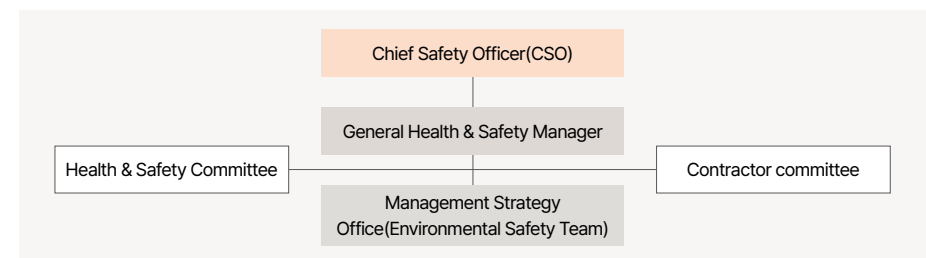


#### Health & Safety Roles and Responsibility - Daedong

<b>Chief Safety Officer (CSO)</b>	<ul style="list-style-type: none"> <li>Establishment of in-house safety, health, and environmental policies, and overall management of personnel and budget</li> <li>Comprehensive oversight of personnel and budget</li> </ul>
<b>Health &amp; Safety Officer</b>	<ul style="list-style-type: none"> <li>Compliance with Health &amp; Safety regulations</li> <li>Improvement of working conditions</li> <li>Protection and promotion of employee health and safety</li> </ul>
<b>Supervisors</b>	<ul style="list-style-type: none"> <li>Supervision over employees (including contractors) and for Health &amp; Safety practices, including accident prevention activities on work-sites</li> </ul>
<b>Health &amp; Safety Council</b>	<ul style="list-style-type: none"> <li>Formation of a committee of up to 10 members by appointing user and worker representatives</li> <li>Conduct of regular meetings on a quarterly basis</li> <li>Deliberation on industrial accident prevention, occupational safety and health issues, and workers' demands</li> </ul>

Daedong Mobility operates a Health & Safety Committee for systematic safety management. The Management Strategy Office oversees the Environmental Safety Team, which includes the Health & Safety Team and the Fire Safety Team, equipping each team with expertise and rapid response to accidents. This structure supports a comprehensive health & safety system and ongoing efforts to protect employees and prevent accidents.

#### Health & Safety Organizational Chart - Daedong Mobility



#### Health & Safety Roles and Responsibilities - Daedong Mobility

<b>Management Strategy Office</b>	<ul style="list-style-type: none"> <li>Overall management of Environmental Safety Team operations</li> </ul>
<b>Health &amp; Safety Team</b>	<ul style="list-style-type: none"> <li>Operation of Health &amp; Safety Committee</li> <li>Inspection and improvement of hazardous risk factors- fire safety facilities, company-wide fire drills and trainings</li> </ul>

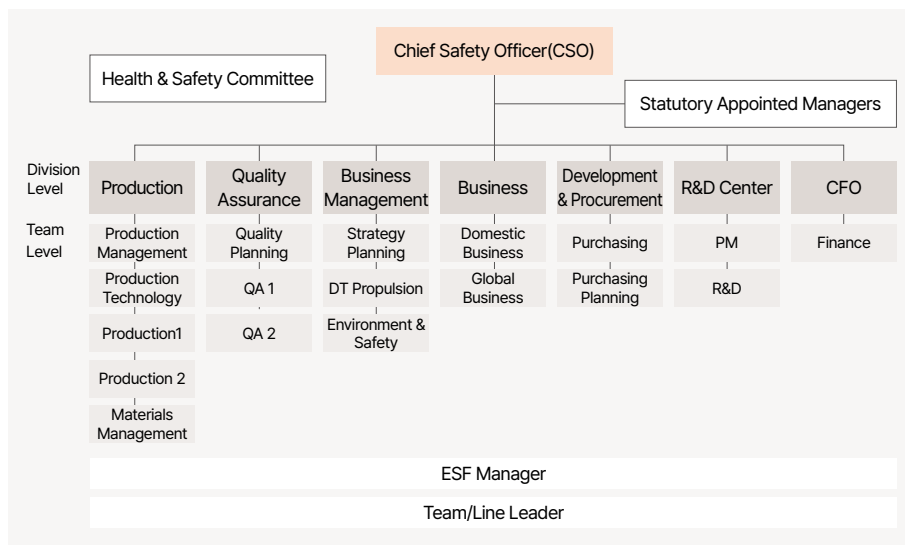


## Key Issue 2. Health & Safety

### Governance

Daedong Gear has established a safety and health management structure led by the Chief Safety Officer (CSO), with statutorily appointed managers for safety, health, environment, and fire safety, as well as members of the Health & Safety Committee. To ensure effective implementation, overall safety supervisors are assigned at the division level and management supervisors at the department level. These roles and responsibilities are clearly communicated to all employees and contractors, supporting a safe and healthy workplace across the organization.

#### Health & Safety Organizational Chart - Daedong Gear

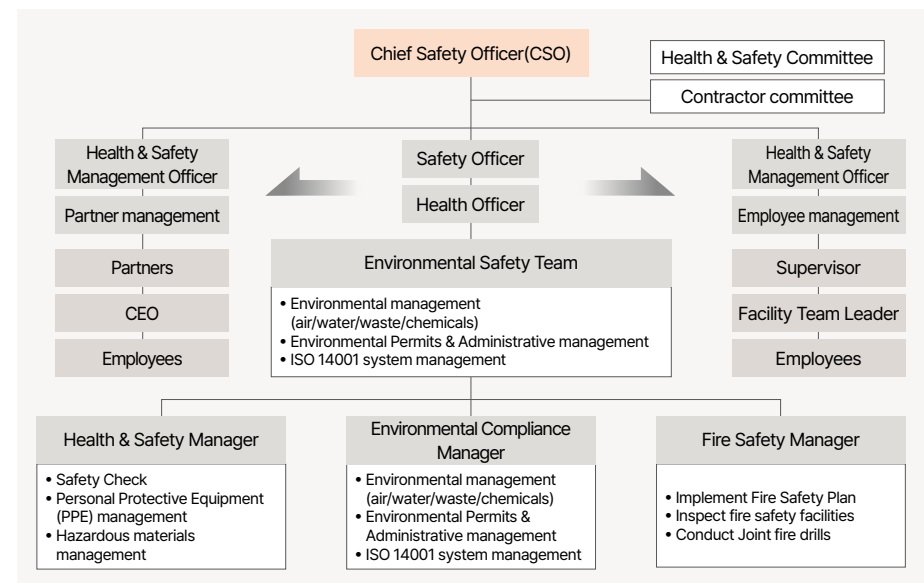


#### Health & Safety Roles and Responsibility - Daedong Gear

Environmental Safety Team	<ul style="list-style-type: none"> <li>Focus on environmental and fire accident prevention</li> <li>Health &amp; safety training implementation</li> <li>Managing GHG inventories</li> <li>Industrial accidents management</li> </ul>
Health & Safety Manager	<ul style="list-style-type: none"> <li>Manage and monitor workplace safety</li> </ul>
Fire Safety Manager	<ul style="list-style-type: none"> <li>Ensure safety compliance</li> </ul>
Environmental Technician	<ul style="list-style-type: none"> <li>Oversee the operation of emission sources and pollution prevention facilities in compliance with legal requirements</li> </ul>

Daedong Metals has built a health and safety foundation through integrated management of both in-house partner companies and employees. The Environmental Safety Team oversees comprehensive management, prevention, and response for environmental, fire, and health, establishing an in-house health and safety system that covers suppliers as well.

#### Health & Safety Organizational Chart - Daedong Metals



#### Health & Safety Roles and Responsibility - Daedong Metals

Environmental Safety Team	<ul style="list-style-type: none"> <li>ISO14001 certification management and acquisition</li> <li>Environmental permits and legal compliance</li> <li>GHG calculation and emissions trading management</li> </ul>
Health & Safety Manager	<ul style="list-style-type: none"> <li>Workplace safety inspections, PPE management, hazardous materials management</li> </ul>
Environmental Compliance Manager	<ul style="list-style-type: none"> <li>Environmental facilities management (air, water, waste, chemicals etc)</li> </ul>
Fire safety Manager	<ul style="list-style-type: none"> <li>Fire safety facility inspections and joint fire drills</li> </ul>

## Key Issue 2. Health & Safety

### Strategy

#### Health & Safety Management Vision and Strategy

Daedong has established Health & Safety Policy tailored to its vision and business activities as a leading agricultural machinery company and drives proactive safety and health management through four key strategies.



#### Health & Safety Policy

Daedong, as a specialized manufacturer of agricultural machinery, works to identify and address hazardous and risk factors during the production process to prevent accidents and occupational diseases. The company operates a safety and health management system aiming for “zero accidents”, complying with all safety regulations and ISO 45001 requirements, and continuously improving its practices to achieve health and safety goals.

This policy is communicated to all employees, and the health & safety management system is regularly reviewed and improved with engagements with employees and stakeholders—including contractors, customers, and the local community—to ensure effective implementation and ongoing improvement.

 **Daedong's Health & Safety Management Vision and Strategy**



Daedong Mobility sets clear, company-wide health and safety goals and actively puts its health and safety policies into practice. The company also identifies key health and safety priorities for each area, helping employees embed health and safety into their daily work environment.



Daedong Gear has established a Health & Safety Policy and set clear guidelines to ensure occupational health & safety is given the highest priority across all sites.

 **Daedong Gear's Health & Safety Policy**



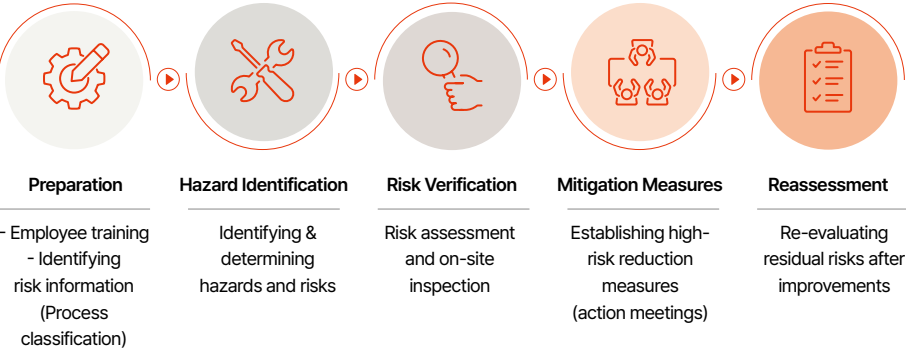
Daedong Metals recognizes that environment, safety, and health are key to business competitiveness. The company has established Environment, Health & Safety Policies and annual health & safety targets and plans for continuous improvement.

Key Issue 2. Health & Safety

Industrial Health & Safety Risk Assessment

Daedong Group conducts systematic risk assessments based on the 4M framework (Machine, Media, Man, Management), identifying potential hazards and analyzing their frequency and whether they are within acceptable limits. After identifying various risk factors, the frequency of exposure and the potential severity of accidents are assessed to calculate the overall risk level. If the risk level is deemed unacceptable, specific countermeasures are developed, ensuring a structured and proactive approach to accident prevention.

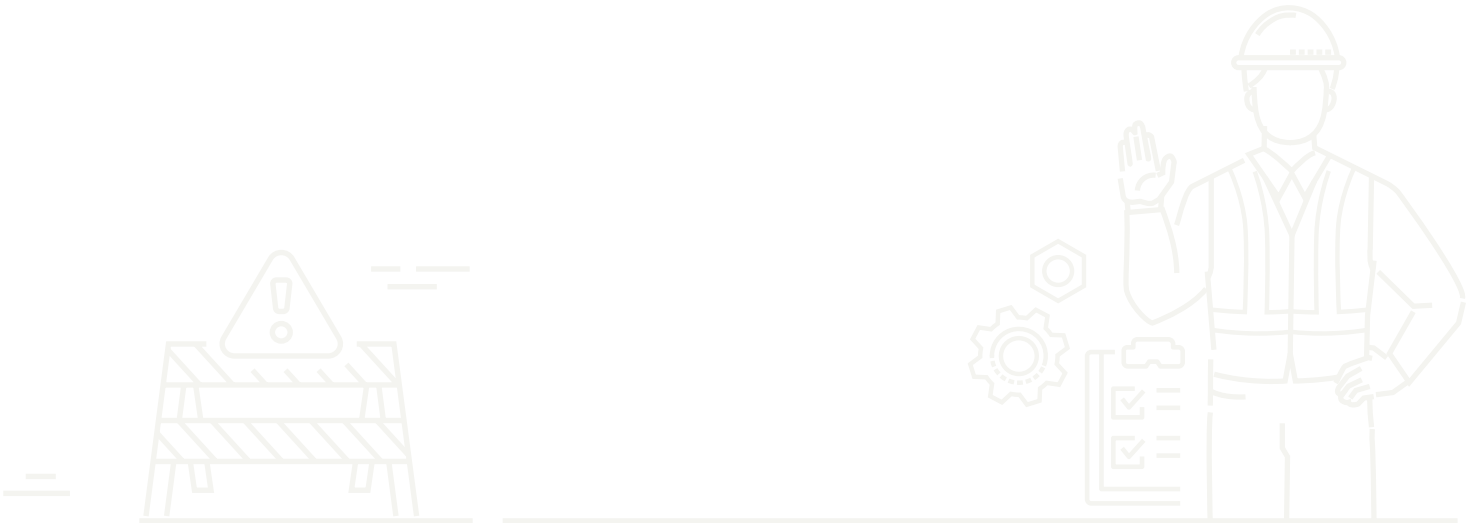
Risk Assessment Process and Steps - Daedong Group



Daedong Group sets improvement plans through the Industrial Health & Safety Council based on risk assessment results. Major risks are identified and regularly communicated to employees before work. The Environmental Safety Team manages these improvements in the safety system and monitors follow-up actions for sustained implementation. Risk assessors also complete required training for accurate evaluations.

Daedong Mobility and Daedong Gear conduct regular weekly and monthly risk assessments in line with relevant safety and environmental laws. Safety checks and monthly review meetings are held with key managers, and major risks are discussed by the Industrial Health & Safety Committee.

Daedong Metals conducts regular ESF patrols with the CEO to identify and immediately address environment, safety, and fire risks. We also actively support and monitor partner companies' compliance with health and safety regulations.





# ESG Highlight

## ESF Business Key Strategies

Daedong Group implements a company-wide ESF (Environment, Safety & Health, Fire Fighting) strategy to identify and continuously improve related risks at each subsidiary. In September 2024, we launched the Daedong ESF Incident Management System. Moving forward, we are committed to complying with safety, health, and environmental regulations and providing a safe and pleasant workplace by advancing our strategy and detailed initiatives.

1

### ESF Key Strategies

Vision

#### ESF Management Advancement

Slogan

Elimination of fundamental risks through company-wide and employee participation initiatives

Goal

Establishment of ESF infrastructure for risk elimination

Strategy

ESF

#### ESF Management Efficiency

- ESF incident management system establishment
- Renewal of ESF training room
- Step - Up ESF accountability

Environmental(E)

#### HIGH RISK Focused Management

- Emission control and key issue response improvement
- RTO system operation stabilization
- ESG evaluation and management system establishment

#### Safety & Health(S) Company-wide Participation, Practice by All

- Company-wide implementation of disaster prevention KPIs
- Introduction of an alert system for safety preparedness
- Supplier participation in government safety initiatives
- Enhanced disaster data collection process
- Expansion of rehabilitation room operation
- Musculoskeletal disorder prevention training
- Enhanced obesity prevention programs
- Insomnia management for night shift workers

Fire Fighting(F)

#### Fire Safety Specialization

- Improvement of hazardous material storage
- Establishment for fire safety construction standards
- Implementation of self-inspection system for fire safety

2

### ESF Key strategies performance

#### Environment(E) HIGH RISK Focused Management

Strategy	Performance	Activity Review
RTO System operation stabilization	<ul style="list-style-type: none"> <li>• Address and replace aging concentrators(RC2)</li> <li>• Preventive maintenance for critical consumables</li> </ul>	<ul style="list-style-type: none"> <li>• Operation normalized after replacement</li> <li>• Schedule management for non-replaced parts before obsolescence.</li> </ul>
ESG evaluation and management system establishment	<ul style="list-style-type: none"> <li>• GHG inventory system established</li> <li>• New data management for ESG evaluation targets</li> </ul>	<ul style="list-style-type: none"> <li>• ESG evaluation criteria: over 60% met - Environment rating improved (from B to B+) vs. 2023</li> </ul>

#### Safety & Health(S) Company-wide participation, Practice by All

Strategy	Performance	Activity Review
Implementation of disaster prevention KPIs	<ul style="list-style-type: none"> <li>• Introduced ESG-based catastrophe metric</li> <li>• LTIR performance compared to prior year and 2024 targets</li> </ul>	<ul style="list-style-type: none"> <li>• LTIR (Lost Time Injury Rate) exceeded target</li> <li>• Disaster frequency similar to previous year; injury and illness lost workdays decreased</li> </ul>
Musculoskeletal disorder prevention training	<ul style="list-style-type: none"> <li>• External expert training for all employees on musculoskeletal disorder prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Training satisfaction survey: 4.38 out of 5</li> </ul>

#### Fire Fighting(F) Fire Safety Specialization

Strategy	Performance	Activity Review
Hazardous material storage improvement	<ul style="list-style-type: none"> <li>• Indoor hazardous storage facility upgraded to meet regulations (roof replacement, fire doors, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor hazardous storage violations resolved</li> </ul>

## Key Issue 2. Health & Safety

### Risk Management

#### Health & Safety Management System

Daedong Group operates a Health & Safety Management System based on internal standards that reflect regulations and ISO 45001 requirements, with the goal of creating a zero-accident workplace. Registration and compliance with the Industrial Safety and Health Act and the Serious Accident Punishment Act in Korea are regularly checked. Clear objectives are set and communicated company-wide to respond quickly in case of any accidents. Participation from partnering companies, consumers, and local communities, is encouraged to regularly review and continuously improve the system and prevent any casualties.

Daedong Mobility successfully maintained its ISO 45001 certification and renewed its validity period in 2024. The achievement was confirmed through a surveillance audit, which verified that actual audit execution matched the planned audit process.

#### ISO 45001 Certification Status - Daedong Group

Entity	Certification Rate (%)	ISO 45001 Sites
Daedong	100	Daegu Campus (HQ) Vision Campus
Daedong Mobility	100	A-Factory S-Factory
Daedong Gear	100	Daedong Gear
Daedong Metals	100	Daedong Metals

#### Health & Safety Management Certification Status - Daedong Group






**ISO 45001**

Occupational Health & Safety Management System




**KOSHA-MS**

Health & Safety Management System

**ISO 22301**

Business Continuity Management System

#### ESF Evaluation Meetings and Communication

Daedong holds monthly ESF (Environment, Safety & Health, Fire Fighting) evaluation meetings to identify and share improvement measures across all business areas. For safety, accident cases from both Daedong and affiliated companies are analyzed to review causes, processes, and response measures—resulting in specific plans to prevent recurrence. In fire safety, patrol findings and improvement actions are shared to proactively reduce fire risks and maintain a safer working environment.

Daedong Mobility holds bi-monthly health and safety evaluation meetings. The meetings review accident occurrences, Environmental Health & Safety team inspections, and discuss prevention and improvement actions. The team conducts regular inspections, identifies risks (e.g., missing chemical labels), and takes prompt corrective action. Accidents are analyzed for causes and impact, and mid- to long-term prevention plans are developed to minimize safety risks.

#### Health & Safety Management Evaluation Meeting Process - Daedong Mobility

<b>Review of incident occurrences</b>	<ul style="list-style-type: none"> <li>S-factory 2024 Safety Incident Report</li> <li>Determine causes of material and personnel incidents</li> <li>Implement preventive measures</li> </ul>
<b>Discussion on facility upgrades</b>	<ul style="list-style-type: none"> <li>Installed essential safety features to prevent traffic accidents</li> <li>Procured safety equipment including smart airbags</li> </ul>
<b>Worksite inspection</b>	<ul style="list-style-type: none"> <li>Identifying workplace safety hazards and requesting corrective actions</li> <li>Monitoring smoke detector and false alarm activity</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Discussions on designating safety shoe zones at S-Factory</li> </ul>

Daedong Gear holds quarterly meetings with legal supervisors and frontline ESF managers to identify and address operational challenges in advance.



ESF Meeting - Daedong Gear

## Key Issue 2. Health & Safety

### Health & Safety Capability Building Program

Daedong establishes a monthly training plan to prevent workplace accidents and operates various safety education programs. Monthly training for all employees covers fire truck use and management, musculoskeletal disorder prevention, health checkup follow-up, and more. Semi-annual fire equipment training is also provided to strengthen fire response capabilities.

Daedong Mobility runs regular, structured safety education programs to prevent workplace accidents. All employees participate in two-hour training sessions every month that raise awareness of workplace hazards and reinforce safety rules. The curriculum focuses on practical topics—like accident prevention, correct use PPE(Personal Protective Equipment) use, chemical handling, and emergency response—using real-world case studies to enhance practical safety skills.

### Health & Safety Education & Training

Daedong implements a comprehensive Health & Safety education plan, including monthly training for all employees, supervisor-specific sessions, onboarding safety training, special safety programs, and training for responsible managers. Main topics include workplace safety and accident prevention, health promotion and disease prevention, hazardous environment management, occupational health and safety regulations, and job-related stress prevention.

Daedong Mobility conducts annual CPR and emergency response training in partnership with the local fire station. This hands-on training, led by professional firefighters, teaches employees how to use an AED and perform chest compressions, preparing them to respond quickly and accurately to life-threatening emergencies. The program helps foster a strong safety culture and equips staff to respond to emergencies calmly and effectively.

In September 2024, Daedong Gear held a group safety training for production team leaders to strengthen the Health & Safety management system, enhance manager capabilities, and boost company competitiveness. The training focused on the definition, importance, methods, and procedures of risk assessment.

Daedong Metals partners with external experts for Health & Safety education to raise worker awareness and response capabilities. Training covers fire and explosion prevention, emergency first aid, and relevant laws and regulations like the Industrial Safety and Health Act. Daedong Metals also conducted fire drills and emergency preparedness training more than once every semester in 2024.

### Fire Safety and Emergency Response Training - Daedong Metals



### Employee Health Management

Daedong actively manages employee well-being by conducting job stress assessments to pinpoint high-risk groups and providing targeted interventions to help reduce stress and prevent health issues such as cardiovascular disease. All staff receive job stress training, while high-risk departments benefit from additional mental health workshops. Those identified as high-risk also have access to specialized counseling services.

Daedong Mobility places a high priority on maintaining a healthy and pleasant workplace. To proactively protect employees from harmful noise pollution, the company regularly monitors sound levels throughout production and office spaces. Based on these assessments, Daedong Mobility enhances soundproofing equipment and invests in noise-reducing equipment, or redesigns work areas if necessary. Employees are also supplied with personal protective equipment and receive ongoing training to strictly follow guidelines about noise hazards.



## ESG Highlight

### Employee Health & Safety Programs (Daedong Gear)

#### 1 Regular workplace environment evaluations

Regular workplace environment measurements are carried out to assess employee exposure to hazards like oil mist, noise, and iron oxide. These assessments help ensure worker health and guide improvements to facilities and equipment, as required by Article 125 of the Industrial Safety and Health Act.



Zero  
Overexposure:  
Top 10 Hazards -  
December 2024

#### 4 Employee health and wellness counseling

Employee health data is used for early issue detection and follow-up care by medical doctors. Educational materials support healthy habits, and high-risk employees receive additional screenings to assess job suitability.



Health Counseling

#### 2 Smoking cessation clinic program

In 2024, Daedong Gear ran an eight-session, six-month smoking cessation program with the Sacheon Public Health Center, offering education, counseling, and nicotine testing to help employees quit smoking.



Carbon monoxide testing

#### 5 MSDS & Chemical safety training

To enhance chemical safety and prevent accidents, tailored training is provided for each department. The program covers hazard recognition, emergency response, proper use of protective equipment, MSDS interpretation, and real-world case studies of chemical incidents and occupational diseases.



Chemical Handling Safety Training

#### 3 Mental Health bus service

On-site psychological counseling services are provided for entities in need of mental health support. The program offers specialized services such as brain health management, physical health (pulse wave) stress assessment, and in-depth mental health counseling.



Mental Health Counseling

#### 6 Musculoskeletal disorder prevention training

Daedong Gear employees regularly participate in training to prevent Musculoskeletal disorder, learning to recognize three key risk factors and practice effective stretching techniques.



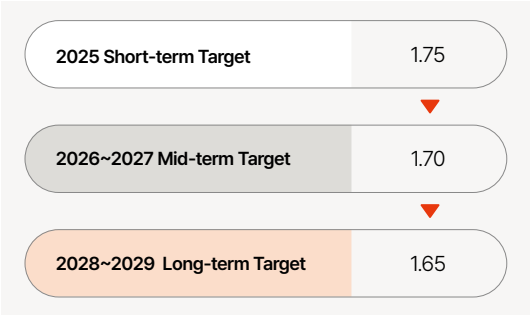
Stretching Technique Exercise

Key Issue 2. Health & Safety

Metrics and Targets

Daedong has set company-wide and mid- to long-term safety goals based on LTIR to ensure sustainable safety management and strengthen its safety capabilities.

Health & Safety Management Targets (LTIR) - Daedong



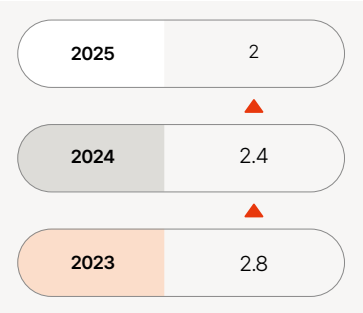
To enhance the effectiveness of its health and safety management system and strengthen safety awareness across the organization, Daedong Mobility sets key health and safety performance indicators (KPIs) for relevant divisions and departments, incorporating them into management performance evaluations. These efforts aim to establish health and safety as a core element of management, beyond simple on-site compliance.

2024 Health & Safety KPI Application - Daedong Mobility

Divisions	Target	Criteria
Production	Zero LTI incident	LTI incident case
Quality Assurance		
Chain Business		

Daedong Gear has set safety and health goals focused on regulatory compliance, risk mitigation, and fostering a safety culture through communication and collaboration. Safety and health management objectives are established based on the LTIR (Lost Time Injury Rate).

LTIR Target - Daedong Gear

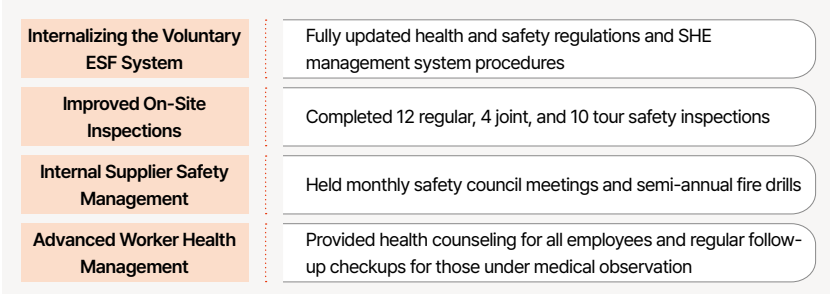


Detailed Goals - Daedong Gear



2024 Key Health & Safety Imperatives - Daedong Gear

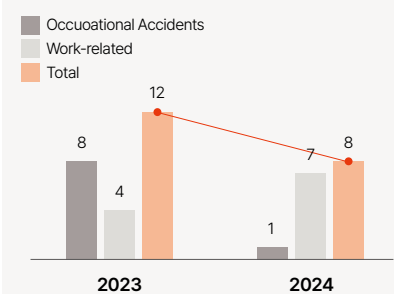
In 2024, Daedong Gear delivered outstanding health and safety results by strengthening accident monitoring, enhancing safety inspections, and improving hazardous chemical management—creating a safer workplace for all.



In 2024, Daedong Metals set clear safety and health priorities and put them into action. As a result of systematic accident management, workplace incidents are declining, and accident-free periods are getting longer.

Occupational Accidents - Daedong Metals

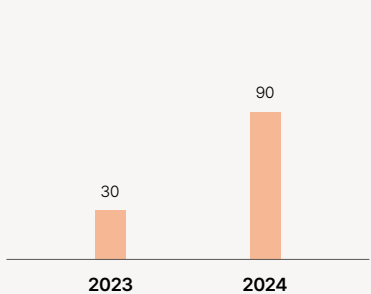
(Unit: Cases)



**33.3%**  
Fewer occupational accidents compared to 2023

Average Accident-Free Period - Daedong Metals

(Unit: Days)



**Average accident-free period extended by 60 days**

## Key Issue 3. New Growth Engines for Future



Daedong Group is moving beyond traditional agricultural machinery manufacturing to seek new growth opportunities in a rapidly changing agricultural landscape. As digital technologies and industry convergence reshape agriculture into a more advanced, technology-driven field, Daedong is actively identifying new technologies and business models to lead smart and automated farming.

With the electrification trend expanding across agricultural machinery and mobility, Daedong is developing lightweight materials and high-efficiency electric components to capture emerging market opportunities. This approach focuses on creating value through technological innovation, rather than simply producing products.

For over 70 years, Daedong Group has driven the advancement of Korean agriculture. Now, the company is transforming into a comprehensive mobility leader, leveraging cutting-edge technologies across both agricultural and non-agricultural sectors, and preparing to become a global, future-ready enterprise for the next 100 years.

# KEY ISSUE 3



## Key Issue 3. New Growth Engines for Future

### Five Future Business Portfolio - Daedong

Daedong is evolving beyond agricultural machinery manufacturing to become a global leader in next-generation agriculture. By advancing five key business areas—smart agricultural machinery, robotics, compact construction equipment, smart farming, and smart mobility—Daedong aims to deliver innovative, ICT-driven solutions that shape the future of agriculture worldwide.

1

#### Smart Agri-machinery

**Precision Farming with AI/  
Robotics-Powered Autonomy**  
— 60% Less Labor



Machinery Monitoring

Farm Operation Solutions

Remote Control

Autonomous Driving

2

#### Robotics

**Enhancing Customer  
Wellbeing with Agricultural  
Robotization**  
Autonomy, Worker Safety,  
Greater Efficiency



Transport Robotics

Spraying Robotics

Robomower

Delivery & Special  
Purpose Robotics

3

#### Compact Construction Equipment

**Global Ground Care Leader**  
Lower Costs, Better Access

SSL  
Skid Steer LoaderCTL  
Compact Track LoaderMTL  
Mini Track LoaderMEX  
Mini Excavator

4

#### Smart Farming

**Innovating Agri-Ecosystems**  
Boosting Yields,  
Cutting Costs



Green Bio

Customized Solution

Integrated Environmental  
Control

End-to-End Solutions

5

#### Smart Mobility

**Freedom of Movement with  
Smart Micro Mobility**  
Lower Fuel Costs, Convenience,  
Advanced Features



Personal Mobility

Leisure Mobility

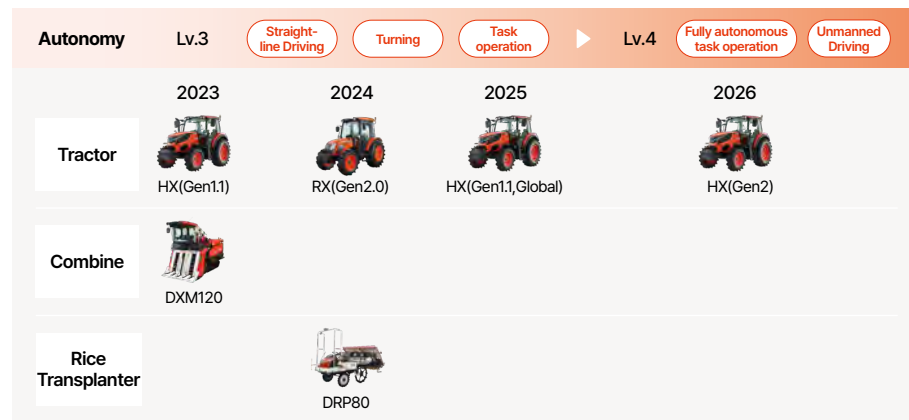
Gardening Mobility

## Key Issue 3. New Growth Engines for Future

### 1 Smart Agri-Machinery

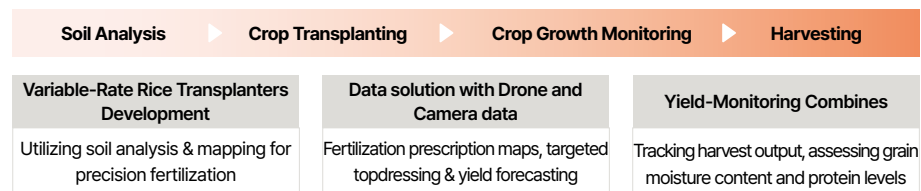
Daedong leverages its extensive experience in agricultural machinery to develop smart agri-machinery equipped with telematics-based autonomous driving and automation. Automation of agricultural work through remote control and autonomous driving features has reduced customers' labor by about 60% and decreased average repair time. As the market for autonomous agri-machinery expands, Daedong has launched Level 3 autonomous tractors and combines, and plans to introduce fully autonomous Level 4 models capable of independent operation and task execution by 2026.

#### Autonomous Driving Technology Roadmap - Daedong



Daedong is launching new technologies and services across various agricultural sectors based on its expertise in agricultural machinery. It offers customized solutions that recommend the optimal farming methods, timing, and crop varieties for each stage of agriculture, based on comprehensive environmental analysis including weather, soil conditions, and crop growth status at different times of the farming season. Through this, it aims to reduce production costs and increase crop yields.

#### Precision Agriculture Step-by-Step Services



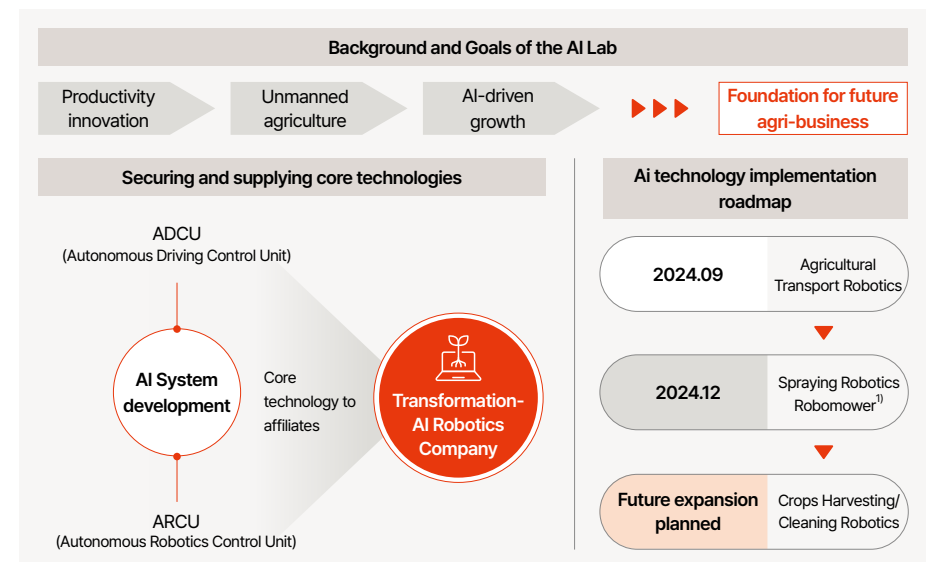
### 2 Robotics

Daedong is expanding its robotics business through a modular platform strategy, starting with agricultural robots for transport, pest control, and weed control, and expanding into service robots for logistics, disinfection, and cleaning. These solutions enable unmanned operations, enhance labor efficiency, and help minimize environmental impact.

By 2028, Daedong plans to broaden its agricultural robot lineup by equipping a single platform with interchangeable attachments for transport, spraying, weeding, and harvesting. The company is also developing service robots for facility management, fieldwork, livestock care, and cleaning, leveraging its expertise in mobility and electrification.

To accelerate growth beyond agriculture, Daedong has established Daedong Robotics and aims to become a leader in integrated robotics solutions. The Daedong AI Lab is dedicated to developing AI technologies for agricultural and industrial robotics, laying the foundation for future leadership in smart farming and agricultural automation.

#### Daedong AI Lab



1) Robomower : An AI-powered autonomous robotic lawn mower

## Key Issue 3. New Growth Engines for Future

### 3 Compact Construction Equipment

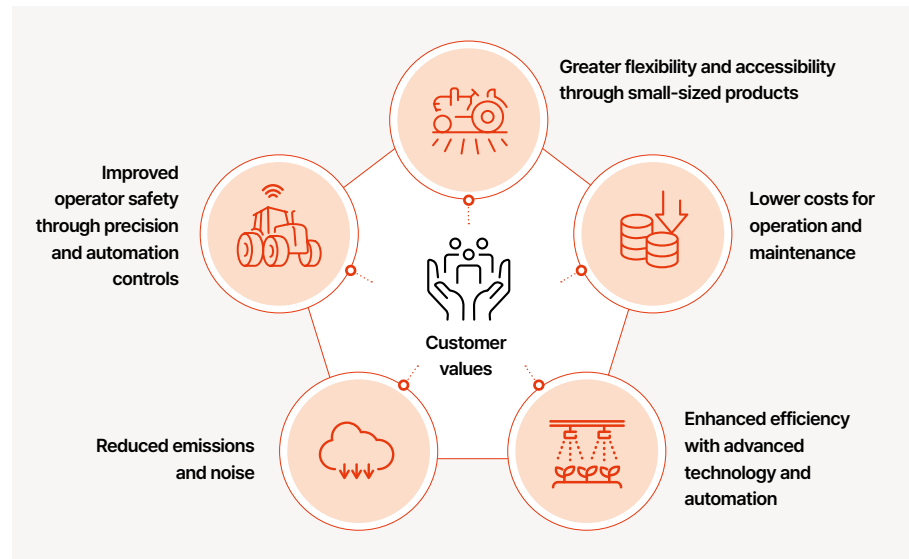
Daedong is leveraging its agricultural machinery expertise to enter the CCE<sup>1)</sup> market. By applying its existing technologies, Daedong aims to deliver greater customer value and respond to the growing demand for advanced, automated CCEs. The company is focusing on four high-potential products—skid steer loaders (SSL), compact track loaders (CTL), mini track loaders (MTL), and mini excavators (MEX)—to strengthen its competitiveness and establish a strong market presence.



Skid Steer Loader



Compact Track Loader

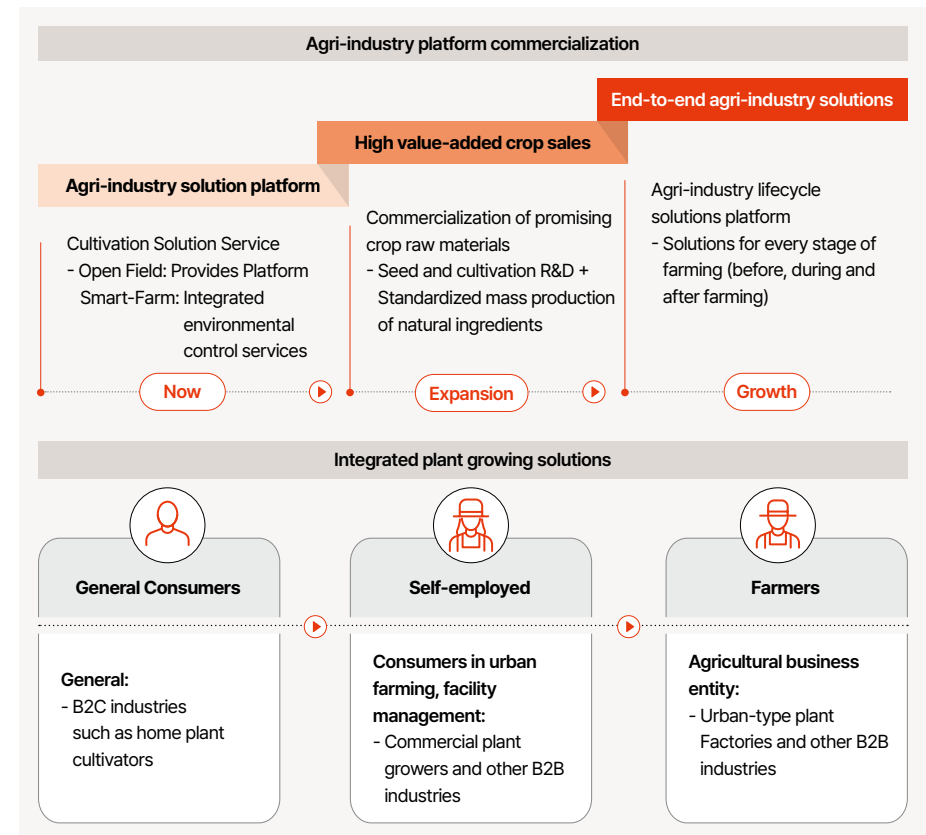


1) CCE : Compact Construction Equipment

### 4 Smart-farming

Daedong is driving innovation in agriculture by applying IoT, big data, and AI to smart farming. By integrating these technologies throughout the entire farming cycle, Daedong helps customers create optimal growing conditions, improve productivity, reduce costs, and enhance crop quality. Through these efforts, Daedong is raising customer value and paving the way for a more advanced, high-value agricultural industry.

#### Smart-Farming Roadmap





Key Issue 3. New Growth Engines for Future

5 Smart-Mobility

Smart mobility technology for customers

Daedong Mobility is committed to advancing mobility technology and user convenience. Our e-scooter users can easily check and manage their vehicle status through the ‘Daedong Mobility Connect’ app. Furthermore, we provide smart chair robots which can drive autonomously to its destinations and detect surroundings itself. We also provide solutions for monitoring various smart mobility devices including smart golfcart, unmanned delivery robots, and will continue to focus on customer-centered innovation.

Smart Mobility Technology - Daedong Mobility

1 Smart monitoring system

- Automatic alerts and easy management
- Physical keyless start and stop

2 Autonomous driving system

- Autonomous driving with obstacle detection and automatic stop
- Rider call-based unmanned driving


3 Training/Coaching solutions

- Operational efficiency with location and status sensors
- Lessons on proper equipment use

Smart Factory for Quality


Since completing the S-Factory in October 2022, Daedong Mobility has expanded its production lines and enhanced quality through smart factory systems. By introducing AGVs and MES, we have strengthened production and systematic quality control. A central control room oversees safety across the entire facility, enabling quick response to any incidents.

S-Factory Technology Application - Daedong Mobility



**AGV (Automated Guided Vehicle)**

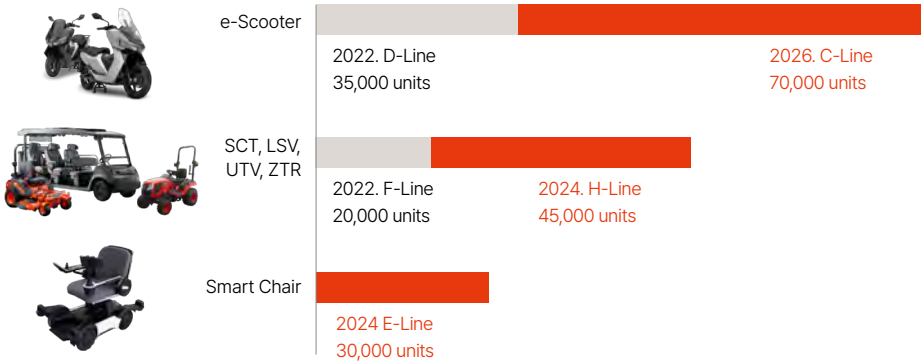
Scalable production capacity with expandable lines for increased demand



**MES (Manufacturing Execution System)**

Enables quality control by monitoring all processes in real time

S-Factory Production Capacity - Daedong Mobility



Smart Mobility Roadmap

	Platform/Service Development	Automation + AI + Robotics		Globalization
LM Last mile mobility	Connected service (AI-powered)	GP 100	North America LSV	Hardware + Software + Platform Integration
		Autonomous LSV		
GM Gardening mobility	Subscription service & Lease/Rental	e-SCT		Utilizing group's global infrastructure.
		e-Autonomous ZTR	e-UTV	
Robots	Robotization (Replacing human labor with robots)	Smart Loader	Smart Spreader	Local partnership
		Harvesting Robot	Robot Feeder	

Key Issue 3. New Growth Engines for Future

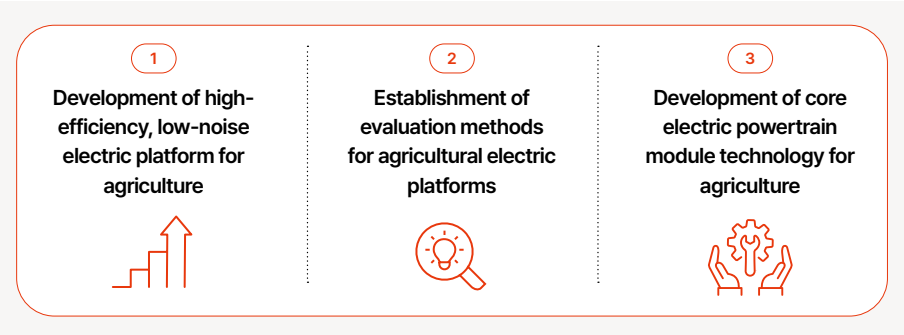
6 Electric Tractor Parts and Components

Daedong Gear is developing a 35kW battery-swappable electric tractor transmission to proactively address stricter emission regulations for agricultural and construction machinery. This platform allows for continuous operation and can be expanded to other machinery fields using similar infrastructure and technology. Through this, Daedong Gear aims to respond to and lead the rapidly growing EV market.

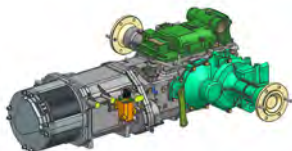
Tractor T/M Development Targets by Year



Technology Development Target - Daedong Gear



Electric tractor concept modeling



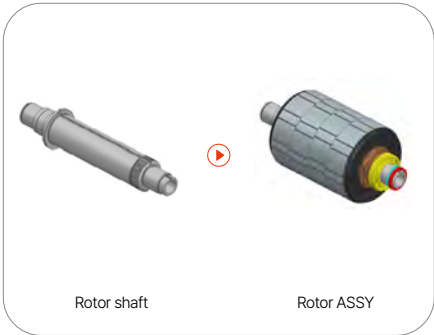
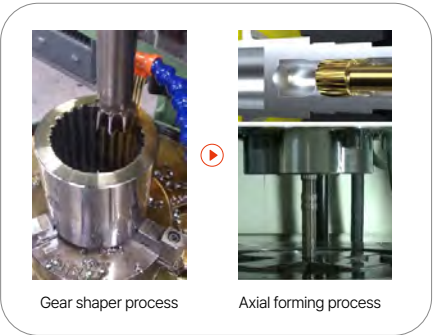
Electric tractor T/M concept modeling

7 Rotor ASSY

Daedong Gear has introduced the Axial Forming process for rotor shafts, a key motor component connected to reducers, to address noise issues in EVs. This method offers better processing speed, longer lifespan, and stronger durability than traditional Gear Shapers, enabling higher quality outcomes and productivity. With this technology, Daedong Gear aims to strengthen its competitiveness in mass-production of Rotor ASSY, the core components of EV's powertrains.

Processing Methods Comparison: Conventional vs. New

Category	Gear Shaper (Conventional)	Axial Forming (New)
Processing method	Cutting	Non-cutting
Processing speed	Relatively slow	Relatively fast
Lifespan	Abrasion overtime	Minimum abrasion
Post-processing (heat treatment)	Required	Not required
Durability	Lower due to cutting	Higher due to fiber structure retention
Quality	Quality variation may occur	Stable quality control
Equipment cost	Relatively low	Relatively high



## Key Issue 3. New Growth Engines for Future

### 8 New Material Casting Business

Daedong Metals is pursuing new growth opportunities by launching an aluminum casting business, in line with the automotive industry's shift toward electrification and lightweight materials. By producing aluminum ingots<sup>1)</sup>, the company is strengthening its revenue base and actively expanding into the growing aluminum market. A dedicated task force has been in place since December 2024 to lead this initiative.

#### ■ New Business TFT - Daedong Metals

Since December 2024, Daedong Metals's new business TFT has been researching market and technology trends for aluminum raw materials and ingots, as well as benchmarking competitors. Based on these efforts, the company plans to establish an initial aluminum production line and commence prototype manufacturing by the second quarter of 2025.

#### AL New business Process Steps

1st Step

#### Decision Making & Directions



- New business TFT activities
- Consulting
- New business(AL/Ingot) plan
- Pilot facility setup

2nd Step

#### AL Investment



- Investment plan preparation
- Investment execution

3rd Step

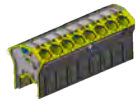


#### Prototyping & Mass Production



- Prototype production & mass production preparation
- Mass production (2027 ~ )

### 9 New Technology Research

Daedong Metals is expanding into future businesses such as lightweight materials, and large castings, and is strengthening its R&D and technology capabilities by participating in government and institutional support programs.

Research Projects	Expected Outcome
<p>Development of large cylinder blocks for medium industrial generators</p> 	<ul style="list-style-type: none"> <li>• Entry into the industrial large engine materials market</li> <li>• Securing mass production technology for large casting</li> </ul>
<p>Development of nano-material &amp; TERA Structure<sup>1)</sup> battery pack housing for EV</p> 	<ul style="list-style-type: none"> <li>• Advanced large aluminum low-pressure casting</li> <li>• Entering the EV parts market</li> </ul>
<p>Development of 3D-printed flexible casting process</p> 	<ul style="list-style-type: none"> <li>• Embracing advanced process technology</li> <li>• Expanded into defense materials for tactical vehicles</li> </ul>
<ul style="list-style-type: none"> <li>• Development of automated data preprocessing technology for industrial AI</li> <li>• Support for project diversification of future vehicle business</li> <li>• Acquisition of large casting technology</li> </ul>	<ul style="list-style-type: none"> <li>• Securing MES-integrated and AI-based data processing technology</li> <li>• Utilizing AL as a base material in the initial development phase to enter the new AL business</li> <li>• Securing large cylinder block casting technology and gaining a technological lead over competitors</li> </ul>

1) Ingot: A solid block formed by casting metal into a specific shape, used as a raw material in various processing operations.

1) TERA Structure: A design method that enhances impact resistance and safety by arranging T, E, R, and A-shaped reinforcement structures inside an EV battery pack.



54 Environmental

74 Social

100 Governance

# ESG PERFORMANCE



# Environmental

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# Environmental Management

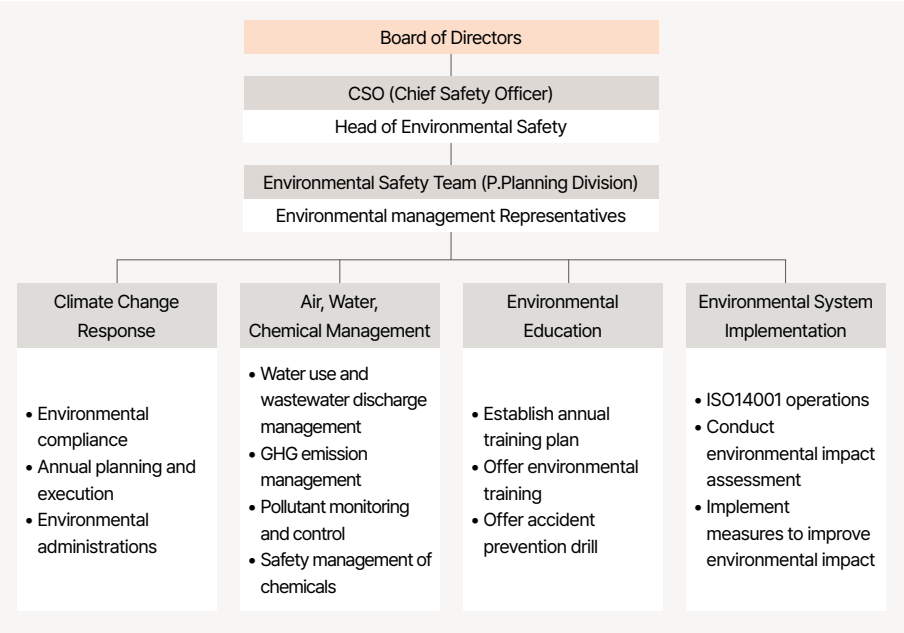
Environmentally conscious, sustainable management practices have become a new standard for companies is striving to establish an organization for environmental management and to actively implement environmental management activities.

## Environmental Management System

### Organizational Structure

Daedong's Environmental Safety Team oversees all aspects of environmental management, from strategy to monitoring, including climate change response and integrated management of air, water, and chemicals. The team is shifting its role toward implementing reduction activities for upcoming ESG disclosure requirements. Major issues are reported to the Board, and decisions are made under the direction of the Chief Safety Officer (CSO). Progress on environmental goals is regularly reviewed and evaluated.

Environmental Management Organizational Chart - Daedong



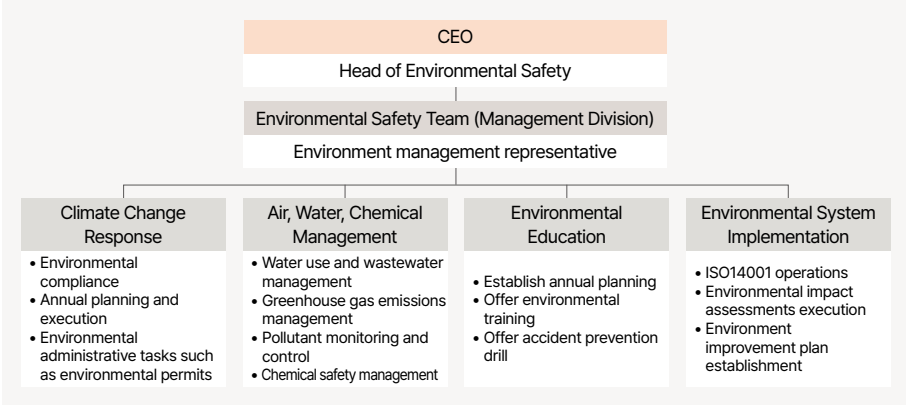
The CSO establishes, oversees, and manages the company's safety, health, and environmental policies. The officer has overall authority over relevant teams, personnel, and financial resources.

Environment-related Board Agenda Items Approval

Date	Agenda
2024.05.13	Approval of the 2024 Safety, Health, and Environment Plan

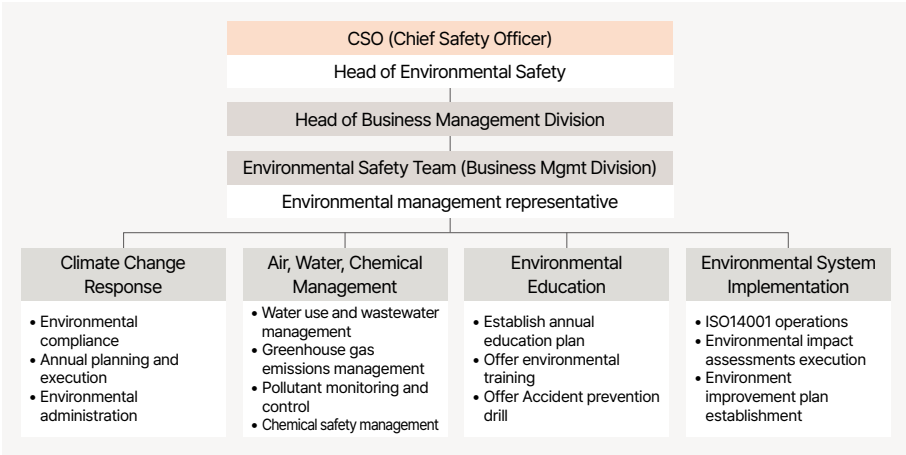
At Daedong Mobility, the CEO also oversees environmental and safety management. The Environmental Safety Team within the Management Division is responsible for overall environmental tasks, including responding to environmental changes, environmental education, and system development.

Environment Management Organizational Chart - Daedong Mobility



Daedong Gear's Environmental Safety Team is responsible for environmental management, including responding to environmental changes, controlling greenhouse gas emissions and pollutants, conducting environmental education, and establishing management systems.

Environment Management Organizational Chart - Daedong Gear

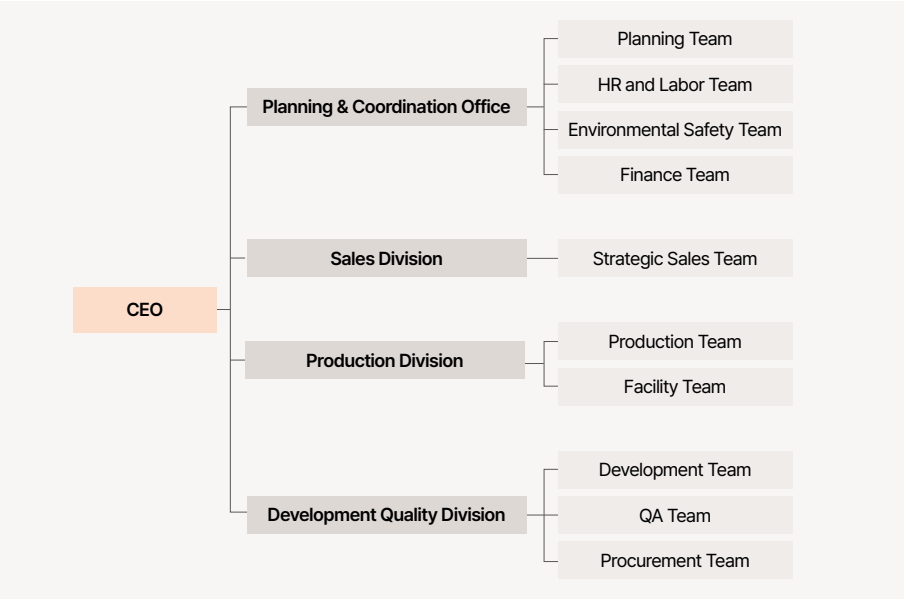




# Environmental Management

Daedong Metals’ Environmental Safety Team manages all aspects of environmental protection, including air and water quality, waste, and chemicals, greenhouse gas management and carbon credits as well as participating in global initiatives such as CDP Supply Chain. To ensure a prompt response to environmental issues, the plant manager leads an environmental committee comprised of key personnel.

## Environmental Management Organizational Chart - Daedong Metals



## Environmental Management Key Roles & Responsibility - Daedong Metals

CEO	Overall oversight over environmental management
Planning & Coordination Office	Environmental management representatives
Environmental Safety Team	Comprehensive oversight of environmental safety tasks, planning and reviewing environmental improvements, managing GHG and responding to CDP Supply Chain(SC) initiatives, etc.
Production Team Leader	Management of environmental facilities
Facility Team Leader	Maintenance of environmental equipment

## Environmental Management Targets

Daedong has pursued strategic initiatives to identify and mitigate potential high-risk environmental factors at its Daegu campus. It focuses on improving exhaust issues in pre-treatment processes, stabilizing RTO system operations, and establishing a foundation for ESG evaluation and management.

Daedong Gear has set three key environmental objectives--reducing environmental incidents, reducing regulatory risks and ensuring compliance and managing GHG inventory, and achieved its 2024 targets in these areas.

## Environmental Management Goals and Performances - Daedong Gear

Monitoring Environmental Incident	Continuous monitoring of environmental accidents
Reducing Regulatory Risks	Facility upgrades to address compliance risks
Managing GHG Inventory	Establishment of third-party assured group-wide GHG inventory

## Environmental Management KPI

Daedong Mobility uses the number of environmental inspections and improvements, as well as external findings, as KPIs for environmental management evaluation.

### Environmental Management KPI Application - Daedong Mobility

2024 Environmental Risk Factors:

**42 identified risk factors, all 42 resolved**

Findings on unannounced spot checks and inspections by external or relevant agencies

**Zero**

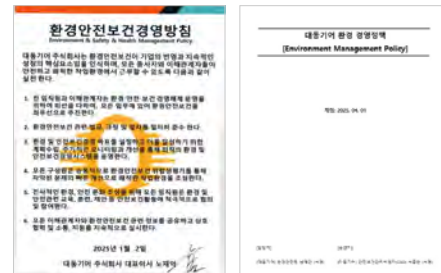
## Environmental Management

### Environmental Management Policy

As a professional manufacturing company that design, produce, and sell agricultural machinery, Daedong Group is committed to minimizing environmental impacts across its operations and proactively responding to changing environmental regulations. The Group encourages its affiliates to obtain ISO 14001 (Environmental Management System) certification to strengthen environmental management practices.

Daedong Mobility was accredited with ISO 14001 certification for its main sites, S-Factory and A-Factory, in 2023 and has established a company-wide environmental management system for systematic oversight of environmental issues.

Daedong Gear obtained ISO 14001 certification in February 2024 and established an environmental management policy, along with a separate EHS (Environment, Health & Safety) policy to ensure regulatory compliance and regular environmental monitoring.



EHS Policy - Daedong Gear

Environmental Management Policy - Daedong Gear

Daedong Metals renewed its ISO 14001 certification in October 2024 and revised its EHS policy to address changing regulations and reinforce its environmental responsibility to the local community.

 Environmental Management Policy - Daedong

 Environmental Management Policy - Daedong Gear

#### ISO 14001 Certification - Daedong Group



### Environmental Education

Daedong regularly conducts environmental training to raise awareness, strengthen competencies, and prevent environmental incidents and minimize potential damages among employees. In 2024, a total of 152 employees received training on topics such as water, air, and waste management, as well as environmental regulations. Additionally, Daedong provides biannual Step-Up training for ESF personnel to further enhance risk management and environmental awareness.

Daedong Gear conducts regular environmental training for employees and in-house partners. In September 2024, training focused on waste management, addressing issues and



Environment training - Daedong Gear

improvements related to waste plastics and wood, to prevent regulatory violations and environmental incidents.



**2024 Daedong's  
Training Programs on  
Environment :**

**152 employees  
trained,  
100% completion  
rate**

Daedong Metals conducts regular environmental training for employees to recognize the impacts on the environment due to business operation and response properly. The training focused on accident prevention and response scenarios, GHG reduction, and enhancing carbon neutrality awareness to enhance expertise on environmental risk response. The company plans to expand training coverage and shares recent incident cases monthly to raise awareness across the organization.



Environmental incident cases shared on the company bulletin board - Daedong Metals

## Environmental Management

### Environmental Risk Management

Daedong assesses environmental risks and opportunities over the short, medium, and long-term, identifying potential financial impacts and associated costs. The company has established targeted strategies to address these issues proactively.

Type	Environmental Issue	Risks (R) / Opportunities (O)	Potential Financial Impacts	Response Strategy
Short-term	Potential for on-site environmental accidents	R: Oil leaks during assembly and maintenance O: Reduced defect rates and enhanced efficiency through advanced equipment maintenance	Emergency materials (absorbents, kits): KRW 30M/year	<ul style="list-style-type: none"> <li>• Implement process pre-checks &amp; fuel handling protocols</li> <li>• Conduct annual incident response training</li> <li>• Place emergency kits stationed by equipment</li> </ul>
Short-term	Wastewater and sewage management issues	R: Potential contaminated water discharge in cleaning and painting O: Strengthened credibility via improved water management	Legal fines (max): KRW 100M Additional environmental staff: KRW 50M/year	<ul style="list-style-type: none"> <li>• Operation of water treatment facilities by specialized contractors</li> <li>• Regular analysis of effluent quality</li> <li>• Review and pilot of wastewater reuse</li> </ul>
Short-term	Air pollutant and fugitive dust emissions	R: Hazardous chemical emissions and fugitive dust from welding and painting O: Readiness for eco-certification through installation of high-efficiency dust collection systems	New prevention facility (RTO): KRW 500M Community response (complaints): Additional costs possible	<ul style="list-style-type: none"> <li>• Conduct quarterly air emissions monitoring</li> <li>• Establish dust-prone zones management standards</li> <li>• Conduct equipment aging assessment &amp; phased replacement</li> </ul>
Medium-term	Waste generation and management	R: Inadequate disposal of industrial waste (e.g., metalworking, sludge) O: Improved ESG performance through better resource recycling	Regulatory penalty (max): KRW 70M Storage locker (install & operate): KRW 100M/year	<ul style="list-style-type: none"> <li>• Conduct pre-check for contractor legal compliance</li> <li>• Establish system for sorting and separating recyclables</li> <li>• Conduct visibility marking of waste storage containers</li> </ul>
Long-term	Production disruptions due to natural disasters	R: Flooding, logistics delays, supply disruptions O: Greater business resilience through robust disaster response	Insurance: KRW 100M/year Production halt (avg. daily loss): Up to several hundred million KRW	<ul style="list-style-type: none"> <li>• Establish natural disaster scenarios &amp; checklists</li> <li>• Operate preemptive weather monitoring</li> <li>• Secure drainage maintenance &amp; backup generators</li> </ul>

Daedong Gear has implemented a management system to address environmental risks arising from business activities. Annual inspections are conducted to identify key environmental issues, and significant findings are transparently disclosed to stakeholders. Proactive measures and continuous monitoring are in place to prevent and mitigate risks and environmental incidents. In addition, a disaster response flowchart and regular training ensure swift, systematic action in emergencies. This risk management approach extends across all areas of ESHF, not just environmental matters.

Since 2024, Daedong Metals has enhanced its environmental risk management by introducing a weekly "Environmental Patrol Reporting". This shift from annual to weekly inspections and real-time reporting has significantly improved the company's ability to identify and address potential environmental issues across key processes and facilities. By establishing risk indicators for major pollutant sources, Daedong Metals can classify risks and prioritize responses more effectively. The company also plans to further strengthen its assessments by integrating patrol data into a comprehensive risk management system.



Environmental Patrol Reporting System - Daedong Metals

#### Risk Management Procedures - Daedong Gear

- 1 Preliminary preparation, including selection of assessment targets**
- 2 Identification of environmental impacts and risks from project planning and implementation**
- 3 Estimation of environmental impacts and risks by identified hazard factors**
- 4 Determination of acceptability of estimated impacts and risks**
- 5 Implementation of mitigation measures**
- 6 Documentation of assessment process and results**

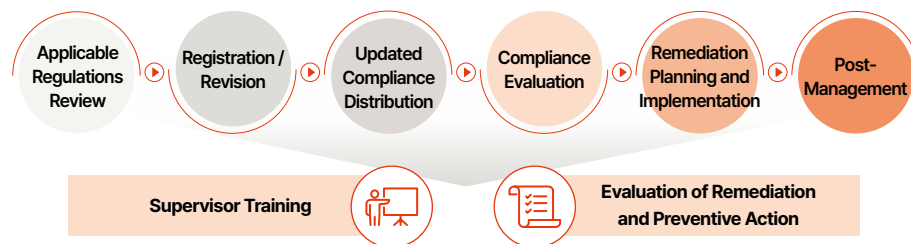


## Environmental Management

### Compliance with Environmental Regulations

Daedong has established a Regulatory Management Policy to ensure strict adherence to evolving domestic and international environmental regulations and laws. The Environmental Safety Team conducts quarterly compliance inspections across relevant departments, implements corrective and preventive actions, and provides follow-up training as needed. Through this systematic approach, Daedong maintains ongoing environmental compliance and proactively responds to regulatory changes.

#### Environmental Regulatory Process



#### Environmental Violations - Daedong

Category	2022	2023	2024
Number of Violations	1*	0	0
Number of Non-monetary sanctions imposed for violation	0	0	0

\* The fine was issued for unreported changes to air emission facilities and was promptly addressed upon notification.

#### Environmental Management Legal and Regulatory Response Strategy - Daedong Group

Category	Name of the law and regulation	Key takeaways	Strategies
Air Quality	Air Quality Conservation Act	Prevention and management of air pollution, and protection of public health	<ul style="list-style-type: none"> <li>Conduct regular inspection and testing of air emission facilities</li> <li>Apply emission reduction technologies and facility upgrades</li> </ul>
Water Quality	Water Environment Conservation Act	Prevention of water pollution and conservation of aquatic ecosystems	<ul style="list-style-type: none"> <li>Perform regular maintenance of wastewater treatment facilities</li> <li>Establish automated discharge water quality monitoring system</li> </ul>
Waste & Resource Circulation	Waste Control Act	Reduction and proper treatment of waste to preserve the environment	<ul style="list-style-type: none"> <li>Separate waste by type; strengthen contractor oversight</li> <li>Maintain disposal records and legal compliance documentation</li> </ul>
Chemical Substances	Chemical Substances Control Act	Prevention of health and environmental hazards from chemicals, and establishment of accident response systems	<ul style="list-style-type: none"> <li>Establish chemical handling procedures (storage/use/transport) with assigned responsibilities</li> <li>Operate emergency response system for leaks/accidents with regular drills</li> <li>Pre-manage approved hazardous chemicals and comply with facility standards</li> </ul>
	Act on the Registration and Evaluation of Chemicals	Protection of health and the environment through registration, evaluation, and management of hazardous chemicals	<ul style="list-style-type: none"> <li>Manage registration status of hazardous chemicals</li> <li>Assess hazards and identify substance information by product</li> <li>Operate hazardous materials management system (DESMS)</li> </ul>

Daedong Gear operates a monitoring system for regulatory compliance. When potential risks are identified, corrective action requests are issued, and departments must document improvements and prevention measures.

In 2024, Daedong Metals significantly expanded its weekly environmental patrols to twice-daily inspections, revising its monitoring frequency and methods to strengthen compliance with environmental regulations and enhance oversight of both internal and external environmental impacts at the workplace.

#### Environmental Violations - Daedong Metals

Violations	Penalty imposed for failure to renew permit
	Warning and penalty imposed for violation of the Air Quality Preservation Act due to failure to report changes in emission facilities (daily operating hours)

Daedong Metals introduced a social media-based reporting system for local residents to encourage community participation and established a cooperative monitoring network with neighboring sites to enable joint responses to regional environmental risks. These measures, along with enhanced real-time inspection tracking and compliance checks, strengthen proactive monitoring and rapid response to environmental incidents.

## Environmental Management

### Investing in Eco-friendly Facilities

Daedong Mobility has built Korea's largest rooftop solar power plant, covering 31,000m<sup>2</sup>, which reduces annual greenhouse gas emissions by 1,508 tons and generates about KRW 200 million in economic value. Surplus electricity sales further support the company's eco-friendly initiatives.



Rooftop Solar Power Plant - Daedong Mobility

#### ■ Solar Facility Economic Value - Daedong Mobility

Operating hrs (hrs/day)	Annual generation (MWh)	Economic Value (KRW thousand)
3.7	3,030	206,781

Daedong Gear has installed rooftop solar panels, generating 130,335 kWh annually and reducing greenhouse gas emissions by 60.77 tons per year.



Installation process and view of Daedong Gear's main building rooftop solar panels

#### ■ Solar Power Generation and Greenhouse Gas Reduction Effects - Daedong Gear

Solar Module			Operating hours (hrs/day)*	Average power generation(kWh)			GHG	
Capacity (kW)	Quantity (EA)	Generation Capacity (kWh)		Days	Months	Year	Conversion factor (tCO <sub>2</sub> /kWh)	Reduction effect (tCO <sub>2</sub> /year)
0.545	182	99.19	3.6	357	10,861	130,335	0.00046625	60.77

\* Daily operating hours reflect average sunlight by season and weather

#### ■ Annual Electricity Savings (2024 average rate) - Daedong Gear

Power generation(kWh/year)	Electricity rate(KRW/kWh-2024 average)	Amount(KRW)
130,335	1576	20,540,796

### Green Purchasing System Establishment

Daedong actively supports the government's green product initiatives by expanding the purchase of eco-certified, low-carbon, and recycled products. These efforts help reduce greenhouse gas emissions, prevent pollution, and minimize energy and resource use.

#### ■ Green purchasing Guideline

- 1 Eco-labeled products (Environmental Technology & Industry Support Act)
- 2 Recycled products (Act on the Promotion of Saving and Recycling of Resources)
- 3 Low-carbon products (Act on the Promotion of Green Product Purchasing)
- 4 High-efficiency energy equipment and Grade 1-2 energy-rated products (Energy Use Rationalization Act)
- 5 Healthy Building Material certified products (Korea Air Cleaning Association)

As part of its green purchasing efforts, Daedong Gear sources products made from recycled materials, supporting resource circulation and promoting sustainable consumption.



Banners Made from Recycled Fabric



## Environmental Impact Reduction

Daedong Group recognizes its responsibility to operate in harmony with nature.

We are committed to reducing our environmental footprint in all areas of our business through innovation.

### Environmental Impact Assessment

Daedong manages environmental risks by classifying them based on internal and external issues, stakeholder expectations, and compliance with environmental regulations. Internal issues include resource use and organizational culture, while external issues cover regulatory changes and inspections. Stakeholder and compliance risks reflect the needs of customers, partners, and legal requirements. Risks are evaluated on a five-point scale for likelihood and severity, and mitigation actions are prioritized accordingly.

#### Details of Environmental Impact Assessment Results - Daedong

Issue	Risk		Management Measures	Assessment Result*		
	Risk	Cause		likelihood	Severity	Risk
<b>(Internal)</b> Leaks from defective/reworked outdoor parts	Oil Spill Risks & Penalties	Lack of awareness of pollution from leaks	Contractor training/warnings and coordination with relevant departments	1	3	5
<b>(External)</b> Biannual regulatory inspections	Legal violations detected	Limited real-time control across the plant	Conduct ad-hoc inspections	1	4	5
<b>(Stakeholders)</b> Supplier environmental training required	Environmental regulations affecting partners' production/ procurement	Small partners' weak response to environmental regulations	Collaborate with the procurement team for regulated partners	1	3	4
<b>(Compliance)</b> Water Act Art. 15 compliance	Penalties: Up to 3-year imprisonment or 30 million won fines	Release of hazardous substances or designated waste into public waters	Periodic inspection and management	1	3	4

\* 1: the lowest; 5: the highest

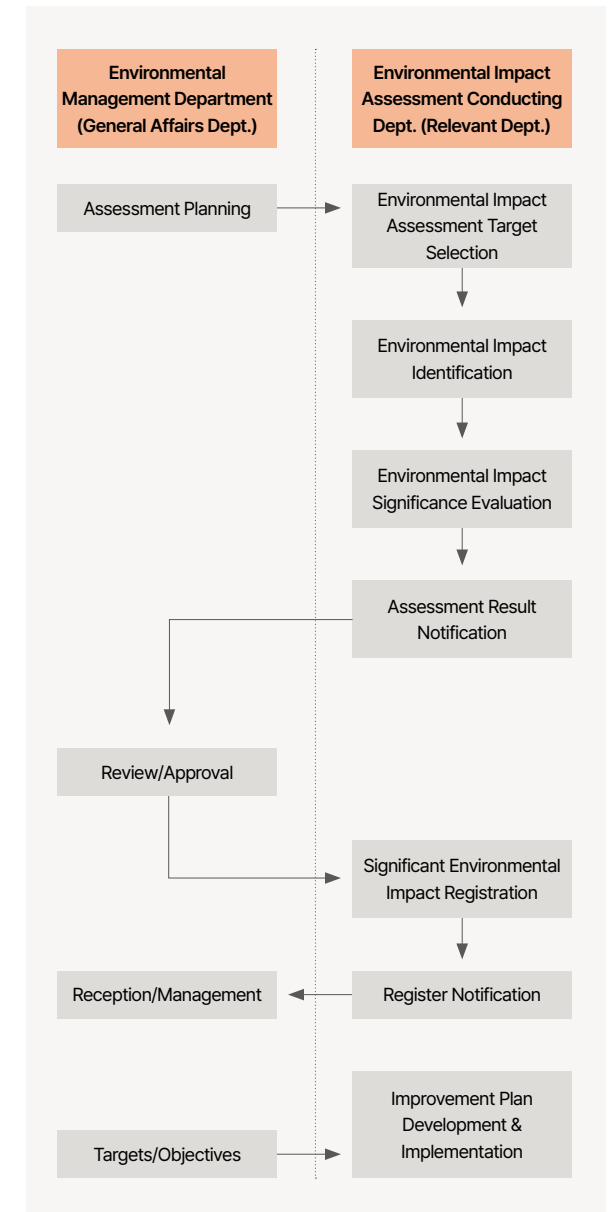
Daedong Mobility manages environmental impacts systematically through its Environmental Impact Register, identifying applicable requirements and assessing each process based on impact severity.

#### Key Environmental Impact Factors - Daedong Mobility

Type	Impact Factors
Waste	Sludge from sedimentation tank
Waste	Storage and disposal of waste oil
Waste	Oil-containing waste
Waste	Use of shot balls
Air	Gas emissions from pre-treatment
Air	Dust and nitrogen oxides from shot blasting

Daedong Metals revised its environmental impact assessment criteria to better fit actual site operations that may have been too excessive or unrealistic. From 2024, assessment items have been refined to reflect site-specific risks, distinguishing between key and general management areas. By incorporating real-time monitoring and patrol inspection results into evaluations, the company has improved both accuracy and responsiveness, strengthening its on-site environmental risk management system.

#### Environmental Impact Assessment Workflow - Daedong Gear





## Environmental Impact Reduction

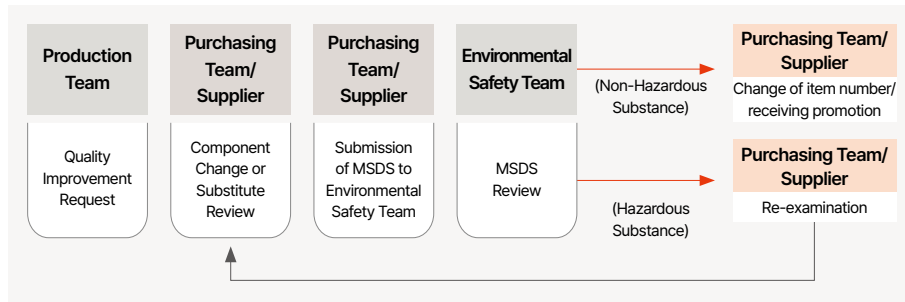
### Hazardous Chemical Management System

Daedong systematically manages substances used in production in accordance with internal regulations and international standards such as REACH<sup>1)</sup> and RoHS<sup>2)</sup>. Environmental Safety Team regularly reviews chemical inventories and maintains up-to-date Material Safety Data Sheets (MSDS) for each substance. When introducing new chemicals, a pre-use analysis is conducted. If hazardous properties are identified, it is replaced with safer alternatives.

- 1) REACH : Registration, Evaluation, Authorization and Restriction of Chemicals  
2) RoHS : Restriction of Hazardous Substances Directive

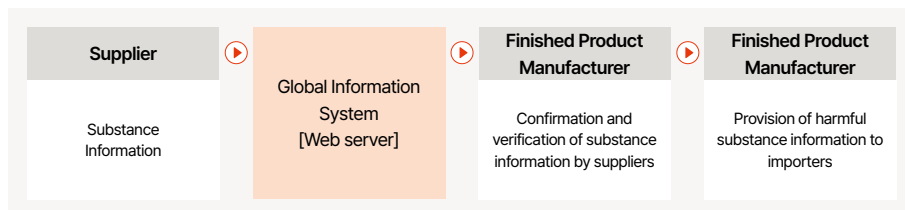
#### Chemical Management Process - Daedong

\* Process for component changes in existing products



In June 2021, Daedong introduced the DESMS (Daedong Environment Substances Management System) to effectively manage hazardous chemicals contained in export products. To comply with global regulations, we verify hazardous substance information from our suppliers and aim to produce safer products based on this data. Minimizing the use of hazardous substances still lies at the core of our strategy.

#### DESMS - Daedong

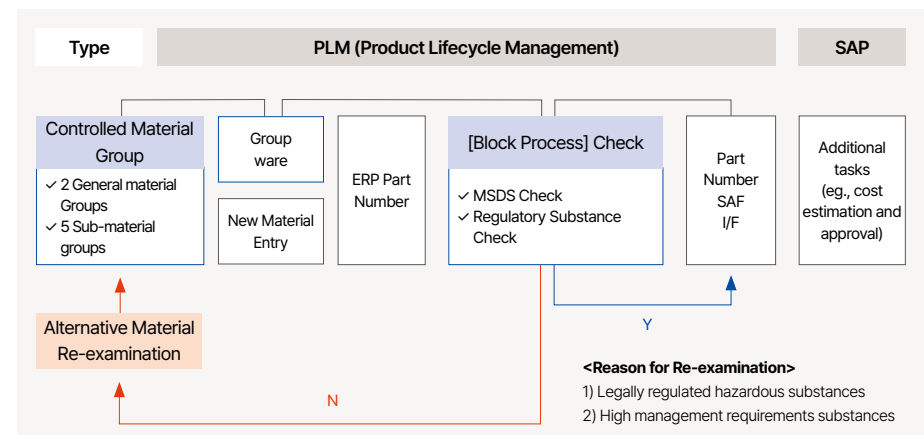


To proactively manage environmental and safety risks from hazardous chemicals and ensure regulatory compliance, we have established an internal process to screen all new materials for hazardous substances before introduction. This process, now in operation, integrates our Product Lifecycle Management (PLM) and ERP systems.

When a new material is registered, its chemical composition information is recorded in the system. The system then automatically checks for hazardous or regulated substances and blocks ERP registration if any are detected. Registration is only allowed after legal review and, if necessary, an evaluation of alternative substances.

This preemptive blocking system forms the foundation of our preventive management approach, minimizing environmental risks and encouraging the use of eco-friendly materials. By embedding this system-based approval process, we strengthen ESG governance and proactively address stakeholder sustainability expectations in line with global best practices.

#### New Material Introduction Process for Hazardous Substance Reduction - Daedong



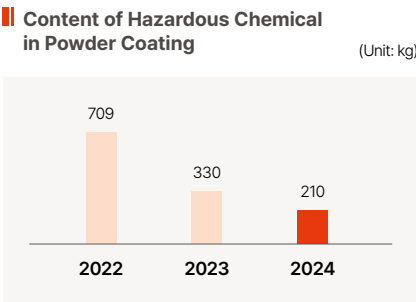
Daedong operates a Regenerative Thermal Oxidizer (RTO) to minimize environmental impacts from hazardous chemicals such as toluene and xylene generated during painting and cleaning processes. The RTO removes over 99% of volatile organic compounds (VOCs) through high-temperature combustion, reducing harmful emissions and ensuring regulatory compliance. We will continue regular facility inspections and improvement measures to ensure chemical management that exceeds legal standards.

Environmental Impact Reduction

Hazardous Chemical Management Activities

Hazardous Chemical Usage Management

Daedong Mobility measures and discloses the annual usage of powder coatings (black and charcoal black) and the content of Triglycidyl Isocyanurate, a hazardous chemical commonly used as a colorant in these coatings. In 2024, the content of this hazardous chemical in powder coatings was reduced to 210 kg, down from 330 kg in 2023.



Hazardous Chemical Training

Daedong Gear provides quarterly training on hazardous chemicals and MSDS. The training covers chemical components, safe handling procedures, labeling of secondary containers, and preparation of chemical management sheets.

Chemical Substance Management Activities

Daedong Metals has implemented robust standards to ensure safe and systematic management of chemicals across all business activities, from handling and storage to disposal. By maintaining clear procedures and responsibilities, the company works to minimize risks and prevent incidents relating to hazardous substances.

Every year, Daedong Metals tracks and reports the release and movement of key chemicals—such as chromium, nickel, aluminum, and phenol—contained in wastewater and waste, reinforcing its commitment to reducing environmental impact.

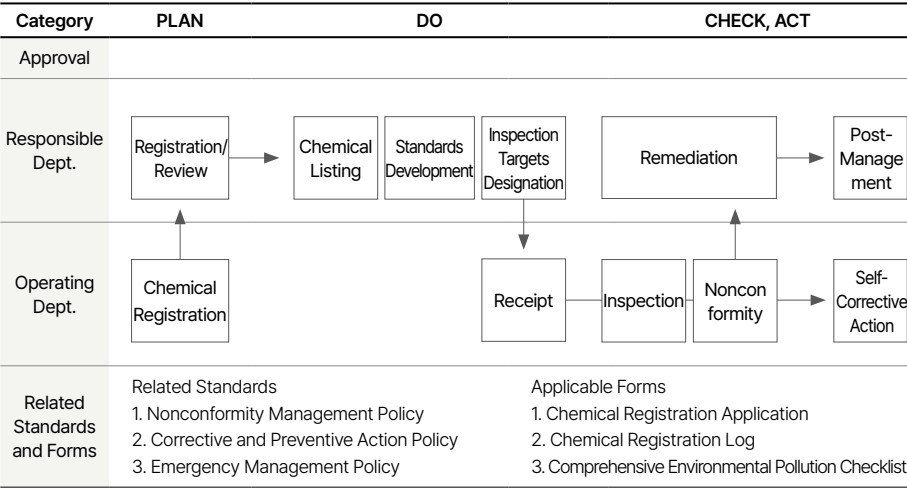
Additionally, in compliance with regulatory requirements, Daedong Gear and Daedong Metals prepare annual chemical inventory reports based on MSDS data, providing a foundation for effective chemical safety and risk management.

DPCS (Daedong Process Control System)

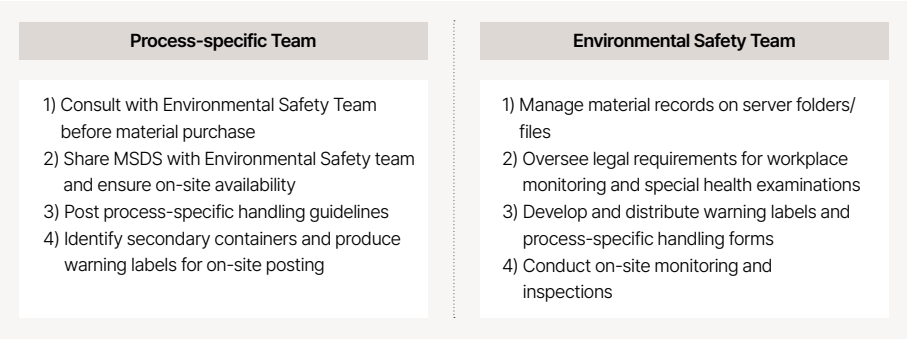
Daedong Metals systematically manages information on chemicals such as Sn, Ni, and Al in its products through the Daedong Process Control System (DPCS). DPCS is a continuous improvement system based on the stages of Measure, Analyze, Improve, and Control, automatically collecting and tracking process data in real time across all stages.



Chemical Management Workflow - Daedong Group



Chemical Management Workflow - Daedong Gear



Environmental Impact Reduction

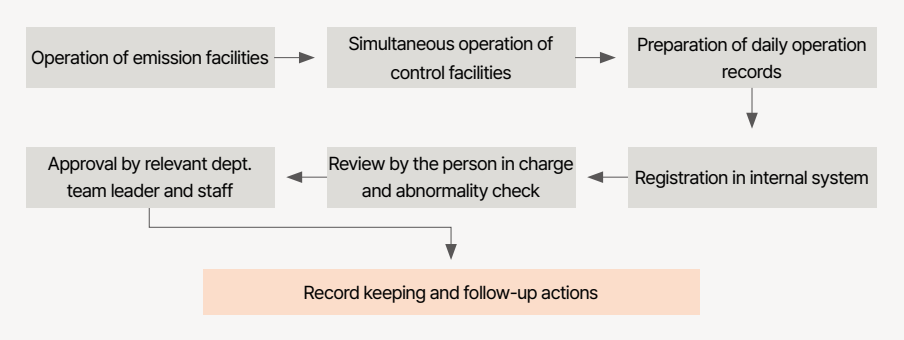
Air Pollutant Management System

Daedong maintains strict control over air pollutant emissions to ensure sustainable manufacturing and full compliance with regulations. We systematically record and monitor the operation of emission and control facilities, with daily logs and regular reviews by responsible staff to ensure both emission reduction and facility efficiency.

Major air pollutants generated from painting, welding, and combustion processes are minimized through the installation and operation of advanced control systems at all discharge points. Facility operating records are managed through our internal system and are regularly reviewed and approved, enabling prompt action in case of any irregularities.

In addition, Daedong invests in continuous equipment upgrades and has established an emergency response manual for accidental releases. Regular training is provided to all employees to strengthen prevention and response capabilities. Through transparent operations, ongoing investment, and employee education, Daedong is dedicated to achieving meaningful reductions in air pollution and fulfilling its role as an environmentally responsible company.

Air Pollutant Management Process - Daedong



Air Pollutant Reduction Activities

Daedong Mobility and Daedong Gear have implemented an IoT-based monitoring system that enables real-time tracking of emission and control facility operations, ensuring that control systems function properly whenever emission facilities are running.

Additionally, Daedong Mobility replaces bag filters—used to capture particulate matter and hazardous emissions—annually. It has also installed digital differential pressure gauges to quickly detect and address any filter damage.



Air Emission Facility Measurement Equipment - Daedong Gear

In 2024, Daedong Metals invested KRW 140 million to upgrade key air pollution control facilities by replacing bag filters and activated carbon. These improvements were made to prevent performance decline in aging equipment and to ensure stable control of dust and odor emissions. As a result, collection and removal efficiency increased, and emission levels remained well below legal standards, strengthening the reliability and continuity of reduction efforts.

These facility upgrades and operational improvements enabled Daedong Metals to significantly reduce major air pollutant emissions year-over-year. Ongoing monitoring and targeted maintenance ensure compliance and sustained emission reductions, as Daedong Metals continues to strengthen its environmental management.

2024 Air Pollutant Management Performance

Daedong Mobility	Daedong Metals		
Particulate Matter Emissions	NOx Emissions	SOx Emissions	Particulate Matter Emissions
70%	6.8%	85.8%	8.4%
Reduction	Reduction	Reduction	Reduction
(Compared to the previous year)	(Compared to the previous year)	(Compared to the previous year)	(Compared to the previous year)



Environmental Impact Reduction

Water Pollution Management System

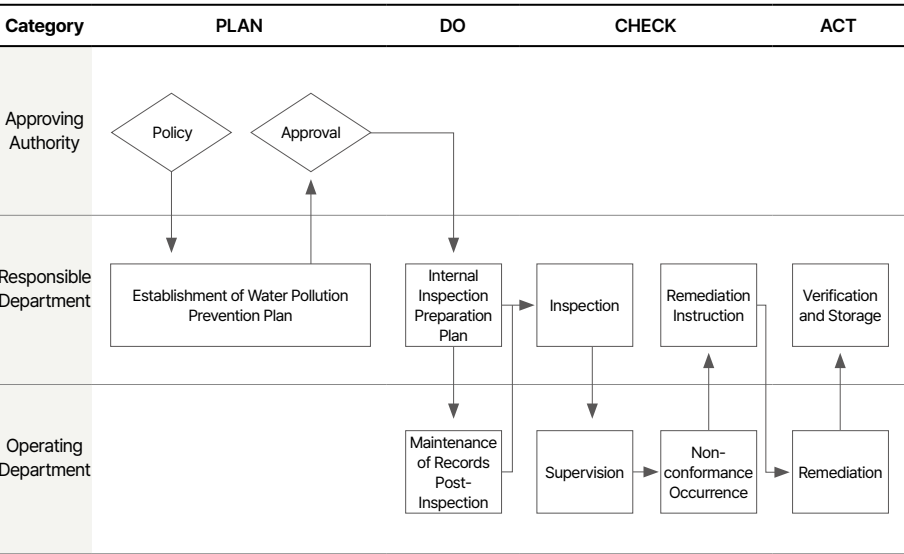
Daedong has established internal standards to prevent water pollution from its production, products, and services, managing them more strictly than the discharge limits set by relevant laws, such as the Water Environment Conservation Act. The company operates in-house wastewater treatment facilities to reduce wastewater, and annually establishes and inspects wastewater treatment plans, continuously monitoring wastewater and treatment processes.

Wastewater Treatment Process - Daedong



Daedong Gear has established water pollution management guidelines to minimize the generation of water pollutants and strives to comply with laws and other requirements related to water resource management. In addition, by adhering to wastewater treatment plant operation standards, the company is committed to compliance with relevant regulations and minimizing environmental pollution.

Water Pollution Prevention workflow - Daedong Group

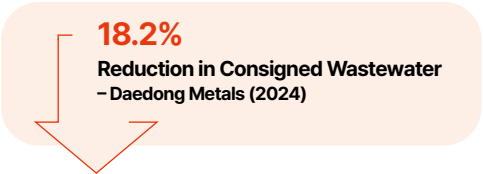


Water Pollution Management Activities

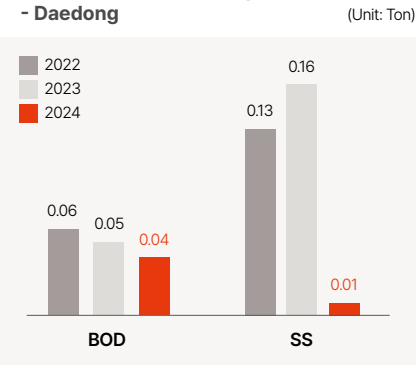
Daedong regularly monitors and implements reduction measures to minimize water pollutants from its production. Over the past three years, biochemical oxygen demand (BOD) emissions have steadily decreased due to improved treatment efficiency and reduced organic load. Suspended solids (SS) emissions temporarily increased in 2023 but declined in 2024. Daedong will continue technical and on-site improvements to further reduce water pollutants.

Daedong Mobility regularly measures biochemical oxygen demand (BOD), total organic carbon (TOC), and suspended solids (SS) to manage water quality. The company commissions the Korea Environment Corporation for analysis and uses the results to guide reduction activities.

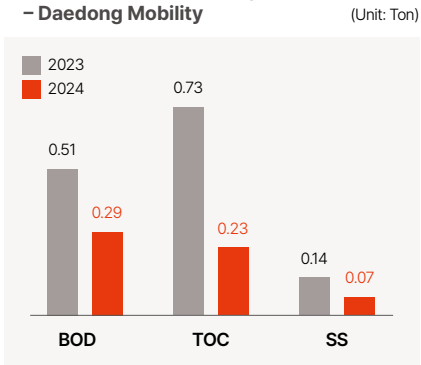
Daedong Metals achieved an approximately 18.2% reduction in outsourced wastewater treatment volume, decreasing from 178,390L in 2023 to 146,000L in 2024, through strengthened management of compressor condensate and proper operation of wheel washing facilities. This result came from blocking unnecessary wastewater inflow within the process and improving maintenance systems for each piece of equipment. However, due to a temporary increase in wastewater concentration, the discharge of water pollutants such as TOC and SS showed a slight rise compared to the previous year. Accordingly, the company is promoting efforts to reduce pollutants (TOC, SS) to comprehensively manage not only the volume of wastewater but also the concentration of contaminants within it. Moving forward, the company will continue to strive to minimize water pollution and establish an eco-friendly water treatment system through wastewater reuse within the process.



Water Pollutant Discharge - Daedong



Water Pollutant Discharge - Daedong Mobility



## Environmental Impact Reduction

### Biodiversity Conservation Activities

Daedong Group, as part of its efforts to conserve biodiversity, conducted a biodiversity assessment focused on its domestic business sites, using distribution data on 282 endangered wild species designated by the Ministry of Environment. Through this process, the company analyzed the types of endangered species inhabiting areas near its domestic sites.

Category	Site list	Location	Endangered Wildlife Distribution
Daedong	Seoul Office	2493, Nambusunhwan-ro, Seocho-gu, Seoul, Republic of Korea	6
	Daegu Campus	35, Nonggongjungang-ro 34-gil, Nonggong-eup, Dalseong-gun, Daegu, Republic of Korea	12
	Central Business Team (Gangwon-do)	73, Sakju-ro 145beon-gil, Chuncheon-si, Gangwon-do, Republic of Korea	33
	Central Business Team (Gyeonggi-do, Chungcheongbuk-do, Chungcheongnam-do)	9, Pungsesandan 5-ro, Pungse-myeon, Dongnam-gu, Cheonan-si, Chungcheongnam-do, Republic of Korea	23
	Western Business Team (Jeollabuk-do, Jeollanam-do)	53-1, Hanamsandan 8beon-ro, Gwangsan-gu, Gwangju-si, Republic of Korea	18
	Eastern Business Team (Gyeongsangbuk-do, Gyeongsangnam-do)	493, Songshin-ro, Jangcheon-myeon, Gumi-si, Gyeongsangbuk-do, Republic of Korea	23
	Vision Campus	39, Changnyeonggongdan-gil, Changnyeong-eup, Changnyeong-gun, Gyeongsangnam-do, Republic of Korea	22
Daedong Mobility	A-Factory (Headquarter)	4867-11, Seodong-daero, Daedeok-myeon, Anseong-si, Gyeonggi-do, Republic of Korea	16
	S-Factory	30, Gukgasandan-daero 39-gil, Guji-myeon, Dalseong-gun, Daegu, Republic of Korea	12
	Seoul Office	1F, 3F, 4F, 347, Hyoeryeong-ro, Seocho-gu, Seoul, Republic of Korea	6
	Busan Office	30, Airport-ro 1207beon-gil, Gangseo-gu, Busan, Republic of Korea	37
Daedong Gear	Headquarter	42, Gongdan 1-ro, Sanam-myeon, Sacheon-si, Gyeongsangnam-do, Republic of Korea	25
Daedong Metals	Headquarter	602, Nongong-ro, Nongong-eup, Dalseong-gun, Daegu, Republic of Korea	12



## Water Management

As water resources are directly linked not only to human life but also to the maintaining a stable manufacturing environment, Daedong Group is continuously seeking ways to manage and conserve water resources effectively.

### Water Consumption Management

Daedong Group conducts manufacturing activities at various business sites across different locations. Water consumption is measured and managed by each site, and we are committed to reducing water use going forward.

#### Water Consumption Status by Site and Supply Source - Daedong

Sites	Supply Source	Unit	2022	2023	2024
Daegu Campus	Total Consumption		62,100	65,220	60,519
	Municipal water		3,000	3,690	3,363
	Surface water		32,700	52,320	28,416
	Ground water	m <sup>3</sup>	26,400	9,210	28,740
Seoul Office	Total Consumption (Municipal water)		6,149	7,615	5,835
Changnyeong Vision Campus	Total Consumption (Ground water)		6,139	4,665	6,916

Daedong Metals, located in Nongong-eup, Daegu, uses externally supplied water from purification plants for production and welfare facilities. Domestic water comes from the Maegok Water Purification Plant and industrial water from the Jukgok Water Purification Plant, both sourced from the Nakdong River. Domestic water is mainly used in cafeterias and showers, while industrial water is used in manufacturing.

The company monitors water use by facility, conducts regular leak checks, and works to improve water reuse rates in its processes to reduce total usage. Daedong Metals will continue to pursue water-saving initiatives and facility upgrades for sustainable water management.

#### Water Stress Assessment - Daedong Group

Daedong Group uses the WRI Aqueduct Water Risk Atlas to assess and manage water stress at each business site. Of 13 sites evaluated, none was identified as being in a high-water stress area. We will continue to monitor related risks and respond promptly as needed.

Category	Site list	Location	Water Stress
Daedong	Daegu Campus (HQ)	35, Nongongjungang-ro 34-gil, Nongong-eup, Dalseong-gun, Daegu, Republic of Korea	Medium high
	Seoul Office	2493, Nambusunhwan-ro, Seocho-gu, Seoul, Republic of Korea	Medium high
	Central Business Team (Gangwon-do)	73, Sakju-ro 145beon-gil, Chuncheon-si, Gangwon-do, Republic of Korea	Medium high
	Central Business Team (Gyeonggi-do, Chungcheongbuk-do, Chungcheongnam-do)	9, Pungsesandan 5-ro, Pungse-myeon, Dongnam-gu, Cheonan-si, Chungcheongnam-do, Republic of Korea	Medium high
	Western Business Team (Jeollabuk-do, Jeollanam-do)	53-1, Hanamsandan 8beon-ro, Gwangsan-gu, Gwangju-si, Republic of Korea	Medium high
	Eastern Business Team (Gyeongsangbuk-do, Gyeongsangnam-do)	493, Songshin-ro, Jangcheon-myeon, Gumi-si, Gyeongsangbuk-do, Republic of Korea	Medium high
	Vision Campus	39, Changnyeonggongdan-gil, Changnyeong-eup, Changnyeong-gun, Gyeongsangnam-do, Republic of Korea	Medium high
Daedong Mobility	A-Factory	4867-11, Seodong-daero, Daedeok-myeon, Anseong-si, Gyeonggi-do, Republic of Korea	Medium high
	S-Factory	30, Gukgasandan-daero 39-gil, Guji-myeon, Dalseong-gun, Daegu, Republic of Korea	Medium high
	Seoul Office	1F, 3F, 4F, 347, Hyoeryeong-ro, Seocho-gu, Seoul, Republic of Korea	Medium high
	Busan Office	30, Airport-ro 1207beon-gil, Gangseo-gu, Busan, Republic of Korea	Low
Daedong Gear	Daedong Gear	42, Gongdan 1-ro, Sanam-myeon, Sacheon-si, Gyeongsangnam-do, Republic of Korea	Low
Daedong Metals	Daedong Metals	602, Nongong-ro, Nongong-eup, Dalseong-gun, Daegu, Republic of Korea	Medium high

#### Results

Number of Evaluated Sites

 13

Number of High Water Stress Sites\*

 0

\*High, Extremely High-Water Stress Sites



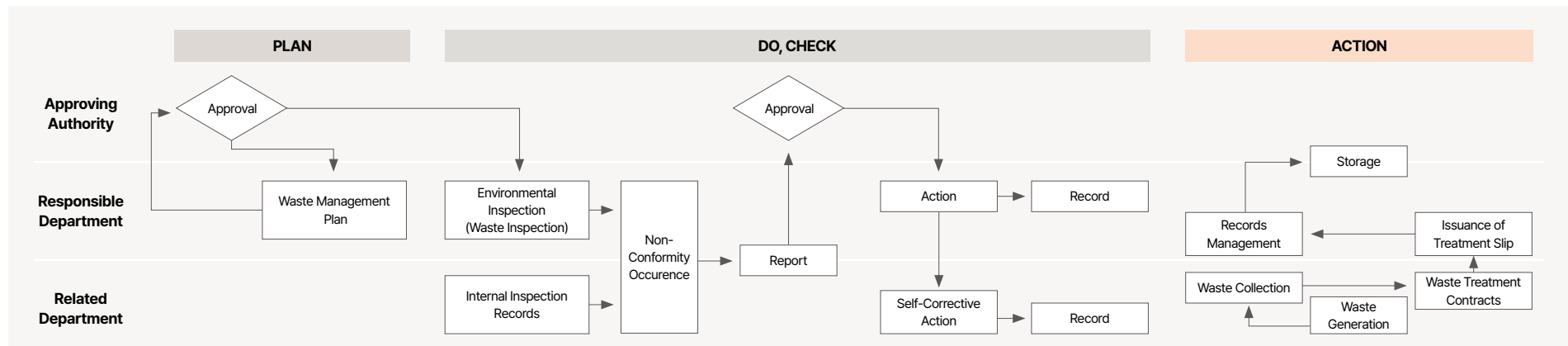
## Waste Management & Circularity

Daedong Group is working to expand resource circularity throughout the entire product lifecycle from sourcing diverse raw materials and components, through use, to the disposal stage.

### Waste Management System

Daedong's Environmental Safety Team conducts weekly inspections on waste storage and facilities and ensures that any issues are promptly addressed. We have established comprehensive waste management standards to minimize waste during production, and strictly oversee storage, inspection, and disposal, including compliance by external contractors. Waste generation, recycling rates, and treatment methods are continuously monitored to assess policy effectiveness, and we refine our waste management system as needed to promote resource circulation.

#### Waste Management Workflow - Daedong Group



Daedong Gear classifies waste as general or designated and applies appropriate treatment methods such as recycling, incineration, or landfill through certified contractors. To minimize environmental impact, the company established waste management guidelines in 2005 and fully revised them in 2024.

#### Waste-related Policy (Environmental Management Policy) - Daedong Gear

- Waste management planning
- Environmental review of contractors
- Use of recyclable materials and design for recycling



Daedong Metals operates under established waste management standards, guided by the principles of ①reduction, ②reuse/recycle, and ③compliance. Waste is categorized as designated, general, or recyclable, and is processed safely through specialized procedures and certified contractors. All employees receive training on waste separation, and daily inspections of storage areas are conducted to prevent environmental incidents and enhance management efficiency.

Daedong Metals has formed a dedicated task force for sustainable raw material use and waste management to drive resource efficiency and waste reduction. This task force holds regular meetings with relevant teams such as production, quality, environment, and procurement to review and improve every stage from raw material input to waste output.

#### Waste Management Principles & Organization - Daedong Metals



Daedong Metals sets standards for new sand input in casting to reduce waste sand and is increasing the recycling rate of used sand. This cuts raw material use and designated waste. The task force meets quarterly, reporting key results to the Environmental Safety Team for policy and action.

## Waste Management & Circularity

### Circular Economy Performance Management System - Daedong Group

Daedong Group<sup>1)</sup> sets its own circular economy targets and manages them systematically to support national long-term goals. The circular economy performance system tracks material flows from waste generation to final disposal, using recycling and final disposal rates as key indicators. In 2024, Daedong Group exceeded its targets and will continue to prioritize resource circulation and efficient utilization in all business activities.

1) Daedong Mobility is excluded from the Circular Economy Performance Management System

### 2024 Recycling Performance - Daedong Group



#### Recycling Rate

**56.5%**

**Target Achieved**  
(Target) 56.49% or higher

#### Final Disposal Rate

**16.9%**

**Target Achieved**  
(Target) Lower than 17.55%



#### Recycling Rate

**94.5%**

**Target Achieved**  
(Target) 50.38% or higher

#### Final Disposal Rate

**3.3%**

**Target Achieved**  
(Target) Lower than 47.43%



#### Recycling Rate

**99.7%**

**Target Achieved**  
(Target) 77.70% or higher

#### Final Disposal Rate

**0.16%**

**Target Achieved**  
(Target) Lower than 19.56%

### Waste Management and Reduction Activities

Daedong provides regular waste management training to employees and partners, emphasizing the importance of active waste management.

Daedong Mobility encourages waste reduction by giving new employees welcome kits with tumblers, helping cut down on single-use cup waste. In December 2024, the company also provided targeted, on-site waste management training.

### Waste Management Training - Daedong Mobility

- Waste classification system (domestic, business, construction, medical, etc.)
- Storage requirements by waste type
- Detailed categories of general and designated waste
- Compliance with storage methods for designated waste



Daedong Gear shares waste sorting and disposal guidelines in a monthly newsletter and offers in-depth training on waste facility management and disposal. These activities have improved employee awareness of waste management over the years.



ESF Newsletter



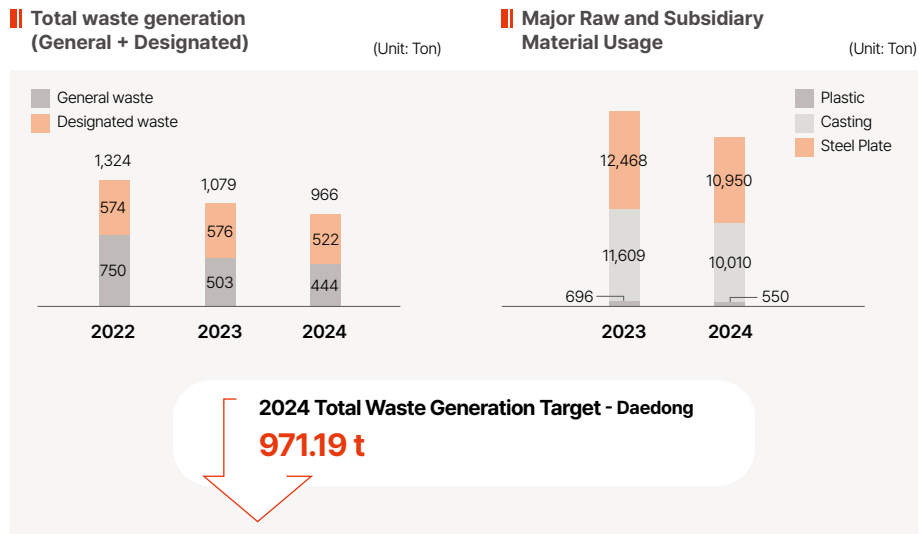
Waste Management Training

Daedong Metals provides company-wide waste management training through its Environmental Safety Team to improve workplace environmental conditions, reduce treatment costs from impurities, and ensure transparent and compliant waste handling. The program covers waste types, proper disposal and storage, and legal violation cases, helping employees better understand and manage waste effectively.

## Waste Management & Circularity

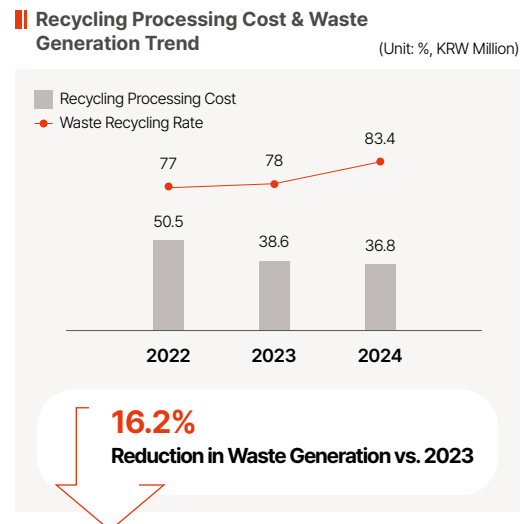
### Waste Minimization and Resource Efficiency

Daedong sorts site waste into general and designated categories. Recyclable resources from each category are separated and processed accordingly. These practices have led to consistent annual reductions in total waste generation.



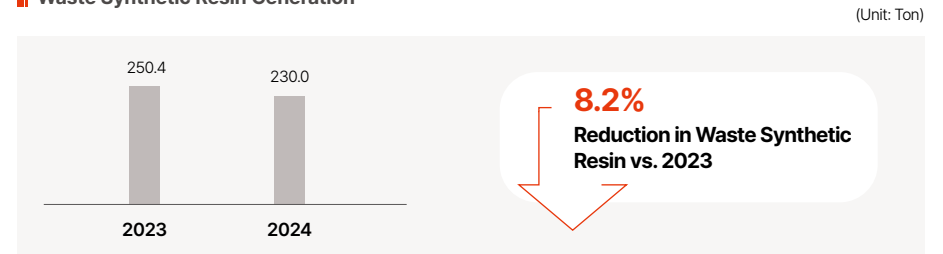
Daedong Mobility classifies general waste as sludge, waste synthetic resin, and waste wood, and designated waste as waste oil and mineral waste. The company is steadily increasing its recycling rate while reducing disposal costs.

In 2024, Daedong Mobility cut waste disposal costs by 4.8% and raised the recycling rate by 6.9% compared to 2023.



Daedong Gear reduced waste synthetic resin—one of its main waste types—by about 8.2% in 2024 compared to 2023. The company remains committed to further reducing waste going forward.

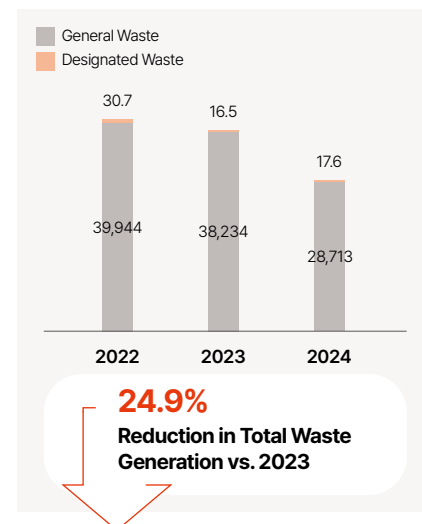
### Waste Synthetic Resin Generation



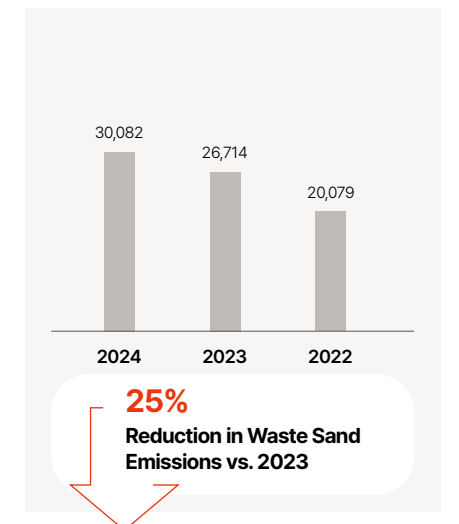
Daedong Metals sets annual voluntary reduction targets for waste generation to promote resource circulation and reduce environmental impact. Key initiatives include optimizing new sand input and increasing the recycling rate of used foundry sand.

Results are tracked monthly and managed by the Environmental Safety Team, with figures including both designated and general waste for consistent comparison. In 2025, Daedong Metals will focus on improving recycling rates and expanding in-process resource circulation.

### Total waste generation (General + Designated)



### Waste Sand Emissions





## ESG Highlight

### Daedong Group's Waste Resource Management System

Daedong Group puts strong emphasis on strengthening company-wide waste resource management and circular systems. Waste resources are managed as post-consumer waste or waste generated during production and manufacturing, including e-waste, plastics, metal scrap, packaging, and waste heat. Without proper collection and treatment, these wastes can cause pollution and resource loss, making systematic management essential. Daedong Group operates an internal circular system built on three core requirements to ensure effective resource circulation and performance.

#### Scope

##### Internal Process-focused

Covers all internal production stages, from raw material input to manufacturing, processing, assembly, and post-processing at our sites



#### Target

<b>Waste Resources</b>	Defective products, leftover raw materials, packaging from manufacturing, etc.
<b>Waste</b>	Waste synthetic resin, metal scrap, and general industrial waste from production
<b>By-products</b>	By-products generated alongside main products in specific processes
<b>Waste heat</b>	Waste heat from machine operation or high-temperature processes

#### Method

<b>Collection</b>	Quickly sorting and collecting waste resources generated in processes
<b>Recycling</b>	Restoring materials to raw material level through physical or chemical treatment for reuse
<b>Reuse</b>	Repeatedly using resources with no loss of performance for the same or secondary purposes
<b>Upcycling</b>	Creating new, value-added products from waste resources beyond simple recycling

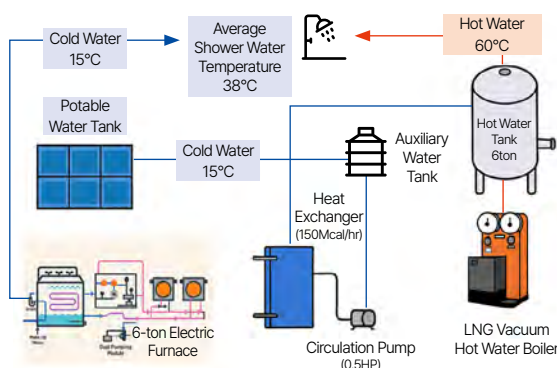
### 3 Key Resource Circulation Activities

1

#### Waste Heat Recovery

By installing new heat exchangers and circulation pumps to recycle cooling water from electric furnaces, we have reduced boiler operation time by 31% and lowered overall energy consumption.

##### Cooling Water Recycling System Diagram



2

#### Resource Recycling

##### Oil Recycling System Operation Using a Sludge Press

To minimize pollutants and resource loss in processing sludge generated during production, we introduced a sludge press and now operate an oil recycling system. The press mechanically separates cutting and lubricating oils from the sludge, and the recovered oil is refined and reused in-house. This reduces the amount of waste oil outsourced for disposal, cuts new lubricant use, and helps lower raw material consumption and carbon emissions.

##### Oil recycling system (sludge press) - Daedong Gear

<b>Oil recovered (Liter)</b>	40,320
<b>Sludge reduced (Ton)</b>	107

3

#### Resource Reuse

##### Tool Polishing for Resource Reuse and Waste Reduction

Daedong Gear operates a tool regrinding system to minimize resource waste. Worn cutting tools like drills, cutters, inserts, and end mills are restored through precision regrinding instead of being discarded, enabling repeated reuse and reducing waste.

<b>Collection and Sorting</b>	Collect and sort tools after use, selecting those below a certain wear threshold
<b>Precise Polishing</b>	Restore cutting edges and performance using specialized polishing equipment, customized by tool shape and meeting quality standards
<b>Performance Inspection and Reintegration</b>	Inspect and test polished tools, then re-installing them to the production line

## Sustainable Products

Daedong Group develops and launches sustainable products that deliver quality, consumer satisfaction, and environmental friendliness. By focusing on both technology and eco-friendly solutions, Daedong continues to secure strong market competitiveness. Its product lineup, designed with both technical innovation and environmental considerations, is a core strength of the company.

### Eco-friendly Business Initiatives

Daedong Group is steadily expanding its lineup from agricultural to non-agricultural machinery. Robotics solutions for delivery, transport, pest control, and landscaping automate hazardous and labor-intensive tasks, improving both efficiency and on-site safety. These innovations are opening new possibilities for the future of agriculture.



### Eco-friendly Technologies and Products

Daedong Group is committed to enhancing the eco-friendliness of its core products, including agricultural machinery and mobility solutions. The company is expanding its smart mobility lineup by integrating electric and autonomous driving technologies across various sectors. Notable examples include the GX Series tractors with eco-friendly engines, electric scooters with simplified consumable parts, and lithium-ion battery-powered golf carts. Daedong also develops electric transport robots with swappable batteries to reduce consumable use compared to internal combustion vehicles. Moving forward, Daedong Group will continue to broaden the application of eco-friendly technologies across its product range.

#### Tractor

The Daedong Group's GX series, the industry's first premium mid-sized autonomous tractor launched simultaneously domestically and internationally, is equipped with an eco-friendly engine that meets the Stage V emissions standards of both Korea and Europe. Stage V represents the strictest emission regulations applied to non-road vehicle engines. By meeting these standards, the GX series will serve as a crucial foundation for Daedong Group to establish a leading position in the global market.



#### Electric Scooter

Daedong Group's electric scooter GS100 is the only model in Korea to achieve 92% domestic parts localization using a battery-swapping system. Powered by a lithium-ion battery, the GS100 produces less noise and emits no air pollutants compared to internal combustion engine scooters, while also reducing consumable replacements by more than half, contributing to resource conservation.



#### Electric Carts

Daedong Group is leading the reduction of greenhouse gas emissions by producing leisure mobility products powered by lithium-ion batteries based on an electric vehicle platform. Key products include the Daedong golf cart, two-seater work vehicle, and three-row limousine cart, all of which are eco-friendly vehicles that emit no air pollutants. Moving forward, the company aims to integrate autonomous driving technology to become a global leader in the leisure mobility market.



#### Transport Robot

Daedong Group manufactures the RT100 transport robot equipped with a swappable battery that can operate for over 4 hours on a single charge. Capable of carrying loads of approximately 300 kg, it features silent and emission-free operation, making it highly effective in creating a comfortable working environment.

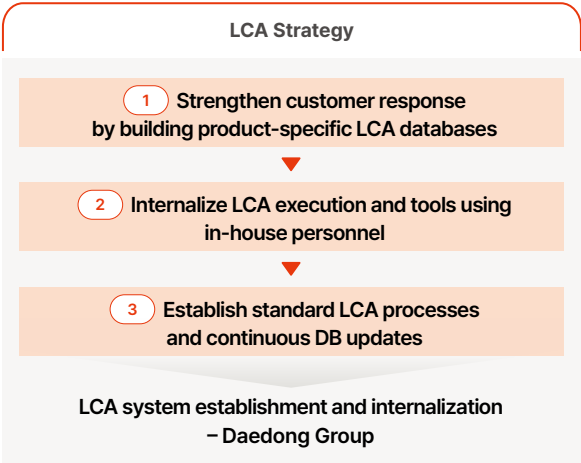
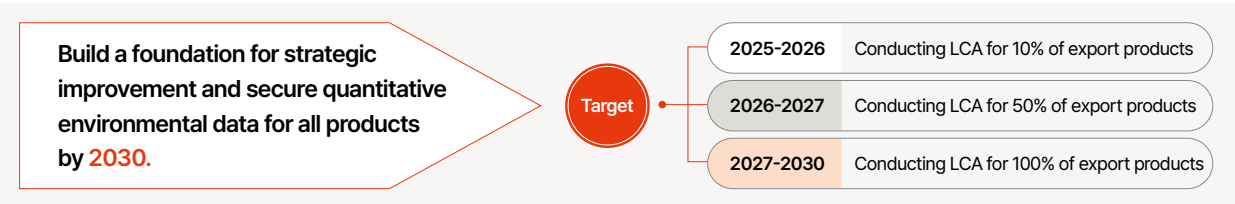


Sustainable Products

LCA (Life Cycle Assessment)

Daedong Group is actively adopting Life Cycle Assessment(LCA) to quantify and manage the environmental impacts of its products throughout their entire lifecycle, from raw material extraction to disposal. As global regulations and customer demands for environmental information increase, Daedong is building in-house LCA systems and data infrastructure to support transparent impact management and data-driven product improvement.

Internalization & Advancement of LCA for eco-friendly product design and stronger customer response



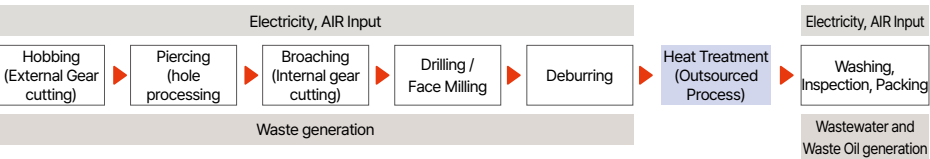
LCA is more than just a compliance tool—it's a strategic approach that supports eco-friendly product design, resource efficiency, and product competitiveness. By integrating LCA into product development, Daedong Group can identify strengths and areas for improvement in the production process, enabling innovation focused on improving environmental performance. This foundation allows Daedong to design products that reduce environmental impact and provide reliable data to customers and stakeholders, strengthening its leadership in sustainable agriculture.

ESG Highlight

LCA Cases - Daedong Gear, Daedong Metals

Daedong Gear is conducting LCA for key automotive transmission components. The assessment defines system boundaries and process steps for each part, including raw material sourcing, manufacturing, and transport before production. In the manufacturing stage, it calculates carbon emissions from energy, subsidiary materials, waste, and air emissions at the plant. The LCA also includes the delivery of finished parts to customer factories. Daedong Gear will continue to advance its LCA methodology and expand its application to more product lines.

Component Process Boundary(HUB OD&LR CLUTCH) - Daedong Gear



Daedong Metals has introduced LCA to systematically manage the environmental impact of cast products, analyzing impacts across the entire product lifecycle—from raw material sourcing and melting/casting to machining. The company is focusing LCA evaluations on items such as engine cylinder heads and blocks. Going forward, Daedong Metals plans to expand LCA analysis to more key products and build an eco-friendly casting system by applying and improving low-carbon materials

(Unit: kgCO<sub>2</sub>-eq)

Product	Category	Production stage		
		Pre-manufacturing	Manufacturing	Delivery
A2	Per unit	204.87	88.55	0.65
	Per weight(kg)	2.48	1.07	0.01
F-ENG	Per unit	185.3	83.61	1.27
	Per weight(kg)	2.37	1.07	0.02
G-ENG	Per unit	285.09	118.95	1.81
	Per weight(kg)	2.57	1.07	0.02



# Social

75	Human Rights & Labor
77	Talent Management
82	Corporate Culture
86	Sustainable Value Chain
93	Customer Value Maximization
98	Local Communities



## Human Rights & Labor

Daedong Group strictly adheres to internationally recognized labor and human rights standards. The Group promotes respect for human rights by clearly defining detailed principles in its human rights guidelines and remains committed to preventing human rights violations as part of its ongoing management goals.

### Human Rights Management Implementation System

Daedong and Daedong Gear officially support and strictly comply with domestic labor and human rights laws, as well as international standards like the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, International Labour Organization Constitution, and OECD Due Diligence Guidance for Responsible Business Conduct.

Daedong puts human rights first in all areas of business, applying the highest standards of respect and protection. These principles cover all employees including non-regular staff as well as subsidiaries, affiliates, contractors, joint ventures, and business partners, and will be progressively extended throughout the value chain and local communities.

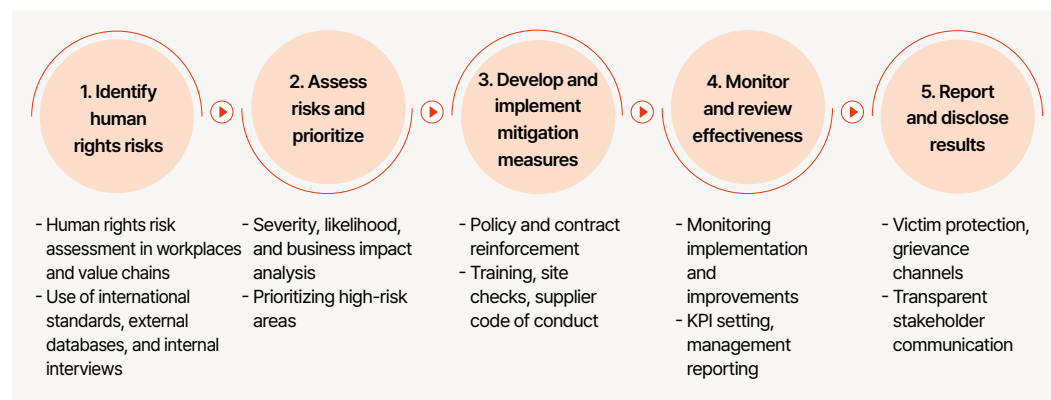
To make its commitment clear, Daedong Gear has publicly declared a Human Rights Policy Statement reflecting its management philosophy. The company is building a systematic management framework to meet stricter human rights standards, guided by detailed principles in its human rights guidelines.

### Human Rights Risk Management

Daedong identifies potential human rights risks across its business and conducts assessments to prevent them. The ESG team works closely with relevant departments, using international standards, external databases, and internal interviews to develop evaluation criteria. This process analyzes the likelihood and severity of risks and monitors for any negative impacts.

Daedong Gear regularly assesses both actual and potential human rights risks to prevent violations and minimize their likelihood. Using a human rights risk management process, the company develops mitigation plans for identified risks and continuously monitors and publicly discloses the results.

#### Human Rights Risk Management Process - Daedong



#### Detailed Principles of Human Rights Guidelines



**Prohibition of Human Trafficking**  
Strictly prohibited throughout the value chain



**Freedom of Association and Collective Bargaining**  
Guarantee the right to form unions and bargain collectively



**Prohibition of Forced Labor**  
All forms of labor that unjustly restrict mental or physical freedom are prohibited



**Guarantee of Wages and Benefits**  
Comply with all legal requirements for pay and benefits



**Prohibition of Child Labor**  
No employment of anyone under 15



**Fair Compensation and Equal Pay**  
Promote gender equality and ensure fair pay



**Prohibition of Inhumane Treatment**  
No torture, violence, verbal abuse, or degrading acts



**Respect for Diversity and Non-Discrimination**  
No unfair discrimination based on race, ethnicity, religion, or other personal characteristics



**Protection of Vulnerable Workers**  
Ensure safety and welfare for young, pregnant, or disabled workers



**Prohibition of Workplace Harassment and Sexual Harassment**  
Ban all forms of bullying and sexual harassment



**Compliance with Working Hours**  
Do not exceed legal working hour limits, including overtime



**Respect for Customer Rights**  
Prevent human rights violations in products and services



**Guarantee of Health and Safety**  
Regularly inspect equipment and provide safety training



**Respect for Local Community Rights**  
Ensure business does not infringe on residents' rights

## Human Rights & Labor

### Human Rights Management Goals

Daedong prohibits discrimination based on academic background, region, family, gender, religion, age, nationality, or race, and works to ensure labor rights and prevent workplace harassment. Building on this foundation, Daedong has created a phased roadmap to further integrate human rights into management and systematically manage related risks. The first step is to establish and pilot a human rights impact assessment system for employees, develop assessment indicators, and set up procedures to identify risks. Identified risks and results are shared with relevant departments for organizational culture improvement and disclosed transparently in ESG Reports. These efforts will serve as the basis for expanding human rights management to partners and the value chain.



### Operation of Human Rights Grievance Channels

Daedong Group operates a cyber reporting system on each affiliated company's website to address human rights concerns for all stakeholders. The system accepts reports of unfair treatment, discrimination, and other human rights violations, and prioritizes protecting whistleblowers by strictly safeguarding their identity, report details, and related evidence.

To ensure ongoing monitoring, Daedong offers various online and offline channels—including an ethics reporting website, internet, email, and mail—so that employees, business partners, and third parties can report human rights issues anonymously or with their name. In 2024, one human rights-related grievance was received and appropriately addressed through investigation and preventive training.

In April 2025, Daedong Gear established a grievance handling policy and system to foster a transparent and healthy corporate culture.

Daedong Grievance Channel

Daedong Mobility Grievance Channel

Daedong Gear Grievance Channel

Daedong Metals Grievance Channel

### Human Rights Training

Daedong practices human rights management that respects the value of all stakeholders and provides various human rights training programs to prevent any kind of violations. All employees receive mandatory training on workplace sexual harassment prevention and disability awareness.

Daedong Metals also conducts regular human rights education to protect basic rights and create a discrimination-free work environment. In January 2024, all 137 employees completed training on sexual harassment prevention and disability awareness, helping to foster a culture of mutual respect and inclusion. Additional training on workplace bullying prevention is planned for the first half of 2025 to proactively address human rights risks and to support a sustainable work environment.

#### Human Rights Training Status - Daedong

	Unit	2022	2023	2024
Number of Training Recipients	Persons	1,337	1,276	1,022
Number of Training Completions	Persons	1,337	1,276	1,022
Completion Rate	%	100	100	100

### Diversity

Daedong Gear and Daedong Metals are committed to fostering a diverse workforce and building an inclusive environment for underrepresented groups. Both companies are expanding employment opportunities for people with disabilities and providing tailored job support. Since 2023, Daedong Gear has maintained employment contracts with individuals with severe disabilities, who have continued to serve as valued members of the team. In December 2024, Daedong Metals hired two athletes with severe disabilities and, in partnership with specialized training organizations, is supporting their ongoing development and stable job performance through continuous training and coaching.



Employment Contract Signed with Para-athletes - Daedong



# Talent Management

Daedong Group is committed to securing global talent through a fair recruitment process, and operates a structured employee evaluation and compensation system to ensure fair rewards for all employees.

## Talent Recruitment

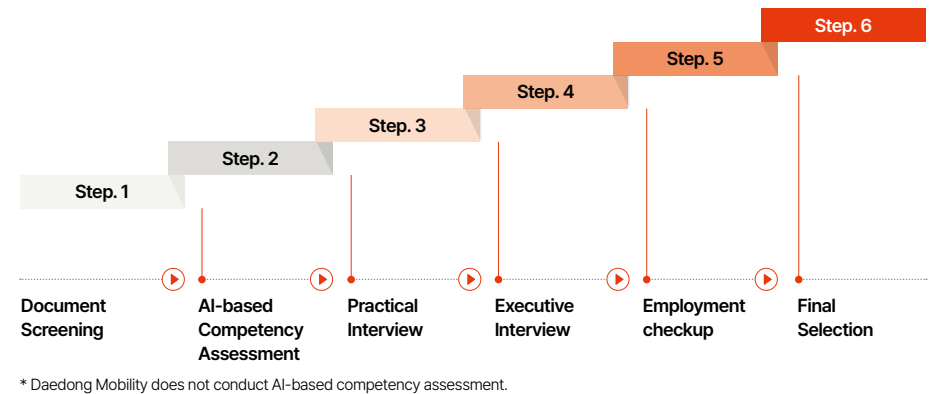
Daedong Group ensures fair and transparent recruitment by prohibiting discrimination based on academic background, gender, or age throughout the hiring process. The Group defines clear talent profiles to select the best candidates: Daedong and Daedong Mobility value trust and passion, Daedong Gear seeks challenge, responsibility, communication, and creativity, while Daedong Metals focuses on expertise, ownership, and driving change.

### Ideal Talent Profile - Daedong Group



Daedong Group operates a recruitment process, from document screening, AI-based competency assessment, practical interview, and executive interview, ensuring fairness and transparency at every stage. Candidates are evaluated on both job and organizational fit. Those who meet these criteria are selected. Daedong Group remains committed to securing top talent through a reliable and systematic hiring process.

### Recruitment Process - Daedong Group



Talent Management

Talent Development

Daedong offers a variety of talent development programs to nurture future leaders in agriculture. Employees receive training tailored to their roles and levels. Educational opportunities are available to affiliates and partnering companies to help strengthen overall capabilities of Daedong. In 2024, a total of 574 employees completed approximately 6,000 cumulative training hours. Daedong regularly surveys participants to improve training quality and plans to keep enhancing its programs based on feedback.

2024 Training Performance - Daedong

Category	Course Name	Total Hours (hrs)	Total Participants (persons)	Average Satisfaction <sup>1)</sup> (pts.)
Onboarding	New employee orientation	1,628	95	6.64
Leadership	Newly Promoted Team Leader Upskilling, etc	616	79	6.79
Job-Specific	Service capabilities for A/S staffs, etc	3,928	400	6.62

1) Average satisfaction: 7-point scale

Daedong Mobility has established an internal certification system that recognizes employees who meet certification standards after completing required training as inspectors, operators, and other specialists.

Internal Certification Standards - Daedong Mobility

Category	Certification Criteria			Administered by
	Completion of training	Minimum Educational Level	Validity period	
Inspector	In-house training (2+ hours)	High school diploma or higher	1 year	Quality division
Operator	OJT for new hires, proficiency for current employees	High school diploma or higher	6 months	Production team
Internal Auditor	In-house training (16+ hours)	Associate degree or higher	3 years	Quality division
Special Process Operator	In-house training (2+ hours)	High school diploma or higher	1 year	Production/ Technology

Daedong Gear values the 70:20:10 model, which describes 70% of learning comes from on-the-job experience, 20% from interactions with others, and 10% from formal training. The company identifies and develops future leaders, providing tailored development plans and structured career management. Team leaders and candidates receive multi-dimensional leadership assessments to ensure a strong and sustainable leadership pipeline.

Daedong Metals is committed to strengthening its competitiveness in the casting industry by developing the skills of employees in casting technology, as well as enhancing business capabilities in areas like planning and digitalization. Training programs are tailored separately for production and management staff, with individualized annual plans based on each employee's needs and roles.

In 2024, 100 employees completed courses such as 'Casting Process Theory for Production Staff' and 'Generative AI for Work Skills Enhancement'. In addition to these programs, Daedong Metals offers ongoing job-specific training by department and individual, with employees averaging 16.1 hours of training each during the year.

2024 Job Competency Enhancement Training - Daedong Metals

Category	Course Name	Total Hours (hrs)	Total Participants (persons)
Production workers	Casting Process Theory for Production Staff	1,344	56
Management employees	Generative AI for Work Skills Enhancement	176	44



ESG Highlight

Daedong's Support for Individual Development and Career Planning

Daedong views the growth and development of every employee as essential to the company's long-term success. The company supports the creation and implementation of Individual Development Plan (IDP) across the organization, helping employees realize their potential and achieve both personal and organizational growth. Various systems and programs are in place to ensure this process is effective. Daedong will continue to enhance its support so employees can pursue their career goals, strengthening a sustainable talent development system for the future.

1

Individual Development Plan (IDP)

- 1. Each employee sets an IDP at least once a year to define short- and long-term career goals and specific action plans.
- 2. The IDP covers strengths, areas for improvement, learning and development opportunities, and growth paths, and it is planned out and further refined and finalized through discussions with a supervisor.

3

Annual Evaluation-Linked Career Development Section

- 1. The annual evaluation includes a section for career development, which is used to reflect employees' growth potential and career goals in future placement and training plans.
- 2. Evaluation results are used not only for performance review but also as a foundation to support each employee's career development journey.

2

Career Conversations & Manager Guidelines

- 1. Managers regularly meet with team members—at least once a year—to discuss career growth, review IDP progress, and adjust plans as needed.
- 2. To keep these conversations focused and effective, Daedong provides manager guidelines that help align employee interests and strengths with growth opportunities in the company.

4

Systematic Procedures for Sustainable Implementation

- 1. All programs are managed according to standardized company-wide procedures, with HR staff in each department regularly monitoring progress and providing feedback for improvement.
- 2. This consistent approach ensures the effectiveness of these systems over time and actively supports employees in achieving their career goals and building expertise.

Talent Development Strategy - Daedong

Category	Key Details	Frequency & Responsible party	Expected Outcomes
Individual Development Plan (IDP)	Setting short- and long-term career goals	Once a year / Employee & Manager	Foundation for self-driven growth
	Analyzing strengths and areas for improvement		
	Setting action plans		
Career Development Conversations	Reviewing and updating IDPs	At least once a year / Manager	Employee–organization alignment
	Confirming career direction and paths		
	Connecting to growth opportunities		
Career Section in Annual Evaluation	Evaluating career goals	Once a year / Manager & HR Department	Strategic talent development
	Using as reference for placement and development		
Operation Process & Monitoring	Establishing a company-wide standard process	Ongoing / HR Department	Consistent execution and effectiveness
	Providing managerial guidelines		
	Monitoring implementation progress and giving feedback		

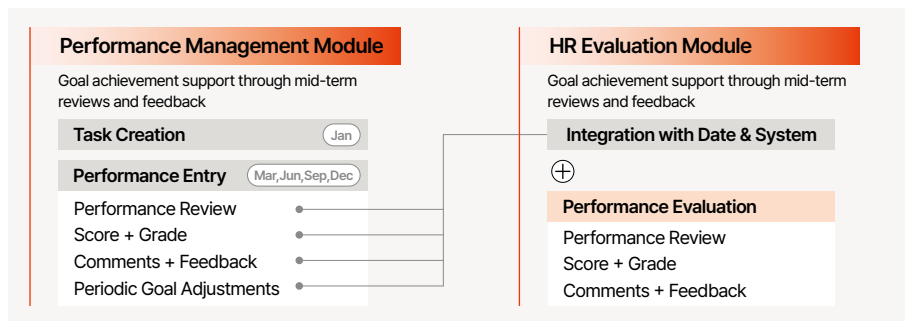
## Talent Management

### Employee Evaluation System

Daedong and Daedong Mobility evaluate employees based on both competency and performance to ensure fair and objective assessments. Performance reviews focus on short-term achievement of key organizational tasks, while competency evaluations consider knowledge, skills, attitude, and personal attributes from a long-term perspective.

Daedong Gear uses a dedicated HR evaluation module, where employees set goals every January, update their progress quarterly, and receive feedback and interim reviews. All input is integrated into the performance evaluation system, improving both assessment efficiencies and transparency in managing employee performance and development.

#### HR evaluation module - Daedong Gear



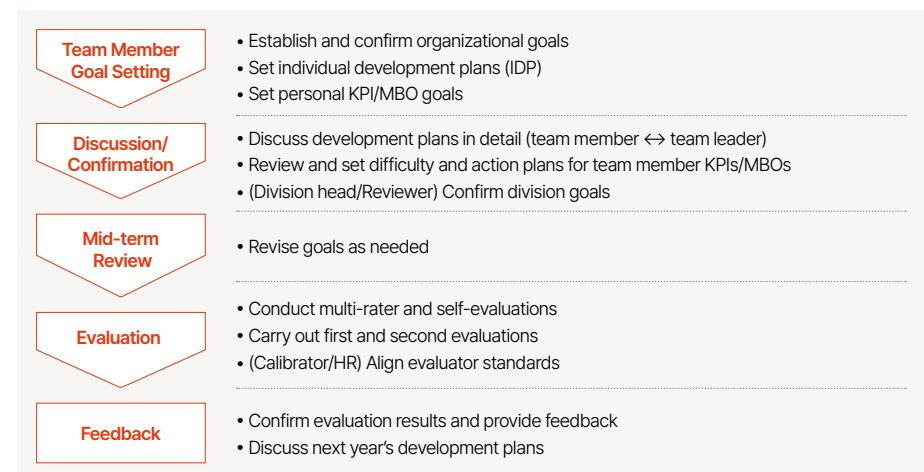
Daedong Metals is shifting from a seniority-based to a performance-based evaluation system, combining KPI and competency assessments with different evaluators by position. Team members are reviewed by team leaders and division heads, while team leaders are evaluated by division heads and the CEO.



### Performance evaluation

Daedong and Daedong Mobility operate a fair and objective performance evaluation system for all employees and provide equal rewards based on results. Performance reviews are 100% tied to individual KPIs, which include both quantitative and qualitative goals for objective assessment. For quantitative targets, overall performance is measured using the 2QT framework: Quality, Quantity, and Time.

#### Performance Evaluation Method - Daedong, Daedong Mobility



### Employee Competency Evaluation

Daedong and Daedong Mobility conduct competency evaluations for both team members and team leaders across three areas: core, leadership, and job-specific competencies. Team members are evaluated in two groups—staff to assistant manager, and managers to senior managers—with assessment criteria tailored to each level. The evaluation process uses objective and evidence-based methods to ensure fairness and accuracy.

#### Competency Evaluation Method - Daedong, Daedong Mobility





Talent Management

Employee Compensation System

Daedong Group provides rewards based on competency evaluation results, directly linking performance and compensation to motivate employees to develop into key talent.

Compensation System Evaluation Grades - Daedong Group

Superior	Excellent	Good	Not bad	Unsatisfactory
Exceeds expectations with no deficiencies as a role model	Surpasses expectations with many strengths	Meets basic role expectations but needs improvement in some areas	Below expectations with some areas needing development	Significantly below expectations, requiring intensive improvement



Promotion and Salary Increase System

Daedong and Daedong Mobility operate a promotion system that awards promotion mileage based on both performance and competency evaluation grades. Employees with an average evaluation grade of E or higher over the past three years, and not falling under the two lowest rating grades, may be considered for fast-track promotion at the CEO's discretion. Those who meet the required years of service and have high mileage over the past five years are eligible for regular promotion through review by the HR committee.

For salary increases, Daedong applies a base rate( $\alpha$ ) by evaluation grade, reflecting 70% performance and 30% competency results. Daedong Gear assigns grades based on a 50:50 weighting of competency and achievement, applying grade-based increase rates. Through these fair and transparent promotion and compensation systems, Daedong and Daedong Mobility motivate employees and drive organizational performance.



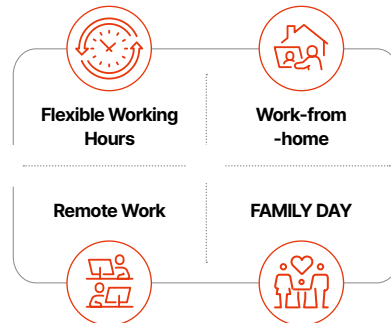
## Corporate Culture

Daedong believes that an innovative and flexible corporate culture is key to business growth and is committed to fostering a great workplace through continuous communication and engagement.

### Work-Life Balance

#### Flexible and Family-friendly Work Programs

Daedong Group promotes work-life balance through various programs, including flexible hours, work-from-home and remote work options to enhance employee productivity, and Family Day twice a week at Daedong Gear to guarantee time with family.



#### Employee benefits

Daedong Group offers flexible and family-focused work arrangements to help employees balance work and home life. Benefits include support for vacation expenses, long-service awards, health check-ups and medical support for both employees and their families, and educational assistance.

#### Employee Benefits Programs - Daedong Group



##### Educational Support

Tuition and admission celebration funds from kindergarten to university



##### Summer Vacation

5 days paid vacation and KRW 1 million vacation allowance



##### Health Check-up Support

Comprehensive check-ups for employees with over 5 years of service and those over 40, including one family member



##### Fitness Facilities

Operation of fitness centers for employee's health (including gyms and table tennis facilities)



##### Newborn Gifts

Gifts to celebrate the birth of a newborn



##### Long-Service Awards

Gifts and travel support for long-service employees



##### College Exam Support

Gifts for employees with child taking college entrance exams



##### Holiday Travel Allowance

KRW 1 million for travel expenses during Lunar New Year and Chuseok



##### Childcare Support

Maternity leave and childcare leave



##### Congratulatory and Condolence Leave and Gifts

Leave and financial support for events such as weddings, significant birthdays, and funerals



##### Resort Facilities

Operation of resort facilities available for employees



##### Retirement Gratitude Payment

Retirement gifts based on years of services



##### Medical Expense Support

Partial support for medical expenses exceeding KRW 500,000 per year for employees and their families (Spouse, Children, Parents)



##### Meal Support

Provision of lunch, dinner, and night snacks

Daedong Mobility is renewing work uniforms to address concerns about quality and sizing. The company also conducts satisfaction surveys on certain welfare programs, such as cafeteria and employee mutual aid support, and is working to identify and improve based on employee feedback.

### Strengthening Employee Communication

Daedong fosters an open and vibrant organizational culture through diverse communication channels and family events for employees. These initiatives help create a positive work environment and enhance employee engagement.

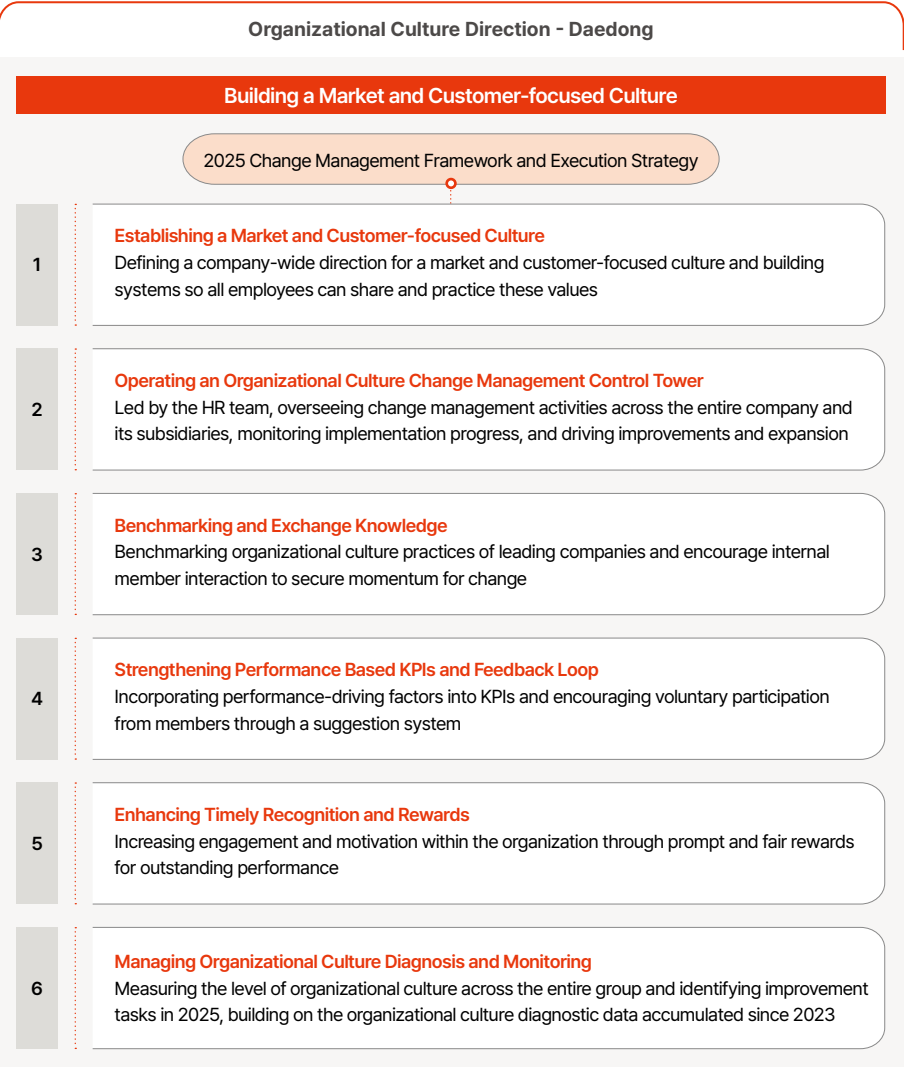
#### Employee Communication & Culture Programs - Daedong



Corporate Culture

Organizational Culture

Daedong is transitioning to a performance-focused, market-driven company from 2025. To support this shift, the company is establishing a comprehensive management system to manage this transition, align changes across subsidiaries, and build a solid foundation for sustainable management.



Employee Engagement Survey - Daedong Group

Employee Engagement Survey

Daedong and Daedong Gear conduct employee engagement surveys to improve satisfaction, productivity, and workplace culture. The survey results showed that a family- and relationship-oriented culture is especially important for employees. Insights from the surveys are used to shape HR policies and guide improvements to organizational culture, with long-term plans developed accordingly. The company continues to monitor progress and refine its systems to create an environment where all employees feel engaged and valued.

HR System and Organizational Culture Improvement Process - Daedong



Daedong Metals conducted an internal survey to assess five key areas: organizational culture, communication and collaboration, ownership and responsibility, openness to change, and growth opportunities. Based on the results, improvement actions were identified.

Organizational Culture Survey Result - Daedong Metals

(5pt Scale)

Survey Area	Organizational Culture	Communication & Collaboration	Ownership & Responsibility	Openness to change	Growth & Development Opportunities
Score	3.3	3.4	3.8*	3.7	3.2
Improvement Plans	Expand workshops and training programs by job level Provide contents to increase awareness in enhancing programs for employee motivation and growth opportunities.				

\* The highest score among 5 areas.

Corporate Culture

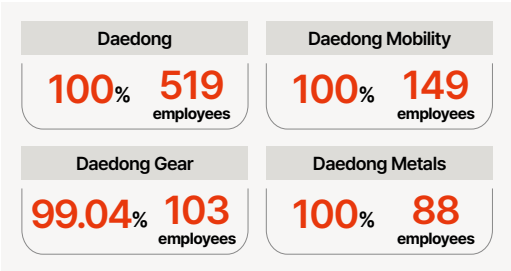
Healthy Labor-Management Relations

Daedong Group guarantees workers’ rights to freedom of association, collective bargaining, and industrial action as stipulated by labor law. The company improves working conditions and addresses employee concerns through collective bargaining and labor-management councils.

Labor Union

Daedong Group actively guarantees freedom of union formation and activities. The labor union collaborates on various issues to build healthy labor-management relations and improve employee welfare, with collective agreements renewed annually through negotiations.

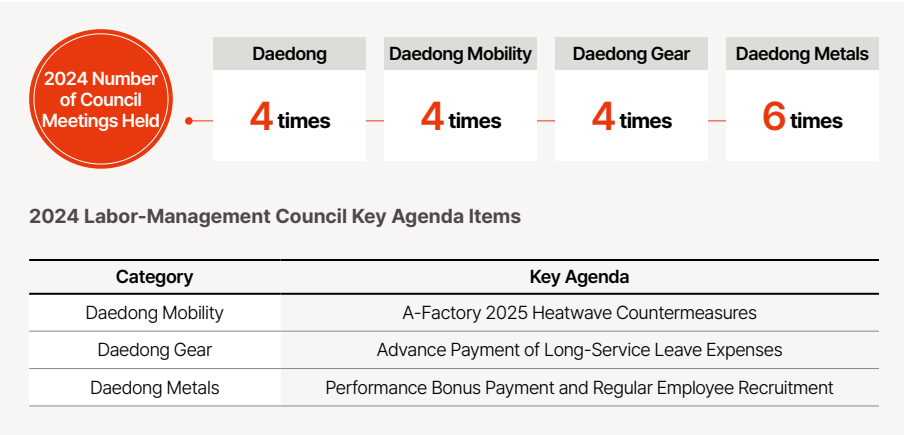
2024 Union Membership Rate & Number of Union Members - Daedong Group



Labor-Management Council

Daedong Group holds regular quarterly labor-management council meetings for each affiliate and convenes additional meetings as needed. Each council is composed of an equal number of employee and management representatives, with one co-chair from each side. In 2024, multiple meetings were held to discuss and decide on workplace improvements and employee benefits. The group will continue to gather employee’s concerns and opinions, and enhance well-being through ongoing dialogue and mutual respect.

2024 Labor-Management Council Operations and Meeting Details - Daedong Group



Employee Communication

Daedong regularly holds two-way communication sessions between employees and management to foster an inclusive workplace and reflect employee feedback in operations. The labor union serves as an official channel for discussing working conditions, welfare, and culture through regular consultations. According to the collective agreement, the company must notify and reach agreement with the union at least 60 days in advance of major changes such as business division, spin-off, merger, or transfer of business.

Labor Union-Based Employee Communication System - Daedong

Item	Description
Main Channel	Labor Union (Official employee representative body)
Communication Method	Regular council meetings, ad-hoc meetings, and written inquiries
Discussion Topics	Working conditions, welfare, organizational culture, workplace issues
Operating Basis	Equal representation and joint chairs, based on collective agreements and mutual trust
Communication Frequency	Regular (quarterly or semi-annual), with additional meetings as needed
Feedback Utilization	Direct policy improvements, expanded benefits, stronger safety management
Outcomes and Key Features	Represents employee voices, builds trust, and drives field-oriented policy improvements
Main Channel	Labor Union (Official employee representative body)
Communication Method	Regular council meetings, ad-hoc meetings, and written inquiries

Daedong Mobility builds unity through annual labor-management outings and sports events. We hold biannual mentoring sessions for new union members, where union officials and labor-management cooperation team members act as mentors to share workplace advice and discuss challenges. These efforts help strengthen teamwork and improve productivity.

Daedong Gear publishes union newsletters on council decisions and holds cross-department lunch meetings with the CEO to strengthen labor-management cooperation.

Daedong Metals builds trust-based labor relations through regular communication channels. Quarterly management briefings transparently share business performance, new projects, R&D, and safety updates with all employees. This open communication strengthens understanding and supports sustainable labor-management partnership.



Quarterly Management Briefings - Daedong Metals



## Corporate Culture

### On-site Tour and Employee Meeting - Daedong

On February 21, 2024, Vice Chairman Won Yu Hyun visited the Daegu campus for an on-site management session, holding a meeting with production staffs. He toured the production line to review manufacturing and quality processes, gather employees' opinions, and identify and review areas for improvement. In this session, important issues such as workforce shortages in manufacturing sides were addressed, which concluded the importance of labor-management strategies to strengthen quality and build a healthy corporate culture.



## Sustainable Value Chain

Daedong Group is committed to growing together with its partners.

We work together to enhance and actively support our partners' ESG management capabilities.

### Sustainable Value Chain Management Policy

#### Code of Conduct for Partners and Practicing Ethical Management

Daedong, along with its affiliates Daedong Mobility, Daedong Gear, and Daedong Metals, has established a Supplier Code of Conduct to promote an ethical and sustainable value chain. As part of the contracting process, all suppliers are required to sign an ethical management pledge, which includes commitments to fair trade and the prevention of corruption and misconduct.

This code sets out clear environmental and social responsibility standards that apply to all suppliers working with Daedong Group and its subsidiaries. Recognizing the equal importance of each standard, Daedong Group encourages both direct suppliers and their extended value chains to adhere to these requirements, reinforcing responsible business practices throughout the network. The Group's sustainable value chain policy, grounded in the Supplier Code of Conduct, addresses key areas such as human rights and labor, health and safety, environmental protection, and ethical management.

To ensure fair and transparent business relationships, Daedong and Daedong Mobility utilize a range of agreements with suppliers, including basic transaction agreements, standard subcontract agreements for machinery, quality assurance agreements, claim compensation agreements, and agreements to prevent the distribution of counterfeit products.

Daedong Metals' Supplier Code of Conduct goes further by incorporating standards for management systems and value chain due diligence, in addition to requirements for human rights and labor, industrial health and safety, environmental protection, and ethical business conduct. Each area is supported by detailed compliance criteria.

#### || Sustainable Value Chain Management Policy - Daedong Group



## Sustainable Value Chain

Daedong's sustainable value chain policy includes a due diligence process to strengthen value chain sustainability. The policy covers all direct and indirect suppliers, both domestic and international, and addresses human rights, environmental protection, ethics, and health and safety.

### Value Chain Sustainability Management Policy - Daedong Group

#### Value Chain Sustainability Policy Scope and Coverage

Category	Content
Applicable Target	<ul style="list-style-type: none"> <li>- All domestic and international suppliers and subcontractors</li> <li>- All stakeholders affected throughout the value chain, including employees, customers, and local communities</li> </ul>
Application Scope	<ul style="list-style-type: none"> <li>- Human rights (prohibition of child and forced labor, prohibition of discrimination, etc.)</li> <li>- Environment (pollution prevention, response to climate change)</li> <li>- Ethics (anti-corruption, fair trade)</li> <li>- Health and safety (ensuring safe working conditions)</li> </ul>

#### Value chain Due Diligence Process

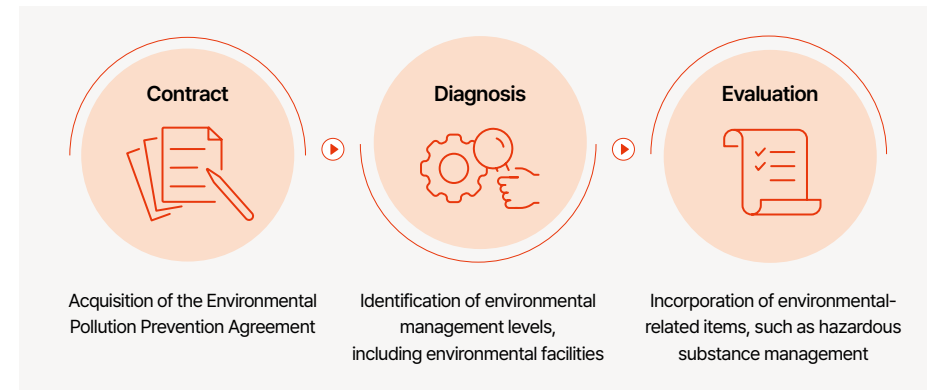
Stage 1	<b>Risks and Opportunities Identification</b> <ul style="list-style-type: none"> <li>- Identify suppliers' ESG issues (human rights, environment, ethics, etc.)</li> <li>- Prioritize review of high-risk industries and regions</li> </ul>
Stage 2	<b>Risk Assessment</b> <ul style="list-style-type: none"> <li>- Document/on-site evaluations</li> <li>- Classify risk levels through self-assessment</li> </ul>
Stage 3	<b>Risk Mitigation Measures Establishment</b> <ul style="list-style-type: none"> <li>- Request corrective actions for each risk</li> <li>- Establish and support improvement plans</li> </ul>
Stage 4	<b>Monitoring and Continual Improvement</b> <ul style="list-style-type: none"> <li>- Strengthen sustainability through reassessment, training, and implementation monitoring</li> </ul>

## Value chain ESG Risk Management

To systematically assess environmental management risks, Daedong requires partners to submit an Environmental Pollution Prevention Agreement when signing contracts, in line with internal and external standards. This agreement outlines essential practices such as waste reduction, pollutant emission control, and environmental training.

During partner evaluations, hazardous substance management is included as an assessment item based on the Partner Evaluation and Action Standards. Daedong also reviews each partner's pollution prevention capabilities and ability to monitor pollution, reflecting these factors in the selection process.

### Partner Environmental Management Risk Assessment Process - Daedong



Daedong conducts systematic risk assessments for its partners as part of its shared growth program. Partners receive training to identify hazards, complete evaluations, and implement improvement plans based on the results. This process helps strengthen safety awareness and supports sustainable, mutually beneficial partnerships.

## Sustainable Value Chain

### Partner Selection and Evaluation

Daedong uses a unified DCP certification assessment<sup>1)</sup> for all partners. Existing partners undergo a regular evaluation every two years, with grades assigned based on performance and compliance status. New partners must have at least a B credit rating from a credit agency and achieve a tier 3 or higher in the DCP assessment to be approved.

1) DCP(Daedong Certified Partner) Certification assessment: A system that grants partner qualification based on a comprehensive management evaluation, including management, quality, delivery, cost, and environmental factors.

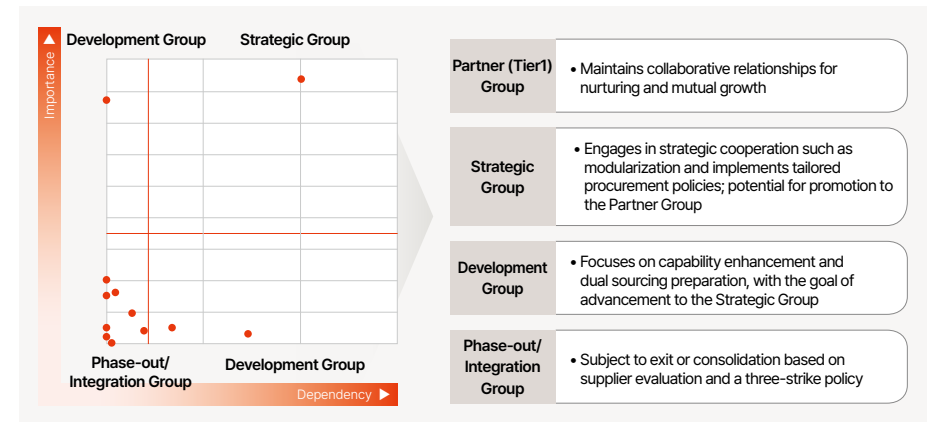
#### DCP Assessment Standards - Daedong

Category	Evaluation Section	Evaluation Items
Performance	Quality Section	Assembly defect rate
		Quality target achievement rate
		Production delay time (Due to component nonconformance)
	Development & Procurement Section	Production and material availability on-time delivery rate
		Production-line delay man-hours
		Financial stability
Operational	Quality Section	Cost reduction rate
		Management control, quality assurance management, process management, others
	Development & Procurement Section	Cost management
		Operational Management
	General	Others
	General	Hazardous substance management

#### DCP Grade Determination Criteria - Daedong

Tier	Tier 1	Tier 2	Tier 3	Tier 4
Score (pt)	90 or higher	80 or higher	70 or higher	Less than 70
Eligibility for New Registration		Yes		No

#### Partner Grouping Process via DCP Evaluation



Daedong's DCP certification assessment is applied to the infrastructure acquisition phase and value chain improvement process through modularization/integration - key strategic initiatives of the Procurement Headquarters. This assessment categorizes all suppliers into  $\Delta$ Partner Group  $\Delta$ Strategic Group  $\Delta$ Development Group  $\Delta$ Phase-out/Integration Group based on importance and business dependency, with 100% quantitative performance-based evaluations.

Suppliers achieving top grade (Tier 1) receive "Excellent Partner Certification". Conversely, suppliers receiving 'Tier 4' three consecutive times are classified as "Worst", triggering exit/integration measures and replacement with new suppliers. Daedong will continue proactively identifying and addressing supplier risks to ensure value chain stability and production continuity.

#### DCP Incentives and Penalties

Tier	Incentive	Penalty
Tier 1	- DCP Certification plaque award & 30% of payments made in cash - Prioritize new development projects	
Tier 2	- Maintain existing business relationship - Prioritize new development projects	
Tier 3	- Maintain existing business relationship - Eligible for new development projects	
Tier 4*		Suspension of new development projects

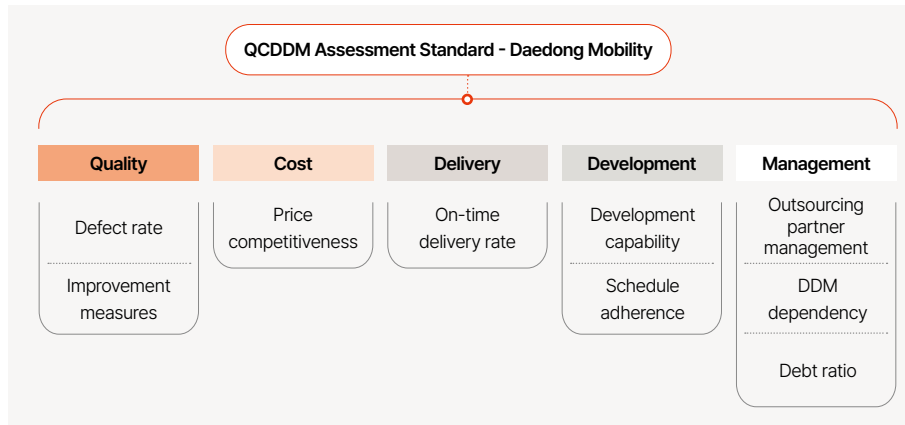
\* Three consecutive 'Tier4' is subject to phase-out/consolidation.



## Sustainable Value Chain

For new partners, Daedong Mobility determines eligibility based on a comprehensive evaluation involving the Purchasing Team, Parts Quality Team, and GM/LM Development Team. For existing suppliers, the Procurement Division conducts an annual evaluation based on QCDDM (Quality, Cost, Delivery, Development, Management) criteria to decide whether to maintain supplier status.

### Existing Supplier Assessment Method - Daedong Mobility



Daedong Gear revised its 2024 partner evaluation by placing greater emphasis on quantitative criteria—such as quality, line loss, credit rating, inspection accuracy, and ESG capabilities—rather than relying mainly on qualitative assessments like site visits. Suppliers are classified into six grades (S, A, B+, B, C+, C), with corresponding management directions and action plans established for each grade.

### Partner Management Strategy by Evaluation Grade - Daedong Gear

Grade	Management Direction	Action Plan
S	Key partner treatment, long-term contracts, strengthened cooperation	Priority partnership, technical collaboration, cost reduction discussions
A	Preferential treatment, quality improvement, S-grade promotion	Performance review, potential for increased supply
B+	Stable supplier monitoring, growth review	Quality monitoring, early risk response
B	Improvement of quality and delivery issues	Improvement requests, on-time performance review
C+	Risk management, reduce dependency	Issue assessment, improvement planning and monitoring
C	Improvement requests, consider order diversification	Quality and delivery improvement, supply diversification

Daedong Metals has implemented a structured partner evaluation system to improve overall product quality. Assessments are tailored by supplier type and may include document reviews, sample testing, or on-site audits. New suppliers are evaluated as needed, while existing suppliers undergo annual reviews each fourth quarter to determine continued eligibility. If any issues are found, corrective actions are requested, and suppliers with declining scores or low grades are notified to enhance quality management.

### Partner Assessment Criteria by Type - Daedong Metals

Partner Classification		Assessment Method	Assessed by	Approved by
Raw Material	Scrap metal, pig iron, etc.	1) Sample Assessment 2) Check list	Quality Procurement	Management Planning Team
Outsourcing	Cleaning, Cafeteria, Carcass disposal, etc.	1) On-site Assessment 2) Check list	Quality	Management Planning Team
Mold	New product development, prototypes, etc.	On-site Assessment	Development	R&D Team
Inspection & Calibration	Hazardous substances, test reports, etc.	Excluded (Document Review)	Quality	QA Team

### Compliance Assessment Criteria - Daedong Metals

Category	Assessment Criteria		Assessed by
Environmental	Environmental Sector		Environment Safety
Health & Safety	Health & Safety		Environment Safety
Quality Management	Quality Management	4M Management, Quality Control, Delivery Management	QA / Production / Development
	Process Inspection	Production Inspection (Assessment / 3Tei-5S*)	

\* 3Tei-5S: 3 Tei refers to Tei-ichi(Fixed Location), Tei-hin(Fixed Item), Tei-ryo(Fixed Quantity) and 5S refers to Seiri(Sort), Seiton(Set in order), Seiso(Shine), Seiketsu(Standardize), Shitsuke(Sustain)

### Grade Determination Criteria - Daedong Metals

Category	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Score (pt)	90 or higher	75~90	60~75	45~60	Less than 45
Initial Assessment Result	Partner Subject to Approval			Disqualified	
Follow-up Assessment Result	Qualified			Attention	Disqualified

## Sustainable Value Chain

### Strengthening Communication with Partners

Daedong Group promotes mutual growth through close cooperation with partners and suppliers. We host an annual Partnership Day and run communication programs for overseas dealers, including those in Europe.

Daedong Mobility holds annual policy briefings for partners to share mid- to long-term business plans and directions. The company also introduces operational strategies and policies from the Purchasing, Quality, and Production divisions. In January 2024, a successful briefing was held at the Changnyeong Vision Campus with participation from 83 partner companies.



Supplier Convention - Daedong Mobility

Daedong Gear holds an annual Partnership Day to share its mid- to long-term business vision and key policies from departments such as Purchasing, Quality, and Production. In March 2024, 53 partner companies participated, and five were recognized as outstanding partners.



2024 Partnership Day - Daedong Gear

Daedong Metals holds monthly Partnership meetings with partners to discuss support measures and current issues, and to address concerns and suggestions.

## ESG Highlight

### Initiatives to Strengthen Partner Communication - Daedong

#### Family Day for Outstanding European Dealers

The Family Day for European dealers strengthens partnerships between Daedong and its dealers, who play a key role in promoting Daedong's technology and facilitating international exchange.



#### 2024 Partnership Day

At the 2024 Partnership Day, Daedong shared its mid- to long-term business strategies and purchasing and production policies with partners. Outstanding partners were recognized, and ideas were exchanged to improve production efficiency.



#### Visiting Partners with Daedong Cafés

In August 2024, Daedong held the "Daedong Café" program, visiting 11 top partners in modules, engines, electronics, and casting to provide refreshments and gather feedback. This initiative was designed to thank partner employees working in hot conditions and to listen to their concerns.



Sustainable Value Chain

Health and Safety for Partners

Health and Safety Consultation for Partners

With the Serious Accidents Punishment Act now covering workplaces with fewer than 50 employees, Daedong enhances health and safety risk management for partner companies. Through participation in the government's safety cooperation program, we support partners in building a strong safety culture and effective systems to prevent serious accidents.

2024 Health and Safety Cooperation Program Results - Daedong

Category	Number of Partners Supported	Support Details
Health & Safety Consultation	2	Comprehensive inspections, technical guidance, result reports
Safety Equipment Support	2	Protective gear, safety signs, banners, etc

Partner Health and Safety Evaluation and Inspection

In 2024, Daedong Gear conducted its supplier evaluation using a revised approach that significantly strengthened the influence of quantitative criteria—such as quality, line loss, credit rating, inspection accuracy, and ESG capabilities—over traditional qualitative factors like on-site visits. The evaluation was carried out using six rating categories: S, A, B+, B, C+, and C. Based on these ratings, the company established corresponding management directions and action plans.

Partner Health and Safety Qualification Assessment Items - Daedong

Assessment Area	Detailed Items	Key Evaluation Criteria
General	Roles and responsibilities of members	Organization and defined roles/authorities
Implementation Level	Risk assessment for contracted work	Evaluation regulations and records
	Safety inspection and monitoring	Pre-inspection checklist items
Operational Management	Health and safety training plan and record management	Establishment and implementation of training plans
	Hazardous materials and equipment management	Work procedure and risk level identification
Occupational Accident History	Emergency response measures	Establishment and implementation of response plans by accident types
	Occupational accident record for the past 3 years	Maintenance of zero-accident record

Follow-up Actions by Evaluation Result - Daedong

Grade	Score (pt)	Action Details
A	90 or above	Incentives (extra points for next contract)
B	60 or above	Contract Maintenance
C	Less than 60	Implementation of Improvement Plan (submission and re-evaluation after a set period)
D	Less than 30	Partner Reassessment (for significant improvements needed; subject to review for continued partnership)

These actions strengthen partners' health and safety capabilities and support Daedong's ESG goals. Assessment results will guide future partner selection and determine the level of support, such as consulting, training, and follow-up inspections.

Daedong Gear prevents industrial accidents by supporting partners with risk assessments and health and safety technical assistance. Safety practices are evaluated semi-annually, and outstanding partners are recognized and rewarded each quarter.

Partner Risk Assessment and Safety Support Schedule - Daedong Gear

Category	Details	Action Plan (Month)												Remarks
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
ESF Support System	Follow-up on safety improvements		●		●		●		●		●		●	
Risk Assessment	Support for KOSHA applications and risk assessment training				●	●	●							Ongoing Support
Meetings	Broader council meeting participation			●			●			●			●	Safety Manager Council Participation
Training	Regular and special safety training			●			●			●			●	Once / Quarter
	Safety signage installation and promotion	●			●			●			●			
Partner Evaluation	Subcontractor safety evaluation and re-evaluation						●						●	
Integrated Accident Rate Management	Management of industrial accident indicators						●						●	

Sustainable Value Chain

In June 2024, Daedong Metals conducted quarterly health and safety assessments for partners, with enhanced monitoring as the Serious Accidents Punishment Act now applies to workplaces with five or more employees. Each partner's compliance with mandatory requirements is reviewed, aiming at maintaining a health and safety score of 80 points or higher.

Partner Health and Safety Key Evaluation Indicators - Daedong Metals

Category	Evaluation Indicator
Health and Safety Management System	Establishment of Health and Safety Policy and Goals
	Appointment of Management Supervisor
	Health and Safety Budget Planning and Execution
	Participation Rate in In-house Subcontractor Council
Safety Training	Health and Safety Training
	Management Supervisor Training
	Supervisor Training
Accident Prevention Activities	Mandatory Reporting of Industrial Accidents
	Number of Industrial Accidents
	Conducting Risk Assessments
Health Check-ups	Conducting Employee Health Check-ups

Shared Growth with Partners

Training Support for Partners

Daedong offers a range of training programs to promote mutual growth and strengthen the business and technical capabilities of its partners. These include practical courses on process system design, failure analysis, and process management, as well as quantitative analysis methods such as cost management, quality data analysis, and Power Query statistics to reduce costs and improve production efficiency.

In February 2024, Daedong Mobility held two briefing sessions on hazardous substance regulations for partners, attended by 130 representatives from 102 companies. To help partners enhance their environmental management of chemicals, the sessions covered regulatory guidelines, practical response strategies, and training on IT systems for hazardous substance management.

Partner Training Support Performance - Daedong

Course Name	Training Hours (hours)	Participants (persons)
Process System Design and Failure Analysis Course	14	24
Practical Process Management and Statistical Analysis	14	24
Practical Purchasing Cost Management	30	69
Big Data Power Query and Statistical Analysis	14	15
Quality Management Innovation Activities	14	23
Practical Quality Data Analysis Course	14	22
Total	100	177

Environmental Response Capability Enhancement Training for Suppliers - Daedong Mobility

**Hazardous Substance Management and Regulatory Briefing**

Participated Partners


102 companies

Number of Attendees

128 persons

Location

Daegu & Anseong



Environment Training Program for Employees of Partner Companies

Financial Support for Partners

In 2024, Daedong Gear introduced the "Shared-Growth Network Loan" program with the Korea SMEs and Startups Agency to support partners. This program allows recommended partners to access production funding with minimal documentation. Partner response and satisfaction have been very positive, leading to plans for expanded use.

2024 Shared Growth Network Loan Results - Daedong Gear

**2024**

Partners Supported

5 companies

Amount

KRW 2.17 billion

**2025 Feb. - Mar.**

Partners Supported

12 companies

Amount

KRW 8.35 billion



## Customer Value Maximization

Daedong Group recognizes that customer satisfaction and trust stem from quality. Our top priority is to maintain the highest quality throughout development, production, and use. We are committed to improving efficiency and transparency so that a wide range of customers can benefit from our products and services of highest quality that we offer.

### Driving Quality Innovation

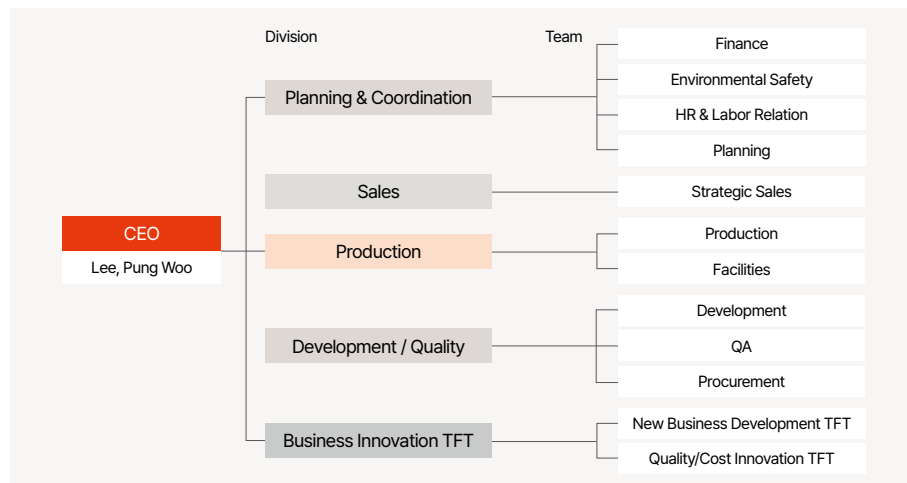
Daedong Group prioritizes quality at every stage, from development to production and use. The Quality Assurance Division oversees hazardous substance management, regulatory compliance, and claims analysis, while continuous monitoring supports ongoing product improvement. Core strategies include streamlining quality management, advancing verification technologies, and reducing 'quality failure costs'. By strengthening the QMS and implementing real-time monitoring, Daedong aims for early quality stabilization and a foundation for global leadership. Targeted inspections based on market feedback further enhance quality controls for components and finished products.

Daedong Mobility has embedded the Quality Core Tool into its proprietary Production Part Approval Process (PPAP), following internal review of its objectives and implementation strategy. This initiative aims to stabilize quality throughout the company and its partners. Ongoing efforts include building technical expertise and hosting briefings for partners on PPAP requirements and standardized quality management practices.

Daedong Gear's quality management policy is anchored in customer satisfaction. To strengthen quality in automotive components, the company established a second cross-functional task force team(TFT) to enhance collaboration and accelerate quality improvements across the organization.

Daedong Metals has launched a dedicated team for quality and cost innovation to assure product reliability and competitiveness through advanced technologies.

### Quality Management Organization Chart - Daedong Metals

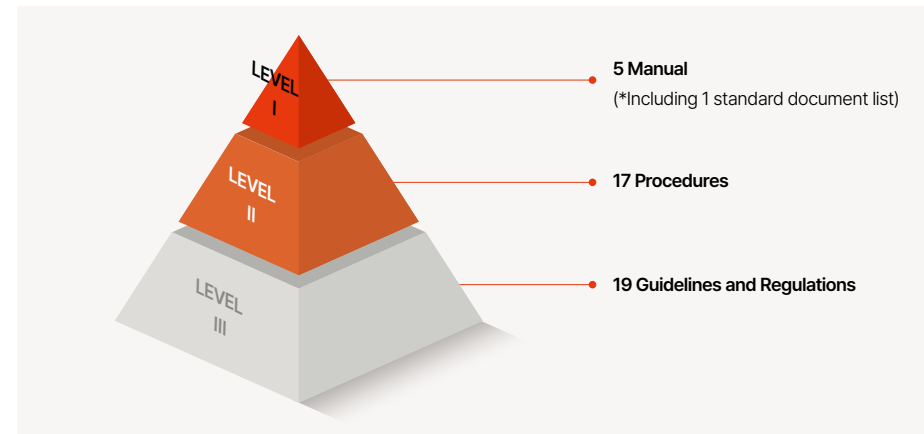


### Quality Management Certification

Daedong Group obtained global certifications for its quality management systems, ensuring continuous quality control and high customer satisfaction. With ISO 9001 and IATF 16949 certifications, Daedong systematically maintains product and service quality, strengthening competitiveness and customer trust.

Daedong Mobility operated a company-wide process TFT for one year to attain ISO 9001 certification, involving all departments. This effort led to the establishment and revision of 41 quality management system standards.

### Quality Management System Structure - Daedong Mobility



#### ISO 9001 Certification

Daedong,  
Daedong Mobility,  
Daedong Gear,  
Daedong Metals



#### IATF 16949 Certification

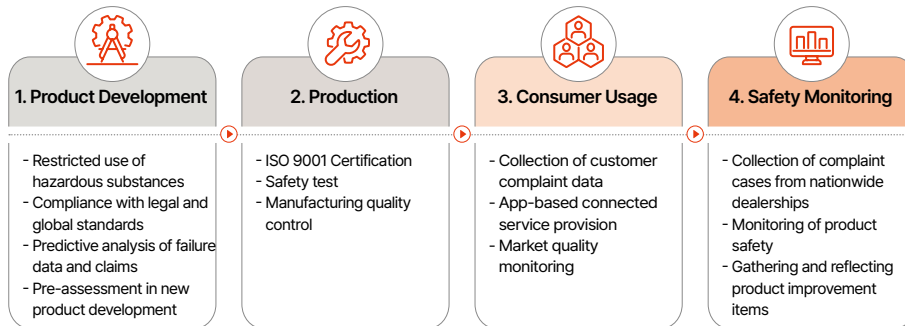
Daedong Gear,  
Daedong Metals



## Customer Value Maximization

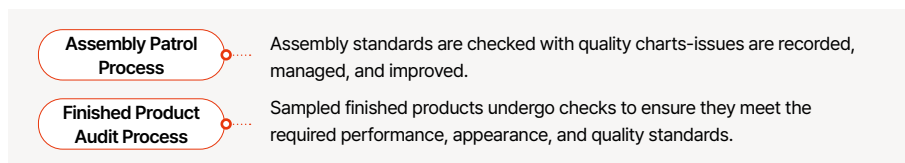
### Quality Management Process

Daedong Group has redefined its quality management processes to drive product innovation. From development and production to end use, the company conducts hazardous substance checks, safety testing, ongoing monitoring, and post-market management. These efforts ensure continuous quality improvement and strengthen customer trust.



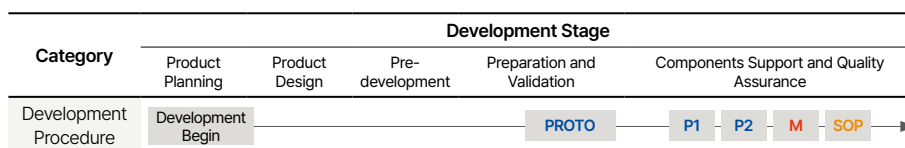
Daedong Mobility conducts annual partner evaluations and joint inspections with the procurement team. Partners with frequent quality issues—based on delivery volume, characteristics, and in-line defect PPM—are designated for focused management. These partners receive close quality guidance through a “Quality Consistency Master Plan” and monthly site visits.

#### Audit & Patrol System - Daedong Mobility



Daedong Gear conducts weekly part evaluations to ensure consistent product quality and prevent defects. For new components and modules, Q-GATE assessments are carried out at each stage before PROTO and PILOT production to identify and address potential issues early. Product design quality is thoroughly verified, and readiness for mass production is carefully reviewed to ensure robust design control and manufacturability.

#### Q-GATE Evaluation - Daedong Gear



Daedong Metals has established formal processes for resolving customer complaints and for new product development. For molded products developed to customer specifications, quality is verified at each stage through preventive design measures (FMEA) and simulation analysis (MAGMA) to ensure mass production quality.

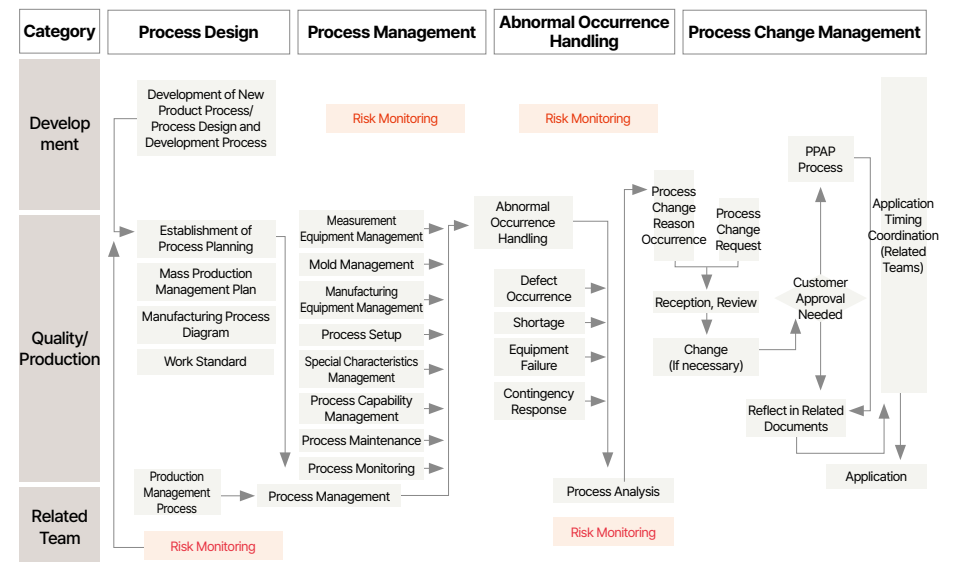
#### Complaint Management Process - Daedong Metals



### Quality Risk Management

Daedong Metals systematically manages all quality risks throughout the manufacturing process. Risk management procedures are applied from process design to control, incident response, and process changes, with thorough monitoring at each stage. Issues are classified by frequency and severity, and response measures are implemented accordingly.

#### Quality Risk Management Process - Daedong Metals





## Customer Value Maximization

### Internal Quality Improvement Programs

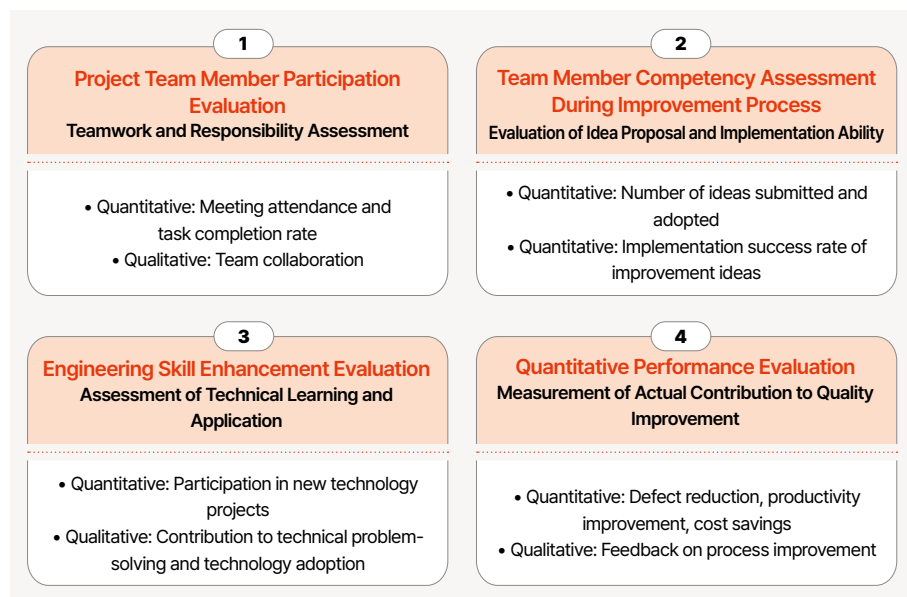
#### Quality Training Support

Daedong Mobility supports employee training through its “Quality Master Training Plan”, focusing on technical skills and parts quality. In February 2024, seven quality team members became certified internal ISO 9001 auditors. This year, additional training in APQP & FMEA and direct routing management will further strengthen in-house quality capabilities.

#### Product Improvement Idea Rewards

Daedong Metals launched the “Q-Cast Incentive” program in 2025 to encourage engineers to participate in product improvement. This system rewards employees who help reduce defect costs by improving underperforming products. Results from each improvement project are reported monthly at quality meetings, and incentives are awarded quarterly based on project outcomes. Participation, collaboration, commitment, and measurable results are all fairly evaluated to determine benefits. Through this initiative, Daedong Metals actively leverages employee expertise to enhance product and service quality, drive innovation, and strengthen its global competitiveness.

#### Product Quality Improvement Idea Reward System - Daedong Metals

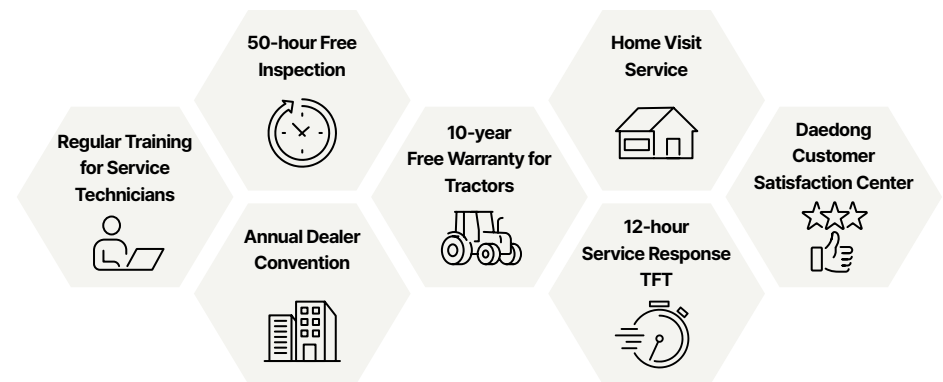


### Customer Satisfaction Enhancement Activities

#### Customer Satisfaction Service

Daedong operates a special service team and the largest network in Korea, spanning 50 regions across 8 provinces. The company provides free customer care, including premium home visits for select products with 12 key checks, and is the first in the industry to offer a 10-year free warranty on tractor engines and transmissions. After 50 hours of use, essential consumables are inspected and replaced at no cost. A dedicated team ensures all repairs are completed within 12 hours of receiving a fault report. Daedong also holds annual dealer conventions and provides regular training to service technicians to strengthen expertise. Through these industry-first initiatives, Daedong is committed to delivering the highest level of customer satisfaction.

#### Premium Customer Service Items



#### Minimization of Cost of Poor Quality (CoPQ)

Daedong Gear has implemented a Cost of Poor Quality (CoPQ) system, setting clear annual targets for each category's quality improvement and stabilization. The company prioritizes preventing production defects to reduce risks and losses from poor quality. For example, gear profile measurement activities help minimize errors by standardizing measurement methods, ultimately increasing product reliability and customer trust.



Customer Value Maximization

Customer Satisfaction Surveys

Daedong Mobility conducts an annual customer satisfaction survey with selected overseas clients. In 2024, the survey covered eight companies with direct transactions and evaluated quality (product quality, quality improvement, packaging) and service (manuals, service support, warranty claims, service bulletins<sup>1)</sup>). Daedong Mobility uses this feedback to continuously improve product and service quality.

Customer Satisfaction Survey Results (2024) - Daedong Mobility (10pt Scale)

Quality			Service				Total
Product Quality	Quality Improvement	Packaging Quality	Manual	Service Support	Warranty Claims	Service Bulletin	
8.14	8.40	8.38	8.25	8.86	7.65	8.43	8.22

1) Service Bulletin: Technical information related to insurance, service, or major design and quality issues is compiled into Service Bulletins, shared with clients, tracked, and managed as confidential.

Daedong Metals conducts an annual customer satisfaction survey for client purchasing managers. In 2024, the survey targeted the top seven companies by sales share. The purpose is to gather customer feedback, identify ways to improve service quality, and address complaints systematically, thereby strengthening the foundation for new orders.

Survey topics include quality, development, sales, and delivery satisfaction. In 2024, Daedong Metals achieved an overall satisfaction score of 4.2 out of 5. The company will continue to use these survey results to drive improvements, enhance customer trust, and pursue ongoing product quality advancement.

Customer Satisfaction Survey Results (2024) - Daedong Metals (5pt Scale)

Quality Satisfaction	Development Satisfaction	Sales Satisfaction	Delivery Satisfaction	Total
3.9	4.3	4.3	4.2	4.2

Customer VOC Status Identification

Daedong Mobility identifies improvement areas for each survey item based on customer satisfaction survey results and incorporates these into overall business operations to enhance product and service quality.

Key Improvements Status (2024) - Daedong Mobility

Item	Issue	Improvement Measure
Product Quality, Quality Improvement	Need for functional and quality improvements by model	Monthly quality and market quality meetings
Packaging Quality	(Newly introduced evaluation item)	Continuous monitoring
Manual	Request for multilingual support	Support for five languages in new product development
Service Support	(Top-rated item)	Service policy renewal and competency enhancement
Warranty Claims	Inconvenience using SAP system in Europe/other countries	- Europe: ERP introduced in March 2025 - Other countries: CRM data registration and online training
Bulletin	Request for clear solutions and distribution	Rapid identification of quality issues, bulletin distribution, and campaign implementation

Daedong Metals identifies the causes of any decline in customer satisfaction scores compared to the previous year and establishes improvement measures to continuously enhance product and service quality.

Key Improvements Status (2024) - Daedong Metals

Item	Issue	Improvement Measure
Quality Satisfaction	Failure to secure initial mass production quality	Strengthen quality verification processes, reinforce improvement of chronic defects, and share the results of improvement effectiveness with customers
Development Satisfaction	Delays in stabilizing initial quality of new development products	Enhance quality verification at early development stage
Sales Satisfaction	Lost orders due to high costs	Expand new orders by securing cost competitiveness
Delivery Satisfaction	Delivery delays caused by slow quality improvement	Promote higher delivery satisfaction through stronger quality improvements

## Local Communities

Daedong Group operates various social contribution programs and activities to fulfill its corporate social responsibility.

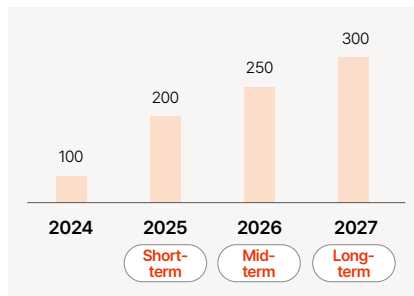
The Group is committed to mutual growth with local communities and therefore continues to engage with stakeholders to create social value.

### Establishing Social Contribution Goals

Daedong Group has set a three-year plan to strengthen social responsibility, aiming to increase annual donations by about KRW 50 million from the current KRW 170 million. (Short-term: KRW 200 million by 2025, mid-term: KRW 250 million by 2026, long-term: KRW 300 million by 2027.) This will allow for more systematic and effective support for underserved groups in the local community.

#### Social Contribution Goal - Daedong Group

(Unit: KRW Million)



#### Social Contribution Strategy\* - Daedong Group

##### Article 30. Social Contribution Activities\*

1. Ensure and actively support employees' participation in social and volunteer activities, contributing to local community development.
2. Support cultural, artistic, and sports activities, and strive to preserve traditional culture.

\* Article 30, Social Contribution Activities, Chapter 8 (Ethics in Environment and Society) of the Code of Ethics.

### Social Contribution Activities

#### Startup Open Innovation Program

Daedong Group held a Startup Open Innovation Program with Daegu Center for Creative Economy & Innovation in 5 areas including smart farming and robotics. The two finalist winners received KRW 40 million in support, business department matching, mentoring, test beds for immediate technology application, and opportunities for further business collaboration. Daedong Group will continue to promote mutual growth with promising startups through technology partnerships.



Contribution through Startup Open Innovation Program

#### Donation of Agricultural Machinery in Africa

Daedong visited Cape Verde as part of the Ministry of Trade, Industry and Energy's economic delegation and signed an agreement with the Ministry of Agriculture and Environment to provide agricultural machinery free of charge. In March 2024, Daedong supplied various equipment—including a 90-horsepower tractor, cultivator, plow, and rotary—worth about KRW 200 million.



Donation of Agricultural Machinery to Cape Verde

#### Free Rental of Agricultural Machinery for Wildfire-affected area in North Gyeongsang Province

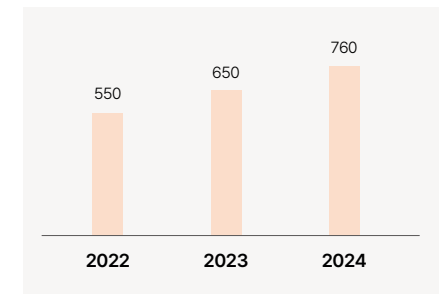
Daedong, in cooperation with agricultural technology centers and local governments in Andong, Uiseong, Cheongsong, Yeongyang, and Yeongdeok, provided 49 agricultural machines—including 10 tractors, 20 cultivators, and 20 transport robots—for free rental to wildfire-affected farmers until the end of 2024. The equipment was supplied sequentially to actively support farmers' prompt return to work.

#### Supporting Vulnerable Groups in the Local Community

Daedong Metals values mutual growth with the local community and pursues various social contribution activities through voluntary employee participation. Each year-end, the company and employees make matching donations to the Dalseong Welfare Foundation, supporting vulnerable groups and improving local welfare. This fosters a sustainable culture of shared responsibility between the company and its employees.

#### Donation Status - Daedong Metals

(Unit: KRW 10,000)



Local Communities

Local Community Risk Management

Daedong Group takes its impact on local communities seriously and strives to fulfill its social responsibilities for sustainable development with local communities. The Group systematically identifies and manages social risks in the supply chain and surrounding areas, regularly monitoring effectiveness of risk controls.

Local Community Risk Management Process

1 Local Community Risk Identification and Key Risks

1) Identification Process

- Ongoing review of potential community risks across all operations
- Occasional discussions with departments and stakeholders
- Use of resident concerns and partner/environmental feedback

2) Identified Key Risks

Category	Identified Risks	Affected Group	Scope of Impact
Environment	Potential water and air pollution from waste disposal	Nearby residential areas, ecosystem	Within 3km radius of the site
Safety	Loss of community trust due to partner accidents	Partners, local residents	Entire supply chain
Employment	Potential conflict from lack of local hiring	Local job seekers, local governments	Headquarters and production sites
Health	Health issues from noise and dust	Densely populated residential areas	Surrounding community near the facility

2 Risk Assessment and Mitigation Measures

Category	Mitigation Measure	Scope of Impact
Environment	Strengthen eco-friendly waste outsourcing	Achieve 100% outsourcing to certified firms; expand frequency of water/air quality monitoring
Safety	Conduct health and safety consulting for partners	Provide risk assessment guidance and protective equipment to partners
Employment	Implement local hiring priority policy	Promote local economic growth and job creation (Invest about KRW 180 billion by 2026, create 800 jobs including partners)
Health	Install additional noise and dust reduction equipment	Install equipment such as dust collectors and soundproof walls

3 Mitigation Measures Effectiveness Assessment

Each mitigation measure is quantitatively analyzed for pre- and post-risk levels to assess improvement.

Category	Initial Risk Level	Residual Risk Level	Key Outcome
Environment	High	Medium	Zero environmental law violations or citations
Safety	Medium	Low	Zero partner industrial accidents or lost-time injuries, 100% safety training completion
Employment	Medium	Medium	Selected as a 2024 Daegu Metropolitan City Employment-Friendly Company
Health	High	Medium	Zero resident complaints



Employment-Friendly Company Certification awarded by Daegu, Republic Korea, 2024 - Daedong

4 Future Plan

- 1) Quantitative evaluation system upgrade : Link risk change indicators to ESG KPIs.
- 2) Strengthen collaboration with local governments and communities : Establish consultative bodies and ongoing feedback systems.
- 3) Enhance partner cooperation : Expand health and safety support programs.

# Governance

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# Ethics & Compliance Management

Daedong Group strives to foster a culture of transparency and accountability by embedding ethical principles, legal compliance, and social responsibility into the core of its business activities. The Group continuously monitors unethical conduct across all business operations to ensure its adherence to high ethical standards and principles.

## Ethics Management System

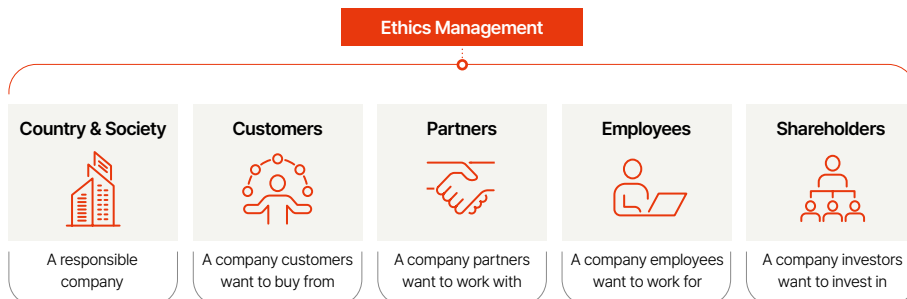
Daedong Group is committed to fostering a culture of transparency and accountability by fulfilling ethical principles, legal compliance, and social responsibility in its business activities. This commitment ensures fairness and transparency across all business activities, supporting mutual growth and sustainable development with stakeholders, including employees, customers, shareholders, partners, and local communities.

To foster ethical conduct, Daedong has established a Code of Ethics and offers various programs, such as ethics and compliance training. An Ethics Reporting Center is also in place, creating an environment where all employees can practice ethical behavior and helping to build a strong culture of ethical management.

Daedong Mobility has implemented an ethics management system that prioritizes fairness and transparency. The company operates a Cyber Reporting Center, which allows both anonymous and identified reports, to maintain a clean and healthy corporate culture. Daedong Mobility remains committed to fulfilling its ethical responsibilities as a member of society.

Similarly, Daedong Gear has established an ethics management system to lead and promote a culture of ethical conduct. The Strategic Planning Team oversees the development and management of practical policies and procedures aligned with management's ethical guidelines. Regular evaluations are conducted to ensure compliance with the Code of Ethics among employees and stakeholders, with prompt investigations and corrective actions taken in case of violations. The Strategic Planning Team also operates a Cyber Reporting Center, accessible by phone and online contact channel, to help maintain a healthy work culture.

## Ethical Management Framework

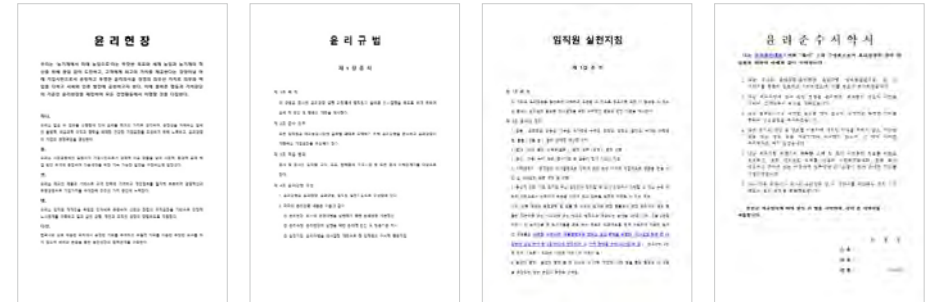


## Cyber Reports Channel

- Daedong Cyber Reports
- Daedong Mobility Cyber Reports
- Daedong Gear Cyber Reports
- Daedong Metals Cyber Reports

## Code of Ethics

Daedong Group has established a Code of Ethics to guide all employees in ethical conduct. The Code includes the Charter of Ethics, Code of Ethics, Employee Code of Practice, Ethics Compliance Pledge. By following these standards, Daedong Group aims to build a healthy corporate culture and develop global leadership.



Charter of Ethics, Code of Ethics, Employee Code of Practice, Ethics Compliance Pledge - Daedong Group

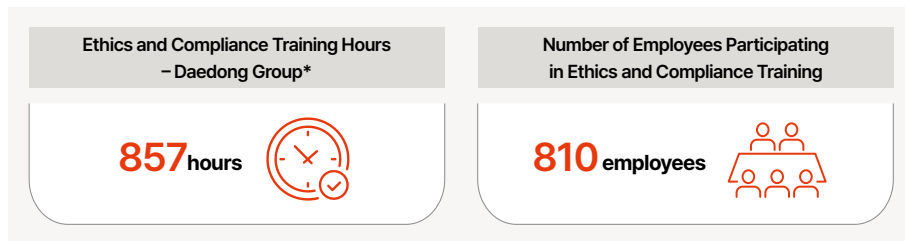


## Ethics & Compliance Management

### Ethical Management Activities

#### Ethics Education

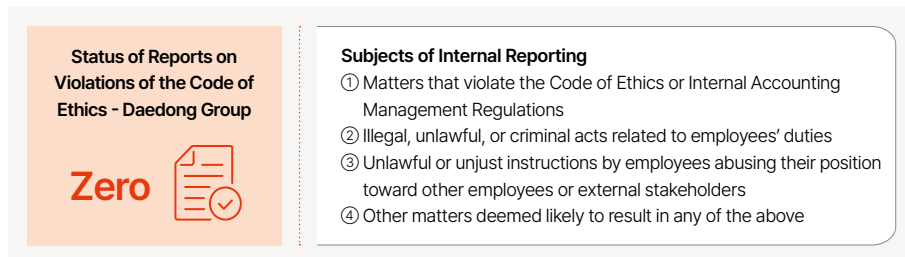
Daedong Group provides quarterly ethics training to embed ethical awareness among all employees. Training covers topics such as the importance of ethics, workplace harassment, and fair trade. Video materials are also used for easier understanding. Daedong Group will ensure strong ethical culture and high awareness company-wide.



\* For Daedong Mobility, ethics and compliance training was not conducted in 2024.

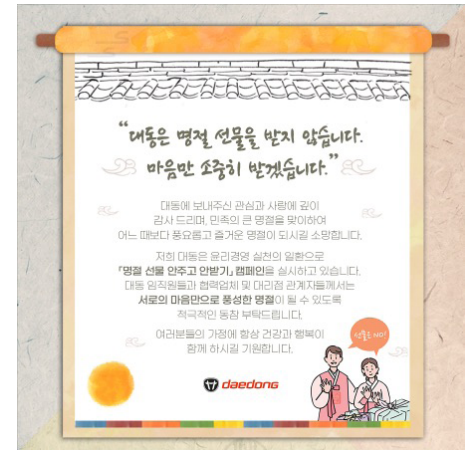
#### Operation of Internal Reporting System

Daedong Group operates multiple reporting channels (website, phone, email, mail, etc.) to make it easy for employees to report unethical conduct. All reports are handled with strict confidentiality. In accordance with Article 16 of the Code of Ethics, whistleblowers are protected from any disadvantage if their identity is disclosed, with appropriate measures taken to ensure their safety.



#### Strengthening Awareness of Ethics Management

Daedong implements a "No Giving or Receiving Holiday Gifts" campaign to prevent bribery activities and violations of ethical standards related to exchanging gifts with stakeholders. The company also conducts a "No Double Employment" campaign to strengthen employees' awareness of ethics management.



"No Giving or Receiving Holiday Gifts" Campaign - Daedong



Ethics & Compliance Management

Compliance Management System

Daedong Mobility strictly complies with regulations and laws related to fair subcontracting and fair trade, such as the Fair Transactions in Subcontracting Act, and Monopoly Regulation and Fair Trade Act. It has introduced standardized basic contracts that clearly define fair pricing, agreed delivery procedures, and quality assurance throughout the transaction process. Detailed contract terms help prevent unfair practices and promote a cooperative supply chain.

Daedong Gear has implemented fair-trade regulations and ensures all employees strictly follow them. It conducts annual rigorous checks on compliance principles and prohibitions against unfair trade to embed fair trade as a sustainable corporate culture.

Daedong Metals builds trust with partners through fair-trade agreements and strict compliance with subcontract-related regulations. It uses standard contracts, fair pricing, and delivery procedures to ensure transparency. Internal review committees and dispute resolution processes prevent unfair trade. The company also provides partners with technical assistance, training, and joint purchasing programs. In 2024, it signed fair trade agreements with five outsourcing partners and plans to continue fostering a fair-trade culture for sustainable growth.

Operation of Compliance Officers and Support Organizations

Daedong Group designates a compliance officer or compliance support organization for each affiliate and discloses their activities in the business report, systematically monitoring adherence to compliance control standards.

Compliance Officer

Company Name	Compliance Officer	Appointment Date	Current Position
Daedong	Yang, Seung Seol	2023.11.14	Team Leader of RISK Management Team - Daedong

Compliance Management Activities


Fair Trade

Daedong Gear has established the “Four Key Subcontracting Practices” in accordance with the Fair-Trade Commission's administrative rules and has included them as mandatory clauses fair trade agreements, fostering a culture of fair and transparent transactions. Daedong Gear will continue efforts to expand a fair trade and co-prosperity ecosystem.

Daedong Metals ensures responsible management by strictly excluding anti-competitive practices when purchasing essential raw materials, thereby creating a fair bidding environment. In 2024, monthly bids for ferroalloys were held, and orders were distributed based on set criteria when one or three lowest bidders were selected.

Ethics and Compliance Management Newsletter

Daedong selects and shares the latest news articles related to cases of ethics and compliance violations with employees every two weeks. Each article is provided with a title and link, along with a summary to enhance accessibility and understanding. Additionally, insights for each article are included in the newsletter to offer diverse perspectives and in-depth information.





## Risk Management

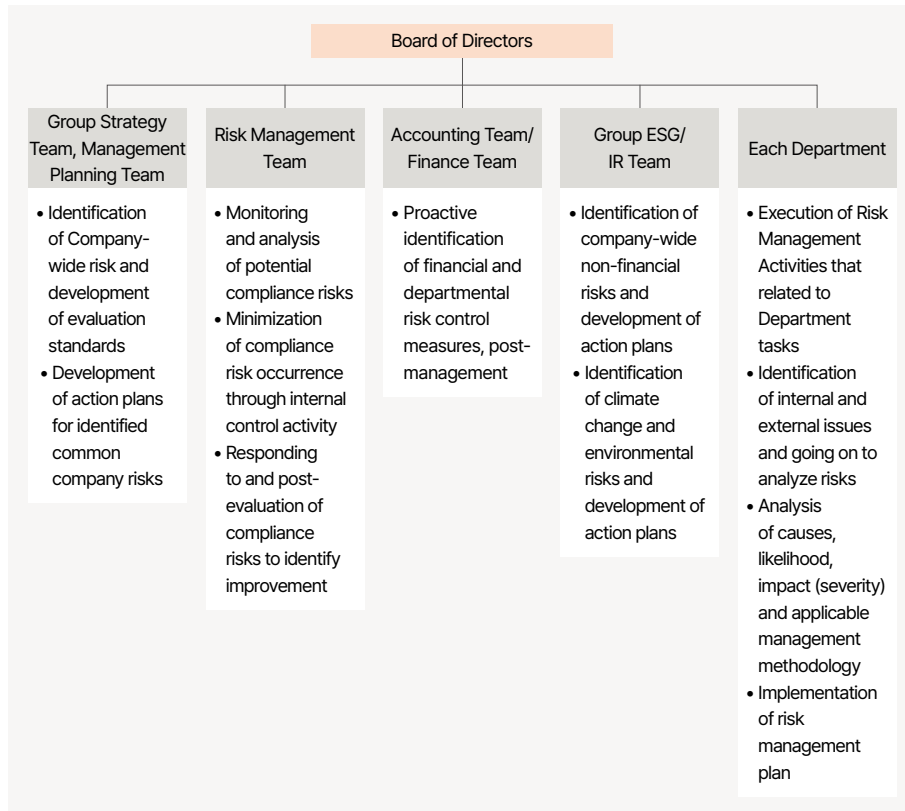
Daedong Group continuously monitors and manages both financial and non-financial risks across its operations.

Daedong has established risk management processes that systematically cover risk identification, response, and post-management.

### Risk Management System

Daedong systematically identifies and manages potential financial and non-financial risks across its business operations. To build an integrated risk management system, we have established comprehensive risk management regulations. We focus particularly on quality management, environmental, and occupational health and safety risks within the manufacturing and technology sectors. Depending on the type of risks, we assign dedicated departments to oversee management activities. This approach enhances our ability to identify both opportunities and risks, builds stakeholder trust, prevents financial and non-financial losses, and minimizes the likelihood of incidents.

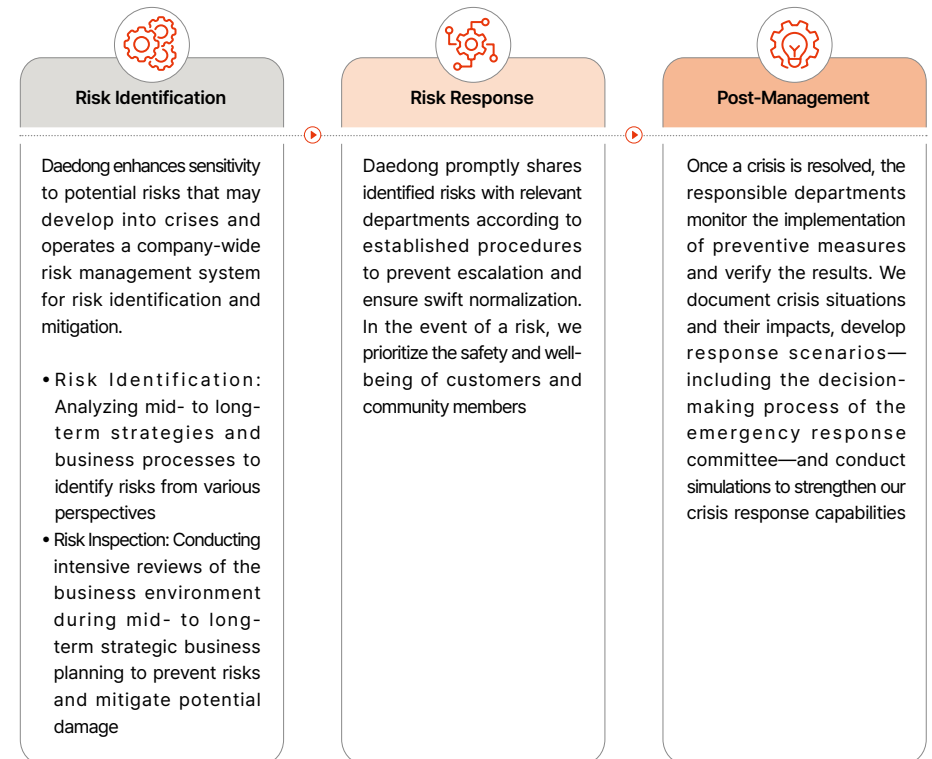
#### Risk Management Organization - Daedong



### Risk Management Plan

Daedong enhances sensitivity to potential risks that may develop into crises and operates a company-wide risk management system for effective risk identification and mitigation. When a risk occurs, information is promptly shared with relevant departments according to established procedures. After the crisis, these departments monitor the implementation of preventive measures and verify the outcomes.

#### Risk Management Process - Daedong





## Board Operation

Daedong Group operates its Board of Directors transparently and in accordance with its articles of incorporation. The CEO chairs the board, which reviews and decides key management issues. With independent directors and subcommittees, Daedong ensures fair decision-making, strong governance, and sustainable growth.

## Board Composition

### Daedong

Daedong's Board of Directors consists of seven members—three executive and four independent directors. The Independent Director Candidate Recommendation Committee thoroughly reviews candidates' backgrounds and expertise, ensuring independence by excluding those with special interests. Executive director candidates are also evaluated for experience, expertise, and any conflicts of interest. All candidates are strictly screened for legal qualifications before being recommended to the shareholders' meeting. These procedures ensure a balanced and effective board for sound decision-making and oversight.

### Members of the Board of Directors - Daedong

Position	Name	Key experience	Term	Notes
Executive Director (Co-CEO, Chair)	Kim Jun Sik	Executive Vice President, Director of Planning and Coordination, Korea University	2028.03.26	
Executive Director (Co-CEO)	Won Yu Hyun	KT Managing Director of Future Convergence Business Promotion, George Washington University Graduate School	2026.03.29	
Executive Director (Full-time)	Lee Jong soon	Director of the Daedong Research Institute, Factory Chief of Daedong Gear, Director of Planning and Coordination, Seoul National University	2027.03.28	
Independent Director	Kim Hyung Joon	Honorary Chair Professor at Pai Chai University, Ph.D. in Political Science from the University of Iowa, USA	2027.03.28	
Independent Director	Cho Yong Ho	Director of Nexia Samduk Accounting Corporation, Partner of Deloitte- Anjin Accounting Corporation	2027.03.28	Accounting Expert - Chairperson of Daedong's Audit Committee <sup>1)</sup> - Certified Public Accountant (CPA)
Independent Director	Kim Chang Bong	Dean for the College of Business and Economics at Chung-Ang University, Ph.D. in Business Administration from Chung-Ang University	2027.03.28	
Independent Director	Lee Sang Bin	Professor Emeritus at the Department of Business Administration, Hanyang University Business School, Civilian Member of the National Economic Advisory Council, Ph.D. in Business Administration from New York University	2027.03.28	Accounting Expert - Daedong Audit Committee Member <sup>2)</sup> - M.A. in Economics, 3 years as Administrative Officer, Ministry of Finance, 3 years at Korea Economic Research Institute

1), 2) Audit Committee Qualification: Master's degree or higher in accounting or finance, plus at least five years' experience as a researcher or assistant professor (or above) in the field.

## Board Operation

### Board Operation

In 2024, Daedong's Board of Directors convened 15 times, addressing 71 resolutions and reports, with an average attendance rate of 98%. The Board of Directors passed on not only matters legally requiring resolutions, but also key management issues directly related to business strategy, finance, and ESG management, such as the revision of executive compensation regulations and the approval of safety, health, and environmental plans. Daedong remains committed to agile, board-driven decision-making and high engagement, supporting sustainable management and building stakeholder trust.

#### Board Meetings - Daedong

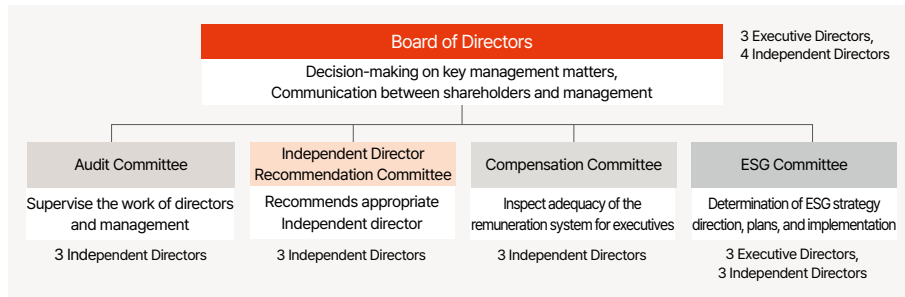
No.	Agenda		Approved/ Rejected	Regular/ Ad-hoc	Meeting Date	Notification Date	Attendance/ Total
	Category	Details					
1	Resolution	Resale of Convertible Bonds	Approved	Ad-hoc	2024.01.08	2024.01.03	6/6
	Resolution	Acquisition of Shares in Korea Economic TV Co., Ltd.	Approved	Ad-hoc	2024.01.08	2024.01.03	6/6
2	Resolution	Approval of the 77 <sup>th</sup> Financial Statements and Business Report	Approved	Regular	2024.02.07	2024.01.31	6/6
3	Resolution	Issuance of the 49 <sup>th</sup> Unsecured Private Bonds	Approved	Ad-hoc	2024.02.26	2024.02.21	6/6
4	Resolution	Convening the 77 <sup>th</sup> Annual General Meeting & Cash Dividend	Approved	Regular	2024.03.13	2024.03.13	6/6
	Resolution	Establishment and Operation of New Committee	Approved	Regular	2024.03.13	2024.03.13	6/6
	Resolution	Revision of Executive Management and Compensation Regulations	Approved	Regular	2024.03.13	2024.03.13	6/6
5	Resolution	Approval of Treasury Stock Disposal	Approved	Regular	2024.03.28	2024.03.13	7/7
6	Resolution	Refinancing of KDB Operating Funds	Approved	Ad-hoc	2024.04.22	2024.04.17	7/7
	Resolution	Re-lending for Agricultural Machinery Raw Material Procurement	Approved	Ad-hoc	2024.04.22	2024.04.17	7/7
7	Resolution	Approval of the 78 <sup>th</sup> Q1 Business Performance	Approved	Regular	2024.05.13	2024.05.06	7/7
	Resolution	Approval of 2024 Safety, Health, and Environmental Plans	Approved	Regular	2024.05.13	2024.05.06	7/7
	Resolution	Appointment of Board Committee Members	Approved	Regular	2024.05.13	2024.05.06	7/7
	Resolution	Approval of Daedong Mobility Test Contract	Approved	Regular	2024.05.13	2024.05.06	7/7
	Resolution	Approval of Daedong Gear IP License Agreement	Approved	Regular	2024.05.13	2024.05.06	7/7
	Resolution	Approval of Business Address Change	Approved	Regular	2024.05.13	2024.05.06	7/7
8	Resolution	Issuance of Corporate Bonds (Financing)	Approved	Ad-hoc	2024.06.03	2024.05.28	7/7
9	Resolution	Increase in Electronic Short-Term Bond Issuance Limit	Approved	Ad-hoc	2024.06.25	2024.06.18	7/7
10	Resolution	Daedong AgTech Share Acquisition Agreement	Approved	Ad-hoc	2024.07.18	2024.07.11	7/7
11	Resolution	Approval of the 78 <sup>th</sup> Half-Year Business Performance	Approved	Regular	2024.08.12	2024.07.23	6/7
12	Resolution	NongHyup Bank Agricultural Fund Loan Agreement	Approved	Ad-hoc	2024.09.10	2024.09.03	7/7
13	Resolution	Approval of New Branch Establishment (Central Business Team)	Approved	Ad-hoc	2024.10.29	2024.10.22	7/7
	Resolution	IBK Mutual Growth Payment Agreement	Approved	Ad-hoc	2024.10.29	2024.10.22	7/7
14	Resolution	Approval of the 78 <sup>th</sup> Q3 Business Performance	Approved	Regular	2024.11.12	2024.10.30	6/7
	Resolution	Amendment of Internal Accounting Management Regulations	Approved	Regular	2024.11.12	2024.10.30	6/7
	Resolution	Amendment of Board and Committee Regulations	Approved	Regular	2024.11.12	2024.10.30	6/7

## Board Operation

### Board Committees

Daedong has four committees within its Board of Directors: the ESG Committee, Independent Director Recommendation Committee, Compensation Committee, and Audit Committee. These committees help ensure board independence and support responsible corporate governance.

#### Board and Committee Organization - Daedong



Daedong established the ESG Committee in November 2023 to advance its sustainable management. The committee consists of three executive directors and three independent directors, with plans to transition to an all-independent structure in the future to further enhance independence. In May 2024, we reported the results of the 2024 ESG materiality assessment and the calculation of greenhouse gas emissions. The ESG Committee meets quarterly to report on sustainability performance and make key decisions for the board.

#### ESG Committee - Daedong

Position	Title	Name	Gender	Key Roles
Executive Director	Chairperson	Kim, Jun Sik	Male	1. Manages and votes on critical ESG-related risks 2. Evaluates and reviews sustainability strategies, performance, and issues
Executive Director	Vice Chairperson	Won, Yu Hyun	Male	
Executive Director	Member	Lee, Jong Soon	Male	
Independent Director	Member	Kim, Hyung Joon	Male	
Independent Director	Member	Lee, Sang Bin	Male	
Independent Director	Member	Cho, Yong ho	Male	

#### ESG Committee Activities - Daedong

Date	Key Agenda	Attendance Rate
2024.05.13	1. Report on 2024 ESG materiality assessment results 2. Report on GHG emissions calculation for climate change response	100%
2024.08.12	1. Report on publication of the 2024 Daedong Group ESG Report	83%
2024.11.12	1. Report on 2024 ESG evaluation results for Daedong and its affiliates	83%

In March 2024, Daedong established the Independent Director Recommendation Committee and the Compensation Committee, both comprised entirely of independent directors, to enhance transparency and independence in decision-making. The Independent Director Recommendation Committee systematically manages and recommends a pool of qualified independent director candidates, ensuring a fair and objective nomination process. Meanwhile, the Compensation Committee reviews and evaluates the appropriateness of the company's compensation system, helping to establish a reasonable and balanced compensation structure.

#### Independent Director Recommendation Committee - Daedong

Position	Title	Name	Gender	Key Roles
Independent Director	Chairperson	Kim, Chang Bong	Male	1. Recommends appropriate independent directors 2. Manages the candidate pool for independent directors
Independent Director	Member	Kim, Hyung Joon	Male	
Independent Director	Member	Lee, Sang Bin	Male	

#### Compensation Committee - Daedong

Position	Title	Name	Gender	Key Roles
Independent Director	Chairperson	Kim, Hyung Joon	Male	1. Determines the remuneration levels for executives 2. Inspects the adequacy of the remuneration system
Independent Director	Member	Cho, Yong Ho	Male	
Independent Director	Member	Kim, Chang Bong	Male	

In accordance with Article 34-2 of its Articles of Incorporation, Daedong operates an Audit Committee within the Board of Directors. While Article 415-2 of the Commercial Act requires that at least two-thirds of committee members be independent directors, Daedong has composed the Audit Committee entirely of independent directors to further ensure independent decision-making.

#### Audit Committee - Daedong

Position	Title	Name	Gender	Notes
Independent Director	Chairperson	Cho, Yong Ho	Male	Financial accounting expert - Certified Public Accountant (CPA)
Independent Director	Member	Kim, Chang Bong	Male	
Independent Director	Member	Lee, Sang Bin	Male	Financial accounting expert - M.A. in Economics, Administrative Officer, Ministry of Finance (Planning & Management Office)(3 years), Korea Economic Research Institute (3 years)

## Board Operation

### Board Independence and Concurrent Position Restrictions

In March 2024, Daedong established the Independent Director Recommendation Committee to strengthen the independence of the Board and transparency of the nomination process. According to Articles 382 and 542-8 of the Commercial Act and Article 34 of its Enforcement Decree, independent directors may not concurrently serve as directors, executive officers, or auditors at more than one organizations, other than Daedong.

#### Concurrent Positions of Independent directors - Daedong

Name (Audit Committee Member)	Initial Appointment Date	Term Expiration Date	Current Position	Concurrent Position Information			
				Organization	Position	Tenure	Listing Status (Stock Market)
Kim, Hyung Joon	2021.03	2027.03	Honorary Chair Professor, Pai Chai University	-	-	-	-
Cho, Yong Ho	2024.03	2027.03	Director, Nexia Samduk Accounting Corporation	-	-	-	-
Kim, Chang Bong	2024.03	2027.03	Dean, College of Business and Economics, Chung-Ang University	-	-	-	-
Lee, Sang Bin	2024.03	2027.03	Emeritus Professor, Hanyang University Business School	-	-	-	-

### Performance Assessment and Remuneration

Daedong evaluates board performance by monitoring attendance, voting records, and key activities of the Board and its committees. In accordance with Article 388 of the Commercial Act, board compensation is paid within the total limit approved by the general shareholders' meeting.

### Board Participation in ESG

On May 13, 2024, Daedong Group's ESG Committee received a report on the 2024 ESG materiality assessment, which identified 12 key ESG issues and evaluated their social, environmental, and financial impacts. The committee prioritized three key issues—①Responding to Climate Change, ②Health & Safety and ③New growth engines for future—and developed strategic plans to address each one. These findings will guide Daedong's ongoing ESG strategy and actions.

#### Environmental Responding to Climate Change

Category	Financial Risks and Opportunities for Businesses	Temporal Scope			Countermeasure
		Short	Mid	Long	
Risk	• Higher carbon costs from stricter regulations	●	●		Daedong Group develops eco-friendly engines and electric agricultural machinery, expands renewable energy use, and strengthens disaster prevention at key production sites.
Risk	• Greater operational risks from extreme weather		●	●	
Opportunity	• New market opportunities with low-carbon products		●	●	

#### Social Health & Safety

Category	Financial Risks and Opportunities for Businesses	Temporal Scope			Countermeasure
		Short	Mid	Long	
Risk	• Higher direct costs from workplace accidents	●			Daedong Group prevents accidents by strengthening factory safety, providing regular worker training, and supporting partner safety management. Proactive safety systems aim to boost productivity and quality.
Risk	• Business and executive risks under safety laws	●	●		
Risk	• Legal liability for partner accidents	●	●		
Opportunity	• Cost savings through proactive safety management		●	●	
Opportunity	• Stronger supply chain safety via partner support	●	●		

#### Economy New Growth Engines for Future

Category	Financial Risks and Opportunities for Businesses	Temporal Scope			Countermeasure
		Short	Mid	Long	
Risk	• Reduced sales and profitability from delayed market response.		●	●	With growth in eco-friendly machinery and smart farming, Daedong Group is internalizing core technologies and developing new ones to capture emerging markets and improve profitability.
Opportunity	• Securing industry leadership through core technology development.		●	●	



## Board Operation

### Board Composition

#### Daedong Mobility

Daedong Mobility's Board consists of four members: three executive directors and one auditor. The auditor, ensuring independence, attends meetings to oversee directors and can request documents from relevant departments as needed.

All independent directors are prohibited from holding positions as directors, executive officers, or auditors at two or more companies other than Daedong, in accordance with Articles 382, 542-8 of the Commercial Act and Article 34 of its Enforcement Decree.

Position	Name	Gender	Key Experience	Term
Executive Director	Kim, Jun Sik	Male	<ul style="list-style-type: none"> <li>2004 Co-CEO (Vice President), Daedong Industrial</li> <li>2006 Co-CEO (President), Daedong Industrial</li> <li>2011 Co-CEO (Vice Chairperson), Daedong Industrial</li> <li>2017 Co-CEO (Chairperson), Daedong Industrial</li> <li>2021 Co-CEO (Chairperson), Daedong</li> <li>2022 CEO, Daedong Mobility</li> </ul>	2027.03
Executive Director, Chairperson	Won, Yu Hyun	Male	<ul style="list-style-type: none"> <li>2006 Field Management Team, Office of the Secretary, KTF</li> <li>2010 KT Corporate Strategy Office, KT</li> <li>2014 Senior Executive, Future Convergence Business Division, KT</li> <li>2019 Executive Vice President, Head of Strategic Planning, Daedong Industrial</li> <li>2020 Co-CEO, Daedong Industrial</li> <li>2022 CEO, Daedong Mobility</li> </ul>	2026.03
Executive Director	Kwon, Ki Jae	Male	<ul style="list-style-type: none"> <li>2012 Senior Executive, SW Business, PS Headquarters, G&amp;E Division, KT</li> <li>2014 CEO, KT Japan</li> <li>2017 CEO, KT Inno-edu</li> <li>2020 Senior Executive, 5G Service, 5G/GiGA Business Division, KT</li> <li>2021 Senior Executive, Head of DT Promotion Office, Daedong</li> <li>2022 CEO, Daedong AgTech</li> <li>2022 Head of Management, Daedong Mobility</li> <li>2023 Vice President, Head of Vision Promotion Office, Daedong</li> </ul>	2027.03
Auditor	Hwang, In Cheon	Male	<ul style="list-style-type: none"> <li>2024 Head of DS TF Headquarters, Daedong</li> <li>2020 Head of Compliance Team, Daedong</li> </ul>	2027.03

#### Daedong Gear

The Daedong Gear board consists of five members: two executive directors and three independent directors.

Position	Name	Gender	Key Experience	Term
Executive Director	Seo, Jong Hwan <sup>1)</sup>	Male	Executive Director, Global Channel Strategy Office at Hyundai Motor Company	2027.03
Executive Director	Kim, Jun Sik	Male	B.S. in Business, Korea University CEO, Daedong	2026.03
Independent Director	Park, Dae Kwang	Male	Executive Director, SAMWON Accounting Corporation	2026.03
Independent Director	Park, Hee Joon	Male	Professor, Industrial Engineering at Yonsei University	2026.03
Independent Director	Jung, Yoon Sik	Male	CEO, ADIK Inc.	2026.03

1) CEO Appointment: March 2025

#### Daedong Metals

The Daedong Metals board consists of five members: two executive directors and three independent directors.

Position	Name	Gender	Key Experience	Term
Executive Director	Lee, Pung Woo	Male	Graduate School, Korea University. Executive Director, Daedong Co., Ltd.	2026.03
Executive Director	Kim, Jun Sik	Male	B.S. in Business, Korea University. CEO, Daedong.	2027.03
Independent Director	Lee, Moon Hwan	Male	CEO, Kbank. Independent director, YG PLUS .	2025.03
Independent Director	Hyun, Soo Ryong	Male	Director, Deloitte Anjin LLC. (Current) CEO, SAMWON Accounting Corporation.	2026.03
Independent Director	Kim, Joo Nam	Male	Chairperson, the institute of Nation Brand Promotion. (Current) Professor, Graduate School, Seoul School of Integrated Sciences & Technologies.	2026.03

Board Operation

Board Committees

Daedong Metals and Daedong Gear each operate an Audit Committee in accordance with Article 34-2 of their Articles of Incorporation to strengthen audit functions and enhance management transparency. Daedong Metals performed the role of the Audit Committee, including auditing the business performance for the first half of the 37<sup>th</sup> fiscal year in March 2024.

Audit Committee - Daedong Gear

Position	Title	Name	Gender	Term
Independent Director	Chair	Park, Dae Kwang	Male	2026.03
Independent Director	Member	Park, Hee Joon	Male	2026.03
Independent Director	Member	Jung, Yoon Sik	Male	2026.03

Audit Committee - Daedong Metals

Position	Title	Name	Gender	Term
Independent Director	Member	Lee, Moon Hwan	Male	2025.03
Independent Director	Member	Hyun, Soo Ryong	Male	2026.03
Independent Director	Member	Kim, Joo Nam	Male	2026.03

Board Independence and Concurrent Position Restrictions

Daedong Mobility directors are elected at the general shareholders’ meeting, with candidates nominated by the board or shareholders. Candidate information is disclosed in advance for transparency.

Daedong Gear and Daedong Metals appoint independent directors at the general shareholders’ meeting. Under the Commercial Act Articles 382 and 542-8 and the Enforcement Decree Article 34, independent directors cannot concurrently serve at more than one company other than Daedong Gear or Daedong Metals.

Concurrent Positions of Independent Directors - Daedong Gear

Name (Audit Committee Member)	Initial Appointment Date	Term Expiration Date	Current Position	Concurrent Positions Information			
				Organization	Position	Tenure	Listing Status (Stock Market)
Park, Dae Kwang	2020.03.20	2026.03.20	Executive Director, SAMWON Accounting Corporation	-	-	-	-
Park, Hee Joon	2020.03.20	2026.03.20	Professor, Industrial Engineering at Yonsei University	-	-	-	-
Jung, Yoon Sik	2024.03.21	2026.03.20	CEO, ADIK Inc.	-	-	-	-

Concurrent Positions of Independent Directors - Daedong Metals

Name (Audit Committee Member)	Initial Appointment Date	Term Expiration Date	Current Position	Concurrent Positions Information			
				Organization	Position	Tenure	Listing Status (Stock Market)
Lee, Moon Hwan	2021.03	2025.03	-	YG PLUS	Independent Director	2021.03-2027.03	Listed
Hyun, Soo Ryong	2024.03	2026.03	CEO, SAMWON Accounting Corporation	-	-	-	-
Kim, Joo Nam	2024.03	2026.03	Professor, Graduate School, Seoul School of Integrated Sciences & Technologies	-	-	-	-

Performance Assessment and Remuneration

Board compensation at Daedong Mobility is provided within the limit approved by the general shareholders’ meeting and is determined based on each director’s position, leadership, expertise, and contributions to the company. Performance-based and special bonuses are awarded according to a comprehensive evaluation of quantitative indicators (such as sales and operating profit) and qualitative factors. Additional bonuses are granted for holidays and summer vacations.

Training for Independent Directors

To strengthen the capabilities and expertise of independent directors, Daedong Group provides annual training to Audit Committee members in accordance with internal accounting management regulations. By offering educational opportunities for independent directors and the Audit Committee, the Group aims to enhance board expertise and promote sustainable growth.

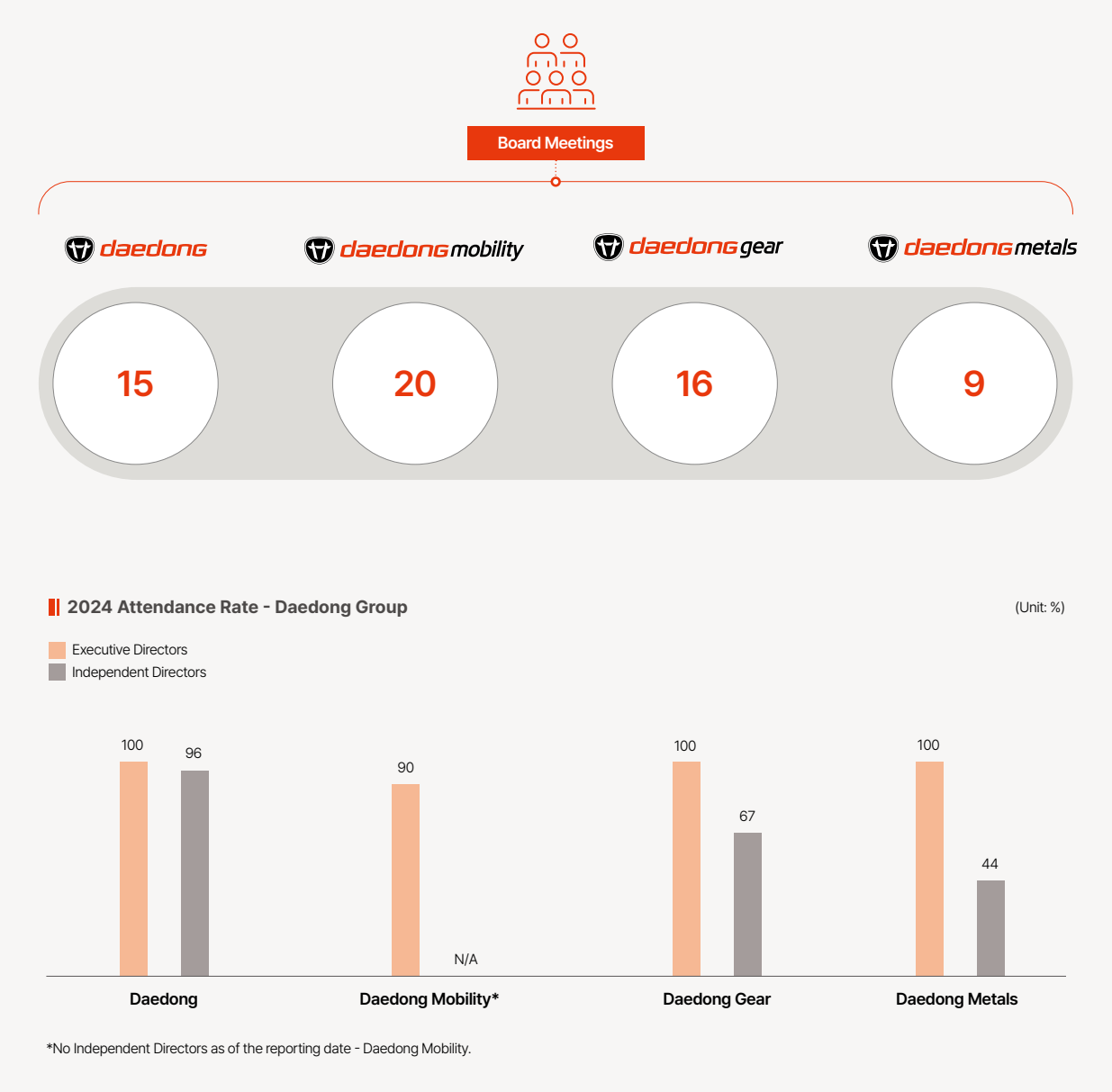
In 2024, Daedong and Daedong Metals conducted internal accounting training for all directors serving on their respective Audit Committees.

Board Training - Daedong, Daedong Gear, Daedong Metals

Company	Training Date	Topic	Conducted by	Participants
Daedong	2024.05.22	Internal Accounting Training	Management Audit Team (Daedong)	Cho, Yong Ho. Kim, Chang Bong. Lee, Sang Bin.
Daedong Gear	2024.07.26	General Internal Accounting	Accounting Team (Daedong Gear)	Park, Dae Kwang. Park, Hee Joon. Jung Yoon Sik
Daedong Metals	2024.08.13	General Internal Accounting	Finance Team (Daedong Metals)	Lee, Moon Hwan. Hyun, Soo Ryong. Kim, Joo Nam.

Board Operation

2024 Number of Board Meetings and Average Attendance Rate



## Information Security & Data Privacy

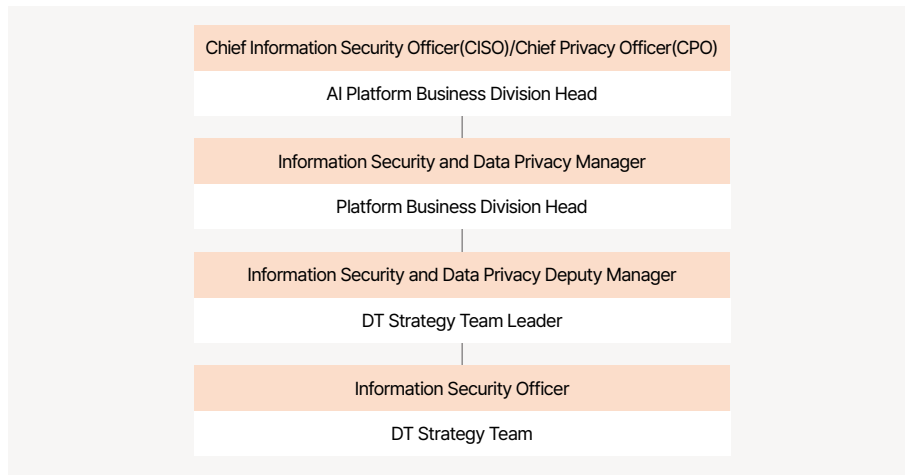
Daedong Group operates a dedicated information security team to protect internal information and customers' personal data. To strictly prevent information and data leaks, we have an emergency response team to manage incidents, report to government agencies, and carry out all necessary procedures based on our comprehensive and detailed response manuals.

### Information Security and Data Privacy Management System

#### Management Organization

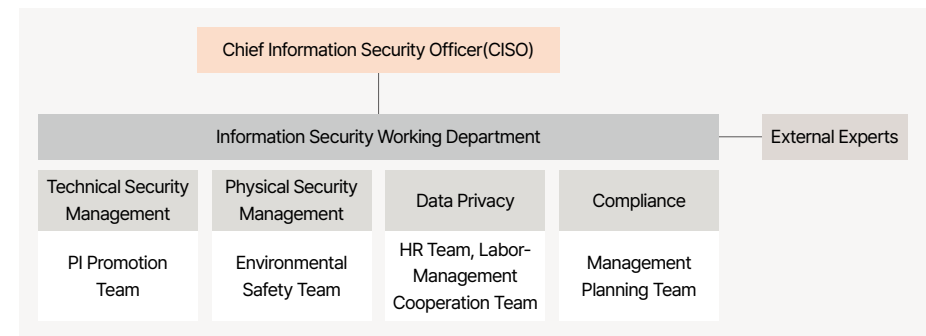
Daedong has appointed the Head of the AI Platform Business Division as both Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), granting them overall responsibility and authority. Managers, mid-level managers, and administrators have also been designated to ensure systematic management at all operational levels. The DT Strategy Team oversees all information protection activities, with the team leader regularly reporting to the Head of the Platform Business Division and other senior executives. The DT Platform Team supports the security requirements of each business division and reports key information security plans and projects to management, further enhancing the effectiveness of the company's information protection system.

#### Information Security Organizational Chart - Daedong



Daedong Mobility is committed to information security and personal data protection. These efforts enhance business stability, reduce the risk of security incidents, and strengthen external trust in our practices. We manage personal data protection and information security as separate roles, with dedicated personnel providing guidelines for personal data collection and use and supporting security requirements across business divisions. We plan to implement projects to further strengthen our security systems and will conduct phased process checks to ensure effective implementation. Immediate corrective actions will be taken if vulnerabilities are identified, proactively preventing the leakage of valuable customer information.

#### Information Security Organizational Chart - Daedong Mobility



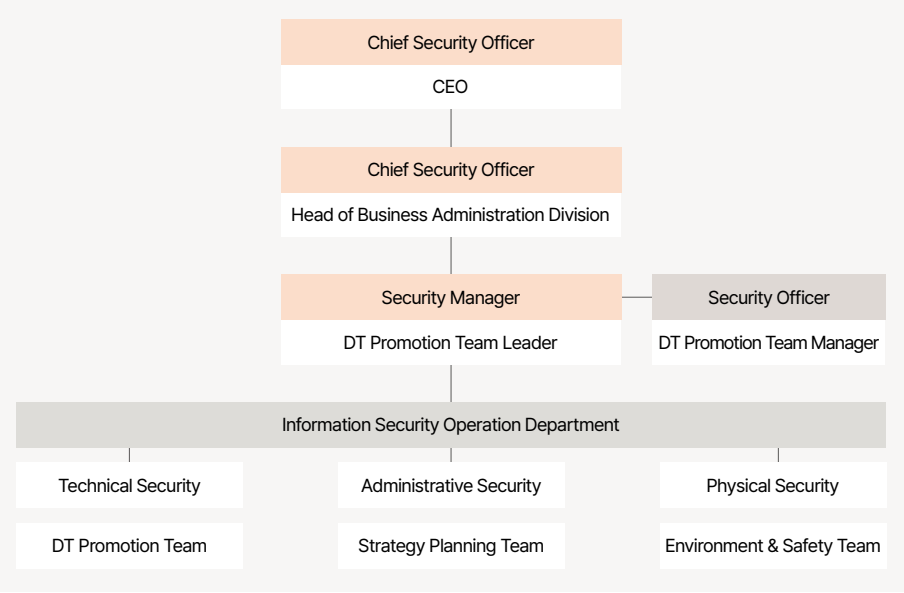


# Information Security & Data Privacy

Daedong Gear appointed a Chief Security Officer (CSO) to lead enterprise-wide security governance, to enhance its information security framework. In addition, the company designated an enterprise-wide Security Manager and Security Officers to oversee company-wide security operations and assigned security leads within each team to establish a comprehensive and systematic security management structure. The Security Manager plays a central role in key activities such as establishing security policies, conducting employee training, and leading internal inspections on “Security Day”, while ensuring that all security issues are promptly reported to the CSO. Security Officers are responsible for specialized roles across management, physical, and technical security, executing their duties in a professional and rigorous manner in line with relevant regulations.

Looking ahead, Daedong Gear plans to implement media security systems—including data loss prevention and access control—as well as secure document printing and copying systems by August 2025.

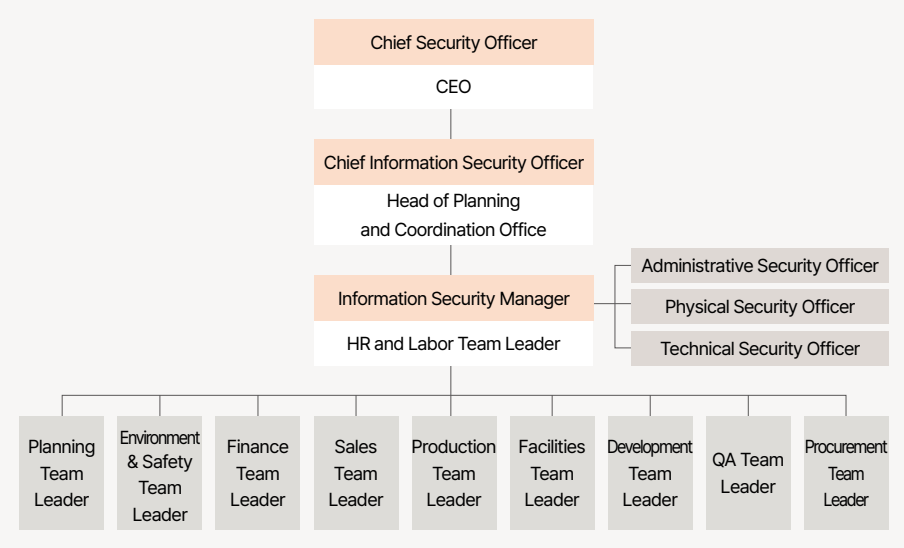
Information Security Organizational Chart - Daedong Gear



Daedong Metals has designated the CEO as the Chief Security Officer, to ensure systematic information security management and response. The Head of the Planning and Coordination Office serves as the Chief Information Security Officer (CISO), while the Head of the HR and Labor Team acts as the Information Security Manager. The Information Security Manager works closely with personnel responsible for administrative, physical, and technical security to establish and implement company-wide security policies, continuously enhancing the organization's overall security posture. Each department adheres to internal security guidelines in line with the company's information security policies, reinforcing interdepartmental coordination and security awareness.

Through this organizational structure, Daedong Metals ensures the confidentiality, integrity, and availability of its information assets and is committed to building a sustainable information security environment.

Information Security Organizational Chart - Daedong Metals

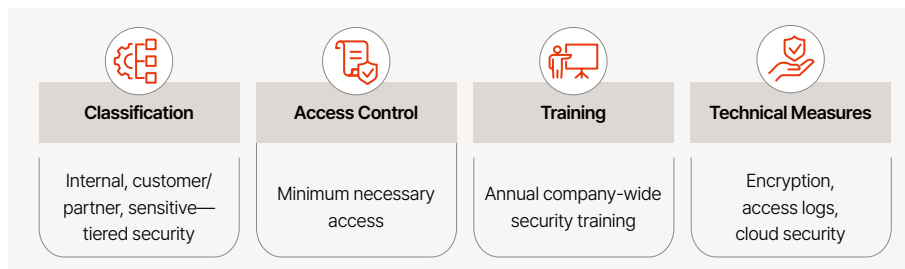


## Information Security & Data Privacy

### Operating Regulations for Strengthening Information Security

Daedong recognizes the protection of stakeholders' confidential information—including that of customers, partners, and employees—as a core corporate responsibility. In particular, the company strictly adheres to ethical standards and the international information security standard ISO 27001 in the handling, sharing, and storage of sensitive data collected from customers and business partners.

#### Confidentiality Standards



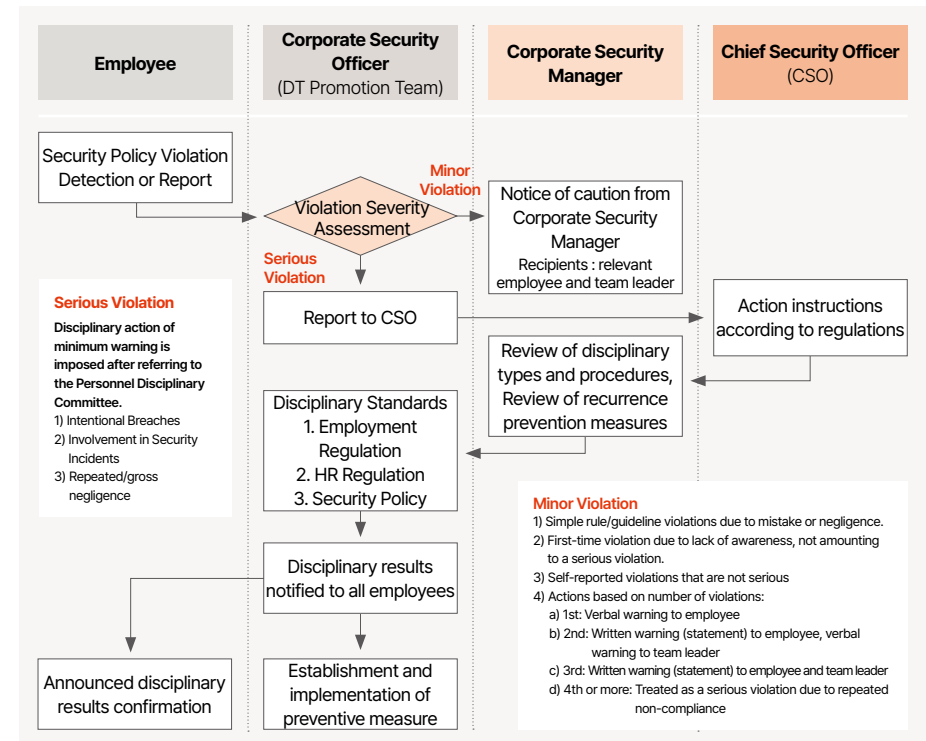
Daedong also strictly applies the principle of prior consent to all procedures for sharing or storing confidential information externally.

#### Confidential Information Sharing and Storage Procedures - Daedong

Item	Details	Frequency	Documented
Identification & Classification	Assess and grade sensitivity of information	Ongoing	Yes
Stakeholder Consent	Obtain explicit consent before collection/ sharing/ storage	As needed	Yes
Security Review	Regularly inspect storage system and access controls	Quarterly	Yes
Record Retention & Disposal	Securely dispose of confidential information at end of retention period	Annually	Yes

Daedong Gear has established comprehensive information security policies to protect key assets such as information assets, trade secrets, and intellectual property. These regulations apply to all employees, partners, and visitors, and include strict processes for information classification (Top Secret, Confidential, General), access control, security pledges, security training, and asset movement management. All employees and partners must sign non-disclosure agreements upon joining or contracting, and security awareness is reinforced through onboarding, regular, and ad hoc security training and audits. Detailed IT security guidelines—covering password management, data backup, networks, storage media, electronic documents, and portable devices—help prevent data leaks and breaches. Physical security is strengthened by designating controlled areas for critical facilities and immediately revoking access upon resignation or transfer.

#### Procedure for Handling Security Policy Violation - Daedong Gear



Daedong Metals enforces comprehensive security policies across management, physical, and technical areas to prevent risks and ensure ongoing information protection.

Category	Security Regulations and Guidelines	Details
Administrative	Standard Security Regulations Data Privacy Guidelines User Security Guidelines IT Security Incident Response Guidelines	Regulations for protecting information and assets, and procedures for handling security incidents
Physical	Facility Protection and Access Control Guidelines CCTV Operation and Facility Monitoring Guidelines	Facility access and monitoring procedures
Technical	Network Security Guidelines System Security Guidelines Security System Operation Guidelines Backup and Recovery Management Procedures	System and network access and control methods

Information Security & Data Privacy

Strengthening Security Capabilities

Information Security System Operation

Daedong conducts a company-wide internal information security audit program to proactively identify vulnerabilities within its security framework and continuously enhance the protection of its information assets. The program covers a range of areas, including compliance with information security policies, usage of business systems, security settings of devices, and internal methods of storing and transmitting information. Through this comprehensive review, Daedong aims to prevent security incidents while raising internal awareness. Led by the information security department, the internal audit is conducted at least annually across the entire organization. Key findings are reported to management and linked to corrective action plans.

Category	Key Inspection Items	Cycle	Conducted by	Linked to Corrective Action
Internal Security Policy Compliance	Information classification, confidential data storage standards, password policy, etc.	Annual	DT Strategy Team + Each department	Yes
Internal System Access	Unauthorized access, shared accounts, remote access logs, etc.	Annual	DT Strategy Team	Yes
Office Device Security	OS security updates, antivirus installation, encrypted storage, etc.	Annual	DT Strategy Team	Yes

Daedong implements various safeguards to protect customers, suppliers, and external stakeholders' data from unauthorized access, leakage, and mistreatment.

Protection Measures	Applicable	Remarks
Encrypted Storage of Sensitive Data	Yes	
Access Control	Yes	
External Access Restriction	Yes	VPN & IP Restrictions
Log recording and monitoring	Yes	Automated abnormal access alert system in place

Daedong conducts an annual security risk assessment to identify and analyze internal information assets, threats, and vulnerabilities.

Item	Description	Cycle	Linked to Risk Response
Asset Identification	System, Server, Cloud, Data categorization	Annual	Yes
Risk Analysis	Derive Internal/External threat factors	Annual	Yes
Vulnerability Assessment	Inspect security vulnerabilities	Annual	Yes
Response Planning	Establish risk-scored response priorities	Annual	Yes

Daedong performs regular internal security inspections, involving internal departments and external experts, to prevent security violations and verify the effectiveness of control procedures. Inspections cover policy compliance, system adequacy, and log reviews.

Category	Cycle	Conducted by	Key Inspection Items
Internal Security Policy Compliance	Annual	Internal Audit Team	Check policy implementation status
System Security Inspection	Annual	External Special Institution	Verify Incident response system
Log and Access Inspection	Semi-annual	Internal Security Officer	Analyze for abnormal signs

Daedong Mobility regards information security and personal data protection as core elements of sustainable management. The company operates a multi-layered security system using solutions such as the Unified Threat Management (UTM), the Data Loss Prevention (DLP), spam filtering, and access controls to proactively prevent threats and data leaks. Regular audits of the Internal Control System (ITGC, IT General Control) are conducted to ensure the adequacy of information security controls and prevent violations in advance.

Daedong Metals enhances information protection with advanced solutions, including Unified Threat Management (UTM) for real-time threat blocking, harmful site filtering, and Data Loss Prevention (DLP). Regular data backups ensure business continuity in case of incidents. Technical measures are supported by audits of internal control procedures (including ICFR), which also review the adequacy of information security controls, strengthening the company's cyber risk response and sustainable security environment.

ISO Certification for Enhanced Information Security

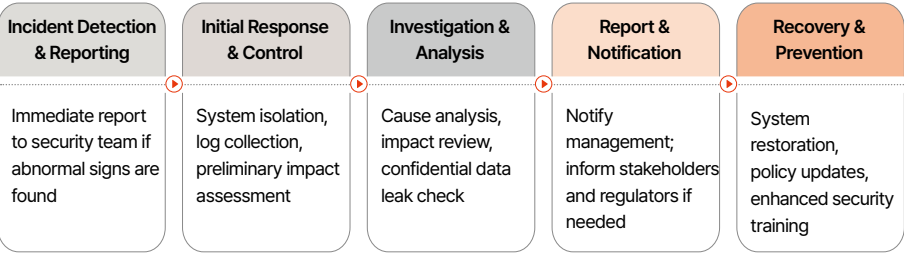
In 2024, Daedong achieved ISO 27001 certification, demonstrating that its information security management meets international standards. This not only boosts business stability and helps prevent security risks but also strengthens trust and reputation with customers and partners by showcasing Daedong's commitment to robust information protection.



# Information Security & Data Privacy

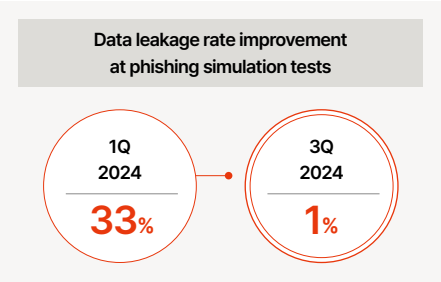
## Security Incidents Prevention

Daedong has set up a response system to handle security incidents like data leaks or unauthorized access to internal data system promptly and efficiently. With clear guidelines in place, the company can respond appropriately to every situation and take steps to prevent similar issues in the future.



To stay ahead of growing phishing and ransomware threats, Daedong Mobility held a security awareness training in 2024 for all employees. Building on this, the program will be offered twice in 2025 to help employees better recognize and respond to actual damages and risks.

Daedong Gear has established manual production switch procedures to ensure business continuity in the event of a security incident. Employees regularly train on these procedures, covering everything from production planning to delivery, to strengthen their response capabilities. Additionally, 126 employees participated in Hyundai Motor's 2025 phishing simulation, further boosting the company's security awareness and readiness.



Daedong Metals regularly assesses employee security awareness and conducts phishing simulations—such as gift events via chat apps in the first half and concert ticket booking emails in the second half—to prevent ransomware attacks and data breaches. The company also performs drills like “manual production switch” and “data recovery” to enhance early response and prevention of cyber incidents, reporting results to management. Additionally, it conducts company-wide security checks on all work PCs and laptops for illegal software, malware, and viruses, taking immediate action on any findings. Annual maintenance contracts support ongoing operation of security solutions, including harmful site blocking and UTM (firewall) monitoring, proactively managing information security risks.





## Information Security & Data Privacy

### Information Security Training

Daedong provides annual online privacy training for all managers, covering key topics like data protection laws, safe handling practices, and response steps for data breaches. The program is designed to be accessible to all employees and helps reinforce privacy awareness across the organization.

Daedong Mobility prepares and distributes information security training materials to all employees twice a year. In 2024, topics included credential stuffing and ransomware, with plans to continue regular updates in 2025 to keep staff informed about the latest threats.

Daedong Gear delivers privacy and security training to all new hires and requires all employees to sign security and software compliance agreements. Regular "Security Check Days" help maintain high security standards and awareness. In 2024, employees also completed a security management course through the Hyundai Motor Group Global Partnership Center (GPC).

Daedong Metals has enhanced its UTM policies to better detect and block external threats and conducts regular privacy training for employees. All staff sign security and software compliance pledges, strengthening accountability and supporting safe, compliant operations.



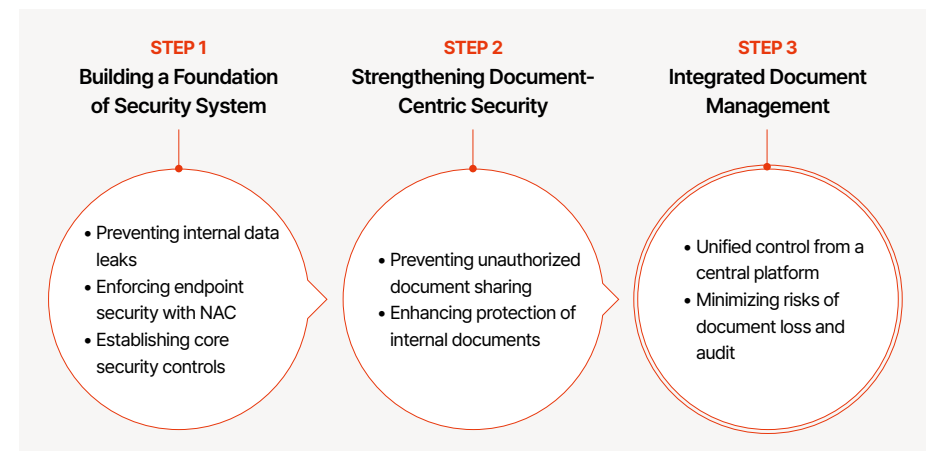
### Information Security Investment

Daedong Mobility continues to invest in information technology and security to build a strengthened and sustainable security management system. In 2024, the company enhanced its information security by implementing a system access control solution. Moving forward, Daedong Mobility will maintain ongoing investments in IT and security to provide trust to all stakeholders through an advanced security framework.

Daedong Gear is reviewing the introduction of various security systems, including DLP, mobile security, and NAC, to prevent and respond to information security risks such as hacking and phishing.

Daedong Metals is currently maintaining UTM, harmful site blocking, and backup systems, while considering the adoption of NAC (Network Access Control) and DLP (Data Loss Prevention) systems in 2025 to further strengthen its information security. NAC will allow network access only to authenticated users and devices, effectively blocking unauthorized access. DLP will prevent the external leakage of sensitive information and enable real-time monitoring of user data handling activities.

### Security System Implementation - Daedong Gear



## Shareholder Rights

Daedong Group ensures transparency in its investor relations by disclosing shareholder information, management updates, and key resolutions at annual general meetings. In line with Article 542-4 (1) of the Commercial Act, we provide timely announcements and notifications to ensure smooth meetings and quorum. We also encourage shareholder participation and voting to enhance shareholder value.

### General Meetings of Shareholders

#### Voting Rights

At the general meetings of Daedong and Daedong Mobility, shareholders can exercise their voting rights either directly by attending the meeting or indirectly through a proxy in the case of unattended. To further protect shareholder rights and improve voting convenience and participation, we introduced a proxy solicitation system starting from the 76<sup>th</sup> general meeting. Details, including proxy solicitation reference documents and proxy form templates, are disclosed through the Financial Supervisory Service's electronic disclosure system.

#### Proposal Rights

Daedong makes it easy for shareholders to submit proposals by listing the IR department's contact details and email on its website. While no proposals have been received in the past three years, any valid submissions will be carefully reviewed and, if appropriate, added to the general meeting agenda in line with regulations. At shareholder meetings, shareholders are given full opportunity to ask questions and request explanations on agenda items, except in cases of clear disruption

#### Shareholder Returns

Daedong maintains a consistent dividend policy to enhance shareholder value, with all dividend-related information disclosed through official announcements on cash and stock dividends. In addition, the results of regular general meetings are published on the company website for easy access by shareholders.

#### 5 Year Dividend History - Daedong

Category		Unit	2020	2021	2022	2023	2024
Total Dividend	Common Stock	KRW 100 Million	16.6	16.6	23.1	23.8	24.1
	Preferred Stock	KRW 100 Million	-	-	1.5	0.5	0.54
Dividend per Share	Common Stock	KRW	80	80	100	100	100
	Preferred Stock	KRW	-	-	100	100	100
Dividend Payout Ratio (Consolidated)		%	7.9	4.8	6.0	20.0	-
Dividend Yield		%	1.2	0.8	0.8	0.6	1.0

#### Shareholder Communication

Daedong Metals practices transparent investor relations by providing regular and ad-hoc electronic disclosures. The company also shares shareholder information, management updates, and key resolutions through annual general meetings.

#### 37th Annual General Meeting of Shareholders Results - Daedong Metals

(As of March 26, 2025)

Agenda Item	Resolution	Approval Status
1st Agenda Item	37 <sup>th</sup> Financial Statement Approval	Approved
2nd Agenda Item	Directors Appointment (Executive Director: Kim, Jun Sik, Independent Director: Jun, Chang Hoo)	Approved
3rd Agenda Item	Audit Committee Member Appointment (Member: Jun, Chang Hoo)	Approved
4th Agenda Item	Directors' Remuneration Limit Approval	Approved







# APPENDIX

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# ESG Fact Book

## Economic

### Daedong

#### Consolidated Financial Statement

(Unit: KRW Thousand)

Classification	2024	2023	2022
<b>Current Asset</b>	1,133,886,384	1,174,544,147	1,048,975,028
Trade Receivables and Other Current Receivables	299,350,611	438,799,214	369,945,563
Inventory	728,384,758	638,723,253	500,166,000
Other Current Assets	106,151,015	97,021,680	178,863,465
<b>Non-Current Asset</b>	1,004,955,090	781,831,962	664,798,179
Investments in Associates and Joint Ventures	-	29,284,548	25,767,810
Tangible Assets	844,582,646	690,126,346	605,235,341
Intangible Assets	46,293,480	26,929,217	17,545,008
Others	114,078,964	35,491,851	16,250,019
Total Assets	2,138,841,474	1,956,376,109	1,713,773,206
<b>Current Liabilities</b>	1,101,155,537	1,110,209,880	925,269,814
<b>Non-Current Liabilities</b>	436,470,592	269,106,532	316,512,635
<b>Total Liabilities</b>	1,537,626,129	1,379,316,412	1,241,782,449
<b>Equity Attributable to Owners of the Parent Company</b>	431,724,092	453,878,420	344,659,923
Capital	25,640,788	25,392,588	23,932,354
Capital Surplus	45,467,021	40,771,996	18,019,043
Capital Adjustment	(65,409,508)	(63,547,281)	(63,990,644)
Other Components of Equity	167,699,223	162,485,464	94,805,679
Retained Earnings (Loss)	258,326,568	288,775,653	271,893,490
<b>Non-Controlling Interest</b>	169,491,253	123,181,279	127,330,835
<b>Total Equity</b>	601,215,345	577,059,699	471,990,757

#### Consolidated Comprehensive Income and Loss

(Unit: KRW Thousand)

Classification	2024	2023	2022
<b>Sales</b>	1,415,582,422	1,433,390,777	1,463,737,930
<b>Operating Profit (Loss)</b>	18,456,575	65,403,445	88,279,121
<b>Profit from Continuing Operations</b>	(45,134,482)	11,919,510	38,470,969
<b>Net Income (Consolidated)</b>	(45,134,482)	11,919,510	38,470,969
Net Income, Attributable to Owners of the Parent Company	(30,721,182)	17,594,928	38,648,393
Net Income, Non-Controlling Interest	(14,413,300)	(5,675,418)	(177,424)
<b>Comprehensive Income (Consolidated)</b>	(38,576,582)	82,866,998	43,908,401
Comprehensive Income Attributable to Owners of the Parent Company	(22,855,403)	89,316,512	43,455,205
Comprehensive Income, Non-Controlling Interest	(15,721,179)	(6,449,514)	453,196
<b>Basic Profit (Loss) per Share (Unit: KRW)</b>	(1,313)	794	1,812
<b>Diluted Profit (Loss) per Share (Unit: KRW)</b>	(1,272)	747	1,631



## ESG Fact Book

## Economic

## Economic Value Distributed (Consolidated Basis)

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Total Economic Value Distributed		KRW Million	3,699,046	3,774,600	3,592,263	306,180	603,764	527,482	630,119	732,975	677,652	389,659	355,260	271,077
Direct Economic Value Generated		KRW Million	1,531,962	1,460,013	1,496,173	112,078	220,106	204,066	243,845	282,182	257,755	148,426	134,079	99,833
Operating Costs		KRW Million	1,375,459	1,367,987	1,397,126	109,403	221,840	218,233	234,508	273,149	252,593	144,595	131,764	106,017
Employees	Salaries	KRW Million	88,731	94,080	101,735	4,538	12,076	14,987	18,235	22,350	20,957	12,818	13,729	12,871
	Employee Benefits	KRW Million	13,640	13,640	16,292	293	1,602	2,111	2,409	2,789	2,774	1,411	1,446	1,518
	Education Expenses	KRW Million	443	543	487	-	38	89	4	44	37	22	6	6
	Retirement Benefits	KRW Million	5,049	5,216	7,486	353	827	1,366	2,002	2,108	2,297	1,361	1,426	1,514
Shareholders and Investors	Dividends	KRW Million	145	2,380	2,410	-	-	-	360	360	360	191	191	191
Government	Corporate Income Tax	KRW Million	19,085	11,969	(4,544)	19	-	-	361	147	(892)	459	349	(1,483)
Suppliers	Raw Material Costs	KRW Million	664,535	818,392	574,921	79,496	147,275	86,630	128,393	149,845	141,771	80,371	72,264	50,604
Local Communities	Donations	KRW Million	145	380	176	-	-	-	3	1	1	5	6	6
Government's Financial Support	Total Financial Support	KRW Million	45,272	46,891	51,652	-	3,335	3,762	-	-	-	561	233	23
	Tax Deductions and Credits	KRW Million	566	1,143	2,220	175	1,351	2,381	-	-	-	24	30	23
	Grants	KRW Million	44,706	45,749	49,433	-	1,984	1,381	195	93	-	537	203	-

ESG Fact Book

Consolidated

Environmental

Greenhouse Gas (GHG)

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
GHG Emission <sup>1)</sup>	Total GHG Emission (Scope 1+2) <sup>2)</sup>	tCO <sub>2</sub> eq	16,407.98	16,775.09	14,651.47	2,322.64	2,803.13	2,197.72	14,558.91	15,205.24	15,260.49	44,008.72	39,699.78	31,710.00
	Scope 1	tCO <sub>2</sub> eq	7,132.47	7,945.96	6,616.06	951.22	1,062.15	921.72	1,210.66	1,493.47	1,294.90	5,667.42	4,340.43	3,635.89
	Scope 2	tCO <sub>2</sub> eq	9,275.51	8,829.13	8,035.41	1,371.42	1,740.98	1,276.00	13,348.25	13,711.77	13,965.59	38,341.30	35,359.35	28,074.66
	GHG Reduction Intensity (Scope 1+2)	tCO <sub>2</sub> eq/KRW 100 Million	1.61	1.62	1.75	2.11	1.31	1.09	6.01	5.41	5.94	29.96	29.85	28.22
	GHG Reduction Amount (Scope 1+2) <sup>3)</sup>	tCO <sub>2</sub> eq	186.68	-	2,123.62	110.07	-	605.41	-	-	-	-	4,309.00	7,989.00
	GHG Reduction Rate (Scope 1+2) <sup>4)</sup>	%	1.12	-	12.66	4.52	-	21.60	-	-	-	-	10.00	20.00

1) Daedong's 2024 GHG emission target: 16,495 tCO<sub>2</sub>eq  
2) In 2022, emissions were calculated for the Daegu Campus, Seoul Office, and Vision Campus. For 2023 and 2024, all of Daedong's domestic sites were included  
3), 4) '-' indicates no greenhouse gas reduction compared to the previous year, and thus no reduction rate for that year

## ESG Fact Book

## Consolidated

## Environmental

## Energy

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Energy Consumption <sup>1)</sup>	Total Energy Consumption	TJ	312.81	312.43	279.16	45.98	55.75	50.26	299.61	311.11	313.35	849.85	765.63	608.00
	Energy Intensity	TJ/KRW 100 Million	0.03	0.03	0.33	0.04	0.03	0.25	0.12	0.11	0.12	0.58	0.57	0.61
Primary Energy Consumption	Total Consumption	TJ	118.99	127.93	111.25	17.32	19.37	23.59	20.68	24.59	21.52	48.66	24.69	21.66
	Gasoline	TJ	0.13	1.56	1.45	0.56	0.29	0.38	0.08	0.11	0.12	0.44	0.49	0.36
	Diesel	TJ	43.73	38.31	32.24	2.68	3.03	2.41	0.85	5.26	3.58	8.06	7.70	6.12
	Kerosene	TJ	0.73	1.09	1.24	0.70	0.99	0.88	-	0.19	0.17	-	-	-
	LPG	TJ	0.01	9.14	13.70	-	-	-	19.76	19.03	17.66	-	-	-
	LNG	TJ	74.39	77.83	62.62	13.38	15.06	13.17	-	-	-	40.15	16.50	15.18
	Others	TJ	-	-	-	-	-	6.75	-	-	-	-	-	-
Secondary Energy Consumption	Total Consumption	TJ	193.82	184.50	167.91	28.66	36.38	26.66	278.93	286.53	291.83	801.19	738.88	586.66
	Non-Renewable Electricity	TJ	196.82	184.50	167.91	28.66	36.38	26.66	278.93	286.53	291.83	801.19	738.88	586.66
	Steam	TJ	-	-	-	-	-	-	-	-	-	-	-	-
	Others	TJ	-	-	-	-	-	-	-	-	-	-	-	-
Energy Reduction	Energy Reduction Amount <sup>3)</sup>	GJ	3,520	380	33,267	2,073	-	5,492	-	-	-	-	84,220	157,630
	Energy Reduction Rate <sup>4)</sup>	%	1.10	0.12	10.65	4.31	-	9.85	-	-	-	-	10.00	21.00
Renewable Energy Consumption	Total Consumption	TJ	-	-	-	-	-	2.53	-	-	-	-	0.21	0.89
	Purchased Renewable Energy	TJ	-	-	-	-	-	-	-	-	-	-	-	-
	Self-Generated Renewable Energy	TJ	-	-	-	-	-	10.91	-	-	-	-	0.21 <sup>2)</sup>	0.89
	Renewable Energy Usage Ratio	%	-	-	-	-	-	5.03	-	-	-	-	0.03	0.15

1) Daedong's energy consumption target for 2024: 306 TJ

2) 2023's self-generated energy figure from the previous report has been reviewed and corrected due to a decimal point error

3), 4) '-' indicates no energy reduction compared to the previous year, and thus no reduction rate for that year

ESG Fact Book

Consolidated

Environmental

Pollutant Emissions

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Air Pollutants	NOx	Ton	2.47	0.71	1.08	0.01	0.16 <sup>1)</sup>	0.05	-	-	-	2.72	1.65	1.54
	SOx	Ton	0.01	0.16	0.32	-	-	-	-	-	-	1.42	0.18	0.03
	Particulate Matter	Ton	1.00	1.96	2.50	0.05	0.23	0.07	0.82 <sup>2)</sup>	1.15 <sup>3)</sup>	1.04	17.80	18.94	17.34
Water Pollutants	Total Emissions	Ton	0.24	0.24	0.19	0.73	1.38	0.59	0.11	0.07	0.13	0.01	0.01	0.01
	TOC	Ton	0.05	0.04	0.14	-	0.73	0.23	-	-	-	0.003	0.003	0.004
	BOD	Ton	0.06	0.05	0.04	0.58	0.51	0.29	0.09 <sup>4)</sup>	0.06 <sup>5)</sup>	0.09	-	-	-
	SS	Ton	0.13	0.16	0.01	0.15	0.14	0.07	0.02 <sup>6)</sup>	0.01 <sup>7)</sup>	0.04	0.004	0.004	0.004

1), 2), 3), 4), 5), 6), 7) Restated following a reassessment of the prior year's calculation method.



## ESG Fact Book

## Consolidated

## Environmental

## Water

Category	Indicator	Unit	Daedong <sup>2)</sup>			Daedong Mobility <sup>3)</sup>			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Water Withdrawal <sup>1)</sup> (By Source)	Total Water Withdrawal	m <sup>3</sup>	74,388	77,500	73,270	18,700.50	40,820.50	21,298.50	15,218	16,388	14,828	74,607	67,595	64,885
	Industrial Water	m <sup>3</sup>	59,100	61,530	57,156	9,622.72	8,960.62	5,944	-	-	-	43,918	35,141	30,854
	Domestic Water	m <sup>3</sup>	15,288	15,970	16,114	9,077.78	31,859.88	15,354.50	-	-	-	30,689	32,454	34,031
	Water Reused	m <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Water Reuse Rate	%	-	-	-	-	-	-	-	-	-	-	-	-

## Water Stress

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Water Withdrawal in Water-Stressed Areas	'High' Level	m <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	'High' Level Ratio	%	-	-	-	-	-	-	-	-	-	-	-	-
	'Extremely High' Level	m <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	'Extremely High' Level Ratio	%	-	-	-	-	-	-	-	-	-	-	-	-
Water Consumption in Water-Stressed Areas	'High' Level	m <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	'High' Level Ratio	%	-	-	-	-	-	-	-	-	-	-	-	-
	'Extremely High' Level	m <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	'Extremely High' Level Ratio	%	-	-	-	-	-	-	-	-	-	-	-	-

1) 2024 Water Consumption Target: 73,625m<sup>3</sup> - Daedong

2), 3) Restated based on a retrospective review of the prior year's water withdrawal calculation method

## ESG Fact Book

## Consolidated

## Environmental

## Waste Management

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Waste Generation <sup>1)</sup>	Total Waste Generation	Ton	1,323.60	1,079.10	966.29	254.00	317.30	265.85	562.00	722.00	764.72	39,974.90	38,250.20	28,730.10
	Total Amount of General Waste	Ton	749.60	502.70	444.36	254.00	315.00	261.30	415.70	539.00	585.01	39,944.20	38,233.80	28,712.50
	Recycling	Ton	733.80	488.60	423.59	194.90	245.40	218.57	-	-	578.56	39,874.90	38,184.60	28,656.59
	Landfill	Ton	15.80	14.10	20.77	59.20	69.60	42.73	21.20	5.00	6.45	39.20	35.00	34.12
	Incineration	Ton	-	-	-	-	-	-	-	-	-	30.10	14.10	21.79
	Others	Ton	-	-	-	-	-	-	394.50	534.00	-	-	-	-
	Total Amount of Hazardous Waste	Ton	574.00	576.40	521.93	-	2.40	4.55	146.00	183.00	179.71	30.70	16.50	17.60
	Recycling	Ton	197.60	141.30	159.30	-	2.40	3.17	-	-	178.15	20.50	8.60	6.60
	Landfill	Ton	-	27.40	22.15	-	-	-	-	-	-	-	-	-
	Incineration	Ton	376.40	407.70	340.48	-	-	1.38	1.50	0.40	1.56	10.20	7.90	11.00
	Others	Ton	-	-	-	-	-	-	144.00	183.00	-	-	-	-
	Waste Recycling Amount (General + Hazardous)	Ton	931.40	629.90	582.89	194.90	247.80	221.74	-	-	756.71	39,895.40	38,193.20	28,663.19
	Waste Recycling Rate (General + Hazardous)	%	70.37	58.37	60.32	77.00	78.00	83.40	-	-	98.95	99.80	99.90	99.77

1) 2024 Total Waste Generation Target: 971.19 ton - Daedong

ESG Fact Book

Consolidated

Environmental

Environmental Trainings

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Environmental Training	Employees Eligible for the Training	Persons	152	152	152	208	230	330	230	240	240	148	141	132
	Employees Completed in the Training	Persons	11	32	152	208	230	330	230	240	240	148	141	132
	Participation Rate in the Training	%	7.24	21.05	100	100	100	100	100	100	100	100	100	100

Environmental Management System

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
ISO 14001 (Environmental Management System-EMS)	Sites Subject to EMS Certification	Sites	2	2	2	2	2	2	1	1	1	1	1	1
	EMS Certified Sites	Sites	2	2	2	-	2	2	1	1	1	1	1	1
	EMS Certification Rate	%	100	100	100	-	100	100	100	100	100	100	100	100

## ESG Fact Book

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Environmental

## Environmental Risk

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Environmental Risk	Site Subject to Risk Assessment	Sites	2	2	2	-	2	2	1	1	1	1	1	1
	Sites Assessed	Sites	2	2	2	-	2	2	1	1	1	1	1	1
	Assessment Rate	%	100	100	100	-	100	100	100	100	100	100	100	100

## Environmental Compliance

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Environmental Compliance	Violations	Cases	1 <sup>1)</sup>	-	-	-	-	-	-	-	-	-	-	1
	Fines/Penalties (Total)	KRW Million	0.6 <sup>2)</sup>	-	-	-	-	-	-	-	-	-	-	0.6
	Non-Monetary Sanctions	Cases	-	-	-	-	-	-	-	-	-	-	-	-

## Environmental Investment

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Environmental Investment	Investment	KRW Million	100	23	260	2.06	12	7.69	-	-	-	-	-	-
	Investment Plan	KRW Million	100	23	260	-	-	16	-	-	-	-	-	-

1), 2) A fine was issued for failure to report changes to air emission facilities and was promptly resolved upon notification.



## ESG Fact Book

Consolidated

Social

## Employee

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Total Number of Employees	Total Employees (Domestic)	Persons	1,337	1,276	1,022	293	420	436	251	272	235	143	132	130
By Employment Type	Full Time Employees	Persons	925	957	971	238	303	355	178	200	185	128	129	127
	Male	Persons	888	906	912	229	289	337	168	189	176	127	128	126
	Female	Persons	37	51	59	9	14	18	10	11	9	1	1	1
	Full-Time Employee Ratio	%	69.18	75	95.01	81.23	72.14	81.42	70.92	73.53	78.72	89.51	97.73	97.69
	Temporary Employees	Persons	412	319	51	55	117	81	73	72	50	15	3	3
	Male	Persons	381	304	44	54	111	74	73	72	50	14	2	2
	Female	Persons	31	15	7	1	6	7	-	-	-	1	1	1
	Temporary Employee Ratio	%	30.82	25.00	4.99	18.77	27.86	18.58	29.08	26.47	21.28	10.49	2.27	2.31
	Indirect Employment (Dispatched employees, etc.)	Persons	128	130	163	-	-	-	-	-	-	-	-	-
By Gender	Male	Persons	1,269	1,210	956	283	400	411	241	261	226	141	130	128
	Female	Persons	68	66	66	10	20	25	10	11	9	2	2	2
	Female Employee Ratio	%	5.09	5.17	6.46	3.41	4.76	5.73	3.98	4.04	3.83	1.40	1.52	1.54

## ESG Fact Book

Consolidated

Social

## Employee

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
By Position	Executives	Persons	18	23	24	13	14	16	5	9	9	2	3	2
	Male	Persons	18	23	24	13	14	16	5	9	9	2	3	2
	Female	Persons	-	-	-	-	-	-	-	-	-	-	-	-
	Female Executives Ratio	%	-	-	-	-	-	-	-	-	-	-	-	-
	Managers (above the Section Chief)	Persons	235	272	289	124	150	138	34	39	42	21	23	30
	Male	Persons	229	261	277	121	144	132	34	39	42	21	23	30
	Female	Persons	6	11	12	3 <sup>1)</sup>	6 <sup>2)</sup>	6	-	-	-	-	-	-
	Female Managers Ratio	%	2.55	4.04	4.15	2.42 <sup>3)</sup>	4.00	4.35	-	-	-	-	-	-
	Deputy Section Chiefs	Persons	91	87	113	67	80	66	16	17	21	9	8	8
	Male	Persons	84	80	98	62	74	60	16	17	21	8	7	7
	Female	Persons	7	7	15	5	6	6	-	-	-	1	1	1
	Staffs	Persons	993	894	540	89	176	15	196	207	25	111	98	94
	Male	Persons	938	846	508	86	167	11	186	196	18	110	97	93
	Female	Persons	55	48	32	3	9	4	10	11	7	1	1	1
Average Years of Service	Average Years of Service for Current Employees	Years	10.40	10.70	11.70	6.40	4.90	5.10	20.00	14.00	13.00	12.30	11.80	12.30

1), 2), 3) Restated based on a retrospective review of the prior year's calculation methodology.

## ESG Fact Book

Consolidated

Social

## Recruitment

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
New Hire	Total Number of New Hires	Persons	822	475	477	113	175	81	80	145	49	23	13	7
By Employment Type	Full Time Employees	Persons	176	128	104	68	92	61	20	40	27	4	1	5
	Temporary Employees	Persons	646	347	373	45	83	20	60	105	22	19	12	2
By Gender	Male	Persons	785	455	466	112	164	72	76	142	47	23	13	7
	Male Ratio	%	95.50	95.79	97.69	99.12	93.71	88.89	95.00	97.93	95.92	100	100	100
	Female	Persons	37	20	11	1	11	9	4	3	2	-	-	-
	Female Ratio	%	4.50	4.21	2.31	0.88	6.29	11.11	5.00	2.07	4.08	-	-	-

## Turnover and Retirement

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Turnover and Retirement	Total Turnover and Retirement	Persons	731	605	608	12	8	21	69	130	77	17	21	12
	Resignation	Persons	48	41	63	12	8	18	64	116	-	17	18	5
	Retirement	Persons	26	27	28	-	2	3	5	14	5	-	3	2
	Resignation Ratio	%	3.60	3.10	4.94	4.10 <sup>1)</sup>	1.90 <sup>2)</sup>	4.29	92.80	89.20	100	12.20	12.60	3.73

1), 2) Restated based on a retrospective review of the prior year's calculation methodology.

## ESG Fact Book

Consolidated

Social

## Remuneration

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Average Basic Salary by Gender	Male	KRW Million	67.20	73.90	85.31	47.40	53.80	62.00	69.00	72.00	74.00	80.90	89.90	95.60
	Female	KRW Million	51.20	59.90	66.10	52.10	45.30	43.00	36.00	35.00	39.00	59.80	65.20	67.40
	Female-to-Male Basic Salary Ratio	%	76.19	81.06	77.48	109.92	84.20	69.35	52.17	48.61	52.70	73.92	72.53	70.50
	Unadjusted Average Gender Pay Gap	%	23.81	18.94	22.52	-9.92	15.80	30.65	47.83	51.39	47.30	23.17	24.50	22.93

## Labor-Management Relations

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Labor-Management Relations	Collective Bargaining Coverage Rate	%	100	100	100	100	100	100	100	100	100	100	100	100
Labor-Management Council	Labor-Management Council Meetings Held	Meetings	4	4	4	7	4	4	4	4	4	5	13	6
Labor Union	Total Eligible Employees	Persons	542	522	519	116	131	149	110	120	104	115	94	88
	Union Members	Persons	542	522	519	116	131	149	110	120	103	93	88	88
	Labor Union Membership Rate	%	100	100	100	100	100	100	100	100	99.04	80.87	93.62	100



## ESG Fact Book

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Social

## Parental Leave

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Parental Leave	Parental Leave Users	Persons	19	13 <sup>1)</sup>	21	-	1	-	-	-	-	-	-	-
	Male	Persons	13	8 <sup>2)</sup>	16	-	1	-	-	-	-	-	-	-
	Female	Persons	6	5 <sup>3)</sup>	5	-	-	-	-	-	-	-	-	-
	Parental Leave Utilization Rate	%	31	25	24	-	0.24	-	-	-	-	-	-	-
	Male	%	21	16	18	-	0.25	-	-	-	-	-	-	-
	Female	%	10	10	6	-	-	-	-	-	-	-	-	-
	Employees who have Worked for more than 12 Months after Returning from the Leave	Persons	1	17 <sup>4)</sup>	11	-	-	1	-	-	-	-	-	-
	Male	Persons	1	11 <sup>5)</sup>	7	-	-	1	-	-	-	-	-	-
	Female	Persons	-	6 <sup>6)</sup>	4	-	-	-	-	-	-	-	-	-
	Paternity Leave Users	Persons	62	50	86									

1), 2), 3), 4), 5), 6) Restated based on a retrospective review of the prior year's calculation methodology and updated with values disclosed in the 2024 year-end business report.

## ESG Fact Book

Consolidated

Social

## Occupational Accident

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Employees	Total Number of Occupational Accidents	Cases	10	7	4	0	3	1	0	0	2	4	8	1
	Fatalities	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Fatality Rate	%	0	0	0	0	0	0	0	0	0	0	0	0
	Occupational Accident Rate	%	1.44 <sup>1)</sup>	0.91 <sup>2)</sup>	0.55	0	0.40	0.20	0	0	0.80	5.67	8.39	1
	Lost Time Accidents	Cases	26	27	17	3	7	1	0	0	2	4	8	1
	LTIR (Lost Time Injury Rate)	Cases / 200,000 Working Hours	2.07 <sup>3)</sup>	2.21 <sup>4)</sup>	1.81	0	0.56	0.32	0	0	0.85	1.98 <sup>5)</sup>	4.72 <sup>6)</sup>	0.64 <sup>7)</sup>
	Lost Workdays	Days	1,230	1,088	552	12	17	1	0	0	60	424	730	60
	Near Misses	Cases	30	27	31	6	9	7	0	0	2	0	0	0
	NMFR (Near Miss Frequency Rate)	%	2.38	2.21	3.51	8.53	8.93	6.69	0	0	0	0	0	0
Suppliers	Occupational Accident Victims	Persons	0	0	0	0	1	1	0	0	0	0	2	0
	Occupational Accident Rate	%	0	0	0	0	2.44	3.13	0	0	0	0	1.82	0
	Lost Time Injuries	Cases	0	0	0	0	1	1	0	0	2	0	2	0
	LTIR (Lost Time Injury Rate)	Cases / 200,000 Working Hours	0	0	0	0	1.63	2.08	0	0	0.59	0	1.01	0

1), 2), 3), 4), 5), 6), 7) Restated based on a retrospective review of the prior year's calculation methodology.

Consolidated Social

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Health and Safety Management System	Sites Subject to the Certification	Sites	2	2	2	2	2	2	1	1	1	1	1	1
	Certified Sites	Sites	2	2	2	-	2	2	1	1	1	1	1	1
	Certification Rate	%	100	100	100	-	100	100	100	100	100	100	100	100

[illegible]

## ESG Fact Book

Consolidated

Social

## Employee Training

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Training Cost	Total Training Cost	KRW Million	238.90	318.50	487	12	51	102	-	2	2	15.40	7.50	13.29
	Training Cost per Employee	KRW Thousand	178.68 <sup>4)</sup>	249.61 <sup>5)</sup>	476.56	40.96 <sup>8)</sup>	121.43 <sup>9)</sup>	233.10	-	-	8.51	107.69	56.82	102.23
Training Hour	Total Training Hours	Hours	16,962.5	14,205	17,219	-	-	-	7,781	8,704	9,200	3,829 <sup>10)</sup>	3,978 <sup>11)</sup>	3,826
	Training Hours per Employee	Hours	12.69 <sup>6)</sup>	11.13 <sup>7)</sup>	16.85	-	-	-	31	32	39.15	26.78 <sup>12)</sup>	30.14 <sup>13)</sup>	29.43
	Male <sup>1)</sup>	Hours	16,909.30	13,357.10	15,980.40	N/A	N/A	N/A	N/A	N/A	N/A	26.70	30.10	28.50
	Female <sup>2)</sup>	Hours	948.20	810.90	1,238.10	N/A	N/A	N/A	N/A	N/A	N/A	34	36	32.50
Training Satisfaction Survey	Training Satisfaction Survey <sup>3)</sup>	Points	6.7	6.7	6.6	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-

1), 2), 3) Daedong Mobility and Daedong Gear: Training hours by gender and training satisfaction survey results are unavailable.

4), 5), 6), 7), 8), 9) Restated based on a retrospective review of the prior year's calculation methodology.

10), 11), 12), 13) Prior year data covered only management level employees; methodology is updated.

## ESG Fact Book

Consolidated

Social

## Human Rights (Diversity) Training

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Human Rights (Diversity) Training	Total Training Hours	Persons	5,348	5,104	4,088	586	840	249	3	3	3	560	544	411
	Training Hours per Employee	Hours/Person	4	4	4	2	2	0.57	3	3	3	4	4	3
	Employees Subject to Training	Persons	1,337	1,276	1,022	293	420	437	251	272	242	143	140	137
	Employees Completed Training	Persons	1,337	1,276	1,022	293	420	437	251	272	242	140	136	137
	Completion Rate	%	100	100	100	100	100	100	100	100	100	97.90	97.14	100

## Occupational Health and Safety Training

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Occupational Health and Safety Training	Total Training hours	Persons	979 <sup>1)</sup>	949 <sup>2)</sup>	732	4,236	9,700	8,855	460	480	220	3,432	3,432	3,432
	Training Hours per Employee	Hours/Person	24	24	24	15	22	20	2	2	0.91	24	24	26
	Employees Subject to Training	Persons	979	949	732	292	447	437	230	240	242	143	143	134
	Employees Completed Training	Persons	979 <sup>3)</sup>	949 <sup>4)</sup>	732	292	447	437	230	240	242	143	143	134
	Completion Rate	%	100	100	100	100	100	100	100	100	100	100	100	100

1), 2), 3), 4) With clearer criteria established than the prior year, duplicate completions were excluded and calculated as one hour per person.



## ESG Fact Book

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Social

## Performance Evaluation

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Performance Evaluation	Employees Subject to the Evaluation	Persons	397	391	473	90	140	195	80	90	90	143	132	134
	Evaluated Employees	Persons	397	391	473	90	140	195	80	90	90	143	132	134
	Evaluation Rate	%	100	100	100	100	100	100	100	100	100	100	100	100

## Diversity

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Female	Female Executives	%	-	-	-	-	-	-	-	-	-	-	-	-
Minority Groups <sup>1)</sup>	with Disabilities	Persons	22	19	17	4	5	5	4	4	4	-	-	2
	with Disabilities	%	2.45	2.48	2.74	1.37	1.19	1.18	1.59	1.47	1.70	-	-	1.54
	with National Merit	Persons	9	9	8	1	1	1	-	-	-	2	2	2
	with National Merit	%	0.66	0.75	0.76	0.34	0.24	0.23	-	-	-	1.40	1.52	1.54
	Foreign	Persons	2 <sup>2)</sup>	3 <sup>3)</sup>	3	1	1	1	-	-	-	-	-	-
	Foreign	%	0.15	0.25	0.28	0.34	0.24	0.23	-	-	-	-	-	-
	Minority Groups in Executive Management	%	-	-	-	-	-	-	-	-	-	-	-	-

1) Daedong's 2025 minority group recruitment target- with Disability: 20 employees, with National Merit: 10 employees.

2), 3) Restated based on a retrospective review of the prior year's calculation methodology.

ESG Fact Book

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Social

Human Rights Grievance Resolution

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Human Rights Grievance Resolution	Grievances Received	Cases	-	-	1	-	-	-	-	-	-	-	-	-
	Grievances Resolved	Cases	-	-	1	-	-	-	-	-	-	-	-	-
	Grievances Resolution Rate	%	-	-	100	-	-	-	-	-	-	-	-	-

Employee Satisfaction

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Employee Satisfaction	Satisfaction Survey Score	Points	-	3.48	3.34	N/A	3.61	3.22	3	3	3	-	-	-
	Eligible for Survey	Persons	-	387	431	N/A	165	204	60	70	70	-	-	-
	Participated in Survey	Persons	-	253	247	N/A	100	150	40	50	50	-	-	-
	Survey Participation Rate	%	-	65.37	57.31	N/A	61	74	80	80	80	-	-	-

## ESG Fact Book

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Social

## Fair Trade with Suppliers

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Fair Trade with Suppliers	Fair Trade Agreement	Companies	-	-	68	92	207	7	290	283	252	3	4	4

## Social Contribution

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Donations	Total Amount	KRW Million	145.06 <sup>1)</sup>	380.40 <sup>2)</sup>	176.11	-	-	-	3.2	1.2	-	5.5	6.5	7.6
Volunteer Activities	Total Volunteer Hours	Hours	-	-	-	-	-	-	-	-	-	-	-	-
	Volunteer Hours per Person	Hours	-	-	-	-	-	-	-	-	-	-	-	-
	Employees Participated in Volunteering	Persons	-	-	-	-	-	-	-	-	-	-	-	-
	Volunteering Participation Rate	%	-	-	-	-	-	-	-	-	-	-	-	-

## Quality Management System

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
QMS (Quality Management System)	Sites Subject to QMS	Sites	2	2	2	1	2	2	1	1	1	1	1	1
	Certified Sites	Sites	2	2	2	1	2	2	1	1	1	1	1	1
	Certification Rate	%	100	100	100	100	100	100	100	100	100	100	100	100

1), 2) Restated based on a retrospective review of the prior year's calculation methodology.



## ESG Fact Book

## Consolidated

## Governance

## Board of Directors- Operations

Category	Indicator	Unit	Daedong			Daedong Mobility <sup>1)</sup>			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Board Meetings	Board Meetings	Times	34	13	15	18 <sup>2)</sup>	20 <sup>3)</sup>	20	16	25	16	11	12	9
Board Attendance Rate	Overall Attendance Rate	%	100	100	98	100	86.67 <sup>4)</sup>	89.47	70	70	80	63.60	66.00	66.67
	Executive Directors' Attendance Rate	%	100	100	100	100	86.67 <sup>5)</sup>	89.47	100	100	100	100	100	100
	Independent Directors' Attendance Rate	%	100	100	96	N/A	N/A	N/A	50	50	67	27.30	33.30	44.40
Board Agenda Items	Total Agenda Items	Items	51	57	71	22 <sup>6)</sup>	22 <sup>7)</sup>	25	16	25	10	11	12	9
	Deliberations	Items	51	57	71	22	22	25	16	25	10	11	11	7
	Reports	Items	3	3	3	2	2	2	16	25	10	-	1	2
	Agenda Items with Independent Directors' Dissent	Items	-	-	-	N/A	N/A	N/A	-	-	-	-	-	-
Board ESG Agenda Items	ESG Agenda Deliberations	Items	-	1	-	-	-	-	-	-	-	-	-	-
	ESG Agenda Reports	Items	-	1	4	-	-	-	-	-	-	-	-	-
	Climate Change Related Reports	Items	-	-	1	-	-	-	-	-	-	-	-	-
	Occupational Health and Safety Reports	Items	1	1	1	-	-	-	-	-	-	-	-	-

## Board of Directors- Compensations

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Executive Directors	Number of Directors	Persons	3	3	3	3	3	3	2	2	2	2	2	2
	Total Compensation	KRW Million	2,171	3,060	2,839	874	1,473	1,719	721	907	881	666	619	828
	Average Compensation per Person	KRW Million	724	1,020	946	291	491	573	360	453	440	333	310	414

1) Daedong Mobility: No Independent directors.

2), 3), 4), 5), 6), 7) Data omissions occurred during the prior year's data compilation process.



## ESG Fact Book

Consolidated

Governance

## Ethics/Anti-corruption Reporting

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Ethics/ Anti-corruption Reported	Case Reported	Cases	-	1	-	-	-	-	-	-	-	-	-	-
	Corruption	Cases	-	-	-	-	-	-	-	-	-	-	-	-
	Discrimination	Cases	-	-	-	-	-	-	-	-	-	-	-	-
	Other	Persons	-	1	-	-	-	-	-	-	-	-	-	-
Ethics/ Anti-corruption Cases Resolved	Total Cases Resolved	Persons	-	1	-	-	-	-	-	-	1	-	-	-
	Dismissal	Persons	-	-	-	-	-	-	-	-	-	-	-	-
	Disciplinary Action	Persons	-	-	-	-	-	-	-	-	1	-	-	-
	Other	Persons	-	1	-	-	-	-	-	-	-	-	-	-
	Resolution Rate	%	-	100	-	-	-	-	-	-	100	-	-	-

## Fair Trade Training

Category	Indicator	Unit	Daedong			Daedong Mobility			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Fair Trade Training	Total Training Hours	Hours	32	44	35	-	-	-	230	240	240	-	-	-
	Participants	Persons	16	22	523	-	-	-	230	240	240	-	-	-



ESG Fact Book

By entities Environmental

Biodiversity - Daedong

Category	Indicator	Unit	2022	2023	2024
Distribution of Threatened Species (by Sites)	(Daegu Campus) Critically Endangered Species	Species	2	2	2
	(Daegu Campus) Endangered Species	Species	10	10	10
	(Seoul Campus) Critically Endangered Species	Species	5	5	5
	(Seoul Campus) Endangered Species	Species	19	19	19
	(Vision Campus-Changnyeong) Critically Endangered Species	Species	3	3	3
	(Vision Campus-Changnyeong) Endangered Species	Species	17	17	17

Biodiversity - Daedong Mobility

Category	Indicator	Unit	2022	2023	2024
Distribution of Threatened Species (by Sites)	(A-Factory) Critically Endangered Species	Species	2	2	2
	(A-Factory) Endangered Species	Species	14	14	14
	(S-Factory) Critically Endangered Species	Species	2	2	2
	(S-Factory) Endangered Species	Species	10	10	10
	(Seoul Office) Critically Endangered Species	Species	-	-	-
	(Seoul Office) Endangered Species	Species	-	-	-
	(Busan Office) Critically Endangered Species	Species	10	10	10
	(Busan Office) Endangered Species	Species	27	27	27

Biodiversity - Daedong Gear

Category	Indicator	Unit	2022	2023	2024
Distribution of Threatened Species (by Sites)	(Sacheon Site) Critically Endangered Species	Species	2	2	2
	(Sacheon Site) Endangered Species	Species	23	23	23

Biodiversity - Daedong Metals

Category	Indicator	Unit	2022	2023	2024
Distribution of Threatened Species (by Sites)	(Daegu Site) Critically Endangered Species	Species	-	2	2
	(Daegu Site) Endangered Species	Species	-	10	10

## ESG Fact Book

By entities

Social

## Employee Health Management

Category	Indicator	Unit	Daedong		
			2022	2023	2024
Health Screening	General Health Screening	Persons	877	655	935
	Pre-assignment Medical Examination	Persons	764	389	304
	Special Health Screening	Persons	522	537	384
	Ultrasound Health Screening	Persons	536	471	533
	Comprehensive Health Screening (for Eligible Employees and Spouses)	Persons	580	715	729
	Influenza Vaccination (for Eligible Employees and Spouses)	Persons	1,147	1,053	990
	Employee Health Screening Rate	%	100	100	100

## Employee Training - Job Training

Category	Indicator	Unit	Daedong			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Job Training	Total Training Hours	Persons	10,617	7,673	9,807	200	230	238	396.50	546	692
	Training Hours per Person	Hours/ Person	37	30	23	3	3	3	22.03	23.74	23.86
	Eligible for Job Training	Persons	535	574	580	80	92	95	42	40	45
	Eligible for Job Training Rate	%	40.01	44.98	56.75	32	34	40	29.37	30.30	34.62
	Employees Completed Job Training	Persons	290	253	421	80	92	95	18	23	29
	Completion Rate	%	54.21	44.08	72.59	100	100	100	42.86	57.50	64.44

ESG Fact Book

By entities Social

Supplier Training

Category	Indicator	Unit	Daedong			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Training Support for Suppliers	Total Training Hours	Hours	698	900	2,062	-	-	-	-	-	-
	Number of Suppliers Provided with Training	Suppliers	10	19	71	-	-	-	-	-	-
Occupational Health and Safety Training for Suppliers	Supplier Employees Eligible for Safety Training	Persons	117	117	117	-	-	-	120	120	90
	Supplier Employees Participated in Safety Training	Persons	117	117	117	-	-	-	120	120	90
	Participation Rate	%	100	100	100	-	-	-	100	100	100
	Suppliers Regularly Assessed for Safety Competency	Suppliers	8	8	8	-	-	-	12	12	12



## ESG Fact Book

By entities

Governance

### Compensation

Category	Indicator	Unit	Daedong		
			2022	2023	2024
Compensation Ratio	Annual Total Compensation for the Organization's Highest Paid Individual	KRW Million	1,038	1,535	1,417
	Average Annual Total Compensation for All Employees	KRW Million	66	73	92
	Ratio of Average Annual Total Compensation for All Employees to the Annual Total Compensation for the Organization's Highest Paid Individual (Average)	%	16	21	15

### Ethics Training

Category	Indicator	Unit	Daedong			Daedong Gear			Daedong Metals		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Ethics and Compliance/ Anti-corruption Training	Total Training Hours	Hours	84.70	124.10	570	230	240	240	148	144	47
	Training Hours per Person	Hours/Person	0.2	0.3	1.1	1	1	1	1	1	1
	Employees Eligible for Training	Persons	539	575	529	230	240	240	148	144	47
	Employees Completed Training	Persons	391	438	523	230	240	240	148	144	47
	Completion Rate	%	72.50	76.20	98.90	100	100	100	100	100	100

## GRI Standards Index

Statement of use	Daedong Group has reported its sustainability management for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of the report disclosure date (JUN, 2025), there are no applicable GRI Sector Standards for Daedong Group.

	Indicators	Page	Remarks
GRI 2: General Disclosures	<b>General Disclosures</b>		
	2-1 Organizational details	6, 8, 11, 14, 17	
	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	2	
	2-5 External assurance	156-157	
	2-6 Activities, value chain and other business relationships	6, 8-9, 11-12, 14-15, 17-18, 22-23	
	2-7 Employees	8, 11, 14, 17	
	2-8 Workers who are not employees	129	
	2-9 Governance structure and composition	20, 105, 107, 109-110	
	2-10 Nomination and selection of the highest governance body	107-108, 110	
	2-11 Chair of the highest governance body	105, 109	
	2-12 Role of the highest governance body in overseeing the management of impacts	32, 37-38, 55-56, 104, 112	
	2-13 Delegation of responsibility for managing impacts	32, 37-38, 55-56, 104, 112	
	2-14 Role of the highest governance body in sustainability reporting	107-108	
	2-15 Conflicts of interest	108, 110	
	2-16 Communication of critical concerns	106, 108	
	2-17 Collective knowledge of the highest governance body	110	
	2-18 Evaluation of the performance of the highest governance body	108, 110	
	2-19 Remuneration policies	108, 110	

	Indicators	Page	Remarks
GRI 2: General Disclosures	2-20 Process to determine remuneration	108, 110	
	2-21 Annual total compensation ratio	148	
	2-22 Statement on sustainable development strategy	7, 10, 13, 16	
	2-23 Policy commitments	75-76	
	2-24 Embedding policy commitments	75-76	
	2-25 Processes to remediate negative impacts	75, 102	
	2-26 Mechanisms for seeking advice and raising concerns	76, 90, 102	
	2-27 Compliance with laws and regulations	128, 144	
	2-28 Membership associations	152	
	2-29 Approach to stakeholder engagement	24	
	2-30 Collective bargaining agreements	84, 132	

## GRI Standards Index

	Indicators	Page	Remarks
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25-29	
	3-2 List of material topics	26	
<b>Environmental Performances</b>			
GRI 3 : Material Topics 2021	3-3 Material topics management	31-35	
GRI 302 : Energy	302-1 Energy consumption within the organization	123	
	302-3 Energy intensity	123	
	302-4 Reduction of energy consumption	123	
GRI 305 : Emissions	305-1 Direct (Scope 1) GHG emissions	122	
	305-2 Energy indirect (Scope 2) GHG emissions	122	
	305-4 GHG emissions intensity	122	
	305-5 Reduction of GHG emissions	122	
	305-7 Nitrogen oxides(NOx), Sulfur oxides(SOx) and other significant air emissions	124	
<b>Occupational Health and Safety</b>			
GRI 3 : Material Topics 2021	3-3 Material topics management	36-45	
GRI 403 : Occupational Health and Safety	403-1 Occupational health and safety management system	42-43	
	403-2 Hazard identification, risk assessment, and incident investigation	135	
	403-3 Occupational health services	44	
	403-4 Worker participation, consultation, and communication on occupational health and safety	42, 44	
	403-5 Worker training on occupational health and safety	43-44	
	403-6 Promotion of worker health	43-44	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42-43	
	403-8 Workers covered by an occupational health and safety management system	42-43	
	403-9 Work-related injuries	45	

	Indicators	Page	Remarks
<b>Economic Performance</b>			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	120-121	
	201-2 Financial implications and other risks and opportunities due to climate change	33	
	201-4 Financial assistance received from government	121	
<b>Indirect Economic Impacts</b>			
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	98-99, 140	
	203-2 Significant indirect economic impacts	92, 98-99, 140	
<b>Procurement Practices</b>			
GRI 204 : Procurement Practices	204-1 Proportion of spending on local suppliers	121	
<b>Anti-corruption</b>			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	101-103, 148	
	205-3 Confirmed incidents of corruption and actions taken	143	
<b>Anti-competitive Behavior</b>			
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	144	

## GRI Standards Index

Indicators		Page	Remarks
<b>Water and Effluents</b>			
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	66	
	303-2 Management of water discharge-related impacts	64	
	303-5 Water consumption	125	
<b>Biodiversity</b>			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	66, 145	
<b>Waste</b>			
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	70, 126	
	306-2 Management of significant waste-related impacts	68-71	
	306-3 Waste generated	126	
	306-4 Waste diverted from disposal	68-70, 126	
	306-5 Waste directed to disposal	68-69, 126	
<b>Employment</b>			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	131	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	82	
	401-3 Parental leave	131	
<b>Labor Management Relations</b>			
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	84	
<b>Training and Education</b>			

Indicators		Page	Remarks
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	136	
	404-2 Programs for upgrading employee skills and transition assistance programs	78-79	
	404-3 Percentage of employees receiving regular performance and career development reviews	79-81, 138	
<b>Diversity and Equal Opportunity</b>			
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	130, 138, 142	
	405-2 Ratio of basic salary and remuneration of women to men	132	
<b>Non-discrimination</b>			
GRI 406: Non-discrimination	406-1 Discrimination cases & corrective actions	76, 139	
<b>Local Communities</b>			
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	99	
	413-2 Operations with significant actual and potential negative impacts on local communities	99	
<b>Customer Privacy</b>			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	144	

TCFD Index

No.	Contents	Page
Governance	a. Board oversight of climate-related risks and opportunities	32
	b. Management's role in assessing and managing climate-related risks and opportunities	32
Strategy	a. Climate-related risks and opportunities identified over the short, medium, and long term	33
	b. Impact of climate-related risks and opportunities on businesses, strategy, and financial planning	33
	c. Resilience of the strategy considering different climate-related scenarios, including a 2°C scenario	33-34
Risk Management	a. Processes for identifying and assessing climate-related risks	34
	b. Processes for managing climate-related risks	34
	c. Integration of climate risk processes into overall risk management	34
Metrics and Targets	a. Metrics used to assess climate-related risks and opportunities	35
	b. Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and related risks	35
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## UN SDGs Index

UN SDGs		Objectives	Daedong Group's Main Activities	Page
	Goal 1	End poverty in all its forms everywhere	• Donation of agricultural machinery to local communities in Africa	98p
	Goal 2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	• Free machinery rental to wildfire-affected areas in Gyeongbuk	98p
	Goal 3	Ensure healthy lives and promote well-being for all at all ages	• Employee health and safety programs • Operator safety management	43-44p
	Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Support for education of underprivileged youth in local communities	98p
	Goal 5	Achieving Gender Equality and Empowering All Women and Girls	• Fair compensation and equal pay • Maternity gifts and parental leave	75p, 85p
	Goal 6	Ensure availability and sustainable management of water and sanitation for all	• Water-saving campaigns • Wastewater monitoring and management	65p, 67p
	Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	• Investment in eco-friendly facilities	60p
	Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• Talent recruitment and training • Work-life balance support : family-friendly working systems, employee benefits	77-78p, 82p
	Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• Donation of agricultural machinery in Africa	98p
	Goal 10	Reduce inequality within and among countries	• Implementation of a human rights management system and detailed human rights guidelines	75p
	Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	• Management of negative impacts on local communities	99p
	Goal 12	Ensure sustainable consumption and production patterns	• Establishment of a sustainable procurement system	60p
	Goal 13	Take urgent action to combat climate change and its impacts	• Greenhouse gas reduction strategy	34p
	Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	• Water usage management	67p
	Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	• Biodiversity conservation	66p
	Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Operation of a code of ethics and internal reporting system • Compliance management activities	101-103p
	Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	• Strengthening communication with suppliers and business partners • Monitoring and management of customer VOC (Voice of Customer)	90p, 97p

Awards and Membership

Awards

Asia's First 'iF Design Award' Award

- Daedong
- Date: 2024.02.28
- Organized by: International Forum Design



Excellent Industrial Design (GOOD DESIGN)  
Product in the Transportation Design category

- Product: Daedong GX Tractor
- Date: September 11, 2024
- Host: Ministry of Trade, Industry and Energy
- Organized by: Korea Institute of Design Promotion



CES 2025 innovation Award in Food & AgTech

- Product: AI Plant Box
- Date: 2024.11.18
- Organized by: Consumer Electronics Show(CES)



Triple Crown, 2024 PIN UP Design Award  
(industrial Design Category)

- Product: Autonomous pest control/transport robot, GX Tractor, GS100 Lite Electric scooter
- Date: 2025.01.22.
- Organized by: Korea Association of industrial Designers



'2024 Industrial Complex Electricity Energy  
Saving Competition' Grand Prize

- Daedong Mobility
- Date: 2024.11.22
- Organized by: KEEA, KEPCO, KICOX, KEA\*, Korea Industrial Complex Managers Association, Global Leading Companies Association



Ranked No.1 in the 2024 Korean Quality  
Satisfaction Index (KS-QEI)

- Product: Daedong Tractor, Daedong Combine
- Date: 2024.11.07
- Organized by: Korea Standards Association



Memberships

Daedong				
Fair Competition Federation	Korea Metal Industrial Employers Association	Nakdong River Environmental Protection Movement Headquarters	Agricultural Machinery Industry Cooperative	Daegu Enterprises Federation
Daegu-Gyeongbuk Environmental Engineers Association	Daegu Chanber of Commerce & Industry	Korean Nursing Association	Korea Industrial Safety Association	The Korea Chamber of Commerce & Industry
Korea Association of Standards & Testing Organizations	Korea Customs Association	Korea Agricultural Machinery Industry Cooperative	Korean Society for Agricultural Machinery	Korea International Trade Association
Korea Environmental Conservation Institute	Korea Fire Safety Institute	Korea Electric Engineers Association	Federation of Middle Market Enterprises of Korea	Korean Standards Association

Greenhouse Gas Assurance Statement

EVC-25-016-1

## GHG Emission Verification Opinion

**Daedong Co., Ltd.**  
35, Nonggongjungang-ro 34-gil, Nongong-eup, Dalseong-gun, Daegu

### 1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

### 2. Verification Scope

Korean Standards Association conducted limited assurance verification of Daedong Co., Ltd. and its affiliates's Scope1 and Scope2 GHG statement.

- Reporting Target
  - Daedong Co., Ltd. : Daegu Headquarters, Changnyeong Development Headquarters, Seoul Office, Seoul Corporate Research Institute, Gyeongbuk Regional Headquarters, Jeonnam Regional Headquarters, Chungnam Regional Headquarters, Gangwon Regional Headquarters, Central Business Headquarters
  - Daedong Gear Co., Ltd. : Sacheon Plant
  - Daedong Mobility Co., Ltd. : A-factory, S-factory, Seoul office, Busan office
  - Hydrotech Co., Ltd. : Daegu Headquarters
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions)
  - Scope1 : Stationary combustion, Mobile combustion, Process emissions(RTO) \* Process emission(RTO) is only for Daedong Co., Ltd
  - Scope2 : Externally purchased power
- Year : January 1, 2024 to December 31, 2024

### 3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.

- Calculation criteria
  - KS I ISO 14064-1 : 2018
  - Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2025-64)
  - 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines
  - WRI (World Resources Institute) Greenhouse Gas Protocol

### 4. Level of assurance verification and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to Daedong (Daegu headquarters), Daedong Gear Co., Ltd. (Sacheon Plant), and Daedong Mobility Co., Ltd. (Ansung Plant), and Hydrotech Co., Ltd. (Daegu Headquarters)

KSA

IAF

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1/2

- Method of confirmation :
  - Interview with greenhouse gas emissions manager and field staff
  - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
  - Tracking review of internal documents and basic data

Daedong Co., Ltd. and its affiliates should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

### 5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

### 6. Verification Conclusion

No errors or false facts were found in Daedong Co., Ltd. and its affiliates's GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

- Appendix. GHG Emissions of Daedong Co., Ltd. and its affiliates

(Unit : tCO2eq)			
Division	Scope1	Scope2	Subtotal
Daedong	6,624	8,027	14,651
Daedong Gear	1,295	13,965	15,260
Daedong Mobility	921	1,276	2,197
Hydrotech	29	393	422
Total	8,869	23,661	32,530

\* Note : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

April 30, 2025

Pengmin Moon

KOREAN STANDARDS ASSOCIATION

KSA

IAF

국립환경과학원

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Issuance No. : KTR(GHG)25-004

## KTR

### INDEPENDENT VERIFICATION STATEMENT

#### Daedong Metals Co., Ltd.

#### INTRODUCTION

Korea Testing Research Institute (KTR) was commissioned to perform an independent third-party verification of Daedong Metals Co., Ltd.'s greenhouse gas (GHG) emissions for the reporting period. This verification statement is based on the scope of work and level of assurance described herein and applies solely to the GHG information contained within that defined scope.

#### SCOPE

- Organizational boundary : the whole business under the operational control
- Verification object workplaces : A total of 1 HQ under Daedong Metals Co., Ltd.'s operational control
- Reporting period : Calendar year of 2024
- Reporting greenhouse gas : CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>
- Type of emission : Direct Emissions (Scope 1), Indirect Emissions (Scope 2)
- The level of assurance : Reasonable assurance (materiality threshold : ±5.0%)

#### STANDARDS

- ISO 14064-1 : 2018, ISO 14064-3 : 2019
- Verification Guidelines for the K-ETS Operation
- Guidelines on Reporting and Certification of K-ETS from Ministry of Environment
- IPCC Guidelines for National Greenhouse Gas Inventories

#### RESULTS

GHGs Emissions	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Total (tCO <sub>2</sub> e)
2024	3,635,888	28,074,662	31,710

Energy Consumption	Fuel (TJ)	Electricity (TJ)	Steam (TJ)	Total (TJ)
2024	21.675	587.544	0	609

#### CONCLUSION

Based on the process and procedures conducted, we conclude that Daedong Metals Co., Ltd.'s '2024 GHG Emissions and Energy Consumption Statement' is materially correct and is a fair representation of the GHG data and information and is prepared in accordance with ISO 14064-1:2018, Guidelines on Reporting and Certification of Emissions in K-ETS from Ministry of Environment.

It is our opinion that Daedong Metals Co., Ltd. has established appropriate systems for the collection, aggregation and analysis of quantitative data for the determination of GHG emissions for the stated period and boundaries.

Apr 07th, 2025

Approved by

Young-yeubhy

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# Independent Assurance Statement

## Dear Stakeholders of DAEDONG CORPORATION

### Assurance Outline

Korea Productivity Center Quality Assurance (hereinafter "KPCQA") was commissioned by DAEDONG CORPORATION (hereinafter "DAEDONG CORPORATION") to conduct an independent assurance on the 2024 ESG Sustainability Report (hereinafter "the report") and issues an assurance statement. DAEDONG CORPORATION has sole responsibility for the preparation of the data within the report. KPCQA's responsibility is to provide objective opinions on this report with the specified criteria and scope of assurance.

### Scope

This report describes DAEDONG CORPORATION's sustainability efforts and performance. The scope of assurance was included on activities from January 1, 2024 to December 31, 2024. Activities through 2025 has also been used in some areas. The report was assured focusing on the reporting of sustainable management policies, strategies, goals, businesses, and performance, and conformity of data collection and analysis, and the report creation process.

### Criteria

The assurance was carried out in accordance with the following standards:

- AA1000AS v3
- KPCQA ESG Report Assurance Protocol

### Levels

The assurance of this report was conducted in line with the requirements of the AA1000AS v3 Type 1(Adherence to the AA1000 four principles) at moderate level of assurance. The assurance was applied by professional judgement about materiality.

The report has been produced in accordance with GRI Standards. We confirmed that the report was complied with reporting principles of GRI Standards, Universal Standards, and Topic Standards based on the data and information provided by DAEDONG CORPORATION.

### Universal Standards

Organizational and Its Reporting Practices	2-1 ~ 2-5
Activities and Workers	2-6 ~ 2-8
Governance	2-9 ~ 2-21
Strategy, Policies and Practices	2-22 ~ 2-28
Stakeholder Engagement	2-29 ~ 2-30
Material Topics	3-1 ~ 3-3

### Topic Standards

Economic Performance	201-1, 201-2, 201-4
Indirect Economic Impacts	203-1, 203-2
Procurement Practices	204-1
Anti-corruption	205-2, 205-3
Anti-competitive Behavior	206-1
Energy	302-1, 302-3, 302-4
Water and Effluents	303-1, 303-2, 303-5
Biodiversity	304-1
Emissions	305-1, 305-2, 305-4, 305-5, 305-7
Waste	306-1, 306-2, 306-3, 306-4, 306-5
Employment	401-1, 401-2, 401-3
Labor/Management Relations	402-1
Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9
Training and Education	404-1, 404-2, 404-3
Diversity and Equal Opportunity	405-1, 405-2
Non-discrimination	406-1
Local Communities	413-1, 413-2
Customer Privacy	418-1

## Independent Assurance Statement

### Methodology

- Review of Sustainability Performance Data and Management System
- Review of the reporting process and data management framework
- Review of materiality assessment process and Internal Analysis Procedure
- Review of media report on sustainability
- Interviews with executives and employees involved in material topics and report preparation
- Review of the overall report

### Limitations

This assurance is limited assurance in limited criteria with comparative review of data provided by DAEDONG CORPORATION. It has its own limitations depending on the characteristics and calculation method of the data.

### Conclusions

KPCQA conducted assurance on the draft by review of the data, onsite verification and interview with the employees. It was confirmed that all errors identified during the assurance were corrected.

As a result of the assurance of this report, no material errors or improper descriptions have been found, and the conclusions are as follows:

#### • Inclusivity : Participation of Stakeholders

DAEDONG CORPORATION operates stakeholder communication channels to gather opinions from various stakeholders to derive material topics and ensure that they are reflected in decision-making.

#### • Materiality : Selection and Reporting of Material Topics

DAEDONG CORPORATION presented sustainability performance data without any material omissions. Relating to the material issues in the report, nothing had come to our attention that would cause problem in decision-making process.

#### • Responsiveness : Organizational Response to Issues

KPCQA checked and reviewed the data related to the internal and external stakeholders of DAEDONG CORPORATION. We confirmed DAEDONG CORPORATION identified the reporting scope and stakeholders' interests and reflected them. we confirmed DAEDONG CORPORATION has management process of material topics through materiality assessment.

#### • Impact : Monitoring and Measurement of Business Activities

KPCQA reviewed DAEDONG CORPORATION identified and monitored the impact of DAEDONG CORPORATION's business activities on stakeholders. we confirmed the impact associated with material issues have been properly measured.

### Competencies and Independence of Assurance

KPCQA is a 3rd Party Conformity Assessment Body that conforms to ISO/IEC 17021:2015 and has documented policies, assessment processes, and quality assurance systems with assurance team of ESG experts.

KPCQA has never engaged in any profit-seeking activities with DAEDONG CORPORATION and has maintained its independence, which has not been compromised in the course of this assurance.



Jun 2025

Korea Productivity Center Quality Assurance

President **Jang Jean, Kang**