

Respectable Partner for Your Innovation through Chemistry

Aekyung Chemical 2025 Sustainability Report

AEKYUNG CHEMICAL CO.,LTD.

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Report Overview

Under the slogan “Creating a Better World with Unique Chemical Solutions”, Aekyung Chemical has published its sustainability management report each year since 2023 to transparently share our sustainability management performance and future plans with stakeholders. In June 2026, we present our fourth report. We remain committed to sharing our sustainability management strategy and performance through annual reports and actively incorporating stakeholder feedback into our business operations.

Reporting Period and Scope

This report covers the key sustainability management activities and performance of Aekyung Chemical for the period from January 1, 2025, to December 31, 2025. To enhance the comparability of quantitative performance, data from the most recent three years (2023–2025) are presented in parallel. Where the disclosure scope differs from the prior year, such differences are noted separately in annotations. Additionally, certain qualitative performance of high materiality includes content through the first half of 2026.

The reporting scope encompasses Aekyung Chemical's domestic business sites, including the Seoul headquarters, Ulsan, Cheongyang, and Jeonju Plants, and the Daejeon Research Center. Where clarification of reporting scope and calculation boundaries is necessary, such matters are indicated in separate annotations.

Reporting Principles and Standards

This report has been prepared in accordance with GRI (Global Reporting Initiative) Standards 2021 and SASB (Sustainability Accounting Standards Board) standards, the global disclosure standards for sustainability management reporting. Financial information is presented on a consolidated basis under Korean International Financial Reporting Standards (K-IFRS), while non-financial information is based on separate standards applicable to our domestic business sites. However, for the Daejeon Research Center, only greenhouse gas and energy consumption data have been included.

Report Verification

To enhance the credibility and quality of this report, we completed verification through MARCSPON, an independent assurance body. The verification was conducted at Type 1, Moderate level in accordance with AA1000AS v3, the global verification standard, and encompassed all ESG performance data throughout the report. Detailed information regarding the verification is available in the "Independent Assurance Statement" on pages 136–137 of this report.

Information

Aekyung Chemical's sustainability management report is available for viewing and downloading on our website.

Publisher	Aekyung Chemical Co., Ltd.
Address	9–10F, Aekyung Tower, 188 Yanghwa-ro, Mapo-gu, Seoul
Publication Date	June 2026
Responsible Team	ESG Team
Email	esg_ca@aekyung.kr
Website	www.aekyungchemical.co.kr

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CEO Message

Dear Stakeholders,

I extend my sincere gratitude to all stakeholders for your unwavering trust and support in Aekyung Chemical's growth and development.

In a rapidly evolving business environment, we remain committed to pursuing diverse initiatives for sustainable development and growth. To establish a sustainability management system, we must overcome the structural challenges facing the petrochemical industry and play a leading role in addressing the global climate crisis. We believe that embedding ESG management into our core operations is essential to achieving these goals.

Under our ESG Management Policy “THE! Aekyung Chemical,” we are translating this policy into concrete medium- to long-term strategies across environmental, social, and governance dimensions to enhance corporate value and realize the value of sustainability management.

Together	Together with Environment We live in harmony with the environment	
Happy	Happy Society We build a society where everyone can thrive	
Equitable	Equitable Governance Building Fair Governance	

In the Environment area, we will continue to strengthen our competitiveness in eco-friendly technologies and expand our eco-friendly business operations.

We will invest in research and development of technologies that reduce carbon emissions and enhance resource efficiency, and continue to expand eco-friendly products and solutions that respond to market and customer needs. We will also conduct in-depth analysis of the financial impact that climate risks and environmental regulatory changes may have on our business, and build the management capabilities to respond proactively to these risks.

In the Social area, we will build a corporate culture and management system in which employees, suppliers, and local communities prosper together.

We will strengthen safety and health management systems at operational sites and establish a corporate culture that respects human rights and labor standards. We will also review and improve responsible management practices across our supply chain. Furthermore, we will fulfill our corporate social responsibility by proactively addressing diverse social risks and actively contributing to the local community development.

In the Governance area, we will continuously strengthen our transparent and accountable decision-making framework.

We will advance the Board of Directors' oversight function and reinforce our internal controls and compliance management systems to establish transparent governance that meets global standards. We will also thoroughly review ESG-related risks, reflect them in our overall business strategy, and ensure that decision-making aligns with the objective of enhancing long-term corporate value.

We sincerely ask for your continued interest and support. With heartfelt love and respect!

We love you! We respect you! Let’s work together!

Aekyung Chemical Co., Ltd.
CEO **Kim Sungwan**

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Corporate Information

Aekyung Chemical was established on November 1, 2021, through the merger of Aekyung Petrochemical—which traces its origins to Samkyung Chemico Inc. founded in 1970—with Aekyung Chemical Co., Ltd. and AK ChemTech, both chemical subsidiaries of Aekyung Group. We manufacture a diverse range of industrial raw materials—including plasticizers, phthalic anhydride, composite resins, coating resins, and hardeners—and leveraging accumulated technological expertise and quality competitiveness, contribute to enhancing the competitiveness of our customers' industries.

Company Name	AEKYUNG CHEMICAL CO., LTD.
Headquarters Location	9th and 10th Floors, Aekyung Tower, 188 Yanghwa-ro, Mapo-gu, Seoul, Republic of Korea (Donggyo-dong)
Establishment Date	September 3, 2012
Date of Merger	November 1, 2021
CEO	Kim Sungwan
Business Type	Basic Chemical Manufacturing
Company Classification	KOSPI Listed (Stock Code: 161000)
Number of Employees	724 (as of December 31, 2025)
Issued Shares	48,648,709 shares
Main Products	Plasticizers, phthalic anhydride, resin for composite materials, resins for coatings, pressure-sensitive and structural adhesives, isocyanate-based hardeners, polyester polyols, polyurethane systems, surfactants, refined glycerin, biodiesel, bio-heavy oil, hard carbon, and others

[Reference] Domestic and Overseas Affiliates
1) Domestic: Aekyung Specialty Co., Ltd., AK BioPharm, Gwangju Investment Development Co., Ltd., GAM, AID
2) Overseas: Aekyung (Shanghai) Investment Management Co., Ltd., Aekyung (Ningbo) Chemical Co., Ltd., Aekyung Hong Kong Co., Ltd., AK VINA CO., LTD., VINA Plasticizers Chemical Company LIMITED, ACI

Key Financial Information

In 2025, Aekyung Chemical recorded standalone revenue of KRW 1 trillion 108.5 billion, operating profit of KRW 1.3 billion, and total assets of KRW 1 trillion 77.1 billion. The company maintains a stable financial foundation and is committed to sustainable growth and enhancement of corporate value. Through sustainability management, we will continue to strengthen long-term competitiveness and create value for our stakeholders.

Category	Amount
Revenue	KRW 1 trillion 108.5 billion
Operating Profit	KRW 1.3 billion
Total Assets	KRW 1 trillion 77.1 billion



2025 ESG Highlights

Korea Institute of Corporate Governance and Sustainability (KCGS)
Overall Grade A Rating



2025 Diversity Excellence Award
(Hosted by Women in Innovation)



Family-friendly Corporation Certification
(Hosted by Ministry of Gender Equality and Family, Initial certification in December 2022)

2025 Recognition for Conservation of Endangered Wildlife
(Hosted by National Institute of Ecology)

Chungcheongnam-do 30th Environment Day
Commendation Award



BNBP (Biz N Biodiversity Platform) Membership
(Initial membership in 2025)

BNBP 기업과 생물다양성 플랫폼
Biz N Biodiversity Platform

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Company History

Aekyung Chemical was established by integrating the technological capabilities and business expertise of Aekyung Chemical and AK ChemTech, building on the foundation of Aekyung Petrochemical, which has grown in tandem with Korea's petrochemical industry. We continue our journey to create a new chapter in Aekyung Chemical's history.

1970's

1970.01 • Certified as Korea's first petrochemical registered business
1970.10 • Samkyung Chemico Inc. established
1979.04 • Established Aekyung Chemical
(joint venture between Aekyung Oil Industry and DIC)

1980's

1980.11 • Awarded the Trade Day 10 Million Dollar Export Tower
1982.03 • Established Aekyung Shell Co., Ltd. (formerly AK ChemTech)
1984.02 • Completed construction of the Plasticizer Plant (P-4)
1989.08 • Completed construction of the PCM Paint Factory
1989.11 • Awarded the Trade Day 50 Million Dollar Export Tower

1990's

1992.07 • Completed construction of the Aekyung Chemical Co., Ltd. Cheongyang Plant
1995.04 • Obtained ISO 9001 (Quality Management System) certification
1995.12 • Established Aekyung Hong Kong Co., Ltd.
1998.07 • Completed construction of the continuous Plasticizer Plant (P-12)
1999.08 • Aekyung Petrochemical Co., Ltd. listed on the stock exchange

2000's

2000.11 • Obtained ISO 14001 (Environmental Management System) certification
2001.07 • Completed construction of the Cationic & Nonionic Surfactant Synthesis Plant
2001.10 • Opened Aekyung R&D Center
2003.08 • Established AK VINA (Vietnam)
2006.12 • Established Aekyung (Ningbo) Chemical Co., Ltd. (China)
2007.10 • Completed construction of the Biodiesel Plant



2010's

2012.08 • Completed construction of Eco-friendly Plasticizer Plant (P-14)
• Completed construction of Refined Glycerin Plant (P-15)
2012.09 • Aekyung Petrochemical underwent a corporate division
AK Holdings (holding company)
Aekyung Petrochemical (business company)
2012.10 • Completed construction of Jeonju Plant
(anode material for secondary batteries)
2014.12 • Opened Aekyung (Shanghai) Investment Management Co., Ltd.

2020's

2021.11 • Launched Aekyung Chemical Co., Ltd. (Merger of Aekyung Petrochemical, AK ChemTech, and Aekyung Chemical)
2022.07 • Declared the ESG Management Policy "THE Management System"
2022.08 • Selected as a Top Job-Creating Company in Korea
2022.09 • AK BioPharm integrated as subsidiary (80% equity stake)
2022.12 • Obtained Family-friendly Corporation Certification
2023.12 • Acquired a stake in VPCHEM
(Vietnam plasticizer production and sales corporation)
2024.03 • Selected as Model Taxpayer at the 58th Taxpayers' Day
2025.10 • Established GAM
2025.10 • Established ACI
(Indonesia surfactant production and sales company)
2025.12 • Established AID



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Goal

Acheieve Revenue of KRW 4 trillion and operating profit of KRW 300 billion by 2030

Revenue

KRW 4 trillion

Operating Profit

KRW 300 billion

Sales Volume

2.34 million tons

Number of Employees
(separate basis)

1,300

Strategy

Establish a high-growth, high-profit sustainable business structure to achieve medium- to long-term goals

- Maximize the competitiveness of existing businesses
- Actively pursue eco-friendly new businesses
- Establish an ESG management system
- Enhance R&D capabilities and expand investments
- Establish local business systems in key countries

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Vision

Respectable Partner for Your Innovation through Chemistry

Respectable Partner

- We aspire to be strategic partners for mutual growth in the long run.
- Embracing an ESG management system, we aim to transform the structure and essence of our business to become a respected company from customers.

Your Innovation

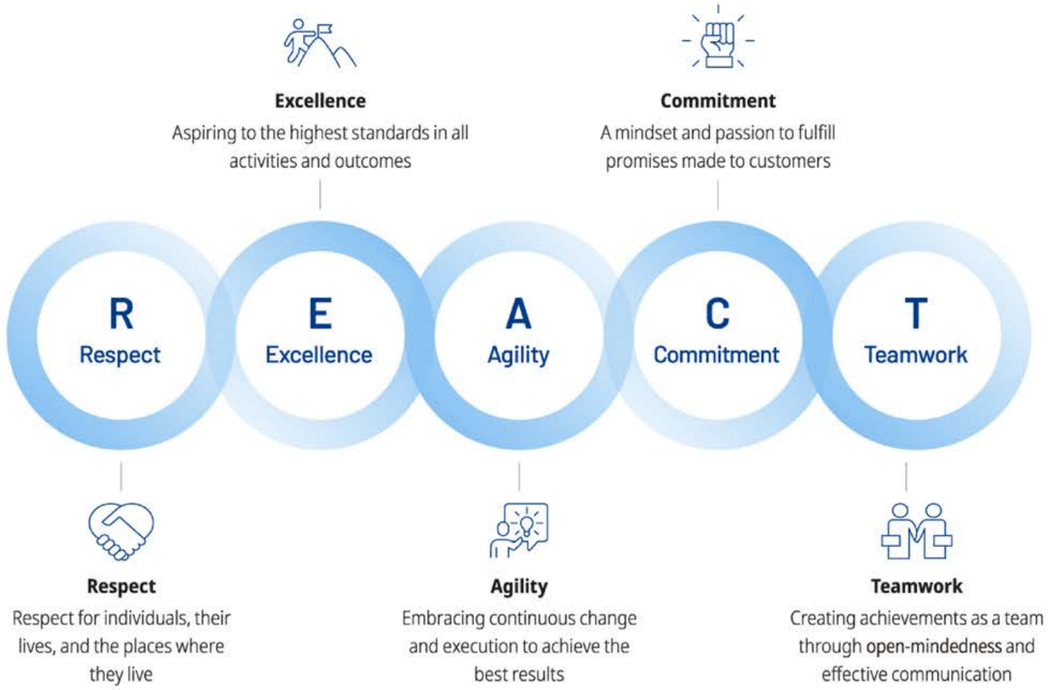
- Our mission is to provide optimal solutions for our customers' innovation.
- Through innovative products and services, we contribute to better quality of life for everyone.

Through Chemistry

- Building upon 50 years of history and tradition in the chemical industry, we continue to progress and evolve.
- We expand and strengthen R&D in the field of chemistry to take it to the next level.

Core Values

These are the core values that Aekyung Chemical employees prioritize to achieve our vision.

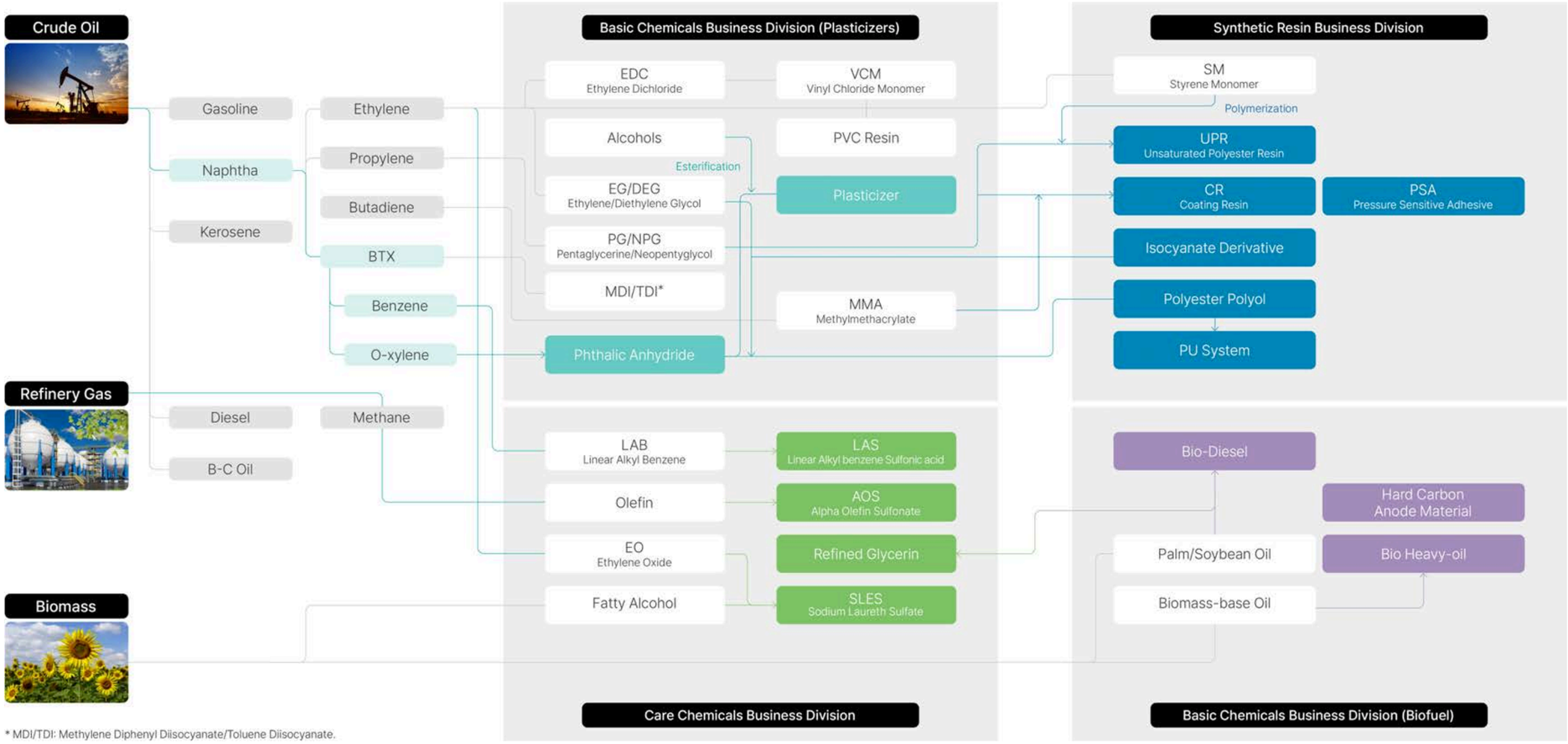


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Business Segments

Aekyung Chemical has built an expanded business portfolio centered on crude oil-based petrochemical value chains, extending into Plasticizer and Synthetic resin business segments. We also operate the Care Chemicals and Bio & Energy businesses by leveraging refinery gas and biomass. Through an integrated value chain that spans basic chemicals to high-value-added materials, supported by our diversified raw materials structure, we pursue both stable supply structure and sustainable growth.



* MDI/TDI: Methylene Diphenyl Diisocyanate/Toluene Diisocyanate.

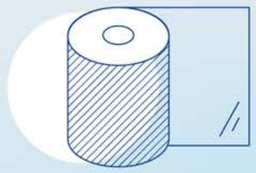
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Company Business Division Overview

Basic Chemicals Business Division (Plasticizers)

This division encompasses the production of phthalic anhydride and the manufacturing of a diverse range of plasticizers using it as raw materials. The division serves as a supplier of foundational materials across multiple industrial sectors, including consumer goods, construction, and electrical applications.



Plasticizers

Plasticizers are substances added to PVC and other plastics to enhance flexibility and improve various material properties. They are used in wallpaper, electrical wiring, and synthetic leather. We offer a broad product lineup ranging from general-purpose to functional and eco-friendly plasticizers, supported by world-class production capacity and technological expertise.


Flooring


Wallpapers


Cable Coatings

Ester Lubricant Base Oil

Ester Lubricant Base Oil is a fatty acid ester compound used as a high-performance base oil and additive for industrial and specialty lubricants in the Group V category. Our AKLUB-Series provides world-class production capacity and specialized solutions.


Refrigeration Oil


Hydraulic Fluid


Insulating Oil

Phthalic Anhydride, Maleic Anhydride, and Itaconic Acid

Phthalic Anhydride (PA), Maleic Anhydride (MA), and Itaconic Acid (ITA) are fundamental chemical compounds used as primary raw materials and synthetic intermediates in the production of various resins. We were the first company in Korea to commercialize PA and have since continued to expand production and develop advanced technology, currently achieving an annual production capacity of 210,000 tons.


Paints


UPR


Polyol

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Company Business Division Overview

Basic Chemicals Business Division (Biofuel)

Aekyung Chemical produces and supplies eco-friendly alternative fuels and energy sources derived from biomass-based feedstock, designed to reduce emissions of environmental pollutants. Biodiesel and bio-heavy oil are eco-friendly alternative fuels manufactured using animal and vegetable fats and oils, recovered oils, and oleochemical by-products as raw materials. With the implementation of government mandates such as the Renewable Fuel Standard (RFS) and Renewable Portfolio Standard (RPS), demand for these fuels is rising. In addition to regulatory demand, voluntary adoption in the transportation and power generation sectors for greenhouse gas reduction is further driving market growth.



Biodiesel

Biodiesel is produced using animal and vegetable fats and oils and recovered oils as raw materials. It is an environmentally friendly transportation fuel that can be blended with diesel without requiring modifications to existing vehicle engines, thereby reducing greenhouse gas emissions while minimizing the economic burden associated with fuel conversion. The fuel delivers performance comparable to conventional diesel and is characterized by reduced carbon dioxide and particulate emissions as well as excellent biodegradability. Under the Enforcement Decree of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy, the mandatory blending ratio for biodiesel continues to expand, and demand is expected to increase further.

Bio-Heavy Oil

Bio-heavy oil is an eco-friendly power generation fuel produced from animal and vegetable fats and oils and biodiesel byproducts as raw materials, processed to meet fuel specifications. It can be used directly in equipment that currently uses B-C oil or heavy oil, and helps reduce the emission of air pollutants such as sulfur oxides (SOx), nitrogen oxides (NOx), and fine dust. Under the government's Renewable Portfolio Standard (RPS) mandate, bio-heavy oil has emerged as a key energy source for power generators to fulfill their mandatory renewable energy supply obligations. The product is utilized as both a power generation renewable fuel and an industrial boiler fuel.



Renewable Fuel for Power Generation



Fuel for Industrial Boilers

Hard Carbon Project Department

As demand for secondary batteries in electric vehicles (EVs), energy storage systems (ESS), and small devices expands, we are actively advancing the development of new hard carbon products for use as anode materials.

Hard Carbon

Hard carbon is an amorphous carbon material used as the negative electrode material in secondary batteries. It is gaining attention as a suitable negative electrode material for both lithium-ion and sodium-ion batteries. It enables rapid charging and discharging, delivers high-power characteristics, and maintains excellent performance even in low-temperature environments, making it applicable across diverse operating conditions. Additionally, the volume change during charging and discharging cycles is smaller than that of graphite, contributing to extended battery life.

Hard carbon is utilized in secondary battery applications including energy storage systems (ESS), two- and three-wheeled vehicles, electric vehicles (EV), and IT devices. Demand is expected to increase significantly amid the recent momentum toward commercializing sodium-ion batteries. We have developed new hard carbon using bio-derived raw materials alongside its existing hard carbon for lithium-ion batteries, and are strengthening performance improvement and manufacturing process competitiveness in response to the commercialization of sodium-ion batteries.



ESS



Two- and Three-Wheeled Vehicles



EV



Other
(e.g., auto stop systems)

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Synthetic Resin Business Division

Aekyung Chemical produces a variety of materials through chemical synthesis, using basic feedstock derived from naphtha and natural gas. Key products include unsaturated polyester resins, coating resins and hardeners, acrylic and urethane adhesives, and polyester polyols, which serve as key raw materials in polyurethane production.

Resin Solutions Products

Unsaturated polyester resins are widely used across industries due to their excellent formability, workability, and mechanical properties. Vinyl ester resin offers superior chemical resistance and mechanical performance.

Coating Solution Products

Coating solutions include solvent-based acrylic and alkyd resins as well as water-based acrylic and urethane resins, and are widely used as base raw materials for paints, inks, and coatings.

Hardeners

Hardeners are isocyanate-based raw materials that undergo urethane chemical reactions to form cross-links and cure the substrate, enhancing its chemical properties. We offer a wide range of hardener solutions optimized for various industrial applications, including artificial marble, pipes, paints, and adhesives for electronic materials.


Artificial Marble


Pipes


Paints

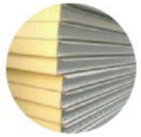

Adhesive for Electronic Materials

Pressure-Sensitive and Structural Adhesives

This product category leverages strong cohesion and elasticity to achieve both tack—where the adhesive can be peeled off cleanly without damaging the substrate—and adhesion, where bonding is strong enough that detachment causes substrate destruction. These adhesives maintain permanent tackiness at room temperature without requiring activation by solvents or heat. They are widely used not only in the automotive, electrical, construction, and paper industries, but also, more recently, in semiconductors, electronic materials, mobile devices, and medical applications.

PU Solutions Products

We supply polyurethane systems featuring aromatic polyester polyols, with excellent insulation and flame-retardant properties. These systems are used in urethane insulation, insulating materials for LNG vessels, synthetic leather, adhesives, and related applications.


Urethane Insulation


Insulating Materials for LNG Vessels


Synthetic Leather


Adhesives

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Care Chemicals Business Division

Aekyung Chemical produces a variety of basic chemical materials, including surfactants, from raw materials derived from naphtha and biomass.



Basic Surfactants

Surfactants are substances that adsorb at the interface in aqueous solutions and lower surface tension. With excellent foaming and cleaning properties, they are widely used as key raw materials in detergents and household/industrial cleaning agents. Surfactants are typically classified into four categories: anionic, cationic, amphoteric, and nonionic. We possess the largest domestic production capacity for anionic surfactants, manufactured through a continuous gas-liquid process

Mild Surfactants

Mild surfactants are designed to minimize skin irritation during cleansing and support moisturization and skin barrier improvement. Our mild surfactants are sulfate-free and exhibit excellent biodegradability, making them eco-friendly products that benefit both human health and the environment.

Refined Glycerin

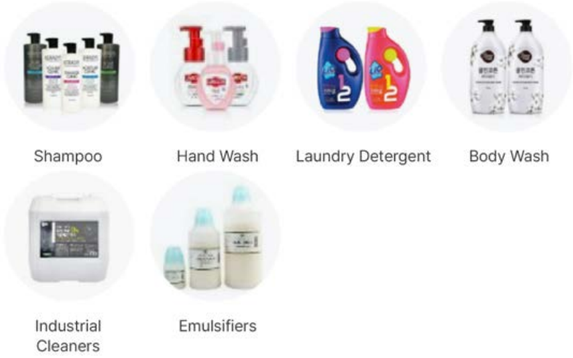
Refined glycerin is utilized across diverse business segments, ranging from cosmetic and food additives to industrial raw materials such as polypropylene glycol (PPG).

Cosmetic Ingredients

These are used as functional additives in makeup, skincare, and personal care products, offering properties such as soft-focus effects and improved dispersibility. They enable control over particle size and shape, including spherical, wrinkled, and hemispherical forms, as well as the realization of tailored physical properties.

Industrial Materials

Used as functional additives in agrochemicals, water treatment agents, and construction materials, these ingredients provide specialized performance features tailored to care chemicals products, including shampoos, laundry detergents, body washes, industrial cleaners, and emulsifiers.



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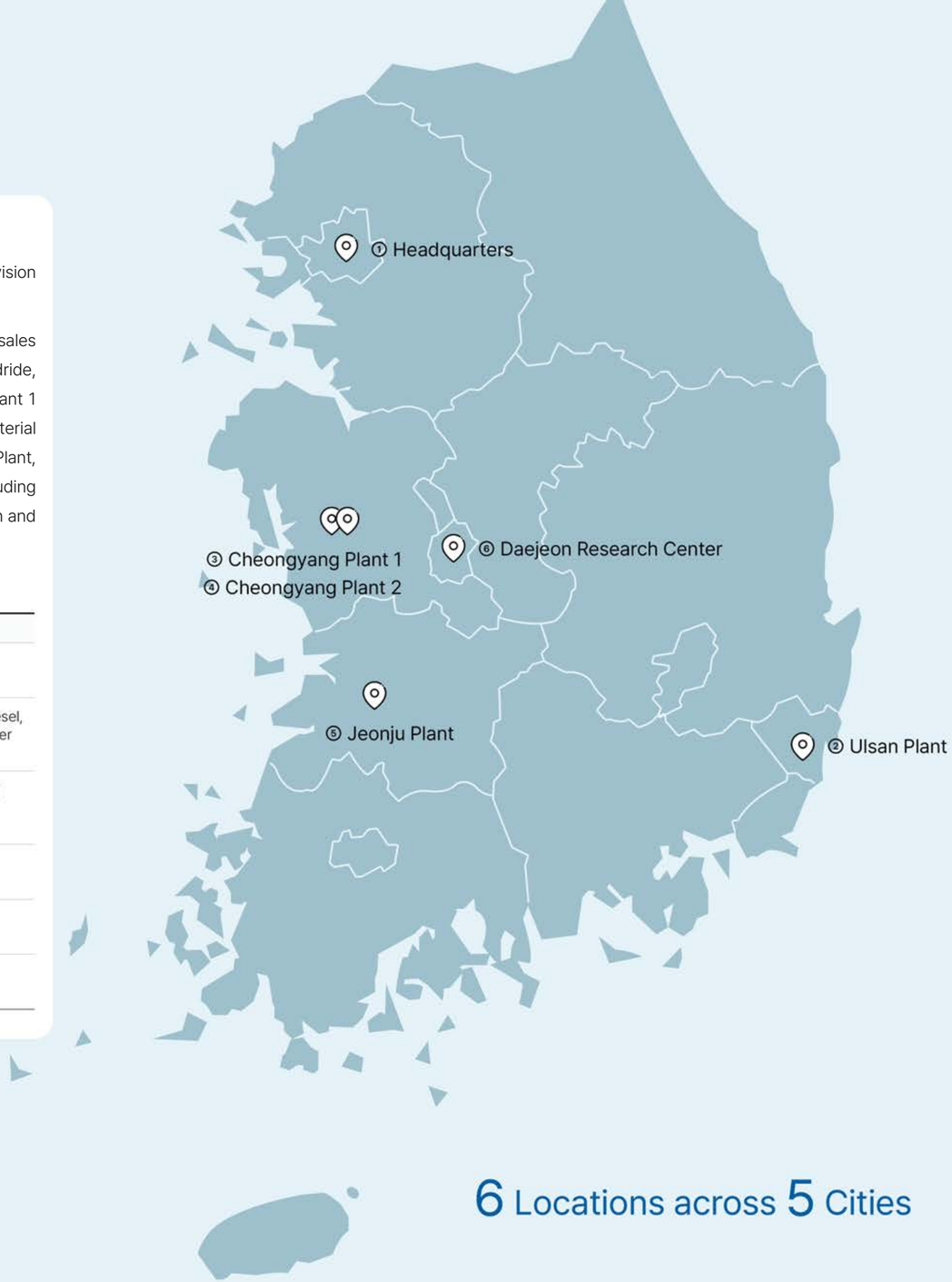
Business Overview

Domestic Business Sites

Aekyung Chemical operates six business sites across five domestic cities, with systematic functional division of labor centered on headquarters, manufacturing plants, and research facilities.

The headquarters, located in Mapo-gu, Seoul, plays a core role in company-wide strategic planning and sales functions. Ulsan Plant, situated in Nam-gu, Ulsan, primarily manufactures plasticizers, phthalic anhydride, biodiesel, bio-heavy oil, refined glycerin, polyester polyols, and polyurethane systems. Cheongyang Plant 1 and Cheongyang Plant 2, located in Cheongyang-gun, Chungcheongnam-do, produce composite material resins, coating resins, adhesives, isocyanate hardeners, and surfactants as primary products. Jeonju Plant, situated in Wanju-gun, Jeollabuk-do, primarily manufactures secondary battery-related materials including hard carbon. The Daejeon Research Center, located in Yuseong-gu, Daejeon, is responsible for research and development activities.

Facility	Location	Primary Products
① Headquarters	9F-10F, 188 Yanghwa-ro, Mapo-gu, Seoul (Donggyo-dong)	-
② Ulsan Plant	81 Sanggae-ro, Nam-gu, Ulsan, Republic of Korea	Plasticizers, phthalic anhydride, biodiesel, bio-heavy oil, refined glycerin, polyester polyols, polyurethane systems, etc.
③ Cheongyang Plant 1	1547-64 Chungui-ro, Jeongsan-myeon, Cheongyang-gun, Chungcheongnam-do, Republic of Korea	Resins for composite material, coating resins, adhesives, isocyanate-based hardeners, etc.
④ Cheongyang Plant 2	1547-95 Chungui-ro, Jeongsan-myeon, Cheongyang-gun, Chungcheongnam-do, Republic of Korea	Surfactants, etc.
⑤ Jeonju Plant	283 Wanju-sandan 6-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do (Dunsan-ri), Republic of Korea	Hard carbon, etc.
⑥ Daejeon Research Center	Aekyung R&D Center, 120 Sinseongnam-ro, Yuseong-gu, Daejeon (Sinseong-dong), Republic of Korea	-



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Business Overview

Domestic & Overseas Affiliates

Aekyung Chemical operates a global business network comprising 11 affiliates across 4 countries.

Domestic

Affiliate	Location	Primary Business and Products
① Aekyung Specialty	169 Okgucheon-seo-ro, Siheung-si, Gyeonggi-do, Republic of Korea	(Products) Inorganic slurry, surface treatment agents, paints, etc.
② AK BioPharm	81 Sanggae-ro, Nam-gu, Ulsan, Republic of Korea	(Products) OMEGA-3, OMEGA-7, API, Dietary Supplement, etc.
③ Gwangju Investment Development	8 Sindae-gil, Gonjiam-eup, Gwangju-si, Gyeonggi-do, Republic of Korea	(Business) Service industry
④ GAM	424 Saemangeum-buk-ro, Gunsan-si, Jeonbuk Special Self-Governing Province, Republic of Korea	(Business) Secondary battery materials
⑤ AID	1547-64 Chungui-ro, Jeongsan-myeon, Cheongyang-gun, Chungcheongnam-do, Republic of Korea	(Products) Hardeners, etc.

Overseas

Affiliate	Location	Principal Business and Products
⑥ Aekyung (Shanghai) Investment Management	Shanghai Mart Tower No.2299 Yan an West Road, Shanghai, China	(Business) Trading
⑦ Aekyung (Ningbo) Chemical	Tai Xing Lu, Zhenhai Qu, Ningbo Shi, Zhejiang Sheng, China	(Products) Plasticizers, polyester polyols, etc.
⑧ Aekyung Hong Kong	Kai Tak Commercial Building 161 Connaught Road Central, Hong Kong	(Business) Trading
⑨ AK VINA	Go Dau Industrial Zone, Long Thanh District, Dong Nai Province, Vietnam	(Products) Surfactants, composite material resins, PCM coatings, etc.
⑩ VPCHEM (VINA Plasticizers Chemical Company)	Go Dau Industrial Zone, Long Thanh District, Dong Nai Province, Vietnam	(Products) Plasticizers
⑪ ACI (PT AEKYUNG CHEMTECH INDONESIA)	JL. CEMPAKA KM.38, KELURAHAN JATIMULYA, Desa/Kelurahan Jatimulya, Kec. Tambun Selatan, Kab. Bekasi, Provinsi Jawa Barat, Indonesia	(Products) Surfactants, etc.



11 Affiliates across 4 Countries

Our Approach to ESG

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ESG Governance
Double Materiality Assessment
Risk Management
Stakeholder Engagement

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ESG Management

THE! Aekyung Chemical

THE! Aekyung Chemical, Aekyung Chemical's ESG Management Policy, is built on three core commitments: 'Together with Environment', 'Happy Society', and 'Equitable Governance'. This slogan embodies our determination to build a better world. Grounded in diverse ESG-centered strategies, it declares our commitment to stand together with the environment, realize a happy society, and establish equitable governance.

Together with Environment
We live in harmony with the environment.

Aekyung Chemical is advancing sustainable business by embedding environment, health and safety (EHS) management into our operations, enhancing employee environmental awareness, and building circular resource systems—all aligned with global carbon neutrality commitments. We continuously expand research and development of eco-friendly technologies and products to strengthen our forward-looking product portfolio. Furthermore, we enhance resource efficiency by securing energy-saving technologies, maintain steady investment to minimize environmental pollutant emissions, and practice environmentally responsible management to reduce carbon emissions.

Environmental Policy	EHS management internalization Continuous expansion of environmental investment Strengthening environmental awareness
Eco-Friendly Solutions	Strengthening research and development for eco-friendly products Fostering eco-friendly products and expanding business Expanding eco-friendly raw materials ratio
Green Operation	GHG emissions management Minimizing pollutant emissions Reducing energy consumption

Happy Society
We build a society where everyone can thrive.

Aekyung Chemical is performing its responsible role in building a society where everyone can be happy. We respect diversity to enable all employees to fully leverage their capabilities and pursue a fair organizational culture free from discrimination. In addition, we are strengthening systematic safety and health activities to build a sustainable safe workplace, and we are advancing our human rights management system to prevent human rights violations and fulfill our social responsibilities. Through voluntary employee participation in local community contribution activities, support for vulnerable populations, and ongoing environmental protection initiatives, we continue to create social value.

Happy Workplace	Expanding human rights management, diversity and mutual respect Work-life balance, diverse welfare programs Recruiting top talent, fair evaluation
Safety and Health	Safety and health management, prevention of serious industrial accidents Strengthened chemical management activities Collaboration on safety management with suppliers
Social Contribution	Coexistence with local communities Support for various social groups Continuous environmental protection

Equitable Governance
We build a fair governance system

Aekyung Chemical is establishing fair and transparent governance to support sustainable management. Grounded in principles of ethical management and compliance management, we provide reliable management information and minimize regulatory compliance risks through systematic compliance management systems, thereby enhancing external credibility. We also strengthen the protection of stakeholder rights and interests through system such as the exercise of shareholder rights and practice board-centered responsible management, thereby operating sound and stable governance. Based on this, we continue to make ongoing efforts to advance a balanced and sustainable governance framework.

Respecting Shareholder	Providing clear and reliable management information Engaging in shareholder rights protection activities Implementing shareholder return policy
Board of Directors	Strengthening Board of Directors' independence Composition and operation of diverse specialized committees
Transparent Management	Strengthening ethical management and compliance Establishment of compliance management system Building internal control systems

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ESG Governance

ESG Governance Framework

Aekyung Chemical places sustainability management as the top priority in corporate operations and is advancing its sustainability management framework under the ESG management principles of "Together with Environment," "Happy Society," and "Equitable Governance." Recognizing cross-organizational coordination as essential to swift and systematic ESG management execution, we have established and operate a governance structure that cascades from the “Board of Directors” as the highest decision-making body, through the “Sustainability Management Committee” as the ESG management consultative body, to the “ESG Leading Group” as the working level consultative body.

ESG Management Governance Body – Sustainability Management Committee Aekyung Chemical established the Sustainability Management Committee in February 2024 through Board of Directors resolution to oversee the direction and performance of sustainable management implementation. The Committee comprises members with specialized expertise in fields such as environmental, financial, and accounting disciplines. Operating under the Sustainability Management Committee Operating Regulations, the Committee deliberates and resolves on the establishment and management of ESG strategy and implementation plans, the enactment and amendment of ESG-related regulations, response measures for major ESG issues, and matters requiring decision-making, and reports the outcomes to the Board of Directors. The Committee convenes at least 3 sessions annually, including reports on major ESG initiatives at the beginning of the year, mid-year reviews, and year-end results reporting.

Internal Working Group – ESG Leading Group Composed of Team Leaders and Team Members responsible for environmental, social, and governance functions, the group holds monthly sessions to share implementation progress and strengthen cross-functional collaboration. This structure ensures substantive support and execution capability, enabling decisions made by the Sustainability Management Committee to translate into on-site execution.

Dedicated Organization – ESG Team To strengthen the execution of sustainability management, Aekyung Chemical operates an ESG Team within the Corporate Administration Division. The ESG Team is responsible for establishing company-wide ESG strategy and targets, managing related activities, supporting the Sustainability Management Committee, and operating the "ESG Leading Group," an internal sustainability management working council.

Aekyung Chemical ESG Governance



2025 Board of Directors and Sustainability Management Committee ESG-Related Agenda Items

Aekyung Chemical's Board of Directors deliberates and resolves on ESG strategy and policy development, ESG activity development and investment, and ESG-related material issues affecting shareholder value in accordance with Board regulations. The Sustainability Management Committee under the Board conducts specialized deliberation on ESG-related material issues under its operating regulations. In 2025, the Board deliberated and resolved on total 7 cases, including approval of environmental management targets and plans, while the committee deliberated and resolved on total 7 cases, including monitoring of progress against these targets and plans and the “Reporting on Risk and Opportunity Analysis Results and implementation plans for ESG material issue(s)”. Additionally, both bodies will hold regular discussions on managing material issue strategies and climate change response-related targets at least three times annually, covering plan establishment, interim progress reporting, and results reporting.

Category	Date and Time of Meeting	Agenda Item	Resolution Status
Board of Directors	Feb. 3, 2025	• Approval of 2025 occupational safety and health plan • Approval of 2025 environmental management targets • Approval of Compliance Support Officer appointment	Approved as Proposed Approved as Proposed Approved as Proposed
	Feb. 17, 2025	• Report on 2025 internal control activities plan	Reported
	Mar. 25, 2025	• Appointment of Sustainability Management Committee members	Approved as Proposed
	Aug. 11, 2025	• Approval of Aekyung Chemical compliance control standards establishment	Approved as Proposed
	Dec. 15, 2025	• Report on corruption risk identification and assessment results	Reported
Sustainability Management Committee	Feb. 14, 2025	• Approval of the 2025 ESG implementation plan (including materiality assessment results)	Approved as Proposed
	Mar. 25, 2025	• Selection of Sustainability Management Committee Chairperson	Approved as Proposed
	May 12, 2025	• Report on risk and opportunity analysis results and implementation plan for ESG material issue(s)	Reported
	Aug. 11, 2025	• 2025 ESG Management Activities Report: First Half Performance Results and Second Half Plans (Including 2025 Environmental Management Target Implementation Status Report)	Reported
	Nov. 10, 2025	• Approval of ESG biodiversity conservation activity plan • Report on the progress review of ESG material issue strategy implementation (Including 2025 environmental management target implementation status report)	Approved as Proposed Reported
	Dec. 15, 2025	• Report on 2025 KCGS ESG assessment results	Reported

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Double Materiality Assessment

Double Materiality Assessment Overview

Aekyung Chemical conducts a materiality assessment every year to identify issues requiring focused management in the course of implementing sustainability management. Through this assessment, we identify issues with the potential to significantly impact our sustainability performance, and we integrate the resulting material issues into our management activities by aligning them with our sustainability strategy and targets.

Double Materiality Assessment Process

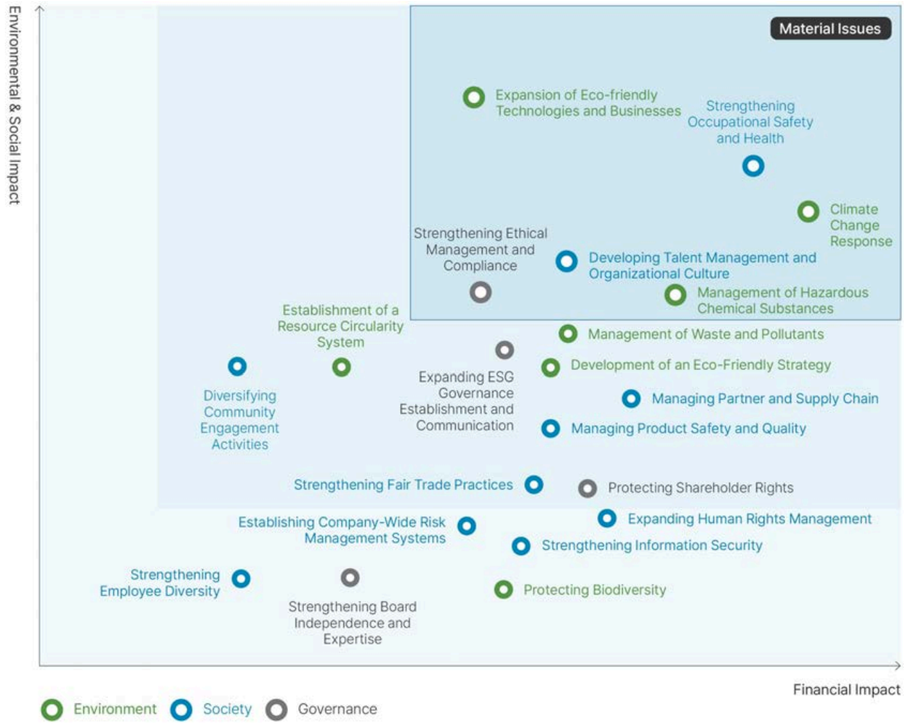
Aekyung Chemical operates its materiality assessment process in four stages: issue pool development, double materiality assessment, material issue identification, and material issue management. To establish the ESG issue pool that forms the foundation of this assessment, we comprehensively analyze the internal and external environments and stakeholder requirements to identify ESG issues relevant to our business operations. We then evaluate each identified issue for environmental and social impact (Impact Materiality) and financial impact (Financial Materiality). By synthesizing these assessment results, we prioritize issues, identify material issues, and confirm final material issues through review by the Sustainability Management Committee, a subsidiary body of the Board of Directors. The selected material issues are systematically managed in alignment with our sustainability management strategy and business decision-making processes.

STEP 1 Issue Pool Development	STEP 2 Double Materiality Assessment	STEP 3 Material Issues Identification	STEP 4 Material Issues Management
Internal and External Environment Analysis • Domestic and international ESG standards and assessment indicators • Benchmarking against industry leaders • Internal corporate data and industry issue analysis • Media research	Environmental and Social Impact Assessment • Domestic and international ESG standards and assessment indicators • Media research • Internal issues Stakeholder surveys (employees, partners, external experts, etc.) Financial Impact Assessment • Domestic and international ESG-related trends • Stakeholder surveys (shareholders and investors, group affiliates, etc.)	Issue Prioritization • Scoring of evaluation items for each issue • Priority derivation based on impact matrix Validation of material issues through internal review Reporting to the Sustainability Management Committee under the Board of Directors • Reporting of proposed material issues • Final confirmation of material issues	Detailed Impact Analysis by Issue • Risk and opportunity factors, positive and negative impacts Response Strategy Development by Issue • Establishment and implementation of medium- to long-term strategies and action plans Reporting to the Sustainability Management Committee under the Board of Directors • Regular monitoring of strategy and implementation progress

Double Materiality Assessment Results

Aekyung Chemical conducted a double materiality assessment of a pool of 21 issues identified through internal and external environmental analysis. By synthesizing environmental, social, and financial impact scores for each issue, we identified 6 material issues. Issues positioned in the upper right of the graph represent core material issues with both high environmental and social impact and high financial impact. These include Climate Change Response, Management of Hazardous Chemical Substances, Expansion of Eco-friendly Technologies and Businesses, Strengthening Occupational Safety and Health, Developing Talent Management and Organizational Culture, and Strengthening Ethical Management and Compliance.

2025 Materiality Assessment Results



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Double Materiality Assessment

Assessment of Material Issues' Impacts

Through the double materiality assessment, Aekyung Chemical systematically identifies risks and opportunities that may emerge across business operations for each material issue. We establish proactive response and prevention systems to address identified risks, while actively leveraging opportunities as medium- to long-term growth drivers. We develop and manage specific targets and implementation strategies to advance this work, and transparently disclose related performance through our sustainability report to strengthen stakeholder trust.

Assessment Criteria by Impact for Total 21 Issues ● (Tier1): Top 7 ◐ (Tier2): Middle 7 ○ (Tier3): Bottom 7

Category	Material Issues	Business Activities		Environmental and Social Impact (Impact of Material Issues on Society and Environment)	Impact Level		Financial Impact (Impact of Material Issues on Corporate Value)	Impact Level
Environment	**Climate Change Response**	• Production and sales of high-carbon emission products • Energy consumption and equipment operation in manufacturing processes	Negative	GHG emissions result from carbon-intensive energy use may burden national reduction targets (NDC) and global climate response	●	Risk	Expanded paid allocation under the emissions trading scheme and stronger global regulations such as the EU's may raise allowance and export costs, reducing profitability	●
			Positive	Process efficiency improvements and waste heat recovery can cut GHG emissions, supporting customers' Scope 3 reduction and low-carbon supply chains		Opportunity	Energy efficiency savings and mitigated allowance risk can enhance corporate value	
	Management of Hazardous Chemical Substances	• Use and storage of hazardous chemical substances • Establishment of chemical management systems; training and inspections	Negative	Inadequate management may result in environmental pollution and health damage to employees and Local Communities due to leaks or accidents	●	Risk	Risk of financial loss exists in the event of an accident, including fines, production suspension, and litigation and compensation costs	●
			Positive	Systematic management, reduction, and substitution of hazardous substances can ensure safety and minimize environmental impact		Opportunity	Proactive management prevents accidents and meets customer requirements, cutting costs and strengthening competitiveness in contract acquisition	
	Expansion of Eco-friendly Technologies and Businesses	• Product and process R&D; new technology adoption • Development of eco-friendly and high-value-added products	Negative	Insufficient investment or technology delays may slow the transition to eco-friendly operations and limit emission reduction effectiveness	●	Risk	Failure to secure technological competitiveness poses risks of reduced contract acquisition and declining market share	◐
			Positive	Continuous technology development and process innovation can help reduce environmental burden		Opportunity	Expansion of eco-friendly products can create new markets and secure a long-term revenue base	
Social	**Strengthening Occupational Safety and Health**	• Manufacturing process operations, equipment maintenance, on-site work and logistics • Establishment of safety and health management systems and investment	Negative	Inadequate safety management may result in industrial accidents with negative impacts on worker life and health	●	Risk	Occurrence of industrial accidents poses financial loss risks including production stoppages, fines, and increased litigation costs	●
			Positive	Systematic management and training and inspections can prevent industrial accidents and create a safe working environment		Opportunity	Prevention-focused proactive investment reduces accidents and secures a stable production base, thereby preventing various risk-related costs in advance	
	Developing Talent Management and Organizational Culture	• Talent recruitment, evaluation and compensation, development, and organizational culture improvement	Negative	Lack of fairness and transparency may result in reduced organizational trust and decreased productivity	●	Risk	Talent attrition poses risks of increased recruitment and training costs and weakened competitiveness	●
			Positive	Systematic talent management and organizational culture improvement can enhance employee engagement and competitiveness		Opportunity	Securing key talent and improving productivity can enhance corporate value	
Governance	**Strengthening Ethical Management and Compliance**	• Internal control policies, internal reporting and auditing, compliance and corruption risk management, fair trade voluntary compliance program	Negative	Inadequate compliance systems may result in unfair practices, reduced market trust, and stakeholder harm	●	Risk	Regulatory violations pose risks of penalties, litigation, and losses from reputational damage	◐
			Positive	Establishing transparent transaction order contributes to creating a fair industrial ecosystem		Opportunity	Risk management and enhanced trust can strengthen bidding competitiveness and revenue generation capabilities	

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Double Materiality Assessment

Activities and Performance in Managing Material Issues

Aekyung Chemical systematically manages material issues by identifying key risks and opportunities, establishing response strategies and implementation initiatives, and executing them in a phased approach. In addition, we closely manage implementation progress through regular monitoring and performance reviews, and strengthen execution capability by incorporating the improvements identified through this process. Through this continuous process, we advance our management framework and respond flexibly to evolving business conditions.

Category	Material Issue	Strategic Initiative	Implementation Plan	2025 Performance	2026 Target	2030 Target
Environment	**Climate Change Response**	Achieve GI3050* • 50% reduction in carbon emissions by 2030 compared to the 2021 baseline	1) Establish energy simulation system 2) Expand high-efficiency/low-power equipment 3) Minimize process energy loss	Production Intensity 0.26 tCO_2eq	Production Intensity 0.25 tCO_2eq	Production Intensity 0.13 tCO_2eq
	Management of Hazardous Chemical Substances	Advance Chemical Management System (CMS*) Operations	1) Establish process for reviewing CMS Database and MSDS alignment 2) Expand chemical management system to external stakeholders (customers, suppliers, etc.)	Operate real-time quantity aggregation, reflect latest legal/ regulatory amendments in chemical regulation response data and MSDS	Establish ERP-CMS transaction and MSDS alignment verification process	Data linkage with external stakeholders
		Establish and Operate On-Site Self-Inspection System	1) Establish process for implementing chemical accident prevention and management plans 2) Systematize on-site self-inspection through regular inspections, emergency response drills, and community notification	Process inspection by facility	Establishment of systematic implementation process	On-site self-inspection system and safety culture establishment
	Expansion of Eco-friendly Technologies and Businesses	Achievement of GI3050 • Attainment of 50% Eco-Friendly Product Sales Ratio	1) Expand and diversify products using bio-based raw materials 2) Increase sales of products with reduced or eliminated hazardous substances 3) Strengthen advanced and fundamental technology research	34% of total sales volume	35% of total sales volume	50% of total sales volume
		Achievement of GI3050 • Attainment of 50% Eco-Friendly Raw Materials Usage Ratio	1) Expand and diversify natural raw materials 2) Raw material conversion through product recycling 3) Strengthen R&D on applying production by-products	28% of total input volume	29% of total input volume	50% of total input volume
Social	**Strengthening Occupational Safety and Health**	Establish and Operate Proactive and Preventive Safety and Health System	1) Set medium- to long-term safety and health targets and strategy 2) Inspect and eliminate workplace hazards 3) Conduct safety culture awareness training 4) Zero industrial accident rate, zero lost-time injury rate, zero serious industrial accidents, zero EHS incidents	Industrial Accident Rate: 0.13% Lost Time Injury Rate: 0.10% Serious Industrial Accidents: 0 cases EHS Incidents: 13 cases	Industrial Accident Rate: 0% Lost Time Injury Rate: 0% Serious Industrial Accidents: 0 cases EHS Incidents: 11 cases	Industrial Accident Rate: 0% Lost Time Injury Rate: 0% Serious Industrial Accidents: 0 cases EHS Incidents: 0 cases
	Developing Talent Management and Organizational Culture	Strengthen Next-Generation Leadership Enhance Selection and Retention of Top Talent Build a Positive Organizational Culture	1) Strengthen development of management candidate pool 2) Select team leader candidates and talent in key functions (R&D/engineering) 3) Enhancing onboarding programs 4) Implement experience-based participatory activities to strengthen communication and exchange, and foster a positive atmosphere	Develop management candidates and run leadership programs, select top talent, improve onboarding programs, etc. Employee Participation Rate: 35%	Develop leader (management and team leader) candidates and strengthen retention Employee Participation Rate: 40%	Securing and developing core talent and sustaining organizational competitiveness visibility of contribution Employee Participation Rate: 50%
Governance	**Strengthening Ethical Management and Compliance**	Build Company-Wide Integrated Risk Response System by Embedding Compliance Management System	1) Strengthen compliance control activities (Fostering participatory compliance culture, enhancing credibility of internal reporting channels, customized training and optimized contract management) 2) Advance fair trade voluntary compliance activities (subcontracting risk management and its rollout to subsidiaries, enhancing practical response capacity for collusion prevention, updating fair trade compliance guidelines)	Establishment of compliance management system	Internalize and disseminate compliance management system	Advancement of compliance management system

* GI3050: Green Initiative 3050 / * CMS: Chemical Management System

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Risk Management

Risk Management Framework

Aekyung Chemical operates a risk management framework to systematically identify and respond to various risks that may arise across its business operations. Potential risks are categorized into financial and non-financial categories. Each risk is comprehensively reviewed for its characteristics and impact on the company, enabling relevant organizations to respond effectively. Material risks with high significance and impact—including those requiring specialized review in audit, internal transactions, and ESG matters—are deliberated and managed by committees under the Board of Directors. Key matters are reported to the Board of Directors to strengthen the systematic approach and accountability of risk management. We recognize the importance of Risk management from a sustainability perspective and plan to continuously supplement and improve our risk management framework to proactively respond to changes in industry structure, market environment, and global issues.

Risk Management Governance

Aekyung Chemical establishes an Audit Committee, Internal Transaction Committee, and Sustainability Management Committee under the Board of Directors, the highest decision-making body. Each committee manages major risks according to its designated responsibilities. General risks outside these areas are addressed on an ongoing basis by management under the direction of the CEO / Representative Director. The CFO serves as Chief Risk Officer (CRO) and oversees the enterprise-wide risk management framework. The Administration Risk Management Team within the CFO's division functions as the dedicated risk management organization, establishing company-wide risk assessment plans and consolidating and reporting assessment results and mitigation action plans to ensure risk management operates consistently across the organization. Additionally, key related departments identify and assess risks that may arise during business operations and develop and implement mitigation measures accordingly.



Risk Management Process

Aekyung Chemical operates a five-stage risk management process: risk identification, assessment, response, execution and monitoring, and Board of Directors reporting. In the risk identification and assessment phase, we identify financial and non-financial risks that may affect business operations and evaluate the priority and significance of each risk. For material risks identified, we develop and execute mitigation measures. We then continuously monitor the implementation status and effectiveness of these measures and report the results to the Board of Directors.

Process	Description
1) Risk Identification	• Review of industry structure, market environment changes, and domestic and international issues • Identification of stakeholder requirements
2) Risk Assessment	• Identification and analysis of risks by relevant organization • Evaluation of risk priorities and determination of materiality
3) Risk Response	• Establishment of risk response action plans
4) Execution and Monitoring	• Execution of action plans and monitoring of action status • Evaluation of risk mitigation effectiveness
5) Board of Directors Reporting	• Annual risk management activities and improvement measures reported to and approved by the Board of Directors

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Risk Response Measures

Aekyung Chemical categorizes risks into financial risks—including economic and financial conditions, taxation, and raw materials procurement—and non-financial risks encompassing environment, waste, human rights, and ethics. We develop response strategies tailored to each risk type and manage them systematically.

Category	Type	Details	Response Strategy	Responsible Team
Financial	Economic/ Financial	Risk of loss arising from fluctuations in financial markets (interest rates, exchange rates), changes in crude oil prices, and trade disputes	• Financial market monitoring and foreign exchange risk hedging transactions • Regular monitoring and reporting on international crude oil prices and geopolitical risks	Purchasing Strategy Team, Finance Team
	Raw materials	Risk of operational and production losses due to constraints in raw material supply	• Pursuing long-term contracts with suppliers • Diversifying raw material sources and expanding geographic sourcing regions	Purchasing Strategy Team
	Credit	Risk arising from changes in the creditworthiness of trading counterparties	• Differentiated credit limit setting based on counterparty credit investigations • Operating a receivables management council and managing trading partners with default concerns	Administration Risk Management Team
	Liquidity	Risk of operational fund shortages and challenges in the financing process	• Regular monitoring and reporting of cash flow and liquidity	Finance Team
	Tax	Tax-related risks that may arise from overall business operations	• Fulfillment of tax obligations in accordance with national laws at business locations • Compliance with OECD Transfer Pricing Guidelines • Management of the preparation and implementation status of the BEPS report and transfer pricing report	Accounting Team
Non-Financial	Environment	Violation of environmental regulations Increased costs due to insufficient carbon credits Potential production restrictions due to environmental pollution	• Acquisition of ISO 14001 (Environmental Management System) certification • Establishment of an EHS management structure • Management of greenhouse gas and pollutant emissions • Expansion of eco-friendly product production and eco-friendly raw materials procurement	EHS Team
	Waste	Potential environmental pollution incidents caused by waste	• Establishment of waste management regulations • Increase in waste reduction and recycling rates	EHS Team, Safety & Environment Team
	Occupational Safety	Labor issues including workplace harassment and discrimination; gender issues including gender discrimination	• Acquisition of ISO 45001 (Safety and Health Management System) certification • Establishment and operation of Occupational Safety and Health Committee • Safety inspections at all business locations and partner companies	EHS Team, Safety & Environment Team
	Human Rights	Labor issues including workplace harassment and discrimination; gender issues including gender discrimination	• Human rights risk identification and human rights impact assessment implementation • Prevention of human rights issues through training on workplace harassment, gender discrimination, and related matters	Human Resources Team
	Ethics and Compliance	Risks arising from inadequate internal processes, personnel, or systems	• Ethical management training and reporting channel operations • Internal accounting control system design and operation • Appointment of the Compliance Support Officer and establishment of Compliance Control Standards	Compliance Team

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Stakeholder Engagement

Stakeholder Engagement

Aekyung Chemical regards trust-based engagement with diverse stakeholders as fundamental to sustainable growth. The company continuously seeks input and expectations from key stakeholders, including shareholders and investors, customers, employees, suppliers, local communities, and government and regulatory bodies, across all business activities. These insights inform management decision-making and ESG strategy development.

As stakeholder expectations continue to rise in response to changes in the internal and external business environment, including global climate change response, supply chain ESG management, safety and health enhancement, and expansion of eco-friendly products, we operate multiple communication channels to regularly monitor key issues.

Opinions collected from stakeholders are utilized in the double materiality assessment, risk management systems, and the identification of sustainability management tasks. Through active engagement, the company proactively identifies and addresses environmental, safety, quality, human rights, and ethical risks that may emerge during business operations. We remain committed to sustainable value creation through transparent and accountable disclosure.

Category	Stakeholders	Key Issues of Interest	Primary Communication Channels (Frequency)	Response Activities
Internal	Employees	Work Environment and Safety and Health Work-Life Balance and Employee Benefits Organizational Culture and Talent Development Ethics and Compliance Management	• Labor-Management Council (quarterly) • CEO Letter (semi-annual) • Internal Bulletin Board and Training (as needed) • Report channel (as needed)	• Work environment and safety and health improvement activities • Competency enhancement program operations • Employee benefits policy operation • Grievance resolution system operations
External	Shareholders and Investors	Business Performance and Financial Soundness, Medium- to Long-Term Growth Strategy Stock Price and Dividend Policy (Dividend Changes, etc.) Corporate Value Enhancement Sustainability Management and Climate Change Response	• General Meeting of Shareholders (at least once annually) • Business Report (quarterly) and disclosure (ongoing) • Sustainability Report disclosure (annually) • Website (as needed)	• Corporate value enhancement activities • Sustainability management activities disclosure (Korean and English)
	Customers	Product Quality and Safety Supply Stability Eco-Friendly Products and Carbon Reduction Solutions ESG Management Information	• Customer meetings (as needed) • Website and inquiry channels (as needed)	• Product safety and quality management process operations • Customer claim process operations • Eco-friendly product development expansion • Customer ESG assessment response
	Suppliers	Mutual Growth and Supplier Competency Enhancement Safety and Quality Management Supply Chain ESG Management	• Supplier Council (monthly) • Training and roundtable sessions (as needed) • Report channel (as needed)	• Co-growth program operations • Supplier safety and health management enhancement • Grievance resolution system operations
	Local Communities	Local Communities Engagement and Participation Social Contribution Activities	• Local communities roundtable and Council (as needed) • Inquiry and grievance channels (as needed) • Participation in local events and campaigns (as needed)	• Local communities contribution activities • Local communities co-prosperity initiatives • Environmental cleanup activities
	Government and Related Organizations	Compliance with Laws and Policies Environmental and Safety Regulatory Response Carbon Neutrality and ESG Policy Response	• Government agency and association response (as needed) • Policy roundtable and seminar participation (as needed) • External assessment response (annually)	• Regulatory monitoring and response • Domestic and international ESG regulatory and trend monitoring

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Environment

Social

Governance

Environment

- Environmental Management
- Climate Change Response
- Expansion of Eco-friendly Technologies and Businesses
- Resource Circulation
- Biodiversity

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Environmental Management

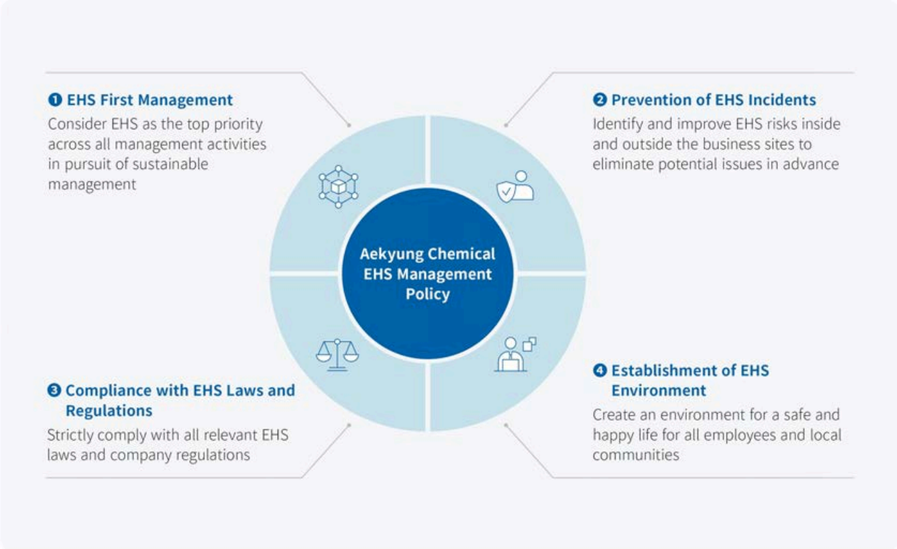
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Environmental Management Framework

Aekyung Chemical is continuously advancing its environmental management framework with the goal of achieving "Zero EHS & Compliance Issues" to realize a sustainable future. We are establishing strategies to execute priority initiatives and reinforce our effective environmental management framework to create sustainable future value and position ourselves as a leader in the global chemical industry.

EHS Management Policy

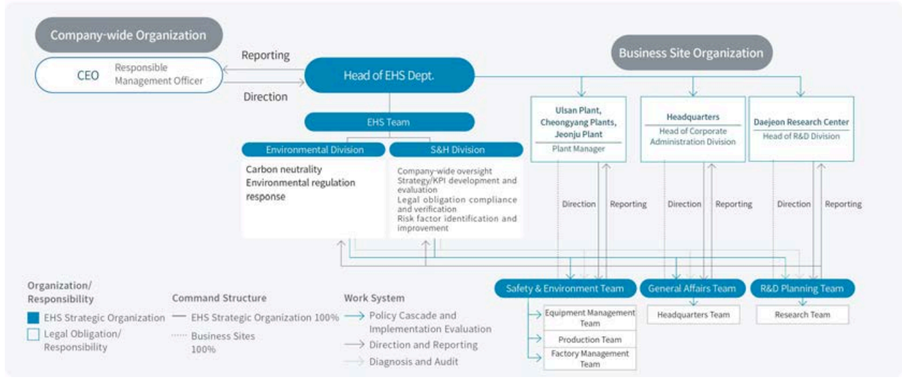
Aekyung Chemical has established the EHS Management Policy as the highest priority across all business operations to ensure the safety of all employees and local communities. Our vision is to create a safe and pleasant work environment by proactively preventing EHS issues company-wide. We are committed to effectively addressing environmental, safety, and health issues.



EHS Organization

The EHS Team operates under the EHS Department and reports directly to the CEO. Major environmental matters—including greenhouse gas emissions management, energy reduction, minimization of air and water pollution, and chemical management—are escalated to management meetings and the Sustainability Management Committee under the Board of Directors. Based on this systematic decision-making framework, we establish and implement policies to achieve zero EHS issues. The EHS Team also serves as the control tower for company-wide environmental operations, collaborating with designated environmental officers at each business site to ensure that site-level environmental management activities operate systematically. Additionally, through quarterly EHS Leading Group coordination sessions, we share key environmental status across business sites, discuss improvement initiatives, and strengthen company-wide environmental management capabilities.

Company-wide EHS Organization



Environmental Management System (ISO 14001)

Aekyung Chemical maintains ISO 14001 certification, an international standard for environmental management. Based on this certification, we have established policies and objectives to minimize the environmental impact of our products and services. Through environmentally conscious business operations, we systematically fulfill our corporate environmental responsibility.

- **Certified Facilities**: Headquarters, Ulsan Plant, Cheongyang Plant 1, Cheongyang Plant 2, Jeonju Plant
- **Valid Until**: October 20, 2027



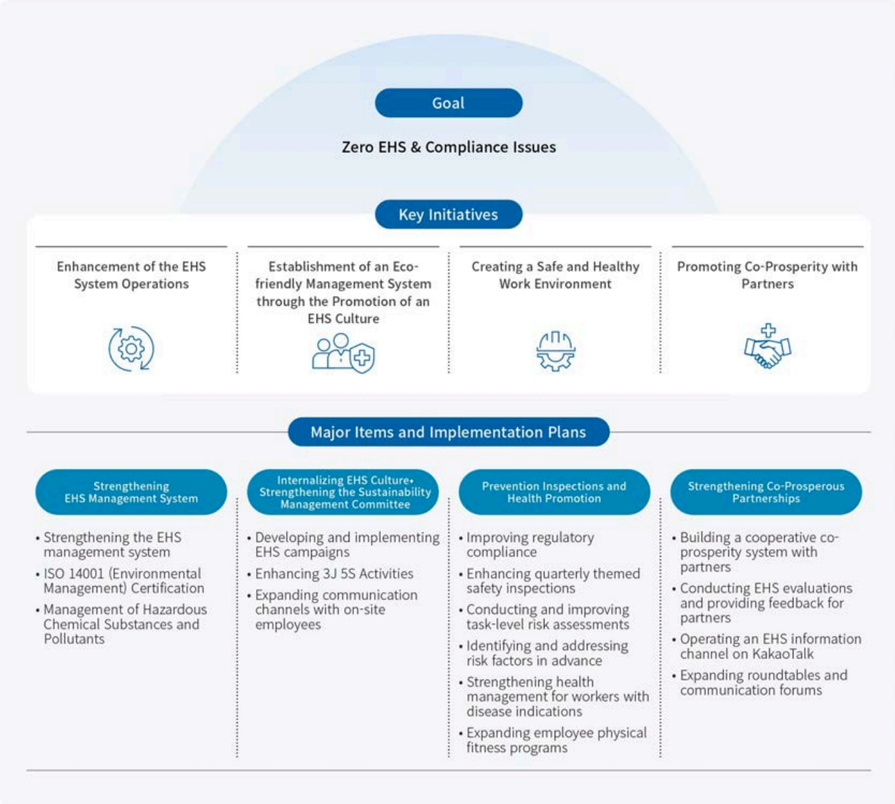
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Environmental Management

Strategy

EHS Priority Initiatives and Implementation Approach

Aekyung Chemical is systematically advancing toward Zero EHS & Compliance Issues through four key initiatives: Enhancement of the EHS System Operations, Establishment of an Eco-friendly Management System through the Promotion of an EHS Culture, Creating a Safe and Healthy Work Environment, and Promoting Co-Prosperity with Partners.



Management of Hazardous Chemical Substances

Implementation Targets for Management of Hazardous Chemical Substances

Aekyung Chemical operates a Chemical Management System (CMS) to manage hazardous chemical substances efficiently. We implement chemical accident prevention management plans annually in accordance with the “Chemical Substances Control Act” to prevent chemical accidents and ensure the safety of local communities. Beyond meeting our facility's legal compliance obligations, we are systematically managing hazardous chemical substances across our supply chain and local communities through structured management processes. We strengthen our field-based self-inspection system through regular inspections and emergency response drills, and we are committed to establishing a safety culture.

Implementation Targets	Initiatives	Execution Strategy
Establishment of Systematic Management of Hazardous Chemical Substances and Chemical Accident Prevention Processes	Enhancement of Chemical Management System (CMS) Operations	• Establishment of CMS database and MSDS alignment review process • Expansion of chemical substance management system through data integration with external stakeholders (customers, suppliers, etc.)
	Establishment and Operation of On-Site Self-Inspection System	• Establishment of company-wide unified chemical accident prevention management plan implementation process • Deployment of self-inspection activities including regular inspections, emergency response drills, and community notification • On-site self-inspection system and safety culture establishment

Establishing a Culture of Hazardous Chemical Substance Management

Aekyung Chemical is establishing a culture of safe hazardous chemical management through systematic education and awareness-raising activities. We provide customized training by segmenting our training audience into managers, handlers, and workers. New employees receive pre-placement training before assignment. Additionally, we conduct monthly coordination sessions with personnel responsible for chemical accident prevention management plans, during which we distribute guidance for facilities handling hazardous chemical substances.

We also emphasize the importance of hazardous chemical management and chemical accident prevention to our employees through various campaigns. We conduct regular emergency response drills for scenarios such as chemical spills to heighten employee awareness and strengthen our workforce's capacity for safe chemical handling.

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Management of Hazardous Chemical Substances Training

Aekyung Chemical operates a job-specific training system to ensure the safe management of hazardous chemical substances. We conduct regular training on a two-year cycle for technical personnel, managers, and handlers, and provide training once per year to employees who do not directly handle such substances. Through these training initiatives, we continuously strengthen safety awareness across our operations and reinforce prevention of environmental and social risks.

2025 Management of Hazardous Chemical Substances Training Overview

Curriculum	Hours	Participants	Target
Technical Personnel and Managers	16 hours/2 years	18	Technical staff and managers (person in charge, inspectors) for hazardous chemical handling facilities
Handlers	16 hours/2 years (8 hours in-person, 8 hours online)	448	Hazardous chemical handling personnel
Workers	2 hours/year	123	Personnel working at sites not directly handling hazardous chemicals, including regular and dispatched workers

** Training on the handling of hazardous chemical substances appropriate to job duties is provided before new employees are assigned to their positions*

Coordination Sessions for Chemical Accident Prevention Management Plan Officers and Leak Accident Response Drills



Coordination Sessions on Chemical Accident Prevention and Management Plan (Monthly)



Chemical Substance Leak Response and Evacuation Drill

Management of Hazardous Chemical Substances Campaign

Aekyung Chemical emphasizes to employees the importance of the management of hazardous chemical substances and prevention of chemical accidents through various campaigns.

Campaign for the Prevention of Chemical Accidents (March 2025)		• Operations of chemical safety community with managers of hazardous chemical substances at nearby business sites • Distribution of guidelines for the prevention of chemical accidents • Posting of banners to promote awareness of prevention of exposure to hazardous chemical substances and fire and explosion accidents
119 Fire Safety Experience Center Operations (May 2025)		• Operations of chemical safety community with nearby business sites • Hands-on training in the operation of fire safety equipment, fire extinguishers, and fire trucks • Hands-on training in cardiopulmonary resuscitation and air respirator use
Distribution of Technical Guidelines for Hazardous Chemical Substance Handling Facilities (June 2025)		• Distribution of technical guidelines for safe use and inspection of hazardous chemical substances • Briefing sessions for personnel responsible for handling hazardous chemical substances
Improvement Measures to Prevent Leakage and Exposure of Hazardous Chemical Substances (September 2025)		• Improvement and additional provision of hazardous chemical substance emergency response kits • Provision of full-face masks to prevent exposure to hazardous chemical substances (contact through splashing)
"10 Rules for Handling Chemicals" Banner Posting (October 2025)		• Posting of banners displaying ten safety rules for safe handling of hazardous chemical substances • Placement at major work areas and passageways to internalize safety awareness among workers

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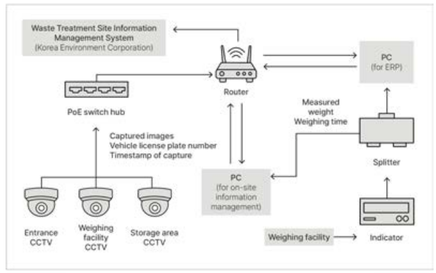
Waste Management

Waste Management Framework

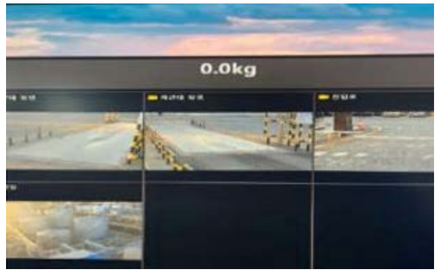
Aekyung Chemical establishes waste reduction targets for each plant annually and manages them systematically to minimize waste generation. We identify processes where waste is primarily generated and develop targeted reduction measures. Waste generation is monitored at least once monthly to sustain continuous reduction activities. Designated waste and general waste are stored in separate areas to prevent cross-contamination of hazardous substances, and designated waste is managed based on hazardous component analysis data. When waste is shipped off-site, hazard information and handling precautions are communicated in writing to prevent pollution spread. For outsourced treatment, we prioritize contractors capable of recycling over landfill or incineration to minimize environmental impact. All waste is reported and managed through the Ministry of Environment's Allbaro System.

Waste Management System

Aekyung Chemical's Ulsan Plant has established an information system for waste treatment operations to ensure transparent management throughout the waste disposal process. Operating in accordance with Article 18, Paragraph 3 of the Wastes Control Act, the system transmits CCTV footage and weighing data in real time to the Korea Environment Corporation (K-eco) for key facilities—including the entrance, weighing facility, and storage area—involved in waste cooking oil recycling and treatment. By monitoring the entire waste treatment process, we maintain management reliability and accountability.



Waste Treatment Site Information System Diagram



Waste Treatment Site Information System Control PC Screen

Raw Materials and Components Recycling Activities

Aekyung Chemical identifies opportunities to recycle waste organic solvents and reuses them in production processes, contributing to reduced raw materials and components consumption and expanded resource circulation. We also utilize regenerated drums when delivering major products—plasticizers, polyester polyols, and PU systems—to customers. Through this approach, we reduce waste generation and promote materials recycling while effectively responding to continuously growing demand for empty drums. Rather than procuring new drums, we collect empty drums through regenerated drum suppliers and reuse them after washing, drying, and painting, thereby contributing to resource conservation and cost reduction.

Expansion of Waste Recycling

The Cheongyang Plant develops tailored recycling approaches aligned with waste characteristics and identifies additional recycling partners. We have transitioned waste organic solvents (solid and liquid forms)—previously incinerated—to recycling. By classifying wastewater-treatable waste and converting it to in-house treatment rather than incineration, we have improved our waste management structure and enhanced recycling rates. We continue to expand the range of recyclable waste through investment in in-house recycling facilities.

Ulsan Plant has converted approximately 50 tons annually of waste synthetic resins (including household waste) from incineration to full recycling through partnerships with new recycling companies. By continuously identifying specialized recycling partners, we steadily improve our waste recycling rates.

Circular Economy (formerly Resource Circulation) Performance Management: Exceeded Target Achievement (Ulsan Plant)

Under the Act on Promotion of Transition to Circular Economy and Society, individual business sites are assigned circular economy targets and implement them on a voluntary basis.

→ System Implementation: 4th Implementation Period (Implementation Year 2025, Performance Reporting 2026)

Performance

Category	Description	Goal	Performance
Final Disposal Rate	Waste Landfill Indicator	26.93%	2.67%
Circular Utilization Rate	Waste Recycling Indicator	40.01%	47.98%

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Environmental Management Medium- to Long-Term Targets

Medium- to Long-Term Targets for Air and Water Pollutant Emissions

Aekyung Chemical has established a target to reduce the emission intensity of air and water pollutants by 5% by 2030 compared to 2025 levels. To achieve this target, we regularly monitor emissions status across all facilities and continuously strengthen our management system for pollutant reduction activities. Each facility operates pollution control equipment incorporating BAT (Best Available Technology) to reliably comply with environmental regulatory standards. To achieve enhanced environmental management performance, we are implementing the introduction of new RTO (Regenerative Thermal Oxidizer) equipment and pursuing additional investments and improvements to dedicated pollution control facilities for each process. Through these initiatives, we are simultaneously improving pollutant treatment efficiency while reducing emissions. Additionally, to reduce water pollutant emissions, we are continuously enhancing wastewater treatment facility operational efficiency and identifying improvement opportunities through daily analysis and management. Aekyung Chemical is committed to minimizing environmental impact and achieving our environmental management targets by 2030 through sustained investment and technology application.

Air Pollutant Reduction Targets

Category	Baseline Year (2025)	Target (Reduction Rate Compared to Baseline Year)				
	Intensity Performance	2026	2027	2028	2029	2030
Ulsan Plant	0.049	1.0%	2.0%	3.0%	4.0%	5.0%
Cheongyang Plant 1	0.114	0.5%	3.5%	4.0%	4.5%	5.0%
Cheongyang Plant 2	0.050	1.5%	3.5%	4.0%	4.5%	5.0%
Jeonju Plant	0.172	3.0%	3.5%	4.0%	4.5%	5.0%

Water Pollutant Reduction Targets

Category	Baseline Year (2025)	Target (Reduction Rate Compared to Baseline Year)				
	Intensity Performance	2026	2027	2028	2029	2030
Ulsan Plant	0.011	0.5%	3.5%	4.0%	4.5%	5.0%
Cheongyang Plant 1	0.002	1.5%	3.5%	4.0%	4.5%	5.0%
Cheongyang Plant 2	0.029	1.0%	3.5%	4.0%	4.5%	5.0%

Air Pollutant Management

Air Pollutant Management Framework

Aekyung Chemical operates various pollution control facilities to reduce air pollutant emissions. Low-NOx burners are installed in LNG industrial boilers to mitigate nitrogen oxides (NOx) and reduce particulate matter precursors. Trace amounts of volatile organic compounds (VOCs) generated from storage tanks are safely incinerated through RTO (Regenerative Thermal Oxidizer) equipment.

The Ulsan Plant is expanding RTO equipment capacity to manage pollutants from production processes more reliably. The Cheongyang Plant strengthened exhaust gas management standards in 2025 by installing additional environmental control facilities to systematically manage air pollutants that may be generated in laboratories. We also separately manage connection points—including valves, flanges, and pressure relief devices—to prevent minor leaks in petrochemical manufacturing processes and conduct annual leak inspections using measurement equipment. In addition, we have entered into voluntary air pollutant reduction agreements with local governments to continuously reduce emissions and contribute to environmental improvement and health promotion in local communities.

TMS (Tele-Monitoring System) Operations

Aekyung Chemical operates a Tele-Monitoring System (TMS) to measure air pollutants from incinerators in real time and systematically manage the data by transmitting it to the Ministry of Environment. We have also established and operate internal regulatory standards set at 70% of legally permitted emission limits, thereby practicing more stringent environmental management. In accordance with Article 32 of the Clean Air Conservation Act, we outsource the management of TMS measurement equipment to a specialized management company, ensuring a reliable management system that meets legal requirements.



Real-Time Monitoring Program



Additional Inspections

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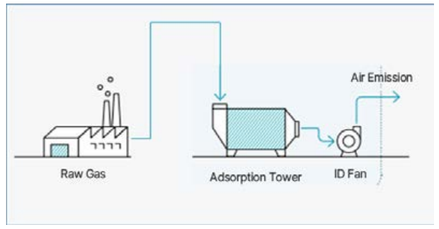
Odor and VOCs Reduction Management

Aekyung Chemical operates air pollution control equipment tailored to emission characteristics—including RTO (Regenerative Thermal Oxidizer), adsorption towers, and scrubbers—to reduce volatile organic compounds (VOCs) and odor emissions.

The Ulsan Plant plans to install new RTO equipment to improve pollutant treatment efficiency and strengthen air quality management standards. The Cheongyang Plant has installed an activated carbon adsorption tower (AC-160) at the outlet of the laboratory's local exhaust system to reduce total hydrocarbons (THC) and odor emissions during operations. Through these measures, we continue to improve air quality management levels at our facilities.



New RTO Installation



Odor Reduction Equipment Configuration

Water Pollutant Management

Water Pollutant Management System

Aekyung Chemical systematically treats wastewater generated at its facilities through factory-specific wastewater treatment systems. Wastewater undergoes primary treatment—physical, chemical, and biological processes—at the in-plant treatment facility to reduce pollutants. Rather than discharging directly, the treated wastewater is transferred to the public wastewater treatment plant within the industrial complex for additional purification before being safely discharged.

The Ulsan Plant conducts quarterly analysis of 54 types of pollutants through external specialized institutions to ensure compliance with legal water quality standards, and measures key water quality parameters—BOD, TOC, and SS—once daily in-house. Additionally, the plant collaborates with the public wastewater treatment plant within the industrial complex to monitor water pollutant concentrations at least once per week. Beyond legal compliance, contingency treatment measures have been established to respond immediately to any additional pollution, thereby minimizing environmental impact.

NEO-T+ Wastewater Antimony Treatment Filtration System

The Ulsan Plant has established a wastewater filtration system to remove antimony, a specific water quality hazardous substance generated during NEO-T+ production. The system treats wastewater through pH adjustment, activated carbon treatment, and filtration processes, and currently maintains antimony concentration in discharged water at 0.2 ppm or below.

Antimony Treatment Filtration System Process



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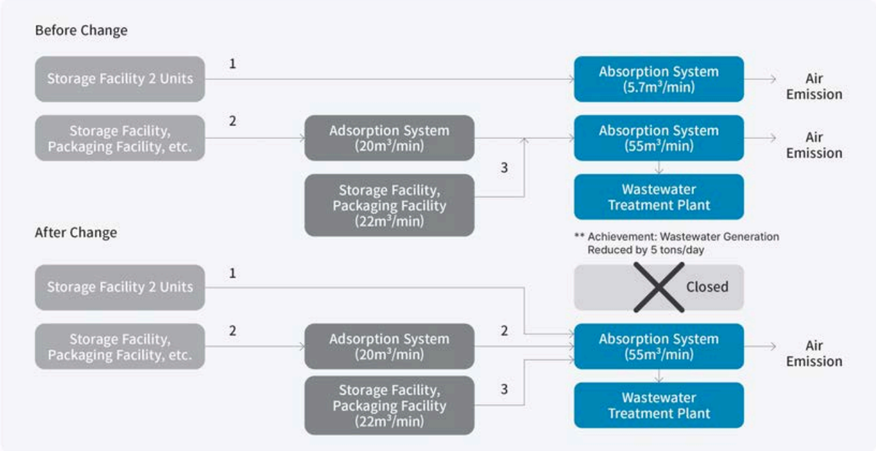
Emergency Response and Spill Prevention Safety System: Trench Expansion Installation

The Cheongyang Plant has expanded trench installation to prevent the spread of contaminants during raw materials loading and unloading operations. This system contains the risk of contaminant leakage in emergency situations and enables rapid response to unforeseen events, thereby preventing aquatic ecosystem contamination.



Wastewater Discharge Equipment Improvement: Scrubber Consolidation

The Cheongyang Plant implemented improvements to scrubber equipment to reduce secondary pollutants—wastewater generated by pollution control facilities—and enhance operational efficiency. Analysis of the existing two-unit scrubber system's treatment performance demonstrated that equipment consolidation would maintain treatment efficiency while improving operational efficiency. The improvement was applied in 2025, and a daily wastewater reduction of approximately 5 tons was achieved compared to 2024.



Eco-friendly Investment

Aekyung Chemical continuously invests in eco-friendly equipment to minimize environmental pollutant emissions and optimize energy use. In 2025, we invested in new Regenerative Thermal Oxidizer (RTO) equipment to ensure stable incineration of waste gases, with operations scheduled to begin in 2026. We also installed an additional odor control facility for laboratory emissions, strengthening air quality management at the business sites through reduced atmospheric pollutant and odor emissions. Furthermore, we plan to decrease carbon emissions in product manufacturing processes through energy reduction technology development. We have also advanced our internal energy circulation model and improved manufacturing processes to enable recycling of waste organic solvents. Through these initiatives, we are reducing waste generation while decreasing raw materials consumption, thereby advancing resource circulation and improving energy efficiency.

2025 Eco-friendly Investment Expenses Execution Details

Environmental Pollutant Reduction
Odor control facility investment, hazardous chemical handling facility improvements, and others

Energy Use Optimization
Installation of power-saving equipment, waste heat recovery system installation and investment, and others

Eco-friendly Technology and Product Development
Energy-efficient production equipment investment

Hazardous Chemical Recycling
Waste organic solvent recycling process improvement

Eco-friendly Investment Performance and Plans

Category	Unit	2024		2025		2026
		Plan	Results	Plan	Results	Plan
Eco-friendly Investment Costs	Million KRW	13,224	17,617	9,445	1,939	9,526
Environmental Operating Costs	Million KRW	7,057	3,162	3,267	232	317
Total	**Million KRW**	**20,281**	**20,779**	**12,712**	**2,171**	**9,843**
Implementation Rate	**%**		**102.5**		**17.1**	

** 2026 Key Investment Plans: Installation of new waste gas treatment systems (RTO, HRTO), consolidation of scrubbers, duct connection for local exhaust devices at outdoor storage facilities, additional installation of detectors at outdoor storage facilities, steam piping integration*

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Environmental Management Campaigns

Aekyung Chemical operates a range of environmental management campaigns to raise employee awareness of environmental issues and promote the adoption of carbon reduction practices in daily life. Each year, we run the “GAM.TAN.SA” campaign to encourage employees to reduce carbon emissions in their everyday activities. In 2025, aligned with Earth Day, we launched a campaign designed to enhance environmental awareness and sensitivity, with the goal of embedding carbon reduction activities as a natural habit practiced together with family, colleagues, and friends. The campaign unfolded in phases: beginning with awareness-building activities to identify eco-friendly or low-carbon certified products, followed by a practice initiative in which employees turn off lights for 10 minutes at 8 p.m., and culminating in a scaling activity where groups of two or more use and certify reusable products. This phased mission approach encouraged voluntary participation and enabled carbon reduction practices to become seamlessly integrated into daily routines. Additionally, on the 10th of each month, we operate “Zero Challenge Day” through company-wide bulletin boards, continuously sharing methods for reducing carbon in daily life to enhance employee environmental awareness. We also regularly conduct “Plog Together, Clean Forever!,” an environmental cleanup activity in which employees walk through areas surrounding our facilities with colleagues and collect litter, thereby expanding the practice of environmental protection in everyday life.

Zero Challenge Day	GAM.TAN.SA	Plog Together, Clean Forever!
		
Conducted monthly starting in 2024 Environmental awareness initiative held regularly on the 10th of each month to share practical carbon reduction methods in daily life (1 session per month)	Conducted periodically each year starting in 2022 GAM.TAN.SA represents Aekyung Chemical employees who reduce carbon, and is an initiative to encourage the practice of carbon reduction in daily life (1 session per year / 25 persons participated in 2025)	Conducted once per quarter starting in 2022 Environmental cleanup activity where colleagues walk together around areas surrounding our facilities and collect litter (4 sessions per year / 371 persons participated in 2025)

Risk management

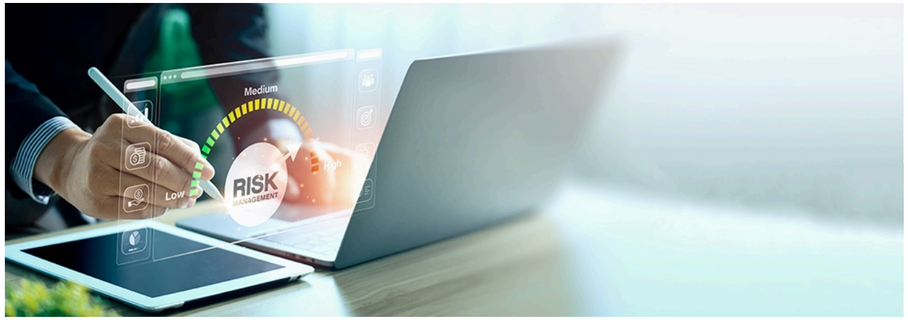
Environmental Risk Management

Aekyung Chemical periodically monitors changes in environmental regulations and emerging social issues, reviews their impact on business operations, and proactively manages potential environmental risks. We also operate procedures to review major environmental issues—including regulatory requirements, risks, and opportunities—during new investment and business development phases, thereby minimizing the potential for environmental risks.

To manage these environmental risks systematically, we have established and operated an environmental management system based on ISO 14001, conducting the full cycle of risk identification, assessment, and management in a structured manner. We continuously strengthen the effectiveness of our management system through regular environmental risk assessments and environmental management reviews.

Considering the impact of climate change and environmental issues on corporate operations, we have established medium- to long-term environmental management targets and regularly review environmental targets and performance to enhance execution capability.

We conduct Life Cycle Assessment (LCA) annually to manage environmental impacts across the entire product lifecycle. We quantitatively analyze environmental impacts from raw materials extraction through production, use, and disposal stages, and apply these findings to improve product environmental performance and develop eco-friendly products. We also obtain independent assurance of LCA results to ensure data reliability.



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CMS-Based Monitoring Framework

Aekyung Chemical has implemented a Chemical Management System (CMS) to systematically manage information across the entire lifecycle—from procurement through manufacturing, use, and disposal—of diverse chemical substances. The system controls the handling of only authorized substances through selective screening and monitors hazardous chemical volumes in real time across all business sites, enabling effective response to chemical regulations and risk management. In accordance with the "Act on Registration and Evaluation of Chemical Substances," we fulfill registration requirements for chemical substances manufactured or imported in quantities of one ton or more annually, and systematically manage related regulatory information by reflecting it in the CMS. Additionally, based on data within the CMS, we perform business licensing, maintain management records, and submit performance reports in compliance with the "Chemical Substances Control Act", thereby meeting all legal requirements.

CMS Functions and Components

Category	Type/Field
Pre-Assessment Management	• Pre-assessment for procurement/product manufacturing (automatic MSDS generation) • Procurement/product manufacturing control (purchase approval after regulatory applicability verification) • Regulatory response information review • Hazardous chemical substance authorization and licensing information review
Inventory Management	• Product and substance inventory • Quantity, GHS classification, and regulatory information review • Searchable substance list by product
MSDS Management	• MSDS automatic generation/management/substance search (hazard and risk classification, GHS image registration/inquiry/printing/history management)
Legal Regulatory Management (Chemical Substances Control Act, Act on Registration and Evaluation of Chemical Substances)	• Regulatory response guidance and follow-up task alerts • Pre-notification/notification/registration/exemption management • Import/notification/business license management by business site
Reporting and Performance Management	• Performance reporting/statistical surveys • Chemical substance management ledger

Material Safety Data Sheet (MSDS) Management

Aekyung Chemical manages chemical substances in its products in accordance with Material Safety Data Sheet (MSDS*) requirements. We fulfill our obligation to provide safe handling information for chemical substances to both internal personnel and external customers through MSDS documentation. MSDS documents are revised and amended following internal review, and any changes are promptly shared with customers. In 2025, we implemented a comprehensive revision of MSDS to reflect amendments to the "Chemical Substances Control Act" and the "Act on Registration and Evaluation of Chemical Substances" (effective August 7, 2025). In accordance with the "Occupational Safety and Health Act," we submit MSDS for all products to the Korea Occupational Safety and Health Agency, receive assigned agency numbers, and maintain systematic management of these records.

MSDS Contents

• Information on the chemical product and the company	• Hazards and risks	• Names and contents of ingredients	• First aid measures
• Measures to be taken in case of explosion or fire	• Measures to be taken in case of a leakage	• Handling and storage methods	• Exposure controls and personal protection
• Physical and chemical properties	• Stability and reactivity	• Toxicological information	• Environmental impact
• Precautions for disposal	• Transportation information	• Regulatory status	• Additional references

** MSDS: Material Safety Data Sheet, a document containing information on the name of a chemical substance or a product containing it, precautions for safe and health handling, hazards and risks, procedures for fire and explosion response, physicochemical properties, carcinogenicity, environmental impact, and other relevant data. MSDS is required when importing, using, transporting, or storing chemical substances or products containing them, with the primary purpose of preventing occupational accidents.*

** Importance of MSDS: Ensuring chemical safety (preventing risks during handling), preventing occupational accidents (protecting workers and creating a safe work environment), and legal compliance (MSDS provision and management are mandatory under applicable regulations).*



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Support Activities for Environmental Improvement Among Suppliers

Aekyung Chemical pursues diverse support activities to create a safe working environment free of chemical incidents, grounded in co-prosperity with our suppliers. Through monthly supplier council sessions, we listen to field-based chemical safety recommendations and continuously implement working environment improvements to reduce accident risks based on this feedback. We also conduct joint inspections and joint training exercises with suppliers to strengthen on-site response capabilities. For supplier employees engaged in hazardous chemical handling, facility maintenance and repair work, and transportation, we provide pre-work hazard and risk training based on Material Safety Data Sheets (MSDS). Through these activities, we build a safe working environment together with our suppliers and strengthen our sustainable safety and environment management system.

Supplier Support Activities



Supplier Cooperation Council Meetings
(1 session per month)



Joint Theme Inspection: Safe Workplace Project
(August 2025)



Joint Training: Emergency Patient CPR Education
(October 2025)



Environmental Management Improvement Training
(October 2025)

Metrics & Targets

Environmental Management Targets and Performance

Aekyung Chemical recognizes its corporate role and responsibility in an operating environment where environmental management has become increasingly important. We are implementing company-wide environmental management to reduce greenhouse gas emissions and minimize environmental impact. To this end, we have established the Green Initiative 3050, a medium- to long-term reduction target to cut carbon emissions by 50% by 2030 compared to 2021 baseline, and are managing it systematically. Additionally, in 2026, we have established environmental management targets to minimize environmental impact, with a goal to reduce unit-based emissions of water and air pollutants by 5% by 2030 compared to 2025 for key environmental indicators. This establishes a performance management foundation for our environmental operations. We finalize annual targets each year following Board of Directors review and report interim assessments and results to the Sustainability Management Committee, a subsidiary body of the Board of Directors, thereby operating a systematic monitoring framework.

Category	Unit	2025 Target	2025 Performance	2026 Target
Greenhouse Gas Emissions	tCO_2eq	169,984	146,386	167,263
Energy	TJ	1,748	1,633	1,655
Water	ton	1,348,906	1,256,698	1,364,519
Water Pollutants BOD/SS/TOC	kg	11,806	8,937	9,190
Air Pollutants SOx/NOx/Dust	kg	34,829	33,543	34,542
Waste	ton	10,286	8,259	6,676

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Climate Change Response

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Climate Change Response Governance

Aekyung Chemical manages climate change response as a key environmental agenda within its ESG governance framework. We oversee strategy development through execution and monitoring across the organization via a system comprising the Board of Directors, the Sustainability Management Committee under the Board, executive management, an operational working group, and dedicated organizations.

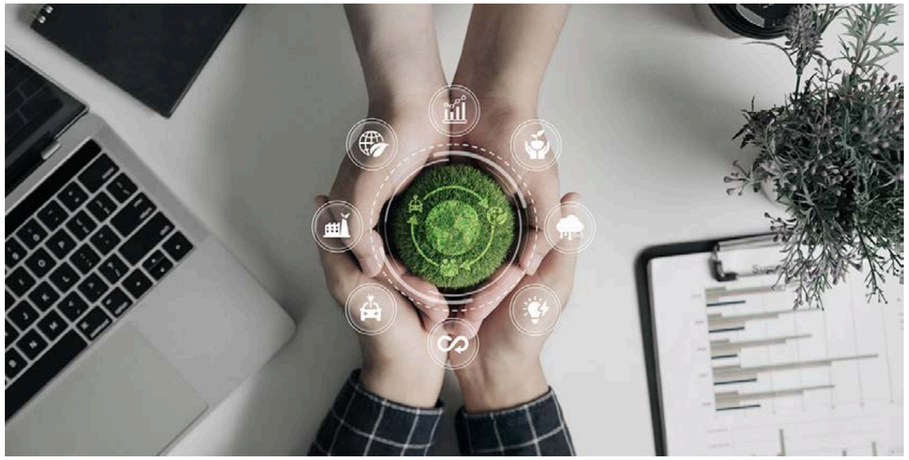
The Board of Directors and the Sustainability Management Committee review risks and opportunities related to major environmental issues, including climate change response, and oversee the management of related strategies, targets, and implementation performance. In 2025, the Sustainability Management Committee strengthened climate change response governance by electing an environmental expert as its chair. The Committee approved annual environmental management targets, including carbon emissions reduction in February 2025, and conducts regular environmental management performance reviews four times annually— including the February target approval, interim progress checks in August and November, and a final implementation results report in June 2026. Based on the 2025 Double Materiality Assessment results, the Committee identified key risks and opportunities for climate change response, which was designated as a material issue, and advanced environmental and social impact analysis, financial impact analysis, and response strategy development. The Committee continues to monitor implementation progress.

Executive management oversees the execution of climate change response strategy. Led by the CEO, the Head of EHS Dept., and the CFO and Head of Corporate Administration Division, the executive team approves strategies for major environmental management agendas and periodically reviews performance. To strengthen execution capability, carbon emissions reduction performance is incorporated into C-Level KPIs for the CEO, Head of EHS Dept., and CFO and Head of Corporate Administration Division, and is linked to the compensation system, thereby establishing accountability in the execution framework.

Dedicated organizations are responsible for implementing climate change response and environmental management. The EHS Team under the EHS Dept. serves as the control tower for company-wide environmental operations, overseeing environmental regulatory monitoring, carbon neutrality, pollutant management, waste reduction, and chemical management. The ESG Team under the Corporate Administration Division is responsible for company-wide ESG strategy and target development, management of related activity implementation, support for the Sustainability Management Committee, and operation of the ESG Leading Group, the operational working group.

Board of Directors and Sustainability Management Committee: Climate Change Response and Environmental Management Agenda

Category	Date and Time of Meeting	Agenda Item	Resolution Status
Board of Directors	February 3, 2025	• Approval of 2025 Environmental Management Targets (GI3050)	Approved as Proposed
	June 8, 2026	• GI3050 2025 Results Report and Approval of 2026 Plan	Approved as Proposed
		• Approval of Additional Environmental Management Targets (Air and Water Pollutants)	Approved as Proposed
Sustainability Management Committee	February 14, 2025	• 2025 ESG Implementation Plan Report (including materiality assessment results)	Reported
	May 12, 2025	• Report on Risk and Opportunity Analysis Results and Implementation Plan for ESG Material Issues	Reported
	August 11, 2025	• 2025 ESG Management Activities Report (including 2025 environmental management targets implementation status)	Reported
	November 10, 2025	• Review Report on ESG Material Issues Strategy Implementation Plan (including 2025 environmental management targets implementation status)	Reported



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Climate Change Response

Strategy

Green Initiative 3050

Aekyung Chemical is advancing a transition to a low-carbon, eco-friendly business structure and building a sustainable business model centered on "Green Initiative 3050 (GI3050)," our medium- to long-term environmental target grounded in ESG Management Policy. GI3050 aims to increase the share of eco-friendly products in sales and the share of eco-friendly raw materials in raw material usage to 50% each by 2030, and to reduce carbon emissions by 50% compared to 2021 levels. To achieve these goals, we have established medium- to long-term execution strategies and annual implementation initiatives, and systematically manage performance metrics.

Medium- to Long-Term Eco-friendly Targets

Green Initiative 3050

Bold investments and transformation of business structure and fundamentals for sustainable growth

Implementation Goals	Strategic Tasks	Execution Strategies
Achieving 50% of sales from eco-friendly products	Diversification of portfolio with bioenergy and resource circularity products	• Expanding and diversifying products using bio-based raw materials • Increasing sales of products with reduced or no hazardous substances • Strengthening foundational and advanced technology research
Achieving 50% use of eco-friendly raw materials	Expansion of biomass and recycled raw materials usage	• Enhancing R&D for natural raw materials • Creating raw materials through product recycling • Reinforcing R&D on the application of internal production by-products
Reducing carbon emissions by 50%	Introduction of energy-saving and carbon-reduction technologies	• Expanding high-efficiency and low-power equipment • Minimizing process energy loss • Establishing an energy simulation system

To achieve 50% eco-friendly product sales by 2030, Aekyung Chemical is diversifying the product portfolio with a focus on recycled and low-hazard materials. We prioritize acquiring core technologies to respond to global environmental regulations while leveraging our B2B business capabilities to advance eco-friendly product development and market expansion through inter-company collaboration. In 2025, we successfully launched bio-based plasticizers and began full-scale sales of recycled PET unsaturated polyester resin (UPR), strengthening the competitiveness of our eco-friendly products.

To achieve 50% eco-friendly raw materials usage by 2030, we are expanding the application scope of biomass and recycled raw materials across all areas. In 2025, we expanded our unsaturated polyester product line by reintroducing waste PET byproducts, strengthening our resource circulation system and execution capability. Moving beyond our existing palm oil-centered raw material supply structure, we introduced coconut oil as a new raw material, enhancing supply stability for surfactant production and diversifying our eco-friendly raw materials portfolio.

We are concentrating company-wide capabilities to achieve a 50% reduction in carbon emissions compared to 2021. In 2025, we maximized operational efficiency of electrical equipment through production process improvements, realizing tangible carbon emission reductions. Our R&D Division is also prioritizing energy-reduction technology development to reduce the carbon footprint across our entire product manufacturing process. We are advancing equipment investments to enhance our internal energy circulation model and continuously strengthen our low-carbon management foundation.

Medium- to Long-Term Implementation Strategy

Category	2024	2025	2026	2028	2030
Products (as a percentage of total sales)	37% Expand plant oil-based surfactants, continued sales of resource circularity-based plasticizers, plant oil-based fertilizer controlled-release coating solutions	34% Expand resource circularity-based unsaturated polyester resin, launch bio-based plasticizers	35% Expanded eco-friendly UV-curable and water-based resins, resource circularity-based product portfolio	45% Continue sales of marine biofuels and products for global environmental regulations	**50%**
Raw Materials (as a percentage of total input)	32% Expand recycled PET chips, apply Recycle EG	28% Expand Recycle EG, use new plant oils	29% Expand eco-friendly raw material use by diversifying recycled raw material specifications	44% Expand marine bio-based raw materials, R&D of natural raw materials, expand recycled raw materials	**50%**
Carbon Emissions (tCO_2-eq/ton of production)	0.24 Reuse waste heat energy, introduce solar power generation and high-efficiency facilities	0.26 Maximize electrical equipment operating efficiency, decide to invest in internal energy circulation model	0.25 Minimize external energy input by establishing inter-process energy linkage system	0.16 Set productivity per unit, develop emissions trading scheme scenarios, introduce an optimized carbon emissions management system	**0.13**

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Climate Change Response

Aekyung Chemical has strengthened its strategic priority management system by raising targets based on prior-year performance to enhance the execution of Green Initiative 3050. We have also established and operated a phased roadmap that optimizes resource allocation and implementation timing in response to evolving business conditions and technology trends, while sustaining our transition to an eco-friendly business model through regular progress reviews.

GHG Management

GHG Minimization

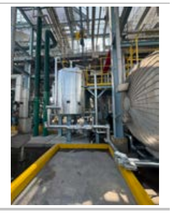
Aekyung Chemical enhances energy efficiency across its operations and reduces GHG emissions through process and equipment improvements. The Cheongyang Plant has achieved reductions in electricity consumption and optimized process operations through scrubber consolidation, installation of energy-saving equipment, and establishment of an integrated monitoring system. The Ulsan Plant advances energy consumption reduction through utility improvements, including heat source conversion, waste heat recovery, and reuse.

GHG Reduction Through Equipment Installation and Replacement

The Cheongyang Plant consolidated two scrubbers into a single unit to reduce electricity consumption. This consolidation decreased the power required for blower and pump operation by approximately 50,000 kWh annually, equivalent to approximately 20 tons of avoided carbon emissions. The efficiency improvement in equipment operation also contributed to reducing wastewater discharge.



The Ulsan Plant improved the utilization of steam energy generated in its processes, reducing steam consumption by approximately 2 tons per hour. This enhancement increased energy efficiency and delivered measurable GHG emissions reduction benefits.



Participation in Biofuel Alliance

Aekyung Chemical participates in the government-led Biofuel Alliance to commercialize marine biofuel. Through this initiative, we contribute to the decarbonization of marine fuel and the reduction of greenhouse gas emissions. As part of these efforts, we have obtained International Sustainability and Carbon Certification (ISCC EU), establishing eco-friendly competitiveness in global markets, including Europe.



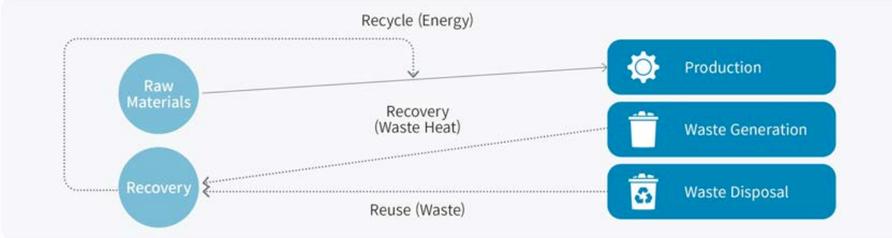
Energy Management

Energy Reduction Activities

Aekyung Chemical systematically analyzes energy consumption and continuously pursues energy reduction activities through process improvements and operational optimization. We identify energy-saving opportunities within our facilities and develop efficient energy use practices. We also conduct regular monthly analysis of energy consumption patterns in our manufacturing processes to identify and address inefficiencies, thereby optimizing energy operations. In particular, the Ulsan Plant converted all process-generated steam that was previously sold externally to internal use, reducing boiler LNG consumption. Additionally, we are expanding renewable energy adoption, including the installation of solar power generation equipment, to reduce emissions from electricity use.

Internal Energy Circulation Model

Aekyung Chemical has established an internal energy virtuous cycle system by recovering and reusing waste and waste heat generated during production and reinvesting them into our processes. This approach enhances energy efficiency and maximizes resource utilization.



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Climate Change Response

Expansion of Renewable Energy Use

To reduce carbon emissions (Scope 2) from electricity consumption at our facilities, we are introducing renewable power and installing solar power generation systems at the Ulsan Plant, Cheongyang Plant, Jeonju Plant, and Daejeon Research Center.



Ulsan Plant Solar Power Generation Facility



Cheongyang Plant Solar Power Generation Facility



Jeonju Plant Solar Power Generation Facility



Daejeon Research Center Solar Power Generation Facility

High-Efficiency Equipment Replacement

We minimize heat loss during transport by replacing aging steam pipe insulation at all plants, thereby reducing LNG consumption. Additionally, we enhance energy efficiency by replacing rotating equipment—such as motors and fans that operate continuously 24 hours a day due to the nature of our continuous-process operations—with premium high-efficiency motors.



Ulsan Plant G-731A Motor Replacement



Ulsan Plant P-5 Plant Insulation Material Reinforcement



Cheongyang Plant Cooling Tower Motor Replacement

Transformer Replacement

The Cheongyang Plant replaced its aging transformers with units appropriately sized for site conditions (1,750kVA→1,500kVA), improving power consumption efficiency. We also replaced the existing transformers—which contained PCBs*, a persistent organic pollutant—with state-of-the-art equipment free of this substance and completed the required regulatory notification. This action removed the units from the managed equipment list (devices with PCB content ≥0.05ppm), thereby eliminating environmental risk.

* PCBs: Polychlorinated Biphenyls, neurotoxic substances used in insulating oils and other applications

Power Usage Efficiency Improvement and PCBs Non-Detection Management Through Transformer Installation



Unit 1 New Transformer



Unit 2 New Transformer



PCB-Free Certification Report

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Climate Change Response

Risk management

Climate Change Response Risk Management

Climate Risk Management Process

Aekyung Chemical recognizes the impact of climate change on business operations and periodically identifies and evaluates climate risks and opportunities to respond systematically. Through this process, we identify key risk and opportunity factors, analyze their financial implications, and comprehensively assess the effects on our financial position, operating performance, and cash flow. Based on these analytical findings, we establish management plans and strategic initiatives for climate change response and operate a systematic risk management process across the organization.

1. Risk and Opportunity Identification	We comprehensively review domestic and international disclosure standards and frameworks, peer industry practices, and emerging regulatory and policy trends to identify physical and transition risks and opportunities arising from climate change.
2. Materiality Assessment	We evaluate identified risks and opportunities based on likelihood and impact, prioritize them, and select material topics that require management attention.
3. Financial Impact Analysis	We analyze the financial impact of material topics on revenue, costs, investments, and asset values through both quantitative and qualitative methods.
4. Response Strategy Development	Based on the analysis results, we establish medium- and long-term targets and strategic initiatives for climate change response and integrate them into our business and environmental management strategies.
5. Implementation and Monitoring	We execute established strategic initiatives and regularly review and manage implementation progress based on key performance indicators.
6. Results Reporting	We report climate-related risk and opportunity management results and key achievements to internal decision-making bodies and communicate transparently with stakeholders through external disclosure.

Metrics & Targets

Environmental Management Goals and Performance

Aekyung Chemical is concentrating company-wide capabilities to achieve a 50% reduction in carbon emissions by 2030 compared to 2021 under Green Initiative 3050. To strengthen execution of these targets, we refine our targets annually based on prior-year performance and operate a strategy-linked key initiative management system. In 2025, our GHG emissions target was set at 169,984 tCO_2eq. Actual performance reached 146,386 tCO_2eq, a decrease of 19,452 tCO_2eq from the previous year and representing 86% achievement against plan. Energy consumption totaled 1,633 TJ against a target of 1,748 TJ, a year-over-year decrease of 115 TJ and achieving 93% of target.

GHG Emissions Performance

Category	Unit	2023	2024	2025
Direct Emissions	tCO_2eq	116,529	104,007	91,065
Indirect Emissions	tCO_2eq	63,737	61,836	55,325
Total	tCO_2eq	180,260	165,838	146,386
GHG Intensity*		12.74	12.66	13.21

** Indirect Emissions (Scope 2): Location-based*

** GHG Intensity: tCO_2eq/Revenue (KRW 100 million, non-consolidated (separate) basis)*

** Rounding to decimal places may result in differences between individual items and totals*

Energy and Renewable Energy Usage Performance

Category	Unit	2023	2024	2025
Energy	TJ	1,880	1,828	1,633
Energy Intensity*		0.13	0.14	0.15
Renewable Energy (Self-Generation)	TJ	1.36	2.56	2.65
Renewable Energy Usage Ratio	%	0.07%	0.14%	0.16%

** Energy Intensity: TJ/Revenue (KRW 100 million, non-consolidated (separate) basis)*

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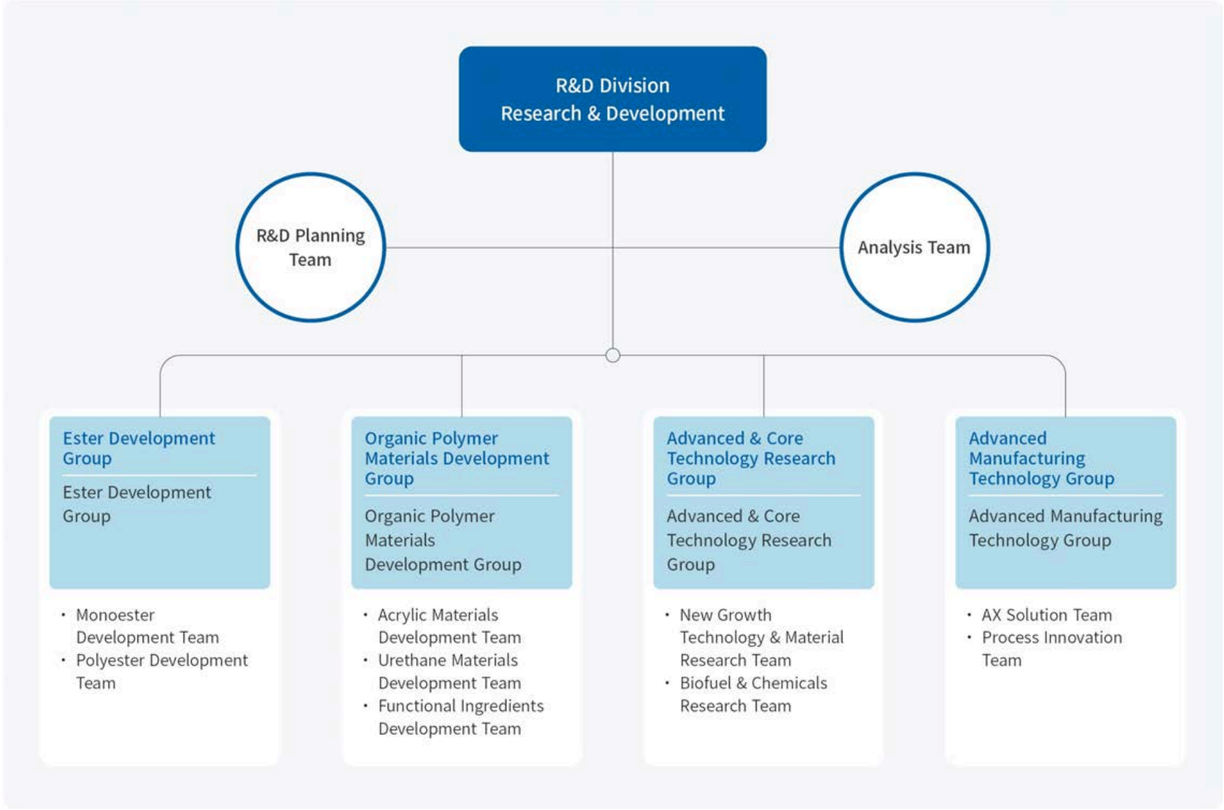
R&D Organizational Structure

Aekyung Chemical's Daejeon Research Center comprises three groups: one developing products used across industries, from basic chemical materials to everyday and advanced materials; another researching new processes and bio-based materials reflecting megatrends; and a third advancing manufacturing technology for intelligence and optimization across the entire R&D process.

In 2026, we reorganized our R&D structure from a business-centric to technology-centric, strengthening technology accumulation and sharing and improving decision-making and execution speed. This has enabled a flexible R&D framework capable of proactively responding to customer needs in the rapidly evolving chemical industry, while pursuing new business opportunities through technological convergence.

Our development groups are advancing precision chemical materials across industries—from everyday chemical products such as plasticizers and surfactants to coating solutions, high-performance adhesive solutions for electronic materials and secondary batteries, resin solutions, hardeners, and polyester polyols. Our research groups focus on new processes and material research, including hydrogenation and chlorination technologies, further raising the competitiveness of existing products while securing core technologies for new business ventures and building a foundation for future growth. Launched in 2026, the Advanced Manufacturing Technology Group is the control tower driving intelligence and optimization across the entire R&D process, under the objective of securing an insurmountable technology gap. Its AX Solution Team and Process Innovation Team collaborate closely to implement an innovation system that organically combines data-driven digital and AI transformation (DX·AX) with high-efficiency process design. Through this, we will transcend the physical limits of R&D and emerge as a First Mover leading sustainable future technologies.

R&D Division Organizational Structure



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Research Fields and Development Content

Group	Category	Type/Area	R&D Content	Eco-friendly Research Content
Ester Development Group	Monoester Development Team	Plasticizers, Lubricants, Emulsifiers, Polymerization Monomers	Through structural design of alcohol and fatty acid-based ester compounds, we conduct comprehensive research and development of functional ester materials including plasticizers and lubricants, cosmetics and personal care, and monomers.	Recycled raw materials and bio-based ester compounds, biodegradable ester compounds
	Polyester Development Team	Unsaturated Polyester/Vinyl Ester Resins, Alkyd, Amino, and Polyester Resins	We develop unsaturated polyester and vinyl ester resins, as well as alkyd and amino resins applied across diverse industries and coating fields. We also conduct research on eco-friendly resins featuring high functionality, recycled raw materials, styrene-free formulations, and biodegradability.	Recycled plastic-based unsaturated polyester, biodegradable alkyd resin
Organic Polymer Materials Development Group	Acrylic Materials Development Team	Acrylic Pressure-Sensitive Adhesives, Acrylic Resins for Coatings	Building on acrylic synthesis technology, we focus on developing high-value products for the automotive, secondary battery, semiconductor, and display sectors. We are also expanding our eco-friendly product portfolio including aqueous resins and UV resins. We have achieved mass production of secondary battery negative electrode binders for silicon active materials and UV resins for LED lamps, strengthening our market competitiveness.	Aqueous resins, UV resins
	Urethane Materials Development Team	Polyol Systems, Polyisocyanate Hardeners, Polyurethane Resins	We develop polyols used as raw materials for sandwich panels and LNG vessel polyurethane thermal insulation, as well as polyisocyanates used as hardeners in automotive refinish coatings and wood-based polyurethane coatings. Additionally, we are developing polyurethane-based adhesive resins for automotive applications and water-dispersed polyurethane resins used in various coatings and binders.	Recycled raw material-based polyols, regulation-free polyisocyanates, water-dispersed polyurethane resins
	Functional Ingredients Development Team	Functional materials, surfactants	We are developing functional materials for industrial and consumer applications through synthetic processes and functional structure design, as well as natural and nature-derived surfactants used in cosmetics and consumer products.	Nature-derived surfactants, enzyme (catalyst)-based functional materials for cosmetics
Advanced & Core Technology Research Group	New Growth Technology & Material Research Team	New core technologies, new products	We are manufacturing new products using emerging technologies such as hydrogenation and chlorination, and through these efforts, we are identifying new business opportunities and exploring ways to enhance the sustainability of existing products.	New products utilizing hydrogenation and chlorination technologies, curable resin upcycling
	Biofuel & Chemicals Research Team	Biofuels, white biotechnology	We are researching biofuels and white biotechnology technologies aligned with megatrends by developing eco-friendly biomaterials and processes in-house or collaborating with various companies and institutions.	Bio-based marine fuel, bio-based platform chemicals, bio-based naphtha, bio-based chemical materials
Advanced Manufacturing Technology Group	AX Solution Team	Work automation through AI implementation, simulation-based process design and optimization	Through virtual simulation based on advanced thermal and fluid analysis technology (CFD), we are minimizing energy consumption within processes and maximizing operational efficiency. Additionally, we have implemented intelligent chemical reaction optimization technology through AI adoption to proactively secure process safety, and we have established a predictive process management system to drive revolutionary improvements in productivity.	-
	Process Innovation Team	Process diagnosis and improvement through data analysis, process system standardization	The team identifies and improves inefficient defect factors in manufacturing processes to immediately enhance productivity. In particular, we conduct research on processes that reduce inefficient energy consumption (LNG, electricity) and minimize wastewater generation.	Energy (LNG, electricity) reduction, carbon emissions reduction, wastewater generation reduction

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Strategy

Eco-friendly Research and Development

Medium- to Long-Term R&D Strategy

Globally, carbon neutrality and circular economy policies for climate change response are strengthening, and consumer interest in and demand for eco-friendly products are rising sharply. Aligned with these shifts, Aekyung Chemical reestablished its medium- to long-term R&D strategy in January 2025, linking it to our business strategy for building a sustainable growth foundation. The new R&D strategy centers on four core research and development themes: strengthening global competitiveness of key products, developing naturally derived products, developing environmentally friendly products and processes, and securing next-generation technologies for future growth drivers. We have also introduced a Level/Stage Gate process to advance R&D sophistication, strengthening execution through systematic review of research and development initiatives. Building on this foundation, we are accelerating eco-friendly product development and enhancing research capabilities in line with industry trends, driving our transformation toward becoming a sustainable innovation company.

Research and Development Themes



Research and Development Process and Eco-friendly Technology Development Status in 2025

Aekyung Chemical's research and development process comprises four stages: basic research, research and development, commercialization (pilot certification), and productization (demonstration). The eco-friendly items by research and development stage in 2025 are as follows.

Process	Eco-friendly Items Status		
Basic Research	• Recycled PET depolymerization and polycondensation reaction		
Research and Development	• Marine biofuel manufacturing technology • Recycled raw materials-based thermosetting resin development	• BPA-free acrylic aqueous resin • Glycerin derivative value enhancement	• Curable resin upcycling research
Commercialization (Pilot Certification)	• Recycled raw materials-based polyol system • PA hydrogenated derivative	• Eco-friendly bio-plasticizer commercialization (100% bio-contents) • Eco-friendly synthetic insulating oil development	• Eco-friendly surfactant raw materials
Productization (Demonstration)	• Solvent-free adhesive • Water-based resin product • UV acrylic resin for LED lamps	• Acrylic water-based binder for silicon anode • Recycled raw materials-based thermosetting resin • Biodegradable slow-release fertilizer coating resin	• Eco-friendly bio-plasticizer commercialization (bio-contents 30%)

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Eco-friendly Research and Development Roadmap

Aekyung Chemical has established a medium- to long-term research and development roadmap targeting 2030 to support a sustainable future and is advancing technological innovation. The roadmap centers on three core pillars: naturally derived products, environmentally friendly products and processes, and securing new technologies for future growth. In the naturally derived products area, we are developing bio plasticizers, bio coating materials, and bio surfactants. In the environmentally friendly products and processes area, we are advancing recycled raw materials-based products, recycling technology research, and the development of low-hazard resins. Additionally, to secure new technologies for future growth, we are focusing on the development of new technologies including chlorinated and hydrogenated derivatives, biological processes, and glycerin derivatives.

Research Development

Research and Development Theme		Short-term (2021–2023)	Medium-term (2024–2026)	Long-term (2027–2030)
Naturally Derived Product Development	Bio-Based Plasticizer Development	Bio-based raw material plasticizer development		
	Bio-Based Coating Material Development	Bio-based raw material coating solution development		
	Bio-Based Surfactant Development	Plant-based surfactant raw material manufacturing technology		
Environmentally Friendly Product and Process Development	Recycled Raw Materials-Based Product Development	Recycled raw material-based polyol development		
		Recycled raw material-based thermosetting resin development		
	Recycling Technology Research	Thermosetting resin upcycling research		
	Low-Hazard Resin Development	Water-based resin development		
		Hazardous substance reduction resin development		
Securing New Technologies for Future Growth Drivers	Chlorinated Derivative Research	Chemical intermediate manufacturing technology using chlorine reactions		
	Hydrogenated Derivative Research	Chemical intermediate manufacturing technology using hydrogen reactions		
	Biological Process Research	Active ingredient manufacturing technology through biological processes		
	Glycerin Derivative Development	Glycerin derivative development		

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Building an Eco-friendly Value Chain

Expanding Eco-friendly R&D Collaboration

Aekyung Chemical is systematically strengthening its technological capabilities for a sustainable future, centered on key R&D themes. Alongside our own eco-friendly research and development activities, we are expanding our collaborative ecosystem to build an eco-friendly value chain through close coordination with our partners Chobi and POSCO International. We are also actively advancing open innovation based on industry-academia-research collaboration, and accelerating the development of eco-friendly biomaterial technologies through partnerships with diverse external companies and institutions, including joint research with the Korea Research Institute of Bioscience and Biotechnology. Through these efforts, we are continuously expanding the pace and scope of technological innovation and advancing our eco-friendly product development capabilities based on internal and external collaboration networks.

Going forward, we plan to expand our research areas in proactive response to industry trends and pursue our transition to a sustainable innovation company.

Aekyung Chemical Partners with Chobi and POSCO International to Build Eco-friendly Value Chain

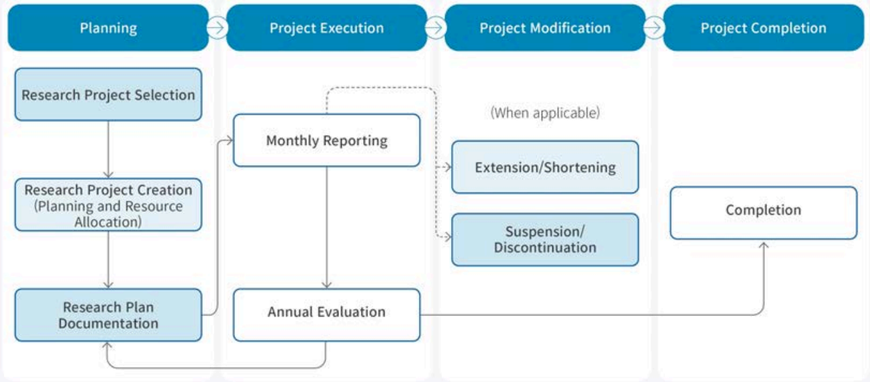
Aekyung Chemical announced the export of biodegradable controlled-release fertilizer, jointly developed with Chobi, to POSCO International's palm plantation in Indonesia (PT BIA). To mark this milestone, Aekyung Chemical, Chobi, and POSCO International held a product shipment ceremony at Chobi's Ulsan Plant and announced the launch of full-scale exports. This three-party collaboration is part of our efforts to build an eco-friendly value chain. The three companies plan to continuously explore diverse cooperation opportunities, including research and development of eco-friendly products and expansion into overseas markets.



Risk Management

R&D Process Management

Aekyung Chemical derives R&D projects from the strategic direction and R&D proposals of the Daejeon Research Center, and determines project execution through deliberation that incorporates input from relevant departments including Sales, Production, and R&D. For approved projects, concrete implementation plans and detailed objectives are established based on the R&D proposal. During execution, we monitor progress through monthly regular reporting and comprehensively manage performance through annual evaluation. As needed, we flexibly respond by reviewing whether to extend, shorten, suspend, or discontinue projects. Upon project completion, we conduct final verification of goal achievement and close out the project.



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Metrics & Targets

Eco-friendly Research and Development Goals and Performance

Aekyung Chemical continuously expands research and development investment to strengthen the development of eco-friendly products and technologies, managing progress through key performance indicators. Despite recent sales fluctuations, the proportion of research and development spending has steadily increased, reflecting our commitment to strengthening eco-friendly research and development capabilities. In 2025, the research and development spending ratio reached 1.47%, reinforcing our strategic investment approach to secure mid- to long-term eco-friendly technologies.

Reporting Year	Unit	2023	2024	2025
Revenue	KRW 100 million	14,145	13,102	11,085
R&D Expense Ratio	%	1.03	1.10	1.47

Eco-friendly Products

Aekyung Chemical is building a sustainable management system through the development of eco-friendly technologies and expansion of business areas. To increase the proportion of eco-friendly products, we establish internal standards and set quantitative targets, managing them systematically.

Use of Eco-friendly Raw Materials

Aekyung Chemical defines products utilizing eco-friendly raw materials such as biomass as eco-friendly products. Our key offerings include biomass-based Ester lubricant base oils, plant-derived surfactants, biodiesel, and bio-heavy fuel oil. We are actively advancing the development of next-generation biofuels, including marine bio-heavy fuel oil, biodiesel, and HVO. We also produce polyols from recycled plastic process by-products, contributing to the expansion of our eco-friendly product portfolio.

International Eco-friendly Certification for Recycled PET Plasticizer

Aekyung Chemical is strengthening its position in the North American and European plasticizer markets through international eco-friendly certifications for recycled PET plasticizer. We have obtained GRS, USDA, and ISCC EU certifications for waste plastic-based resource circulation plasticizer, plant oil-based slow-release fertilizer coating material, and recovered oil-based biodiesel.

Process Efficiency and Low-Carbon Solutions for Customers

Aekyung Chemical is actively developing material solutions that enhance energy efficiency across customer manufacturing processes and product use stages. Low-temperature curing and UV curing resins reduce both curing temperature and time in customer processes, contributing to lower thermal energy consumption. Slow-release fertilizer coatings reduce energy requirements in drying processes. Thermal insulation materials applied to zero-energy buildings and passive houses improve heating and cooling energy efficiency in buildings. We will continue expanding our portfolio of eco-friendly and low-carbon products to support our customers' transition to sustainable processes and carbon emission reduction efforts.

Substitution and Non-Use of Hazardous and Toxic Substances

Market demand for products that substitute hazardous and toxic substances with eco-friendly alternatives or eliminate their use continues to grow. Aekyung Chemical is responding proactively to strengthened environmental regulations and evolving market dynamics. In response to phthalate restrictions, we develop and sell non-phthalate plasticizers. For the automotive and coatings sectors, we supply water-based products that replace organic solvents and solvent-free adhesives. These products reduce volatile organic compound (VOC) emissions below regulatory thresholds and are recognized for their environmental performance. We will continue to expand our product lineup for substitution and non-use of hazardous and toxic substances, building a safer and more sustainable product portfolio.

Performance Metrics

Aekyung Chemical establishes eco-friendly product sales as a key performance metric under Green Initiative 3050 and manages it systematically. As of 2025, eco-friendly product sales reached 201 thousand tons, accounting for 34% of total product sales. Building on this performance, we have set phased targets of 35% for 2026, 45% for 2028, and 50% for 2030. We will achieve sustainable growth through the expansion of eco-friendly product portfolio.

Eco-friendly Product Sales Performance	Unit	2023	2024	2025
Sales Volume	thousand tons	258	266	201
Proportion	%	34	37	34

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Eco-friendly Raw Materials

Aekyung Chemical is expanding the use of eco-friendly raw materials. We use biomass-based and recycled plastic (petrochemical)-based raw materials as our primary eco-friendly raw materials, applying them across a diverse product portfolio.

Biomass-Based Raw Materials

Petrochemical raw materials generate substantial carbon emissions during manufacturing, whereas biomass absorbs atmospheric carbon through photosynthesis during growth, establishing it as a sustainable resource for achieving carbon neutrality. Aekyung Chemical actively leverages diverse biomass-based raw materials, including animal and vegetable oils for biofuels, and lauryl alcohol and plant-based oils for surfactant manufacturing. We are strengthening our sustainable product manufacturing system by expanding our adoption of internationally certified eco-friendly raw materials such as RSPO and ISCC.

Plastic (Petrochemical) Recycling-Based Raw Materials

Plastic waste generated across industries is circulated as a resource through physical and chemical recycling processes. Aekyung Chemical actively participates in this resource circulation flow by utilizing recycled raw materials secured through plastic waste and pyrolysis processes in product manufacturing. We continuously expand the proportion of such raw materials used, contributing to the realization of a circular economy.

Internal Recycling of Process By-products

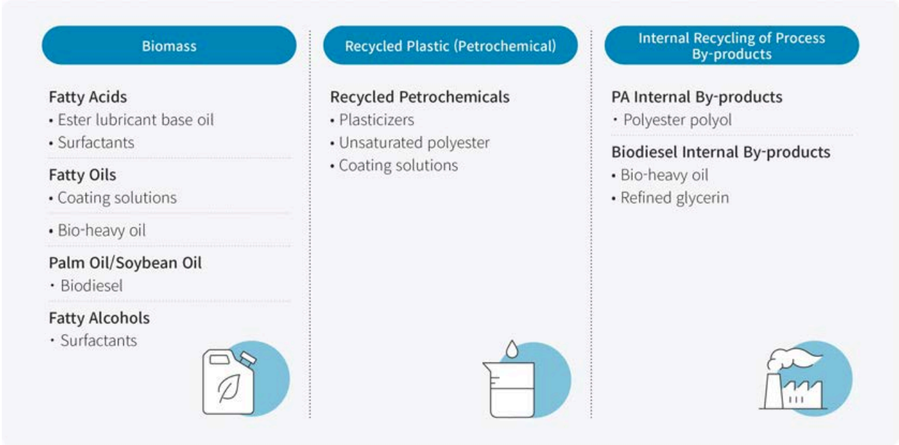
Aekyung Chemical does not simply dispose of by-products generated during manufacturing processes. Instead, we have developed technologies to reuse and reformulate these materials, which we actively apply in product production. By-products from biodiesel manufacturing are utilized as bio-heavy oil or reformulated into glycerin—a cosmetic raw material—through refining processes. R-EG generated during resource circularity plasticizer production is also recycled as raw materials after refining. Additionally, we are advancing a process to capture HCl gas from photochlorination reactions and regenerate it as a 35% HCl aqueous solution. We are also developing process technology to recycle NaCl rather than treat it as wastewater. Through systematic recycling of process by-products, we enhance resource efficiency and will continue to expand the proportion of eco-friendly raw materials utilized.

Performance Metrics

Aekyung Chemical has established the proportion of eco-friendly raw materials usage as a key performance metric under Green Initiative 3050 and manages it systematically. In 2025, eco-friendly raw materials usage totaled 155 thousand tons, representing 28% of total raw materials consumption. Of this amount, 109 thousand tons comprised biomass raw materials for biofuel production. We have set phased targets of 29% for 2026, 43% for 2028, and 50% for 2030, and will continue our efforts to expand the use of eco-friendly raw materials and advance resource circulation systems.

Eco-friendly Raw Materials Usage Performance	Unit	2023	2024	2025
Usage Volume	thousand tons	232	222	155
Proportion	%	31	32	28

Aekyung Chemical Eco-friendly Raw Materials



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Green Portfolio

Sustainable Product and Technology Development

Aekyung Chemical continues to develop sustainable products and technologies as part of its green portfolio strategy. In 2022, through joint technology development with GS Caltex, we achieved the first domestic production of refrigeration oil for home appliances incorporating eco-friendly refrigerants. In 2023, we developed synthetic resin, an essential raw material for glass fiber-reinforced plastic (GFRP) used in construction materials that offers superior corrosion resistance and contributes to carbon reduction. We are collaborating with KCMT and Eco Polymer to strengthen environmental performance by applying waste plastic as raw materials. In 2024, we developed products capable of hydrogenation and recycled raw materials application, actively responding to phthalate regulations. We are accelerating execution of our green portfolio, centered on sustainable product development including eco-friendly bio-plasticizers, recycled raw materials-based products, and slow-release fertilizer coating agents.

PA Hydrogenation Technology Development in Response to Phthalate Regulation

Aekyung Chemical is developing proprietary PA hydrogenation technology to respond to phthalate regulation and is expanding the transition of regulated raw materials. The technology is currently in laboratory development and pilot design phases, with commercialization targeted for 2028. Utilizing hydrogenated raw materials will enable the development of hydrogenated plasticizers across multiple grades, allowing us to expand our eco-friendly product portfolio and strengthen product competitiveness.

Zero Hazardous Gas Generation: Photochemical Process Development

Aekyung Chemical has completed development of technology to manufacture TPC (Terephthaloyl chloride)—a raw material for aramid, a super fiber experiencing rapid growth—using a photochemical process and is constructing production facilities. The photochemical process eliminates hazardous gases such as sulfur dioxide that are generated in conventional methods, recognized as a sustainable production process for aramid raw materials. We will continue to apply eco-friendly processes, including TPC production via the photochemical process, in our product development efforts.

Development of Eco-friendly Bio-based Plasticizers

As phthalate regulations strengthen globally, demand for eco-friendly plasticizers based on bio and renewable raw materials continues to increase. In response, Aekyung Chemical is developing eco-friendly bio-based plasticizers using soybean oil-based raw materials that deliver performance properties equivalent to conventional petroleum-based general-purpose plasticizers. Through this initiative, we are realizing ESG management and contributing to climate change response through carbon emission reduction.

Product Development Using Recycled Raw Materials

Aekyung Chemical is developing technology to depolymerize waste PET and convert it into unsaturated polyester resin (UPR). This technology reduces the use of petroleum-based raw materials and advances circular economy principles by transforming waste plastics into high-value resources. The resulting UPR resin is applied to diverse products, including bathtubs and GRP (Glass Reinforced Plastic) pipes, delivering excellent mechanical performance while lowering environmental impact relative to conventional materials. We expect this innovation to address waste management challenges, reduce carbon emissions, and advance sustainable construction and infrastructure development.

Water-Dispersed Polyurethane Resin Development

Aekyung Chemical minimizes the environmental impact of chemical products through eco-friendly water-dispersed polyurethane resin (PUD) technology, which uses water as the dispersion medium instead of organic solvents. PUD is characterized by its ability to dramatically reduce volatile organic compound (VOC) emissions while maintaining excellent abrasion resistance and chemical resistance comparable to conventional solvent-based products. Through this technology, we provide high-performance eco-friendly coating solutions across diverse industries—including wood, leather, and textiles—supporting our customers' achievement of carbon neutrality. Furthermore, we are advancing research into next-generation aqueous systems, including biomass raw materials adoption and self-crosslinking technology, to lead the way in building a sustainable chemical ecosystem.

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Eco-friendly Certifications

As market demand for ESG management has increased, more companies are requiring eco-friendly certifications as a condition of trade. Aekyung Chemical has obtained a range of eco-friendly certifications to strengthen product credibility and accelerate market entry in related sectors.

Eco-friendly Product Certification Status, 2025

Aekyung Chemical continuously obtains eco-friendly certifications across a diverse product portfolio each year, strengthening our sustainability management system in alignment with global carbon neutrality and circular economy trends.

Our key products—resource-circulation plasticizers, polyols, and Ester lubricant base oils—hold ISCC PLUS (International Sustainability and Carbon Certification PLUS) certification. In 2024, we developed R-EG (Recycled Ethylene Glycol), a by-product of recycled plasticizers, obtained the same certification, and expanded product sales. Eco-friendly plasticizers derived from waste plastic (PET) have earned GRS (Global Recycled Standard) certification, demonstrating our use of recycled raw materials and product sustainability. We have also obtained ISCC EU (International Sustainability and Carbon Certification EU) certification for biofuels and bio-based products, establishing a foundation for entry into the European market, where eco-friendly standards are stringent.



ISCC PLUS Certificate



ISCC EU Certificate

2025 Eco-friendly Raw Materials Certification Status

Aekyung Chemical produces products using raw materials that have obtained various eco-friendly certifications. Plastic waste is utilized as part of resource circulation initiatives, and we manufacture recycled plasticizers and other eco-friendly products incorporating certified recycled PET raw materials. To ensure the sustainability of palm oil-based raw materials, we comply with environmental protection and sustainability principles across production and supply chain operations, guided by the RSPO (Roundtable on Sustainable Palm Oil) international certification system. Since 2020, we have obtained and continuously maintained RSPO certification for surfactant products derived from palm oil-based fatty acids, fatty alcohols, and refined glycerin. Through these efforts, we practice environmental management aligned with global standards.



Recycled PET Raw Materials GRS Certificate



RSPO Certificate

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Resource Circulation

Resource Circulation Activities

Aekyung Chemical pursues resource circulation activities across the entire product lifecycle—from production through disposal—to enhance resource efficiency and minimize environmental impact. Resource circulation activities are systematic management activities that maximize efficient use of resources and recycle waste as raw materials or energy. This approach moves beyond the traditional linear "extract-manufacture-dispose" model and serves as a core strategy for the transition to a circular economy system in which resources continuously cycle.

Development of Eco-friendly Products Based on Resource Circularity

Aekyung Chemical applies ecodesign principles that prioritize recyclability from the product planning stage and is expanding our portfolio of high-performance eco-friendly products utilizing circular raw materials such as waste plastics and biomass. Through this approach, we reduce dependence on fossil fuels while maximizing resource efficiency across the entire product lifecycle, contributing to building a sustainable circular economy ecosystem with our customers.

Waste Plastic Recycling and Resource Circulation Product Manufacturing

Aekyung Chemical is advancing the development and production of resource circulation products through waste plastic recycling. In 2022, we developed a plasticizer from recycled waste PET—the first in Korea—and obtained ISCC PLUS and GRS certifications, thereby securing product credibility and reliability. This resource circularity-type plasticizer is being applied to flooring materials and other applications, with production volumes continuously expanding to meet market demand.

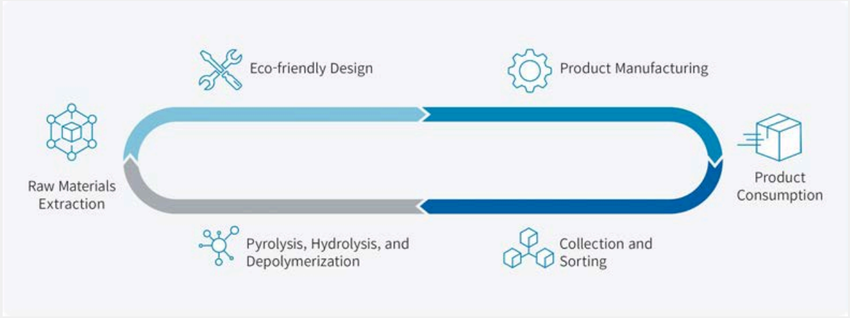
Beyond plasticizers, in the synthetic resins segment, we are also broadening the scope of plastic recycling. We developed a coating solution incorporating chemically recycled MMA (Methyl Methacrylate) and commercialized it as a coating for mobile devices. This MMA is extracted through pyrolysis of artificial marble that would otherwise be destined for landfill or disposal, and we have converted it into coating material with quality equivalent to conventional raw materials through our own process.


인 증 서
우수재활용제품
산업통상자원부장관

Additionally, we obtained certification as an excellent recycled product from the Ministry of Trade, Industry and Energy and received recognition as an excellent recycled material under the Framework Act on Carbon Neutrality and Green Growth. In 2024, we conducted research to secure depolymerization-based regeneration technology for thermosetting resins, and we continue to expand research on raw material upcycling through depolymerization, as well as resource circulation technology and product development.

Physical Recycling vs. Chemical Recycling

Recycling methods are broadly divided into physical and chemical approaches. Physical recycling maintains the molecular structure of raw materials through sorting, washing, shredding, and melting—an economical process. However, it faces significant limitations: waste sorting is complex, and product quality degrades with each processing cycle. Chemical recycling follows a comprehensive pathway: raw material extraction, eco-friendly design, product manufacturing, product consumption, collection and sorting, and pyrolysis, hydrolysis, and depolymerization. By chemically breaking down waste and converting it back to pure raw materials, chemical recycling can recover resources even from contaminated materials that are difficult to separate. Aekyung Chemical realizes chemical recycling through advanced technologies such as pyrolysis and hydrolysis, leading the way in building a true circular economy.



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Resource Circulation

Resource Circularity-based Product Process Development

Aekyung Chemical has developed and operates a resource circulation process that refines by-products generated in internal operations and reintroduces them into our product manufacturing. Through this approach, we reduce waste generation while enhancing resource efficiency and economic viability.

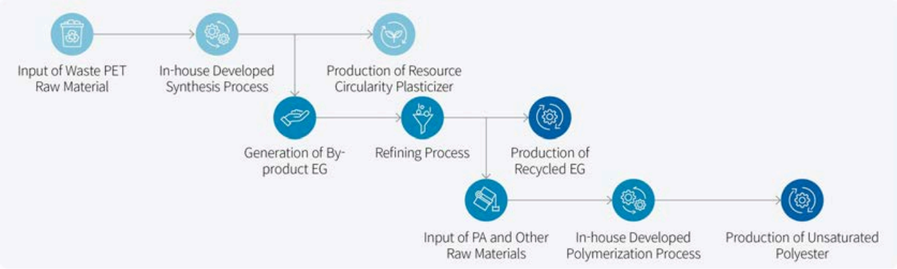
Development of Reaction By-product Recycling Process

Aekyung Chemical recovers by-products generated during biodiesel manufacturing by applying them to bio-heavy oil or reprocessing them into glycerin— a raw material for cosmetics—through refining processes. We have also developed technology to utilize low-boiling-point by-products from phthalic anhydride refining rather than disposing of them, and apply these materials to polyester polyols, thereby maximizing resource efficiency.

Expansion of Recycled EG (R-EG) Utilization

Aekyung Chemical developed technology to refine and recycle EG (Ethylene Glycol), a byproduct generated during resource circularity plasticizer production, rather than dispose of it, and invested in dedicated equipment for this purpose. In January 2024, we completed the R-EG refining facility. In July, the eco-friendly properties of R-EG were officially recognized with ISCC PLUS certification. Going forward, we plan to further standardize the material properties of R-EG and expand its application across diverse product lines, including unsaturated polyester resins.

Recycled EG Application Process



Recycled EG Application Timeline

2022.1Q/2Q	Development of Refining Technology
2022.3Q	Facility Design, Product Application Testing
2022.4Q	Review of Design Deliverables
2023.03	Investment Deliberation Meeting
2023.06	Selection of EPC Contractor
2023.11	Foundation/Civil Work and Equipment Manufacturing
2024.01	Completion of Refining Facility
2024.02	R-EG Production
2024.07	ISCC PLUS Certification Acquisition



ISCC PLUS Certificate



R-EG Facility

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Resource Circulation

LCA Targets and Performance

Life Cycle Assessment (LCA) Implementation

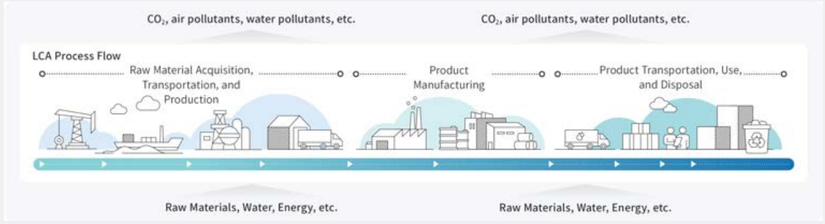
The global market increasingly recognizes the importance of life cycle assessment (LCA) perspectives, including EU CBAM and Scope 3 emissions management. As a result, product management that accounts for resource use and environmental impact has become a key competitive factor. Aekyung Chemical is responding to this trend by quantitatively analyzing resource and energy inputs and pollutant emissions across the entire product life cycle, assessing environmental impacts, and systematically managing environmental burdens throughout the product lifecycle. We analyze environmental impacts at each stage—from raw materials acquisition, transportation, processing, and production—to meet customer requirements while applying these insights to environmental reviews and improvements during early-stage product development.

We conduct life cycle assessments in accordance with international standards ISO 14040 and ISO 14044, analyzing environmental data generated across the entire product life cycle, including raw materials use, energy consumption, and emissions, to evaluate major environmental impacts. Analysis results are applied to product environmental performance improvement and the development of eco-friendly products. We obtain independent assurance of the calculated results to ensure data reliability.

From 2023 to 2025, Aekyung Chemical performed life cycle assessments on select plasticizer products. We plan to expand the scope of application to major product categories including synthetic resins, surfactants, and bioenergy.

What is Life Cycle Assessment (LCA)?

- A methodology that quantifies inputs and pollutant emissions across the entire lifecycle of a product or system and evaluates the resulting environmental impacts.
- LCA measures environmental pollutants and greenhouse gas emissions throughout the full product lifecycle—from raw materials extraction and production through manufacturing, transportation, use, and disposal.



Certification Years	Life Cycle Assessment Verification Certificate		
2024	NEO-T	NEO-T+	
			
2025	DINP	PA	TBC
			
	NEO-B	NEO-B+	NEO-P
			

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Eco-friendly Purchasing

Aekyung Chemical has established and implemented the Green Purchasing Guideline to minimize environmental impact across all processes—research, production, sales, and logistics—and to enhance supply chain value through responsible purchasing. The guideline applies to items that can be replaced with eco-friendly products, including civil engineering, construction, electrical, chemical, equipment, MRO (office supplies and consumables), and household products, as well as raw materials, components, and services used in manufacturing operations at our facilities. In accordance with this guideline, we prioritize the purchase of eco-friendly certified raw materials, components, and products.

We operate 40 of our 57 company vehicles (70.18%) as eco-friendly vehicles and purchase office supplies such as document envelopes, business cards, and calendars made from eco-friendly paper. We also install and maintain eco-friendly air-purifying plants in office spaces. Going forward, we plan to expand green purchasing culture across all procurement activities and continuously increase the proportion of eco-friendly purchases.

2025 Eco-friendly Vehicle Operations

Category		Units Owned*			Amount**
		Corporate Owned	Leased under Corporate Name	Total	
Standard Vehicles	Gasoline	-	12	12	171,011,200
	Diesel	4	1	5	5,060,000
Eco-friendly Vehicles	LPG	-	3	3	18,346,680
	Hybrid	-	37	37	291,878,400
Total		4	53	57	486,296,280
Eco-friendly Vehicle Ratio				**70.18%**	

** Number of vehicles excludes special-purpose vehicles such as fire trucks and forklifts*

*** Amount includes the total cost of services including lease and rental expenses under the company's name*

Water Resources

Water Use and Reuse

Aekyung Chemical continuously manages water consumption and reuse volumes. To ensure efficient use of water resources, we pursue direct reduction measures while actively utilizing reusable water resources—including wastewater, process water, cleaning water, and fire suppression water—to minimize energy consumption associated with water resource management.

The Ulsan Plant reduces water resource consumption by approximately 210,000 tons annually—equivalent to roughly 15% of total water use—through reuse of treated effluent from the public wastewater treatment facility. Through a system that recovers condensate generated from boiler equipment, the plant reduces wastewater discharge and enhances water resource utilization efficiency.

Ulsan Plant Effluent Reuse Process





Ulsan Plant Wastewater Treatment Facility



Effluent Reuse Facility at Yongam, Ulsan Petrochemical Complex

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Biodiversity

Protecting Biodiversity: Medium- to Long-Term Targets

Medium- to Long-Term Targets and Implementation Strategy

Aekyung Chemical advances biodiversity conservation activities by considering the ecological environment at our headquarters and business sites across the country. We contribute to local ecosystem protection through endangered wildlife species conservation and habitat restoration initiatives. Going forward, we plan to establish a regional circular biodiversity conservation model that rotates across regions where our business sites are located, developed in collaboration with affiliated companies and specialized institutions.

From 2023 through a three-year period, we implemented endangered species conservation activities in areas near the Cheongyang Plant. Building on this foundation, we plan to expand our activities to areas near the Ulsan Plant beginning in 2026 for three years. Additionally, in 2028, we will identify new regions and continue expanding biodiversity conservation activities.



Regional Circular Biodiversity Conservation Activity Model

	2023–2025	2026–2028	2029–2031
Roadmap	Save Endangered Species in Cheongyang Project	Ulsan Blunt-leaf Sea Milkwort Habitat Conservation Project	New Regional Biodiversity Conservation Activities
Implementation Strategy	• Community-Participatory Planting Activities • Habitat Environment Conservation • Native Environment Creation	• Data-Driven Scientific Approach • Research-Based Habitat Restoration • Native Environment Creation	• Identification of Regions, Target Species, and Partner Organizations • Expansion of Biodiversity Conservation Activities • Employee and Local Communities Participation Activities
Implementation Targets	• Selection and Planting of Target Species (870 individuals) • Habitat Monitoring for Protection and Management Activities (once annually/ average of 15 employees) • Habitat Monitoring and Native Environment Creation (survival rate approximately 56%)	• Life History Research and Artificial Propagation (400 individuals) • Habitat Expansion and Coastal Plant Ecosystem Creation (once annually / employee participation) • Post-Management of Habitat (1 session per year / employee participation) • Blunt-leaf Sea Milkwort Survival Rate 50% or Higher	• Biodiversity Survey and Monitoring • Target Species Conservation Activities • Habitat Environment Improvement Activities (once annually / employee and Local Communities participation)
Implementation Tasks	• Employee and Local Communities Participation • Flood, Cold Damage, and Pest Prevention Activities • Additional Planting of Flood-Damaged Specimens • Soil Improvement Activities	• Monitoring Environment Creation and Life History Research • Blunt-leaf Sea Milkwort Artificial Propagation • Habitat Restoration Activities (Planting) • Coastal Plant Ecosystem Creation Near Habitat • Habitat Monitoring and Post-Management • Employee and Family Participation Experience Education	• Employee and Local Communities Participation • Target Species Conservation and Propagation Activities • Habitat Management and Environment Improvement Activities • Local Communities Environmental Awareness Enhancement Activities

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Protecting Biodiversity Activities

Save Endangered Species in Cheongyang Project (2023–2025)

Aekyung Chemical participates in the "Save Endangered Species in Cheongyang" Project, expanding eco-friendly management to restore endangered species and conserve the regional ecosystem. In 2023, working with the Geum River Basin Environmental Office, Cheongyang County Office, Daejeon Chamber of Commerce and Industry, and Goun Botanical Garden, we planted 870 specimens of seven grade II endangered wildlife species—Acanthopanax senticosus Hrms., Lilium dauricum Ker Gawl., Lychnis wilfordii (Regel) Maxim., Iris laevigata Fischer, Iris dichotoma Pall., Bupleurum latissimum Nakai, and Thalictrum coreanum H.Lév.—in alternative habitats within Chilgapsan Provincial Park. We have continuously monitored their growth status since planting. As of 2025, 490 of the 870 originally planted specimens survived, achieving an establishment rate of approximately 56%, and we confirmed stable settlement conditions in the natural habitat environment. Our employees participate directly each year in management activities to protect planted vegetation from flooding, frost damage, and pests and diseases. We have also implemented fertilizer applications to improve growth conditions and conducted supplementary planting of lost specimens, ensuring the stable establishment of plants in their habitats.

Save Endangered Species in Cheongyang Project Restoration Targets:
7 Species of Endangered Wildlife Grade II



Acanthopanax senticosus Hrms.



Lilium dauricum Ker Gawl.



Lychnis wilfordii (Regel) Maxim.



Iris laevigata Fischer



Iris dichotoma Pall.



Bupleurum latissimum Nakai



Thalictrum coreanum H.Lév.

Source - Original Author: Hyun Jin-Oh, Copyright Holder: National Institute of Biological Resources

Planting Quantity 2023–2025

Category	2023 Initial	2024 Additional	2025 Additional	2025 Survival Quantity
Acanthopanax senticosus Hrms.	90			60
Lilium dauricum Ker Gawl.	80			20
Lychnis wilfordii (Regel) Maxim.	150	90	210	120
Iris laevigata Fischer	150			120
Iris dichotoma Pall.	150			50
Bupleurum latissimum Nakai	150		10	100
Thalictrum coreanum H.Lév.	100			20
Total	**870**	**90**	**220**	**490**

** Initial planting numbers have been partially revised to reflect survey data from Goun Botanical Garden, a specialist institution participating in the project*

Save Endangered Species in Cheongyang Project Roadmap

STEP 1 **2023**	**Planting of 7 Species of Endangered Wildlife Grade II**	• Selection of endangered wildlife grade II species for restoration projects • Planting of endangered plant species together with residents
STEP 2 **2024**	**Habitat Protection and Management**	• Additional planting of individuals lost to flooding • Protection activities against flooding, frost damage, and pests and diseases
STEP 3 **2025**	**Successful Establishment of Planted Species**	• Additional planting of individuals lost to flooding • Fertilization and soil management to improve growing conditions

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Employee Participation in Habitat Protection and Management Activities:
Additional Planting and Fertilization Work

In 2025, Aekyung Chemical employees worked with Goun Botanical Garden to conduct additional planting and fertilization work for seven endangered species (Grade II) within alternative habitats at Chilgapsan Provincial Park. Bupleurum latissimum Nakai and Lychnis wilfordii (Regel) Maxim., which were lost due to soil erosion from heavy summer rainfall, were replanted. Fertilization work was performed to improve growing conditions for the planted species, supplementing soil nutrient levels and enabling endangered plant species to establish stably in their habitats through ongoing management activities.



Bupleurum latissimum Nakai Replanting Work in June 2025



Fertilizer Application Work in November 2025

Selection as 2025 Endangered Species Conservation Sponsorship Recognition Company



Aekyung Chemical's endangered species conservation project in the Cheongyang region, pursued over three years since 2023, has been selected for the "2025 Endangered Species Conservation Sponsorship Recognition" program administered by the National Institute of Ecology's Endangered Species Recovery Center. This selection represents formal recognition of the company's effective implementation of endangered species conservation activities through collaboration among the company, specialized institutions, and local communities. Going forward, Aekyung Chemical remains committed to advancing biodiversity conservation efforts.

Ulsan Blunt-leaf Sea Milkwort Habitat Conservation Project (2026–2028)

Aekyung Chemical will collaborate with the Key-chungsan Botanical Garden and two subsidiaries to implement a regional circular biodiversity conservation initiative in the Ulsan region. The project aims to protect the southernmost habitat in Korea of Blunt-leaf Sea Milkwort, an Endangered Species Grade II wild plant whose native habitat has declined due to climate change and coastal development. We plan to expand the habitat by transplanting additional specimens and restore the coastal plant ecosystem surrounding the habitat to create a stable living environment. Through artificial propagation, planting, and habitat protection activities involving direct employee participation, we will contribute to local ecosystem conservation and advance biodiversity.



Artificial Propagation Experience in April 2026



Blunt-leaf Sea Milkwort



Planned Habitat Restoration Site: Ulsan, Ulju-gun

** Source - Original Author: Hyun Jin-Oh, Copyright Holder: National Institute of Biological Resources*

Biodiversity Conservation Initiative: Participation in BNBP (Biz N Biodiversity Platform)

Since 2023, Aekyung Chemical has implemented endangered species conservation and habitat restoration activities in areas near the Cheongyang Plant over a three-year period, establishing a foundation for biodiversity conservation. Building on this experience, we are committed to continuously expanding facility-centered conservation activities and plan to extend our scope to areas near the Ulsan Plant beginning in 2026. To systematically advance our biodiversity conservation efforts, we joined the Biz N Biodiversity Platform (BNBP) in 2025. Leveraging the specialized knowledge and networks gained through this participation, we continue to engage in relevant seminars and programs, raising awareness of biodiversity across our operations and strengthening the execution of our conservation initiatives.

Social

- Human Rights Management
- Talent Management
- Safety and Health
- Local Communities
- Supply Chain Management
- Information Security

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Human Rights Management

Human Rights Management Implementation Framework

Human Rights Management Policy

Aekyung Chemical is committed to respecting and protecting the human rights of diverse stakeholders—including employees, customers, partners, and local communities—in pursuing sustainability management. We comply with international standards and norms, including the UN Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises, and work continuously to safeguard human rights and dignity across our business operations. To proactively prevent human rights violations that may occur directly or indirectly at all of our business sites and to provide prompt remedies when violations do occur, we have established and strictly adhere to the Rules of Employment, Occupational Safety and Health Management Regulations, Ethical Management Regulations, and Partner Code of Conduct.

In 2025, we revised our Human Rights Management Declaration and Human Rights Management Policy to strengthen our systematic approach to human rights management. During the revision process, we refined the purpose, scope, and ten core principles of human rights management and clarified our human rights management framework, including grievance handling channels. We also established a human rights risk management system to identify and prevent potential impacts of our business activities on human rights in advance. Based on the revised policy, we updated our human rights impact assessment questions and formalized the timing of assessment cycles. Through these measures, we have created a management system that enables regular reviews of human rights risks across all business activities and continuous monitoring of results. The revised Human Rights Management Declaration and policy are posted internally for all employees to access, strengthening awareness of human rights respect and reinforcing the importance of human rights management throughout the organization.

Aekyung Chemical Human Rights Management Policy

Chapter 1. General Provisions
- Purpose, scope of application, and definition of terms of human rights management
- Ten Core Principles of human rights management and compliance requirements by principle

Chapter 2. Human Rights Management Framework
- Establishment of human rights management framework
- Operation of grievance handling procedures (whistleblower protection measures, etc.)
- Human rights education and dissemination

Chapter 3. Human Rights Risk Management System
- Establishment of human rights risk management system
- Operation of human rights impact assessment process (assessment implementation, issue identification, risk mitigation measures, monitoring, etc.)

Human Rights Management: 10 Core Principles

1. Prohibition of forced labor and child labor
2. Prohibition of discrimination and diversity inclusion
3. Prohibition of workplace harassment
4. Compliance with working conditions
5. Guarantee of freedom of association and collective bargaining rights
6. Assurance of occupational safety
7. Protection of personal data and privacy protection
8. Responsible supply chain management
9. Protection of the rights of local communities and vulnerable groups
10. Responsibility for the environment

Human Rights Management: Medium- to Long-Term Targets

Aekyung Chemical has established a medium- to long-term goal framework for human rights management and continues to implement it systematically. Accordingly, our approach reflects our strategic direction, phased strategies, and key implementation initiatives. To identify diverse potential human rights risks and respond systematically, we conduct regular human rights impact assessments. Based on the assessment results, we improve and enhance our internal processes to prevent human rights violations and eliminate discrimination. As our existing human rights management medium- to long-term plan reaches completion, we plan to establish new human rights management medium- to long-term targets that reflect our operational achievements and changes in the internal and external business environment. These new goals will be built on the human rights management framework we have established, with the aim of strengthening the effectiveness of human rights risk management and fostering a culture of human rights respect throughout the organization. Going forward, Aekyung Chemical will continue to review and improve its human rights-related systems and operational frameworks. Through phased implementation initiatives, we will advance the internalization and enhancement of human rights management and faithfully fulfill our role as a responsible company.



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Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

Aekyung Chemical has established and operates a human rights risk management system to identify, prevent, mitigate, and resolve actual and potential human rights impacts across its business operations. To review our human rights management and systematically manage key human rights issues, we have conducted annual human rights impact assessments of domestic business site employees, since 2024. In 2025, we expanded the assessment to include a separate evaluation of domestic subsidiary members. We plan to further extend the assessment scope to overseas subsidiaries to systematically monitor and manage human rights risks across our global operations.

Human Rights Impact Assessment Process

Aekyung Chemical's human rights impact assessment follows a seven-step process: identifying assessment targets for the reporting year, establishing assessment indicators, conducting assessments (surveys, focus group interviews and on-site due diligence if necessary), analyzing results to identify key issues, developing and implementing mitigation measures to address identified risks, and monitoring and communication. Written assessments are conducted through anonymous online surveys. For human rights-vulnerable stakeholders and groups with relatively lower assessment results, we supplement the process with face-to-face evaluations, including focus group interviews, to gain deeper insight into specific risks.

No.	Process	Description	
1	Selection of Assessment Targets	• Selection of assessment targets	• Definition of human rights vulnerable stakeholders
2	Development of Assessment Indicators	• Incorporation of domestic and international guidelines and grievance handling status	
3	Assessment Implementation	• Written assessment (survey)	• Face-to-face assessment (FGI/On-site due diligence)
4	Analysis of Assessment Results	• Quantitative and qualitative analysis of written and face-to-face assessment results	
5	Issue Identification	• Identification of key human rights issues (risk factors)	• Identification of issues requiring improvement or management
6	Risk Mitigation Measures	• Derivation of improvement tasks for key human rights issues	• Implementation of tasks
7	Monitoring and Communication	• Monitoring of task implementation status and effectiveness	• Internal and external announcement of activity results

Human Rights Impact Assessment Indicators

The human rights impact assessment items comprise nine areas based on international guidelines, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO International Labour Standards. Going forward, we plan to advance our human rights impact assessment indicators to enable more precise identification of human rights risks, and thereby strengthen our human rights risk management system.

Scope of Human Rights Impact Assessment

The scope of human rights impact assessment encompasses all stakeholders, including employees, partners, and local communities adjacent to our business sites. We identify as "human rights vulnerable stakeholders" those groups designated in international conventions as requiring protection, as well as those determined through our human rights impact assessment to require separate management. We conduct FGI-based face-to-face assessments for these stakeholders to identify human rights risks and implement necessary improvement measures.

Key Human Rights Issues Among Vulnerable Stakeholders

Aekyung Chemical identifies vulnerable stakeholders in human rights contexts as pregnant and postpartum women workers, workers raising children aged 8 years or younger, and employees in high-risk operational roles such as field workers. We manage the human rights status of these groups with greater depth and attention. In the 2025 written assessment, we conducted dedicated surveys and focus group interviews with these stakeholders, identifying three key human rights issues.

Key Issues	Women (Pregnancy and Maternity)	Childcare (Children Age 8 and Under)	High-Risk Positions (Field workers)
Prohibition of Sexual Harassment and Harassment	●	●	
Compliance with Working Conditions	●	●	●
Workplace Safety and Environment	●		●

Based on the key human rights issues identified, Aekyung Chemical will establish tailored response measures that reflect stakeholder characteristics and continuously advance its human rights risk prevention and management system. In particular, we plan to strengthen education, institutional improvements, and monitoring—particularly in cases of the prohibition of sexual harassment and harassment, working conditions compliance, and workplace safety and environment—to enhance our human rights protection standards.

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Human Rights Impact Assessment Results

Aekyung Chemical identified five key human rights issues and one improvement area through the 2024 human rights impact assessment. In 2025, we established and implemented risk mitigation measures. Assessments conducted at the beginning and end of 2025 to verify their effectiveness, confirmed the highest rating of S-grade as of year-end. Regarding the key human rights issues identified in early 2025—non-discrimination and diversity inclusion, and prohibition of sexual harassment and harassment—as well as areas requiring improvement or management: working conditions compliance and workplace safety and environment, we continue to strengthen our efforts to prevent and manage human rights risks.

2024 Assessment Area	November 2024		2025 Assessment Improvement Areas	April 2025		December 2025	
	Assessment Results	Key issues		Assessment Results	Key Issues	Assessment Results	Key Issues
Respect for Human Rights	A	●	-	-	-	-	-
Prohibition of Forced Labor	A	●	Prohibition of Child Labor and Forced Labor	S		S	
Prohibition of Child Labor	S						
Working Hours	A	●	Compliance with Working Conditions	S	○	S	○
Wages and Benefits	S						
Non-Discrimination	A	●	Non-Discrimination and Diversity Inclusion	A	●	S	○
Freedom of Association	S	○	Freedom of Association	S		S	
Workplace Safety and Environment	S		Workplace Safety and Environment	S	○	S	○
Personal Information and Privacy Protection	S		Personal Information and Privacy Protection	S		S	
Sexual Harassment and Harassment in the Workplace	A	●	Prohibition of Sexual Harassment and Harassment	A	●	S	○
Human Rights Protection for Local Communities and Vulnerable Groups	S		Protection of Local Communities and Vulnerable Groups	S		S	
-			Environmental Responsibility	S		S	

** 5-Level Assessment: S, A, B, C, D / ● Key Issues, ○ Issues selected based on need for improvement or management*

** Following the 2025 revision of the Human Rights Management Policy, the scope of human rights impact assessment was changed, resulting in changes to evaluation results for certain items*

Implementation of Mitigation Measures for Key Human Rights Issues

Based on the results of human rights impact assessments conducted in November 2024 and April 2025, we are advancing improvement activities across four human rights issues: non-discrimination and diversity inclusion, prohibition of sexual harassment and harassment, compliance with working conditions, and workplace safety and environment. We continue to practice responsible management grounded in human rights management principles. As of the end of 2025, effectiveness assessments confirmed the highest rating of S-grade across all items. We plan to continue advancing improvement activities for risk prevention in the future.

Human Rights Issue	Key Assessment Metrics	Improvement Activities
Non-Discrimination and Diversity Inclusion	• Prohibition of discrimination in employment and promotion • Equal pay for equal work	• Review application form items that could cause discrimination in the hiring process • Conduct awareness training on disability inclusion
Prohibition of Sexual Harassment and Harassment	• Establishment and operation of a workplace sexual harassment and harassment prevention policy • Regular training and operation of a grievance handling system	• Conduct workplace sexual harassment and harassment prevention training and campaigns • Announce grievance committee members and processes through internal briefing sessions • Ensure victim protection and prevention of secondary harm
Compliance with Working Conditions	• Compliance with 52-hour work week • Operation of flexible work arrangements	• Provide flexible work arrangement training for new employees • Encourage utilization of flexible work arrangements • Conduct the annual leave activation campaign
Workplace Safety and Environment	• Prohibition of overtime and night work for pregnant workers • Completion of safety and health training	• Notify prohibition of overtime and night work to pregnant workers and their team leaders • Implement protective measures for pregnant workers (designate laboratories off-limits based on hazardous substances) • Conduct safety training and implement safety measures for factory field workers • Conduct regular safety and health training

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Human Rights Risk Management by Stakeholder

Aekyung Chemical identifies human rights risks across all stakeholders to enhance their happiness and quality of life. We work to prevent and resolve these risks. We also maintain strict compliance with applicable laws and regulations to advance our human rights risk management.

Stakeholder	Key Issues	Communication Channel	Communication Frequency
Shareholders and Investors	Business performance and management strategy; Stock Price and Dividend Policy (Dividend changes, etc.)	Business Report	Quarterly
Employees	Enhancement of work environment and benefits Performance evaluation and compensation, etc.	CEO Letter	Semi-annually
		Labor-Management Council (UNIQUE Committee)	Quarterly
	Workplace harassment and sexual harassment	Grievance handling and reporting process Ethical management reporting system	As needed
Supply Chain (Key Partners)	Occupational safety and health	Partner safety manager meetings	Monthly
	Fair contracting, partnership cooperation, etc.	Educational videos	As needed
	Ethical management/fair trade, etc.	Ethical management/fair trade reporting system	As needed
Local Communities	Expansion of social contribution programs, including support for vulnerable groups	Local community programs	As needed



Prevention and Remediation of Human Rights Violations

Grievance Handling and Reporting System

Aekyung Chemical conducts mandatory statutory training annually for all employees, including new employees, to prevent human rights risks and strengthen awareness of human rights issues. The training curriculum covers workplace harassment prevention, sexual harassment prevention, and disability awareness improvement.

We have established an internal reporting system that enables victims to report human rights concerns with confidence. All reported cases undergo prompt and impartial investigation and are handled in strict accordance with company regulations. To prevent secondary harm and recurrence, we conduct post-incident monitoring and actively implement victim protection measures. When human rights violations—including workplace harassment, sexual harassment, or discrimination—are confirmed, the HR Committee implements necessary measures, such as disciplinary action, against those responsible.

Principles for Addressing Human Rights Issues

Aekyung Chemical has established and operates principles for addressing human rights issues to prevent violations in advance and respond swiftly and fairly when they occur. To prevent issues proactively, we conduct continuous training and inspections of all employees. When human rights issues arise, we conduct fact-based, impartial investigations to assess matters objectively. We implement thorough protective measures to ensure that reporters can report concerns with confidence, and we also take steps to prevent incident escalation when necessary. Following investigation results, we conduct deliberation based on relevant regulations and principles before implementing appropriate measures. We continuously perform post-incident monitoring and victim protection support to prevent secondary harm and recurrence.

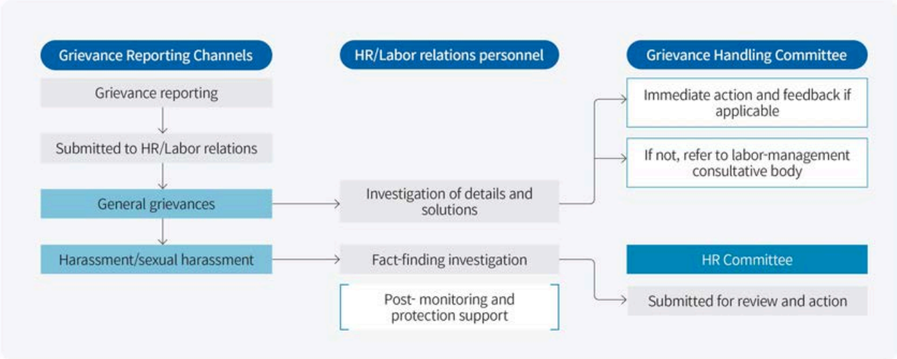
Prevention	Detection	Response
• Continuous training and inspections for prevention	• Fact-based investigation • Protection of reporters • Protection of respondents until case determination	• Principle-based resolution • Prevention of secondary harm and recurrence • Post-incident monitoring and support

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Internal Grievance Reporting and Handling System

Aekyung Chemical operates a phased reporting and response process to address employee grievances swiftly and systematically. All grievances received are forwarded to the HR/Labor relations personnel and categorized based on their nature: general grievances or human rights violations, including harassment and sexual harassment. For general grievances, the HR/Labor relations personnel review potential solutions and resolve cases immediately when possible. Cases requiring further review are submitted to the Labor-Management Council (UNIQUE Committee) for deliberation and resolution. Serious human rights violations, such as harassment and sexual harassment, undergo separate fact-finding investigations before being referred to the HR Committee for deliberation and action. Following all handling processes, we implement post-monitoring and protective support to prevent recurrence and strengthen protection of employee rights and interests.



Internal Grievance Cases

In 2025, Aekyung Chemical received 1 human rights-related internal report case. The case was reviewed by the HR Committee in accordance with handling procedures. The review determined that the case did not constitute workplace harassment and was not classified as a discrimination case.

Category	2023	2024	2025
Human Rights-Related Reports	1 case	4 case	1 case
Human Rights-Related Resolutions	1 case	4 case	1 case
Occurrence of Discrimination Incidents	0 case	0 case	0 case

Human Rights Law Violations

No cases of human rights law violations were reported during the reporting period.

Category	2023	2024	2025
Violation Cases	0 case	0 case	0 case
Administrative Fines	0 case	0 case	0 case
Criminal Penalties	0 case	0 case	0 case

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Organizational Culture and Talent Vision

Aekyung Chemical was newly launched in November 2021 through the integration of Aekyung Petrochemical, Aekyung Chemical, and AK ChemTech. Through this, we made a renewed leap forward as a comprehensive domestic chemical company supplying diverse raw materials and feedstock—including plasticizers, biodiesel, synthetic resins for composite materials, and surfactants. Rather than resting on the achievements of the past 50-plus years, we are advancing toward our transformation into a Global Leading Chemical Company. To this end, we established our vision framework in 2023 and adopted a new vision: "Respectable Partner for Your Innovation through Chemistry." We also defined core values "R·E·A·C·T (Respect, Excellence, Agility, Commitment, Teamwork)" to realize this vision. In 2024, we defined "the AKC Approach to Work" based on these core values and laid the foundation for spreading awareness. In 2025, we launched a phased internalization program to embed this approach into actual workplace practice. In particular, the "AKC Approach to Work Team Action On Session" held in the second half of 2025 became a turning point: moving beyond training, 56 teams across the company developed concrete implementation guidelines tailored to their respective job characteristics. We have also redefined our core values in specific language to ensure all employees can readily understand and practice them, and we continue to drive internalization activities linked to communication, training, and systems. Additionally, we operate diverse human resources systems to create an environment where all employees can fully exercise their expertise and capabilities, and we cultivate talent based on a horizontal organizational culture that encourages challenge and innovation.

Talent Management Governance

Aekyung Chemical operates talent management governance through a consultative framework that brings together the CEO and the Head of Corporate Administration Division. We manage human resources comprehensively across human resources planning, recruitment, development, and compensation. This integrated approach encompasses establishing medium- to long-term HR strategy, securing top talent, developing employee capabilities, and implementing fair and competitive compensation systems—all designed to strengthen organizational competitiveness.



Strategy

Top Talent Acquisition Policy

Recruitment Process

Aekyung Chemical secures top talent through a fair and systematic recruitment process. We conduct ongoing recruitment for both new employees and experienced professionals each year, verifying essential competencies and qualifications by job to select suitable candidates. Throughout the recruitment process, we establish evaluation criteria systematically and conduct comprehensive assessments of candidates' expertise and capabilities through interviews with working-level managers and executives. Additionally, we provide regular training to develop skilled interviewers, continuously strengthening interview competency.

To thoroughly verify candidates' job fit, we combine interviews with presentation assessments to evaluate logical thinking and problem-solving ability, enabling in-depth verification of practical competencies. For the recruitment of experienced professionals, we conduct reference checks alongside presentation assessments to comprehensively confirm candidates' work performance, strengths, and areas for improvement. Based on this, we assess whether candidates possess the relevant experience and capabilities for the recruiting role. Going forward, we will continue to advance our recruitment procedures to strengthen talent acquisition and enhance corporate competitiveness.

New Employee Recruitment Process

Aekyung Chemical's new employee recruitment process consists of the following stages: application submission, document screening, aptitude test, first and second interviews, pre-employment medical checkup, and hiring.



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Talent Acquisition Policy

Aekyung Chemical pursues diverse recruitment policies to secure top talent. In 2025, we focused on hiring experienced professionals with practical experience to respond to rapidly changing business environments and strengthen organizational expertise. Specifically, we recruited one team leader candidate to secure next-generation leaders and brought in two doctoral-level professionals to enhance research capabilities. We also hired two engineers to strengthen technical competitiveness and improve execution of core businesses, reinforcing expertise at production sites.

To support local job creation and secure local talent, we provide bonus points in document screening for applicants from the local area when hiring at the Ulsan and Cheongyang Plants. Beginning in 2026, we plan to institutionalize priority hiring of local talent through bonus points at each recruitment stage and the selection of local talent at or above a specified ratio. Furthermore, we plan to actively participate in local recruitment fairs to continuously expand local talent acquisition.

Diversity Expansion and Non-Discrimination

Diversity Expansion

Aekyung Chemical respects diversity so that all employees can fully leverage their individual capabilities. We foster a fair organizational culture free from discrimination based on gender, disability, educational background, regional origin, nationality, or other factors. To this end, we operate equitable recruitment processes and provide preferential hiring to protected employment groups, including national merit recipients and persons with disabilities, in accordance with applicable laws.

Gender Diversity

Aekyung Chemical is continuously committed to expanding gender diversity among our employees. In 2025, 18 of 79 new employees were women, representing 22.8% of the total. Going forward, we plan to progressively increase the proportion of women. We have also created a work environment free from gender-based discrimination and operate a range of family-friendly programs—including parental leave, family care leave, reduced working hours during childcare periods, and childbirth congratulatory allowances—to help prevent career interruption among female talent.

Persons with Disabilities

Aekyung Chemical faithfully fulfills its mandatory employment system for persons with disabilities and supports the activation of sports for persons with disabilities through the operation of a dedicated sports team. This initiative also creates jobs for them. We plan to continue supporting the team's stable activities through ongoing support and fostering greater employee understanding of diversity.

Global Talent

As of the end of 2025, Aekyung Chemical employs 6 persons of global talent. Following recruitment, we apply a non-discriminatory compensation system consistent with the same standards as domestic employees. We also conduct regular meetings to enable our global talents to demonstrate their professional capabilities in a stable work environment, and we actively support visa issuance and various issues as they arise.

Re-employment Opportunities for Retirees

Aekyung Chemical provides re-employment opportunities to retirees who possess strong capabilities. Through a fair re-employment process, we re-employed 5 retirees in 2025, creating employment opportunities and enabling the organization to continue leveraging their accumulated work experience and expertise.

Compensation System Free from Gender Discrimination

Aekyung Chemical recognizes the importance of gender equality and operates a fair compensation system regardless of gender. As of 2025, the average compensation level for female employees (based on contracted annual salary) was 82% of that for male employees. Within the administrative staff category, compensation by job grade showed the following: female employees at the entry level earned 101% of male counterparts, 96% at the senior level, and 90% at the manager level. Compensation within the same job grade is determined on the basis of individual and organizational performance. We operate a fair and rational compensation system free from gender-based discrimination and continue to advance gender equality in our organizational culture.

Ratio of Contract Salary by Gender



** Based on the average annual contract salary by job level for office positions. All employees are paid at or above the statutory minimum wage.*

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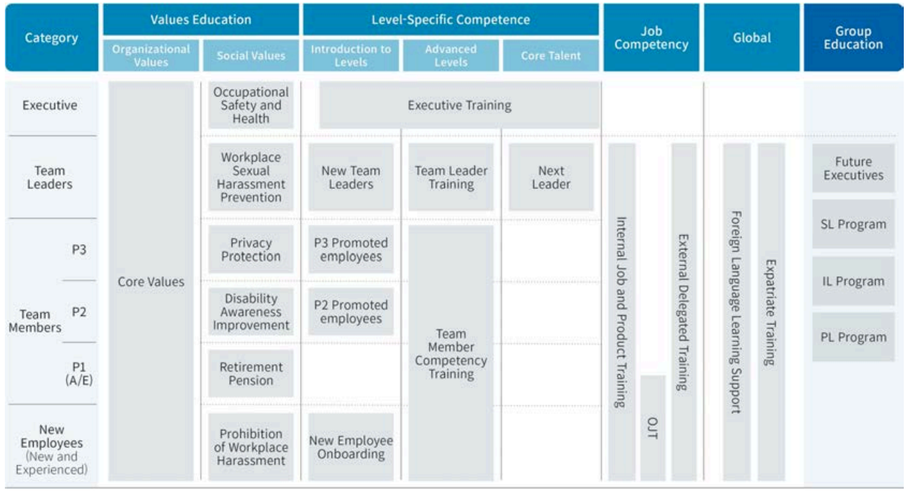
Employee Training System and Overview

Talent Development Framework

Aekyung Chemical provides diverse learning opportunities to cultivate talent that embodies the core values of "R·E·A·C·T" under the vision "Respectable Partner for Your Innovation through Chemistry." Building on a company-wide talent development roadmap, we operate a phased competency enhancement system that aligns employees' self-directed growth with our organization's strategic objectives. From new employees through the team leader level, we provide customized programs tailored to each job and role, and we develop next-generation leaders through a systematic leadership pipeline. Beyond formal training, we create an educational environment that leads to practical performance, and we support our employees in autonomously developing their careers and strengthening their professional expertise.

Training Framework

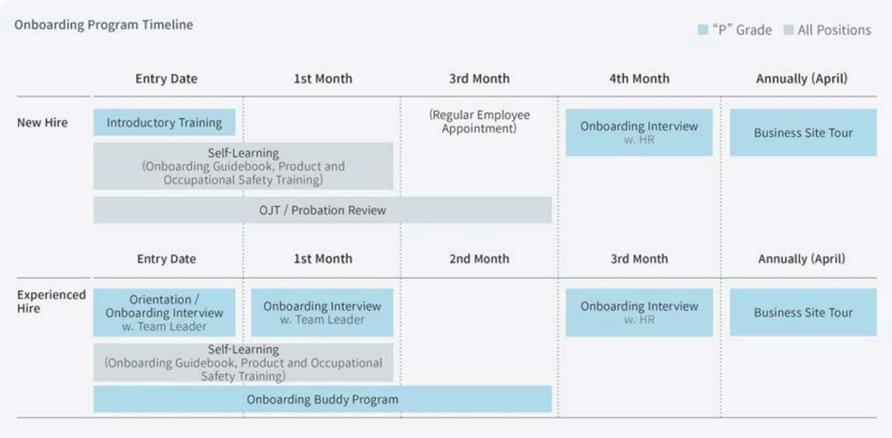
Aekyung Chemical has established a systematic education framework spanning all job grades, from executives to new employees. This framework enables us to internalize organizational values while strengthening job competencies.



Our education framework comprises values education, level-specific competence strengthening training, job competency strengthening training, global competency strengthening program, and group training. Through this framework, we provide customized learning opportunities tailored to each employee's role and career stage. We strengthen leadership capabilities through training sessions for newly promoted employees and leaders, as well as through our next-generation leader development program. By operating diverse educational programs to enhance job expertise and global competencies, we build a sustainable foundation for organizational growth.

New Employee Onboarding Program

Aekyung Chemical operates a systematic onboarding program to support new employees' organizational adaptation and job competency development. The program begins with "Introductory Training" on the first day, introducing the company's vision and business information. We then conduct "Onboarding Interviews" through staged one-on-one interviews with HR and the team leader to facilitate early adaptation. Over three to four months, we intensively deliver "On-the-Job Training (OJT)" to strengthen practical competencies through training and evaluation, and operate the "Onboarding Buddy Program" to provide emotional support and networks for experienced professionals in line with their start dates. Additionally, we offer a "Business Site Tour" once a year through research center and plant visits to deepen understanding of the chemical industry and build on-site experience.



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Training for Leadership and Competency Development by Level

New Team Leader Training (New Team Leader Competency Development Program)

Aekyung Chemical operates a “New Team Leader Competency Development Program” once a year to strengthen communication competencies among newly appointed Team Leaders, grounded in logical thinking. The program emphasizes planning and reporting capabilities, designed to translate logical thinking (Written) into persuasive dialogue (Verbal). Training is delivered virtually via Zoom Live, with individual practice and personalized coaching to maximize learning effectiveness. Upon completion, participants receive results feedback and individual feedback from their department executives to ensure learning outcomes are applied to daily work.

Promotee Training (Promotee Competency Development Program)

Aekyung Chemical provides systematic competency training to help promotees clearly understand their expected roles at their new job and adapt smoothly to changed leadership responsibilities. The program deepens understanding of the “AKC Approach to Work” and enables participants to develop concrete action plans grounded in that foundation. We differentiate content by job grade to strengthen logical problem-solving processes and communication capabilities through diverse learning modules. In particular, we create opportunities for promotees to communicate and build networks with peers, fostering active collaboration.

Team Member Competency Development Training

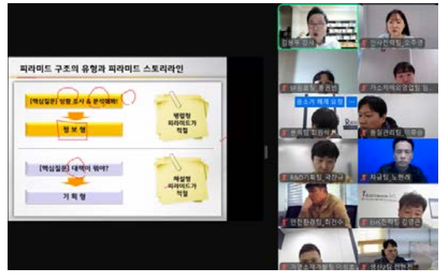
Aekyung Chemical operates educational programs linked to the “AKC Approach to Work” to strengthen team member capabilities. The program is designed to enhance practical application skills by learning knowledge and skills related to core competencies. In 2025, we identified "insight and change leadership" and "followership" as key words for essential competencies highly relevant to our business. We delivered training on "deriving data-driven insights" and "influential team members and the practice of authentic followership," with mandatory participation for employees in promotion-eligible years of service, and voluntary participation encouraged for other employees. To enhance accessibility and efficiency, we delivered the program virtually, enabling all employees across all business sites to participate in real time. Going forward, we will continue to develop our employees’ capabilities and expand diverse educational programs to support the creation of work performance.



New Hire Onboarding Program: Business Site Tour



Business Site Tour: Cheongyang Plant Visit

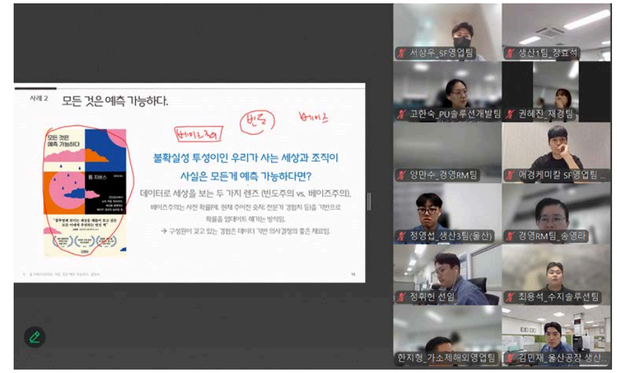


New Team Leader Training



Promotee Training





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Global Competency Enhancement Program

Foreign Language Learning Support Program

Aekyung Chemical operates a foreign language learning support program to strengthen global competencies of all employees. Korean employees are provided with English, Chinese, Japanese, and Vietnamese language learning opportunities, while foreign employees receive Korean language learning support. Employees may autonomously select their preferred learning format and timing. We support employees in taking diverse language courses through external language institutes, one-on-one telephone English, and our in-house online education platform.

Expatriate Training

Aekyung Chemical operates global business competency development training for newly assigned expatriate candidates. We provide training that builds role awareness as an expatriate, problem-solving capabilities, and communication skills, while fostering understanding of host country cultures. This support enables smooth early settlement following assignment. We also conduct adaptation training for expatriates scheduled for repatriation, for approximately one month prior to return, and offer training for accompanying family members.

Online Learning Infrastructure: Learning Platform

Aekyung Chemical operates a learning platform that enables employees to learn self-produced content, such as mandatory statutory training and product education, online. The platform supports employees' self-development by offering micro learning content across diverse topics, such as jobs, levels, and foreign languages.



Activating Labor-Management Communication

Activating Labor-Management Communication to Build a Company People Want to Work For

Aekyung Chemical elects worker representatives at each business site based on the shared labor-management objective "A Company People Want to Work For!" We operate the "UNIQUE Committee" as our joint labor-management communication channel (Labor-Management Council). The UNIQUE Committee serves to enable employees to raise agenda items concerning working conditions, work and overall workplace improvements, and to derive solutions through regular consultations held once a quarter. In particular, improving systems to enhance work-life balance and job satisfaction remains the most actively discussed agenda item. We continue to pursue various initiatives focused on improving the work environment, strengthening communication, and expanding employee benefits to foster balanced development between work and life.

Labor-Management "Chemi-Up" Workshop: A Space for Dialogue

In 2025, Aekyung Chemical conducted the labor-management "Chemi-Up" workshop to foster sound communication and mutual trust between labor and management. Through discussion on labor-management relations, the workshop explored ways to build a collaborative labor-management culture and provided labor law education on the theme "Labor Law Knowledge Essential for Labor-Management Relations Leaders." We also explored nearby areas together, providing time for natural communication that broadened mutual understanding and served as an opportunity to strengthen mutual trust. Going forward, we plan to continue advancing sound labor-management relations through diverse communication programs.



UNIQUE Committee



Labor Relations Training



Labor-Management "Chemi-Up" Workshop

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Strengthening Organizational Communication

A Forum for Dialogue and Unity through Healthy Competition: AKC Futsal Champions League

Aekyung Chemical operates annual sports championships to expand employee interaction and foster a healthy organizational culture. In 2025, we selected futsal as the featured sport and conducted the “AKC Futsal Champions League” over approximately six months beginning in May. The league drew participation from four business sites and two subsidiaries, broadening opportunities for communication and exchange among business sites and subsidiaries. Beyond the players representing each business site, employees who cheered on the matches also participated, strengthening bonds among employees. Going forward, we plan to continue building a healthy and vibrant organizational culture through diverse sports championship programs.







Business Site-Led Employee Engagement Programs

Aekyung Chemical strengthens communication and exchange among employees through employee engagement activities tailored to each business site's characteristics. In 2025, each business site independently operated diverse programs to advance organizational culture. The Ulsan Plant hosted the e-sports tournament "Team Spirit FC25 Championship," expanding interaction among employees. The Cheongyang Plant conducted a "Cheer-Up Townhall" for field leaders, gathering employee feedback and collaboratively discussing organizational direction. The Jeonju Plant reinforced team collaboration and bonds through the "Team Mixed Bowling Tournament," while the Daejeon Research Institute created a communication forum for employees through group movie screenings and lucky draw events. Going forward, we will continue to support autonomous employee engagement activities that reflect each business site's characteristics, building a healthy organizational culture.



Cheongyang Plant
“Cheer-Up Townhall”



Jeonju Plant
“Team Mixed Bowling Tournament”



Daejeon Research Institute “Group Movie Screening”

Employee Participation Online Organizational Culture Events

"So Happy" Photo-Sharing Event

In May, Aekyung Chemical organized the "So Happy" photo-sharing event to expand empathy and communication among employees during Family Month. The event was designed to broaden the meaning of family to include colleagues, friends, pets, and cherished objects and places that hold memories in everyday life. A total of 103 employees participated, sharing photographs of their meaningful moments and connecting through each other's daily lives. This initiative fostered mutual empathy and strengthened bonds among employees. Additionally, we created and provided photo magnets using participants' submitted photographs, enabling employees to preserve their memories.



Sharing Chuseok Blessings Event: Embedding Core Values

Aekyung Chemical organized the Sharing Chuseok Blessings Event to foster warm communication among employees and spread organizational culture during the holiday season. Employees participated by weaving core value elements into blessing messages shared with colleagues through comments, creating an opportunity for employees to naturally internalize core values while deepening mutual empathy and communication. With 90 employees participating, the event contributed to embedding organizational values and culture in daily life and fostering a positive organizational culture.



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Work-Life Balance Support

Balancing Work and Life

Aekyung Chemical operates a range of systems to support employee happiness and work-life balance. We continuously improve our work environment to enable employees to work in a highly satisfying setting. We have introduced flexible work arrangements to support the balance between work and life.

Work Arrangements

- Office Positions : Selective Working Hours System
- Production Positions : Flexible Working Hours System, Four-Team Two-Shift Work

Annual Leave Promotion Program

Aekyung Chemical establishes vacation plans at the beginning of each year and quarterly, and communicates bridge holidays and recommended annual leave dates in advance. This creates an environment where employees can take annual leave freely. Through this program, we actively support our employees in securing adequate rest.



Family-friendly Policies

Aekyung Chemical operates diverse family-friendly systems to enable employees to maintain balance between work and family life while fully leveraging their capabilities. These include parental leave, family care leave, reduced working hours during childcare, and childbirth congratulatory payments for pregnant and childcare-period employees.

Building on the "Family-friendly Corporation Certification" initially obtained on December 1, 2022, we have pursued continuous advancement of our systems. We successfully extended the certification validity on December 1, 2025, maintaining our qualification. In the extension assessment, we received excellent ratings for substantive cultural improvement within the organization and enhanced operational effectiveness of our systems.
In particular, we have actively fostered an organizational culture that encourages male employees to use parental leave and have established a systematic recruitment and management system for substitute personnel to minimize work gaps caused by parental leave, thereby reducing the burden on childcare-period employees.
Through stable implementation of flexible work arrangements and operation of self-development support programs, we enhance our employees' overall quality of life.



These achievements reflect strong commitment and active support of our management. Aekyung Chemical plans to continuously strengthen our outstanding family-friendly management and build a leading corporate culture that advances employee happiness.

Employee Benefits

Aekyung Chemical supports the quality of life and personal development of our employees through diverse benefit systems. We provide regular health check-ups, in-house club activities, and subsidized access to recreational facilities to promote the health and leisure of our employees and their families. We also offer housing and living stability support systems to help establish a stable living foundation.

Recognizing that the happiness of our employees and their families is fundamental to our sustainable growth, we are committed to continuously expanding benefit systems that deliver practical help to our employees.

Key Welfare Benefits Policies and Support

Category	Support Details
Housing and Living Stability Programs	• Loan Support: Housing Loans (for lease and purchase), Livelihood Stabilization Loans • Gifts for special occasions and holidays: Gifts for Labor Day, company founding anniversary, and traditional holidays such as Seollal and Chuseok • Support for disaster relief • Travel expenses for business assignments
Health Promotion Programs	• Expanding the scope and amount of health check-up support • Insurance coverage for accidents and illnesses • Coverage for quadrivalent flu vaccinations • Health Education Programs: Brain/cardiovascular and heat-related illness prevention education, emergency response education, fire/disaster education, private fire brigade and joint fire training • Health/Psychological Counseling Support: "Healing Terrace" counseling space at headquarters
Leisure Activity Support	• Cafeteria-style welfare points system • Support for in-house club activities (table tennis, bowling, futsal, cycling, basketball, board games, golf, etc.) • Membership and usage benefits for resorts

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Housing and Living Stability Policies

Aekyung Chemical supports our employees in establishing stable housing and living foundations. Housing loans and living stability loans are provided and gifts are distributed on occasions such as Labor Day, the company's founding anniversary, and holidays. We also offer support for disaster relief and provide travel expenses when employees are assigned to new work locations, thereby supporting the living stability of our employees.

Health Promotion Policies

Aekyung Chemical implements diverse policies to promote employee health. We have established health management systems and facilities at each business site and conduct regular health management through our health managers. To promote physical fitness and relieve work-related stress, we provide exercise and rest areas. Air quality monitors are installed in the offices to maintain a pleasant work environment and inspections are conducted frequently. Additionally, private fire brigade member training (fire hydrant use, fire extinguisher and emergency descent device practice) and emergency response education are provided in preparation for emergencies. We also conduct awareness campaigns to prevent brain/cardiovascular and heat-related illnesses.





Club Activity Support

Aekyung Chemical supports employee club activities to foster interaction among employees. A total of 28 clubs currently engage 383 employees in activities. We provide regular activity expense support for each club to encourage voluntary interaction and form a healthy organizational culture.






Headquarters	Research Institute	Ulsan Plant	Cheongyang Plant
Table Tennis Club	Board Game Club	Trekking Club	Running Club

Risk Management

Human Resources Policies

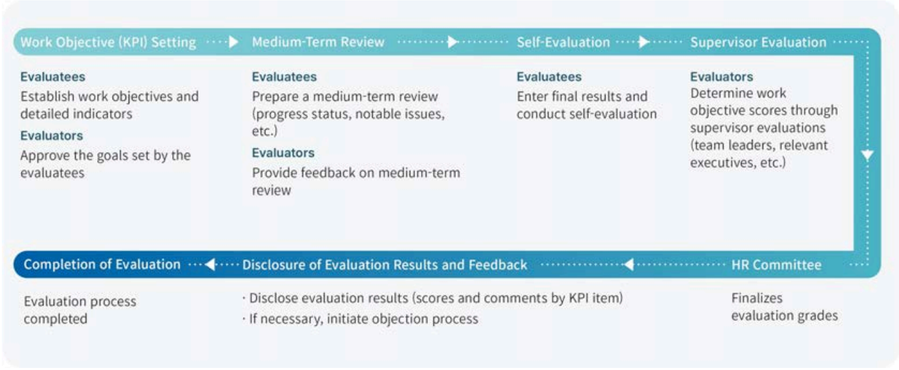
Fair Performance Evaluation and Reasonable Compensation

Aekyung Chemical conducts fair performance evaluations for all employees by combining annual performance assessments based on work objectives (KPIs) with competency evaluations that assess expected competencies by job and level. Through continuous feedback and interviews, we strengthen leaders' responsibility for employee development and growth support.

Performance Evaluation Process

Aekyung Chemical's evaluation begins with the establishment of work objectives (KPIs) and manages the status of goal achievement through interim reviews conducted during the year. At year-end, employees conduct self-evaluations, and supervisors perform comprehensive assessments covering both performance evaluation (achievement of work objectives) and competency evaluation. Evaluation results are finalized as final grades through the HR Committee, and are then disclosed to employees with feedback provided. Where necessary, we ensure evaluation fairness through a formal objection process.

Evaluation results inform promotion decisions and talent management. Based on these results, we establish individual annual compensation each year and operate a performance-based compensation system in which management performance bonuses are paid differentially according to individual performance.



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Performance Evaluation

Aekyung Chemical establishes work objectives (KPIs) each year at the beginning of the year, grounded in business performance targets, strategic initiatives aligned with the company's strategic direction, and individual key work tasks. Objectives are set through consultation with leaders. We manage goal achievement through medium-term reviews, continuous feedback, and interviews. Evaluations are conducted fairly and objectively according to evaluation indicators, with feedback provided to evaluate employees based on the results.

Competency Evaluation

Competency evaluation is a system that defines expected competencies by job and level based on the “AKC Approach to Work” and evaluates how well employees meet those expectations. We assess employees based on behavioral performance demonstrated in their actual work and provide feedback on the results to those assessed.

2025 Employee Evaluation Status

Category	P Job Group	A Job Group	E Job Group
Male	100%	100%	100%
Female	100%	100%	100%

** Evaluation conducted for all regular employees (excluding those hired in the second half of the year, those on parental leave, etc.)*

Work Engagement Survey

Aekyung Chemical conducts work engagement surveys to understand the level of work engagement that employees experience and to identify factors that may hinder work engagement. Based on survey results, we provide support needed for work engagement from an HR perspective and remove barriers that hinder engagement, with the goal of enhancing overall employee job satisfaction.

Metrics & Targets

Workforce Diversity: Targets and Current Status

Aekyung Chemical continuously manages employment across diverse workforce segments—including gender, persons with disabilities, national veterans, and foreign nationals—while expanding workforce diversity. We maintain a stable employment status for diverse employees, including women, persons with disabilities, and national veterans, while recruiting foreign nationals to strengthen organizational diversity. Going forward, we will continue to monitor diversity-related metrics and build an inclusive organizational culture grounded in a balanced workforce structure.

Category			2023	2024	2025
Gender Balance	Total Female Employees		114	115	114
	Managers	Female Executives	1	1	2
		Female Team Leaders	5	4	3
Employment of People with Disabilities	Total Employees		14	15	15
Employment of National Veterans	Total Employees		21	22	22
Employment of Foreign Nationals	Total Employees		7	7	6
	China		2	2	2
	Vietnam		2	1	1
	Thailand		1	1	1
	Malaysia		1	1	1
	Kazakhstan		1	1	-
	Colombia		-	1	1
Total Number of Employees			750	752	724

** Manager criteria: Executives and team leaders or above (In 2025, the proportion of female managers was 7.8%)*

** Employment of People with Disabilities calculation criteria: Based on Korea Employment Agency for Persons with Disabilities (KEAD) standards (severely disabled individuals counted as 2 persons)*

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Diversity Targets

Aekyung Chemical has established medium- to long-term workforce diversity targets in 2025 to strengthen diversity and inclusion within the organization. These targets aim to progressively expand the employment ratio of diverse employees—including women, persons with disabilities, and national veterans by 2028—thereby building a fair and balanced workforce structure. We plan to increase the ratio of female employees from 15.7% in 2025 to 16.0% by 2028, and to progressively raise the employment ratios of persons with disabilities and national veterans, and to maintain them at levels exceeding statutory standards. Through these efforts, we will fulfill our social responsibility while creating an organizational environment where talented individuals from diverse backgrounds can fully leverage their capabilities. Going forward, we will continue to monitor workforce diversity indicators and strengthen diversity and inclusion through institutional improvements and targeted support initiatives.

Category	2025		2026 Target	2027 Target	2028 Target
	Target	Performance			
Female Employee Ratio	15.7%	15.7%	15.7%	16.0%	16.0%
Mandatory Employment Ratio for Persons with Disabilities	3.1%	3.3%	3.1%	3.3%	3.3%
Employment Ratio for National Veterans	3.0%	3.0%	3.0%	3.2%	3.2%

2025 Training Overview

Aekyung Chemical operates systematic training programs to strengthen employee competencies, consistently maintaining annual training hours per person at 48 hours or above. While training expenses decreased slightly through efficient operations, we balance training quality and effectiveness by providing continuous learning opportunities.

Category	2023	2024	2025
Training Expense per Employee	KRW 355,000	KRW 331,000	KRW 318,000
Average Training Hours per Employee	49 hours	48 hours	48 hours

2025 Employee Training Program Performance and Effectiveness Management

Training Satisfaction Survey Results

Aekyung Chemical conducts satisfaction surveys annually following the completion of training programs to systematically manage program performance. In 2025, training satisfaction scores remained at 4.0 points or higher on a 5-point scale, maintaining a high level overall. The newly appointed team leader program and team member training demonstrated relatively higher satisfaction ratings.

Category			Satisfaction (5-Point Scale)
New Employee Onboarding			4.38 points
Level Competency Strengthening	New Team Leader		4.44 points
	Promoted Employee	Manager	4.29 points
		Senior	4.03 points
	Team Member	Manager	4.35 points
		Senior	4.00 points

Training Effectiveness Measurement Results

Aekyung Chemical systematically manages the effectiveness of training support through its foreign language learning support program. In 2025, a total of 100 cases of learning were completed, with high achievement rates recorded across English, Japanese, and Chinese, confirming the program's effectiveness. We also monitor score improvement relative to individual support amounts, enabling quantitative analysis of education investment outcomes. For instances of non-achievement or missing score submissions, we apply recoupment standards to ensure both accountability and operational efficiency in program management.

Category	Number of Cases Supported	Number of Cases Achieving Target	Target Achievement Ratio
English	88 cases	73 cases	83%
Japanese	5 cases	4 cases	80%
Chinese	7 cases	6 cases	86%

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Safety and Health Management Implementation Framework

As societal interest and demand levels regarding safety and health have risen across the industry as a whole, Aekyung Chemical recognizes this as a material management issue and is responding proactively. We are continuously advancing our safety and health management system with the goal of achieving “Zero EHS & Compliance Issues” and are systematically establishing and implementing strategies to execute key initiatives. Through these efforts, we prevent safety risks in advance and strengthen the foundation for sustainable management.

Occupational Safety and Health Management

Aekyung Chemical prioritizes the safety of employees and local communities as its highest value and has set the EHS Management Policy as a core task across management as a whole. Our vision is to prevent company-wide EHS issues proactively and foster a safe and healthy work environment. In 2026, we revised our Occupational Safety and Health Management Policy to address safety and health issues more effectively. We clarified the scope of application and specified procedures for safety and health grievance handling and risk assessment, strengthening the policy's implementation capability.

Occupational Safety and Health Management System (ISO 45001)

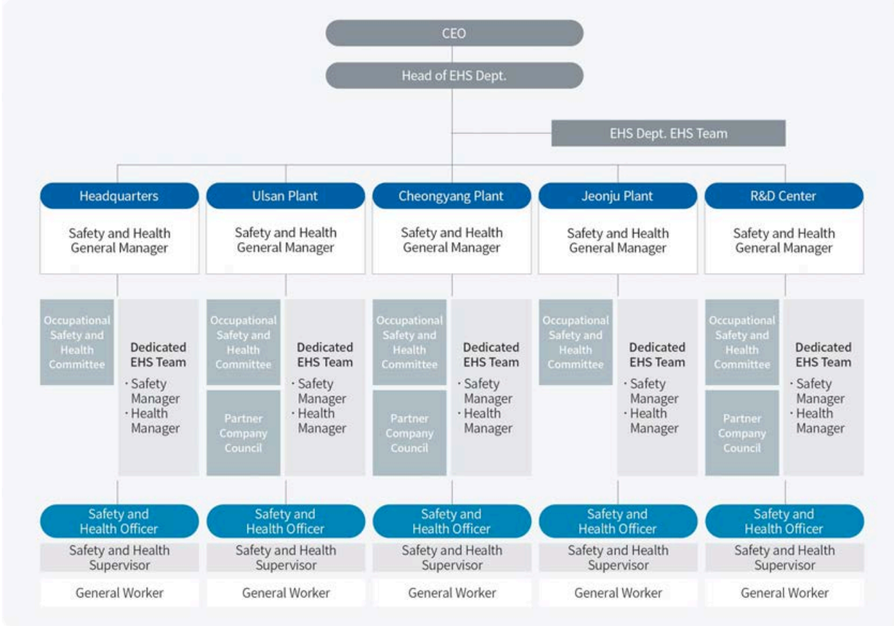
Aekyung Chemical has implemented an ISO 45001-based occupational safety and health management system to establish systematic safety and health management and foster a safety-centered corporate culture. Through the PDCA (Plan-Do-Check-Act) cycle, we proactively identify hazards and risks and pursue continuous improvement activities. Each year, we verify the system's conformity and effectiveness through external certification audits.

- Certified Business Sites: Headquarters, Ulsan Plant, Cheongyang Plant 1, Cheongyang Plant 2, Jeonju Plant
- Valid Until: December 6, 2027



Safety and Health Implementation Organization

Aekyung Chemical operates a company-wide safety and health governance framework grounded in an EHS strategy system led by the CEO. The EHS Team, under the Head of the EHS Dept., oversees policy establishment and diagnostics, while dedicated organizations established at each business site strengthen implementation capability. In addition, safety and health general managers at each business site and supervisors drive accountability-based management in the field. Through the Occupational Safety and Health Committee and partner company councils, we operate a horizontal decision-making system that brings together labor, management, and partners, enabling systematic response to safety and health risks.



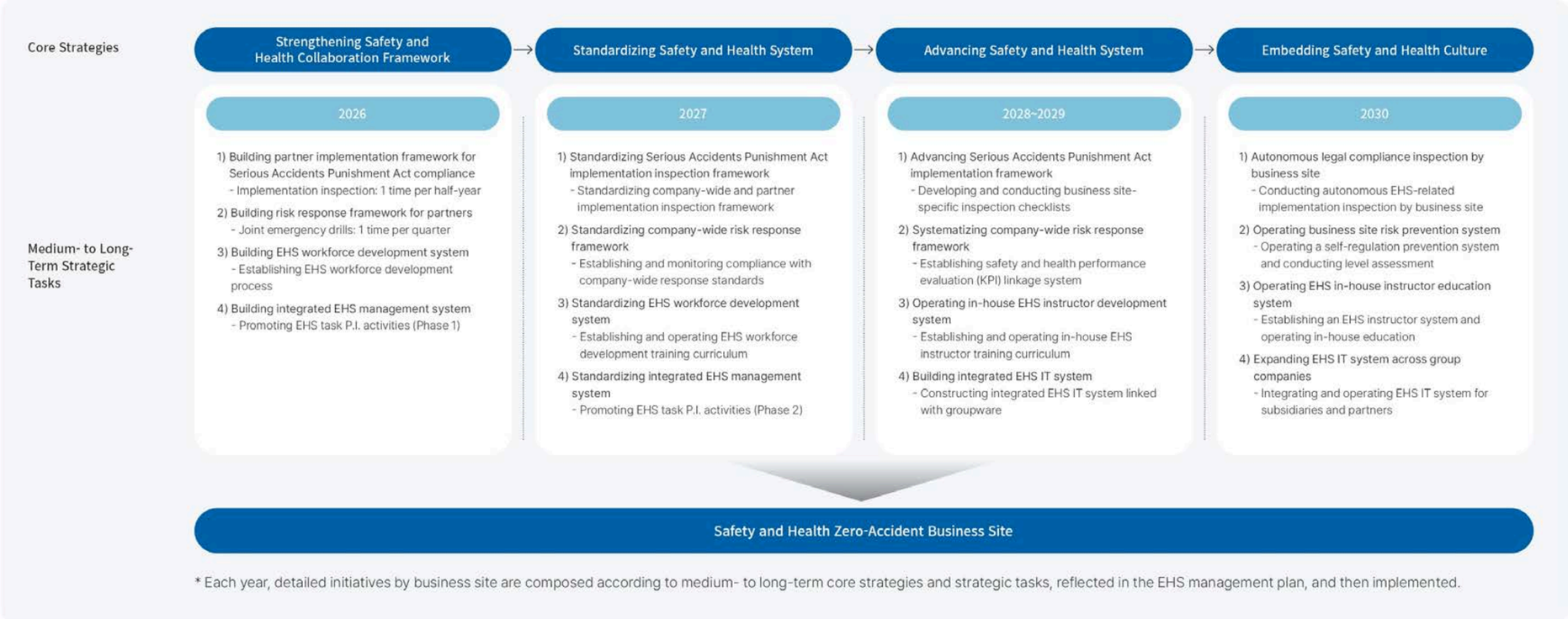
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Strategy

Safety and Health Management: Medium- and Long-Term Objectives

Aekyung Chemical has adopted "Achieving Zero Major Accidents (Industrial and Public Accidents) from a CSR Perspective" as its slogan. To achieve this, we have established four key tasks: strengthening environmental policy and chemical substance management, strengthening the health management system, strengthening the safety management system, and strengthening the EHS system. We establish concrete targets based on internally identified accident points and implement practical environmental, health, and safety (EHS) management.



* Each year, detailed initiatives by business site are composed according to medium- to long-term core strategies and strategic tasks, reflected in the EHS management plan, and then implemented.

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Safety and Health Culture Development

Safety and Health Training

Aekyung Chemical operates systematic training programs to strengthen employee safety and health capabilities. We mandate completion of required training on a semi-annual basis to enhance company-wide safety awareness. Process safety and chemical accident prevention management training is conducted regularly at least once a month to strengthen practical response capabilities for high-risk processes. We combine internal and external job-specific training with external expert training to ensure that the latest safety standards and trends are reflected at our sites. We also provide training to partners to enhance safety capabilities across the supply chain.



Safety and Health Training



Fire Drills



Safety Rules Compliance Activities

Enhancing Safety and Health Communication

Aekyung Chemical strengthens its safety and health management level through communication with diverse stakeholders. We participate in local safety councils to share safety information across companies and jointly develop plans for preventing serious accidents, establishing a collaborative response framework. We also strengthen accident prevention activities in partnership with local communities. Internally, we regularly operate the Occupational Safety and Health Committee each quarter to deliberate and resolve major safety and health issues. Additionally, we conduct monthly safety and health council with partners to gather field opinions and build a coexistence-based safety management system.



Serious Accidents Punishment Act Training



Occupational Safety and Health Committee



Partner Company Safety and Health Council

Safety and Health Culture Spread

Aekyung Chemical fosters a voluntary safety culture through field-centered practical activities and participatory programs. We implement field-centered safety management through monthly executive Safety Walks. We strengthen our legal compliance system by sharing safety management best practices through quarterly EHS Leading Group meetings—a forum for exchange among EHS personnel across our business sites. Additionally, we conduct periodic emergency response drills—including comprehensive fire drills with partners, hazardous chemical leak response and evacuation drills, and fire and explosion emergency response drills—to enhance our capabilities to respond to actual situations. We operate employee participation programs such as safety poster contests and near-miss discovery activities to foster voluntary safety awareness. Improvements and best practices identified in the field are shared and spread across the company and applied to accident prevention and recurrence prevention. Through safety and health grievance channels, monthly partner company councils, and quarterly EHS Leading Group meetings, we rapidly gather field feedback and implement necessary measures in a timely manner following deliberation by the EHS Team, thereby strengthening our field-centered safety management system.



Zero-Accident 500-Day Achievement Campaign



Water! Shade! Rest! Summer Campaign



Safety Poster Contest

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Partner Safety and Health

Partner Safety Management and Operating Framework

Aekyung Chemical has established a communication-based safety management system with partners under the slogan of “Safe Workplaces for Everyone.” We operate a partner company council once a month to gather field feedback and suggestions, and use these insights to continuously advance work environment improvements, including equipment upgrades, enhanced hazard area management, and introduction of intelligent safety systems.

Through the council, we address a range of safety and health topics—health management, work environment improvements, fire prevention, seasonal safety management, risk assessment, and certification response—and collaborate with partners to identify and implement improvement tasks. By prioritizing this communication-centered approach, we create safe working environments that partner workers can directly experience.

2025 Partner Company Council Meetings

Category	Partners	Key Content
January	17 companies	Discussion on health check-up and health counseling implementation
February	15 companies	Request for relocation of waste storage facility on the south side of Site 1
March	12 companies	Review of the installation of early detection fire detectors
April	15 companies	Strengthened management of fire-vulnerable areas at the R&D Center
May	16 companies	Sharing of 2025 first-half work environment measurement and Serious Accidents Punishment Act inspection results
June	17 companies	Sharing of heat-related illness prevention measures and prevention activities
July	16 companies	Information sharing on risk assessment certification evaluation for resident partner companies
August	18 companies	Joint inspection for “Safe Workplace” project
September	17 companies	Request for review of a forklift seatbelt-ignition interlock system
October	16 companies	Sharing of ISO 45001 / 14001 surveillance audit results
November	17 companies	Information sharing on precautions for outdoor work to prevent cold-related illness during winter
December	16 companies	Sharing of progress on partner company improvement requests for 2025

Integrated Health Management for Partners

Aekyung Chemical works in cooperation with the Korea Industrial Health Association to provide systematic health management services to all workers, including those at resident partner companies. We fully fund health management costs for our partners and manage worker health comprehensively through regular health management and customized health counseling. We also operate an integrated health management system in collaboration with our partners, combining risk assessment support, joint inspections, and seasonal disease prevention programs.

Partner Safety and Health Activities

Aekyung Chemical systematically operates field-focused preventive activities—including training, inspections, and drills—to ensure the safety of partner workers. Partner workers must complete at least one hour of safety and health training upon initial site entry. After completing the training, they must wear hard hats bearing a “Safety Training Certificate.” Equipment such as hazardous machinery and devices is permitted for use only after completing pre-use safety inspections and bearing the required certificate. Additionally, we conduct joint quarterly patrol inspections and fire drills to eliminate field hazards in advance and strengthen preventive management activities by supporting work plan reviews prior to task execution. We also continuously support the enhancement of our partners' safety and health management capabilities by providing ISO 45001 and Serious Accidents Punishment Act response guidance.

Partner Safety and Health Grievance Channel Operation

Aekyung Chemical operates a grievance channel on its corporate website to promptly address safety and health concerns raised by partner company employees. Submitted grievances undergo systematic review and are incorporated into improvement measures. We continuously monitor the number of reports and resolution status, reflecting findings into our improvement activities. Through this process, we strengthen our trust-based safety and health management system with partners.

Number of Reports via Partner Companies’ Safety and Health Grievance Channel

Category	2023	2024	2025
Number of Reports Submitted	0	0	0

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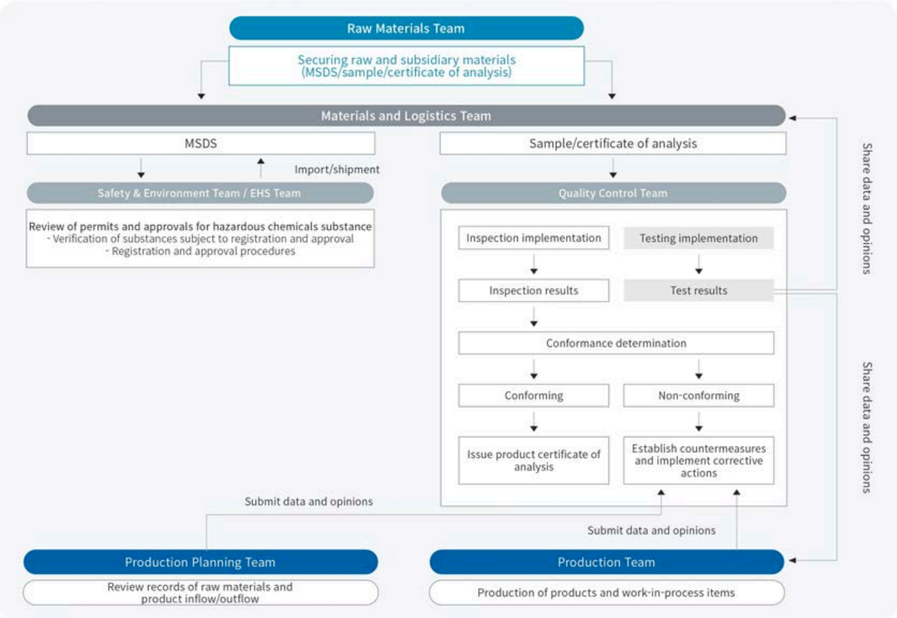
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Managing Product Safety and Quality

Aekyung Chemical places customer trust at the core of its values and delivers safe, high-quality products through hazardous chemical substance identification and product safety testing and inspection. As societal interest in ESG has grown, corporate responsibility for product quality and safety has also intensified. In response, we have established processes to ensure that purchasing and sales activities proceed only after thoroughly verifying regulatory compliance.

We conduct hazard assessments beginning at the raw materials procurement stage, proactively reviewing and managing potential impacts on products. For chemical-containing raw materials and subsidiary materials, we verify hazard status through MSDS. Unregistered chemical substances are evaluated for suitability by the Quality Control Team before use. During new product development, we secure product quality and safety through safety testing and inspection. In the manufacturing phase, we maintain product performance and stability through thorough quality management and pursue continuous improvement to deliver products that earn consumer trust.

Product Safety and Quality Management Process



Quality Management System

Aekyung Chemical operates a quality management system aligned with global standards to ensure continuous quality improvement and provide products that customers can trust and rely on. We have obtained ISO 9001 (Quality Management System) and IATF 16949 (Automotive Quality Management System) certifications and comply with international quality standards. Grounded in our quality management manual and quality policy, we are committed to improving product safety and quality.

Quality Management System Certification Status

Certification	Certified Business Sites and Validity Period	Certificate
Quality Management System (ISO 9001)	**Certified Business Sites** Headquarters, Daejeon Research Institute, Ulsan Plant, Cheongyang Plant 1, Cheongyang Plant 2, Jeonju Plant **Validity Period** All: July 13, 2028	
Automotive Quality Management System (IATF 16949)	**Certified Business Sites** Cheongyang Plant 1, Cheongyang Plant 2, Jeonju Plant **Validity Period** Cheongyang Plant 1: July 21, 2028 Cheongyang Plant 2: June 17, 2027 Jeonju Plant: June 3, 2028	

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Customer Claim Response Process

Aekyung Chemical has established and operates a customer claim response process to handle customer feedback on products promptly and systematically. Upon receipt of a claim, relevant teams from quality, logistics, production, and research collaborate to quickly identify the cause. Based on this analysis, we establish comprehensive countermeasures and recurrence prevention measures. When our liability is clear, we implement compensation procedures to enhance customer trust and satisfaction.

Process	Responsible Department	Description
1) Occurrence of Customer Claims	Sales Team	Claim intake and notification to relevant teams
2) Initial Response	Sales and Relevant Teams	Customer interview and on-site investigation
3) Cause Investigation and Analysis	Quality and Relevant Teams	Analysis of investigation records to identify cause and circumstances of occurrence
4) Establishment and Implementation of Comprehensive and Recurrence Prevention Measures	Quality and Relevant Teams	
5) Reporting of Results to the Customer and Resolution	Sales Team	Follow-up actions including customer agreement

Risk management

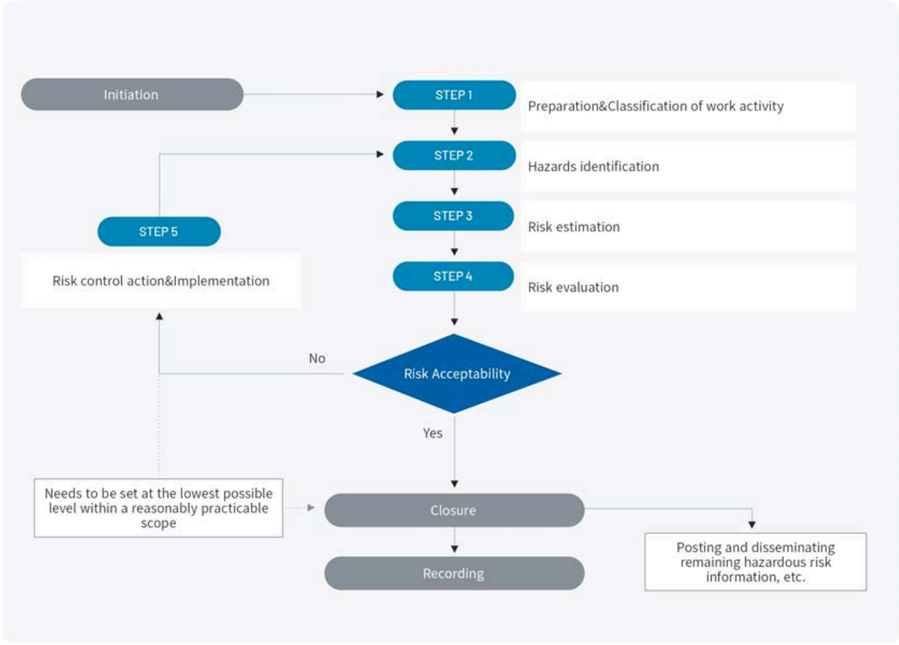
Risk Assessment and Incident Response Process

Risk Assessment

Aekyung Chemical conducts regular and occasional risk assessments to identify in advance and manage hazards and risks within its business sites in accordance with the “Occupational Safety and Health Management Policy.” Through annual regular risk assessments conducted once a year, we check potential risk factors across all business sites. When significant changes occur—such as equipment installation or modification, changes in work environment, or incident occurrence—we conduct occasional assessments to block risks in advance. Assessments are conducted using methods that reflect process and work characteristics, including Hazard and Operability Study (HAZOP), Job Safety Analysis (JSA), and Chemical Hazard Risk Management (CHARM). High-risk work and equipment are subject to separate management standards and receive focused management. We have also expanded the assessment scope to include all business sites, including research and experiment environments, and operate a company-wide risk factor management framework

The risk assessment process operates through stages of advance preparation, hazard identification, risk estimation and determination, and establishment and implementation of risk reduction measures. Improvement tasks identified from assessment results are executed immediately. We subsequently verify improvement effectiveness through implementation checks and effectiveness assessments. Assessment results and action status are shared through reporting to senior management and the Occupational Safety and Health Committee, facilitating company-wide risk factor management and continuous improvement.

Risk Assessment Process

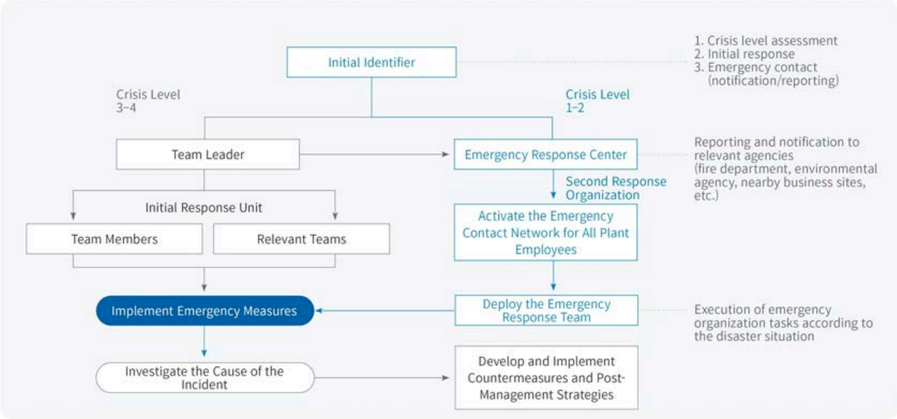


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Emergency Response Process

Aekyung Chemical operates a staged emergency response process to minimize damage, enable rapid response, and prevent recurrence when an incident occurs. Upon notification by the initial identifier, immediate emergency measures are implemented, and an emergency response organization is mobilized depending on the situation to conduct on-site response. Simultaneously, we share the situation updates promptly with relevant agencies such as the fire department and the environmental agency to prevent external spread and minimize damage to local communities. In addition, we classify severity into four crisis levels—critical, alert, caution, and interest—and operate a response framework that defines scope of emergency communication for each level. Following incident resolution, we investigate the cause of the incident and establish countermeasures based on the findings, which are then incorporated into our company-wide safety management operational plan. We carry out post-management on implementation results to prevent recurrence of similar incidents and continuously improve our response framework.



Crisis Level	Expected Damage Scope	Scope of Emergency Communication
1	Critical: Fire/explosion with ≥1 injury, chemical leak ≥200kg, ≥1 fatality	All employees
2	Alert: Major defects, chemical leak <200kg, unconscious injury	
3	Caution: General fire, explosion, chemical leak < 200 kg, injured but conscious	Relevant teams and team managers
4	Interest: Detector activation, chemical spill under 5kg, injured person able to move	

Accident Prevention Activities

Aekyung Chemical conducts monthly on-site "Safety Walk" across all business sites to identify and address potential risk factors. We also continuously collect and share near-miss cases and disseminate them across all business sites to prevent recurrence of similar accidents. Identified risk factors and improvement tasks from the field are systematically managed in connection with risk assessments, and training is provided to all employees based on assessment results. Additionally, we strengthen the implementation capability of accident prevention activities by sharing key risk factors of the day's work in advance through pre-work safety inspection meetings (TBM). In particular, in 2026, we plan to operate the company-wide integrated suggestion system "Safety BAROGO" to activate the discovery of risk factors in the field and continuously advance the establishment of a safety culture centered on major accident prevention.

Right to Stop Work

Aekyung Chemical guarantees employees the "Right to Stop Work" in accordance with the Occupational Safety and Health Management Regulations. When workers identify potential or imminent hazardous situations that could result in injury or illness, they are entitled to cease work immediately and evacuate. Risk reporting and the exercise of the right to stop work based on an employee's reasonable judgment are recognized as legitimate rights. Any retaliatory action—including dismissal or other unfavorable treatment—on account of such reporting or work stoppage is strictly prohibited by the regulations. Additionally, the identity of employees who report hazards or exercise the right to stop work is protected through anonymous reporting channels and thorough confidentiality maintained by the responsible department.

Should an employee experience adverse action as a result of reporting or exercising this right, they may request corrective action directly from Aekyung Chemical's Ethics Department. The Ethics Department takes all necessary measures to ensure no adverse consequences occur, thereby creating an environment in which employees can exercise their rights safely and without concern about disadvantages.

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Metrics & Targets

2025 Safety and Health Target Implementation Status

Safety and Health Target Implementation and Performance

Aekyung Chemical establishes EHS targets annually in accordance with the "Safety and Health First" management policy and systematically manages implementation progress. In addition, these targets are reflected in the KPIs of EHS personnel, including responsible executives, enabling us to operate an accountability-based safety management system.

In 2025, we achieved meaningful results not only in reducing accident cases but also in managing "accident points," which measure accident severity. Against targets set at the beginning of the year—12 or fewer accident points and 16 or fewer accident cases—we recorded 4 points and 13 cases, respectively, thereby achieving our targets. In particular, accident points showed significantly improved levels relative to target. Additionally, accident cases decreased by 5 compared to the previous year. These results reflect our continuous implementation of accident cause analysis and customized recurrence prevention measures, which are leading to the strengthening of company-wide accident prevention capabilities.

Category	2025 Target	2025 Performance	Achievement Status
Accident Points	12 points or below	4 points	Exceeded target
Accident Cases	16 cases or below	13 cases	Target achieved

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Local Communities

Local Community Engagement Framework

Aekyung Chemical implements diverse local community engagement initiatives under the slogan "Happy Society, Aekyung Chemical Together" to practice the Group's core values of Love and Respect. As a member of the local community, we contribute to building local safety networks grounded in community consciousness and pursue mutual prosperity and shared growth with our local communities.

Local Community Engagement Organization

Aekyung Chemical's local community engagement activities are overseen by the ESG Team under the leadership of the Representative Director. The Factory Management Teams at the Ulsan Plant and the Cheongyang Plant, the Production Team at the Jeonju Plant, and the R&D Planning Team at the Daejeon Research Institute serve as implementation units, delivering customized social contribution programs that reflect the characteristics of each business site and local conditions. Through this structure, we have established a collaborative operating system between headquarters and business sites, enabling us to practice mutual prosperity with local communities.

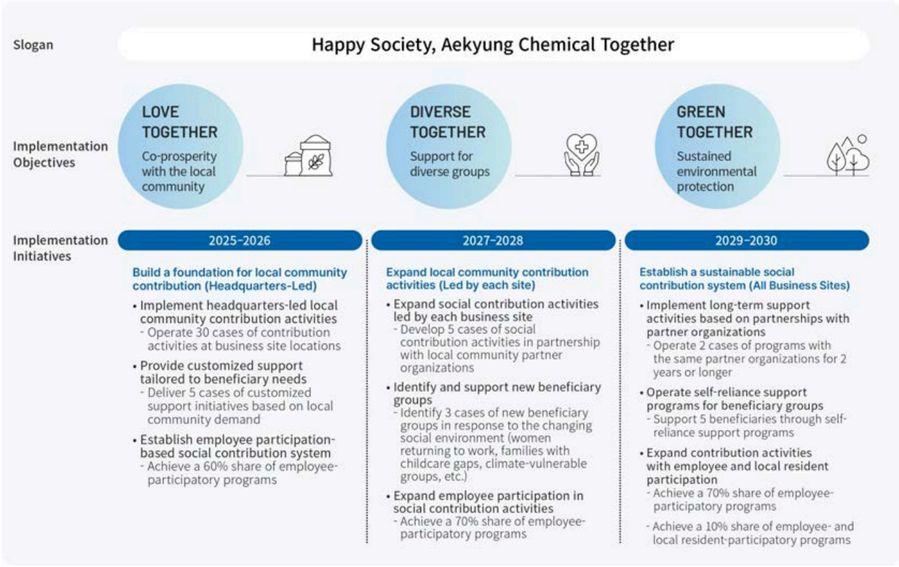
Social Contribution Implementation Organization



Local Community Engagement Policy and Medium- to Long-Term Targets

Aekyung Chemical establishes the direction and principles of local community engagement activities through its engagement policy, pursuing the creation of sustainable social value grounded in co-prosperity with local communities, support for vulnerable groups, and environmental protection.

In 2025, we comprehensively verified and analyzed existing policies and past activity records to reestablish more systematic and effective engagement policies and medium- to long-term targets. Building on this foundation, we have developed a phased roadmap centered on three implementation directions: "LOVE TOGETHER (Co-prosperity with local communities)," "DIVERSE TOGETHER (Support for diverse groups)," and "GREEN TOGETHER (Sustained environmental protection)." Our medium- to long-term objectives are to establish a headquarters-led local community engagement foundation by 2026, expand business site-centered activities from 2027 through 2028, and institutionalize a company-wide, sustainable local community engagement system from 2029 through 2030. We continue to strengthen our local community engagement system through customized support based on community needs, identification of new beneficiary groups, strengthened partnerships with partner organizations, and expanded employee participation, enabling us to grow together with our local communities.



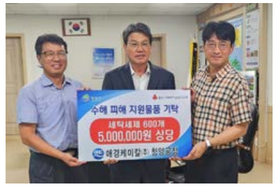
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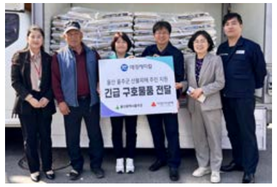
Local Communities

2025 Local Communities Contribution Programs

LOVE TOGETHER | Co-prosperity with the Local Community

Disaster Relief Support in Ulsan and Cheongyang (April/August)





Cheongyang Flood Relief Support Ulsan Wildfire Relief Support

In response to sudden wildfires and flooding that affected communities near its business sites, Aekyung Chemical delivered emergency relief supplies to neighbors in need. Together with local communities, we overcame the crisis and shared warmth and hope.

Community Meal Service for Seniors: Love Meal Distribution Volunteer Service & Dessert Support (July/August/September)

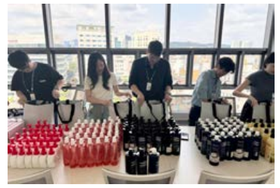




Aekyung Chemical participates in the Community Meal Service for Seniors program, which serves seniors aged 75 and older in the Mapo district of Seoul, and practices sharing in local communities through this initiative. Our employees visit meal centers directly to assist with operations and provide dessert support to 1,840 seniors served across the centers, delivering tangible assistance.

In particular, during the Chuseok holiday, we spent time with seniors preparing traditional pancakes together, sharing warmth and emotional connection.

Hygiene Product Support for Vulnerable Households in Bongdong-eup, Wanju (August)





Initiative Led by the Jeonju Plant

Jeonju Plant's employees assembled and delivered hygiene product kits directly to 50 vulnerable households in Bongdong-eup, Wanju-gun, North Jeolla Province. Through this sharing initiative, composed of essential daily necessities, we supported local residents in maintaining health during the summer months and helped create a clean and safe living environment in the community.

Support Essential Goods for Vulnerable Groups in Daejeon and Volunteer Free Meal Service for Seniors(Senior Free Meal Center) (September)





Initiative Led by Daejeon Research Institute

Employees at our Daejeon Research Institute prepared 40 sets of essential goods boxes titled "Aekyung's Gift" with care and delivered them to vulnerable groups in the Daejeon area. We also visited Hyosimjeong (Senior Free Meal Center), located in Jungchon-dong, where we volunteered to serve meals and offered warm meals and support to the seniors.

Support for Housing Environment Improvements for Persons with Disabilities in Cheongyang (September)





Activity Led by the Cheongyang Plant

In partnership with the Korean Red Cross Jeongsan Volunteer Association, the Cheongyang Plant implemented housing environment improvement volunteer activities for persons with disabilities in the Cheongyang area. We removed vegetation around homes, improved the surrounding environment, and created vegetable gardens to support residents in living in safe and pleasant conditions.

Kimjang Kimchi Sharing, Made with Heart with Multicultural Families (November)





Kimjang Kimchi Sharing, Made with Heart

Aekyung Chemical organized the "Kimjang Kimchi Sharing, Made with Heart" event in partnership with multicultural families in Seoul's Mapo district. Employees and multicultural family members gathered together and prepared 885kg of kimchi with care. The kimchi was delivered through the Community Meal Service for Seniors, enriching meals for elderly residents in the community.

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Share Rice, Spread Love: Seoul Mapo & Ulsan (December)



Rice Sharing Initiative (Mapo)



Rice Sharing Initiative (Ulsan)

This is Aekyung Chemical's flagship community contribution activity, sustained for over 20 years since 2003. We purchased 2,920 kg of newly harvested rice from the Ulsan region where our site is located and shared it with local communities in that area, continuing our tradition of sharing.

DIVERSE TOGETHER | Support for Diverse Groups

Love Blood Donation Campaign (Year-Round)





Aekyung Chemical participates in company-wide blood donation campaigns throughout the year to promote a culture of sharing life. We facilitate direct employee participation through mobile blood donation units that visit each business site, while also encouraging ongoing blood donation certificate contributions. In particular, in 2025, we donated a total of 60 blood donation certificates through the Hongdae Center of the Blood Donation Center, contributing to the stabilization of blood supply.

Back-to-School Care Package Preparation and Donation (February)





Our employees assembled and distributed school care packages directly to 100 children from vulnerable groups in Seoul's Mapo district as they prepared for the new school term. We support their fresh start and remain committed to helping the next generation pursue their dreams.

Support for Vietnam Baseball Development and Tee-Ball Tournament Equipment (May)





In partnership with the Hulk Foundation, Aekyung Chemical advanced grassroots baseball development both domestically and internationally. We supported the production of uniforms for Vietnam's national baseball team, establishing a foundation for local baseball advancement. We also sponsored equipment for domestic tee-ball tournaments for individuals with developmental disabilities, supporting the promotion of sports for persons with disabilities. Through sports, we stand alongside all those who overcome limitations and pursue their dreams.

Summer Practical Kit Support for Environmental Officers in Our Community (June)





Aekyung Chemical provided summer practical kits to 120 senior Environmental Officers (Senior Public Works Program) who work to maintain a clean and safe environment in Seoul's Mapo district. The kits, composed of cooling products designed for outdoor work during extreme heat, expressed our appreciation for the seniors' dedicated service to the local community.

Laundry Detergent Sharing to Ulsan Community Self-Reliance Center (September)





Aekyung Chemical Ulsan Plant supported stable operations at Taehwagang Cleaning, a self-reliance workplace dedicated to helping low-income vulnerable groups in the Ulsan region achieve self-reliance. We donated six months' worth of laundry detergent to advance sustainable job creation and improve working conditions for self-reliance workers, enabling vulnerable groups in the local community to build a stronger foundation for economic self-sufficiency.

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Support for "Autumn Culture and Arts Festival for All" in Mapo-gu, Seoul (October)




Aekyung Chemical participated for the second consecutive year in the "Autumn Culture and Arts Festival for All," an event where persons with and without disabilities communicate and unite through the arts. We provided commemorative gifts to 450 persons with disabilities and their caregivers. Through this initiative, we supported the creative activities of artists with disabilities and developed cultural and arts social contribution activities in communion with local communities.

GREEN TOGETHER | Sustained Environmental Protection

GAM.TAN.SA Season 5: The 'Impressed!' Challenge (April)



In observance of Earth Day, Aekyung Chemical launched a carbon reduction activity challenge called “The 'Impressed!' Challenge.” Participants engaged in tiered missions—identifying eco-friendly products, practicing lights-off initiatives, and certifying the use of reusable items—to heighten environmental awareness and practice carbon reduction in daily life. Through this initiative, we strengthened employee environmental awareness and fostered a culture of environmental practice in everyday routines.

Environmental Cleanup Activity "Plog Together, Clean Forever!" (March/June/September/November)




"Plog Together, Clean Forever!" is an environmental cleanup activity conducted quarterly across five business sites: Seoul Mapo Headquarters, Ulsan Plant, Cheongyang Plant, Jeonju Plant, and Daejeon Research Institute. Employees walk around their respective business sites with colleagues to collect discarded waste. In 2025, 371 employees participated in the initiative. By combining employee health promotion with environmental protection, we are fostering an eco-friendly practice culture within the company and contributing to building a cleaner local community.

Tree-Planting Event at Duwang Stream, Ulju County, Ulsan (April)




In commemoration of Arbor Day, Aekyung Chemical partnered with the Ulju County Office to host a tree-planting event for ecological environment restoration along Duwang Stream near the Ulsan Plant. Our employees directly planted 120 cypresses and metasequoia trees to create riparian greenery, while also clearing soil and conducting environmental cleanup activities in the surrounding area. Through these efforts, we contributed to improving the ecological environment of the local stream and demonstrated our commitment to environmental conservation in partnership with local communities.

Smile Campaign: The Joy of Sharing Books (June)




In partnership with “The Book Day,” a book and culture festival in Mapo-gu, Seoul, Aekyung Chemical conducted the Smile Campaign “The Joy of Sharing Books,” through which employees donated unused books. The campaign donated a total of 214 books, enabling us to practice the value of resource circulation and contribute to building a reading culture environment for vulnerable groups in local communities.

Eco-Friendly EM Soil Ball Tossing Activity at Ulsan Taehwagang (November)




To enhance the river's self-purification capacity and improve water quality, we conducted an eco-friendly EM soil ball tossing activity at the Ulsan Taehwagang. Aekyung Chemical remains committed to preserving the ecosystem of the Taehwagang, a vital waterway for the local community where our business site is located, through ongoing environmental conservation initiatives.

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Supply Chain Management

Supply Chain Sustainability Management Framework

Supply Chain Sustainability Management Governance

Aekyung Chemical pursues sustainable growth with our partners, grounded in Aekyung Group's corporate philosophy of “Love and Respect.” We systematically manage ESG risks across our supply chain through collaboration between our ESG Team and Purchasing Strategy Team, while advancing partner support and mutual growth initiatives alongside research and development, sales, and other relevant organizations. These activities are integrated within our company-wide sustainability management system and reported to the Sustainability Management Committee under the Board of Directors at least twice a year, thereby strengthening our management and oversight framework.

Supply Chain Sustainability Management Policy and Partner Code of Conduct

Aekyung Chemical established the Supply Chain Sustainability Management Policy in 2025 to systematically manage ESG risks throughout the supply chain, thereby laying the foundation for such management. The policy is built on a phased management process that encompasses risk identification, assessment, improvement, and monitoring. It establishes transparent communication systems and stakeholder protections, including grievance procedures for partners. The policy comprises four components: general provisions, supply chain sustainability implementation management, ESG risk management processes, and the Partner Code of Conduct. It sets clear management standards across the entire supply chain, covering Partner Code of Conduct compliance inspection, ESG risk assessment, and grievance channel operations.

Category	Key Content
Chapter 1. General Provisions	Purpose of the policy, scope of application, and definition of terms
Chapter 2. Implementation Plan for Supply Chain Sustainability	Compliance check of the Partner Code of Conduct, ESG risk assessment of the supply chain, and operation of a grievance mechanism
Chapter 3. Supply Chain ESG Risk Management Process	Operation of ESG assessment for the supply chain: responsible team, assessment cycle, and other details, assessment through documentation or on-site audits, identification, improvement, and monitoring of actual and potential risks
Chapter 4. Partner Code of Conduct	Six ESG principles and detailed compliance requirements that partners must adhere to in order to ensure supply chain sustainability; Partner Code of Conduct compliance commitment letter

In addition, Aekyung Chemical established the Partner Code of Conduct in 2022 to set ESG standards that partners must observe. The code reflects global guidelines such as the Responsible Business Alliance (RBA) and is organized around six key areas: human rights and labor, safety and health, environment, responsible minerals management, ethical management, and management systems. All partners are required to comply with the code upon contract execution, and new partners must submit a Partner Code of Conduct compliance pledge.

Supply Chain Sustainability Management Objectives

Supply Chain Sustainability Management: Medium-to Long-Term Objectives

Aekyung Chemical is building and advancing its supply chain management framework in phases to ensure sustainability across the supply chain. In 2022, we established the Partner Code of Conduct and mandated compliance pledges, laying the foundation for supply chain management. In 2024, we introduced ESG assessments, and began systematically evaluating the sustainability management implementation level of key partners. In 2025, we established a Supply Chain Sustainability Management Policy and formalized the assessment framework, enabling more systematic ESG risk management.

Going forward, we will advance partner classification criteria and expand joint technology development and technical support with partners to strengthen mutual growth. We will also continuously improve assessment and follow-up management systems to effectively manage potential risks and further strengthen our sustainable supply chain management framework.

Category		Phase 1 (2022–2023)	Phase 2 (2024–2025)	Phase 3 (2026–2027)
		Establishment of supply chain management foundation	Systematization of supply chain management	Advancement of supply chain management
Implementation Tasks	**Framework**	Establishment of Partner Code of Conduct and mandatory submission of compliance pledge	Enactment of Supply Chain Sustainability Management Policy and disclosed on website	Development of shared growth framework and expansion of joint technology development and technical support
	Risk Management	-	Implementation and institutionalization of partner ESG assessments	Enhancement of partner identification and classification criteria and assessment indicators
Implementation Status		2022: Establishment of Partner Code of Conduct and receipt of compliance pledges upon contract execution	2024: 27 partners participated 2025: 41 partners participated Establishment of Supply Chain Sustainability Management Policy	

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Supply Chain Risk Management

Supply Chain Risk Management Framework and Process

Aekyung Chemical systematically manages risks across the supply chain based on ESG assessments of partners. From the partner registration stage, we require submission of the Partner Code of Conduct compliance pledge to establish a foundational ESG compliance baseline. Partners are then classified according to internal criteria—including purchase ratio, handling of key raw materials, single-source supply status, and location—and annual assessment targets are selected accordingly. For selected partners, we conduct written assessments using checklists based on our Supply Chain Sustainability Management Policy and the Partner Code of Conduct. We analyze assessment results and perform on-site due diligence to verify management standards for partners identified as high-risk. Based on assessment results, we request improvement plans from partners requiring improvement and continuously monitor their implementation, thereby managing supply chain risks through a phased approach.

Partner ESG Assessment Process

Process	Description
1) New Partner Registration	• Submission of Partner Code of Conduct compliance pledge
2) Partner Classification	• Identification and classification of partners based on internal criteria (purchase ratio, handling of key raw materials, single-source supply status, location, etc.)
3) Selection of Assessment Target	• Selection of target partners for the current year according to the partner classification framework
4) Written Assessment	• Request for self-assessment using Partner Code of Conduct-based checklist
5) On-Site Due Diligence	• Analysis of written assessment results and on-site due diligence for high-risk partners
6) Improvement Request and Monitoring	• Comprehensive results analysis and request for improvement plans from high-risk partners • Monitoring of improvement progress

Partner ESG Assessment Indicators

Aekyung Chemical's partner ESG assessment indicators are structured to comprehensively assess partners' management system establishment and operational level across environmental (E), social (S), and governance (G) dimensions.

Category		Key Assessment Indicators
Environment (E)	Environment	• Establishment of relevant regulations and standards; compliance with applicable laws
Social (S)	Human Rights and Labor	• Establishment of relevant regulations and standards; compliance with applicable laws
	Safety and Health	• Establishment of relevant regulations and standards; occurrence of safety and health incidents • Implementation of safety and health prevention training and education
Governance (G)	Ethical Management	• Establishment of relevant regulations and standards; operation of unethical conduct reporting channels
	Management System	• Establishment of the Partner Code of Conduct and requirement of compliance, operation of grievance handling channels

ESG Risk Level Classification

Aekyung Chemical systematically classifies the risk levels of partners based on ESG assessment results and operates management measures accordingly. Partners are assigned to one of three risk levels according to the assessment results, with differentiated management and improvement measures applied at each level.

Category	Risk Level	Management Status
Level 1 (80 points or higher–100 points)	Low Risk	• Excellent management; may be designated as an exemplary partner
Level 2 (30 points or higher–below 80 points)	Medium Risk	• Adequate management; improvements may be requested as needed
Level 3 (below 30 points)	High Risk	• Due to insufficient management, improvement plans must be established and submitted • May require confirmation of compliance and interviews via on-site audit

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Partner ESG Assessment Results

Aekyung Chemical introduced the partner ESG assessment in 2024, evaluating a total of 27 partners. In 2025, we expanded the assessment scope, with 41 partners participating. Through this initiative, we monitor the ESG management practices of key partners and systematically manage risks across our supply chain. Going forward, we plan to continuously advance our partner identification and classification criteria and ESG assessment indicators to identify potential risks with greater precision. We will also strengthen our post-assessment monitoring and improvement management system to continuously enhance sustainability across the entire supply chain.

Category	Assessment Scope	Participating Suppliers	Average Score	Assessment Result		
				LEVEL 1	LEVEL 2	LEVEL 3
2024	Top 10% domestic suppliers by prior year purchase ratio	27 companies	93.3 points	27	-	-
2025	Top 20% domestic and international suppliers by prior year purchase ratio	41 companies	92.2 points	39	2	-

Supply Chain Management for Mutual Growth

Supporting Partner ESG Capabilities

Aekyung Chemical operates various mutual growth programs to build trust with partners and strengthen their competitiveness. Through these initiatives, we support partners in enhancing their ESG capabilities and building a sustainable supply chain.

First, we strengthen our foundation for mutual growth through joint development and technology collaboration with partners. In November 2023, we signed a business agreement with “Chobi” for joint development of biodegradable fertilizers, and joint development work continues to date. We also conducted joint research with the “Korea Research Institute of Bioscience and Biotechnology” on bio-chemical materials derived from plant oils, concluding in November 2025.

During 2025, we operated 26 product and technology seminars for 22 partners to support their technical understanding and capability enhancement. We also operate educational programs to strengthen partners' ESG response capabilities. In July 2025, we conducted training on the Subcontracting Act, covering the subcontracting payment linkage system and contract drafting methods. In October 2025, we delivered environmental management improvement training focused on Serious Accidents Punishment Act compliance, safety and health, and chemical accident prevention.



Category	Details
Joint Development	• Following the execution of a joint development agreement with “Chobi” in November 2023 for biodegradable fertilizers, joint development is ongoing (currently in progress as of 2026) • Following the execution of a joint research agreement with the “Korea Research Institute of Bioscience and Biotechnology” in November 2023 for plant oil-derived bio-chemical materials, joint development was conducted (concluded in November 2025)
Technical Support	• Product and technology seminars for partners conducted in 2025 (22 companies / 26 sessions total)
Educational Support	• Environmental management improvement training in October 2025: Serious Accidents Punishment Act compliance, safety and health/chemical accident prevention (8 partner companies in logistics and maintenance / 2 sessions total) • Subcontracting Act training in July 2025: overview of subcontracting payment linkage system, preparation methods and examples of linked and non-linked contracts (24 companies)

Strengthening Partner Communication

Aekyung Chemical operates a monthly partner company council to maintain ongoing dialogue with our partners. Through this forum, we share key issues and strengthen collaborative relationships. For details on the 2025 meeting agenda, please refer to p.79 of this report.

Partner Feedback Collection and Grievance Handling

Aekyung Chemical operates an online “Report” channel to collect complaints and suggestions arising during cooperation. Matters received through this channel are promptly investigated by relevant teams, and follow-up actions are implemented before results are shared transparently. Through this process, we have established a fair and trust-based communication system with our partners.

Category	2023	2024	2025	Remarks
Report Cases	0 cases	0 cases	0 cases	No reports received or processed

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Information Security

Information Security and Personal Information Protection Framework

Aekyung Chemical implements systematic information security and personal information protection activities to safeguard the company's core strategic assets—including product and technology development information—and employee personal information. To address security threats from malicious programs such as ransomware and cyberattacks, we organize our security framework across three categories: “Human Security”, “Physical Security”, and “IT Service Security”. Through management activities in each category, we systematically strengthen our company-wide security level.

Category	Responsible Team	Description
Human Security	Human Resources Team Talent Management Team General Affairs Team Compliance Team	• Collection of Information Security Pledges from new employees and verification of trade secret handling history and non-compete agreements • Annual execution of Information Security and Ethical management pledges by all employees (at least once a year) • Personal information protection training and information security training (once a year) • Security management audits and confidential information management • Security management for external vendors and personnel, access control for external visitors, and security personnel training (outsourced)
Physical Security	General Affairs Team Factory Management Team R&D Planning Team	• Establishment and operation of restricted and controlled areas to protect confidential information, special materials, and key equipment • Development of independent security plans for each protected area and implementation of access control and enhanced security measures in accordance with authorized procedures
IT Service Security	Compliance Team	• Preventive control of external leakage of internal information through Data Loss Prevention (DLP) solutions • Prevention of cyber security threats such as malicious code using enterprise antivirus software • Network access control based on security frameworks including Network Access Control (NAC) and firewalls • Enhancement of IT service security through access rights management and operational controls for application systems

In addition, Aekyung Chemical complies with domestic laws and regulations, establishing Information Security Policy and regulation based on the Unfair Competition Prevention and Trade Secret Protection Act, the Personal Information Protection Act, and other applicable legislation. We implement management procedures rigorously in accordance with this policy. To ensure systematic information security management across the company, we have designated a Chief Information Security Officer (CISO). As a company subject to information security disclosure obligations under the Act on the Promotion of Information Security Industry, we have conducted continuous information security disclosures since 2022. Through these measures, we enhance transparency in our information security management and strengthen stakeholder trust.

In 2025, we revised our information security regulations and related pledges—the Information Security and Confidentiality Pledge and the Laptop Security Compliance Pledge—to provide employees with specific behavioral guidance on information security and foster ethical awareness. The revisions include specification of the password policy, obligations to prevent damage to information assets, prohibitions on providing others' trade secrets, requirements to install mandatory security programs and maintain current updates, clarification of definitions of illegal software, and response procedures for security incidents. These enhancements strengthen substantive behavioral standards.

Through these institutional improvements, Aekyung Chemical strengthens employee security awareness and continuously advances its management framework to proactively prevent information security risks.

Response Process

Aekyung Chemical has established and operates an information security and personal information breach prevention system. We have implemented an incident response framework designed to minimize damage in the event of violations of information protection-related laws and regulations or critical security incidents.

When a security incident occurs, we promptly identify the leakage and conduct a thorough assessment of the facts. We determine the appropriate response level by evaluating the incident's impact and risk severity. We then execute necessary corrective measures and post-incident actions while pursuing improvement activities to prevent recurrence. Additionally, through follow-up monitoring, we verify the effectiveness of our response and prevent similar breach incidents, maintaining a systematic management framework.



Personal Information Breach Statistics

Aekyung Chemical has maintained zero cases of personal information breach incidents from 2023 through 2025 through systematic information security management activities.

Category	2023	2024	2025
Personal Information Breach	0 cases	0 cases	0 cases

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Information Security Activities

Compliance with Information Security Policy and Awareness Building

Aekyung Chemical continuously strengthens systematic information security management as part of our sustainability management approach. All employees annually complete the Information Protection and Confidentiality Pledges and Laptop Security Compliance Pledges, ensuring they understand and adhere to security policy. New employees receive orientation training to learn about the information security framework and methods for creating a secure IT environment. To enhance our capacity to respond to cyber threats, we provide information protection training once a year for all employees. Additionally, we provide information security content in card news format through the internal bulletin boards each month to sustain our efforts in raising security awareness.

We further strengthen our collaboration-based security response system by participating in the group company IT security council to discuss information security strategy and policy and to share the latest security issues and response measures. Through this collaborative approach, we strengthen our security response system and build a sustainable information security environment capable of proactively addressing the rapidly evolving cyber threat landscape.

2025 Card News





April: Blackmail Edition



May: Dumpster Diving Edition



August: Zombie PC Edition

Strengthening Cyber Threat Response and Information Security Management System

Aekyung Chemical strengthens systematic response capabilities to prepare for threats that may actually occur, such as cyberattacks and phishing emails. We conduct hacking and phishing email response drills at least once a year to enhance employee security awareness and to assess and improve threat detection and response capabilities in environments that simulate real-world conditions. We have also established incident response procedures to enable swift and consistent action in the event of cyber breach, building an organizational response framework.

Cyber Threat Response: Hacking Email Drills

In 2025, Aekyung Chemical conducted two cases of hacking email drills in collaboration with the Korea Internet & Security Agency. Training emails designed to simulate actual hacking emails were distributed to office staff across domestic and international business sites to assess response capabilities. As a result, email open rates declined by more than 10% compared to the previous year, while reporting rates for suspicious emails increased by more than 10%, reflecting overall improvement in employee security awareness and response competency.







Strengthening Information Leakage Prevention Systems

Aekyung Chemical strengthens security in external access processes by implementing multi-factor authentication (MFA) for VPN connections to establish a secure network access environment. We also manage authentication and access permissions for internal network devices through a Network Access Control (NAC) system, blocking unauthorized devices from network access.

To prevent unauthorized leakage of internal information and identify abnormal signs early, we operate a Data Loss Prevention (DLP) solution that controls external transmission of critical information. Using logs and transmission data collected from this system, we conduct continuous monitoring through Robotic Process Automation (RPA) to systematically and consistently identify unauthorized external transmission activities.

Based on this cyber threat response and information leakage monitoring framework, Aekyung Chemical continues to advance its information security management capabilities and develop a secure and trustworthy digital work environment.

Governance

- Corporate Governance
- Ethical Management
- Compliance Management

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Corporate Governance

Board of Directors Composition

Governance Policy

Aekyung Chemical is committed to contributing to the prosperous and enriched lives of employees and stakeholders while fulfilling its social responsibilities. To strengthen fairness, independence, and transparency of governance based on this vision and management philosophy, we established the Charter of Corporate Governance in May 2022. We have also built a governance system that enables mutual checks and balances based on the Articles of Incorporation, the Board of Directors regulations, and committee rules. To enhance the independence of the Board of Directors, we continuously implement various improvement measures, including the appointment of an independent director as Chairperson of the Board.

Board Expertise, Independence, and Diversity

Aekyung Chemical's Board of Directors realizes sustainable management through sound and responsible decision-making. We structure the Board of Directors to enable rational decision-making by systematically operating standards and procedures for management activities. The Board comprises executive directors (inside directors) and independent directors with expertise across diverse fields and ensures independence by restricting the voting rights of directors with interests in agenda items. Additionally, the Internal Transaction Committee regularly reviews major potential conflicts of interest—including cross-shareholding relationships, related-party transactions, and matters involving controlling shareholders—and we disclose related information transparently to stakeholders through the Business Report. To enhance director effectiveness and strengthen expertise, all independent directors participate in internal and external training programs, and all Audit Committee members complete separate audit-related training. In 2025, we appointed one new female independent director with expertise in environmental matters, strengthening the Board's expertise and diversity. Going forward, we plan to continuously expand the Board's expertise, independence, and diversity by recruiting talent with diverse backgrounds and specialized knowledge.

Composition of Aekyung Chemical Board of Directors

Category	Name	Area of Expertise	Role (Field of Activity)	Major Career	Term
Executive Director	Kim Sung wan	Corporate Management General Finance/Accounting	CEO, Corporate Planning Division concurrently, Internal Transaction Committee Member, Independent Director Nomination Committee Member, Sustainability Management Committee Member	(Current) CEO, Aekyung Chemical Co., Ltd. (Current) CEO, AK BioPharm Co., Ltd. (Current) CEO, Gwangju Investment Development (Former) Head of Planning Division, AK ChemTech (Former) Executive, AMPLUS Asset Development Inc. Management Division	2022. 03.28 ~ 2028. 03.28
Executive Director	Chang Young shin	Corporate Management General	Overall Operations	(Current) Chairperson, Aekyung Group (Former) Chairperson, Korea Women Entrepreneurs Association (Former) Vice Chairperson, Federation of Korean Industries	2012. 09.03 ~ 2027. 03.26
Executive Director	Lee Jong hwa	Chemistry (Research/Process)	Ulsan Plant Manager, Independent Director Nomination Committee Member	(Current) Division Head, Ulsan Plant, Aekyung Chemical Co., Ltd. (Former) Plant Manager, Ulsan and Jeonju Plants, Aekyung Petrochemical Co., Ltd. (Former) Director, Aekyung Petrochemical Co., Ltd. R&D Center	2025. 03.25 ~ 2028. 03.25
Independent Director	Joo Sung do	Finance	Chairperson of the Board, Audit Committee Member, Internal Transaction Committee Member, Independent Director Nomination Committee Member, Sustainability Management Committee Member	(Current) Auditor, GC MediAl Co., Ltd. (Former) Audit Committee Chair, AJ Capital Co., Ltd. (Former) CEO, SCI Information Service Inc.	2022. 03.28 ~ 2028. 03.28
Independent Director	Woo Yong sang	Accounting	Audit Committee Chair, Internal Transaction Committee Chair, Sustainability Management Committee Member	(Current) Independent Director & Audit Committee Chair, Gaon Cable Co., Ltd. (Current) Associate Professor of Accounting, Ewha Womans University (Former) Assistant Professor of Accounting, The Catholic University of Korea	2022. 03.28 ~ 2028. 03.24
Independent Director	Choi Jung hyun	Environment	Sustainability Management Committee Chair, Independent Director Nomination Committee Chair, Audit Committee Member, Internal Transaction Committee Member	(Current) Independent Director & Audit Committee Member, Samsung E&A (Current) Member, National Land Policy Committee, Ministry of Land, Infrastructure and Transport (Current) Professor, Department of Environmental Engineering, Ewha Womans University (Former) Associate Professor, Department of Environmental Engineering, Ewha Womans University	2025. 03.25 ~ 2028. 03.25
Other Non-Executive Director	Jung Seok	Corporate Management General	General Management Support	(Current) Head of Strategic Planning Division, AK Holdings (Former) Head of Strategy Division, AK Plaza (Former) Strategic Planning Team, AK Holdings	2026. 03.24 ~ 2029. 03.24

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Independent Director Appointment Principles

Aekyung Chemical has established and operates principles for independent director appointments to build a transparent and responsible decision-making system grounded in the independence and expertise of the Board of Directors. Independent director candidates are recommended based on career experience and professional expertise. We operate the Independent Director Nomination Committee to ensure that appointed candidates possess verified expertise and independence. The Committee conducts regular annual reviews of the independent director candidate pool to maintain the appropriateness and diversity. We apply expertise, independence, and responsibility as core appointment criteria to achieve a Board of Directors composition with appropriate checks and balances. Through these measures, we enhance the objectivity and credibility of the Board of Directors and strengthen the foundation for sustainable management.

2025 Independent Director Training Overview

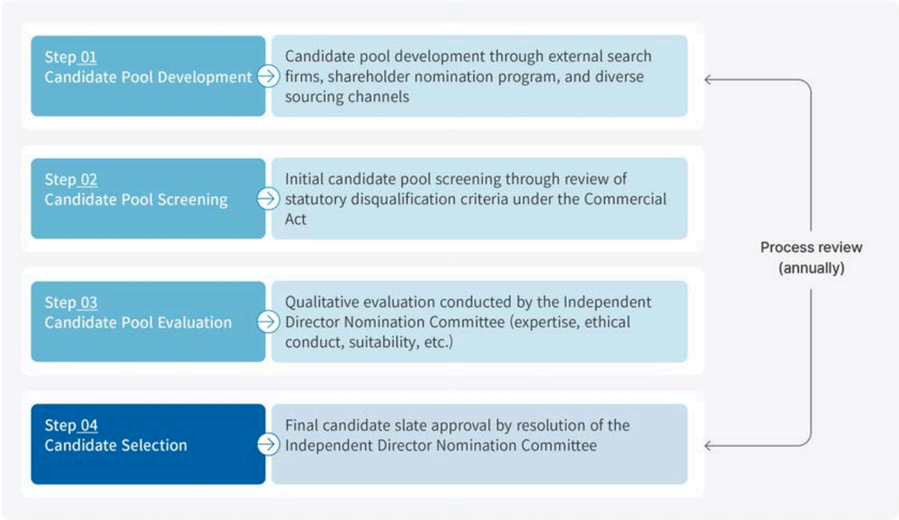
Training Date	Training Provider	Key Training Content	Independent Directors in Attendance
May 16, 2025	AK Holdings	Group Independent Director Seminar	Joo Sungdo, Woo Yongsang, Choi Junghyun
Nov. 14, 2025	AK Holdings	Group Overview Sharing Seminar	Joo Sungdo, Woo Yongsang, Choi Junghyun

2025 Audit Committee Member Training Overview

Training Date	Training Provider	Key Training Content	Audit Committee Members in Attendance
Jan. 9, 2025	ACF Audit Committee Forum	2024 Research Project Results Presentation Seminar	Joo Sungdo
May 28, 2025	ACF Audit Committee Forum	2025 1st Regular Forum	Joo Sungdo
July 1, 2025	Samjong KPMG Academy	Board of Directors and Audit Committee Considerations for Sustainability Disclosure Preparedness and Others	Joo Sungdo
Dec. 1, 2025	Samjong KPMG Academy	Audit Committee Training Program	Woo Yongsang
Dec. 9, 2025	Samjong KPMG Academy	Audit Committee Training Program	Choi Junghyun
Dec. 12, 2025	ACF Audit Committee Forum	2025 Research Project Results Presentation Seminar	Woo Yongsang

Independent Director Candidate Selection Process

Aekyung Chemical selects independent director candidates through fair and systematic procedures. Candidates are sourced through diverse channels, including external professional institutions and shareholder recommendations, and undergo initial screening based on legal qualifications and expertise. Selected candidates are evaluated by the Independent Director Nomination Committee to verify their expertise, ethical conduct, and suitability. In parallel, the Committee assesses conflicts of interest with the company and confirms compliance with legal qualification requirements. Following this evaluation, the Independent Director Nomination Committee makes a final resolution on the independent director candidate pool. Final candidates are appointed through Board of Directors resolution based on the Committee's recommendation, followed by approval at the General Meeting of Shareholders. We plan to continuously secure experts from diverse fields who meet global standards.



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Board of Directors Operations

Board of Directors Activities

Aekyung Chemical's Board of Directors is the highest decision-making body responsible for deliberating and resolving major management issues across environmental, social, and economic matters, and for determining its management objectives and strategy. The Board discharges its duties with integrity in compliance with applicable laws and the Articles of Incorporation to effectively oversee management. The Board operates through regular and special meetings under applicable regulations. Regular meetings are held at least once per quarter, while special meetings as needed. In 2025, the Board held a total of 15 meetings to enable in-depth discussion of key management issues. To ensure directors have adequate time to review agenda items, the Board provides all agenda materials and notice of convocation seven days prior to each session.

Board of Directors Meetings Held in 2025

Number of Meetings Held	Average Attendance Rate	Number of Resolutions	Number of Reports
15 sessions	91%	29 cases	17 cases

Board of Directors Evaluation and Compensation

Aekyung Chemical evaluates Board of Directors activities on a regular and fair basis in accordance with the Charter of Corporate Governance and reflects the results in director compensation. The compensation limit is determined through resolution of the General Meeting of Shareholders in accordance with Article 388 of the Commercial Act and Article 39 of the Articles of Incorporation. Within this limit, executive directors receive compensation based on performance and competency, while independent directors receive equal compensation according to their appointment contracts at the time of appointment. The director compensation limit approved at 2025 Annual General Meeting of Shareholders is KRW 5.5 billion, and the actual total compensation paid to registered directors was approximately KRW 1.005 billion. Since 2013, we have disclosed individual compensation details for directors receiving KRW 500 million or more and major resolutions through the Business Report in accordance with applicable laws and regulations.

Board of Directors Compensation Status

Category	Number of Persons	Total Amount Paid	Average Compensation per Person	Remarks
Registered Directors	5	KRW 1,005 million	KRW 201 million	Pyo Kyoungwon / Chang Youngshin / Lee Jonghwa / Kim Sungwan / Min Poongki
Audit Committee Members	3	KRW 210 million	KRW 70 million	Joo Sungdo / Woo Yongsang / Choi Junghyun

(As of the end of December, 2025)

Board Committees

Aekyung Chemical operates four committees under the Board of Directors: the Audit Committee, the Internal Transaction Committee, the Independent Director Nomination Committee, and the Sustainability Management Committee. Each committee operates under applicable regulations and supports the Board of Directors in making professional and efficient decisions. The Audit Committee comprises three independent directors, ensuring independence, while the other committees include at least two or a majority of independent directors to strengthen balance and accountability.

Board of Directors Committees Composition

Category	Primary Responsibilities	Members	Members
Audit Committee	Audit of the company's overall operations, including accounting and finance, under applicable laws and the Audit Committee Operating Regulations	3	Woo Yongsang, Independent Director (Chair) Joo Sungdo, Independent Director Choi Junghyun, Independent Director
Internal Transaction Committee	Review and approval of transactions between the company and related parties, including controlling shareholders, major shareholders, and affiliated companies, in accordance with applicable laws and the Internal Transaction Committee Operating Regulations	4	Woo Yongsang, Independent Director (Chair) Joo Sungdo, Independent Director Choi Junghyun, Independent Director Kim Sungwan, Executive Director
Independent Director Nomination Committee	Comprehensive verification of the independence from the company, expertise, and suitability of independent director candidates in accordance with applicable laws and the Independent Director Nomination Committee Operating Regulations, and recommendation to the Board of Directors	4	Choi Junghyun, Independent Director (Chair) Joo Sungdo, Independent Director Kim Sungwan, Executive Director Lee Jonghwa, Executive Director
Sustainability Management Committee	Deliberation and establishment of fundamental policies and strategies for overall sustainability management, including environmental, social, and governance matters, in accordance with applicable regulations and the Sustainability Management Committee Operating Regulations	4	Choi Junghyun, Independent Director (Chair) Joo Sungdo, Independent Director Woo Yongsang, Independent Director Kim Sungwan, Executive Director

(As of June 2026)

2025 Board Committees Meeting Status

Category	Audit Committee	Internal Transaction Committee	Independent Director Nomination Committee	Sustainability Management Committee
Number of Meetings Held	8	10	3	6
Average Attendance Rate	100%	100%	100%	100%

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Shareholder Composition

Stock Ownership

Aekyung Chemical was established on November 1, 2021, through the merger of Aekyung Petrochemical with Aekyung Chemical and AK ChemTech. According to the Articles of Incorporation, the total authorized shares are 200 million shares. As of December 31, 2025, the total issued shares are 48,648,709 shares. We also hold 368,336 treasury shares without voting rights.

Shareholder Composition Status



Major Shareholders: Three-Year Composition

Category		Term 12	Term 13	Term 14
Largest Shareholder: AK Holdings Inc.	Number of Shares	29,336,590 shares	29,336,590 shares	29,336,590 shares
	Ownership Ratio	60.30%	60.30%	60.30%
National Pension Service	Number of Shares	1,739,562 shares	1,260,059 shares	744,629 shares
	Ownership Ratio	3.58%	2.59%	1.53%
Owner Family	Number of Shares	923,821 shares	923,821 shares	923,821 shares
	Ownership Ratio	1.91%	1.91%	1.91%

Stock Ownership by the CEO and Executives

Aekyung Chemical is expanding share ownership by the CEO and executives to strengthen responsible management and enhance shareholder value. In January 2025, the CEO and executives purchased a total of 24,000 company shares, aligning the interests of management and shareholders while reinforcing our commitment to enhance corporate value over the medium and long term. This purchase was executed as part of the "Corporate Value Enhancement (Value-Up) Plan" announced in December 2024. Going forward, we will continue to pursue sustained improvement in corporate value based on shareholder-friendly policies.

Shareholder Rights Protection Activities

Strengthening Shareholder Communication

Aekyung Chemical provides key management information in a timely and fair manner to protect shareholder interests and establish transparent governance. Material matters relevant to investment decision-making are disclosed promptly through DART (Data Analysis, Retrieval and Transfer System) and the company website. We enhance information accessibility and transparency for domestic and international investors through the publication of Sustainability Reports and English-language reports.

Establishment and Disclosure of Medium- to Long-Term Dividend Policy

Aekyung Chemical has established a medium- to long-term dividend policy to enhance shareholder value and discloses it transparently to the market. In December 2024, we voluntarily disclosed our "Corporate Value Enhancement (Value-Up) Plan," which sets out key strategic directions for enhancing corporate value: improved profitability, expanded shareholder returns, enhanced market valuation, and strengthened eco-friendly management. With respect to shareholder returns, we have clarified the direction of our medium- to long-term dividend policy by establishing a target dividend payout ratio of 35% or higher on a non-consolidated (separate) basis through 2027, and we are building a predictable and stable shareholder return framework. To enhance consistency and transparency in our dividend policy, we operate a dividend decision-making system that comprehensively considers financial soundness, investment capacity, cash flow, and medium- to long-term growth strategy.

Medium- to Long-Term Shareholder Return Plan (2025–2027)

- **Target**: Achieve a dividend payout ratio of 35% or higher on a non-consolidated (separate) basis by 2027; enhance total shareholder return (TSR) through active shareholder returns
- **Decision** Factors: Financial position, investment plans, shareholder value enhancement, medium-term business plan, financial structure, dividend stability, cash flow, and other considerations

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Dividend Policy Implementation and Performance

Since its listing on the stock exchange in 2012, Aekyung Chemical has maintained a stable shareholder return policy, implementing consecutive annual cash dividends 14 times through 2025. We also enhance shareholder access to information by disclosing dividend-related details through DART approximately two months before each General Meeting of Shareholders.

To strengthen dividend predictability, we continue to advance our institutional framework. In March 2024, we amended the Articles of Incorporation to authorize the Board of Directors to set the dividend record date following the dividend decision. In March 2025, we converted the interim dividend provision to a quarterly dividend provision. Beginning with the 2025 year-end dividend, we further enhanced shareholder dividend predictability by designating the dividend record date after the dividend decision is made.

Going forward, we will continue to pursue consistent shareholder returns grounded in the transparency and consistency of our dividend policy while working to enhance shareholder value.

Five-Year Dividend Payout Trend

Aekyung Chemical established a target to achieve a dividend payout ratio of 35% or more on a non-consolidated (separate) basis by 2027 through its 2024 Corporate Value Enhancement (Value-Up) Plan. In 2025, the Company maintained a dividend payout ratio of 309% on a non-consolidated (separate) basis, delivering 274 percentage points above the target, and continued dividend distributions while sustaining our shareholder return commitment.

Category	2021	2022	2023	2024	2025
Dividend per Share	KRW 550	KRW 550	KRW 250	KRW 281	KRW 140
Market Dividend Yield (Dividend Yield)	4.9%	5.7%	1.6%	3.8%	1.6%
Net Profit (Non-Consolidated)	KRW 61,761 million	KRW 56,305 million	KRW 29,058 million	(KRW 988 million)	KRW 2,191 million
Total Dividend Amount	KRW 26,495 million	KRW 26,495 million	KRW 12,067 million	KRW 13,566 million	KRW 6,759 million
Dividend Payout Ratio (Non-Consolidated)	42.9%	47.1%	41.5%	N/A (Net Loss Year)	308.5%

** Share type is common stock; no other classes of shares have been issued.*

Enhancing Transparency in the Operation of the General Meeting of Shareholders

Aekyung Chemical strengthens the transparency and predictability of General Meeting of Shareholders operations to enable shareholders to make decisions based on sufficient information. When convening the General Meeting, we comply with procedures under the Commercial Act and Articles of Incorporation, disclosing the date, location, and agenda through DART and the company website. Shareholders holding 1% or more of shares receive separate notice of convocation. To enhance shareholders' accessibility and secure adequate review time, we issue the notice of convocation in advance of the statutory deadline. For the 14th Annual General Meeting in 2026, we issued the notice on February 23, 2026, four weeks prior to the meeting, and amended the notice on March 6, 2026, to reflect changes to the Commercial Act. To increase shareholder participation, we schedule meetings considering financial closing timelines and the timing of audit report delivery, and we avoid holding meetings on concentrated General Meeting.

Category	12th General Meeting of Shareholders	13th General Meeting of Shareholders	14th General Meeting of Shareholders
Date of Convocation Resolution	February 19, 2024	February 17, 2025	February 23, 2026
Date of Convocation Notice	March 8, 2024	February 17, 2025	February 23, 2026
	Notice 2 weeks prior to the General Meeting of Shareholders	Notice 4 weeks prior to the General Meeting of Shareholders	Notice 4 weeks prior to the General Meeting of Shareholders
Date of General Meeting of Shareholders	March 25, 2024	March 25, 2025	March 24, 2026
Avoidance of Concentrated Meeting Dates	●	●	●
Implementation of Electronic Voting	●	●	●
Solicitation of Proxy Voting	●	●	●

Support for Shareholder Voting Rights and Protection of Rights

Aekyung Chemical operates various systems to support shareholders' substantive exercise of rights. We have introduced electronic voting and electronic proxy mechanisms to enhance access to voting rights for shareholders unable to attend the General Meeting, and we actively support shareholder participation through proxy voting solicitation. Under Article 363-2 of the Commercial Act, we guarantee shareholder proposal rights; shareholders meeting specified requirements may request the inclusion of agenda items in the General Meeting and their public announcement. Following each General Meeting, we disclose the number of shares represented, voting status, and results by agenda item on our website to ensure transparency in voting results.

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14th Annual General Meeting of Shareholders: Voting Rights Exercise Status

Category	Details	Remarks
Total Issued Shares	48,648,709 shares	
Shares with Voting Rights	48,280,373 shares	19,453,173 shares (3% Rule applied)
Shares Present	30,748,839 shares	63.69% of shares with voting rights
Shares Present (excluding Largest Shareholders and related parties)	1,402,049 shares	2.9% of shares with voting rights
Total Number of Shareholders	32,959 shareholders	
Number of Shareholders Present	130 shareholders	Including electronic voting participation

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Ethical Management Implementation Framework

Ethical Standards

Aekyung Chemical pursues ethical corporate management grounded in mutual trust with diverse stakeholders, including employees, shareholders, business partners, and local communities. To this end, we enacted Ethical Management Regulations and Ethical Management Practice Guidelines that reflect our company's business characteristics and operating environment, based on the Aekyung Group's Charter of Ethics and Code of Ethics. Our Ethical Standards—the Charter of Ethics, Code of Ethics, Ethical Management Regulations, and Ethical Management Practice Guidelines—guide employees in understanding and practicing the principles and framework of ethical management. They also provide a foundation for making rational and ethical decisions when facing various ethical dilemmas that may arise during business operations.

Category	Charter of Ethics	Code of Ethics	
Compliance with Laws	We respect the law and social norms, and do not engage in illegal or fraudulent acts.	• Comply with domestic and international laws and regulations • Prevent sexual harassment • Protect company property and confidential information	• Prohibit the use of insider information • Make efforts to prevent fraud and misconduct • Prohibit the receipt of bribes and improper entertainment
Commitment to Customers	We prioritize trust with customers and strive for their happiness.	• Maintain trust with customers	• Strive for customer happiness
Commitment to Shareholders	We respect the rights of shareholders and enhance corporate value through transparent and efficient management.	• Respect shareholders' rights • Treat all shareholders equally	• Provide timely and accurate information
Commitment to Employees	We respect the diversity of employees, avoid discrimination, and build relationships based on mutual trust and cooperation.	• Ensure fair treatment	• Foster a healthy working environment
Commitment to Competitors and Partners	We respect fair trade principles, establish a sound market order, and pursue the value of co-prosperity.	• Compete fairly with competitors	• Conduct fair transactions with partners
Fundamental Ethics for Employees	We faithfully fulfill the social roles and responsibilities required of a company as a member of society.	• Establish a sound corporate culture • Prohibit political involvement	• Prevent conflicts of interest • Comply with the Code of Ethics

Ethical Management Organizational Structure

Aekyung Chemical has established an integrated collaboration framework across relevant departments—including the Administration Risk Management Team and Human Resources Team—centered on the Compliance Team reporting directly to the CEO / Representative Director. This structure supports enhanced ethical management awareness among all employees and embeds a practice-oriented ethical culture throughout the organization. The Compliance Team oversees all ethical management operations, including the receipt and handling of ethics violation reports, while maintaining focus on internal control functions such as anti-corruption and information security. The Administration Risk Management Team manages internal accounting controls and ensures the reliability and transparency of financial information. The Human Resources Team maintains a fair personnel system and sound organizational culture through the operation of HR and Disciplinary Committee and the Grievance Handling Committee.

Results and key status of ethical management-related activities across each organization are reported regularly to the Board of Directors and the Audit Committee, enabling comprehensive oversight and supervision of ethical management. We continue to strengthen a transparent and accountable ethical management system centered on the Board of Directors.

Strategy

Corruption Risk Identification and Anti-Corruption Activity Plan

2025 Corruption Risk Identification

Aekyung Chemical conducted corruption risk identification and assessment in October 2025 across all operational team leaders. We evaluated 52 corruption risk items based on likelihood of occurrence and impact, calculated their significance, and designated 5 high-risk items as critical risks for focused management in 2026.

Core Risks	Description
Information Leakage	Disclosure of company information to external parties for private gain or to cause harm to the company (customer information, trade secrets, research information, personal data, etc.)
Collusion	Prior agreement on price or terms between competitors or conduct that impedes market competition (obstruction of new market entry, prior agreement on successful bidders, etc.)
Sexual Harassment and Sexual Assault	Sexual harassment and sexual assault in the workplace using power or authority
Insider Trading	Acquisition or attempted acquisition of private gain through stocks, real estate, or other assets using non-public material information
Workplace Abuse of Authority and Harassment	Direction of private tasks, undue pressure, workplace harassment, and ostracism using power or authority

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2026 Corruption Risk Prevention Activities Plan

Aekyung Chemical has established an annual management plan for 2026 addressing five core risk items based on the results of the 2025 corruption risk assessment and is advancing systematic response activities. Operations are structured around a theme-based intensive management approach conducted in two-month cycles, focusing on major risks including information leakage, insider trading, workplace abuse of authority and harassment, collusion, and sexual harassment and assault.

For each risk category, we will operate focused reporting and voluntary disclosure periods to activate internal reporting and will conduct data-driven reviews, including DLP keyword searches, for proactive risk detection. Additionally, we will conduct listening activities such as interviews and surveys targeting organizations and functions with high risk occurrence potential, and will enhance employees' ethical awareness through risk case sharing and prevention-focused awareness and training activities.

We will also strengthen promotional activities to guide reporting channels and encourage participation, and will continuously provide violation case disclosures and prevention content to foster a culture of autonomous ethical management practice. For corruption risks beyond the core risk items, we will operate an integrated management system linking internal control activities with reporting, campaigns, and training.

Activity Areas	Key Activities
Activation of Internal Reporting	Operation of theme-based intensive reporting and voluntary disclosure periods; operation and promotion of reporting and voluntary disclosure channels Implementation of whistleblower protection and whistleblower reward programs
Proactive Risk Identification	Detection of anomalies and in-depth review through keyword-based monitoring
Stakeholder Listening	Conducting interviews and surveys with at-risk organizations and internal and external stakeholders
Prevention Activities	Advancing prevention activities through ethics risk-related training, campaigns and promotion, and sharing of violation cases

Ethical Management Culture and Awareness Building

Ethics Pledge for Ethical Management

Aekyung Chemical conducts an annual Ethics Pledge for Ethical Management to strengthen the ethical awareness of employees. Through this pledge, employees pledge to uphold Ethical Standards and conduct business with fairness and transparency, while reinforcing their sense of responsibility for ethical decision-making.

Ethical Management Education and Campaigns

Aekyung Chemical operates regular training programs and campaigns to establish a culture of ethical management. In November 2025, we invited a specialist instructor from the Financial Supervisory Service to conduct training on unfair trade practice prevention. A total of 105 employees in roles closely related to the training topic from headquarters participated in the program.

We also operate participatory campaigns to help employees recognize the importance of ethical management and translate it into daily practice. These campaigns focus on key compliance requirements of the Ethical Standards, with the aim of deepening understanding of major ethical issues and strengthening awareness of ethical risks.

Additionally, we share domestic and international ethical management trends and case studies through internal bulletin boards each month. This ongoing communication reinforces employees' ethical awareness and fosters an ethical corporate culture throughout the organization.



Case Study: Collusion



Campaign: Misconduct Reporting



Campaign: Prohibition on Use of Insider Information


Case Study: Embezzlement

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Risk management

Corruption Risk Management Process

Aekyung Chemical operates a cyclical risk management process to systematically manage corruption risk, encompassing risk identification and assessment, response planning, implementation and monitoring, and results reporting and improvement.

Process	Description
1. Risk Identification	We identify corruption risk factors by comprehensively reviewing applicable laws and internal regulations, industry peer practices, and collaborative interviews.
2. Risk Assessment	We assess identified corruption risk factors based on likelihood and impact, establish priorities, and select core risks requiring management.
3. Response Plan Development	We develop an annual management plan for core corruption risks.
4. Implementation and Monitoring	We execute the established plan and regularly review and manage implementation progress.
5. Results Reporting	We report core corruption risk management results and key achievements to internal decision-making bodies and communicate transparently with stakeholders through external disclosure.
6. Continuous Management Framework	We continuously monitor other corruption risks in addition to core risks in coordination with internal control activities, and regularly review and improve the risk management process.

We identify risks through review of applicable laws and regulations and consultation with operational teams, then select core risks based on likelihood and impact. We establish and implement annual management plans, continue improvement activities through regular monitoring and review, and incorporate results into the following year's plan to advance our risk management system.

Metrics & Targets

Ethical Management Prevention and Monitoring Activities

Aekyung Chemical implements a comprehensive range of initiatives to strengthen ethical awareness among employees and establish a culture of information security. These include ethical management training, participatory campaigns, sharing of ethics-related news, submission of ethical management and information security pledges, and operation of reporting channels.

We enhance employee ethical awareness through training, campaigns, and the sharing of relevant case studies. We monitor ethical management participation levels by tracking pledge participation rates across various commitments. We also identify potential risks by analyzing ethics violation reports received through reporting channels and examining key violation patterns. We ensure the responsiveness and effectiveness of our response system by tracking the completion of report processing and the implementation of follow-up measures.

2025 Activity Overview

Category	Definition	Result
Ethical Management News Sharing	Number of annual ethics-related news and case sharing cases	12 cases
Ethical Management Campaign Implementation	Number of annual participatory ethical management campaigns implemented	9 cases
Information Security Training Implementation	Number of annual information security training sessions	1 session
	Training participation	228 persons
Ethics Pledge for Ethical Management Participation Rate	Ratio of relevant commitment submissions to total employees	100%
Information Protection and Confidentiality Pledge Participation Rate	Ratio of relevant commitment submissions to total employees	100%
Laptop Security Compliance Pledge Participation Rate	Ratio of relevant commitment submissions to employees issued laptops	100%
Ethics Violation Reports Received	Number of reports submitted through the Report channel	0 cases

Operations of Online Reporting System

Aekyung Chemical operates the "Report" channel which enables diverse stakeholders, including employees, to report unethical conduct. All submissions are handled confidentially, and we prioritize whistleblower protection to ensure that anyone can come forward without concern. Over the past three years, zero cases of unethical conduct were confirmed among matters submitted through the Report channel. We plan to continuously enhance the accessibility and credibility of the Report channel to maintain a transparent and sound ethical management environment.

Category	2023	2024	2025
Cases Reported	3	0	3
Unethical Conduct Confirmed	0	0	0

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Compliance Management Implementation Framework

To implement the principles of compliance management, Aekyung Chemical operates a company-wide compliance risk management system centered on Board of Directors-led decision-making and a dedicated compliance organization. Through this framework, we proactively prevent legal and ethical risks that may arise across all business operations and continuously strengthen the effectiveness of our compliance management practices.

Compliance Management Policy

Aekyung Chemical has established relevant regulations and operational standards to create a foundation for implementing compliance management, and we manage these systematically. Centered on our dedicated Compliance Team, we conduct compliance management policy development, risk assessment, legal review of business and investment activities, regulatory trend monitoring, and employee compliance training. Through these efforts, we proactively prevent legal risks that may arise across all business operations.

In 2022, we introduced a Fair Trade Compliance Program (hereinafter "CP") and operate an education and supervision framework under the leadership of the Fair Trade Compliance Officer. Through this program, we have established guidelines for compliance with fair trade regulations, including prevention of unfair subcontracting transactions, elimination of collusion, and prohibition of unfair trade practices. We continuously conduct management activities such as training and inspections. In particular, we continuously advance management standards for key risk areas, including prevention of unfair subcontracting transactions and elimination of collusion. We also conduct advance legal reviews of risks that may arise in business and investment processes and supplement our internal standards by reflecting regulatory trends.

Additionally, we post core principles and related policies reflecting our commitment to compliance management on our website and internal groupware to enhance employee awareness and promote a compliance management culture.

Compliance Management Policy	Management philosophy and core values that must be observed across all business activities of the company for compliance management
Compliance Control Standards	Standards and procedures that employees must follow when performing their duties to ensure compliance with applicable laws and regulations
Fair Trade Compliance Program Operating Regulations	Standards and procedures for voluntary compliance with fair trade laws and regulations applicable to the company in the course of business operations

Compliance Management Governance

Aekyung Chemical operates a dedicated Compliance Team to systematically advance compliance management across the organization. The team leader was appointed as Compliance Support Officer following Board of Directors approval in February 2025. The Compliance Team identifies and assesses potential compliance risks that may arise during business operations and periodically reviews and improves management practices. The Compliance Support Officer reports to the Board of Directors twice annually on adherence to Compliance Control Standards, key activity results, and the annual operational plan and performance of the Compliance Program. Based on these reports, the Board of Directors evaluates the effectiveness of the compliance control environment and provides oversight support, thereby strengthening the effectiveness of enterprise-wide compliance management governance and continuing to work proactively to prevent regulatory violation risks.



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Strategy

Compliance Management Medium- and Long-Term Targets

Aekyung Chemical recognizes compliance management as a core value of corporate sustainability. We are establishing and implementing a phased strategic roadmap to manage compliance risks substantively and realize fair trade values. Our goal is to respond proactively to risks and foster a culture of voluntary compliance. We will continuously review and improve the effectiveness of our compliance control processes to establish a transparent and fair business environment.

In the initial phase, we are concentrating on building our compliance management system. This includes appointing a Compliance Support Officer, refining relevant standards, and strengthening Board of Directors oversight functions. Subsequently, we plan to expand compliance management across the company and subsidiaries through role-based training and IT-based monitoring, while advancing our core risk management framework. Over the longer term, we intend to establish a culture of voluntary compliance based on external certifications and legal technology adoption, and complete an advanced-level compliance management system.

Phase 1 (2025–2027 years)	Phase 2 (2028–2030 years)	Phase 3 (2031–)
Establishment of Compliance Management System	**Internalization and Expansion of Compliance Management System**	**Enhancement of Compliance Management System**
• Appointment of Compliance Support Officer and strengthening expertise of dedicated support organization • Refinement of Compliance Control Standards and guidelines • Substantiation of Board of Directors' compliance oversight function • Implementation of role-specific compliance training by department • Establishment of a compliance history management system	• Creation of IT-based compliance management monitoring environment • Establishment of compliance management processes by key risk and implementation of regular diagnostics • Promotion of compliance control process expansion to subsidiaries and overseas entities • Enhancement of Compliance Program and major regulatory response system	• Pursuit of external assessment and certification acquisition related to compliance control and fair trade • Management of major compliance risks through legal technology system utilization • Completion of top-tier voluntary compliance culture

Compliance Risk Management Framework

Aekyung Chemical systematically identifies and manages key compliance risks across business operations through compliance training and continuous legal advisory services. We continuously strengthen the effectiveness of our compliance control system through regular audits and effectiveness assessments.

We categorize compliance risks into two types: violations of laws and contracts, and violations of fair competition laws. To identify risks that may arise throughout business operations, we comprehensively review changes in laws and regulations, business characteristics, and stakeholder requirements, and derive major risk factors by category.

For identified risks, we analyze their financial and non-financial impact on the company to establish priorities and develop and implement response strategies based on those priorities. Through this approach, we systematically manage core compliance risks, strengthen preventive controls, and prevent erosion of corporate value.

Category	Risk Factor	Impact	Response Strategy
Regulatory and Contractual Violations	• Non-compliance with industry-specific regulations including the Act on Registration and Evaluation of Chemical Substances, Chemical Substances Control Act, and Occupational Safety and Health Act • Violations of the Commercial Act, Trade Union Act, and environmental regulations on air and water quality • Inadequate screening of toxic clauses in major contract execution	• Financial penalties through administrative sanctions and fines • Increased potential liability risk in the event of legal disputes	• Real-time regulatory monitoring and proactive legal advisory • Standardization of contract review processes and pre-screening of legal risks
Fair Trade Violations	• Unfair concerted practices and other market competition-inhibiting activities • Unfair trading practices in subcontracting and consignment transactions with suppliers • Inadequate protection of tangible and intangible assets, including misappropriation of technical data and trade secret leakage	• Financial penalties from regulatory violations and diminished corporate credibility • Weakened business competitiveness from contracting business partnerships	• Integrated management of prevention, education, and inspection centered on the CP • Core risk-based continuous monitoring and self-inspection system

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Fair Trade Compliance Risk Management

Aekyung Chemical prioritizes risk management of fair trade compliance violations within its broader compliance risk framework. In 2022, following the introduction of the CP, we identified key risks by comprehensively assessing internal and external regulatory environments, policy and legislative developments, and recent enforcement precedents. This analysis led us to designate three priority issues: subcontracting transactions, unfair concerted practices (collusion), and unfair trade practices, each supported by a focused management system.

We operate a cyclical management framework centered on these three priority issues, integrating prevention activities, monitoring, and effectiveness evaluation. We have expanded the scope of management to include subsidiaries and continuously enhanced our inspection protocols and response procedures to strengthen the effectiveness of fair trade compliance risk management.

Key Risks	Risk Description	Key Management Activities
Subcontracting Act Violation	Failure to issue written agreements to subcontractors, delayed payment, theft of technical data, linked/unlinked agreement arrangements, etc.	- Management of subcontracting transaction cases - Monitoring of written agreement issuance - Fair trade education for suppliers
Unfair Concerted Practices (Collusion)	Agreements with competitors on price, volume, transaction terms, information exchange, etc.	- Operation of collusion prevention activity guidelines - Systematic procedures for competitor contact - Fair trade education and case dissemination
Unfair Trade Practices	Abuse of transaction position, discriminatory transactions, improper support, etc.	- Prior legal review of transaction terms - Distribution of key risk guidelines

Risk management

Compliance Risk Management Process

Aekyung Chemical operates a three-stage risk management process—prevention, monitoring, and improvement—to embed compliance and fair competition values into organizational culture, moving beyond regulatory compliance alone. This prevention-focused framework systematically integrates compliance awareness, proactive risk control, and verification and improvement activities, and is applied uniformly across the company and its subsidiaries.

When violations occur, we conduct rigorous investigations and implement follow-up measures while maintaining continuous monitoring to strengthen the effectiveness and execution of our management system.

Stage 1: Prevention

The first stage of compliance risk management is to proactively identify and block potential legal violations embedded in overall business operations. Aekyung Chemical addresses this through an IT-based legal review system and employee awareness initiatives, enabling us to control the root causes of risk occurrence at the source.

Core Risk Identification and Advance Legal Review	We conduct advance reviews of potential legal issues arising from major decision-making processes such as new business ventures, large-scale investments, and significant contract executions. We prioritize the identification of core risks and establish response strategies accordingly.
Regulatory Trend Monitoring and CP Letter Operations	We continuously monitor regulatory environment changes, including those from the Korea Fair Trade Commission (KFTC), and share key issues company-wide promptly through our CP Letter to establish a foundation for advance response.
Employee Training and Compliance Awareness Integration	We conduct company-wide training alongside customized preventive education for risk-exposure departments such as sales and procurement, strengthening practical compliance management capabilities.
IT-Based Review Process Standardization	We standardize review procedures through contract and legal review systems, and operate standard contract templates and electronic document issuance frameworks to prevent human error and gaps in risk identification.

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Stage 2: Monitoring

This stage verifies that the preventive control system is being implemented effectively during actual business operations. We conduct regular and ad hoc reviews focused on key risks and validate process compliance.

Core Risk-Based Audit Framework Operations	We identify and manage core risks requiring priority oversight, including the subcontracting transactions, original contract management, and trade secret protection. We conduct annual CP monitoring focused on major risk areas such as subcontracting and unfair trade practices, and identify vulnerabilities through ad hoc audits.
Compliance Verification and Process Improvement	Based on audit findings, we analyze gaps and work with operational departments to implement immediate corrective actions, thereby strengthening the effectiveness of our management system.

Stage 3: Improvement

This stage implements corrective measures for risks identified during monitoring and assessment, and evaluates the overall effectiveness of the management system.

Risk Improvement and Recurrence Prevention	Identified risks are subject to root cause analysis and linked to improvements in internal regulations and operational processes. For material violations, we establish rigorous corrective measures and recurrence prevention plans.
Compliance Management System Effectiveness Assessment and Reporting	We regularly evaluate the effectiveness of the compliance control system, including the CP, and report results and improvements to the Board of Directors to continuously advance our management framework.
Compliance Metrics Management	We systematically manage key indicators such as training completion rates, audit execution status, and employee awareness levels to quantitatively measure the performance of compliance management activities and incorporate findings into continuous improvement.

Key Compliance Activities

Preventive Measures

Regulatory Compliance Response

Aekyung Chemical has established and operates a regulatory trend monitoring and dissemination system to respond effectively to the rapidly evolving regulatory environment. We conduct in-depth analysis of major legislative amendments and promptly share the results across the organization, enabling operational departments to make decisions that reflect the latest regulatory requirements. Through this approach, we continuously strengthen our company-wide risk response capabilities.

Category	2025 Key Activities and Performance
Executive Decision Support	Governance risk analysis and Board of Directors reporting on Commercial Act Amendments and related trends (twice)
Issue-Focused Risk Assessment	Practical seminar on Trade Union Act amendment response and human resources and labor relations risk assessment
Ongoing Policy Trend Dissemination	CP Letter distribution (7 times) providing guidance on key issues including Subcontracting Act and Mutual Cooperation Act amendments, major enforcement cases of collusive conduct, and unfair trading practices under the Capital Markets Act



Contract Management Enhancement

Aekyung Chemical is advancing its contract management framework to enable proactive control of contract risks and improve management efficiency. We expanded standard contracts to a total of 43 types and introduced a 'standard contract usage verification function' to strengthen control levels in the contract execution process. Additionally, we conducted a comprehensive review of company-wide original contract management status and addressed identified gaps, thereby eliminating management blind spots and further strengthening the effectiveness of contract risk management.



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Spreading Compliance Culture Through Employee Compliance Training

Aekyung Chemical operates a systematic training program to strengthen both compliance awareness and practical expertise among employees in response to the rapidly evolving regulatory environment. Through external expert seminars and on-site training sessions at business locations, we enhance operational risk response capabilities. We also embed compliance culture throughout the organization through new employee orientation on legal fundamentals.

Category	2025 Key Activities and Results	Participants
Collusion Prevention (Fair Trade Act)	Training on Prevention of Unfair Concerted Practices and Collusion Prohibition Pledge Ceremony (Group training for sales division employees)	82 persons
Trade Secret Protection (Unfair Competition Prevention Act)	Unfair Competition Prevention Act and Trade Secret Protection Guidelines (Group training at major business sites)	228 persons
Subcontracting Act Compliance	Advanced Course on Subcontracting Payment Linkage System (Online training for subcontracting transaction practitioners and partner companies)	Subcontracting transaction practitioners: 35 persons Partner companies: 25 companies
Mutual Cooperation Act Compliance	Commentary on Principal-Subcontractor Transactions and Mutual Cooperation Act (Online training for all company employees)	399 persons
Capital Markets Act Unfair Trading Practices	Unfair Trading Prevention Training (External instructor from Financial Supervisory Service) (Specialized advanced training for headquarters employees)	105 persons
New Employee Legal Fundamentals Training (Contract Practice/Trade Secrets)	Acquisition of compliance guidelines and mindset formation at the beginning of employment	All new hires



Collusion Prevention Training



Unfair Trading Prevention Training: Capital Markets Act

Monitoring Activities

Strengthening Prevention of Fair Trade Core Risks

Aekyung Chemical pursues substantive prevention activities to preempt collusion and unfair trade practices that could materially impact business operations. We have established a systematic process to manage unavoidable competitor contacts in the course of business and built a continuous monitoring system to proactively control related risks.

To prevent risks in sales operations, we have established the Customer Equipment Support Guidelines to clarify decision-making standards for operational staff. We are also strengthening the foundation for fair dealing with business partners by improving payment terms and conditions for consignment transactions.

Category	2025 Key Activities and Results
Cartel Prevention Activities	• Establishment of competitor contact process and continuous monitoring • Hosting of business division collusion prohibition commitment ceremony and Ethics Pledge for Ethical Management • Ongoing campaigns to raise employee awareness
Unfair Trade Prevention	• Publication and distribution of Customer Equipment Support Guidelines • Internal review of current status to prevent unfair trade practices
Expansion of Mutual Cooperation	• Strengthening partnerships through improved payment terms for consignment transactions



Collusion Prohibition Pledge Ceremony



Customer Equipment Support Guidelines

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Strengthening CP Monitoring

Aekyung Chemical strengthens its control framework for subcontracting transactions to proactively manage legal compliance risks and establish a fair trading foundation. Through semi-annual reviews of the subcontracting written issuance system, we identify risks early and conduct focused inspections on technical data protection and payment linkage compliance, thereby enhancing transparency in Subcontracting Act compliance. We have also expanded this inspection framework to key subsidiaries to diagnose operational status and support continuous improvement. Identified deficiencies from inspection results are addressed through corrective measures, and we have published the Subcontracting Transaction Guidebook to strengthen consistency across company-wide operational standards.

Category	2025 CP Monitoring Activity Results
Inspection of semi-annual subcontracting written issuance system	Continuous identification of written issuance obligation compliance and immediate feedback on improvement items
Inspection of technical data protection and subcontracting payment linkage system implementation status	Compliance with core obligations under the Subcontracting Act and proactive risk mitigation Development and distribution of subcontracting standard processes and practical guidelines
Inspection of major subsidiaries' subcontracting status	Horizontal expansion of Aekyung Chemical's compliance management system to subsidiaries and leveling up standards across the organization



Collusion Prevention Campaign: Screensaver



Collusion Prevention Campaign: Collusion Prevention Training

Post-Implementation Monitoring Activities

Effectiveness Evaluation of Cartel Prevention Activities and Follow-Up Measures

Aekyung Chemical conducts effectiveness evaluations of employee awareness levels and compliance commitment to verify the efficacy of internal control activities for cartel prevention and to advance our management system. The evaluation results confirmed that cartel prevention training and process improvement initiatives have positively strengthened employee compliance awareness and enhanced risk vigilance. Based on these evaluation findings, we continuously share the latest cartel regulatory trends and regularly monitor adherence to competitor contact processes, thereby continuously advancing our cartel risk response framework.

Assessment Area	Key Performance Indicators	2025 Key Results (Positive Responses and Change Rate)
Knowledge Level Change	Awareness of Collusion Sanctions and Types	Legal Sanction Awareness: up 36 percentage points (49% → 85%) Collusion Type Awareness: up 11 percentage points (59% → 70%)
Compliance Activity Awareness	Collusion Prevention Activities and Processes	Business Process Awareness: 90%, Internal Collusion Prevention Activity Awareness: 89%
Perceived Effectiveness	Risk Reduction and Compliance Awareness	Perceived Risk Reduction Effect: 92%, Perceived Compliance Awareness Improvement: 92%
Commitment to Process Compliance	Process Implementation Commitment	Commitment to Complying with Procedures during Competitor Contact: 99%

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Metrics & Targets

Compliance Management Activities: Targets and Performance

Aekyung Chemical has established a medium- to long-term roadmap to ensure the effectiveness of our compliance control and fair trade voluntary compliance systems. We systematically manage implementation performance to strengthen the legal stability of our business operations. We periodically assess whether key activities across strategic areas are effectively linked to risk control, and we continuously enhance the transparency and management level of compliance management by reporting relevant status to the Board of Directors.

2025 Compliance Control Activities Performance and 2026 Operating Plan

Category	2025 Key Achievements	2026 Key Targets
Embedding Compliance Culture	• Conducted Collusion Prohibition Pledge Ceremony • Implemented compliance awareness initiatives through collusion prevention campaigns • Conducted 6 sessions of compliance and fair trade training • Provided compliance training support to subcontracting partners • Distributed CP letters (7 times) and held seminars on major regulatory amendments and regulatory trends	• Employee compliance awareness diagnosis and derivation of improvement tasks • Building shared commitment to practice-oriented compliance culture through participatory compliance content • Development of customized compliance training content by job function • Enhancement of data conversion and external communication of compliance management performance (website, disclosure, etc.) • Provision of advanced Subcontracting Act training materials to partners
Standardization of Compliance Management Operating Principles	• Introduced compliance support officer system and established Compliance Control Standards • Issued business guidelines on unfair trading practices related to subcontracting operations • Established competitor contact process for collusion prevention • Introduced verification function for standard contract usage	• Revision and amendment of standard contracts to reflect latest regulatory environment • Streamlining of original contract management system • Holding Subcontracting Policy briefing sessions • Distribution of technical data protection guide for subcontracting transactions • Advancement of competitor contact process • Consolidation and updating of fair trade compliance guidelines
Compliance Risk Management Monitoring	• Performed CP monitoring: quarterly verification of subcontracting transaction written issuance obligations, verification of technical data protection and linked system compliance, verification of subsidiary subcontracting transaction status • Verified company-wide original contract management status • Conducted effectiveness evaluation of collusion prevention activities	• Establishment and expansion of subsidiary subcontracting transaction monitoring system and support • Implementation of diagnostic monitoring of collusion occurrence risk by business segment

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Consolidated Financial Position

Category	Unit	2023	2024	2025
Assets				
I. Current Assets	KRW Thousand	587,429,350	511,991,652	499,691,893
Cash and Cash Equivalents	KRW Thousand	90,537,645	66,894,446	68,726,093
Trade Receivables	KRW Thousand	184,423,896	163,175,612	160,377,132
Other Receivables	KRW Thousand	51,873,387	20,008,269	32,787,101
Financial Assets Measured at Amortized Cost	KRW Thousand	8,766,438	5,829,993	20,890,349
Current Tax Assets	KRW Thousand	42,807	4,267,917	1,651,306
Other Current Assets	KRW Thousand	16,758,417	23,060,003	14,731,592
Inventories	KRW Thousand	226,172,416	219,901,068	189,956,116
Derivatives Assets	KRW Thousand	-	-	1,717,860
Assets Held For Sale	KRW Thousand	8,854,344	8,854,344	8,854,344
II. Non-Current Assets	KRW Thousand	720,931,303	844,440,568	894,573,419
Long-Term Trade Receivables	KRW Thousand	-	-	-
Other Long-Term Receivables	KRW Thousand	749,120	1,087,295	3,886,359
Financial Assets at Fair Value Through Other Comprehensive Income	KRW Thousand	6,562,029	5,731,700	6,734,929
Financial Assets at Fair Value Through Profit or Loss	KRW Thousand	16,200	16,200	16,200
Derivatives Assets	KRW Thousand	-	2,259,995	-
Investments in Associates	KRW Thousand	51,592,000	47,610,853	176,471,940
Property, Plant, and Equipment	KRW Thousand	597,437,280	716,777,296	634,852,721
Right-of-Use Assets	KRW Thousand	23,323,975	22,798,170	19,787,799
Intangible Assets	KRW Thousand	23,567,598	35,149,931	40,974,468
Investment Property	KRW Thousand	1,549,933	1,546,405	5,053,279
Other Non-Current Assets	KRW Thousand	13,740,596	8,731,486	3,247,611
Deferred Tax Assets	KRW Thousand	1,699,958	2,731,237	1,336,679
Net Defined Benefit Assets	KRW Thousand	692,614	-	2,191,934
Total Assets	KRW Thousand	1,308,360,653	1,356,432,220	1,394,265,312
Liabilities				
I. Current Liabilities	KRW Thousand	480,050,728	442,783,683	482,014,339
Trade Payables	KRW Thousand	119,656,635	98,781,324	90,378,130
Short-Term Borrowings	KRW Thousand	247,447,609	243,375,368	271,075,201
Current Portion of Long-Term Borrowings	KRW Thousand	14,110,680	5,150,925	57,246,926
Current Portion of Lease Liabilities	KRW Thousand	1,471,690	3,381,010	2,114,158
Other Payables and Liabilities	KRW Thousand	80,164,317	70,312,106	42,411,736
Income Taxes Payable	KRW Thousand	4,138,668	1,916,643	7,882,345
Other Current Liabilities	KRW Thousand	13,061,129	19,866,307	10,905,843
II. Non-Current Liabilities	KRW Thousand	91,986,994	172,694,560	195,888,569
Long-Term Borrowings	KRW Thousand	69,655,661	140,697,484	171,016,635
Non-Current Lease Liabilities	KRW Thousand	6,549,050	4,649,876	3,473,764
Long-term Accrued Expenses and Other Payables	KRW Thousand	9,296,003	7,764,350	726,544
Defined Benefit Liabilities	KRW Thousand	1,295,066	1,559,366	-

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Category	Unit	2023	2024	2025
Other Long-Term Employee Benefits Liabilities	KRW Thousand	2,193,649	2,532,166	2,969,581
Non-Current Derivative Liabilities	KRW Thousand	414,231	-	-
Deferred Tax Liabilities	KRW Thousand	1,469,813	14,659,560	17,183,345
Other Non-Current Liabilities	KRW Thousand	1,113,521	831,758	518,700
Total Liabilities	KRW Thousand	572,037,722	615,478,243	677,902,908
Equity				
I. Attributable to Owners of Parent	KRW Thousand	736,399,086	736,662,549	714,054,163
Capital	KRW Thousand	24,324,355	24,324,355	24,324,355
Capital Surplus	KRW Thousand	338,369,547	338,373,574	338,505,976
Other Components of Equity	KRW Thousand	(4,062,272)	(3,933,900)	(4,005,028)
Accumulated Other Comprehensive Income	KRW Thousand	4,819,205	12,659,791	6,532,141
Retained Earnings	KRW Thousand	372,948,251	365,238,729	348,696,719
II. Non-Controlling Interests	KRW Thousand	(76,155)	4,291,428	2,308,241
Total Equity	KRW Thousand	736,322,931	740,953,977	716,362,404
Total Liabilities and Equity	KRW Thousand	1,308,360,653	1,356,432,220	1,394,265,312

** Prepared based on the 2025 Business Report; some figures may therefore differ from prior-year disclosures.*

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Category	Unit	2023	2024	2025
I. Sales	KRW Thousand	1,793,735,843	1,642,244,566	1,452,334,759
II. Cost of Sales	KRW Thousand	1,617,670,318	1,501,408,565	1,333,326,093
III. Gross Profit	KRW Thousand	176,065,525	140,836,001	119,008,666
IV. Selling and Administrative Expenses	KRW Thousand	131,005,303	125,376,648	129,201,967
V. Operating Profit	KRW Thousand	45,060,222	15,459,353	(10,193,301)
VI. Other Income	KRW Thousand	29,316,654	31,344,941	52,432,425
VII. Other Expenses	KRW Thousand	25,968,040	25,417,833	11,643,944
VIII. Financial Income	KRW Thousand	8,101,137	13,065,131	8,170,670
IX. Financial Expenses	KRW Thousand	15,756,679	18,825,303	22,026,804
X. Share of Profit of Associates Accounted for Using the Equity Method	KRW Thousand	240,074	(6,276,302)	(11,114,152)
XI. Profit Before Income Tax	KRW Thousand	40,993,368	9,349,987	5,624,894
XII. Corporate Tax Expense	KRW Thousand	8,019,502	821,536	10,557,038
XIII. Net Income	KRW Thousand	32,973,866	8,528,451	(4,932,144)
XIV. Profit Attributable to				
1. Net Income Attributable to Owners of the Parent Company	KRW Thousand	33,097,857	3,981,256	(2,948,957)
2. Loss Attributable to Non-Controlling Interests	KRW Thousand	(123,991)	4,547,195	(1,983,187)

Category	Unit	2023	2024	2025
XV. Other Comprehensive Income	KRW Thousand	591,322	8,037,220	(6,154,859)
1. Items that may be reclassified subsequently to profit or loss	KRW Thousand	322,938	8,299,496	(7,937,501)
(1) Foreign exchange differences	KRW Thousand	874,525	6,004,340	(7,205,424)
(2) Share of other comprehensive income of equity-accounted investees	KRW Thousand	(551,587)	2,295,156	(855,061)
(3) Gain or loss on valuation of derivatives	KRW Thousand	-	-	-
2. Items that will not be reclassified to profit or loss	KRW Thousand	268,384	(262,276)	1,782,642
(1) Remeasurements of defined benefit liabilities	KRW Thousand	56,596	376,246	(27,209)
(2) Gain or loss on valuation of financial assets measured at fair value through other comprehensive income (FVOCI)	KRW Thousand	211,788	(638,522)	1,583,851
(3) Gain or loss on valuation of derivatives	KRW Thousand	-	-	-
XVI. Total Comprehensive Income	KRW Thousand	33,565,188	16,565,671	(11,087,003)
XVII.Total Comprehensive Income Attributable to				
1. Owners of the Parent Company	KRW Thousand	33,669,565	12,198,088	(9,103,816)
2. Non-Controlling Interests	KRW Thousand	(104,377)	4,367,583	(1,983,187)
XVIII. Earnings Per Share				
1. Basic Earnings Per Share	KRW	686.0	82.0	(61.0)
2. Diluted Earnings Per Share	KRW	685.0	82.0	(61.0)

** Prepared based on the 2025 Business Report; some figures may therefore differ from prior-year disclosures.*

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Greenhouse Gas Emissions

(Unit : tCO_2eq)

Category		2023	2024	2025
Direct Emissions	Ulsan Plant	104,479	92,441	80,632
	Cheongyang Plant 1	7,839	7,426	6,305
	Cheongyang Plant 2	3,598	3,858	3,928
	Jeonju Plant	166	68	39
	Daejeon Plant	247	0	-
	Headquarters, etc.	201	214	160
	Subtotal	116,529	104,007	91,065
Indirect Emissions (location-based)	Ulsan Plant	47,874	47,216	41,242
	Cheongyang Plant 1	5,999	5,668	5,157
	Cheongyang Plant 2	6,562	6,831	6,981
	Jeonju Plant	1,236	628	452
	Daejeon Plant	1,195	61	-
	Headquarters, etc.	872	1,432	1,492
	Subtotal	63,737	61,836	55,325
Total Emissions		180,260	165,838	146,386
GHG Intensity		12.74	12.66	13.21

** Headquarters, etc.: Includes Seoul Headquarters, Daejeon Research Center, Busan Branch, Central Logistics Center, Osan Depot, and Chungju Plant*

** GHG Intensity: tCO_2eq / Revenue (KRW 100 million, non-consolidated (separate) basis)*

** Rounding to decimal places may result in differences between individual items and totals*

** Some data may differ from those disclosed in the previous year's report due to a change in internal management standards*

Energy Consumption

(Unit : TJ)

Category		2023	2024	2025
Energy Consumption	Ulsan Plant	1,345	1,323	1,159
	Cheongyang Plant 1	252	241	209
	Cheongyang Plant 2	207	217	222
	Jeonju Plant	28	14	10
	Daejeon Plant	29	1	-
	Headquarters, etc.	19	32	33
	Subtotal	1,880	1,828	1,633
Renewable energy (Self-Generated) Consumption	Ulsan Plant	0.05	0.24	0.25
	Cheongyang Plant 1	1.12	1.29	1.35
	Cheongyang Plant 2	0.19	0.21	0.17
	Headquarters, etc.	0.00	0.82	0.88
	Subtotal	1.36	2.56	2.65
Total Consumption		1,881	1,831	1,636
Energy Intensity*		0.13	0.14	0.15
Renewable Energy Usage Ratio (%)		0.07%	0.14%	0.16%

** Headquarters, etc.: Includes Seoul Headquarters, Daejeon Research Center, Busan Branch, Central Logistics Center, Osan Depot, and Chungju Plant*

** Energy Intensity: TJ/Revenue (KRW 100 million, non-consolidated (separate) basis)*

** Renewable Energy Usage Ratio: Ratio of renewable energy consumption to total energy consumption*

** Aggregating site-level truncated figures at the company level may result in differences between individual items and totals*

** Some data may differ from those disclosed in the previous year's report due to a change in internal management standards*

** Correction of 2024 Cheongyang Plant 1 renewable energy consumption data due to reporting error*

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Water Withdrawal and Consumption

(Unit : Ton)

Category		2023	2024	2025
Industrial Water	Ulsan Plant	1,271,469	990,066	905,068
	Cheongyang Plant 1	76,121	97,708	58,213
	Cheongyang Plant 2	114,698	121,006	120,312
	Jeonju Plant	18	25	9
	Daejeon Plant	29,641	0	-
	Total	1,491,947	1,208,805	1,083,602
Tap Water	Ulsan Plant	0	0	0
	Cheongyang Plant 1	0	1,276	0
	Cheongyang Plant 2	0	0	0
	Jeonju Plant	0	485	567
	Daejeon Plant	0	0	-
	Total	0	1,761	567
Reused Water	Ulsan Plant	192,682	209,766	172,529
	Total	192,682	209,766	172,529
Total Water Consumption	Total	1,684,629	1,420,332	1,256,698
Water Reuse Ratio (%)		11.44	14.77	13.73

** Water Reuse Ratio: Ratio of reused water consumption to total water consumption*

** Industrial Water: Includes groundwater usage*

** Correction of 2024 total Industrial Water data due to a data entry error*

Amount of Waste Generated

(Unit : Ton)

Category			2023	2024	2025
General Waste	Recycling	Ulsan Plant	1,473	1,151	869
		Cheongyang Plant 1	63	98	122
		Cheongyang Plant 2	396	400	400
		Jeonju Plant	6	5	6
		Daejeon Plant	17	0	-
		Subtotal	1,954	1,653	1,397
	Incineration	Ulsan Plant	1,582	1,347	854
		Cheongyang Plant 1	92	94	75
		Cheongyang Plant 2	63	69	52
		Jeonju Plant	0	0	0
		Daejeon Plant	8	0	-
		Subtotal	1,744	1,510	981
	Landfill	Ulsan Plant	128	132	26
		Cheongyang Plant 1	0	0	0
		Cheongyang Plant 2	12	0	9
		Jeonju Plant	8	19	22
		Daejeon Plant	0	0	-
		Subtotal	148	150	57

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Amount of Waste Generated

(Unit : Ton)

Category			2023	2024	2025
General Waste	Others	Ulsan Plant	0	0	0
		Cheongyang Plant 1	0	0	0
		Cheongyang Plant 2	9	0	0
		Jeonju Plant	0	0	0
		Daejeon Plant	0	0	-
		Subtotal	9	0	0
	Total General Waste	Total	3,856	3,314	2,435
Designated Waste	Recycling	Ulsan Plant	3,139	2,178	1,259
		Cheongyang Plant 1	809	789	780
		Cheongyang Plant 2	50	88	73
		Jeonju Plant	0	1	0
		Daejeon Plant	138	0	-
		Subtotal	4,136	3,057	2,111
	Incineration	Ulsan Plant	1,578	2,308	1,295
		Cheongyang Plant 1	2,367	645	2,074
		Cheongyang Plant 2	46	193	61
		Jeonju Plant	0	0	0
		Daejeon Plant	0	0	-
		Subtotal	3,992	3,145	3,430

Amount of Waste Generated

(Unit : Ton)

Category			2023	2024	2025
Designated Waste	Landfill	Ulsan Plant	0	0	0
		Cheongyang Plant 1	0	0	0
		Cheongyang Plant 2	0	0	0
		Jeonju Plant	0	0	0
		Daejeon Plant	0	0	-
		Subtotal	0	0	0
	Others	Ulsan Plant	0	0	0
		Cheongyang Plant 1	0	0	0
		Cheongyang Plant 2	180	211	283
		Jeonju Plant	0	0	0
		Daejeon Plant	0	0	-
		Subtotal	180	211	283
	Total Designated Waste	Total	8,308	6,413	5,824
Total Waste	Total Treated	Total	12,164	9,727	8,259
	Total Recycled	Total	6,091	4,710	3,509
Waste Recycling Ratio (%)			50.07	48.42	42.48

** Waste Recycling Ratio: Ratio of recycled waste to total waste generated*

** Rounding to decimal places may result in differences between individual items and totals*

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Air Pollutant Emissions

(Unit : kg)

Category		2023	2024	2025
Sulfur Oxides (SOx)	Ulsan Plant	252	1,311	104
	Cheongyang Plant 1	22	24	69
	Cheongyang Plant 2	0	773	7
	Jeonju Plant	0	0	0
	Daejeon Plant	84	0	-
	Total	358	2,108	180
Nitrogen Oxides (NOx)	Ulsan Plant	13,194	15,542	18,832
	Cheongyang Plant 1	4,921	4,743	4,194
	Cheongyang Plant 2	5,525	6,228	5,301
	Jeonju Plant	0	0	0
	Daejeon Plant	400	0	-
	Total	24,040	26,513	28,327
Dust (PM)	Ulsan Plant	9,675	9,289	3,131
	Cheongyang Plant 1	957	889	1,002
	Cheongyang Plant 2	1,271	584	704
	Jeonju Plant	2,007	634	199
	Daejeon Plant	232	0	-
	Total	14,141	11,396	5,036

** Rounding to decimal places may result in differences between individual items and totals*

Water Pollutant Emissions

(Unit : kg)

Category		2023	2024	2025
Biochemical Oxygen Demand (BOD)	Ulsan Plant	1,673	476	468
	Cheongyang Plant 1	77	1,033	38
	Cheongyang Plant 2	1,023	1,068	1,119
	Jeonju Plant	0	0	0
	Daejeon Plant	198	0	-
	Total	2,970	2,577	1,626
Suspended Solids (SS)	Ulsan Plant	4,837	3,634	2,543
	Cheongyang Plant 1	215	6	12
	Cheongyang Plant 2	458	980	1,033
	Jeonju Plant	0	0	0
	Daejeon Plant	512	0	-
	Total	6,022	4,620	3,587
Total Organic Carbon (TOC)	Ulsan Plant	4,738	3,179	2,356
	Cheongyang Plant 1	16	584	27
	Cheongyang Plant 2	1,648	1,478	1,341
	Jeonju Plant	0	0	0
	Daejeon Plant	160	0	-
	Total	6,562	5,241	3,724

** Rounding to decimal places may result in differences between individual items and totals*

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Chemical Substance Emissions

(Unit : kg)

Category	2023	2024	2025
Ulsan Plant	13,321	10,614	9,593
Cheongyang Plant 1	2,261	2,592	4,599
Cheongyang Plant 2	3,979	2,158	941
Jeonju Plant	0	0	0
Daejeon Plant	396	0	-
Total	19,957	15,364	15,134

** Rounding to decimal places may result in differences between individual items and totals*

Hazardous Chemical Substance Usage

(Unit : Ton)

Category	2023	2024	2025
Ulsan Plant	189,356	171,888	139,637
Cheongyang Plant 1	30,462	40,966	27,041
Cheongyang Plant 2	7,282	7,560	13,630
Jeonju Plant	288	115	36
Daejeon Plant	1,152	0	-
Total	228,541	220,529	180,344

** Rounding to decimal places may result in differences between individual items and totals*

Drum Usage

(Unit : EA)

Category		2023	2024	2025
Drum Usage	Ulsan Plant	242,244	208,437	156,128
	Cheongyang Plant 1	184,922	183,093	110,382
	Cheongyang Plant 2	237,949	267,650	268,940
	Jeonju Plant	0	0	0
	Daejeon Plant	46,958	530	-
	Total	712,073	659,710	535,450
Recycled Drum Usage	Ulsan Plant	143,141	128,843	81,913
	Cheongyang Plant 1	50,731	39,799	15,219
	Cheongyang Plant 2	193,979	207,673	198,210
	Jeonju Plant	0	0	0
	Daejeon Plant	41,779	530	-
	Total	429,630	376,845	295,342

Sales Performance of Eco-friendly Products

(Unit : KRW 100 million, %)

Category	2023	2024	2025
Eco-friendly Product Sales	3,844	3,778	3,372
Eco-friendly Sales as % of Total Sales	27.2	28.8	30.4

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Use of Recycled Raw Materials

(Unit : Ton)

Category	2023	2024	2025
Recycled PET	544	1,912	1,951
Recycled MMA	3	3	8
Total	547	1,915	1,959

Purchases of Eco-friendly Certified Products

(Unit : KRW thousand, %)

Category	2023	2024	2025
Purchase Amount of Eco-Certified Products	317,881	323,239	323,078
Total Purchase Amount	1,022,506	1,013,161	833,227
Eco-Certified Product Purchase Ratio	31.09	31.90	38.77

Environmental Fines and Penalties

(Unit : cases, KRW thousand)

Category	2023	2024	2025
Number of Law Violations	0	0	0
Total Fines and Penalties	0	0	0

Patent Status

(Unit : cases)

Team	Patent Registrations		Application		
	Domestic	Overseas	Domestic	Overseas	PCT
Monoester Development Team	29	1	1	2	6
Functional Ingredients Development Team	20	0	4	0	1
Urethane Materials Development Team	11	0	1	0	0
Acrylic Materials Development Team	37	6	1	0	0
Polyester Development Team	8	0	2	0	0
New Growth Technology & Material Research Team	11	0	1	0	3
Biofuel & Chemicals Research Team	4	0	1	0	1
Hard Carbon Project Team	8	3	0	3	3
Subtotal	128	10	11	5	14
Total		138		16	14

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Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total Number of Employees	persons	750	752	724

** The above figures represent the year-end totals compiled through the internal HR management system*

** Includes registered executives, independent directors, and employees on parental leave; figures may differ from the number of employees reported in the Business Report*

Detailed Employee Status

Category		Unit	2023	2024	2025
By Age Group	Under 30	persons	176	153	142
	30 to Under 50	persons	436	454	444
	50 and Over	persons	138	145	138
By Employment Type	Regular Employees (Male)	persons	610	614	586
	Regular Employees (Female)	persons	110	111	109
	Regular Employee Subtotal	persons	720	725	695
	Non-Regular Employees (Male)	persons	26	23	24
	Non-Regular Employees (Female)	persons	4	4	5
	Non-Regular Employee Subtotal	persons	30	27	29
Non-Affiliated Workers	Male	persons	137	136	144
	Female	persons	29	26	24
	Subtotal	persons	166	162	168

** Regular employees: Employees hired directly by the company with guaranteed job continuity, Non-regular employees: Employees hired directly by the company with fixed-term contracts*

Workforce Diversity Status

Category			Unit	2023	2024	2025
Gender Balance	Total Female Employees		persons	114	115	114
	Female Employee Ratio		%	15.2	15.3	15.7
	Managers	Female Executives	persons	1	1	2
		Female Team Leaders	persons	5	4	3
	Female Managers Ratio		%	8.8	7.5	7.8
Employment of People with Disabilities	Total Employees		persons	14	15	15
Employment of National Merit Recipients	Total Employees		persons	21	22	22
Employment of Foreign Nationals	China		persons	2	2	2
	Vietnam		persons	2	1	1
	Thailand		persons	1	1	1
	Malaysia		persons	1	1	1
	Kazakhstan		persons	1	1	0
	Philippines		persons	0	0	0
	Colombia		persons	0	1	1
	Total Employees		persons	7	7	6

** Manager criteria: Executives and team leaders or above (In 2025, the proportion of female managers was 7.8%)*

** Employment of People with Disabilities calculation criteria: Based on Korea Employment Agency for Persons with Disabilities (KEAD) standards (severely disabled individuals counted as 2 persons)*

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New Employment Status

Category	Unit	2023	2024	2025
Total Number of New Employees	persons	128	73	79
Number of Male New Employees	persons	102	56	61
Number of Female New Employees	persons	26	17	18

Turnover Status

Category	Unit	2023	2024	2025
Average Tenure of Employees	years	10.8	11.3	11.3
Number of Turnover Employees	persons	63	58	66
Turnover Rate*	%	8.4	7.7	9.1

** Turnover Rate: Number of voluntary leavers / Total number of employees*

Parental Leave Status

Category	Unit	2023	2024	2025
Employees Who Took Parental Leave (Male)	persons	4	3	2
Employees Who Took Parental Leave (Female)	persons	4	2	4
Employees Who Took Parental Leave (Total)	persons	8	5	6
Parental Leave Utilization Rate (Male)	%	0.0	0.0	5.0
Parental Leave Utilization Rate (Female)	%	100.0	100.0	80.0
Parental Leave Utilization Rate (Total)	%	13.6	11.1	20.0
Employees Who Remained Employed for 12 Months or More After Returning from Parental Leave (Male)	persons	1	1	1
Employees Who Remained Employed for 12 Months or More After Returning from Parental Leave (Female)	persons	0	3	3
Employees Who Remained Employed for 12 Months or More After Returning from Parental Leave (Total)	persons	1	4	4
Number of Employees Using Shortened Working Hours During Childcare	persons	0	0	1
Number of Employees Who Took Spouse Childbirth Leave	persons	21	22	18

** Employees Who Took Parental Leave: Number of employees who took parental leave in the relevant year*

** Rate of Taking Parental Leave (%)*

: (Number of parents who started parental leave among parents of children born in the relevant year ÷ Number of parents who met the eligibility requirements for parental leave among parents of children born in the relevant year) × 100

** Employees Who Remained Employed for 12 Months or More After Returning from Parental Leave: Number of employees, among those who returned from parental leave in the previous year, who remained employed for 12 months or more*

** Number of employees using shortened working hours during childcare: Number of employees who used the reduced working hours system during the childcare period in the relevant year*

** Employees Who Took Spouse Maternity Leave: Number of employees who took spouse maternity leave in the relevant year*

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Employee Labor Union Membership Status

Category		Unit	2023	2024	2025
Labor Union Membership Status	Number of Employees in Labor Union	persons	139	276	277
	Membership Rate	%	19	37	38
Collective Bargaining Agreement	Number of Employees Covered by Collective Bargaining Agreement	persons	139	276	277
	Collective Bargaining Agreement Coverage Rate	%	19	37	38

Labor-Management Council (UNIQUE Committee) Operations Performance

Category	Unit	2023	2024	2025
Number of Meetings Held	sessions	4	4	4
Agenda Items	cases	51	40	51
Agenda Handling Rate	%	100	100	100

** Agenda Handling Rate: The percentage of agendas submitted in the current year that have completed deliberation, resolution, or action.*

Industrial Accident Status

Category		Unit	2023	2024	2025
Ulsan Plant	Accident Rate	%	0.57	0	0
	Lost Time Injury Rate	cases per 200,000 working hours	0.43	0	0
	Illnesses	%	0	0	0
Cheongyang Plant 1	Accident Rate	%	0.64	0	0.61
	Lost Time Injury Rate	cases per 200,000 working hours	0.48	0	0.46
	Illnesses	%	0	0	0
Cheongyang Plant 2	Accident Rate	%	0	1.67	0
	Lost Time Injury Rate	cases per 200,000 working hours	0	1.26	0
	Illnesses	%	0	0	0
Partners	Accident Rate	%	0	0	0.57
	Lost Time Injury Rate	cases per 200,000 working hours	0	0	0.43
	Illnesses	%	0	0	0

** Lost-Time Injury Rate = (Total number of lost-time injuries / Total work hours) × 200,000 (Total work hours = Number of workers at business sites × 10 hours × 22 days/month × 12 months*

** Figures may differ from those disclosed in the previous year's report due to the quarterly aggregation of accident rate data by the Korea Occupational Safety and Health Agency (KOSHA)*

Education and Training Expenses

Category	Unit	2023	2024	2025
Total Education Costs	KRW thousand	251,299	248,801	229,997
Training Expense per Employee	KRW thousand	355	331	318
Average Education Hours per Employees	hours	49	48	48

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2025 Safety and Health Education

Category			Frequency	Unit	Subtotal	Remarks
Job Training	Safety and Health General Manager		2 years	persons	2	
	Safety Manager		2 years	persons	2	
	Health Manager		2 years	persons	0	Outsourced
	Hazardous Chemicals Safety Education	Management	2 years	persons	18	
		Handlers	2 years	persons	448	
		Workers	1 years	persons	123	
Employer Education	Supervisors		1 years	persons	172	
	Workers	Regular Education	Semiannually	persons	741	
	New	General Education	Upon hiring	persons	64	
		Special Education	Upon hiring	persons	44	

Employee Welfare Expense Status

Category	Unit	2023	2024	2025
Employee Benefits	KRW thousand	8,074,755	8,641,200	8,779,419
Revenue	KRW thousand	1,414,480,485	1,310,224,794	1,108,517,746
Ratio	%	0.6	0.7	0.8

Retirement Pension Status

Category		Unit	2023	2024	2025
Retirement Pension Management (Defined Benefit Plan)	Number of Subscribers	persons	653	604	556
	Total Subscription Amount (Estimated)	KRW thousand	36,695,158	40,223,481	43,514,076

Local Community Contribution Activities

Category	Unit	2023	2024	2025
Program	cases	16	16	26
Participating Employees	persons	470	594	571
Participation Hours	hours	485	1,299	932
Donations	KRW million	787	72	187

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Governance Performance

Board of Directors Operations

Category	Unit	2023	2024	2025
Number of Meetings Held	sessions	18	11	15
Attendance Rate (Average)	%	90.9	92.5	91.3
Total Agenda Items	cases	45	40	46
Number of Resolutions	cases	31	28	29
Number of Reports	cases	14	12	17

Major Resolutions of the Board of Directors in 2025

Meeting No.	Date	Agenda Details	Attendance of Independent Directors (Total)
1st	2025.02.03	Approval of Separate and Consolidated Financial Statements and Business Report (Pre-Audit)	3/3
		Approval of Cash Dividend for Fiscal Year 2024	
		Approval of the 2025 Occupational Safety and Health Plan	
		Approval of the 2025 Environmental Management Targets	
		Approval of Compliance Support Officer Appointment	
		Report on the Results of the Independent Director Nomination Committee	
2nd	2025.02.17	Approval of the Resolution to Convene the 13th Annual General Meeting of Shareholders and Finalization of Agenda Items	3/3
		Approval of the Implementation of the Electronic Voting and Proxy System	
		Approval of the Amendment to the Internal Accounting Control Regulations	
		Report by the Internal Accounting Manager on the Operation Status of the Internal Accounting Control System	
		Report on the 2025 Internal Control Activities Plan	
3rd	2025.02.20	Approval of the Establishment of a Joint Venture Company (W Project)	3/3
4th	2025.03.14	Approval of the 13th Separate and Consolidated Financial Statements and Business Report	3/3
		Approval of Profit Dividend for Fiscal Year 2024	
		Approval of the Execution of the CSPA for Project Jasmin	
		Report on the Evaluation of the Operation Status of the Internal Accounting Control System	
		Report on the Progress of Fair Trade Compliance Program (CP) Activities	

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Major Resolutions of the Board of Directors in 2025

Meeting No.	Date	Agenda Details	Attendance of Independent Directors (Total)
5th	2025.03.25	Election of a Member of the Internal Transaction Committee	3/3
		Appointment of Sustainability Management Committee Members	
		Election and Dismissal of Members of the Independent Director Nomination Committee	
6th	2025.04.24	Approval of Fund Lending to a Related Party (AK Plaza)	3/3
		Report on the Addition of Transaction Subject Matter and Increase in Transaction Amount Limit with a Related Party (AK Plaza)	
		Report on the Increase in Transaction Amount Limit with AK-VINA	
7th	2025.05.12	Approval of the Q1 2025 Separate and Consolidated Financial Statements	3/3
8th	2025.06.09	Approval of a Payment Guarantee for Aekyung (Ningbo) Chemical Co., Ltd.	3/3
		Report on the 2025 Increase in Transaction Amount Limit with Aekyung (Ningbo) Chemical Co., Ltd.	
		Report on the 2025 Increase in Transaction Amount Limit with AK-VINA	
9th	2025.07.21	Resolution on the Method for Granting Stock Options	3/3
10th	2025.08.11	Approval of the Separate and Consolidated Financial Statements for H1 2025	3/3
		Approval of Aekyung Chemical Compliance Control Standards Establishment	
		Report on the Status of the Fair Trade Compliance Program (CP) for H1 2025	
		Report on the 2025 Increase in Transaction Amount Limit with Aekyung Industries/Jeju Air	
11th	2025.10.20	Approval of the Establishment of a Subsidiary	3/3
		Approval of Concurrent Holding of an Executive Position at Another Company	
12th	2025.11.10	Approval of the Separate and Consolidated Financial Statements for Q3 2025	3/3
		Report on the 2025 Increase in Transaction Amount Limit with AID	

Major Resolutions of the Board of Directors in 2025

Meeting No.	Date	Agenda Details	Attendance of Independent Directors (Total)
13th	2025.11.28	Approval of Concurrent Holding of an Executive Position at Another Company	3/3
		Approval of Self-Dealing Transactions with Another Company (AK BioPharm, December 2025)	
14th	2025.12.15	Approval of Shareholder Registry Reference Date	3/3
		Approval of 2026 Transactions with Directors, etc.	
		Approval of Self-Dealing Transactions with Another Company (AK BioPharm, 2026)	
		Report on Matters Approved by the Internal Transaction Committee on December 15	
		Report on the Progress of the Diamond Project	
		Report on Corruption Risk Identification and Assessment Results	
15th	2025.12.19	Approval of Self-Dealing Transactions with Another Company (AK BioPharm)	3/3

Major Resolutions of the Sustainability Management Committee in 2025

Meeting No.	Date	Agenda Details	Number of Committee Members Present (Total)
1st	2025.02.14	Approval of the 2025 ESG Implementation Plan	4/4
2nd	2025.03.25	Selection of Sustainability Management Committee Chairperson	4/4
3rd	2025.05.12	Report on the Risk and Opportunity Analysis Results and Implementation Plan for ESG Material Issues	4/4
4th	2025.08.11	2025 ESG Management Activities Report: First Half Performance Results and Second Half Plans	4/4
5th	2025.11.10	Approval of the ESG Biodiversity Conservation Activity Plan	4/4
		Report on the Progress Review of ESG Material Issue Strategy Implementation	
6th	2025.12.15	Report on the 2025 KCGS ESG Assessment Results	4/4

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Major Resolutions of the Internal Transaction Committee in 2025

Meeting No.	Date	Agenda Details	Number of Committee Members Present (Total)
1st	2025.02.03	2024 Internal Transaction Details	4/4
2nd	2025.04.16	Approval of Transactions with Directors and the Company for 2025	4/4
3rd	2025.04.24	Approval of Fund Lending to a Related Party (AK Plaza)	4/4
		Approval of the Addition of Transaction Subject Matter and Increase in Transaction Amount Limit with a Related Party (AK Plaza)	
4th	2025.05.12	Internal Transaction Performance Details for Q1 2025	4/4
5th	2025.05.16	Approval of Transactions with Directors, etc. in 2025 (Provision of Credit to AK-VINA)	4/4
		Approval of the Increase in Transaction Amount Limit for Transactions with Directors, etc. in 2025 (AK-VINA)	
6th	2025.06.09	Approval of a Payment Guarantee for Aekyung (Ningbo) Chemical Co., Ltd.	4/4
		Approval of the 2025 Increase in Transaction Amount Limit with Aekyung (Ningbo) Chemical Co., Ltd.	
7th	2025.08.11	Internal Transaction Performance Details for H1 2025	4/4
		Approval of the Increase in Transaction Amount Limit for Transactions with Directors, etc. in 2025	
8th	2025.11.10	Internal Transaction Performance Details for Q3 2025	4/4
		Approval of Transactions with Directors, etc. in 2025 (AID)	
		Approval of the Transaction Amount Limit for Transactions with Directors, etc. in 2025 (AID)	
9th	2025.12.15	Approval of Transactions with Directors, etc. in 2025 (Aekyung Shanghai)	4/4
		Approval of Transactions with Directors, etc. in 2025 (VPCHEM)	
		Approval of the Transaction Amount Limit for Transactions with Directors, etc. in 2025 (VPCHEM)	
		Approval of Transactions with Directors, etc. in 2026	
		Approval of Self-Dealing Transactions with Another Company (AK BioPharm, 2026)	

Major Resolutions of the Internal Transaction Committee in 2025

Meeting No.	Date	Agenda Details	Number of Committee Members Present (Total)
10th	2025.12.19	Approval of Financial Support for AK BioPharm	4/4
		Approval of the Increase in Internal Transactions for 2025–2026 (AK BioPharm)	

Major Resolutions of the Audit Committee in 2025

Meeting No.	Date	Agenda Details	Number of Committee Members Present (Total)
1st	2025.02.03	Approval of Separate and Consolidated Financial Statements and Business Report for FY2024 (Pre-Audit)	3/3
2nd	2025.02.14	Approval of the Appointment of an External Auditor	3/3
		Approval of 2025 Annual Internal Control Activity Plan	
		Approval of the Amendment to the Internal Accounting Control Regulations	
		Report on Operation Status of the Internal Accounting Control System in 2024	
3rd	2025.03.14	Approval of Separate and Consolidated Financial Statements and Business Report for the 13th Fiscal Year (FY2024) — Post-Audit	3/3
		Audit Committee's Audit Report	
		Audit Committee's Evaluation of the Operation Status of the Internal Accounting Control System	
		Report on Board Approval of FY2024 Financial Statements and Exchange of Audit Opinions with External Auditors	
4th	2025.05.12	Resolution on Tax Adjustment/Advisory Services Contract for 2025 (Prior Approval for Non-Audit Services)	3/3
		Report on Board Approval of Q1 2025 Separate and Consolidated Financial Statements and Exchange of Audit Opinions with External Auditors	

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Non Financial Disclosure

Major Resolutions of the Audit Committee in 2025

Meeting No.	Date	Agenda Details	Number of Committee Members Present (Total)
5th	2025.08.11	Approval of Prior Consent to Non-Audit Services ('24 Integrated International Transaction Report Preparation Service)	3/3
		Report on Board Approval of H1 2025 Separate and Consolidated Financial Statements and Exchange of Audit Opinions with External Auditors	
6th	2025.09.15	Interim Report on 2025 Internal Control Activities	3/3
7th	2025.11.10	Report on Board Approval of Q3 2025 Separate and Consolidated Financial Statements and Exchange of Audit Opinions with External Auditors	3/3
8th	2025.12.15	Report on the Results of Corruption Risk Identification and Assessment	3/3

Information Protection

Category		Unit	2023	2024	2025
Information Protection Status	Number of Customer Data Breach,Thefts, or Loss incidents	cases	0	0	0
	Number of Customer Information Breach Incidents	cases	0	0	0
	Fines	KRW	0	0	0
	Penalties	KRW	0	0	0
	Employee Personal Information Protection Training Completion Rate	%	100	100	100

** Personal Information Protection Training is conducted annually for all employees.*

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GRI Index

Aekyung Chemical has published its Sustainability Report in accordance with GRI Standard 2021 for the period from January 1, 2025 to December 31, 2025. We complied with the nine requirements of GRI 1 (2021).

Since the Chemicals Sector Standard has not been released, no separate Sector Standard was applied. For material issues during the reporting period of 2025, please refer to the "Double Materiality Assessment" section of the report.

Universal Standard

Indicator		Reporting Page	Remarks
GRI 2 - General Disclosures			
2-1	Organization Information	7, 16-17	
2-2	Reporting Scope	4, 7, 16-17	
2-3	Reporting Period, Frequency, and Contact Point	4	
2-4	Restatements of Information	Footnotes on relevant pages	
2-5	External Assurance Status	135, 136-137	
2-6	Key Activities and Supply Chain, Products, and Services	11-17	
2-7	Information on Employees and Workforce	74, 120-121	
2-8	Non-Regular Employees	120	
2-9	Governance	94-96	
2-10	Recommendation and Selection of the Highest Governance Body	94-96	
2-11	Chair of the Highest Governance Body	94	
2-12	Role of the Highest Governance Body in Overseeing Impacts	20, 94-96	
2-13	Delegation of Responsibility for Managing Impacts	20	
2-14	Role of the Highest Governance Body in Sustainability Reporting	20, 96	
2-15	Conflicts of Interest	94-95	
2-16	Communication on Critical Issues	20, 96	
2-17	Collective Knowledge of the Highest Governance Body	94-96	
2-18	Evaluation of the Performance of the Highest Governance Body	96	
2-19	Remuneration Policies	96	
2-20	Remuneration Decision-making Process	96	
2-21	Ratio of Annual Total Compensation	Confidential	
2-22	Statement on Sustainable Growth Strategy	6	
2-23	Policy Commitments	29, 61, 76, 84, 88, 100, 103	
2-24	Embedding Policy Commitments	29-38, 61-65, 76-83, 84-87, 88~90, 100-102, 103-109	
2-25	Processes to Improve Negative Impacts	62-64, 81-83, 89-90, 100-102, 105-109	
2-26	Mechanisms for Advice on Responsible Business Conduct	96, 102, 103	
2-27	Compliance with Laws and Regulations	65, 91, 103, 119, 127	
2-28	Association Memberships	134	
2-29	Stakeholder Engagement and Communication	26	
2-30	Collective Agreements	70, 122	
GRI 3 - Material Topics 2021			
3-1	Materiality Assessment Process	21	
3-2	List of Material Issues	21-23	
3-3	Management of Material Issues	23	

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Material Topics

Indicator		Reporting Page	Remarks
Ethical Management			
GRI 205 - Anti-Corruption			
205-1	Corruption Risk Assessment at Business Sites	100-101	
205-2	Notice and Training about Anti-Corruption Policies and Procedures	100-102	
GRI 206 - Anti-Competitive Behavior			
206-1	Legal Actions Related to Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	Not applicable	
Expansion of Eco-friendly Technologies and Businesses			
GRI 301 - Raw Materials			
301-1	Weight and Volume of Raw Materials Used	49-52, 53-54, 119	
Climate Change Response			
GRI 302 - Energy			
302-1	Energy Consumption Within the Organization	38, 43, 114	
302-3	Energy Intensity	43, 114	
302-4	Reduction of Energy Consumption	39-43	
GRI 305 - Emissions			
305-1	Direct Greenhouse Gas Emissions (Scope 1)	43, 114	
305-2	Indirect Greenhouse Gas Emissions (Scope 2)	43, 114	
305-4	GHG Emissions Intensity	43, 114	
305-5	Reduction of Greenhouse Gas Emissions	41	
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	117	

Indicator		Reporting Page	Remarks
Environment Management			
GRI 303 - Water and Effluents			
303-2	Water Discharge-related Impacts Management	34-35, 56	
303-3	Water Withdrawal	38, 115	
303-5	Water Consumption	38, 56, 115	
GRI 306 - Waste			
306-1	Waste generation and significant waste-related impacts	32, 33-35	
306-2	Management of Significant Impact of Waste	32	
306-3	Waste Generation	115-116	
306-4	Waste Recycling	32, 115-116	
306-5	Waste Treatment	32, 115-116	
Talent Management			
GRI 401 - Employment			
401-1	New Employee Hires and Turnovers	121	
401-2	Benefits Provided to Full-time Employees that are Not Provided to Temporary or Part-time Employees	68-70, 72-73	
401-3	Parental Leave	121	
GRI 404 - Training and Education			
404-1	Average Training Hours Per Employee	75, 122	
404-2	Programs for Skills Management and Lifelong Learning to Support Continued Employability and Career Development	68-70	
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	73-74	

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Material Topics

Indicator		Reporting Page	Remarks
GRI 405 - Diversity and Equal Opportunity			
405-1	Diversity of Governance Bodies and Employees	66-67, 74-75, 120	
405-2	Ratio of Basic Salary and Remuneration of Women to Men	67	
Safety and Health			
GRI 403 - Occupational Health and Safety			
403-1	Occupational Health and Safety Management System	76-83	
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	81-82	
403-3	Occupational Health and Safety Services	72-73, 78-79	
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	78-79	
403-5	Worker Training on Occupational Health and Safety	30-31, 78-79, 82, 123	
403-6	Promotion of Worker Health	72-73	
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Relationships	76-83	
403-8	Workers Covered by an Occupational Health and Safety Management System	76, 123	
403-9	Work-Related Injuries	122	
403-10	Work-Related Illnesses	122	
GRI 416 - Customer Health and Safety			
416-1	Health and Safety Impact Assessments of Product and Service Categories	37, 81-82	

Non-Material Topics

Indicator		Reporting Page	Remarks
GRI 101 - Biodiversity 2024			
101-1	Policies to halt and reverse biodiversity loss	57	
GRI 201 - Economic Performance			
201-1	Creation and Distribution of Direct Economic Value	97-99, 111-113	
201-3	Obligations under Defined Benefit Pension Plans	123	
GRI 202 - Market Presence			
202-1	Ratio of Entry-Level Wage to Local Minimum Wage at Business Locations	67	
GRI 203 - Indirect Economic Impacts			
203-1	Infrastructure Investments and Services Supported for Public Benefit	84-87	
GRI 406 - Non-Discrimination			
406-1	Incidents of Discrimination and Corrective Actions Taken	Not applicable	
GRI 418 - Customer Privacy			
418-1	Number of Verified Complaints Related to Customer Privacy Violations and Data Loss	91, 127	

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	Indicator	Category	Code	Reporting Page
Greenhouse Gas Emissions	① Total Global Scope 1 Emissions (Quantitative)	Quantitative	RT-CH-110a.1	114, 135
	② Percentage of Scope 1 Emissions Subject to Emission-Limiting Regulations (e.g., K-ETS)	Quantitative	RT-CH-110a.1	114
	Scope 1 Emissions, Emission Reduction Targets, Short and Long-Term Strategies and Plans	Qualitative	RT-CH-110a.2	38, 40-41
Air Pollutant Emissions	① NOx Emissions	Quantitative	RT-CH-120a.1	117
	② SOx Emissions	Quantitative	RT-CH-120a.1	117
	③ VOCs Emissions	Quantitative	RT-CH-120a.1	-
	④ HAPs Emissions	Quantitative	RT-CH-120a.1	-
Energy Management	① Total Energy Consumption Quantitative	Quantitative	RT-CH-130a.1	114
	② Percentage of Grid Electricity Consumption	Quantitative	RT-CH-130a.1	-
	③ Percentage of Renewable Energy	Quantitative	RT-CH-130a.1	114
	④ Total On-Site Generated Energy	Quantitative	RT-CH-130a.1	114
Water Management	① Total Water Withdrawal in Areas with High or Extremely High Water Stress	Quantitative	RT-CH-140a.1	179,101Ton
	② Proportion of Total Water Consumption in Areas with High or Extremely High Water Stress	Quantitative	RT-CH-140a.1	179,101Ton
	Number of Non-Compliance Incidents Related to Water Discharge Permits , Standards , or Regulations	Quantitative	RT-CH-140a.2	0 cases
	Description of Water Management Risks and Mitigation Strategies/Activities	Qualitative	RT-CH-140a.3	34-35, 56
Hazardous Waste Management	Hazardous Waste Generated	Quantitative	RT-CH-150a.1	115-116
	Recycling Rate	Quantitative	RT-CH-150a.1	116
Local Community Relations	Processes to Manage Risks and Opportunities Related to Community Stakeholders	Qualitative	RT-CH-201a.1	84-87
Occupational Health and Safety	① Total Recordable Incident Rate (TRIR)	Quantitative	RT-CH-320a.1	122
	② Fatality Rate Among Employees and Contractors	Quantitative	RT-CH-320a.1	0%
	Efforts to Assess, Monitor, and Reduce Long-Term or Chronic Health Risks	Qualitative	RT-CH-320a.2	81-82
Product Design for Use-Phase Efficiency	Revenue from Products Designed for Resource Efficiency in the Use Phase	Quantitative	RT-CH-410a.1	49-52, 53-56
Chemical Safety and Environmental Responsibility	① Percentage of products that include components classified as Category 1 and 2 (Category 1 and 2 Health and Environmental Hazardous Substances) according to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS)	Quantitative	RT-CH-410b.1	-
	② Proportion of Products Undergoing Hazard Assessment	Quantitative	RT-CH-410b.1	-
	① Management of Chemicals of Concern	Qualitative	RT-CH-410b.2	30-31, 37
	② Discussion of Strategies for Developing Alternatives with Lower Human and Environmental Impact	Qualitative	RT-CH-410b.2	44-52
Genetically Modified Organisms (GMOs)	Percentage of Revenue from Products That Include Genetically Modified Organisms (GMOs)	Quantitative	RT-CH-410c.1	-
Management of Legal and Regulatory Environment	Discussion on the Company's Position Regarding Government Regulations or Policies Addressing Environmental and Social Factors Affecting the Industry	Qualitative	RT-CH-530a.1	37, 39-41, 49-52, 61-65, 80, 91
Process Safety, Emergency Preparedness, and Response	① Process Safety Incidents Count (PSIC)	Quantitative	RT-CH-540a.1	122
	② Process Safety Total Incident Rate (PSTIR)	Quantitative	RT-CH-540a.1	122
	③ Process Safety Incident Severity Rate (PSISR)	Quantitative	RT-CH-540a.1	122
	Number of Transportation Accidents	Quantitative	RT-CH-540a.2	0 cases

** Water Management ①, ②: Based on World Resources Institute (WRI) criteria, Aekyung Chemical's business sites located in areas with high water stress are Cheongyang Plant 1 and Plant 2.*

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UN SDGs Index

The UN Sustainable Development Goals (UN SDGs) are global objectives set by the international community to be achieved by 2030 for sustainable development. Aekyung Chemical is participating in the implementation of 16 goals.

Indicator		Key Activities	Reporting Page
	NO POVERTY	Local Communities > LOVE TOGETHER, DIVERSE TOGETHER	85-86
	ZERO HUNGER	Local Communities > LOVE TOGETHER, DIVERSE TOGETHER	85-86
	GOOD HEALTH AND WELL-BEING	Talent Management > Work-Life Balance Support, Employee Benefits Safety and Health Local Communities > LOVE TOGETHER, DIVERSE TOGETHER	72-73 76-83 85-86
	QUALITY EDUCATION	Talent Management > Employee Training System and Overview Supply Chain Management > Supply Chain Management for Mutual Growth	68~70 90
	GENDER EQUALITY	Human Rights Management Talent Management > Diversity Expansion and Non-Discrimination, Work-Life Balance Support, Workforce Diversity Targets and Current Status	61-65 67, 72, 74~75
	CLEAN WATER AND SANITATION	Environmental Management > Water Pollutant Management Resource Circulation > Water Resources	34-35 56
	AFFORDABLE AND CLEAN ENERGY	Climate Change Response > Energy Management	41-42
	DECENT WORK AND ECONOMIC GROWTH	Talent Management > Top Talent Acquisition Policy Supply Chain Management > Supply Chain Management Mutual Growth	66-67 90

Indicator		Key Activities	Reporting Page
	INDUSTRY, INNOVATION AND INFRASTRUCTURE	Environmental Management > Eco-friendly Investment	35
	REDUCED INEQUALITIES	Human Rights Management Talent Management > Diversity Expansion and Non-Discrimination, Workforce Diversity: Targets and Current Status	61-65 67, 74-75
	RESPONSIBLE COSUMPTION AND PRODUCTION	Environmental Management > Management of Hazardous Chemical Substances, Waste Management Expansion of Eco-friendly Technologies and Businesses Resource Circulation	30-31, 32 44~52 53~56
	CLIMATE ACTION	Climate Change Response	39~43
	LIFE BELOW WATER	Environmental Management > Water Pollutant Management Local Communities > Sustained Environmental Protection	34-35 87
	LIFE ON EARTH	Biodiversity Local Communities > Sustained Environmental Protection	57-59 87
	PEACE, JUSTICE AND STRONG INSTITUTIONS	Talent Management > Activating Labor- Management Communication Ethical Management Compliance Management	70 100-102 103-109
	PARTNERSHIPS FOR THE GOALS	Biodiversity > Biodiversity Conservation Initiative: Participation in BNBP (Biz N Biodiversity Platform)	59

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Awards and Association Activities

Awards

Category	Environment Day Commendation Award	Diversity Excellence Award	Regional and Industry-Tailored Workforce Development Program Plaque of Appreciation
Award Date	June 4, 2025	September 9, 2025	November 27, 2025
Institution Name	Chungcheongnam-do Provincial Government	Women in Innovation (WIN)	Ulsan College
Certificate of Commendation			

Association Activities

Korea Petrochemical Industry Association	Chemical Safety Community Council	Korea Bio-energy Association
Korea Industrial Health Association	Korea Environmental Engineers Association	Korea Mech. Const. Constructors Association
Korea Industrial Safety Association	Korea Vinyl Environmental Council	Ulsan Chamber of Commerce and Industry
Korean Energy Management Engineering Association	Korea Electrical Engineers Association	Ulsan Environmental Engineers Association
Korea International Trade Association	Process Safety Council	Ulsan Logistics Council
Korea Chemical Management Association	Korea Polyurethane Industry Association	Daejeon Chungnam Environmental Conservation Association
Korea Fire Safety Institute	Korean Polyurethane Association	Korea Chemical Industry Association
Korea Emissions Market Association		

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Greenhouse Gas Verification Statement

Aekyung Chemical Co.,Ltd

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas(hereinafter "GHG") emission(Scope 1,2) in 2025 of Aekyung Chemical Co.,Ltd. (hereinafter "the company").

PURPOSE & SCOPE

The purpose of this verification is to independently assess the following based on objective evidence

- Conformity with the verification criteria
- The accuracy of the GHG emissions and removals reported by the company

The scope of this verification covers the GHG emissions report provided by the company, as well as all facilities and emission sources under the operational control of the company.

STANDARDS

- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment Notice No.2025-64)
- Verification Guidelines for the Operation of the GHG Emissions Trading Scheme (Ministry of Environment Notice No.2025-165)
- Guidelines on the Operation of Greenhouse Gas and Energy Target Management System (Ministry of Environment Notice No.2025-165)
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)

PROCEDURE

KMR conducted on-site verification based on a risk analysis approach and data evaluation, and assessed the appropriateness of the data and parameters applied in the calculation of GHG emissions based on objective evidence. KMR verified the GHG emissions for the reporting period using reasonable methods in accordance with the verification guidelines.

INDEPENDENCE

KMR has no conflict of interest with the company and does not perform verification with biased opinions or perspectives. KMR derived an independent and objective verification conclusion based on the verification criteria, and reviewed the entire verification process through an independent review.

LIMITATION

KMR verified the relevant reports, information, and data provided by the company through sampling and, where applicable, full inspection methods. However, there are inherent limitations, and differences in interpretation regarding conformity may exist. Although efforts were made to conduct a thorough verification in accordance with the verification criteria, undetected errors, omissions, or misstatements may still exist, which are presented as limitations of the verification.

GHG emissions

Year	Unit	Scope 1	Scope 2	Total
2025	ton CO_2eq	91,064.553	55,325.091	146,386

*The total emissions value may differ by ±1 ton CO_2_eq due to rounding during the aggregation process.

Energy Consumption

Year	Unit	Fuel	Electricity	Steam	Total
2025	TJ	477.071	1,158.454	0.504	1,633

RESULTS

KMR prepared the GHG report in accordance with the agreed verification criteria.

- The verification of GHG emissions was conducted to achieve a reasonable level of assurance in accordance with the verification criteria.
- It has been verified that the data were properly collected, prepared, and reported in accordance with the verification criteria, and that emissions from key emission sources (accounting for 95% of total GHG emissions) have been calculated and reported without omission.
- Materiality: Meets the threshold of less than 5%

April 6, 2026

KMR CEO **E. J Hwang**

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Independent Assurance Statement

To the Stakeholders of Aekyung Chemical Co., Ltd.

Marcspon (hereinafter "Assurance Provider") has been engaged by Aekyung Chemical Co., Ltd. to conduct an independent assurance engagement on the "2025 Aekyung Chemical Sustainability Management Report" (hereinafter "Report"). This Independent Assurance Statement presents the results of the independent assurance to the management of the management of Aekyung Chemical.

Scope of Assurance

1. Assurance Boundary:

- Sustainability management activities and performance information for the period from January 1, 2025 to December 31, 2025 as presented in this report (certain performance data includes the first half of 2026)
- Operations of internal processes and management systems for the collection, analysis, and reporting of sustainability management information
- Compliance with the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in AA1000 AccountAbility (2018) in accordance with AA1000 Assurance Standard v3

2. Assurance Items (GRI Standards 2021):

The assurance provider reviewed the following items, among the GRI Standards 2021 disclosures contained in the Report, as included within the scope of assurance.

Category	GRI Standards	
Universal Standards	2-1 ~ 2-5 (The organization and its reporting practices) 2-6 ~ 2-8 (Activities and workers) 2-9 ~ 2-21 (Governance) 2-22 ~ 2-28 (Strategy, policies, and practices) 2-29 ~ 2-30 (Stakeholder engagement) 3-1 ~ 3-3 (Material Topics Disclosures)	
Topic Standards*	GRI 205 (Anti-corruption) GRI 206 (Anti-competitive Behavior) GRI 301 (Materials) GRI 302 (Energy) GRI 303 (Water and Effluents) GRI 305 (Emissions)	GRI 306 (Waste) GRI 401 (Employment) GRI 403 (Occupational Health and Safety) GRI 404 (Training and Education) GRI 405 (Diversity and Equal Opportunity) GRI 416 (Customer Health and Safety)

* Topic Standards were reviewed based on disclosure items related to material issues disclosed in the Report.

3. Scope Exclusions:

- Financial information included in the Report Appendix
- Index information related to international standards, norms, and sustainability initiatives other than GRI
- Supplementary information contained in the company website, Business Reports, and other externally disclosed materials

Assurance Standards

Assurance activities were conducted in accordance with AA1000AS v3, AccountAbility's international sustainability assurance standard, using Type 1 methodology and moderate level of assurance.

Assurance Results and Opinion

Based on the assurance conducted, the assurance provider found that Aekyung Chemical's report has been prepared in accordance with GRI Standards 2021 and identified no instances where the disclosed information is inappropriately presented against the four principles of AA1000AP (2018). The assurance provider's opinion on each principle is presented below.

Inclusivity Principle: Stakeholder Engagement and Communication
Aekyung Chemical defines employees, shareholders and investors, customers, suppliers, local communities, and the government and related organizations as its key stakeholders, and implements stakeholder engagement through group-level communication channels. We confirm that opinions and expectations identified through these channels are appropriately reflected in the organization's strategy and materiality assessment process.

Materiality Principle: Identification and Reporting of Material Sustainability Issues
Aekyung Chemical conducts a double materiality assessment to identify material sustainability issues. The issue pool is structured based on ESG disclosures and trends; material issues are selected through stakeholder engagement and reported in detail in the Report.

Responsiveness Principle: Transparent Response to Material Sustainability Issues and Related Impacts
Aekyung Chemical has established a company-wide ESG framework and is responsible for planning and decision-making across ESG initiatives. The Report discloses approaches, plans and targets, activities, performance, and case studies related to material issues.

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Impact Principle: Monitoring, Measurement, and Disclosure of the Impact of Business Activities on the Organization and Stakeholders
Aekyung Chemical identifies and monitors external stakeholder impacts and business value impacts related to material issues. Performance indicators have been selected based on these impacts, and performance results and targets are presented.

Limitations

The assurance provider performed assurance of data collected by Aekyung Chemical based on the assumption that the data and information provided by Aekyung Chemical are complete and sufficient. Accordingly, errors or irregularities may be inherent due to future assumptions, sampling, internal control procedures, and other limitations related to systems. This opinion is prepared for the management of Aekyung Chemical, and we assume no responsibility for third-party use.

Competence, Independence, and Quality Management System

The assurance provider maintained independence and complied with ethical requirements throughout the assurance process. Assurance of this report was conducted by an independent assurance team with sustainability assurance experience and expertise. The assurance provider applies its own quality management standards to ensure consistency and reliability in assurance quality.

June 15, 2026

Jiyeong Yu
Chief Consultant, ACSAP

Jeongwon Han
Chief Executive Officer

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AEKYUNG CHEMICAL CO.,LTD.