

AEKYUNG INDUSTRIAL SUSTAINABILITY REPORT



2025

AEKYUNG INDUSTRIAL
SUSTAINABILITY REPORT

About This Report



Report Overview

Aekyung Industrial has published a Sustainability Report every year since 2022, and this report is our fifth, the “2025 Aekyung Industrial Sustainability Report”. Through this report, we share our sustainability management performance and future strategy in order to strengthen transparent communication with our diverse stakeholders and achieve sustainable growth.

Reporting Standards and Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the international standard guidelines for sustainability reporting, and reflects the reporting standards and frameworks presented by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we referred to the key goals and related indicators of the United Nations' Sustainable Development Goals (UN-SDGs).

Report Scope and Period

The financial performance in this report is prepared on the basis of the consolidated financial statements, while the non-financial performance is reported for all of Aekyung Industrial's domestic business sites. These domestic business sites include the Head Office, AKIC (Aekyung Innovation Center), the Cheongyang Plant, the Daejeon Plant (suspended since October 2023), the R&D Center, and the domestic logistics centers (Yongin, Gimhae). The reporting period is from January 1 to December 31, 2025, and, in consideration of the materiality and timeliness of the information, certain achievements from the first half of 2026 have also been reflected. In addition, to allow year-over-year performance comparison, some quantitative data cover the three years from 2023 to 2025. This report is published annually, and the previous report, published in June 2025, was the “2024 Aekyung Industrial Sustainability Report”.

Report Verification

To enhance the accuracy and reliability of the information, this report has been third-party assured by the Korean Foundation for Quality (KFQ), a professional verification body. The verification was conducted at a Type 1, Moderate level in accordance with the AA1000AS (v3) and AA1000AP (2018) standards, and the detailed verification opinion statement is included in the Appendix.

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ESG Team, Sustainability Management Division,
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COMPANY OVERVIEW

Moments of Better
— Toward a Better Everyday Life

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**“Dear Valued Stakeholders,
I extend my heartfelt gratitude
to all our employees, who gave
their very best in every role
amid the challenging business
environment of 2025, and to
all our stakeholders, whose
steadfast interest and support
have helped Aekyung Industrial
advance toward becoming
a ‘global total beauty company.’”**



CEO Message

Aekyung Industrial has received an ‘A’ rating in corporate ESG evaluations for five consecutive years since 2021 — an ‘A’ rating from the Korea Institute of Corporate Governance and Sustainability (KCGS) and an ‘AA’ rating from Sustainvest in 2025. This achievement reflects our ongoing efforts to create sustainable value together with our stakeholders, grounded in our corporate philosophy of love (愛) and respect (敬), even amid an uncertain external environment.

Going forward, diverse changes will continue across both global and domestic markets. Genuine sustainable growth requires shared growth that extends beyond shareholders, employees, and customers to encompass our partners and local communities. Aekyung Industrial will strive to become an ever more transparent and fair company for all our stakeholders.

Building on a new beginning with Taekwang Group, Aekyung Industrial will further strengthen its foundation for future growth. We have set a goal to increase the share of cosmetics in our sales to more than 50% by 2028 and to emerge as a ‘global total beauty company.’ The next three years will be a pivotal period for realizing this vision. We will deliver results through global expansion centered on key countries, the cultivation of mega brands, and the securing of differentiated product competitiveness.

At the same time, our efforts must not stop at product development and distribution expansion. Aekyung Industrial has grown together with a wide range of stakeholders, and we will continue to communicate tirelessly and broaden our opportunities for engagement.

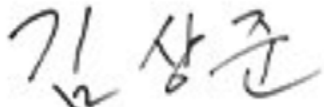
We will also build trust with all our stakeholders through the continued practice of ESG management and compliance management. We believe that it is on the foundation of such trust that the fruits of sustainable growth can be realized.

In 2026, ongoing geopolitical conflicts are expanding the volatility of the international landscape more than anticipated, and this is affecting us both directly and indirectly. Yet crisis always brings new opportunity. We will not cease to challenge ourselves and innovate; drawing on our wealth of experience and the strength of our people, we will continue to pursue our strategies of globalization, digitalization, and premiumization to create new opportunities for growth.

Built on challenge and innovation for sustainable growth, Aekyung Industrial will continue to move forward as a company trusted by its customers, shareholders, and employees — a company that contributes to improving customers’ quality of life, and one that places transparency first for all its stakeholders.

Thank you.

Kim Sangjoon, CEO,
Aekyung Industrial Co., Ltd.



Company Introduction

Company History

1950 — 1999 "Leading the Cosmetics and Household Goods Businesses"

1950	· Founding of Daeryung Industrial Co., Ltd.
1954	· Founding of Aekyung Yuji Industrial Co., Ltd.
1956	· Launch of 'Mihyang,' Korea's first beauty soap
1966	· Launch of 'Trio,' Korea's first dishwashing liquid brand
	· Launch of 'Clean Up,' a powder soap detergent
1973	· Launch of Romance Shampoo
1975	· Completion of the Daejeon Plant
1982	· Launch of 'Lux Soap'
1983	· Completion of the Central R&D Center
1985	· Establishment of Aekyung Industrial Co., Ltd.
1987	· Launch of 'SPARK,' a flagship laundry detergent brand
1990	· Launch of 'woolshampoo,' Korea's No. 1 neutral detergent brand
1993	· Launch of 'POINT,' a specialized cleansing brand
	· Launch of 'SOONSAEM,' a premium dishwashing liquid brand
	· Launch of 'SHOWERMATE,' a total body care brand
1994	· Completion of the Cheongyang Plant
1996	· Launch of 'Marie Claire,' a color cosmetics brand
1998	· Launch of '2080,' an oral care brand
	· Launch of 'a.solution,' a functional vegan solution brand

2000 — 2009 "The Dawn of the Digital Age"

2001	· Establishment of the Aekyung Industrial R&D Center
2002	· Launch of 'KERASYS,' a premium hair care brand
2005	· Completion of the Cheongyang Logistics Center
2006	· Launch of 'LUNA,' a specialized makeup brand
2007	· Completion of the Aekyung Industrial Design Center
2009	· Received the Presidential Award at the 2009 Korea Design Awards



1956 - 'Mihyang,' Korea's first beauty soap



2001 - Aekyung Industrial R&D Center

2010 — 2019 "A Stepping Stone to the Global Era"

2010	· SOONSAEM received the Minister of Environment Citation for reducing promotional packaging
2011	· SPARK certified as the world's first low-carbon laundry detergent product
	· Launch of 'LiQ,' a premium laundry detergent brand
2012	· 'LiQ 2x Concentrated Gel' received the Minister of Knowledge Economy Citation at the Korea Green Management Awards
	· Selected as a government-award-nominated company for fostering eco-friendly industry and low-carbon green growth
	· 'SPARK Mini' selected as a Green Product of the Year
	· Launch of 'AGE20'S,' a skin-first makeup brand
2013	· 'Perfect One-Rinse' selected as a Green Product of the Year
	· Sustainability Management Grand Prize in the Creative Economy category
	· 'LiQ' became the first liquid detergent to obtain low-carbon certification
	· Selected as the household products company with the most low-carbon certifications
2014	· Obtained New Excellent Technology (NET) certification for a whitening cosmetic ingredient
	· '2080 Sea Salt Mouthwash' won a Green Product of the Year award
	· Won the Sustainability Management Grand Prize at the Korea Management Awards
	· Selected as a Great Place to Work in Korea, manufacturing category
2015	· Won the Minister of Environment Award at the Happiness-Plus Social Contribution Awards
	· Won the Minister of Health and Welfare Award at the Korea National Sharing Awards
	· Won the Chairman of the National Assembly Trade, Industry and Energy Committee Award at the 2015 Love-Sharing Social Contribution Awards
	· Selected as one of Korea's 100 Best Companies to Work For, manufacturing category
2016	· Launch of 'WHISTLE,' a pet-life brand
	· Cheongyang Plant obtained CGMP certification from the Ministry of Food and Drug Safety
	· Launch of 'alp:ist,' a vegan personal care brand
2017	· Establishment of Aekyung Industrial's China subsidiary
	· Launch of 'LiQ ZeT,' a premium laundry detergent brand
2018	· Aekyung Industrial listed on the KOSPI securities market
	· 'Clear Mind Dishwashing Liquid' selected as a 2018 Korea Green Product of the Year
2019	· AGE20'S entered Thailand, Vietnam, and Indonesia
	· Launch of 'LABCCiN,' a specialized hygiene brand



2011 - World's First Laundry Detergent Low-Carbon Product

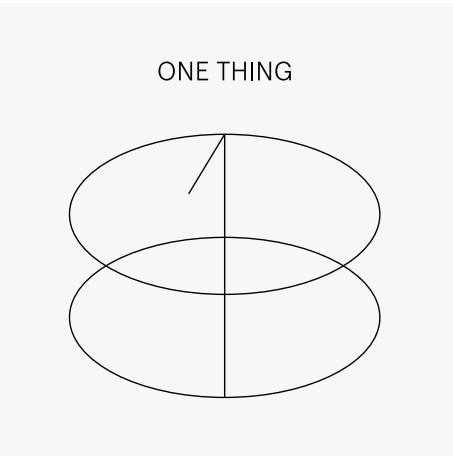


2017 - Aekyung Industrial's China subsidiary

2020 — Present "A Leap Toward the 21st Century"

2020	· Smalland naturalist toothpaste selected as a Good Design product
	· Salarium won at the iF Design Awards 2020
	· AGE20'S Won two awards at China's Tmall Global TG100 Partner Summit
	· Entered Shopee, Southeast Asia's largest online commerce platform
	· Completion of the Yongin Logistics Center
	· Won at the 2020 Good Design Awards
2021	· Won the '100 Million RMB Club Award' at the Tmall Global Partner Summit
	· Entered the Chinese online platforms JD.com, Pinduoduo, and Kaola
	· Completion of the Cheongyang Logistics Service Center
	· Launch of 'HERBMARY 1848,' an ultra-concentrated fabric softener brand
	· Launch of 'point&,' a clean care brand
	· Received the Minister of Environment Citation for excellence in resource circulation
	· Launch of 'HERBMARY 1848,' a lifestyle brand featuring Jeju herb essences
2022	· AGE20'S ranked No. 1 in the women's cosmetics category for Digital Customer Satisfaction at the Korea Marketing Awards
	· Certified for Excellence in Employee Invention Compensation for the second consecutive time
	· Acquisition of 'One Thing,' a cosmetics company with core-ingredient skincare brands
	· Won the President of the Korea Institute of Industrial Technology Award at the Korea Packaging Awards
	· LUNA won a Winner award at the 2022 Red Dot Design Awards
	· 'Chiuu b Feminine Wash' won an Excellence Award at the Grand Packaging Competition
	· Launch of 'BYCOLOR,' a personal beauty care brand
2023	· Launch of 'BLACKFORET,' a specialized hair-loss care brand
	· Obtained Green Technology and Green Technology Product certifications
	· Won a Winner award at the iF Design Awards 2023
	· AGE20'S ranked No. 1 in the women's cosmetics category of the Digital Customer Satisfaction (HTHI) Survey for two consecutive years
	· Opening of the Aekyung Innovation Center (AKiC)
	· KERASYS won the Grand Prize at Xiaohongshu's REDCASE
	· LABCCiN Kitchen Care Antibacterial Dishwashing Liquid selected as a 2023 Green Product of the Year
	· LiQ ZeT Pro Power Shot won a Winner award at the 2023 Red Dot Design Awards
	· Launch of 'LUVSCENT,' a personal-scent body care brand
	· Completion of the Aekyung Industrial Central Distribution Center (AK CDC)
	· Obtained ISO 45001 international Health and Safety Management System certification for all business sites
	· Won in two categories at the 2023 Pentawards
	· Launch of 'SWAY,' a dishwasher-only dishwashing liquid brand
	· LABCCiN Kitchen Care Antibacterial Dishwashing Liquid won the Grand Award at the Green Packaging Competition
2024	· Won Winner awards in two categories at the iF Design Awards
	· Certified for Excellence in Employee Invention Compensation
	· Two products, including a cosmetic and a dishwashing liquid, selected as '2024 Green Products of the Year'
	· Mom's Choice Baking Soda selected as an Excellent Product for Chemical Substance Reduction
	· albis children's toothpaste won a Gold Award at the 2024 Pentawards
	· Won the Minister of Trade, Industry and Energy Citation at the 21st Korea Pallet and Container Industry Awards
	· Launch of 'twoedit,' a cover and touch-up makeup brand

2025	· Selected as a Family-Friendly Certified company for the fourth consecutive time
	· AGE20'S Tailored Essence Pact won a Winner award in the package design category of the iF Design Awards
	· Acquisition of Aetech Sejong
	· Launch of 'Calident,' a clinical dental care brand
	· Publication of the '2024 Sustainability Report'
	· Launch of 'Blay,' a perfume body care brand
	· AGE20'S selected as No. 1 in the makeup & nail category at the Cosmoprof Las Vegas Awards
	· Selected among the '2025 Top 30 Outstanding Health and Medical R&D Achievements'
	· Launch of 'Signiq,' an emotional-efficacy brand
	· AGE20'S selected as the No. 1 brand in Korea's foundation category for 11 consecutive years
	· Launch of 'Loevita,' a premium vitamin anti-aging brand
	· Achieved an overall A grade in ESG evaluation for five consecutive years



2022 - 'One Thing,' a cosmetics company with core-ingredient skincare brands



2023 - Aekyung Innovation Center (AKiC)



2023 - Aekyung Industrial Central Distribution Center (AK CDC)

Company Introduction

Global Network

Global Sales

207.5 billion KRW

Countries of Operation

39 countries

North and South America

19.2 billion KRW

United States, Canada, Paraguay, Chile, Mexico, Brazil

Europe and Others

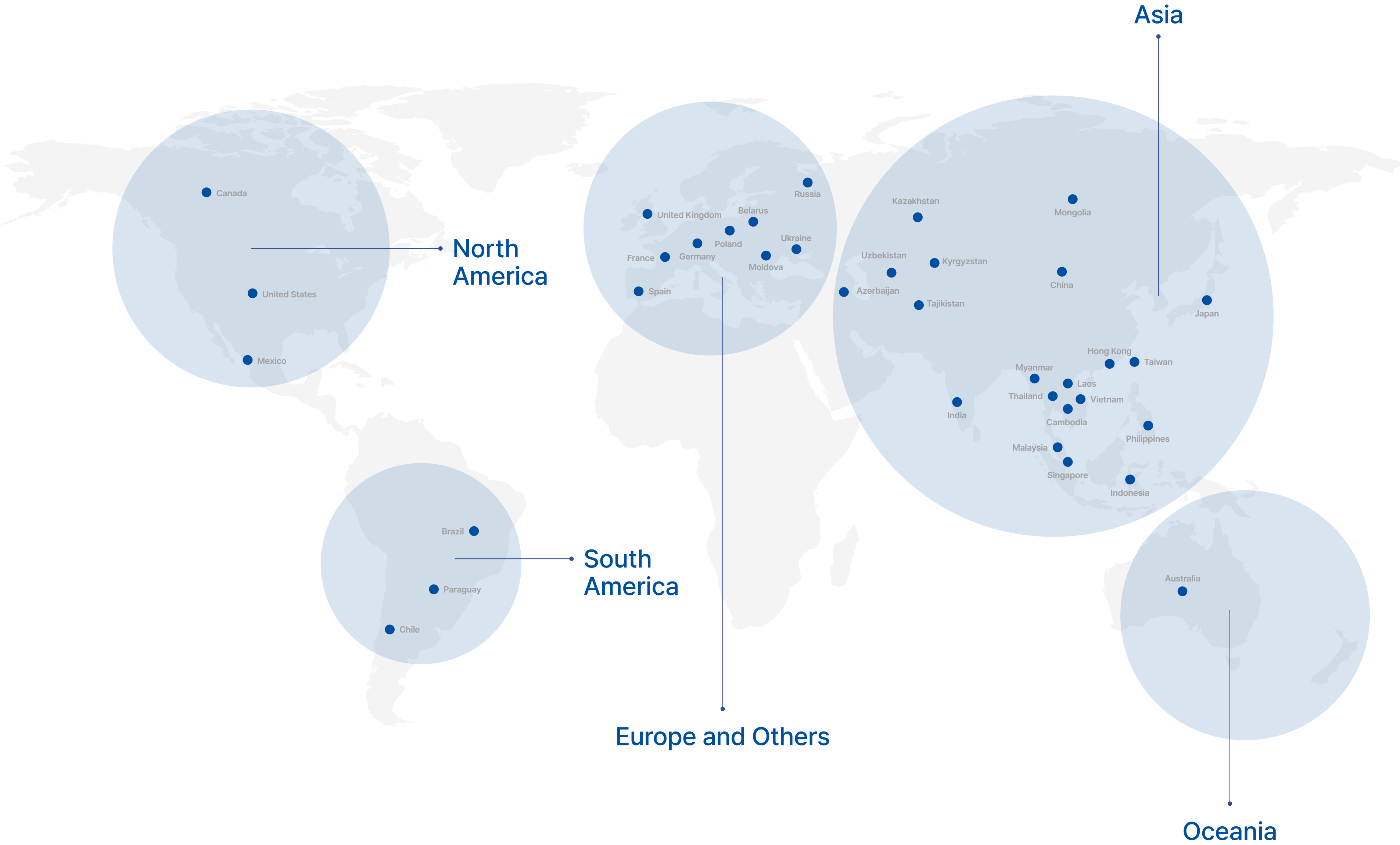
17.6 billion KRW

Russia, Germany, Ukraine, Poland, Spain, United Kingdom, France, Belarus, Moldova

Asia and Oceania

170.7 billion KRW

China, Vietnam, Japan, Mongolia, Taiwan, Malaysia, Singapore, Indonesia, Hong Kong, Kyrgyzstan, Philippines, Cambodia, Kazakhstan, Thailand, Uzbekistan, Myanmar, Laos, India, Tajikistan, Azerbaijan, Australia



Company Introduction

Global Market Expansion

AGE20'S and LUNA Launch Online and Offline at 'Pureseoul,' the UK's Leading K-Beauty Select Shop

AGE20'S and LUNA have made a full-scale entry into the European market, opening both on-line and offline at 'Pureseoul,' the UK's leading K-beauty select shop. We obtained both CPNP and SCPN, the certifications required for cosmetics distribution in the European Union and the UK, securing product safety that meets global standards. Reflecting the characteristics of local consumers, AGE20'S strengthened its tailored product strategy by launching its steady-seller 'Essence Pact' in 20 shades. LUNA likewise expanded the shade range of its 'Long-Lasting Tip Concealer' to 20, taking into account the multiethnic nature of the country. Through this expansion into Europe, we are diversifying our global markets and broadening a sustainable foundation for our overseas business.



signiq, Official Entry into TikTok Shop in the U.S.

Following Amazon in the U.S., signiq officially opened a store on the global short-form commerce platform 'TikTok Shop,' expanding its distribution channels in the North American market. signiq pursued the TikTok Shop launch to proactively respond to rapidly changing global beauty trends and to strengthen its touchpoints with local Gen Z consumers, who have a strong interest in K-beauty. Together with the launch, the brand unveiled TikTok content featuring its 'Plumping Jelly Seeding Kit,' broadening brand awareness and customer engagement. Aekyung Industrial actively leverages digital commerce channels to strengthen its brand competitiveness and sustainable growth foundation in overseas markets.

AGE20'S, Entry into All Costco Stores in Japan

AGE20'S is raising its local brand awareness by introducing 'Veil Nudy Essence Pact Glow,' developed to meet the needs of Japanese consumers, across all 37 offline Costco stores throughout Japan as well as online channels. Since its full-scale entry into Japan's major offline channels in 2022, AGE20'S has steadily expanded its distribution network based on local consumer response and marketability. This entry into Costco strengthens the brand's competitiveness in Japan while broadening its global distribution channels, an achievement that solidifies a sustainable foundation for our overseas business.



twoedit, Entry into the U.S. Market

twoedit has begun its global business expansion in earnest by entering the U.S. market. Since making its domestic debut through DAISO, twoedit proved its marketability by recording cumulative sales of 1.3 million units within seven months of launch. Starting with select Miniso stores in the western United States, it is broadening access to local consumers by entering Don Quijote in Guam and Hawaii as well as Palace Beauty and Korheim, K-beauty select shops serving Asian and Hispanic consumers. Aekyung Industrial is strengthening its brand competitiveness and sustainable growth foundation in overseas markets by expanding twoedit's global distribution channels.

Together with China's 'Xinxuan Group' to Expand China's Live Commerce Market, Strengthening the Partnership

Aekyung Industrial is collaborating with a leading Chinese Multi-Channel Network (MCN) company, Xinxuan Group (辛选), to drive the expansion of China's live commerce market and strengthen its local brand competitiveness. At its Head Office in Mapo-gu, Seoul, the company held an 'Aekyung Brand Day' with Xinxuan Group, reinforcing a strategic partnership for cooperation in the live commerce business. This event was organized to coincide with Xinxuan Group's first visit to Korea in five years, aiming to raise the brand's awareness in the Chinese market and to lay the groundwork for mid- to long-term cooperation. Going forward, we plan to pursue localized distribution strategies in earnest, including activating major Chinese live commerce channels such as Kuaishou and TikTok (Douyin), expanding brand collaborations, and strengthening wanghong (influencer) marketing. Aekyung Industrial is strengthening the competitiveness of its digital-based overseas distribution channels and broadening a sustainable business foundation in the Chinese market.





Company Introduction

Business Performance

In 2025, Aekyung Industrial responded to market changes and strengthened its business competitiveness through differentiated strategies tailored to each major business division.

Despite a slowdown in consumption trends and changes in the market environment, the Cosmetics Division secured a foundation for mid- to long-term growth by diversifying its product portfolio and shifting its structure toward online and global channels. The Household Goods Division maintained a balanced business portfolio and achieved stable sales growth by advancing strategies centered on H&B stores and online channels and by developing channel-tailored products. Across all business divisions, we have strengthened product competitiveness and market responsiveness on the basis of an integrated operating system spanning R&D, production, and logistics, and we are also working to enhance consumer trust through health- and environment-focused product development and the expanded disclosure of full ingredient lists. Building on these efforts, Aekyung Industrial is solidifying its brand competitiveness in domestic and overseas markets and laying the groundwork for sustainable growth.

[Financial Performance]

In 2025, our domestic and overseas business generated sales of KRW 654.5 billion, a decrease of 3.6% year over year. Operating profit stood at KRW 21.1 billion, down 54.8% from the previous year.

Sales	Year-over-year	Operating Profit	Year-over-year
654.5 billion KRW	-3.6 %	21.1 billion KRW	-54.8 %

Global Business Performance

Of the total sales of KRW 654.5 billion, domestic sales account for more than half at 68.3%, followed by China at 19.5% and other regions at 12.2%.

By Country	Sales	Share of Sales
Domestic	446.9 billion KRW	68.3%
China	127.9 billion KRW	19.5%
Other	79.7 billion KRW	12.2%
Total	654.5 billion KRW	100%

*Due to rounding, the sum of individual items may not equal the total.

[Cosmetics Division]

In 2025, the Cosmetics Division recorded sales of KRW 215 billion, down 17.8% year over year, and achieved operating profit of KRW 7.5 billion. The cosmetics segment accounts for 33% of total sales.

The Cosmetics Division operates across distribution channels including home shopping, H&B stores, online, and exports, and is pursuing channel diversification in response to market changes. In particular, it is strengthening its growth foundation around online and global channels and focusing on securing mid- to long-term competitiveness. We have internalized the entire process — including our R&D center, design center, production plants, and logistics centers — to build an integrated operating system that runs from product planning through production and sales. This gives us the competitiveness to reflect our brand philosophy and quality standards from the earliest stages of product development. Building on these capabilities, we pioneered the new 'essence foundation' category and have maintained an unrivaled position in it to date. We have also strengthened our market responsiveness by building a product portfolio that extends from base makeup products (essence foundation, cushions, powders, concealers) to color cosmetics (blushers, eye shadow, lip products), cleansing products, and basic skincare products. Going forward, the Cosmetics Division will continue to further solidify its foundation for sustainable growth through product innovation that responds to changing consumer needs and the strengthening of its digital channel competitiveness.

Category	Unit	2023	2024	2025
Sales	billion KRW	251.3	261.5	215.0
Operating Profit		36.3	28.9	7.5

[Household Goods Division]

In 2025, the Household Goods Division recorded sales of KRW 439.6 billion, up 5.3% year over year, continuing its stable growth, and achieved operating profit of KRW 13.6 billion. The household products segment accounts for 67% of total sales.

The Household Goods Division operates across distribution channels including retail, online, agencies, special sales, and exports, and is advancing its channel strategy in response to market changes. In particular, it is strengthening its growth foundation around H&B stores and online channels and focusing on securing mid- to long-term competitiveness. Recently, overseas sales of household products have also been growing as we expand into global online platforms and overseas distribution channels. We have internalized the entire process — from product planning through production, logistics, and sales — to build an integrated operating system. This vertically integrated structure enables us to respond quickly to market changes and to continuously strengthen our quality competitiveness. At the same time, we are expanding the development of dedicated products tailored to the characteristics of each channel, and strengthening our R&D and marketing investment through improvements in raw material formulations, differentiated product design, and the redefinition of marketing concepts. We are also expanding our nature-friendly products in response to consumption trends that emphasize health and the environment, and working to enhance consumer trust by improving product transparency through full ingredient disclosure. Going forward, the Household Goods Division will continue to strengthen its eco-friendly and safety-focused product competitiveness and to further solidify a sustainable growth system grounded in consumer trust.

Category	Unit	2023	2024	2025
Sales	billion KRW	417.6	417.6	439.6
Operating Profit		25.6	17.9	13.6

Company Introduction

Brand Portfolio

AGE20'S	LUNA	twoedit	a. solution	point&	signiq	Loevita	KERASYS
BLACK FORET®	alp:ist	DERMA & MORE	TISLO	SHOWER MATE®	LUV SCENT®	2080	2080 KIDS
BYCOLOR	⊕ CALIDENT	LABCCIN CLEAN TO PROTECT	LIQ	ZeT	스파크	울샴푸 WoolShampoo	엄마의선택
1802 LE CHATELARD SENTEURS de PROVENCE	HERBMARY® 1848	순샘 soonsaem	트리오 TRIO	SWAY®	부라보	homevaccine	Whistle®

Company Introduction

Brand Portfolio | BEAUTY CARE



AGE20'S

Real Beauty,
Real Results



LUNA

Every Day,
New Me



twoedit

Your Edit,
Your Stage



a.solution

A specialized brand offering
derma solutions for trouble
care, a.solution



point&

We Do All About Clean, point&



signiq

Scan. Solve. Switch. Greenlight your
skin with signiq. signiq, reading and
responding to changes in your skin



Loevita

A premium vitamin
anti-aging brand, 'Loevita'

Company Introduction

Brand Portfolio | PERSONAL CARE



KERASYS

Professional Hair Clinic System, KERASYS



BLACKFORET

'BLACKFORET,' a specialized functional brand for hair loss care



alp:ist

Daily Vegan Beauty Inspired by ALPS NATURE



DERMA & MORE

Healthy hair starts with a healthy scalp, DERMA & MORE



TISLO

A brand that curates sensorial scents, TISLO



SHOWERMATE

A body healing mate just for you, SHOWERMATE



LUV SCENT

Personal scent body care crafted by a world-renowned perfumer



2080

Keeping 20 healthy teeth until the age of 80, the total oral care brand 2080



2080 KIDS

Tailored solutions for every stage of dental growth, 2080 KIDS



BYCOLOR

A functional personal beauty brand, BYCOLOR



CALIDENT

A professional toothbrush brand designed with dentists' know-how, CALIDENT



LABCCiN

The easiest way to perfect hygiene, LABCCiN

Company Introduction

Brand Portfolio | HOME CARE



LiQ Every function for today's laundry, now at LiQ



zET A premium laundry detergent that transforms everyday life, ZeT



스파크 Powerful cleaning even in cold water! SPARK!



울샴푸 Korea's No.1* neutral detergent, woolshampoo



엄마의선택 Discovered with a mother's heart, an eco-friendly home care brand



1802 LE CHATELARD Premium from Provence, France — a specialized fragrance brand, LE CHATELARD 1802



HERBMARY Refreshingly captured in fragrance: Jeju, HERBMARY 1848



순샘 soonsaem Mild and clean, with family and nature in mind, SOONSAEM!



트리오 Korea's first Dishwashing Liquid, TRIO!



SWAY Making dishwasher life smarter — the 3rd-generation dishwasher detergent, SWAY!



부라보 The very same technology as Trio! A brand specializing in food ingredients



homevaccine Beyond home cleaning, homevaccine



Whistle Listen to Nature! WHISTLE

Company Introduction

Best Sellers

The most beloved products of 2025, from Aekyung Industrial's brands, introduced here.

References

[AGE20'S Signature Essence Pact Intense Cover] Shipment volume of pact-type formulations within the AGE20'S brand(*Based on 2013–2025) / TOP 1 by purchase volume in the domestic foundation market, Worldpanel by Numerator (*Based on June 16, 2014 – June 15, 2025)

[LUNA Long-Lasting Tip Concealer CoverFit EX] Olive Young's No. 1 concealer for six consecutive years (*From 2018 to May 2023, based on Olive Young sales) / LUNA Tip Concealer Cumulative sales(*2014–2025, domestic and global, all included)

[point& Deep Clean All-Kill Cleansing Tissue] Sales of POINT and point& Deep Clean All-in-One Cleansing Tissue (*Based on internal data, 2008–2024)

[KERASYS Keramide Extreme Damage Treatment] Best Selling winner at the Coupang Annual Awards; Award category – Household Products, Hair Treatment(*Based on 2024–2025)

[BLACKFORET Root Power Scalp Cool & Deep Clean Anti-Hair Loss Shampoo] Daedamo hair loss community (*As of March 2026)

[LUVSCENT Scrub Wash] Internal shipment volume (*Based on August 2023 – February 2026)

[2080 Dr. Clinic Tartar Toothpaste 2.0] Cumulative unit sales (*Based on internal shipment data, May 1, 2021 – December 31, 2025)

[LiQ Ultra Gel Hybrid Laundry Detergent] Online channel Coupang (LiQ Ultra Gel Hybrid Liquid Detergent Refill 2.1L, 4-pack, for standard and drum washing machines) — total of cumulative review counts

[woolshampoo Original] No. 1 market share in Kantar Worldpanel (*January 4, 2015 – December 31, 2023) / 2025 Annual Coupang Awards-winning product (based on sales and sales volume)

[LE CHATELARD Dry Sheet] Internal shipment volume (*2019–2025 basis) / Selected as a Coupang best-selling and best-reviewed household product (*January 1, 2025 – November 12, 2025 basis)



AGE20'S Signature Essence Pact Intense Cover

#Cumulative sales of 240 million AGE20'S pacts
#Korea's No. 1 foundation for 11 consecutive years



LUNA Long-Lasting Tip Concealer CoverFit EX

#Olive Young's No. 1 concealer for six consecutive years
#Cumulative Sales 11 million units



point& Deep Clean All-Kill Cleansing Tissue

#Cumulative Sales 250 million sheets



KERASYS Keramide Extreme Damage Treatment

#Best Selling hair treatment on Coupang for two consecutive years (2024–2025)



BLACKFORET Root Power Scalp Cool & Deep Clean Anti-Hair Loss Shampoo

#Daedamo user rating of 5.0 (out of 5)



LUVSCENT Scrub Wash

#Cumulative Sales 1.15 million units



2080 Dr. Clinic Tartar Toothpaste 2.0

#Cumulative sales of 20 million units



LiQ Ultra Gel Hybrid Laundry Detergent

#More than 150,000 cumulative customer reviews on Coupang



woolshampoo Original

#Korea's No. 1 neutral detergent for 8 consecutive years
#Selected as a Coupang 2025 Best Awards item



LE CHATELARD Dry Sheet

#Dry Sheet Cumulative Sales 4.3 million units
#Coupang 2025 Best Awards item
#No. 1 sheet-type fabric softener on Coupang

Overview of Subsidiaries

One Thing Co., Ltd.

ONE THING is a cosmetics company that focuses on key ingredients for the skin and the unique efficacy inherent to each ingredient.

Guided by a brand philosophy of offering customers skin-health solutions through skincare routines tailored to their specific skin concerns, ONE THING presents a range of skincare products. Launched in 2019, ONE THING has grown in the global market on the strength of overseas direct-to-consumer (D2C) channels and now operates online and offline channels in 22 countries. In particular, it continues its steady growth by expanding brand awareness centered on digital and local distribution channels in Japan, the United States, and Europe. ONE THING's flag-ship products are extract toners that focus on key cosmetic ingredients such as centella asiatica and heartleaf; more recently, it has been broadening its categories around skincare by launching functional serums, sun creams, and mists.

Date of Establishment	July 1, 2021
Address	3F, 41, WorldCupBuk-ro 6-gil, Mapo-gu, Seoul
Main Business	Cosmetics manufacturing and sales
Sales	7,235 million KRW
Net Profit or Loss for the Period	-2,806 million KRW
Aekyung Industrial's Equity Stake	100 %

* One Thing Co., Ltd. was acquired by Aekyung Industrial in May 2022 and was merged into Aekyung Industrial in June 2026.



Overview of Subsidiaries

AK Trading Limited (Shanghai)

AK Trading Limited is a wholly owned subsidiary of Aekyung Industrial (100% stake), located in MIXC, Minhang District, Shanghai, China.

In China, one of the world's largest markets, we are expanding brand awareness by targeting both online and offline channels, centered on cosmetics brands such as AGE20'S, LUNA, and signiq, as well as household products brands including KERASYS, 2080, LUVSCENT, woolshampoo, and LABCCiN.

Establishment Date	September 15, 2017
Address	Room 501, house C, No.1799-6, Wuzhong Road, Minhang District, Shanghai, China
Main Business	Sales and distribution of household products, cosmetics, etc.
Sales	56,876 million KRW
Net Profit/Loss	-479 million KRW
Aekyung Industrial's Ownership Stake	100 %



Atec Sejong

Atec Sejong is a company specializing in the production of packaging materials for cosmetics and household products. Drawing on the technical capabilities it has accumulated in manufacturing molded plastic containers for packaging, the company supplies its products.

Through R&D and facility investment, the company enhances product quality and production efficiency while responding swiftly to the changing demands of domestic and overseas markets. Atec Sejong is working to grow into a trusted company in the field of packaging containers for cosmetics and household products and to build competitiveness in the global market as well.

Establishment Date	December 2, 2021
Address	74-12, Geumhoseonmal-gil, Bugang-myeon, Sejong-si
Main Business	Manufacturing and sales of molded plastic containers for packaging
Sales	14,340 million KRW
Net Profit/Loss	247 million KRW
Aekyung Industrial's Ownership Stake	100 %



Overview of Subsidiaries

AJP

AJP is a subsidiary of Aekyung Industrial that delivers services designed to delight customers, centered on specialized sales promotion experts.

AJP supplies and manages sales promotion experts responsible for displaying and promoting Aekyung Industrial products and providing logistics support services at large discount stores (Lotte Mart, E-Mart, Homeplus, etc.), Seo Won Distribution, and Mega Mart. Building on the specialized sales promotion experts and services it provides to Aekyung Industrial, AJP is expanding the scope of its services to general companies and various other fields.

Establishment Date	August 1, 2018
Address	Room 1510, 278, Beotkkot-ro, Geumcheon-gu, Seoul
Main Business	Services
Sales	13,908 million KRW
Net Profit/Loss	102 million KRW
Aekyung Industrial's Ownership Stake	100 %



Modurak Aekyung Industrial Co., Ltd.

Modurak Aekyung Industrial is a subsidiary-type standard workplace established together with the Korea Employment Agency for Persons with Disabilities to create jobs for persons with disabilities.

Modurak Aekyung Industrial operates 'Café Fourteen', which sells coffee and other beverages to employees and visitors in the group's shared space on the 7th floor of Aekyung Tower in Hongdae. The café's name, Fourteen, refers to its principle of using only beans roasted within 14 days to ensure fresh flavor, as well as the 14 menu items developed directly by its baristas and managers with disabilities. 'Café Fourteen' began operations by hiring 11 baristas with hearing, intellectual, and autism-related disabilities, and is increasing its employment of persons with disabilities as the business expands.

*Subsidiary-type standard workplace: A system under which, when a parent company subject to the mandatory employment of persons with disabilities establishes a subsidiary that meets certain requirements for the purpose of employing persons with disabilities, the persons with disabilities employed by the subsidiary are deemed to be employed by the parent company, which then receives support.

Establishment Date	June 1, 2018
Address	7F, 188, Yanghwa-ro, Mapo-gu, Seoul
Main Business	Manufacturing and sales of coffee
Sales	379 million KRW
Net Profit/Loss	-9 million KRW
Aekyung Industrial's Ownership Stake	100 %



2025 Highlights

ESG Performance

ESG Assessment Results

Korea Institute of Corporate Governance and Sustainability

[Assessment Year: 2025]



OVERALL
RATING



ENVIRONMENTAL



SOCIAL



GOVERNANCE

Sustainvest

[Assessment Year: 2025]



FIRST HALF &
SECOND HALF

Wins the Environmental Innovation Award in the Zero Waste Category at the 2025 'Consumer ESG Innovation Awards'

Aekyung Industrial received the 'Environmental Innovation Award in the Zero Waste Category' at the 2025 Consumer ESG Innovation Awards. The Consumer ESG Innovation Awards is an event hosted by the ESG Consumer Initiative, which is jointly operated by Future Consumer Action and the Consumer Rights Forum, and is conducted through review by expert judges in the ESG field and a consumer evaluation panel. This award recognizes our contribution to building a resource-circulating society through eco-friendly management, the reduction of business site waste, and the promotion of circular use.

Selected for the 2025 Green Products of the Year in Korea

Aekyung Industrial achieved the distinction of having two products — the 'a.solution P.Solution Mint Bakuchiol Pore Olliji Serum' and the 'LiQ ZeT Odor Care Indoor-Drying Capsule Detergent' — selected for the '2025 Green Products of the Year in Korea'. The 'a.solution P.Solution Mint Bakuchiol Pore Olliji Serum' is a vegan-certified cosmetic that excludes animal-derived ingredients in its manufacturing process, realizing sustainable consumption value by using biodegradable, naturally derived ingredients instead of synthetic ones. The 'LiQ ZeT Odor Care Indoor-Drying Capsule Detergent' excludes ingredients of concern such as parabens and optical brighteners, as well as phosphates, which can cause water pollution and algal blooms. It uses a biodegradable film that dissolves 99.9% even in cold water and a pouch-type container to reduce plastic usage, and it also contributes to lowering carbon emissions by reducing fuel consumption during transport through its lightweight product structure. In addition, Aekyung Industrial was selected as a 'company that has won the Green Products of the Year in Korea ten times', earning external recognition for its continuous efforts toward sustainable product development.



a.solution P.Solution Mint Bakuchiol
Pore Olliji Serum



LiQ ZeT Odor Care Indoor-Drying
Capsule Detergent

R&D Achievements

Two Research Achievements Presented as Posters at the 2025 World Cosmetics Congress

Aekyung Industrial participated in the '2025 World Cosmetics Congress' held in France, where it presented two research achievements as posters. At this congress, Aekyung Industrial introduced its research findings on ▲ a technology that helps deliver hard-to-penetrates active ingredients into the skin and ▲ a technology that helps improve the darkening phenomenon in makeup products and enhance their longevity. These research achievements are to be used as core technologies for a new global cosmetics brand that Aekyung Industrial will unveil in the future, and the company has completed patent registration and application procedures to expand their application to domestic products and to protect the technologies. Going forward, Aekyung Industrial will continue to contribute to strengthening the competitiveness of the global beauty industry through ongoing R&D across skincare, makeup, and dermatology as a whole.

Selected among the Top 30 Outstanding Health and Medical R&D Achievements of 2025

In recognition of its outstanding results, Aekyung Industrial's research into the development of sustainable materials and products was selected as the sole project in the 'Development of Dermatological Application Materials and Leading Technologies' field for the 'Top 30 Outstanding Health and Medical R&D Achievements of 2025', hosted by the Ministry of Health and Welfare and the Korea Health Industry Development Institute. In joint research with BIO-FD&C and CHA Bundang Medical Center, Aekyung Industrial developed 'Gynostemma and Gynostemma callus extract' and commercialized cosmetics using it. This material is a natural ingredient extracted so that Ulleungdo Gynostemma, a rare native plant in Korea, can be used continuously without being damaged, and it is regarded as a case that takes into account both the conservation of biological resources and industrial use. Going forward, Aekyung Industrial will continue to contribute to the creation of eco-friendly value and to sustainable growth through the development of sustainable materials and products that consider both consumer safety and environmental protection.

Government Award Achievements

Minister of Health and Welfare Citation

The leader of the Package Development (PD) Team at the Aekyung Innovation Center received the 'Minister of Health and Welfare Citation' at the Korea Cosmetics Association's 'Ceremony Commemorating USD 10 Billion in Cosmetics Exports'. The PD Team leader was selected as a recipient of the Minister of Health and Welfare Citation in recognition of contributions to the development of the cosmetics business through research into cosmetics packaging materials and collaboration with relevant companies to design products that combine safety and functionality.

Commissioner of the Ministry of Food and Drug Safety Citation

The leader of Aekyung Industrial's Product Safety Team 1 was selected as a 'Distinguished Contributor to Pharmaceutical Affairs Oversight' and received the 'Commissioner of the Ministry of Food and Drug Safety Citation' at the 2025 National Workshop on the Safety Management of Pharmaceuticals, Etc., hosted by the Ministry of Food and Drug Safety. The Product Safety Team 1 leader has contributed to refining the regulatory framework and building a safety management foundation for cosmetics and quasi-drugs, and has led close communication with the industry on enhancing product safety as well as on revisions to laws and to labeling and advertising standards. In recognition of these contributions to the sound development of the cosmetics and quasi-drug industries, the team leader was selected as a recipient of the Commissioner of the Ministry of Food and Drug Safety Citation.

2025 Highlights

Brand Performance

AGE20'S Tailored Essence Pact Wins an Award at the iF Design Awards

AGE20'S 'The Tailored Essence Pact' received an award in the package design category at the International Forum (iF) Design Awards 2025. The product was highly regarded not only for its luxurious design quality but also for embodying value as an accessory beyond cosmetics. To capture the brand's premium image in the design, the product was developed with inspiration from high-end jewelry and fashion items, and its symbol logo reflects the brand philosophy of 'Balanced Beauty' through a flexible yet harmonious design. In this way, AGE20'S sought to effectively convey its brand identity along with the product's competitiveness.



AGE20'S



AGE20'S Ranks No. 1 in Korea's Foundation Category for 11 Consecutive Years

AGE20'S ranked No. 1 in Korea's foundation category for 11 consecutive years in the World-panel by Numerator survey. The survey was conducted among Korean women aged 15 to 65 from 2014 to 2025, with a cumulative total of approximately 15 million respondents. AGE20'S steady-selling 'Essence Pact', a skincare-infused makeup product that combines foundation and essence, has built its competitiveness in the market on the basis of consistent consumer trust since its launch. Building on this technical and product strength, AGE20'S has expanded beyond Korea into around 30 countries, including the United States, Japan, and China, steadily raising its brand awareness in the global market as well.

AGE20'S, No. 1 in the Makeup & Nail Category at the U.S. Cosmoprof Awards

AGE20'S was selected as No. 1 (WINNER) in the Makeup & Nail category at the Cosmoprof Las Vegas Awards held in Las Vegas, USA, in recognition of the brand's innovation and product competitiveness. The Cosmoprof Awards is a globally prestigious beauty award in which a panel of expert judges evaluates products against various criteria such as innovation, sustainability, safety, ingredients, design, and creativity, selecting and honoring products in categories including Makeup & Nail, Skin & Body Care, Hair, and Green & Organic. AGE20'S 'Signature Essence Pact Intense Cover' was selected as one of the four finalist brands in the Makeup & Nail category at this year's event and, after a rigorous review, took the top spot, once again proving its product competitiveness and brand value in the global market.



LUNA Conceal Blender Palette Ranks No. 1 Overall in Qoo10's Popular Product Rankings

The 'Conceal Blender Palette', which LUNA introduced in collaboration with Japanese beauty influencer Sara, ranked No. 1 overall in the popular product rankings at Qoo10's Mega Po event. The product is the 'LUNA Conceal Blender Palette 05 Tone Reset Cover' shade, developed to reflect the skin concerns and preferences of local Japanese consumers, further strengthening the product's competitiveness in the global market through a localization strategy.

BLACKFORET Named No. 1 Shampoo by the Hair Loss Community 'Daedamo'

BLACKFORET was selected as No. 1 in both the anti-hair loss shampoo and conditioner categories in an evaluation conducted by 'Daedamo', Korea's leading hair loss community with approximately 400,000 members. BLACKFORET also ranked No. 1 in the anti-hair loss shampoo and conditioner categories for three consecutive months in the 'Daedamo PICK' product demand survey conducted in the Daedamo community from January to March this year, earning recognition for its product functionality and quality competitiveness. The 'Frozen Cool & Deep Clean Anti-Hair Loss Shampoo' was selected in the anti-hair loss shampoo category, and the 'Biotin Water Treatment' in the conditioner category. In addition, the 'Frozen Scalp Strengthening & Balance Anti-Hair Loss Shampoo' and the 'Frozen Crown Odor Scalp Purifying Anti-Hair Loss Shampoo' ranked third and fourth in the anti-hair loss shampoo category, demonstrating that the BLACKFORET brand's entire lineup enjoys strong consumer trust.



2080 Dr. Clinic Toothpaste,
Cumulative sales of 12 million units

'2080's 'Dr. Clinic Toothpaste' surpassed cumulative sales of 12 million units within approximately four years of its launch in May 2021, establishing itself as a flagship oral care product that enjoys strong consumer trust. Backed by customized formulations and high functionality that address a range of oral health concerns, '2080 Dr. Clinic Toothpaste' has maintained steady growth since its launch; its average annual sales rose continuously from 2021 to 2024, exceeding cumulative sales of 12 million units as of February 2025. Through this, we are contributing to consumers' oral health while continuously strengthening our competitiveness in the functional household products market.



LABCCiN,
Sales up 32% year-over-year

'LABCCiN' believes that, as consumer awareness of everyday hygiene management grows, hygiene care products are establishing themselves as daily necessities. Driven by this shift in awareness, LABCCiN's 2024 sales grew 32% year-over-year, marking a recovery to the sales levels seen during the COVID-19 pandemic. This is attributed to the growing recognition among consumers of the importance of hygiene management in preventing infectious diseases. Building on its core brand message—"the easiest way to perfect hygiene"—LABCCiN continues its research and product development in the field of everyday hygiene. Going forward, we will continue our R&D and product innovation in response to changing consumer awareness of hygiene, so that everyone can enjoy a healthy and clean life.

twoedit, after launching at DAISO
Cumulative sales of 1.3 million units

'twoedit' surpassed cumulative sales of 1.3 million units (based on internal sales) within seven months of its launch at DAISO, establishing itself as an essential beauty item, particularly among the Zalpha (Gen Z and Alpha) generation. Since making its debut through DAISO in November 2024, it has recorded cumulative sales of more than 1.3 million units as of June 2025, sustaining rapid growth. This is attributed to a strategy of offering quality-competitive products at reasonable price points, which has aligned with the spending tendencies of consumers in their teens and twenties who value sensible consumption. Going forward, we plan to continuously raise brand awareness through diverse product launches and expanded distribution channels, and to provide reasonable, innovative beauty solutions that meet changing consumer trends.



a.solution Trouble Patch sold out
within one month of entering DAISO

'a.solution Trouble Patch', which a.solution introduced upon entering DAISO, sold out its initial batch of 100,000 units within one month of launch, earning a positive market response. Since its DAISO launch, the product has drawn attention—particularly among the Zalpha (Gen Z and Alpha) generation—as an item that satisfies both blemish care and self-expression at once. In particular, by reflecting the 'Ppyo-kku' trend (the Korean term for 'decorating pimples'), it has resonated with consumers, perceived not merely as a skin-concern product but as a styling element in its own right. Going forward, we plan to steadily broaden brand awareness through consumer-needs-based product development and diversified distribution channels, and to introduce differentiated solutions that match changing beauty trends.

POINT Deep Clean Quick Mascara
Remover sold out upon entering DAI-
SO

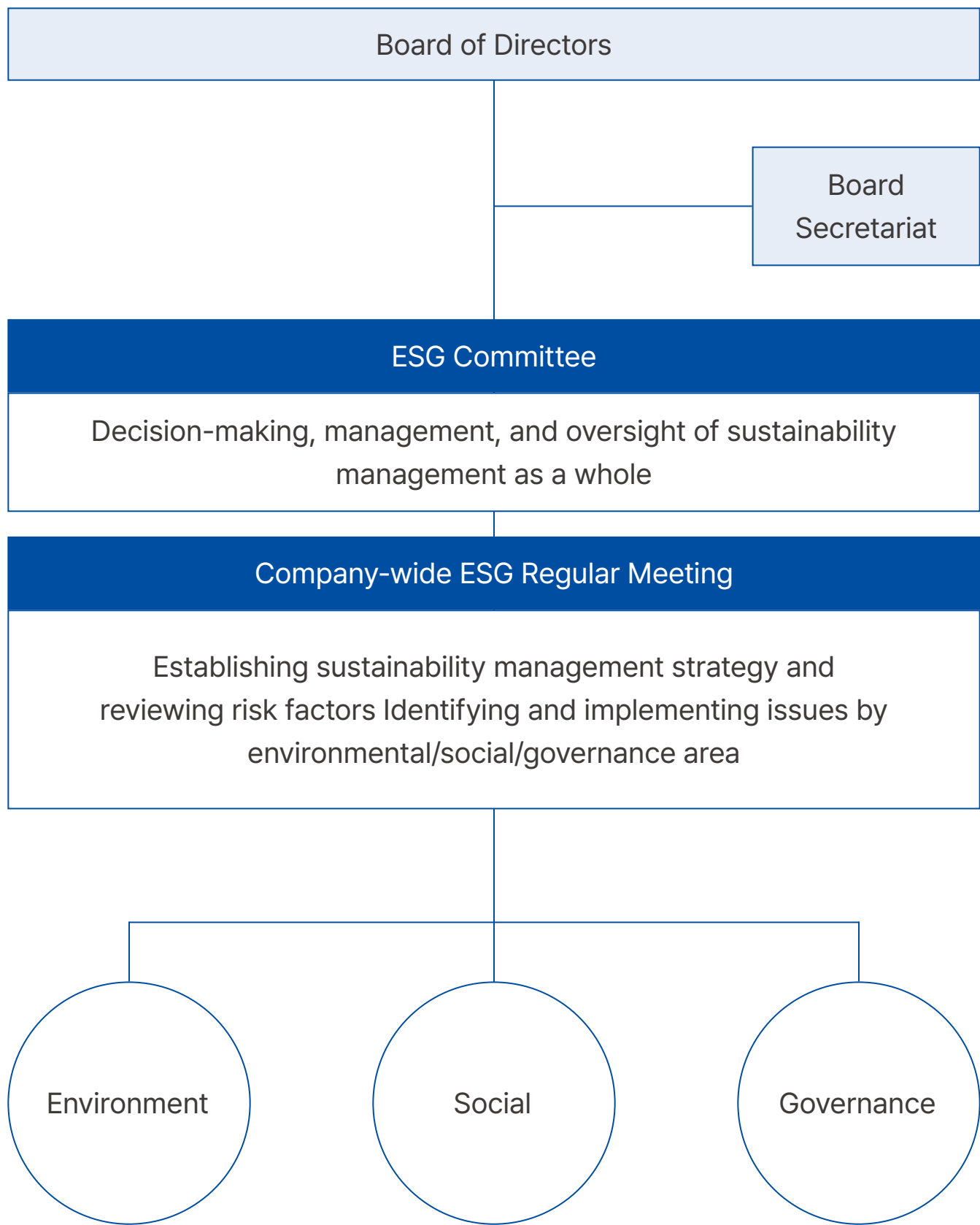
'POINT's 'Deep Clean Quick Mascara Remover', introduced at DAISO, sold out its entire online and offline supply on the strength of its reasonable price and outstanding product competitiveness. After its DAISO launch, the product rapidly gained recognition among consumers as user-review content spread organically across social media. As a result, its DAISO Mall stock sold out early—within three weeks of release—and all 50,000 units of online and offline supply were sold, recording steady demand. Having obtained 'Vegan Certification' from the Korea Agency of Vegan Certification and Services, the product combines reasonable pricing and functionality with ethical value, contributing to enhanced brand trust.



ESG Strategy Framework

Sustainability Management Governance

Sustainability Management Organization



To systematically advance sustainability management, Aekyung Industrial has established an ESG Committee under the Board of Directors, building a management and oversight system at the highest decision-making level. The ESG Committee manages risks centered on the company's key sustainability management issues—including climate change response and carbon neutrality, expanded resource circulation, and strengthened supply chain sustainability—while reviewing implementation performance and deliberating and resolving on mid-to-long-term response directions.

In addition, starting in 2025, we established a Company-wide ESG Meeting so that the ESG Committee's decisions translate into concrete action. The Company-wide ESG Meeting is a consultative body comprising the leaders and working-level staff of the organizations responsible for each core issue; it is tasked with giving concrete shape to strategies across the environmental, social, and governance areas and with proactively reviewing major risk factors. It also plans and coordinates company-wide ESG initiatives such as responding to ESG assessments, publishing the Sustainability Report, setting the operational direction of the working-level group, and formulating mid-to-long-term ESG strategy.

At the working level, we operate a working-level group composed of the ESG Team and personnel responsible for each area, such as the environment and supply chain; this group identifies detailed tasks aligned with the company-wide ESG strategy, establishes and implements action plans, and regularly reviews progress. Through this operating system, Aekyung Industrial has built a tiered governance structure that runs from the ESG Committee to the Company-wide ESG Meeting, further enhancing the execution capacity of its sustainability management.

2025 ESG Committee Activities

Held a total of three times in 2025, the ESG Committee reported on a range of sustainability management agenda items, including the 2025 ESG Committee's key reporting plan, the publication of the 2024 Sustainability Report, and the materiality assessment results and management measures.

Date Held	Agenda	
February 24, 2025	Reporting Item	2025 ESG Committee key reporting plan
February 24, 2025	Reporting Item	Report on the materiality assessment survey results
March 26, 2025	Reporting Item	Plan for publishing the 2024 Sustainability Report
July 31, 2025	Reporting Item	Establishment of management measures by material issue
July 31, 2025	Reporting Item	Publication of the 2024 Sustainability Report

ESG Strategy Framework

ESG Strategic Goals| Transformation with ESG Challenges

ESG Area	Strategic Keywords	3 Strategic Directions	9 Strategic Priorities	17 Action Items	UN-SDGs Linkage
Environment	Practice Zero Waste	Advancing the Clean Cycle Business Model through Green Transformation	· Green TIE (Tec/Info/Edu) Expansion · Green Partnership Enhancement · Green Value Experience Provision	· Practicing reduction through waste discharge management and the strengthening of recycling processes · Practicing energy savings through investment in 2030 new and renewable energy environmental facilities · Participating in climate change response by strengthening 2030 pollutant and greenhouse gas emission management capabilities · Strengthening Green Transformation solidarity to enhance employee environmental education · Building a sustainable eco-friendly supply chain through the management and support of partners' environmental capabilities · Strengthening the eco-friendly business model by expanding the discovery of and support for eco-friendly/recycled raw materials and products · AKGI(Aekyung Green Index) Strengthening operations · Going beyond the cosmetics plastic initiative to participate in the expansion of environmental initiatives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS
Social	Valuable Partnership	Building a system for coexistence and sustainable management by strengthening Community communication	· Happy Employees' Community · Shared Growth Partners Community · Collaborative Consumers Community · Co-prosperity Local Community	· Strengthening a positive organizational culture through corporate culture innovation · Establishing a global-level working environment and human rights management · Realizing a shared-growth supply ecosystem by establishing systems and support programs that embrace partner companies · Strengthening systems for product safety, quality management, and customer satisfaction management · Strengthening social contribution programs carried out together with employees and encouraging participation · Promoting social communication through the publication of reports from a non-financial perspective	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Governance	Risk Management Building a strengthened compliance system	Strengthening trusted ESG management through upgraded board leadership	· Realizing a board of directors in which diversity and independence are respected and guaranteed · Establishing a board and audit body with strengthened expertise	· Implementing accountable management by strengthening board leadership and roles · Building a Global-level Governance system by expanding board diversity and ensuring independence · Strengthening ESG management execution capabilities through upgraded expertise	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholder Communication

Aekyung Industrial defines its key stakeholders as the employees, customers, shareholders and investors, suppliers, and local communities that are directly or indirectly affected by its business activities, and pursues shared growth through active communication. To this end, we operate communication channels for each stakeholder group to gather opinions and carry out response activities that reflect them.

Stakeholders	Key Interests/Issues	Response Activities	Stakeholder Communication		
			Communication Channel	Frequency	Online/Offline
Customers	· Smooth and prompt provision of information and feedback · Safe product use · Improvement of product/service quality	· Sharing the latest news through social media · Responding to customer issues · Consumer satisfaction and claim satisfaction surveys · Receiving feedback on product and service evaluations · Operating a customer idea suggestion program	Corporate site and brand websites	As needed	Online
			Social media channels (Instagram, Facebook, Post, Naver TV, YouTube, etc.)	As needed	Online
			Aekyung Industrial Supporters 'AK Lover'	As needed	Online
			Voice of Customer (VOC) handling process	As needed	Online
Employees	· Forming sound labor-management relations · Safe and healthy working environment · Internal communication channels and participation · Employee grievance handling · Improving the employee working environment · Securing and nurturing competent talent · Providing opportunities for growth and self-development	· Concluding labor union collective bargaining agreements · Strengthening occupational safety and health at business sites · Creating opportunities for communication between management and employees through 'Love & Respect Day' · Operating the employee grievance channel 'Report' · Improving organizational culture and expanding employee benefits · Strengthening training and capability-building programs	Labor-Management Council, 'Creating A Better Workplace Committee'	Quarterly	Offline
			Safety and health deliberation and resolution body, the 'Occupational Safety and Health Committee'	Quarterly	Offline
			Internal communication channel 'Love & Respect Day'	Semi-annually	Online/Offline
			Group webzine 'ON AEKYUNG'	As needed	Online
			Grievance handling system 'Report'	As needed	Online
			Product idea suggestion channel 'Aekyung DOODRIM'	As needed	Online
			'Aekyung Conference', a venue for research achievements and technology exchange	Annually	Offline
Suppliers	· Shared growth · Fair Trade · Improving suppliers' ESG management standards	· Co-development of eco-friendly packaging materials · Operating the supplier grievance handling system, the 'SRM System' · Conducting ESG assessments · Providing ESG consulting support in partnership with external specialized institutions	Supplier communication channel, the 'SRM System'	As needed	Online
			Occupational safety and health 'Contractors' Association'	Monthly	Offline
			Subcontracting Review Committee	As needed	Offline
Shareholders and Investors	· Protecting shareholder rights · Sound governance · Composing a board with expertise	· Establishing a mid- to long-term dividend strategy · Introducing electronic voting at the general meeting of shareholders · Quarterly and annual earnings disclosure · Independent Director Expertise Training	Annual General Meeting of Shareholders	Annually	Offline
			DART electronic disclosure	As needed	Online
			Sustainability Report	Annually	Online
Local Community	· Mutual development with local communities · Local hiring and revitalization of the local economy · Managing environmental impacts around business sites	· Operating and expanding social contribution programs · Purification activities at Chiseongcheon Stream near the Cheongyang Plant · Activities to preserve and expand native plants	Social contribution programs	As needed	Offline
			Employee volunteer activities	As needed	Offline

Double Materiality Assessment

In accordance with the GRI Standards sustainability reporting guidelines, Aekyung Industrial conducts a materiality assessment every two years, selecting and reporting the core issues that may affect its sustainability management. Through third-party verification of the selection and assessment of these core issues and of the results, we ensure credibility based on the four principles of inclusivity, materiality, responsiveness, and impact. In line with the GRI Standards, the assessment applied the double materiality concept, deriving issues through integrated consideration of financial materiality and socio-environmental materiality. We then made our final selection of ten material issues, taking into account our business strategy direction, socio-environmental materiality, and stakeholder interest. For more in-depth management and substantive improvement, we selected three of the ten material issues—expanding eco-friendly product development, reducing the use of plastic packaging, and strengthening product safety—as core issues. Accordingly, we identify the risks and opportunities that corporate activities related to these three core issues pose to the environment and society, and manage them by analyzing our response strategies and key performance. Aekyung Industrial will continue to strive for sustainable growth and the creation of socio-environmental value as it identifies financial, social, and environmental issues and implements related strategies.

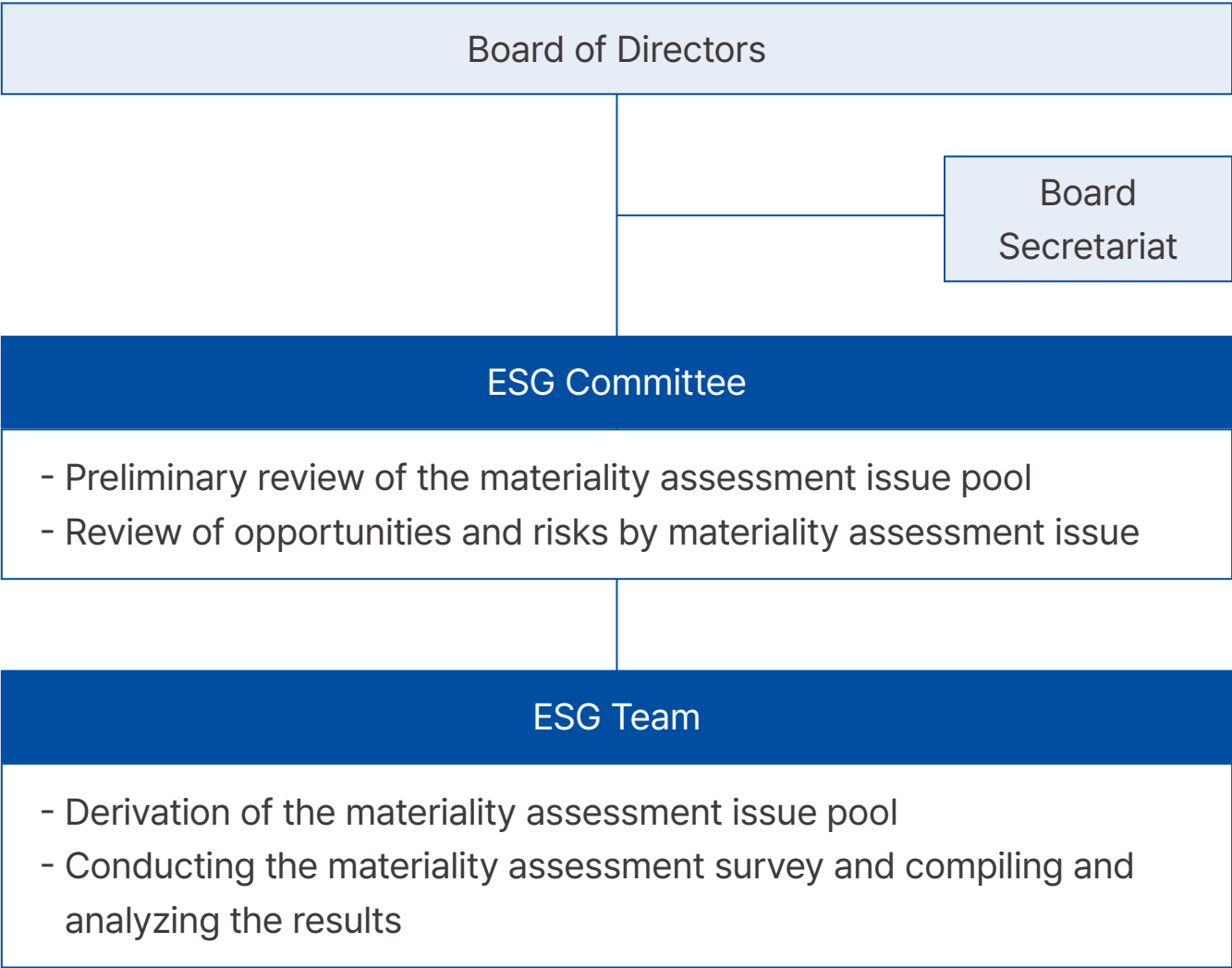
Assessment Process

1. Composition of the ESG Issue Pool	- Analysis of internal corporate data and disclosures
	- Media research analysis (articles related to Aekyung Industrial, 2024.01.01–2024.10.31)
	- Analysis of industry trends, systems, and regulations
	- Analysis of global standards/external assessments (GRI, UN-SDGs, SASB, TCFD, KCGS, MSCI, DJSI, etc.)
2. Conducting the Materiality Assessment	- Peer industry benchmarking analysis
	- Conducting surveys on socio-environmental/financial impact
3. Selection of Material Issues	- Analysis of socio-environmental/financial impact survey results
	- ESG Committee resolution (final selection of material issues)
4. Material Issue Impact Assessment	- Identification of opportunities and risks by ESG materiality issue
	- Report to the ESG Committee (results of identifying opportunities and risks by ESG materiality issue)
5. Response to Material Issues	- Establishment of strategic directions for core issues

Materiality Assessment Survey

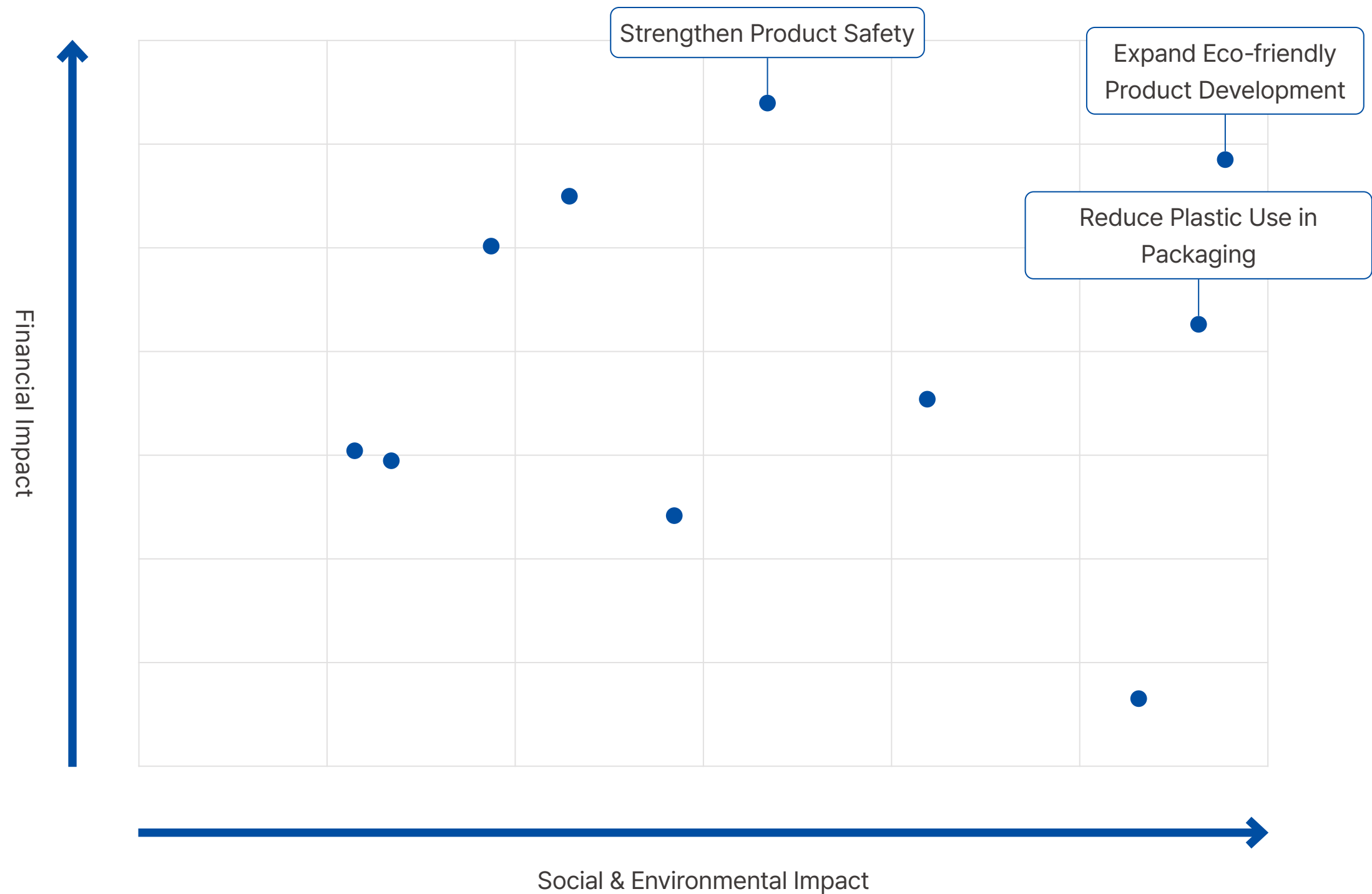
Survey Period	Survey Method	Survey Content
2024.12.16–12.20 (5 days): Internal and external stakeholders (excluding customers) 2024.12.23–12.27 (5 days): Customers	Online survey	For establishing Aekyung Industrial's ESG strategy system: socio-environmental/financial impact by stakeholder survey
Survey Respondents		
Internal Stakeholders	Employees, affiliates, shareholders, and investors	
External Stakeholders	Customers, suppliers, local communities, press/media, and experts	

Governance



Double Materiality Assessment

Assessment Results



Rank	Issue Pool	Social & Environmental Impact	Financial Impact	GRI INDEX
Material Issue 1	Expand eco-friendly product development	3.71	3.54	GRI 301
Material Issue 2	Reduce plastic use in packaging	3.70	3.46	GRI 301
Material Issue 3	Strengthen product safety	3.59	3.57	GRI 416
Material Issue 4	Manage integrated financial and non-financial risks	3.53	3.53	GRI 207
Material Issue 5	Reduce greenhouse gas emissions	3.63	3.43	GRI 302, 305
Material Issue 6	Enhance customer satisfaction	3.51	3.50	GRI 416, 418
Material Issue 7	Improve management transparency	3.69	3.28	GRI 2
Material Issue 8	Comply with fair trade	3.56	3.37	GRI 206
Material Issue 9	Strengthen safety/health training and management systems	3.49	3.40	GRI 403
Material Issue 10	Strengthen shared growth activities with suppliers	3.48	3.40	GRI 414

Double Materiality Assessment

Core Issue Analysis

Material Issue	Risk Identification	Opportunity Identification	Business Case	Business Impact	Business Strategy	Performance Target	Key Performance	Executive Compensation
1. Expand Eco-friendly Product Development	· Increase in costs due to eco-friendly product development	· Improved perception and higher consumer purchase rates through expanded development and use of eco-friendly raw materials · Development of eco-friendly products through eco-friendly product certifications such as eco-label and low-carbon product certification	· Growing awareness and demands from stakeholders—including regulators, investors, and consumers—regarding the management of product eco-friendliness	· Cost · Revenue	· Expand certifications such as the eco-label and Environmental Product Declaration (EPD) labeling and low-carbon products · Develop products that reduce environmental impact, such as using biodegradable ingredients and FSC-certified cartons	· Operate a program to promote the development of eco-friendly and low-carbon certified products · Measure environmental impact by material (raw materials and packaging) and manage the ratio of eco-friendly material purchases	· 221 eco-label certifications for eco-friendly products in 2025 · Total purchases of eco-friendly raw and subsidiary materials: KRW 4.73 billion in 2025	· Linked to performance (number of cases) in eco-friendly and low-carbon product certifications
	· Potential decline in product safety and increased customer claims due to reduced plastic use in packaging	· Enhanced corporate reputation as an environmentally conscious company through reduced plastic use · Reduction in recycling contribution fees	· Growing demand for products that reduce the environmental impact of packaging · Global trend toward stronger climate change regulations · Continuous increase in demand for alternative product development and recycling driven by rising environmental contributions on product containers, etc.	· Cost · Revenue	· Strengthen the link to revenue through product development that reflects eco-friendly consumption trends · Establish mid-to-long-term indicators and assessment criteria that account for product sustainability	· Introduce a monitoring process to manage plastic use and substitution rates · Establish AKGI management targets by product category and improve achievement rates Ⓢ Maintain a 5% share of Level VI SKUs for cosmetics (by 2027) Ⓢ Design all household-product SKUs at Level V or higher (by 2027)	· Reduced plastic use by 317 tons in 2025 through container lightweighting · Improve the share of higher AKGI Levels by product Ⓢ Cosmetics at Level II or higher: 10.2% Ⓢ Household products at Level II or higher: 46.6%	· Linked to resource recycling activities (3R) performance
3. Strengthen Product Safety	· Tangible losses from declining sales, consumer damage compensation, etc. · Intangible losses, such as reputational damage from harm to brand image and consumer trust	· Products with hazardous substances reduced beyond required standards help minimize negative impacts on the health of customers and employees compared with existing products · Strengthened product safety reduces the likelihood of product safety incidents and consumer harm · Higher corporate value and revenue from producing products that reflect consumer needs and safety, such as vegan cosmetics and cosmetics that minimize hazardous substances	· Strengthening of relevant laws and regulations, including country-specific quality standards · Accidents related to the use of hazardous substances affect not only financial losses but also product liability and trust relationships with customers	· Cost · Revenue · Risk	· Apply a global-level verification system: raw material/ingredient management, risk assessment, etc. · Advance the product-lifecycle safety management process from raw materials to launch	· Build a PIF regulations response system to meet global standards · Advance the in-house safety verification system (AKSI) within the product development process	· Number of violations of regulations concerning the health and safety impacts of products and services in 2025: 0	· Linked to performance in responding to global regulations (laws, etc.) identified in advance and in operating safety management processes

Double Materiality Assessment

Core Issue Management

Material Issue 1

Expanding Eco-friendly Product Development

Mid- to Long-term Goals

2028	2030
Expand the product range of Eco-label certified products	Establish a foundation for obtaining low-carbon product certification

2025 Performance

① Expanding Green Product Sales	② Operating Eco-friendly Certified Products	③ Recognition of Eco-friendly Product Excellence
Green Product sales of 24,092 million KRW achieved	Eco-Label Certified Products 221 held	Selected for the 2025 Korea Green Products of the Year – a.solution P.Solution Mint Bakuchiol Pore Olji Serum – LiQ ZeT Odor Care Indoor - Drying Capsule Detergent

Detailed Strategy

Expansion of Eco-friendly Purchasing

Aekyung Industrial continues to expand the share of eco-friendly packaging materials—such as post-industrial recycled (PIR), post-consumer recycled (PCR), and FSC-certified cartons—relative to its total purchases. This expansion of eco-friendly purchasing strengthens the foundation for developing eco-friendly products and helps accelerate the transition to sustainable packaging.

Category	Unit	2023	2024	2025
Eco-friendly Purchases Amount	billion KRW	9.99	20.95	4.73
Total Purchase Amount		313.8	338.3	330.8
Proportion of Eco-friendly Purchase	%	3.2	6.2	1.4

Expansion of Eco-Label Certified Products





Antibacterial Trio



Trio Dishwashing Liquid with Baking Soda



Trio Grain Dishwashing Liquid with Korean Wheat





SoonSaem Citric Acid × Grapefruit



SoonSaem Baking Soda × Phytoncide



SoonSaem Barehand Foaming Dishwashing Liquid





LABCCiN Kitchen Care Antibacterial Dishwashing Liquid Lemon Scent



LABCCiN Kitchen Care Antibacterial Dishwashing Liquid Apple Scent

2025 Number of Certified Products

221 products

Double Materiality Assessment

Core Issue Management

Material Issue 2

Reduce Plastic Use in Packaging

Mid-to-Long-term Goals

01) Reduce Plastic Use

2025	Implementation Rate
Reduce plastic use by 450 tons or more	70.4%

02) Expand Application of AKGI Eco-friendly Design Criteria

Classification	2027	2030
Household Products	Design all SKUs at AKGI Level V or higher	After applying AKGI for two years and incorporating it into operations, collect any notable issues to advance the AKGI code
Cosmetics	AKGI Level VI: Maintain a 5% share of applicable SKUs (Level VI applicable products: tints, concealers, mists, essences, etc.)	

2025 Performance

① Reduce plastic use	② Expanding application of easily recyclable packaging
Plastic Use 317ton Reduction	Expanded use of aluminum containers, which have a higher recycling rate than plastic, for BLACKFORET containers *Recycling rate compared to plastic 75% improvement

Detailed Strategy

AKGI(Aekyung Green Index) Operation

Aekyung Industrial applies its internal eco-friendly indicator system (AKGI) to develop sustainable products, including reducing plastic use and creating easily recyclable products. In line with the Ministry of Environment's recycling policy, we have established assessment criteria for the packaging and material structure of products to objectively evaluate packaging design. In particular, through the 2023 revision of the AKGI indicators, we expanded the assessment scope, rationalized the assessment criteria, and redesigned the rewards for eco-friendly activity assessments. Aekyung Industrial aims to design all household-product SKUs at Level V or higher and to maintain a 5% share of Level VI cosmetic SKUs by 2025.

Level	Score
Level I	65 ~ 100
Level II	50 ~ 65
Level III	40 ~ 50
Level IV	35 ~ 40
Level V	30 ~ 35
Level VI	0 ~ 30

AKGI Assessment Method

Recyclability Grade Criteria (40%)

Body

Label

Miscellaneous Materials

+

Lightweighting Index (30%)

Lightweighting Index

+

Eco-friendly Index (30%)

Eco-friendly Materials

*AKGI assessment score (100 points) = Recyclability grade criteria (40 points) + Lightweighting index (30 points) + Eco-friendly index (30 points)

Use of Recycled Plastic

Since 2021, Aekyung Industrial has applied post-consumer recycled (PCR) materials—made by recycling plastic collected after consumer use—and post-industrial recycled (PIR) materials—made by recycling residues generated during the plastic production process—to its own product containers.

In fact, the vegan personal care brand 'alp:ist' applies PCR and PIR materials to all of its product containers, while the clean care brand 'point&' has introduced PCR materials into its product containers and caps—expanding the application of sustainable packaging across both household products and cosmetics.



point& and alp:ist Products

Improving Packaging Recyclability

BLACKFORET, a specialized hair loss care brand, has improved the recycling rate of used containers by approximately 75% compared with plastic through the sale of products that use aluminum containers. Launched in 2023, BLACKFORET has continuously expanded its eco-friendly product strategy by applying highly recyclable aluminum containers to its flagship anti-hair loss shampoo. As a result, sales of products using aluminum containers increased by 66% in 2024 compared with 2023, and this growth has continued into the first half of 2025 with a 36% increase year-over-year. Based on the cumulative sales of BLACKFORET's aluminum-container products, the recycling rate of used containers was found to be approximately 75% higher than if the same volume had been packaged in plastic containers. In addition, we are strengthening recyclability by adopting designs that facilitate separate disposal, such as labels that can be easily removed by hand, and in recognition of these efforts the products received a 'Normal' grade in the recyclability assessment.



BLACKFORET Anti-Hair Loss Shampoo

Expanding the Resource Recovery of Discarded Plastic

Together with its partners, Aekyung Industrial has established and strengthened a recycling process so that waste plastic generated at the Cheongyang Plant can be processed and used as recycled plastic feedstock. Through this, we are advancing our waste resource-circulation system. As a result of resource recycling activities, including the introduction of this process, the waste recycling rate has continuously improved—from 79.0% in 2023 to 88.9% in 2024—and further expanded to 91.1% in 2025.



Aekyung Industrial Cheongyang Plant

Environment

Planet, Mindfully — Responsibility that Cares for the Earth

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Climate Change Response

Governance



Key Agenda Items of the Environmental Working Group		
Area	Tasks	Key Organizations
Carbon Neutrality	- Establishing carbon emission reduction strategies - Introducing a GHG management IT system - Climate change disclosure	ESG Team, Production EHS Team, Research EHS Part, Facilities Engineering Team
Environmental Indicator Management	- Managing environmental indicators and targets - Establishing and executing target-achievement strategies	
Environmental Impact Assessment	- Monitoring company-wide environmental impact assessment plans - Managing results and performance evaluation	
Other	- ESG evaluation response strategy	

Integrated Climate Change Management System

To manage risks across the entire environmental, social, and governance (ESG) spectrum—including climate change issues—in an integrated manner, Aekyung Industrial operates a sustainability management governance system comprising the company-wide ESG Meeting, the ESG Committee under the Board of Directors, and others. The company-wide ESG Meeting establishes ESG strategies based on identified risks and reviews and monitors the implementation status of tasks being pursued by the working-level body. In addition, key discussion items and outcomes are regularly reported to the ESG Committee under the Board of Directors and reflected in oversight and decision-making at the management and board levels.

Role of the Board of Directors

In May 2023, Aekyung Industrial established an ESG Committee under the Board of Directors and is strengthening its management system across environmental (E), social (S), and governance (G) areas, including climate change. To realize long-term, sustainable growth, the ESG Committee reviews and manages ESG policies, goals, and strategies and oversees their implementation.

Role of Management

Aekyung Industrial's management recognizes that climate change is a core issue with a significant impact not only on corporate management but also on the international community as a whole, and continuously reviews the risks and opportunities related to climate change. In addition, we strengthen performance-based responsible management by paying incentives based on KPI achievement to executives directly or indirectly involved in environmental work. This encourages management to take responsibility for implementing environmental management and to lead the organization-wide response to climate change.

Category	Incentive	KPI
Production Division	Based on KPI achievement, linked to monetary performance rewards	- Reduction of GHG emissions - Reduction of electricity consumption - Reduction of steam consumption - Improvement of environmental performance (wastewater discharge concentration, waste recycling rate, etc.)
Research Division		- Development of eco-friendly products and technologies

Climate Change Response

Strategy

Climate Change Risk Identification and Assessment Process

Based on its ‘Climate Change Response Framework’, Aekyung Industrial analyzes domestic and international industry trends and the regulatory environment to systematically identify the impact of climate-related risks on the company from short-, medium-, and long-term perspectives. The climate risk management process operates in stages—factor identification, impact assessment, task response through the Environmental Working Group, and reporting to the Board of Directors and management—and we continuously strengthen our risk response capabilities through a company-wide management system.

Step 1.	[Factor Identification] Through research on domestic and international industry trends and relevant regulations, we systematically identified transition risks (market, policy, regulation, reputation, technology) and physical risks (chronic, acute).
Step 2.	[Assessment] Identified risks were evaluated on a 5-point scale based on their likelihood of occurrence and degree of impact, and each issue was classified as short-, medium-, or long-term according to its expected time of occurrence. Based on the assessment results, we derived the priorities of key risks through consultation with relevant internal departments. In particular, for physical risks, we used a generative AI-based service to analyze the financial impact of climate risks.
Step 3.	[Task Response through the Environmental Working Group] The Environmental Working Group, a working-level body, regularly assesses climate-related risks and, based on the assessment results, establishes core tasks and continuously monitors them.
Step 4.	[Reporting to the Board of Directors and Management] For ESG-related issues, including climate change, strategies are established and risk factors are reviewed through the company-wide ESG Meeting, and the results are reported to the ESG Committee under the Board of Directors, the highest decision-making body. Based on this, the ESG Committee comprehensively manages sustainability management risks and oversees overall sustainability management by monitoring performance and reviewing response directions.

Climate Change Risk Analysis Scenarios

To analyze climate-related risks and opportunity factors from multiple angles over the medium to long term, Aekyung Industrial reviewed the ripple effects of key factors based on two internationally recognized climate change scenarios. For the analysis, we used publicly available climate scenario data from the IPCC¹ and the IEA²; for physical risk factors, we applied Climate Physical Risk Data using a generative AI-based service and derived the financial impact on that basis. In addition, for transition risks and opportunity factors, we calculated the financial impact by applying the NZE (2050 Net Zero target scenario) pathway of the IEA's World Energy Outlook (WEO).

1) IPCC: Intergovernmental Panel on Climate Change
2) IEA: International Energy Agency

Category	Scenario	Key Assumptions	Average temperature rise (2100)
Physical Risk	SSP1-2.6	With the development of renewable energy technology, fossil fuel use is minimized, assuming eco-friendly and sustainable economic growth	+1.8°C
	SSP5-8.5	Focused on the rapid development of industrial technology, with high fossil fuel use and assuming indiscriminate, city-centered development expansion	+4.4°C
Transition risk / Opportunity	IEA NZE (Net Zero Emissions by 2050)	A scenario assuming a pathway to achieving net-zero ('0') carbon emissions in the global energy sector by 2050	+1.5°C

CLIMATE CHANGE RESPONSE

Physical Risk Assessment Results

We classified the level of each risk factor by considering scenario-specific indicators—such as the number of heatwave days, maximum temperature, number of heavy-rainfall days, precipitation intensity, maximum 1-day precipitation, and maximum 5-day precipitation—together with the geographic location of each business site. These levels represent a relative risk classification, derived by comprehensively considering the nation-wide distribution range of the extreme-climate indices presented in the 'Regional Climate Change Outlook Report' published by the Korea Meteorological Administration together with their trend of change relative to the present, and they are divided into three tiers (Low, Mid, High).

Results of the 2100 Physical Risk Analysis by Business Site

1) Physical risk levels under the SSP1-2.6 scenario

Risk Factor	Head Office · AKIC	R&D Center	Cheongyang Plant	Yongin Logistics	Gimhae Logistics
Heatwave	Mid	Mid	Low	Low	Mid
Abnormal Temperature	Low	Low	Low	Low	Low
Drought	Low	Low	Mid	Low	Low
Typhoon	Mid	Low	Low	Mid	High
Heavy Rainfall	Mid	Low	Low	Mid	Mid
Coastal Flooding	-	-	Low	-	Mid
Wildfire	Low	Low	Mid	Low	Low

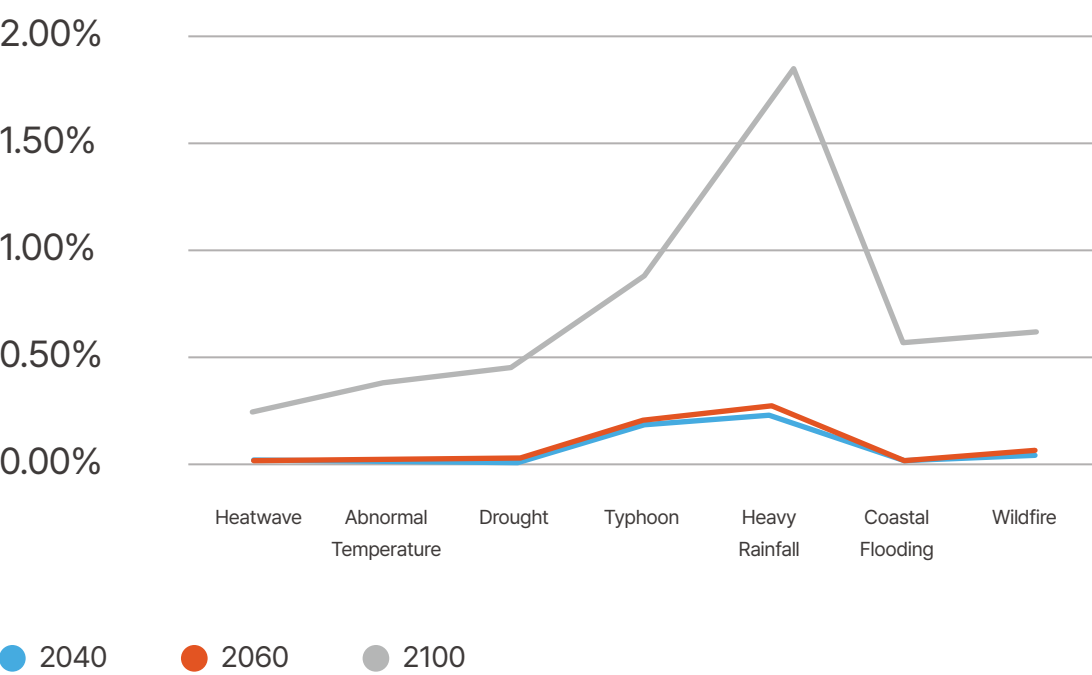
2) Physical risk levels under the SSP5-8.5 scenario

Risk Factor	Head Office · AKIC	R&D Center	Cheongyang Plant	Yongin Logistics	Gimhae Logistics
Heatwave	Mid	High	Mid	Mid	Mid
Abnormal Temperature	Mid	High	High	Mid	Mid
Drought	Low	Mid	Mid	Low	Low
Typhoon	High	High	High	High	High
Heavy Rainfall	Mid	High	High	High	High
Coastal Flooding	-	-	Low	-	High
Wildfire	Low	Mid	High	Mid	Mid

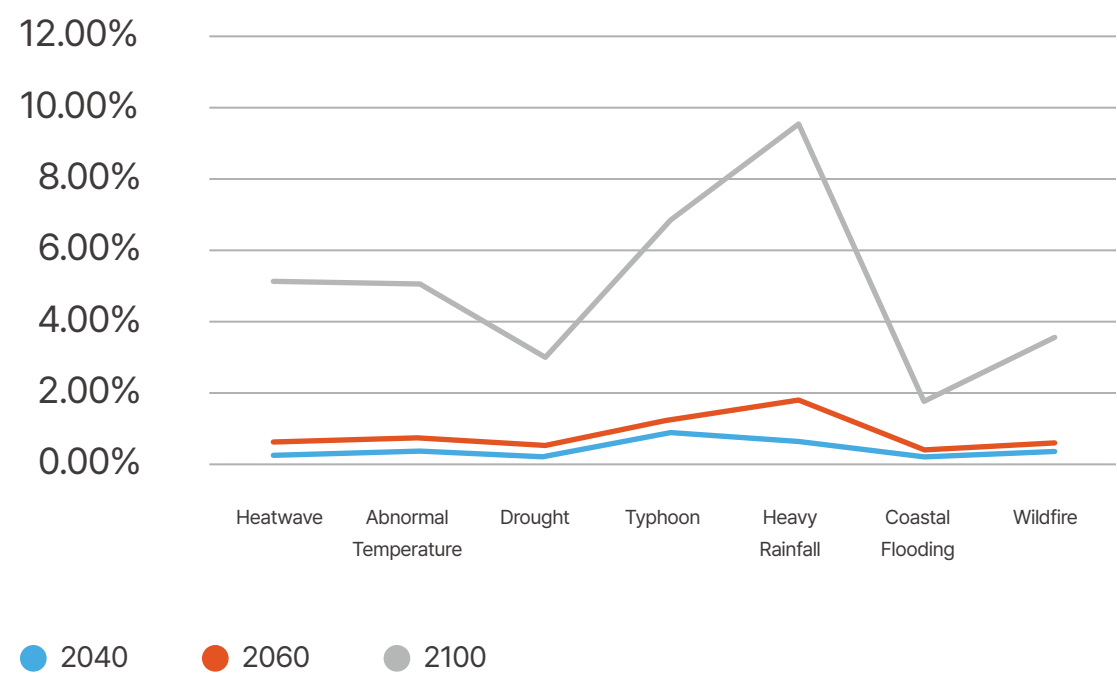
Asset Loss Risk from Physical Risks

We calculated the total assets of each business site by factoring in the ratio of tangible assets to inventory. Based on historical data, we also projected the total assets of each business site for 2040, 2060, and 2100. We then established criteria for the likelihood and damage rate of each indicator and used generative AI to derive the likelihood and damage rate for each indicator. Finally, we calculated the asset loss amount by applying each indicator's likelihood and damage rate to the total assets of each business site, and expressed this as a ratio relative to total assets.

1) SSP1-2.6 scenario



2) SSP5-8.5 scenario



Our analysis of asset-loss risks from climate change found that the factors with the greatest impact on the projected loss rate were 'heavy rainfall' and 'typhoon' under the SSP1-2.6 scenario, and 'heavy rainfall,' 'typhoon,' 'heatwave,' and 'abnormal temperature' under the SSP5-8.5 scenario. While we judge that these items are unlikely to have an immediate and serious impact on Aekyung Industrial's asset management, we will establish and apply response strategies for items requiring management. For example, the Gimhae Logistics Center, located relatively close to the southern coast, is exposed to potential building recovery costs and inventory loss costs from typhoons and heavy rainfall; to address this, we will review and pursue the diversification of logistics hubs and the expansion of third-party logistics (3PL). In addition, through continuous monitoring, we will identify the financial impact of physical risks and manage it proactively by reflecting it in our business plans.

CLIMATE CHANGE RESPONSE

Strategy

Based on the TCFD recommendations, Aekyung Industrial analyzed industry trends and the institutional and regulatory environment to build a pool of climate-related risk and opportunity factors. We then assessed materiality by having relevant internal departments rate the likelihood and impact of each issue on a 5-point scale, and we manage these issues by classifying them as short-, medium-, or long-term according to their anticipated time of occurrence. Based on the materiality assessment results, we derive priorities for each issue and operate a systematic management framework. To date, Aekyung Industrial has identified a total of 16 key climate-related issues, comprising 5 opportunity factors, 2 physical risks, and 9 transition risks, enabling us to proactively respond to changes in the management environment driven by climate change.

Risk Classification		Key Issue	Time Horizon	Potential Financial Impact	Response Measures
Opportunity	Resilience	Mitigating cost volatility through diversified power supply	Medium-term	- Stabilized supply and demand and reduced cost volatility through long-term renewable energy supply contracts	- Establish renewable energy supply plans and sign memorandums of understanding (MOUs)
Opportunity	Products · Services	Expanding product resource circularity	Medium-term	- Increased sales of recyclable products that meet consumers' eco-friendly demands - Reduced subsidiary material purchasing costs through the introduction of a product upcycling system	- Establish a product resource circulation system - Expand refill products
Opportunity	Resource Efficiency	Improving production/distribution process efficiency	Medium-term	- Improved energy efficiency and productivity through replacement of aging equipment and process improvements - Improved productivity through systematizing and optimizing process workflows - Enhanced operational efficiency through an efficient logistics system	- Replace aging and low-efficiency equipment at business sites with high-efficiency equipment - Drive process improvements by reviewing work standards for each process - Diversify distribution channels
Opportunity	Energy	Reducing consumption through improved energy efficiency	Medium-term	- Cost savings from reduced energy use	- Replace aging and low-efficiency equipment at business sites with high-efficiency equipment - Conduct energy reduction campaigns
Opportunity	Market	Enhancing the company's internal and external image through the expansion and diversification of sustainability management activities	Short- /Medium-term	- Increased sales as consumers purchase more products due to an enhanced positive brand image	- Expand internal and external ESG campaigns and programs
Physical Risk	Chronic	Water shortage	Long-term	- Increased R&D costs for developing water-reducing products and technologies - Cost increases due to water shortages	- Establish and expand a water recycling system - Conduct medium- to long-term R&D on water-reducing products and technologies
Physical Risk	Acute	Occurrence of natural disasters (storm and flood damage, floods, inundation, etc.)	Long-term	- Increased recovery costs due to damage to production facilities - Business interruption and asset loss - Declining sales due to reduced plant utilization rates - Cost increases due to higher raw and subsidiary material costs from extreme weather events	- Regularly conduct emergency scenarios and drills - Establish a natural disaster response manual
Transition Risk	Reputation	Reputational decline from failure to implement the carbon neutrality roadmap	Medium-term	- Reduced product consumption due to declining trust among stakeholders, including consumers - Reduced investment and declining sales as a negative reputation spreads due to failure to respond to climate change - Increased financing costs due to lower ESG ratings	- Establish a substantive GHG emissions reduction strategy - Disclose GHG emissions reduction activities and performance against targets - Analyze ESG rating agency criteria and establish response strategies - Utilize sustainable financing instruments such as green bonds
Transition Risk	Reputation	Increase in negative perceptions due to insufficient measures for climate change response	Medium-term		
Transition Risk	Policy/ Regulation	Rising electricity rates *1) Approximately 3.2 billion KRW	Short-term	- Increased utility costs as electricity rates rise due to restructuring of the national basic energy plan	- Apply fixed electricity unit prices through Power Purchase Agreements (PPAs), etc.

CLIMATE CHANGE RESPONSE

Strategy

Risk Classification		Key Issue	Time Horizon	Potential Financial Impact	Response Measures
Transition Risk	Policy/Regulation	Stricter packaging regulations *2) Approximately 1.99 billion KRW	Medium-/Long-term	- Increased R&D costs and raw and subsidiary material purchasing costs to comply with packaging regulations - Declining product competitiveness due to higher customer-response costs from tighter domestic and overseas plastic regulations	- Conduct packaging research and development through the continued promotion of 3R (Reduce, Reuse, Recycle) - Assess and develop product packaging by applying the internal eco-friendly indicator system (AKGI) - Expand sustainable product development, including reducing plastic usage and developing easily recyclable products
Transition Risk	Policy/Regulation	Stricter GHG emissions disclosure regulations	Long-term	- Designation as a newly regulated entity due to the expansion of companies subject to the Emissions Trading Scheme - Increased GHG emissions management and reduction costs	- Continuously track and manage carbon emissions, and establish and implement emissions reduction plans
Transition Risk	Market	Rising raw and subsidiary material prices	Short-term	- Increased raw and subsidiary material purchasing costs driven by growing consumer demand for eco-friendly raw materials such as vegan ingredients - Increased purchasing costs due to higher raw and subsidiary material prices caused by supply chain carbon regulations, etc.	- Diversify and manage eco-friendly raw material suppliers - Monitor and manage carbon risks of key suppliers
Transition Risk	Market	Strengthening of eco-friendly consumption trends *3) Approximately 3.8 billion KRW	Short-term	- Declining sales due to reduced demand for existing, non-eco-friendly products - Increased certification costs from obtaining eco-friendly product certifications - Expand eco-friendly certified products through LCA (Life Cycle Assessment) evaluation	- Expand the range of products certified with eco-labels, low-carbon product certification, etc. - Advance environmental impact assessment methods that consider the entire product lifecycle - Develop products that reduce environmental impact, such as using biodegradable ingredients and FSC-certified cartons
Transition Risk	Market	Stricter eco-friendly standards in distribution channels	Medium-term	- Declining sales due to restrictions on product display and market entry within distribution channels resulting from stricter eco-friendly standards - Medium- to long-term market share decline due to reduced consumer preference	- Monitor the eco-friendly standards of domestic and overseas distribution channels - Share product development ideas based on eco-friendly standards company-wide
Transition Risk	Technology	Increased costs to transition production processes to low-carbon processes	Medium-term	- Increased capital expenditure from reviewing and adopting low-carbon technologies	- Improve process efficiency, including replacing aging equipment

1) Calculated as the estimated increase based on projected electricity consumption and rising electricity unit prices

2) Calculated as the estimated cost increase from developing eco-friendly molds and purchasing packaging materials

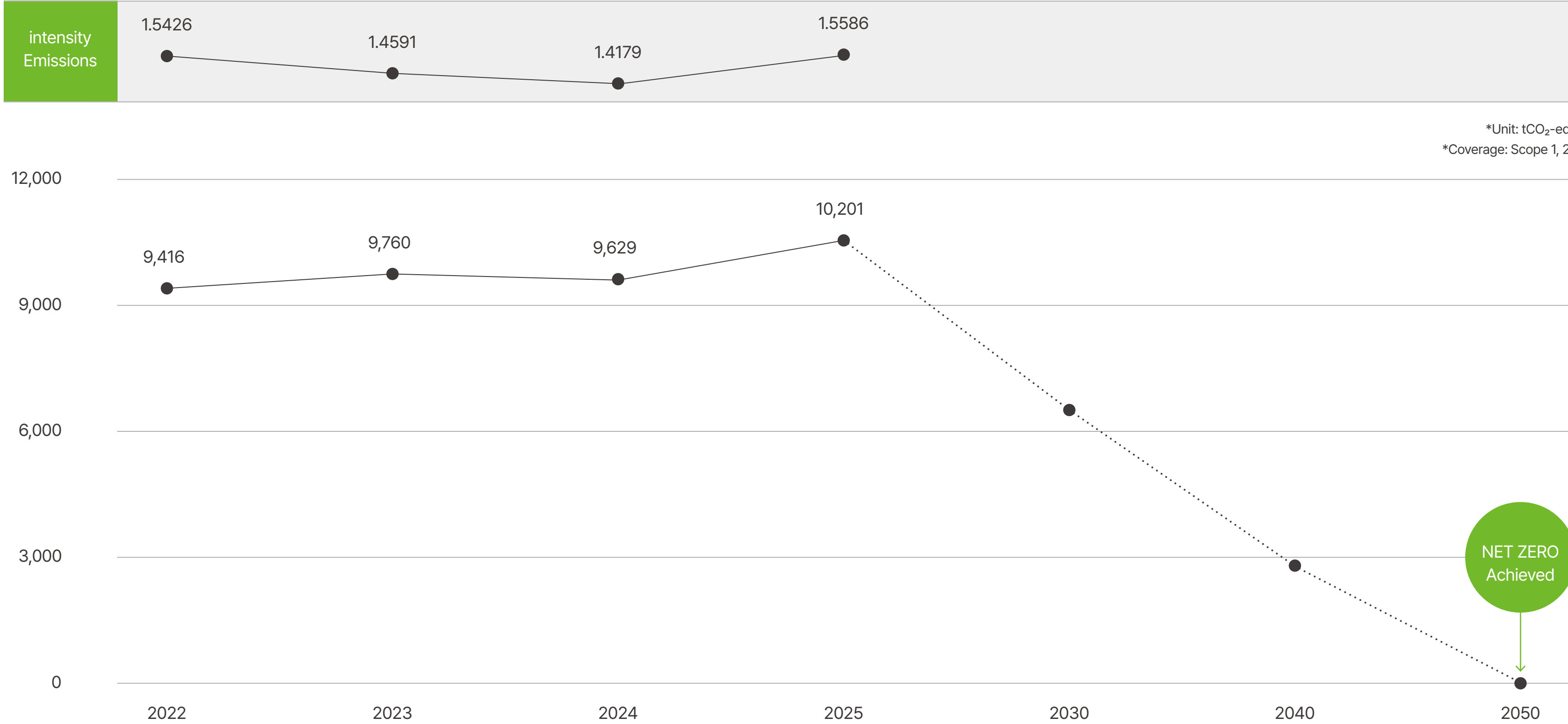
3) Calculated as the estimated revenue increase from higher eco-friendly product sales - The eco-friendly product growth rate is set at 9.5%, the average annual growth rate for sustainable cosmetics published by a *global research firm (*Inkwoodresearch, beauty-and-personal-care-market)

CLIMATE CHANGE RESPONSE

Metrics and Targets

With the goal of achieving carbon neutrality, Aekyung Industrial has established the NET ZERO 2050 ROAD MAP and is pursuing implementation tasks to reduce the greenhouse gas emissions generated by its corporate activities. We also periodically monitor our GHG emissions and continue to work steadily toward net-zero GHG emissions by 2050. In 2025, however, energy consumption increased due to the addition of new emission sources within our operational boundary (such as a dormitory) and the expansion of new production facilities; as a result, GHG emissions increased by approximately 572 tCO₂-eq year-over-year, and intensity rose 9.9% compared to the previous year. Aekyung Industrial will continue to manage these factors behind the emissions increase and will strive to achieve its medium- to long-term reduction targets through improvements in production efficiency and energy-saving activities.

NET ZERO 2050 ROAD MAP



GHG Emissions Reduction Strategy

[Strengthening Facility Energy Efficiency]

We minimized energy loss by replacing aging instruments in our utility facilities and improved energy efficiency by replacing old heater-type HVAC units with high-efficiency inverter-type units. From a management perspective, we have established intermittent-operation standards to prevent energy waste on non-operating days and operate and manage these standards systematically.

[Introduction of New and Renewable Energy] In 2025, the Cheongyang Plant began reviewing the introduction of a solar thermal hot-water system and completed its installation in March 2026. By introducing the solar thermal hot-water system, we reduced steam consumption and contributed to lowering carbon emissions. In addition, in December 2023, we installed solar power generation facilities at the Aekyung R&D Center to partially replace existing energy sources, and we are now actively working to increase our new and renewable energy substitution rate, including by reviewing the introduction of a solar Power Purchase Agreement (PPA).

[Expanding Eco-Friendly Technology Development and Product Launches] In 2025, we had 221 eco-label certified products, contributing to environmental conservation by expanding eco-friendly products and services. We will strengthen this virtuous cycle, in which consumers naturally participate in eco-friendly activities through their use of our products.

Business Site	Reduction Activity	GHG Reduction (tCO ₂ -eq)
Cheongyang Plant	Replacement of heater-type HVAC units with inverter-type units	67.185
Cheongyang Plant	Introduction of a solar thermal hot-water system	174
R&D Center	Replacement of aging HVAC units	0.602

*GHG reductions are calculated as estimates

Environmental Management

Environmental Management

Based on company-wide environmental indicators, Aekyung Industrial has established a systematic environmental management process and regularly reviews and manages its performance on key environmental impacts. Beginning with the setting of company-wide environmental indicators and targets, we quantitatively manage core environmental performance—including greenhouse gases, energy use, waste, water, and air and water pollutants—by collecting and analyzing data from each business site. The collected environmental data is shared through our management reporting system, and key issues and performance are reviewed and managed by the Board of Directors and the Environmental Working Group. In addition, based on the analysis results, we identify improvement tasks and apply them to each business site to drive continuous improvement in environmental performance. Through this environmental management system, Aekyung Industrial proactively manages environmental risks while strengthening its capacity to achieve medium- to long-term environmental goals and solidifying a foundation for sustainable business operations.

Environmental Management Process



Step	Category	Description
1	Setting Company-wide Environmental Indicators and Targets	Setting company-wide and business-site targets for each key environmental indicator
2	Collecting Business Site Data	Collecting environmental indicator data (quarterly)
3	Data Analysis	Breaking down data by environmental indicator, checking anomalies, and reviewing performance against annual targets
4	Management Reporting	Regular reporting of anomalies and performance against annual targets
5	Identifying Improvement Tasks	Management feedback or improvement proposals from the Environmental Working Group

Medium- to Long-Term Environmental Targets

Category	Unit	2025 Performance	2025 Target	2026 Target	2028 Target	2030 Target
GHG Emissions Intensity	tCO ₂ -eq/KRW 100 million of sales	1.559	1.293	1.511	1.421	1.337
Energy Consumption Intensity	TJ/KRW 100 million of sales	0.029	0.025	0.029	0.027	0.025
Waste Recycling Rate	%	91	93	92	93	95
Water Usage Intensity	ton/KRW 100 million of sales	37.684	37.651	36.554	34.393	32.361
Wastewater Discharge Intensity	ton/KRW 100 million of sales	15.049	-	14.598	13.735	12.923
Air Pollutant Emissions Intensity (Dust)	kg/KRW 100 million of sales	0.045	0.045	0.044	0.041	0.039
Water Pollutant Discharge Intensity (TOC)	kg/KRW 100 million of sales	1.663	2.667	1.614	1.518	1.429
Chemical Emissions Intensity	kg/KRW 100 million of sales	0.312	-	0.302	0.284	0.268
Hazardous Chemical Usage Intensity	kg/KRW 100 million of sales	0.084	-	0.082	0.077	0.072

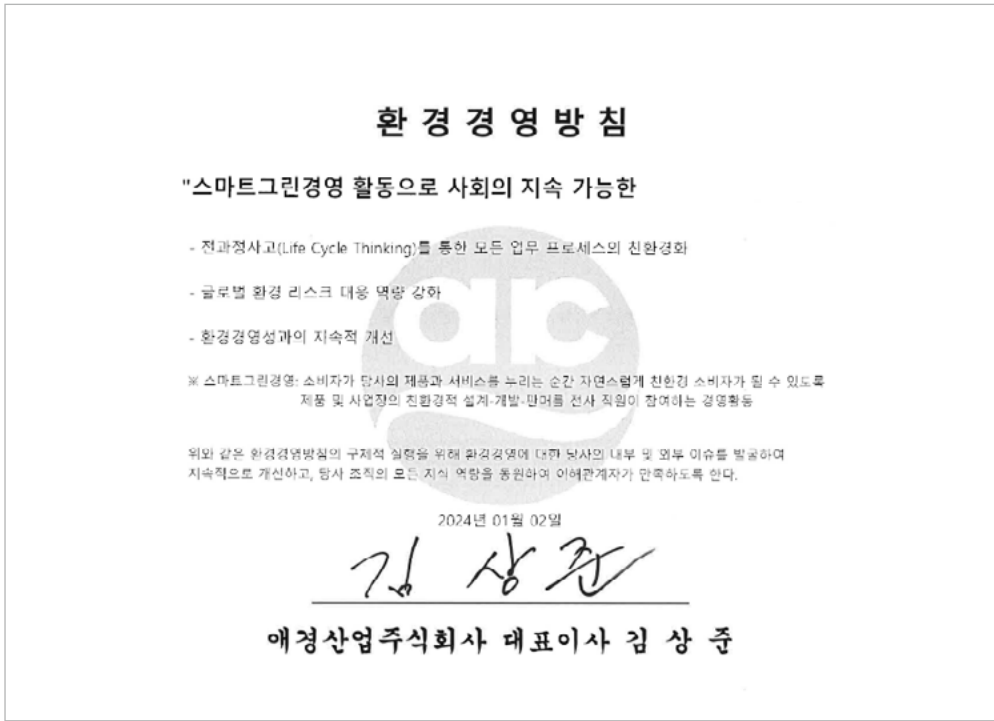
* GHG emissions and energy consumption increased due to the expansion of production facilities and the organizational boundary (dormitory)

* The waste recycling rate improved year-over-year but fell somewhat short of the originally set target

ENVIRONMENTAL MANAGEMENT

Operating the Environmental Management System

Since first obtaining ISO 14001 certification—the international environmental management system standard—in 2005, Aekyung Industrial has consistently maintained it through annual surveillance audits and triennial recertification audits. Based on the ISO 14001 environmental management system, we systematically manage company-wide environmental indicators and pursue the quantitative management and continuous improvement of our environmental performance. We also conduct environmental impact assessments of the processes and products across our business activities to identify potential environmental risks in advance and continuously carry out improvement activities to minimize our environmental impact. In this way, Aekyung Industrial strengthens its environmental risk management capabilities while enhancing the effectiveness of its environmental management and solidifying a foundation for sustainable business operations.



Environmental Management Policy

Conducting Environmental Impact Assessments

Based on ISO 14001, the international environmental management system standard, Aekyung Industrial conducts environmental impact assessments to systematically analyze the direct and indirect environmental impacts of its overall business activities and the entire process of its products and services, and to determine their significance and priority. Through this, we comprehensively identify the environmental impacts of key management activities such as production and R&D, and based on the assessment results, we continuously pursue improvement activities to minimize negative impacts. Along with regular environmental impact assessments, we conduct ad hoc assessments when major changes occur—such as entry into new businesses or process changes—to proactively manage potential environmental risks. Environmental impact assessments are carried out across all departments, and the related results are integrated, managed, and supervised by the environmental department and used to strengthen the company-wide environmental management system.



Environmental Management Organization



Linking Management Performance to Environmental Results

Aekyung Industrial sets management-level environmental KPIs—such as GHG emissions management, improvements in energy efficiency, and environmental pollution reduction performance—and manages them systematically. We regularly review the achievement status of each KPI and share it through management meetings and our internal management system, thereby enhancing the effectiveness of our environmental management. In this way, we reflect environmental performance as a key factor in management decisions and strengthen responsible management to achieve our medium- to long-term environmental goals.

Management Environmental MOU

Utility cost savings relative to production volume

Reduction of wastewater discharge concentration

Reduction of GHG emissions

ENVIRONMENTAL MANAGEMENT

Environmental Management Activities

Environmental Investment Status		
Category	Investment Details	
2023	Wastewater treatment plant facility improvement work (process line changes), installation of odor-prevention facilities (activated carbon adsorption tower), etc.	
2024	Installation of oil-containment curbs at the raw material receiving area, replacement of activated carbon, etc.	
2025	Introduction of a solar thermal system, construction of a defoaming facility for the toothpaste collection tank, etc.	

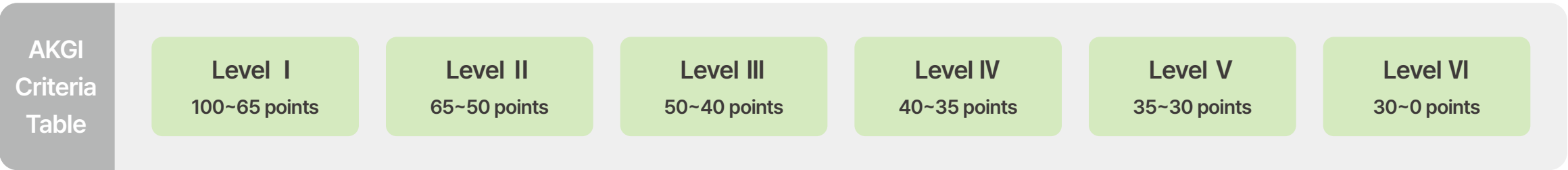
Environmental Training Status		
Training Course Name	Category	
Training for hazardous chemical workers, managers, and handlers	Number of Completions	1,938 people
	Training Hours	430 hours
	Training Content	- Hazardous chemicals and general chemical safety management - Standards for hazardous chemical handling facilities and self-inspection - Chemical accident prevention management plans, business-site risk analysis, and safety management - Evacuation and response methods in the event of a chemical accident
Environmental Expert Training	Number of Completions	3 people
	Training Hours	38 hours
	Training Content	- Training on chemical-related laws and regulations - Hands-on training on chemical statistics surveys and performance reporting - Training on GHG emissions calculation

Resource Circulation Management

Medium- to Long-Term Resource Circulation Targets

Aekyung Industrial has set the strengthening of resource circulation as a core environmental goal and steadily improves resource-use efficiency by raising its waste recycling rate. In particular, we apply AKGI (Aekyung Green Index), our internal eco-friendly indicator, throughout the entire product development process to systematically pursue reductions in plastic usage and the design of easily recyclable packaging. We objectively manage the environmental performance of our products based on packaging and material-structure assessment criteria linked to the Ministry of Environment's recycling policy, thereby simultaneously strengthening eco-friendly product development and resource circulation outcomes. We also conduct quantitative assessments of packaging materials from a 3R (Reduce, Recycle, Replace) perspective to advance our resource-circulation-centered product design system.

Category		2024	2027	2030
Improving the waste recycling rate		Target: 80% waste recycling rate	Target: 93% waste recycling rate	Target: 95% waste recycling rate
Strengthening AKGI Level	Household Products	Design new products developed with new molds after 2024 at Level V or higher	Design all SKUs at Level V or higher	Apply AKGI over two years and, after operational application, gather anomalies to advance the AKGI code
	Cosmetics	Maintain a 5% share of SKUs at Level VI (Products at Level VI: tints, concealers, mists, essences, etc.)		



*AKGI evaluation score (100 points) = recyclability assessment grade criteria (40 points) + lightweighting index (30 points) + eco-friendly index (30 points)

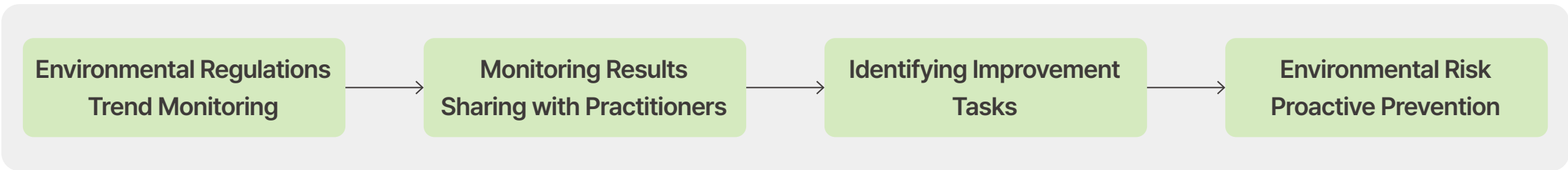
3R Application Cases		
Reduce	Recycle	Replace
- Designs that lighten containers and reduce packaging material use - Adoption of simple/streamlined package designs	- Use of containers based on recycled materials (PCR/PIR) - Designs that make separate disposal easy	- Improvement and replacement of subsidiary materials with high environmental burden

Environmental Management

Environmental Risk Management

Environmental Regulation Monitoring

To strengthen compliance with environmental regulations, Aekyung Industrial regularly monitors trends in domestic and international environmental laws and regulatory systems under the leadership of the ESG Team. By proactively identifying newly introduced and amended regulations and sharing them with environmental practitioners, we systematically manage their impact on business operations. In addition, we work with relevant departments to define regulatory response tasks and continuously check that they are applied on site. We also conduct monthly monitoring and semi-annual compliance assessments across environmental management regulatory areas; whenever non-compliance arises, we establish improvement plans and track their implementation. In this way, we proactively prevent environmental risks and continuously advance our level of environmental compliance.

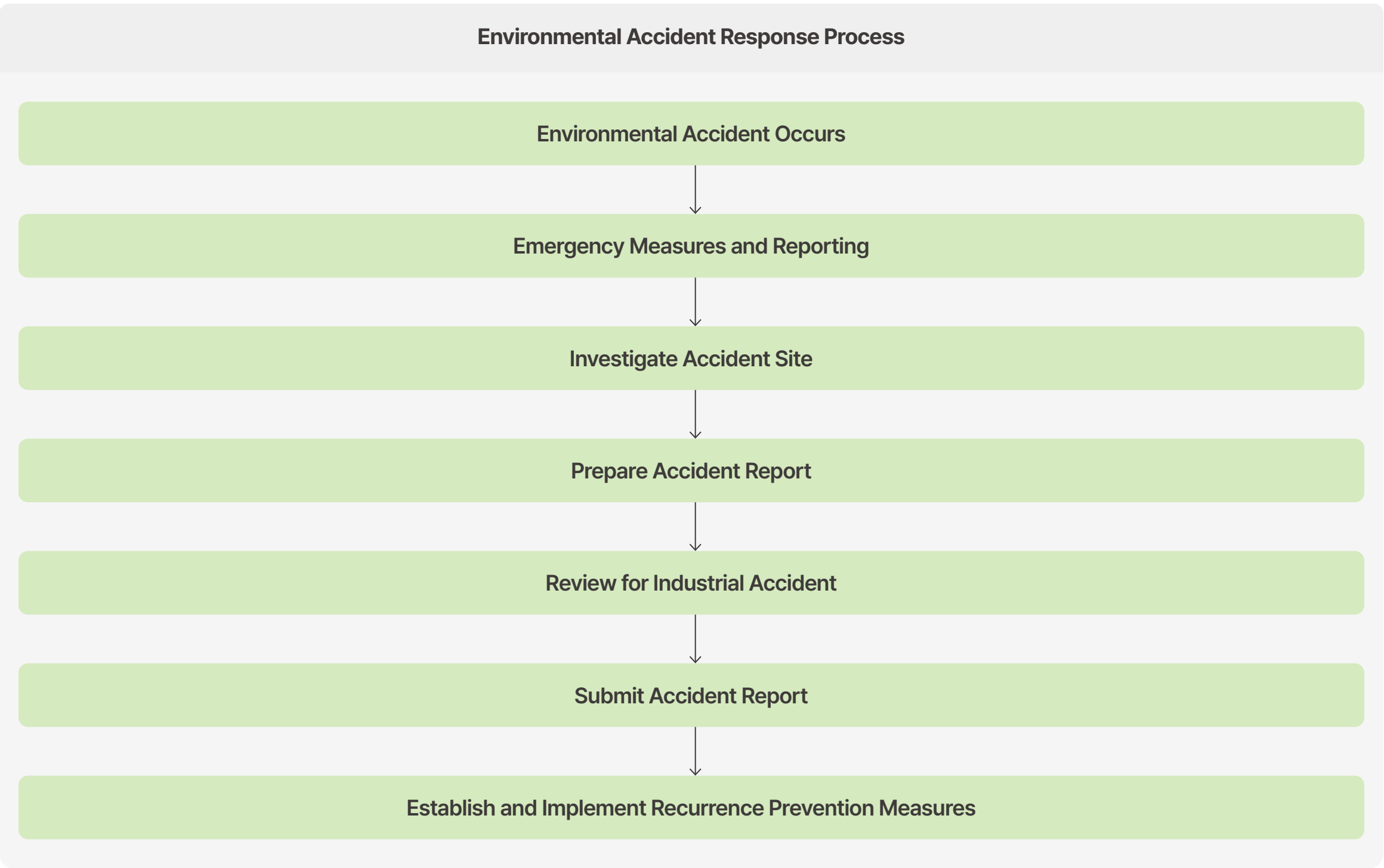


Management Area	Detailed Area	Responsible Department
Environmental Management	Clean Air Conservation Act	Production EHS Team
	Water Environment Conservation Act	Production EHS Team, Research EHS Part
	Chemicals Control Act	Production EHS Team, Research EHS Part
	Soil Environment Conservation Act	Production EHS Team
	Waste Management Act	Production EHS Team, Research EHS Part, Logistics Strategy Part
	Act on the Registration and Evaluation, Etc. of Chemical Substances	Research EHS Part

*Number of environmental regulation violations in 2025: 0

Environmental Accident Response

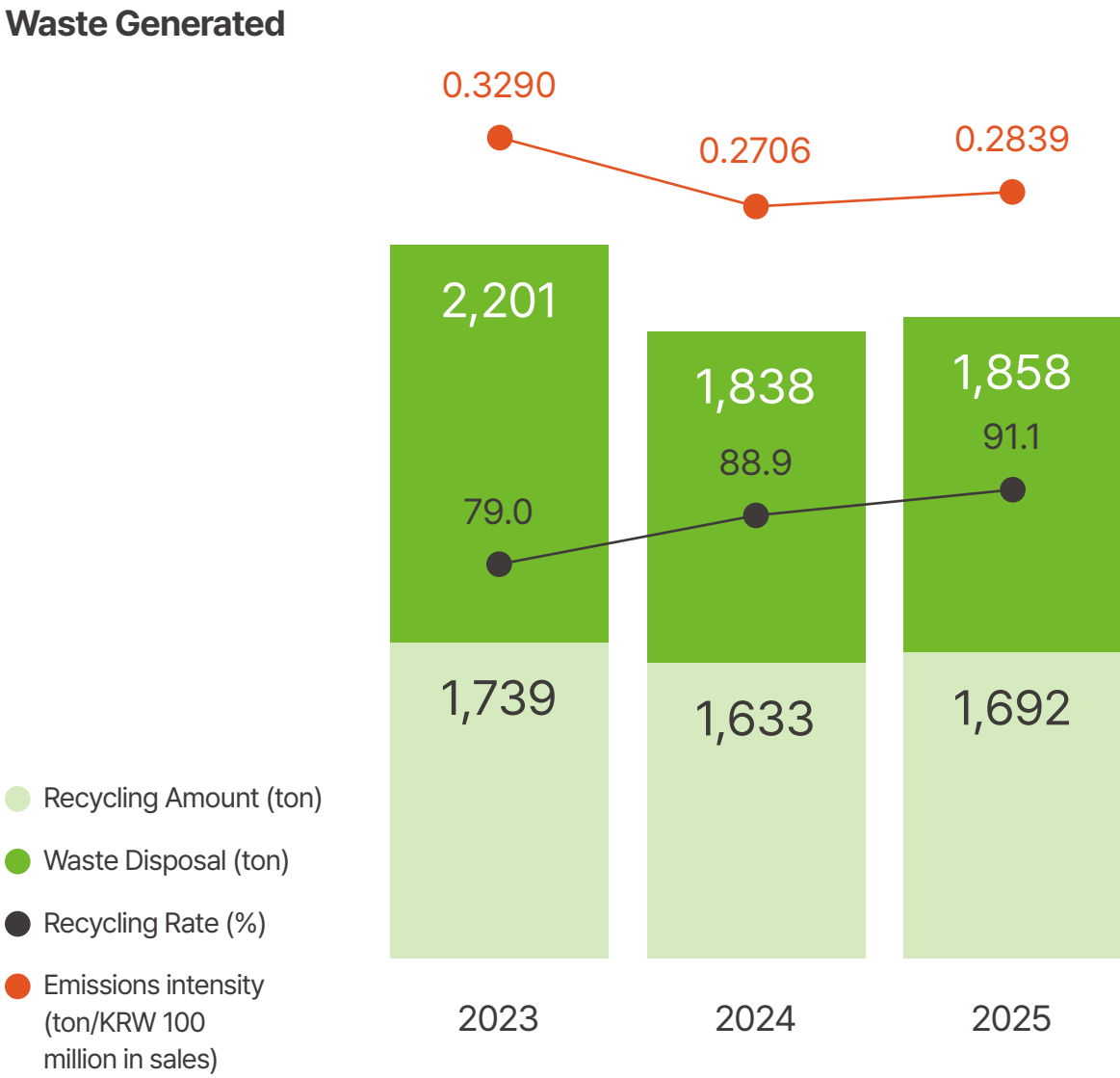
To respond quickly and systematically to environmental accidents that may occur across its business activities, Aekyung Industrial has established and operates a company-wide environmental accident response system. We have set up step-by-step procedures—from initial response and reporting to cause investigation and recurrence prevention—to minimize the spread of damage. In addition, we have established an emergency response organization and communication system in advance, and we strengthen our on-site response capabilities by developing scenario-based response plans for various accident types. We continuously verify their effectiveness through regular field drills and mock inspections, and after an accident occurs, we prevent the same type of accident from recurring through cause analysis and improvement measures. Through this systematic environmental accident response process, Aekyung Industrial continuously advances the level of its environmental risk management.



Environmental Performance

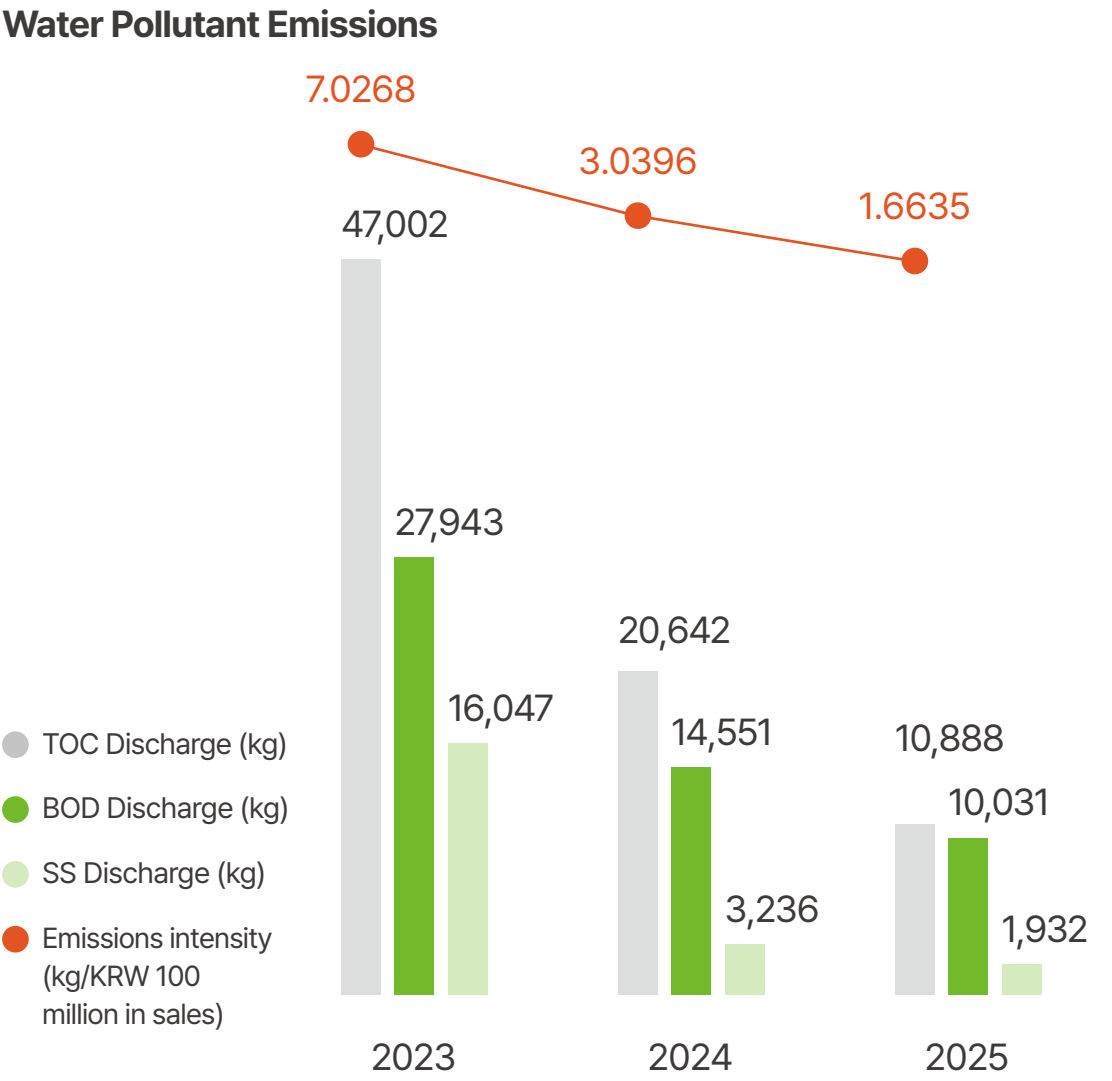
Waste Management

Aekyung Industrial has built a waste storage center at its Cheongyang Plant to improve the efficiency of waste sorting and treatment and to establish a more systematic management system. With environmental staff stationed on site, we thoroughly sort waste by process and continuously monitor waste generation and treatment on a data-driven basis. In addition, to ensure the legality and transparency of waste treatment, we conduct regular on-site inspections and evaluations of both existing and new treatment companies, and to improve the recycling rate, we carry out item-specific inspections and operate a process that prioritizes the sorting and recycling of recyclable resources. As a result of these efforts, in 2025 the Cheongyang Plant converted all waste to recycling except for waste that can only legally be incinerated or landfilled. Accordingly, the 2025 waste recycling rate improved by approximately 2.2%p year-over-year. Going forward, Aekyung Industrial will continue to advance its management system to reduce waste and expand recycling.



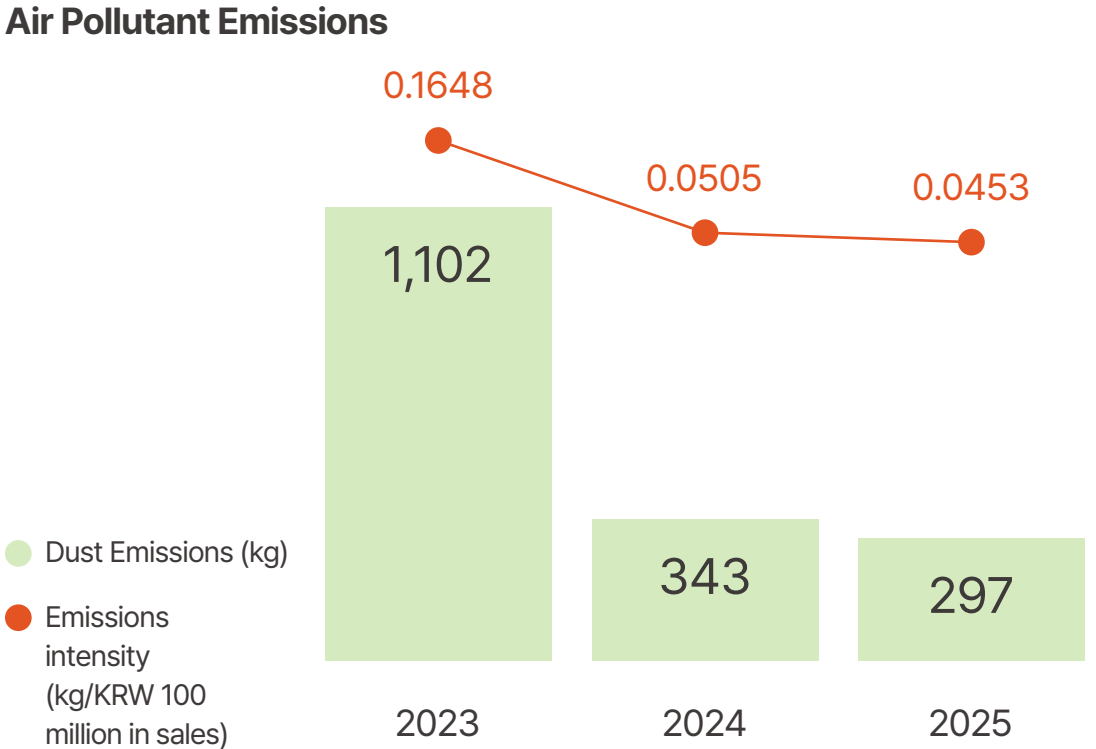
Water Pollutant Management

As it discharges wastewater to public wastewater treatment facilities, Aekyung Industrial regularly measures wastewater organic pollutant indicators such as Total Organic Carbon (TOC), Biochemical Oxygen Demand (BOD), and Suspended Solids (SS). For each indicator, we set stricter internal operating standards—at 42% for TOC, 40% for BOD, and 40% for SS relative to the legal discharge limits—and manage them systematically. In 2025, to identify optimal operating methods, we carried out chemical changes and facility improvements, improving the wastewater discharge concentration by approximately 47% on a TOC basis. Through this management system, we will proactively prevent environmental accidents caused by water pollutants and continuously manage discharge to minimize our impact on the environment.



Air Pollutant Management

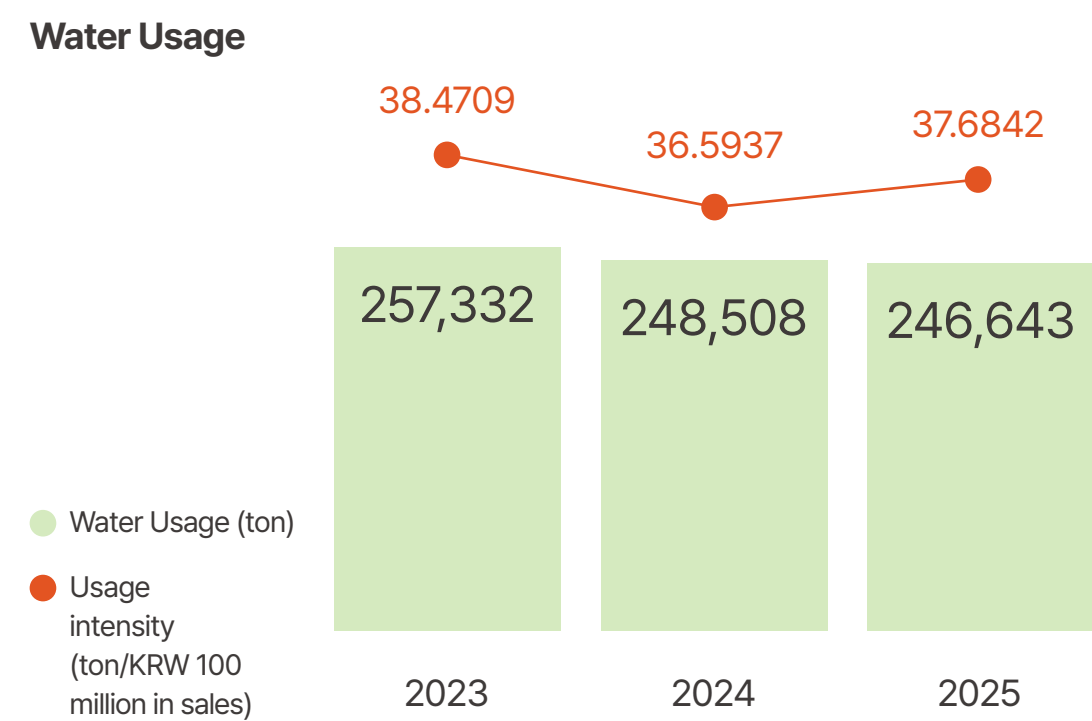
For air pollutant emissions, Aekyung Industrial sets internal operating standards at 50% or less of the legal limits and manages them more strictly. In 2025, we improved air pollutant emissions by approximately 14% year-over-year by carrying out a project to recycle the cleaning water of our wet scrubber and by replacing the filters of our bag filter dust collector. Beyond managing pollutant emissions, we continuously pursue overall air-quality improvement activities, including the suppression of fugitive dust. Going forward, we plan to minimize our impact on the atmospheric environment through a systematic management system and prevention-focused operations.



Environmental Performance

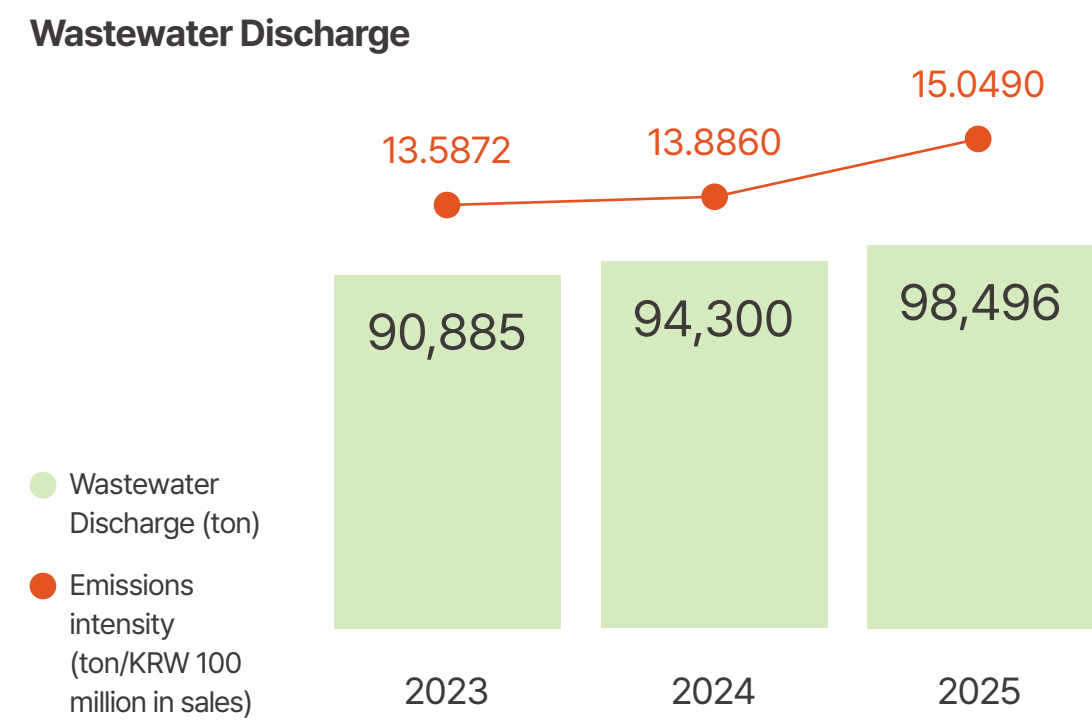
Water Management

At Aekyung Industrial's Cheongyang Plant, water that has passed through a primary reverse osmosis (RO) system at the Jeongsan Agricultural Industrial Complex is brought into the plant, and purified water that has additionally passed through our own secondary RO process is used in product manufacturing. We also conduct regular water-quality tests to assess the contamination level of raw water, thereby securing the sustainability of water resources. In 2025, we built a water reuse system at our wastewater treatment plant so that recycled water could be reused as priming water for the priming tank. Through such activities, total water consumption in 2025 decreased by 0.8% year-over-year. Aekyung Industrial will continue its monitoring and investment to improve water-use efficiency.



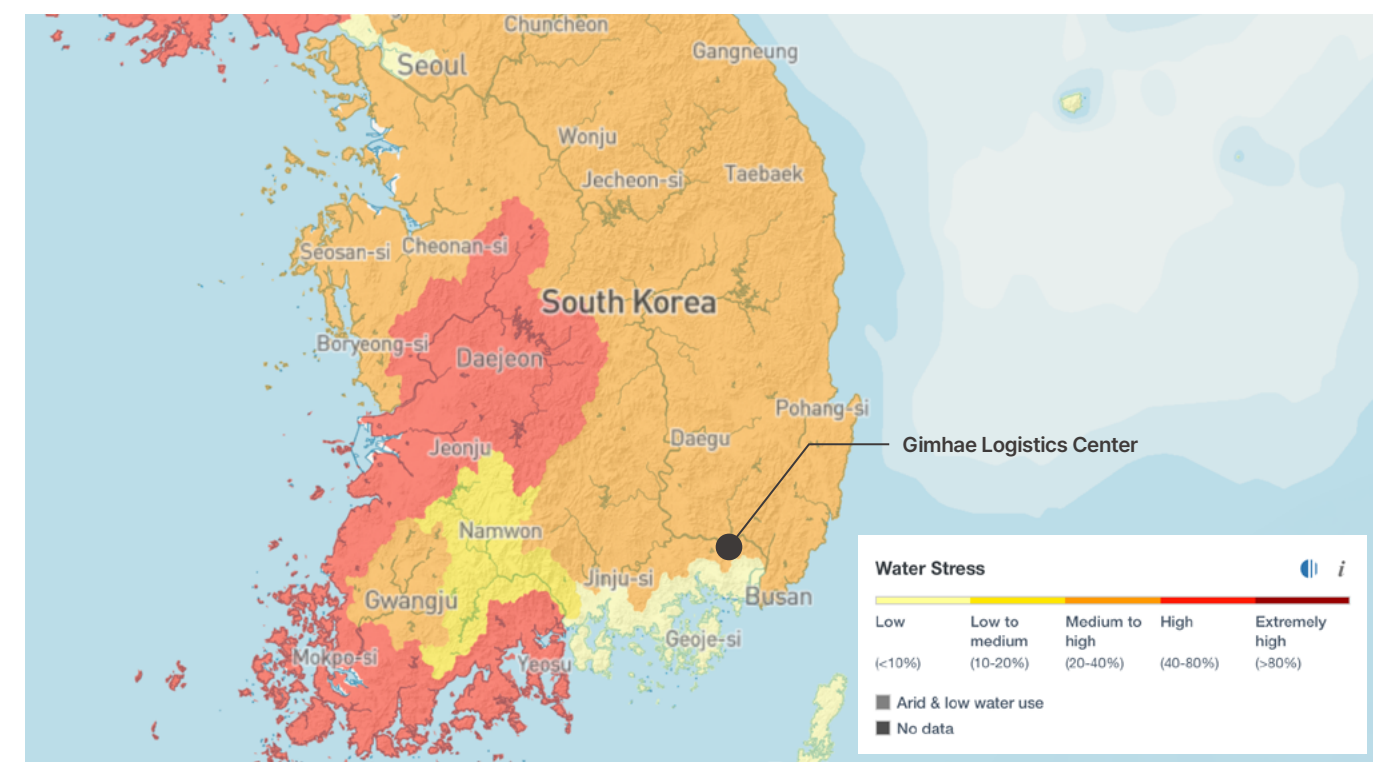
Wastewater Management

To prevent contamination of water systems caused by wastewater discharge and to contribute to protecting the water environment, Aekyung Industrial continuously improves the efficiency of its wastewater treatment process and strictly complies with its operating standards. Wastewater generated during production activities undergoes physical, chemical, and biological treatment at the on-site wastewater treatment plant before being discharged to the public wastewater treatment facility of the Cheongyang Agricultural Industrial Complex. In addition, in 2023 we invested approximately KRW 100 million to expand water-pollution prevention facilities at the Cheongyang Plant, and we have since continued to improve wastewater treatment efficiency through maintenance and facility upgrades. In 2025, wastewater discharge increased by 4,196 tons and intensity by 8.4% year-over-year. This was largely the result of increased hair-product production, which is closely correlated with wastewater generation. Accordingly, to reduce wastewater discharge and improve treatment efficiency, Aekyung Industrial will continue to pursue improvement activities, including monitoring wastewater treatment efficiency and optimizing chemical dosing by analyzing the wastewater treatment load and chemical-dosing results.



Identification of Water Stress Areas by Business Site

Aekyung Industrial analyzed the water stress levels of its domestic business sites using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas. Based on the 'Baseline Water Stress' indicator among the physical risk categories, we classified business sites rated High or above as high water resource risk facilities. The analysis confirmed that the R&D Center, the Cheongyang Plant, Cheongyang CDC, and the Cheongyang Logistics Center are located in High (40~80%) water stress areas. In addition, the Head Office and AKIC, the Yongin Logistics Center, and the Gimhae Logistics Center were classified as Medium-high (20~40%) areas, where above-average water resource risk exists. Based on these findings, we plan to progressively strengthen water resource management and advance our risk response system, focusing on business sites in high water stress areas.



*Source: WRI Aqueduct (<https://www.wri.org/aqueduct>)

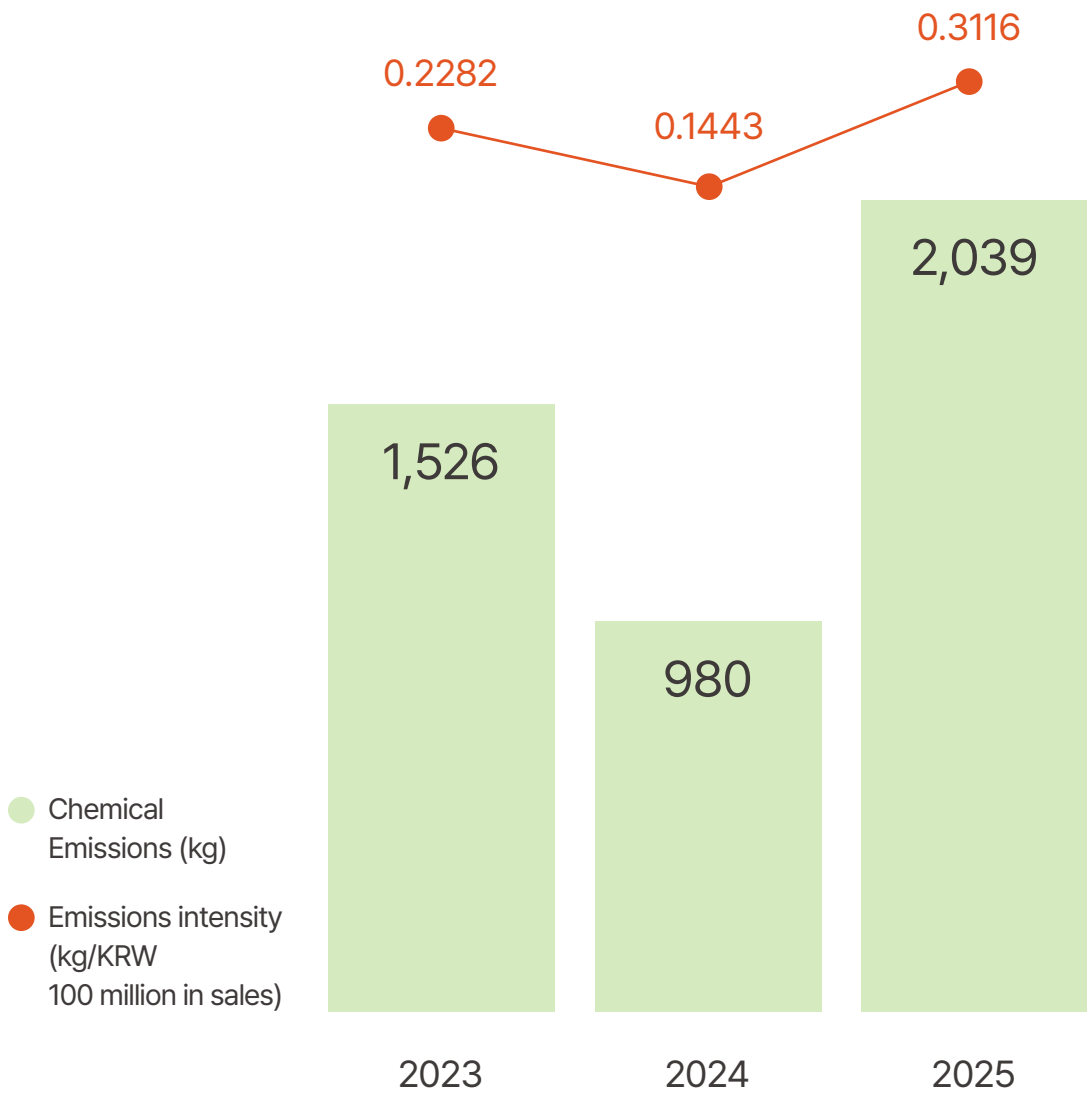
Business Site	Water Stress Status
Head Office, AKIC	Medium-high(20~40%)
R&D Center	High(40~80%)
Cheongyang Plant, Cheongyang CDC, Cheongyang Logistics Center	High(40~80%)
Yongin Logistics Center	Medium-high(20~40%)
Gimhae Logistics Center	Medium-high(20~40%)

Environmental Performance

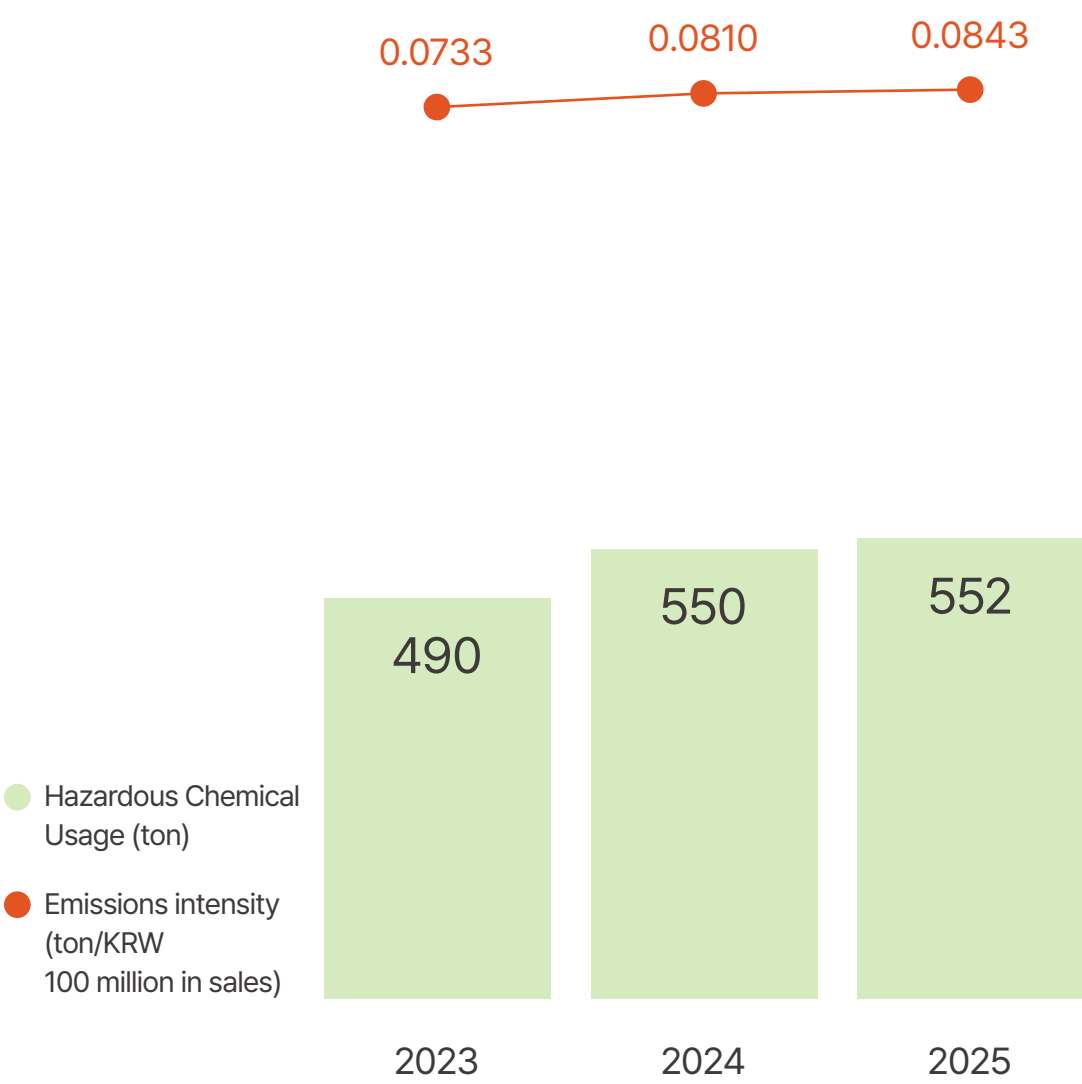
Chemical Management

To prevent accidents caused by chemicals and comply with relevant regulations, Aekyung Industrial continuously strengthens its chemical management system. When using a new chemical or replacing an existing one, we obtain the substance's Material Safety Data Sheet (MSDS) in advance, review its hazards, and register it in the MSDS registry for systematic management. We also designate a manager for each department that handles hazardous chemicals and thoroughly record and manage substance usage through a hazardous chemical management ledger. In addition, hazardous substance management officers periodically conduct self-inspections of handling facilities to manage leak and spill risks. In 2025, we strengthened our processes for inspecting hazardous chemical labeling and for the regular inspection of leak detection devices. In this way, we enhance management across the entire chemical-handling process and continuously advance our management system to prevent potential environmental and safety risks.

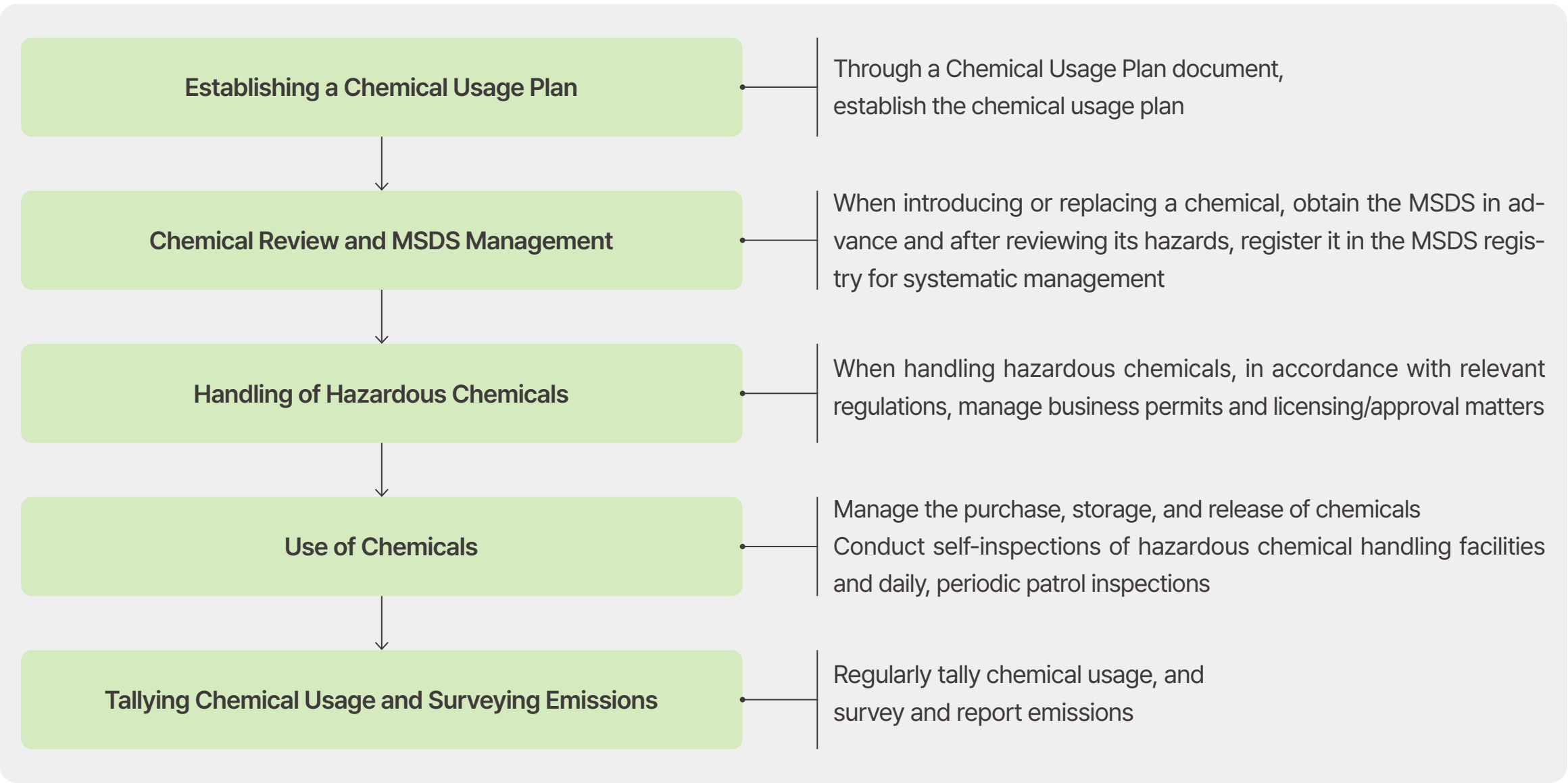
Chemical Emissions



Hazardous Chemical Usage



Chemical Management Process



Environmental Protection Activities

Environmental Protection Activities

Signing of the Environmental Support Partnership Agreement

To mark World Water Day (March 22), Aekyung Industrial signed an environmental support partnership agreement with the Community Chest of Korea, Seoul (Seoul Fruit of Love) as part of its social contribution activities to conserve river ecosystems and protect water resources. Through this agreement, Aekyung Industrial, recognizing the severity of river pollution caused by climate change, pledged to donate a total of KRW 300 million in funding over three years through 2027 to systematically promote river cleanup and ecosystem protection activities. The funds will be used for tangible environmental improvement projects, including a community-based campaign to raise awareness of river protection, water-quality improvement activities for Bulgwangcheon Stream and Chiseongcheon Stream located near Aekyung Industrial's business sites, and the removal of ecosystem-disturbing plants. Through this, we aim to expand community-based environmental protection activities and contribute to creating sustainable river ecosystems. Building on this agreement, Aekyung Industrial plans to expand not only river cleanup activities but also the protection of diverse species and the conservation of the natural environment, and will continue to pursue eco-friendly ESG activities together with local communities.



Environmental Support Partnership Agreement Ceremony

Participation in the 2030 Cosmetics Plastic Initiative

Together with the Korea Cosmetics Association, Aekyung Industrial declared the '2030 Cosmetics Plastic Initiative' to address the problem of plastic cosmetics packaging and realize a sustainable circular economy. Under the slogan 'Beautiful Us, Beautiful Earth,' the initiative aims for participating companies to improve the structure of plastic use through shared responsibility and action. Aekyung Industrial is implementing 10 action plans in stages to achieve four key goals: removing 100% of hard-to-recycle products (RECYCLE), reducing the use of petroleum-based plastics by 30% (REDUCE), promoting refills (REUSE), and establishing an in-house collection system for sales containers (REVERSE COLLECT). Through this, we aim to systematically reduce plastic use across the entire product lifecycle and contribute to creating a sustainable, resource-circulation-based packaging ecosystem.

'Ae-Tan-Da (Aekyung Industrial Carbon Diet)' Campaign

To mark World Environment Day on June 5, Aekyung Industrial launched the 'Ae-Tan-Da (Aekyung Industrial Carbon Diet)' campaign to raise employees' environmental awareness and spread a culture of carbon reduction. Through the campaign, employees spent five days cleaning up unnecessary emails, deleting approximately 550,000 emails and achieving a reduction of approximately 2.2 tons of carbon dioxide emissions. In addition, to coincide with 'Energy Day,' we designated the 18th through the 22nd as Energy Saving Week and intensively ran saving activities that employees could easily practice in their daily lives. We boosted participation through everyday, practical tasks such as maintaining an appropriate office temperature, using the stairs for nearby floors, turning off lights and air conditioners after use, setting monitors to power-saving mode, and cutting off standby power. This campaign was designed not as a one-off event but as a practice-oriented program to foster a sustainable, eco-friendly organizational culture. In particular, by encouraging voluntary employee participation, we naturally embedded carbon reduction activities into the daily work environment. Through such participatory campaigns, Aekyung Industrial raises environmental awareness across the organization and systematically spreads low-carbon practices in everyday life. Going forward, we will continue to expand eco-friendly activities together with our employees and contribute to the company's carbon reduction efforts.

*'Ae-Tan-Da' campaign: the in-house 'Aekyung Industrial Carbon Diet' campaign, conducted for an Earth left distressed by rising carbon emissions

Biodiversity Conservation Activities

Development of Native Plant-Based Products

In applying domestic native plants to its products, Aekyung Industrial goes beyond simply using raw materials and pursues its business in a way that strengthens biodiversity conservation activities. By using raw materials responsibly with consideration for the characteristics and habitats of native plants, we minimize damage to ecosystems and expand the sourcing of raw materials based on sustainable cultivation and management systems. We also link native plant research with product development to raise awareness of the value of domestic biological resources and share with internal and external stakeholders the need to conserve ecologically important plant resources. Through this, we strive to ensure that our corporate activities can coexist with the conservation of natural capital. Going forward, Aekyung Industrial plans to systematically link the expansion of native plant-based products with biodiversity conservation activities, thereby strengthening sustainable management that practices responsible resource use and environmental protection.

Native Plant Used	Product Name
Gynostemma Callus Extract	.solution a.solution Acne Clear Heartleaf Toner
	.solution a.solution Acne Clear Cleansing Foam
	.solution a.solution Heartleaf Trouble Soothing Toner Pad

*Products launched in 2025

Social

Planet, Mindfully — Responsibility that Cares for the Earth

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Talent Management

Organizational Culture Framework

The AekyungIN Way of Working 10&1

To firmly establish a healthy organizational culture and internalize its way of working, Aekyung Industrial practices, together with its people, 'The AekyungIN Way of Working 10&1,' a code of conduct for employees. Derived from employee idea contests and interviews, 'The AekyungIN Way of Working 10&1' comprises 10 behaviors that all employees should practice together and 1 principle required of leaders. It serves as a standard to ensure that organizational culture does not stop at a declaration but translates into actual changes in the way work is done.

애경IN이 일하는 방식 10&1

애경에는 다양한 사람들이 모여 있습니다. 각자의 개성이 뚜렷하고 생각도 다르지만 함께 일할 때 우리는 하나로 연결됩니다. 서로를 존중하고, 마음을 열어 협력하면 누구나 자기만의 잠재력을 마음껏 펼칠 수 있습니다.

직급이나 직책에 상관없이, 모든 목소리를 담아 만든 '애경IN이 일하는 방식'은 함께 성장하는 길을 찾아가는 길잡이가 됩니다.



01. 수평 소통

의견이 다른 건 당연해요.
자유롭게 말하고
열린 마음으로 들어요.



02. 업무 소통

요청대로 안 되나요?
WHY와 배경을
설명했는지 점검해 봐요.



03. 회의

회의만 몇 번째죠?
이제 결정하고
실행해요.



04. 보고

보고서만 만들고 있나요?
불필요한 일은 줄이고
진짜 일을 해요.



05. 협업

맞하고 있나요?
질책 대신 해결에
집중해요.



06. 윈윈 인식

나만 잘되면 된다고요?
우리는 목표를 공유하는
한 팀이에요.



07. 고객 중심

누구의 기대에 맞추나요?
우리가 맞출 건
고객의 기대치입니다.



08. 새로운 시도

하던 대로 하고 있나요?
하나라도 새롭게
바꿔봐요.



09. 성장

프로답게 일하고 있나요?
적당히 하지 말고 제대로
결과를 만들어요.



10. 윤리의식

'한 번'은 관행을 거 꺾나요?
좋은 정직하게,
업무는 정확하게 해요.

Family-Friendly Management Programs

Aekyung Industrial pursues family-friendly management that supports work-life balance as a core HR strategy, and has been selected as a 'Family-Friendly Certified' company by the Ministry of Gender Equality and Family for the fourth consecutive time. Under the leadership of top management, the company systematically operates a range of family-friendly programs, including support for childbirth and child-rearing, flexible work systems, and support systems for employees and their dependents. In particular, it provides substantive support for employees' work-life balance across their life cycle through childcare leave, reduced working hours, and expanded spousal childbirth leave. Building on the results of these programs, a family-friendly workplace culture is becoming firmly established across the organization, and Aekyung Industrial will continue to steadily advance its family-friendly management to create a work environment where employees can work with peace of mind.



Employee Welfare Programs

Creating a Flexible Work Environment

Aekyung Industrial supports employees in achieving both work efficiency and work-life balance through a variety of flexible work arrangements. Through its Flexible Working Hours system, employees can autonomously adjust their commuting hours to suit their individual job characteristics and lifestyle patterns. In addition, by operating a telecommuting system that allows part or all of working hours to be performed outside the company, it enhances both work continuity and productivity. Together with this, 'Family Day,' held once a month, helps employees secure time with their families and promotes a balanced work culture.

Flexible Working Hours	A work system that allows employees to autonomously select and adjust their start and end times.
Telecommuting	A flexible work system that allows employees to perform their work at locations outside the company.
Family Day	A system that supports employees in leaving work one hour early to spend time with their families.

Welfare and Benefits Support

Aekyung Industrial supports employees' livelihood stability and welfare through a variety of benefit programs, including welfare points, housing loan support, children's education expense support, and condominium use support. These programs help employees focus on their work in a more stable environment. Going forward, Aekyung Industrial plans to continuously operate and improve its benefit programs in consideration of employees' diverse circumstances and needs, thereby striving to create a better work environment.

Talent Management

Organizational Culture Framework

Work-Life Balance

Aekyung Industrial operates 'Sandwich Day' and 'Year-End Refresh Day' so that employees can concentrate on their work during working hours and get sufficient rest after work. In this way, it eases the work burden around holidays and the year-end period and creates a work environment that allows for recharging. Aekyung Industrial will continue to expand programs that prioritize work-life balance, thereby raising both employee satisfaction and work engagement.

Maternity Protection System

Aekyung Industrial operates a systematic maternity protection support system to safeguard employees' right to health and continuity of work throughout the entire process of pregnancy, childbirth, and childcare. During pregnancy, it provides reduced working hours and pre- and post-natal maternity leave, and guarantees paid time off for regular health checkups, thereby creating a stable work environment. After childbirth, it provides substantive support for work-family balance through paid nursing time and reduced working hours during the childcare period. In addition, it operates fertility treatment leave and menstrual leave to embrace the diverse life cycles and health conditions of its employees. These programs help establish a foundation on which female employees can grow continuously without career interruption. Aekyung Industrial will continue to advance its maternity protection policies to strengthen a work environment where employees can work with peace of mind.

안녕하세요 모성보호&가족돌봄 제도			
구분	내용	신청방법	참고
임신·출산 보호	임신기간축	임산 1주 이내, 30주 이후 근무시간 단축(2시간)	편지결재 p4
	태아출산	임산부 정기건강검진당 월임대 일하는 시간 보장(5일)	인사지원 p5
육아지원	육아휴직	가장 1년 휴직 (초산 출산 시 8주, 1년 6개월)	편지결재 p7
	육아기간축	가장 1년 단축근무 (4대 3제 시용 가능)	편지결재 p8
유·초·중·고	난임치료휴가	난임 치료 시 연간 6월 휴가 (2월 유급, 4월 무급)	인사지원 p10
	출산전후휴가	분만 출산의 경우 90일 휴가	인사지원 p11
	배우자 출산휴가	배우자가 출산한 경우 20일 휴가	편지결재 p12
유·초·중·고	유·초·중·고	월간기간에 따라 10~90일 이내 휴가	인사지원 p13
가족돌봄	가족돌봄휴가	가족이 질병, 사고, 노령, 자택이 양육 시 연간 최대 10일	인사지원 p15
	가족돌봄휴직	가족이 질병, 사고, 노령 시 연간 최대 90일	편지결재 p16
	가족돌봄 근로시간 단축	1년 이내 단축근무	편지결재 p17

Promotional post for maternity protection and family care programs

Employee Communication Channels

L&R(Love&Respect) Day

To strengthen empathy and communication among employees, Aekyung Industrial holds a company-wide communication event, L&R Day (Love & Respect Day), on a semi-annual basis. The event consists of a 'Love' session, which shares key issues and achievements of brands and business divisions, and a 'Respect' session, which reviews management performance, including ESG, and future tasks. By running the event both online and offline, the company creates an environment in which all employees can participate without constraints. In this way, it enhances overall organizational understanding and steadily broadens consensus on the company's mid- to long-term direction.



Photos from the L&R Day event

Town Hall Meetings by Division

To cultivate an organizational culture grounded in communication and empathy among employees, Aekyung Industrial holds division-level town hall meetings on a quarterly basis. Through these town hall meetings, the company shares major achievements and progress by division and creates an open forum for listening to employees' diverse opinions. In this way, it fosters an organizational culture that enhances mutual understanding and strengthens a sense of solidarity among employees.

Creating A Better Workplace Committee (Deojowi)

Based on mutual trust with its employees, Aekyung Industrial operates the 'Creating A Better Workplace Committee (hereinafter the 'Deojowi,' the Labor-Management Council)' to create a better work environment. The Deojowi is a consultative body in which company and employee representatives participate to discuss key management issues, work environment improvements, and matters related to the operation of various programs, with the aim of improving productivity and the quality of working life. Through regular consultations, the Deojowi supports the sharing of management issues and the process of improving programs, and functions as a communication channel for exchanging opinions between labor and management and forming cooperative labor-management relations. As of 2025, Aekyung Industrial's labor union had 258 members, with 30% of the 859 employees eligible to join the union being active members. In accordance with applicable laws, the company respects the autonomous choice of eligible employees as to whether to join the union, and complies with relevant laws and internal standards to ensure that no unfair discrimination or disadvantage arises in connection with union activities.

Company Growth and Development

- ✓ Productivity improvement
- ✓ Efficient company operation processes
- ✓ Consultation on policy matters
- ✓ Support and consultation for balancing work and family life

Enhancing Employee Growth and Welfare

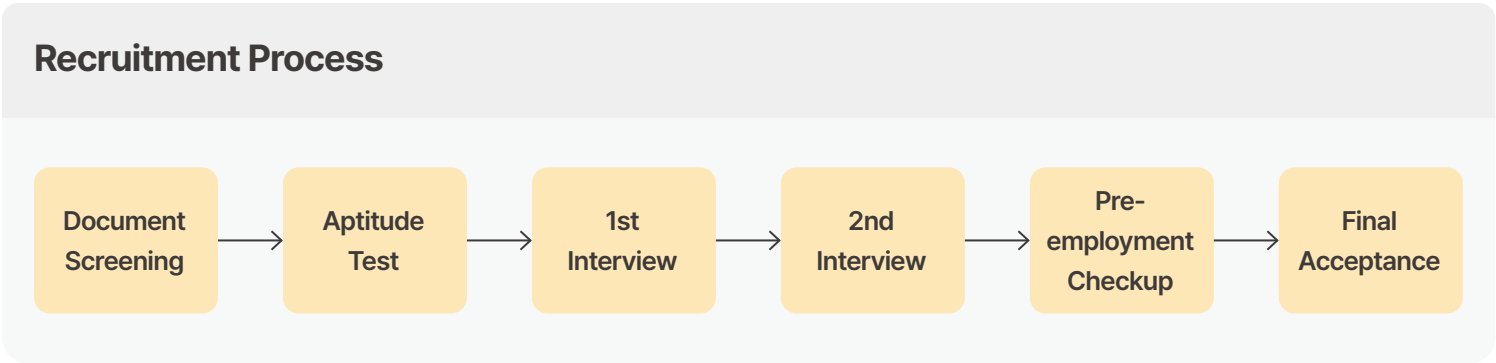
- ✓ Employee learning and education
- ✓ Creating and supporting conditions for growth
- ✓ Improvement of the work environment
- ✓ Maternity protection for female workers
- ✓ Health promotion

Talent Management

Talent Recruitment

Recruiting Excellent Talent

Aekyung Industrial recognizes talent as a key driver of the company's sustainable growth and focuses on securing outstanding talent with job expertise and organizational fit. Based on a fair and transparent recruitment process, it comprehensively evaluates applicants' competencies and potential, and by clearly defining the competencies required for each job and systematically reflecting them throughout the recruitment process, it enhances the objectivity and reliability of talent selection. After employees join, the company supports their organizational adaptation through systematic core-talent development programs and continuously advances its talent development system through performance-based compensation and promotion, so that individual growth leads to the strengthening of the company's competitiveness.



Recruiting Female Talent

Reflecting the characteristics of the consumer goods industry, such as cosmetics and household products, Aekyung Industrial actively recruits female talent with sensibility and expertise. Through fair, competency-based HR management, it continuously promotes female managers and staff, and as a result, female employees accounted for 40.8% of all employees as of the end of 2025. This talent composition leads to strengthened competitiveness in key business areas such as product planning and marketing, and Aekyung Industrial will continue to operate HR systems that support the growth and expanded participation of female talent.

Ratio of Female Managers by Position	
Category	2025
Executives	23.1%
Leaders (Team/Part Leaders)	20.0%

Recruiting Global Talent

To expand its global business and strengthen its competitiveness in overseas markets, Aekyung Industrial is broadening its recruitment of global talent with diverse nationalities and cultural backgrounds. It focuses its recruitment on talent with an understanding of and expertise in overseas business and the global distribution environment, and operates a fair and transparent recruitment process based on job competencies. In addition, it has established onboarding and work support systems so that global talent can settle securely into the organization. In this way, it strengthens its capacity to respond to changes in the global market and steadily expands its talent base to enhance competitiveness across its business.

Foreign Employment Ratio in 2025

0.7%

Promoting Employment of the Socially Disadvantaged

To promote the employment of people with disabilities and provide stable jobs, Aekyung Industrial established 'Modurak Aekyung Industrial,' a subsidiary-type standard workplace for people with disabilities, in May 2018. Since August of the same year, it has operated 'CAFÉ FOURTEEN,' an in-house café staffed by employees with disabilities, building a sustainable employment model. In this way, it supports employees with disabilities in demonstrating their job competencies and helps create a stable work environment. Furthermore, based on the operation of the subsidiary, it promotes qualitative growth in the employment of people with disabilities and strengthens the institutional foundation for long-term employment stability. Aekyung Industrial will continue to contribute to creating social value through the expansion of inclusive employment.

Number of Employees with Disabilities in 2025

31 Persons



CAFÉ FOURTEEN

TALENT MANAGEMENT

Enhancing Worker Diversity

Medium- to Long-Term Targets for Enhancing Worker Diversity

Aekyung Industrial monitors key indicators such as the rate of female employees, the foreign worker employment rate, and the mandatory employment of disabled persons rate, managing them systematically by setting medium- and long-term targets. Through this management system, we are creating a work environment that reflects the diverse perspectives and capabilities within the organization. Aekyung Industrial will continue to steadily advance the related programs and action tasks needed to achieve its targets for enhancing worker diversity by 2030.

Category	Unit	2025	2030
Female Employees Rate		38	40
Foreign Worker Employment Rate	%	1.0	1.2
Mandatory Employment of Disabled Persons Rate		3.1	3.1

Participation in the Population Issue Awareness Campaign

To help build social consensus on demographic changes such as population decline and aging, Aekyung Industrial participated in the 'Population Issue Awareness Relay Campaign' jointly organized by the Ministry of Health and Welfare and the Korea Human Resource Development Institute for Health and Welfare. This campaign is being carried out to recognize population issues as a shared challenge that businesses and society must address together and to encourage continued attention and action. Aekyung Industrial steadily pursues childbirth and childcare support, the operation of flexible work arrangements, and the strengthening of welfare systems to create a family-friendly work environment. Building on these efforts, we were selected as a Family-Friendly Certified company by the Ministry of Gender Equality and Family four consecutive times from 2013 to 2024. Going forward, Aekyung Industrial will continue to contribute to the creation of sustainable social value by operating systems that support the balance between work and family.



Photo of participation in the 'Population Issue Awareness' Campaign

Employee Awareness Training

Companies are required to conduct mandatory training every year in accordance with relevant laws to foster a sound and ethical workplace culture. To faithfully fulfill these legal requirements, Aekyung Industrial provides workplace sexual harassment prevention training and disability awareness training for all employees. This training aims to raise awareness of respect for human rights and mutual consideration among our members. In addition, we systematically track training completion to encourage company-wide participation. Aekyung Industrial will continue to provide awareness training to establish a healthy organizational culture.

건강한 근로 환경 조성을 위한

직장 내 성희롱 예방 교육 시행 안내

수강 정보

일 정

2025년 8월 18일(월) ~ 8월 29일(금)

대 상

매경산업 전 직원 (법정의무교육 필수 이수)

과 정 명

법정필수! 배성재와 함께하는 직장 내 성희롱 예방 교육

수료기준

진도율 100%

수강방법

러닝플랫폼을 통한 PC/모바일 학습

수강 내용

1

직장 내 성희롱 예방의 필요성과 중요성

2

직장 내 성희롱 판단 기준

3

직장 내 성희롱 발생 시 대처 방법

러닝플랫폼 바로 가기(클릭)

문의 : 인사팀 김철연

Workplace Sexual Harassment Prevention Training

편견을 걷어내면, 인재가보입니다!

장애인 인식개선 교육 수강 안내

수강 정보

일 정

2025년 6월 9일(월) ~ 6월 20일(금)

대 상

매경산업 전 직원 (법정의무교육 필수 이수)

과 정 명

법정필수! 배성재와 함께하는 직장 내 장애인 인식개선

수료기준

진도율 100%

수강방법

러닝플랫폼을 통한 PC/모바일 학습

수강 내용

1

장애와 장애인의 정의

2

장애인 인식개선을 위해 우리가 가져야 할 시선

3

장애인과 비장애인의 행복한 근로환경을 위한 인권감수성

4

장애인 고용 증진을 위한 사회의 노력

5

장애의 유형별 에티켓

러닝플랫폼 바로 가기(클릭)

문의 : 인사팀 김철연

Workplace Disability Awareness Training

2025 Training Completion Status	
Workplace Sexual Harassment Prevention Training	100%
Workplace Disability Awareness Training	99.9%

TALENT MANAGEMENT

Employee Competence Enhancement Program

Aekyung Group Core Talent Training

Aekyung Group operates a core talent training program to strengthen the group's medium- to long-term competitiveness. Aimed at cultivating core talent grounded in respect, dedication, and professionalism, this training focuses on sharing the group's core values through exchange and network-building among affiliates. In 2025, a total of 101 members selected from 10 affiliates participated, and the program was structured as customized curricula tailored to each leadership level. Beginning with an orientation, the program runs for approximately seven months and includes a systematic curriculum for strengthening management capabilities and cultivating future leaders. Through its core talent training, Aekyung Industrial will continue to strengthen leadership capabilities within the organization and steadily expand the talent base that will drive sustainable growth.



Photo from the Aekyung Group Core Talent Training

Special Leadership Lectures

Aekyung Industrial regularly operates Special Leadership Lectures, inviting external figures and experts in various fields, to strengthen members' leadership capabilities and deepen their understanding of the business environment. Held every month, these lectures cover a wide range of topics, including leadership, management strategy, and industry and business trends. In doing so, we help our members heighten their awareness of the changing business environment and spread insights from diverse perspectives throughout the organization. Aekyung Industrial will continue to steadily expand development opportunities to strengthen leadership capabilities.

Newcomer Training

Aekyung Industrial conducts 'Newcomer Training' in the first and second halves of every year to support new hires' smooth adaptation to the organization. Structured around the company's identity and business structure, an understanding of its key businesses, and an introduction to in-house infrastructure, this training aims to deepen new hires' understanding of Aekyung Industrial's organizational culture and overall job functions. In doing so, we help new hires acquire the basic competencies needed to perform their duties at an early stage and settle stably into the organization.

Language Education Support

Aekyung Industrial operates various training programs that support the improvement of language skills to strengthen members' global capabilities. We systematically strengthen language capabilities by providing customized training—such as group foreign-language classes and one-on-one tutoring—for employees in global roles. To ensure that any member can make use of them, we operate telephone and video foreign-language courses, online and offline language training, and a language-test support system. Through these diverse language programs, we support the improvement of communication skills and global capabilities.

Operation of an E-learning Platform

To support members' competency development, Aekyung Industrial operates an E-learning platform that provides more than 2,000 pieces of online training content. The training content spans various fields, including leadership, job competencies, global (language) skills, life insights, qualification-exam preparation, and statutory mandatory training. In addition, reflecting the characteristics of Aekyung Industrial's business, we periodically update content in the areas of marketing, global capabilities, and leadership. In doing so, we support members in continuously making use of learning opportunities suited to their roles and growth stages.

AI Skill Enhancement Training

To strengthen members' digital capabilities, Aekyung Industrial is operating an advanced AI training course in 2025. This course selects participants based on a diagnosis of their AI-utilization capabilities and is structured around practice-oriented training in areas such as generative AI and data analysis. Through step-by-step training and hands-on practice, Aekyung Industrial helps members effectively apply AI technologies to work automation and problem-solving, and we aim to steadily strengthen the internal capabilities needed to respond to the digital transformation environment.

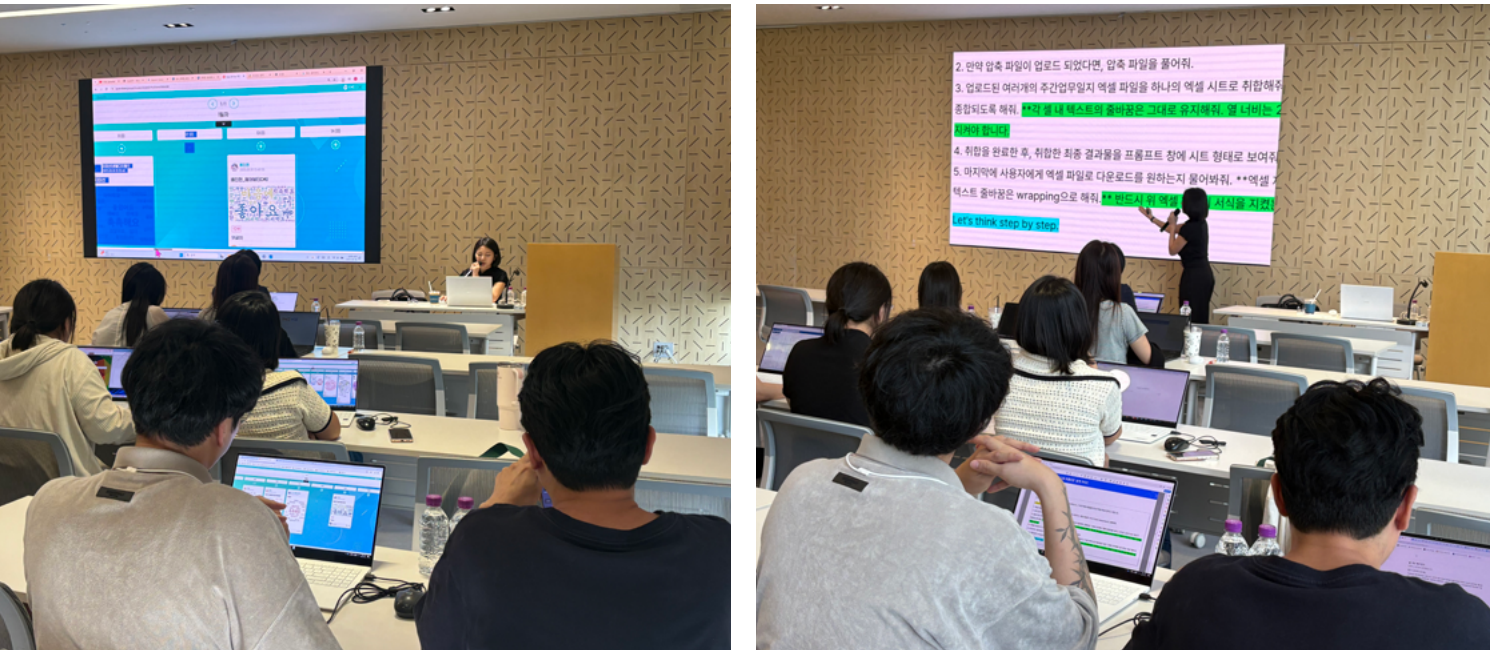


Photo from the AI Skill Enhancement Training

HEALTH AND SAFETY MANAGEMENT

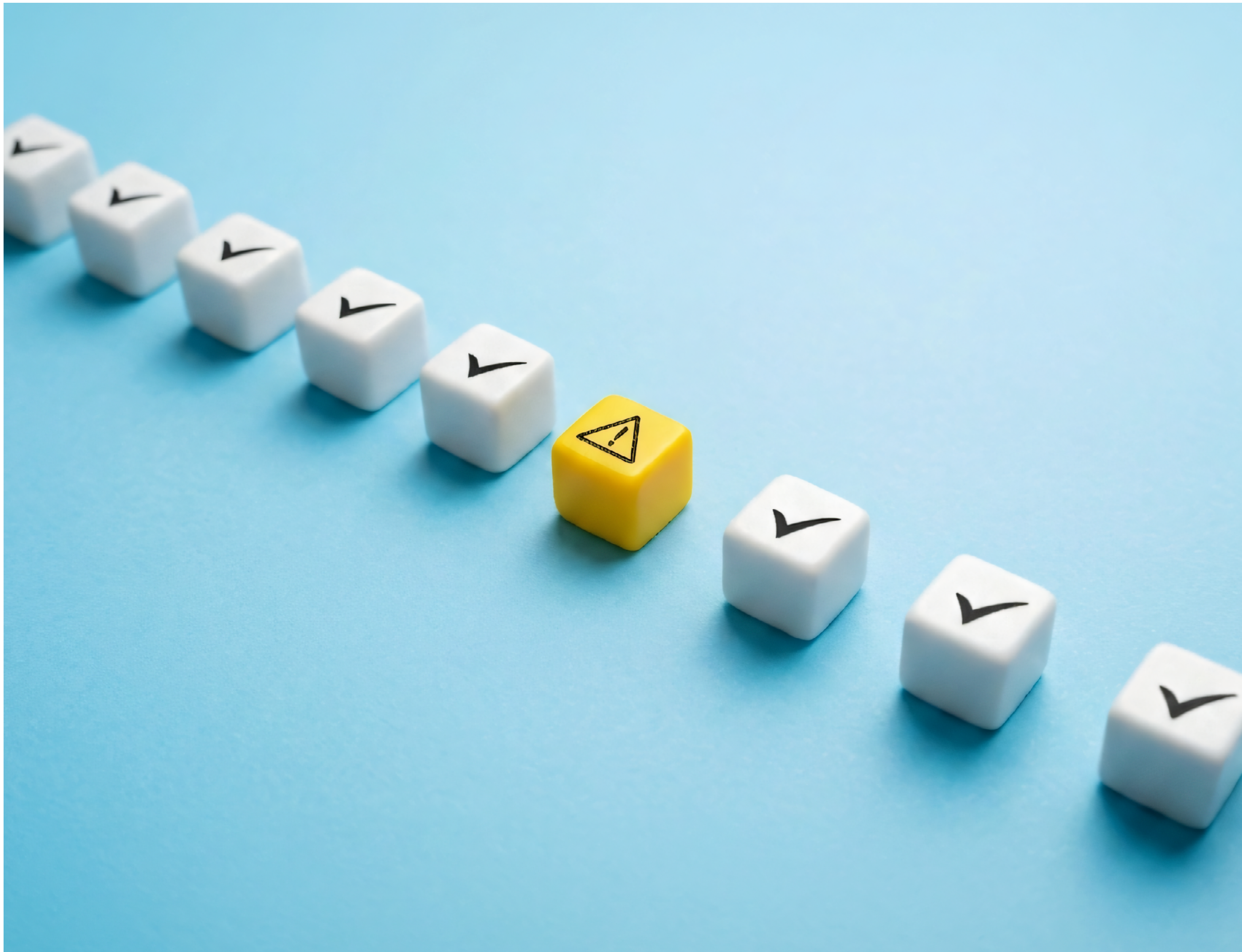
Health and Safety System

To prevent various industrial accidents and safety incidents and to make the health and safety of its members its top priority, Aekyung Industrial has established and operates a systematic health and safety management system.

We have established a Health and Safety Management Policy and, through a dedicated organization, continuously inspect and manage risk factors across our business sites. Each quarter, we hold Occupational Safety and Health Committee meetings to share safety and health issues at our business sites and to identify improvement tasks through direct communication with employees. In addition, we operate a prevention-oriented safety management process based on risk assessment, striving to minimize the likelihood of accidents in advance. We conduct regular health and safety training for all employees to heighten safety awareness, and we steadily pursue the establishment of an effective, field-centered safety culture.

Medium- to Long-Term Health and Safety Targets

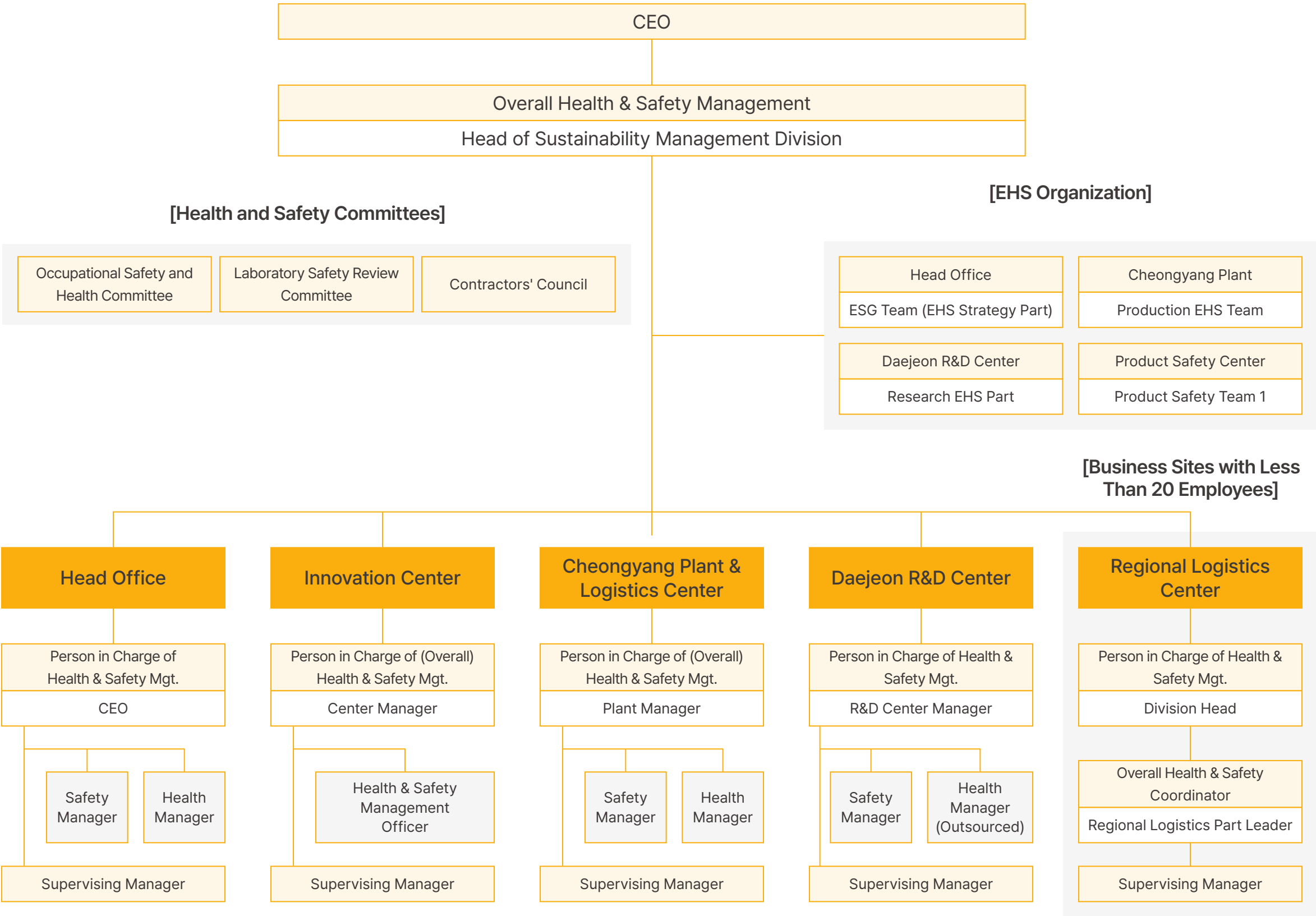
Category			2025 Performance	2026 Target	2028 Target	2030 Target
Accident Management	Industrial Accident Occurrence	Count	2 cases	2 cases or fewer	1 case or fewer	0
On-site Safety	Safety Inspection Result Implementation Rate	Implementation Rate	84.0%	90% or higher	95% or higher	100%
Health Checkup	Checkup Attendance	Checkup Rate	97.7%	98% or higher	99% or higher	100%
Health Education	CPR Training	Completion Rate	58.5%	80% or higher	90% or higher	100%



HEALTH AND SAFETY MANAGEMENT

Health and Safety Organization

Aekyung Industrial has established a health and safety organizational structure centered on the CEO and division heads, clarifying company-wide responsibility for health and safety management. Centered on the ESG Team, we designate persons in charge of and managers for health and safety management at each business site—including the Head Office, plants, R&D centers, and logistics centers—to carry out field-centered safety management. In addition, we strengthen health and safety management with our suppliers through supervising managers and the operation of contractors' councils. In this way, we continuously maintain systematic health and safety management and a rapid response system tailored to the characteristics of each business site.



Operation of Health and Safety Committees

Depending on the characteristics of each business site, Aekyung Industrial operates Occupational Safety and Health Committees and Laboratory Safety Committees, systematically gathering members' opinions on safety and health. Each committee functions as a formal consultative body for sharing field-centered safety issues and discussing improvement measures. In 2025, a total of nine safety committee meetings were held to deliberate on key health and safety agenda items, including the operation of AK Safety Day, employee health checkups, and safety inspections of hazardous and dangerous machinery and equipment. In this way, we identify potential risk factors at our business sites in advance and link them to substantive improvement activities. By reflecting the outcomes of committee discussions in field operations, Aekyung Industrial continues to strengthen the creation of a safe work environment and the establishment of a safety culture.

Category	Key Agenda Items	
Common	- Establishment of the health and safety management plan - Enactment and revision of workplace health and safety regulations - Matters related to employee health and safety training	- Matters related to employee health checkups - Operation of health programs
Head Office	- Introduction of optional checkup / family checkup programs - Implementation of AK Safety Day (annual safety event)	- Operation of the Health and Safety Self Audit / Safety Manager system - Strengthening the operation of first-half emergency evacuation drills
Plant	- Safety inspection of new hazardous and dangerous machinery and equipment - Improvement of Safety Walk (ad hoc risk assessment)	- Conducting and improving regular risk assessments - Installation of fall-prevention facilities/equipment
R&D Center	- Reporting of 2024 EHS operating results - Establishment of the 2025 EHS operating plan	- Changes to near-miss accident rewards - Plan for using the EHS Portal for daily inspection logs

Category	Occupational Safety and Health Committee		Laboratory Safety Committee
	Head Office	Plant	R&D Center
Legal Basis	Occupational Safety and Health Act		Act on the Establishment of Safe Laboratory Environment
Members	Employer Representatives and Employee Representatives		Laboratory managers and workers
Operating Cycle	Quarterly	Quarterly	Annually
Number of Meetings in 2025	4 meetings	4 meetings	1 meeting
Total Meetings in 2025	9 meetings		

HEALTH AND SAFETY MANAGEMENT

Health and Safety Management System

Operation of the Health and Safety Management System

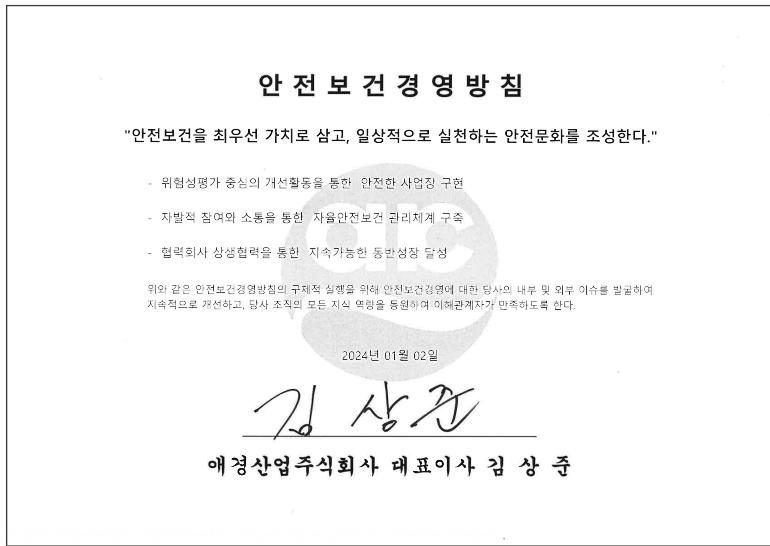
To systematically manage health and safety risks at the company-wide level, Aekyung Industrial has established and continuously operates a Health and Safety Management System. Based on the international standard ISO 45001, we have established processes to identify site-specific hazards in advance and systematically carry out improvement activities. We also review our level of health and safety management through regular internal inspections and performance monitoring, and we promptly reflect items requiring improvement. To strengthen field-centered management, we operate a real-time inspection and corrective-action management system using an IT-based EHS system. In this way, Aekyung Industrial is establishing a prevention-focused health and safety culture and strengthening its health and safety management capabilities for sustainable business operations.



Health and Safety Management System Certificate (ISO 45001)

Health and Safety Management Policy

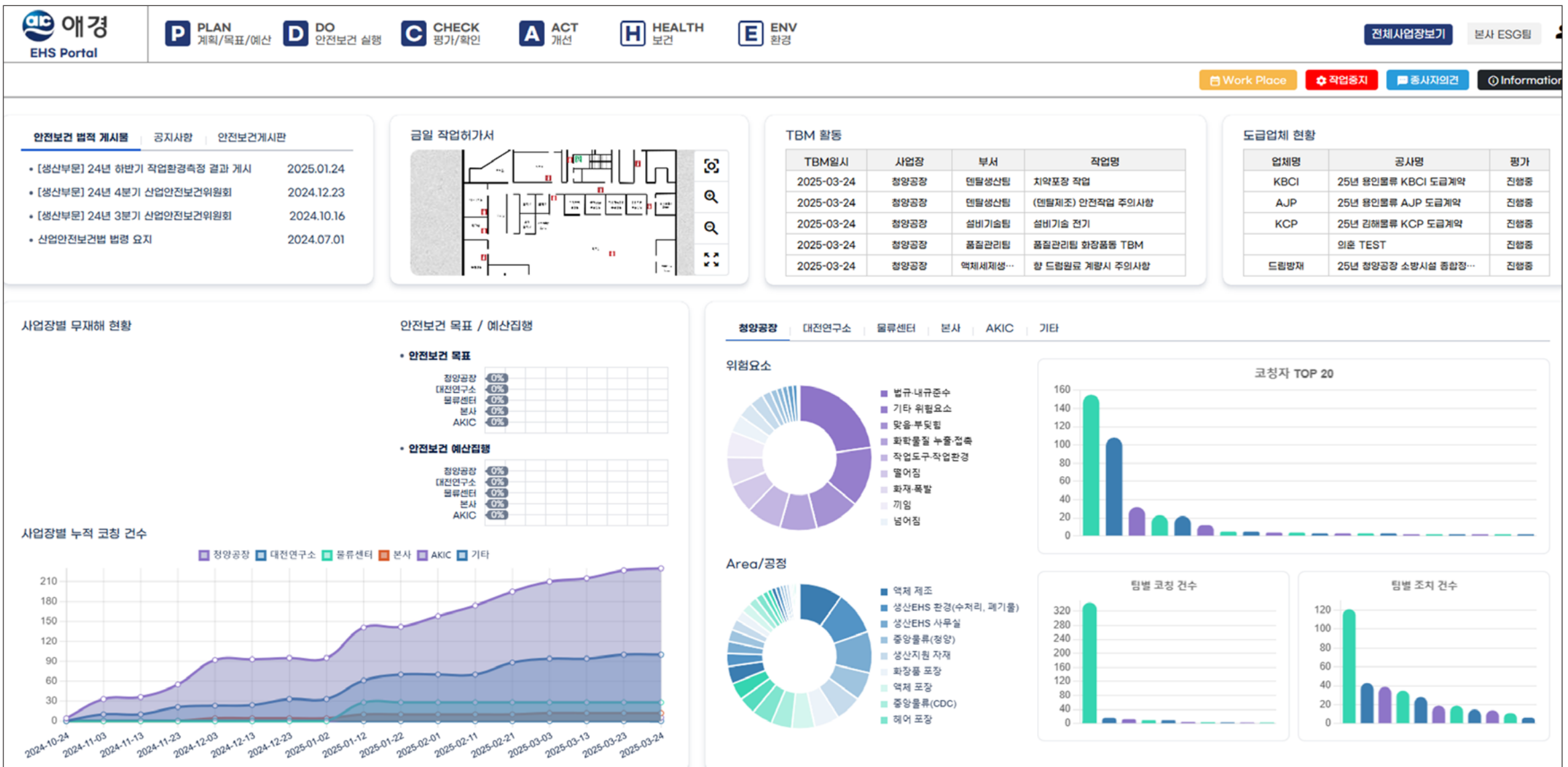
Aekyung Industrial recognizes the safety and health of all employees as its top priority and has established and operates a Health and Safety Management Policy approved by the CEO. This policy clearly sets out the company's commitment and responsibility to prevent industrial accidents and create a safe working environment, and it is shared with all employees and applied throughout their daily work. As its core principles, Aekyung Industrial strictly complies with relevant laws and stakeholder requirements and strengthens preventive activities against hazards. We also raise employees' health and safety awareness and encourage voluntary participation through ongoing training and communication. Based on this Health and Safety Management Policy, Aekyung Industrial creates safe and healthy workplaces and pursues sustainable growth.



Health and Safety Management Policy

Operation of the EHS IT System

To proactively respond to increasingly stringent health and safety-related laws and to prevent omissions in field improvements and delays in corrective actions, Aekyung Industrial introduced the EHS IT system 'EHS Portal' in July 2024. This system digitalizes safety and health operations as a whole, converting processes that were previously managed manually and in a fragmented manner into an integrated management system. Through a mobile-based field inspection function, hazards and improvement items are registered and managed in real time, and the work permit application and approval procedures have been computerized, improving operational efficiency and management accuracy. We also established a text-message alert function for emergency situations, strengthening our emergency response system. In addition, we established user manuals for key functions such as risk assessment, work permits, and contractor safety management, and provided site-specific guides to enhance their use in the field. We also converted work permit notifications to a mobile basis to reduce costs, and introduced protective equipment distribution management and a QR code-based EHS bulletin board to enhance field accessibility and management convenience. Going forward, Aekyung Industrial will continue to leverage the EHS Portal for data-driven, proactive risk management and the advancement of its company-wide health and safety management system.



EHS IT Portal

HEALTH AND SAFETY MANAGEMENT

Health and Safety Activities

AK Safety Day

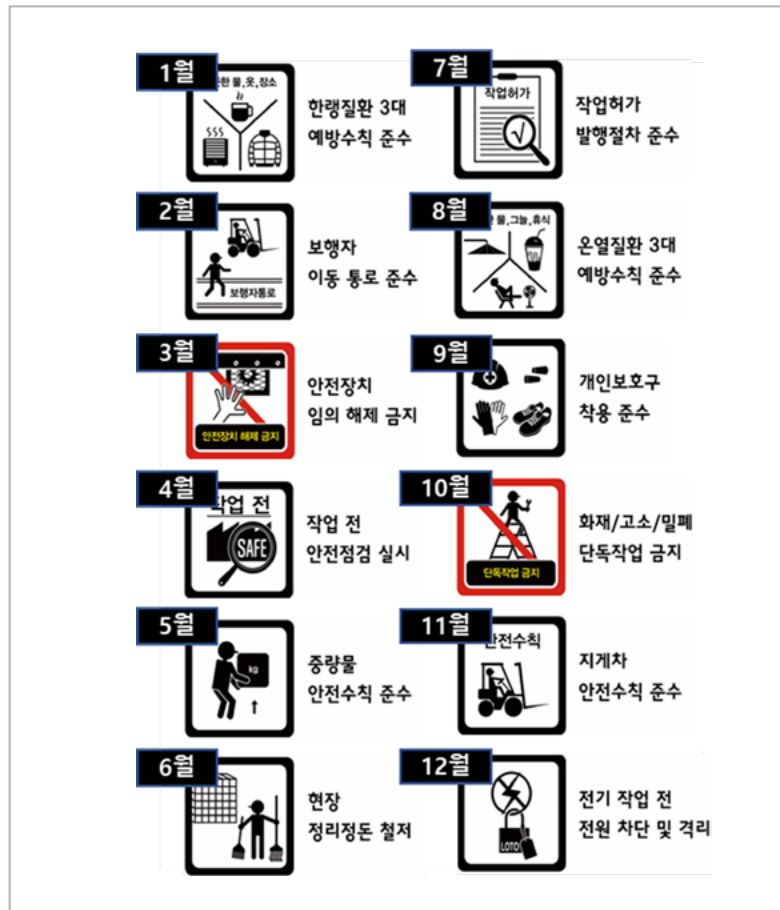
Aekyung Industrial holds 'AK Safety Day' each year to spread a company-wide safety culture and raise health and safety awareness. In 2025, we held the 5th AK Safety Day at the Daejeon R&D Center, providing an opportunity to share the EHS (Environment, Health, Safety) management policy and review the level of health and safety management across all business sites. At the event, in addition to sharing and rewarding outstanding EHS activities, a safety talk concert and on-site inspections involving both management and employees strengthened a shared understanding of safety. In addition, programs encouraging voluntary employee participation, such as the Safety Golden Bell quiz and an EHS Idea Tree activity, heightened interest in and commitment to health and safety. Using AK Safety Day as a catalyst, Aekyung Industrial is establishing a culture of practicing safety in daily life and continues to create a safe workplace environment shared by employees and partners.



AK Safety Day On-Site Photos

AK Safety Rules

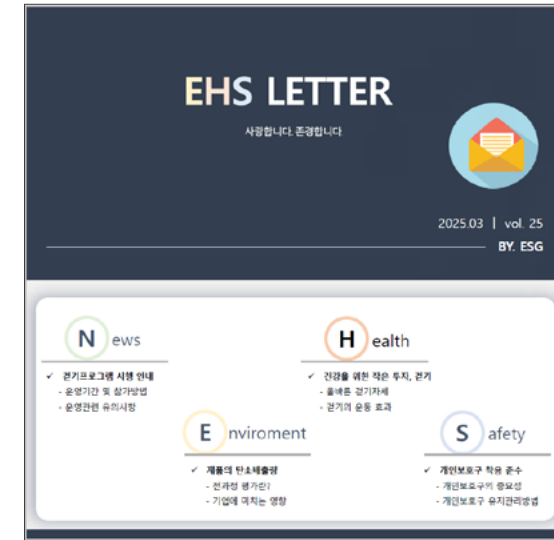
To establish core safety standards reflecting the working environment and field characteristics of each business site, Aekyung Industrial introduced 'AK Safety Rules,' a set of 12 core safety rules. Produced in pictogram form so that anyone can intuitively understand and follow them, these safety rules were announced company-wide and are actively used as field postings and training materials. In addition, through the in-house monthly magazine, we distribute explanations of the safety rules linked to monthly safety themes along with inspection checklists, enhancing their effectiveness during field inspections. This strengthens employees' awareness of complying with safety rules and fosters a culture in which safety is naturally practiced in everyday work. Furthermore, we communicate the AK Safety Rules to external visitors and partners as well, sharing the safety standards within our sites and contributing to accident prevention.



Safety Rules: The 12 Rules

EHS LETTER

In addition to statutory health and safety training, Aekyung Industrial publishes the 'EHS LETTER' once a month, containing information related to Environment, Health, and Safety, to raise employees' EHS awareness. The EHS LETTER includes the latest trends in health and safety-related laws and systems, key safety issues within business sites, and practical rules for accident prevention. It also provides seasonal precautions and everyday safety and health information, helping employees practice a safety culture in both their daily work and personal lives. This strengthens employees' voluntary safety awareness and sense of responsibility and steadily expands company-wide health and safety communication. Going forward, Aekyung Industrial will continue to strengthen communication with employees through the EHS LETTER and promote the internalization of a health and safety culture.



EHS LETTER, March 2025

Safety Culture Internalization Training

To raise workers' health and safety awareness and establish a field-centered safety culture, Aekyung Industrial conducts Safety Culture Internalization Training each year for managers and supervisors across the company. This training aims to clarify the roles and responsibilities of managers and supervisors and to spread an organizational culture that recognizes safety as the top priority. The 3rd Safety Culture Internalization Training, held in 2025, shared the importance of a safety culture and key points of safety management based on serious accident cases, and provided training on measures to strengthen health and safety activities led by managers and supervisors. In particular, online and offline training were conducted in parallel to improve accessibility and participation. Through ongoing training and inspections, Aekyung Industrial will continue to establish a culture of voluntary safety practice among employees and strengthen its prevention-focused safety management system.

Conducting Emergency Drills

To minimize human casualties and ensure employee safety in the event of fires and other emergencies, Aekyung Industrial regularly conducts emergency drills at each business site. At production sites, joint firefighting drills conducted with the local fire station check response procedures under simulated real-life conditions and strengthen on-site response capabilities. At office and research facilities, including the R&D Center, hands-on firefighting drills help employees personally learn evacuation procedures and initial response methods in the event of a fire. We also conduct training on wearing evacuation protective equipment, improving individuals' ability to ensure their own safety in emergencies. Through various forms of emergency drills, Aekyung Industrial strengthens its company-wide fire response capabilities and continues prevention-focused safety management activities to create a safe working environment.

HEALTH AND SAFETY MANAGEMENT

Health and Safety Activities

Near Miss Accident Identification System

Aekyung Industrial operates a Near Miss Accident Identification System to recognize potential hazards that could lead to accidents in advance and to prevent safety accidents. The system aims to proactively improve on-site safety by having employees voluntarily report and share the hazards they discover during their daily work. Identified near-miss cases are evaluated based on their level of risk and improvement effect, and rewards are granted according to grade to encourage active employee participation. In this way, Aekyung Industrial raises employees' safety awareness and strengthens field-centered preventive activities, continuously striving to create a safe working environment.

Business Site	Number Identified in 2025
Plant	1,410 Cases
R&D Center	56 Cases
Head Office / AKIC / Logistics	11 Cases

Prevention of Heat- and Cold-Related Illnesses

In response to worsening abnormal temperatures caused by climate change and stricter health and safety regulations, Aekyung Industrial implements various protective measures to prevent heat- and cold-related illnesses among workers. In particular, we protect the health of on-site workers through systematic measures that reflect legal requirements, such as managing perceived temperature, providing rest breaks, and supplying preventive items. To prevent heat-related illness, we provide preventive items such as cooling vests, cooling products, and electrolyte drinks at plants and logistics centers, and we install thermo-hygrometers in workplaces to continuously monitor the working environment. We also produce and distribute a heat-illness prevention guide and strengthen perceived-temperature record management and advance notifications to enable a swift response during heat waves. Meanwhile, to prevent cold-related illness, we provide cold-weather items such as hot packs to workers during winter, inform them of precautions for use, and implement appropriate warming measures according to the working environment. Going forward, Aekyung Industrial will proactively address seasonal hazards and continue to expand field-centered preventive activities to protect workers' health and safety.

Operation of Healing Terrace

Aekyung Industrial operates 'Healing Terrace,' an in-house health management space, to promote employees' physical and mental health. At Healing Terrace, we provide minor wound treatment as well as counseling and rest for mental health management, helping employees restore their health in daily life. In addition, systematic follow-up care is provided through health counseling based on regular checkup results and tracking management of employees under observation and those with abnormal findings. Along with lifestyle management through blood pressure and blood sugar measurements, we provide guidance and advice on medical knowledge to encourage employees to voluntarily practice health management. Through these health management activities, we prevent industrial accidents caused by work-related and underlying illnesses and contribute to creating a safe and healthy working environment.

Expansion of the Health Checkup Program

Aekyung Industrial continues to expand its health checkup program to promote employee health and spread a culture of voluntary health management. Whereas checkups were previously centered on company-designated items, from 2025 we introduced an 'optional checkup program' that allows employees to select checkup items according to their personal health condition and needs, enhancing the program's effectiveness. As a result, in addition to basic blood and urine tests, employees can choose from a variety of items such as endoscopy, CT, and ultrasound, improving satisfaction with checkups and closing the gap in checkup opportunities between business sites. We also expanded our network of designated hospitals nationwide to enhance employees' access to checkups. In addition, by linking a family checkup support program, we extended health checkup benefits not only to employees but also to their families, establishing a company-wide foundation for health management. Going forward, Aekyung Industrial will continue to recognize employee health as an important management factor and strive to create a healthy and safe working environment through systematic health management support.

CPR Training

Aekyung Industrial conducted Cardiopulmonary Resuscitation (CPR) training at each business site to strengthen employees' ability to respond quickly and accurately in emergencies. This training combined theory and hands-on practice on CPR and the use of an automated external defibrillator (AED) to enhance its effectiveness. It was run as field-centered, hands-on training so that employees can respond immediately even in real situations. This helps prevent accidents from escalating into serious injuries and enhances the reliability of our emergency response system. Going forward, Aekyung Industrial will continue to expand training to strengthen employees' safety capabilities.

*CPR (cardiopulmonary resuscitation)
*AED (automated external defibrillator)

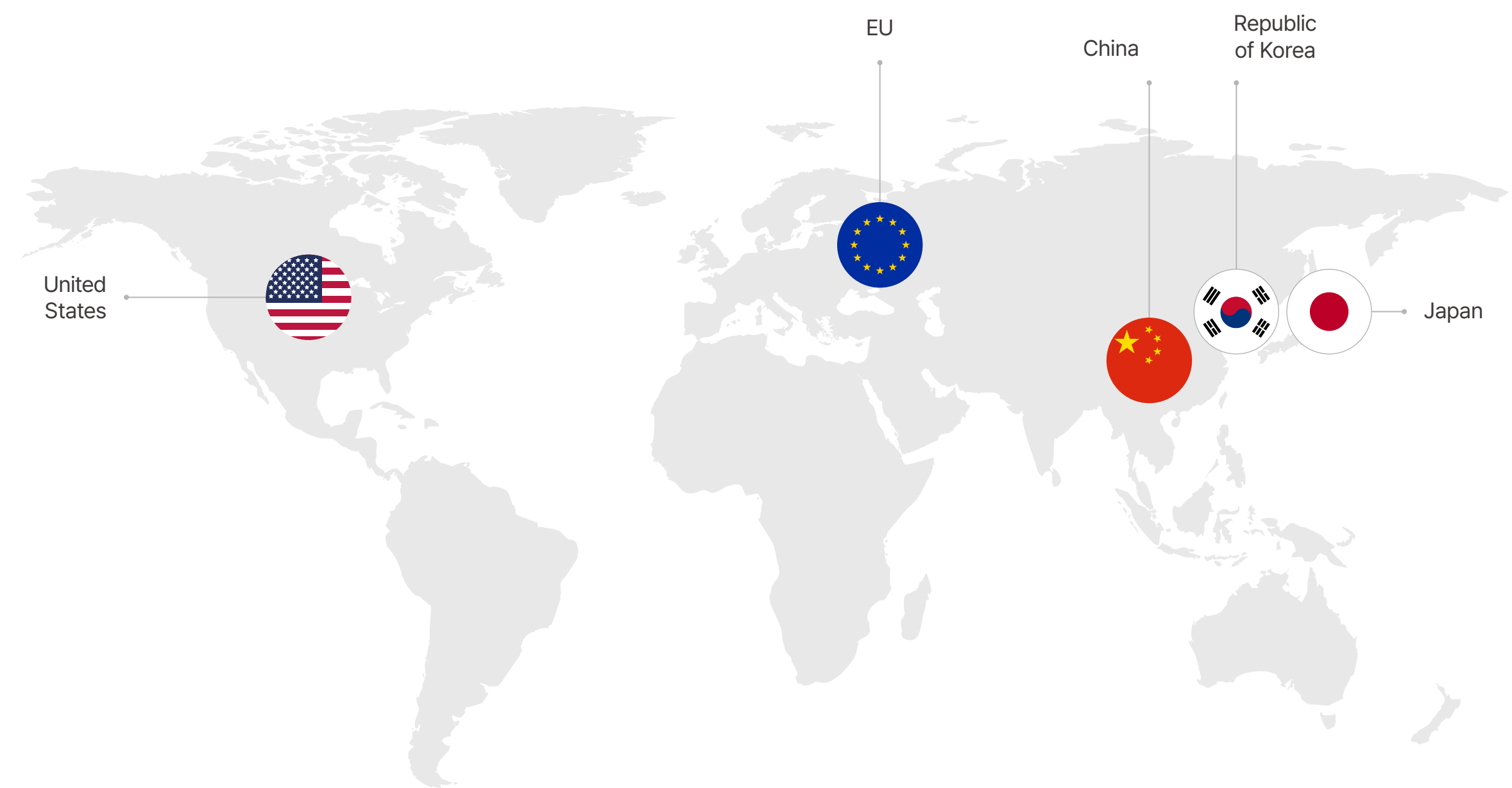
Operation of the AK Physical Program

Aekyung Industrial operates various participatory health programs to promote employees' physical and mental health and to foster a healthy organizational culture. First, through the 'AK Physical 2025 Program,' we objectively measure employees' fitness levels and physical condition and help them set individual health management goals. This goes beyond a short-term health check to encourage ongoing lifestyle improvement and stronger self-management capabilities. We also run a walking program at major business sites, including the Head Office and R&D Center, to encourage physical activity in daily life. A mobile application-based step-counting feature and a reward system for achieving goals encourage voluntary participation, while broader participation across sites enhances communication and vitality within the organization. In addition, we run the 'Walk Along the Trail Challenge,' strengthening participatory activities along designated walking trails and providing rewards upon goal achievement to encourage employees' continued practice. Going forward, Aekyung Industrial will continue to expand tailored health programs to promote employee health and improve quality of life, contributing to a healthy and energetic working environment.

Product Safety

Product Safety Management Regulations

Aekyung Industrial places the highest value on the safety and quality of its products and operates a product safety management system that strictly complies with relevant domestic and international laws and regulations. We continuously monitor the laws and standards related to cosmetics and household products in major business and export countries, including the Republic of Korea, the United States, the European Union (EU), China, and Japan, and we reflect each country's regulatory requirements throughout the product development and launch process. Domestically, we comply with the cosmetics safety standards, chemical management regulations, and labeling and advertising laws of relevant ministries such as the Ministry of Food and Drug Safety, the Ministry of Environment, and the Fair Trade Commission. Overseas, we systematically manage the standards of major regulatory agencies such as the FDA, EU REACH, China's NMPA, and Japan's Ministry of Health, Labor and Welfare. We also strengthen our internal management standards for raw material safety and product quality by referring to international guidelines and industry standards such as IFRA and IARC. Through this integrated regulatory response system, Aekyung Industrial secures the product safety and reliability required in the global market, and we will continue to proactively respond to the changing regulatory environment to provide consumers with safe and reliable products.



Country	Relevant Authority	Regulations
Republic of Korea	Ministry of Food and Drug Safety	Cosmetics Act; Regulations on Cosmetic Safety Standards, Etc.; Regulations on the Examination of Functional Cosmetics; Pharmaceutical Affairs Act; Rules on the Safety of Pharmaceuticals, Etc.; Standards and Test Methods for Quasi-drugs; Hygiene Products Control Act; Standards and Specifications for Hygiene Products; Korea Pharmacopoeia (KP); Standards and Specifications for Food Additives
	Ministry of Climate, Energy and Environment	Consumer Chemical Products and Biocides Safety Control Act; Chemicals Control Act; Act on the Registration and Evaluation, Etc. of Chemical Substances; Drinking Water Management Act, Etc.
	Fair Trade Commission	Framework Act on Consumers; Fair Labelling and Advertising Act; Rules for Verification of Labeling and Advertising
	Ministry of Trade, Industry and Energy	Special Act on the Safety of Children's Products
	KATS (Korea Agency for Technology and Standards)	KS Standards
	Korea Cosmetics Association	Industry-wide codes and guidelines, Etc.
United States	FDA	Federal regulations related to food, drugs, and cosmetics; OTC Monographs (over-the-counter drug standards)
	PCPC (American Cosmetic Association)	PCPC (American Cosmetic Association) opinions
	Others	USP/NF (United States Pharmacopeia/National Formulary); state-specific cosmetics/OTC regulations
China	NMPA (National Medical Products Administration of China)	Cosmetics supervision and management ordinances; cosmetic safety technology standards, Etc.
	Standardization Administration	GB (China national standards), Etc.
EU	European Commission	EU Cosmetic Regulation (EC) No 1223/2009
	ECHA (European Chemicals Agency)	No 1907/2006(EU REACH)
	SCCS (Scientific Committee on Consumer Safety)	SCCS (Scientific Committee on Consumer Safety) opinions
Japan	Ministry of Health, Labor and Welfare	Pharmaceutical Affairs Act; Quasi-drug Raw Material Standards; Cosmetics Standards
	JCIA (Japan Cosmetic Industry Association)	Industry-wide codes and guidelines, Etc.
Others		IFRA (International Fragrance Association)
		IARC (International Agency for Research on Cancer)

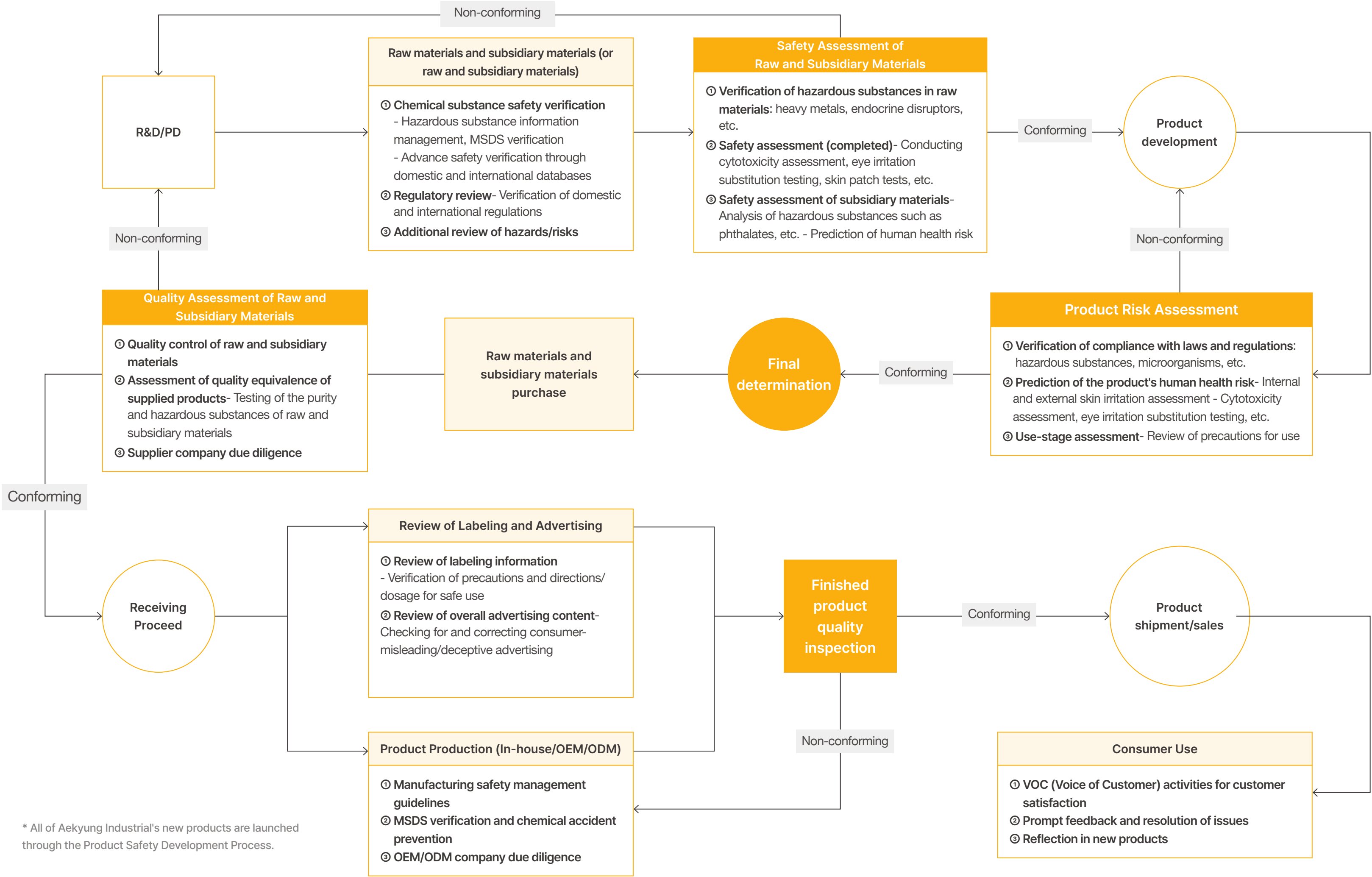
PRODUCT SAFETY

Product Safety Development Process

Aekyung Industrial operates a Product Safety Development Process to systematically manage product safety throughout the entire process, from raw material selection through product development, production, and consumer use. The purpose of this process is to establish a prevention-focused safety and quality management system in order to provide products that consumers can trust and use. In the product development stage, we check potential hazards in advance through safety reviews of raw and subsidiary materials, hazardous substance management, and MSDS verification; in the product design stage, we apply safety standards that consider the usage environment and consumer characteristics through risk assessment. We also conduct prior reviews of labeling and advertising to ensure that information is provided in compliance with relevant laws and internal guidelines. In the mass production and quality inspection stages, we ensure quality consistency through manufacturing process management and inspections of OEM/ODM companies, and after launch we monitor safety issues that may arise during consumer use and continuously reflect improvements. Through this company-wide Product Safety Development Process, Aekyung Industrial strengthens product safety and quality reliability and, as a responsible company, will continue to contribute to consumer protection.

Product Safety-Related Regulatory Violations in 2025

- * Number of violations of laws and voluntary codes concerning product and service information and labeling: 0
- * Number of violations of regulations related to marketing communications: 1
- * Number of violations of regulations concerning the health and safety impacts of products and services: 0



PRODUCT SAFETY

Strengthening Product Safety

Technology for Excluding Specific Ingredients

To develop responsible products that account for consumer safety and environmental impact, Aekyung Industrial systematically applies a strategy of excluding specific ingredients across product planning and R&D. Focusing on laundry detergents and household hygiene products, we proactively review ingredients of potential concern for skin irritation and those that may burden the environment, and we continuously advance technologies that restrict or exclude their use in accordance with internal standards. LiQ ZeT Ultra Stain Removal Laundry Detergent, from our premium laundry detergent brand LiQ ZeT, uses a formula free of ingredients of concern such as optical brighteners and six types of parabens, and its safety has been verified through skin irritation tests and evaluations by external specialized institutions. While meeting the functional requirement of enhanced cleaning power, the product also excludes specific ingredients, resulting in a design suited to a laundry environment the whole family can use. In addition, LiQ ZeT Odor Care Indoor Drying Capsule Detergent excludes not only parabens and optical brighteners but also phosphates, which can cause water pollution and algal blooms, and minimizes the use of preservatives through a highly concentrated design. It also applies a biodegradable film and a lightweight packaging structure, reflecting an ingredient and design strategy that considers the environmental burden even after the product use stage. Through these cases of excluding specific ingredients, Aekyung Industrial is strengthening product competitiveness that balances product safety, environmental responsibility, and functional quality, and we will continue to expand sustainable product development grounded in consumer trust.



LiQ ZeT Ultra Stain Removal Laundry Detergent



LiQ ZeT Odor Care Indoor Drying Capsule Detergent

Life-Respecting Product Development

Operation of Vegan-Certified Products

As part of its product development that considers ethical values and sustainability, Aekyung Industrial is expanding its lineup of vegan-certified products. We apply vegan formulations that exclude animal-derived ingredients throughout the manufacturing process, advancing the development of products that meet vegan standards. Vegan-certified products are managed under procedures that satisfy vegan standards, from raw material selection through manufacturing and quality control, thereby strengthening product reliability and transparency. Building on these efforts, Aekyung Industrial has obtained vegan certification from the Korea Agency of Vegan Certification and Services, completing objective verification of its vegan products. Through its vegan-certified products, Aekyung Industrial responds to consumer demand that values ethical consumption, and we will continue to expand our vegan product lineup based on sustainable raw materials and responsible manufacturing methods.



AGE20'S Velvet Haze Blusher



HERBMARY 1848 Jeju Hot Spring Water Body Wash & Lotion



P.Solution Mint Bakuchiol Pore Oliiji



LUNA Hyper Fluid Foundation



point& Vita Rose Line

Sustainability Management of Supply Chain

Supply Chain Management System

Supply Chain Sustainability Assessment

To build a responsible supply chain, Aekyung Industrial regularly conducts Supply Chain Sustainability Assessments of its suppliers. By combining ESG factors with its existing management system for reviewing suppliers' quality and delivery management levels, this assessment aims to comprehensively manage sustainability across the supply chain. The ESG assessment is based on a checklist organized around five core areas—labor, health and safety, environment, ethics, and management systems—and systematically reviews suppliers' operating status and management levels. Based on the compiled final assessment results, we work with relevant departments to provide guidance and follow-up management for matters requiring improvement. Through these Supply Chain Sustainability Assessments, Aekyung Industrial will continue to pursue shared growth with its suppliers and steadily strengthen its sustainable supply chain management system.

Category	Unit	2023	2024	2025
Number of Initial Assessments	Cases	25	44	28
Number of Regular Assessments (Re-assessments)		57	70	37
Proportion of Companies Undergoing Regular Assessment	%	14.1	16.9	9.0

*100% assessment rate for new companies

Assessment Criteria

To ensure the objectivity and reliability of supplier management, Aekyung Industrial operates assessment criteria that distinguish between new and existing suppliers. Initial assessments are conducted on new suppliers for which relevant departments such as R&D have requested an assessment, and a comprehensive review is carried out centered on the Supplier Check Sheet, management and price competitiveness, and ESG factors. In this way, we examine suppliers' basic operating capabilities and level of sustainability management in advance. Regular assessments are performed on existing suppliers and include ESG items along with quality, delivery, and price competitiveness, systematically evaluating suppliers' long-term suitability for transactions and management levels. For each assessment item, scores are calculated by applying weights that reflect its importance, and the final assessment result is derived based on the combined supplier grade score.

Assessment Process

To ensure the fairness and transparency of supplier assessments, Aekyung Industrial operates a systematic Supply Chain Sustainability Assessment process. The assessment is conducted by a pre-formed assessment team, and at least 30 days before the assessment begins, we provide written notice of the supplier selection criteria and assessment procedures to the companies being assessed. In doing so, we ensure that the suppliers under assessment have sufficient time to prepare. Assessment schedules are coordinated in consultation with suppliers, and while on-site assessments are the basic principle, they may be replaced by document-based assessments depending on the circumstances. The assessment process reviews quality, delivery, and price competitiveness along with the full range of ESG items, and the results are produced as quantified scores. In the case of an initial supplier assessment, only suppliers that achieve an assessment score of 60 points or higher are selected as candidate companies for a review of their suitability for transactions.



Management Based on Assessment Results

To link Supply Chain Sustainability Assessment results to substantive management and improvement, Aekyung Industrial operates a reward and penalty system based on assessment results. Suppliers with excellent assessment results are designated as strategic partners and given incentives—such as priority in volume allocation—to strengthen long-term partnerships. Conversely, for suppliers with poor assessment results, we form an improvement council and intensively carry out management and improvement activities for a set period. If necessary, we may take measures such as reducing volumes for approximately three months or suspending the allocation of new products, and we apply graduated penalties—such as adjusting transaction terms or terminating the partnership—depending on the results of the improvement.

Grade	Management Standard
A	Included as an incentive target
B	Maintain status quo
C	Warning measure
D	Penalty imposed

SUSTAINABILITY MANAGEMENT OF SUPPLY CHAIN

Supply Chain Management System

Supplier Code of Conduct

To build a responsible supply chain, Aekyung Industrial has established a Supplier Code of Conduct and systematically manages all suppliers' compliance with it. This Code of Conduct sets out the basic principles that suppliers must observe throughout the entire course of their business operations, and aims to build a sustainable cooperative framework grounded in fair and transparent transactional relationships. The Code of Conduct includes social responsibility elements such as the protection of labor and human rights, non-discrimination, the prohibition of forced and child labor, and the creation of a safe and healthy work environment, and it clearly stipulates compliance with relevant domestic and international laws and international standards. In terms of environmental protection, it also sets out management principles for minimizing environmental impact, such as compliance with environmental laws and regulations, the management of pollutants, and the reduction of resource use. Furthermore, to put ethical management into practice, it includes standards for transparent management activities—such as the prohibition of providing or receiving improper benefits, the prevention of conflicts of interest, fair trade compliance, and information security—and requires suppliers to strengthen their internal management systems and control frameworks. In particular, when concluding contracts with new suppliers, Aekyung Industrial attaches the Supplier Code of Conduct to the contract and signs them together, so that suppliers can fully understand and comply with the contents of the Code of Conduct in advance. Aekyung Industrial reflects compliance with the Supplier Code of Conduct in its Supply Chain Sustainability Assessment and follow-up management processes, and when violations are identified, it systematically manages supply chain risks by inducing improvement or, if necessary, taking follow-up measures. Going forward, we will continue to strengthen trust with our suppliers based on the Supplier Code of Conduct and steadily strive to create a sustainable supply chain ecosystem characterized by social responsibility and ethics.

Ethical Management	Anti-corruption and compliance, fair trade, intellectual property protection, personal information protection, identity protection and prohibition of retaliation, responsible raw material procurement
Labor and Human Rights	Non-discrimination and respect for diversity, humane treatment, prohibition of child labor and protection of pregnant women, working hours compliance, wages and benefits, freedom of association
Safety and Health	Industrial safety, workplace safety and hygiene, prevention of industrial accidents and illness, health and safety training, emergency preparedness
Environment	Environmental permits and reporting, pollution prevention and reduction of resource use, hazardous substance management, regulation of substances contained in products, energy use and greenhouse gas emissions

Operation of the Grievance Channel for Partners

To facilitate smooth communication with suppliers and strengthen mutual cooperation, Aekyung Industrial operates the 'SRM System,' a dedicated grievance-handling and communication channel for suppliers. This system is an official communication window through which suppliers can raise grievances that may arise during transactions or freely propose suggestions and ideas for improvement. Suggestions and opinions received are reviewed and managed by the relevant departments, and when necessary, improvement measures are derived through further consultation with suppliers. In this way, we strive to go beyond simply handling grievances and to reflect suppliers' opinions in improving supply chain operations and advancing our systems. Through the operation of the SRM System, Aekyung Industrial strengthens trust-based communication with its suppliers and builds fair and transparent transactional relationships. Going forward, we will continue to actively reflect the voices of our suppliers in our management activities and steadily pursue mutual cooperation and the strengthening of supply chain competitiveness.

Category	Unit	2023	2024	2025
Total	Cases	1	0	0
Completed		1	0	0
In Progress		0	0	0



Grievance Channel for Partners: 'SRM System'

SUSTAINABILITY MANAGEMENT OF SUPPLY CHAIN

Supplier Support Activities

Early Holiday Payment

To support suppliers' stable business operations and strengthen mutually beneficial cooperative relationships, Aekyung Industrial operates a system for the early payment of transaction amounts ahead of holidays. To ease the burden on suppliers whose funding needs increase in the lead-up to the Lunar New Year and Chuseok holidays, we pay supply amounts in cash ahead of the originally scheduled payment dates. For the Lunar New Year holiday, we paid approximately KRW 8.9 billion in transaction amounts to 85 suppliers, nine days ahead of schedule; for the Chuseok holiday, we likewise paid supply amounts of approximately KRW 8.2 billion to 67 suppliers up to five days early. These measures contribute to substantially easing the financial burden on suppliers struggling with cash management amid changes in the external business environment, such as high prices and high interest rates. Aekyung Industrial has continued the early payment of supplier transaction amounts since the Lunar New Year of 2022, and as of 2025 the cumulative amount paid early has reached approximately KRW 73 billion. Alongside this, we pursue shared growth with our suppliers through various mutually beneficial programs, including proposing measures to manage suppliers' accident rates, enhancing supply chain sustainability, and operating a benefit-sharing system. Going forward, Aekyung Industrial will continue to steadily expand the mutually beneficial policies that support suppliers' management stability and sustainable growth, and will strengthen its responsible supply chain partnerships.

Category	Amount Supported	Number of Suppliers Supported
Lunar New Year	8.9 billion KRW	85 suppliers
Chuseok	8.2 billion KRW	67 suppliers

Co-development of Eco-Friendly Packaging Materials

To reduce environmental impact across the entire product lifecycle, Aekyung Industrial is pursuing the co-development of eco-friendly packaging materials together with its suppliers. From the container and packaging design stage, we steadily expand improvements to packaging structures and materials by considering recyclability, resource circularity, and the reduction of raw material use. Specifically, we are improving recyclability through measures such as applying post-consumer recycled (PCR) materials, converting to easily recyclable single-material structures, switching PET containers to PE and applying HDPE, and removing color from colored containers. In addition, we enhance the convenience of separate disposal by using packaging made with Forest Stewardship Council (FSC)-certified paper and introducing removable labels, and we strengthen resource circulation by applying aluminum (AL) containers and transparent, colorless PET containers. Alongside this, we reduce the amount of packaging materials used by adopting pouch-type containers, lightweight designs, and highly concentrated products, contributing to lower fuel consumption and carbon emissions during transportation. Through the co-development of eco-friendly packaging materials, Aekyung Industrial steadily improves the environmental performance of its products, and going forward, we plan to expand sustainable packaging solutions based on collaboration with our suppliers.

Occupational Safety and Health Training for Suppliers

To create a safe work environment for suppliers and prevent industrial accidents, Aekyung Industrial provides regular health and safety training for its suppliers. We support the strengthening of safety management capabilities through customized training that reflects suppliers' work characteristics and on-site conditions. In 2025, we provided training to 65 people from 8 suppliers, including safety training and risk-assessment practice related to forklift operations. Key training topics included forklift safety rules and the sharing of accident cases, methods and hands-on practice for conducting risk assessments, and instructions on using firefighting equipment and evacuation procedures; this field-centered, practice-based training raised safety awareness. In addition, we operate a contractors' council once a month for suppliers within our business sites to share health and safety grievances and pending issues, and when unusual situations arise, we pursue improvement measures through prompt consultation. Through supplier training and the operation of these councils, Aekyung Industrial steadily improves the level of safety management across its supply chain, and going forward, we plan to build a safe and sustainable work environment based on close cooperation with our suppliers.

Quality Training for Suppliers

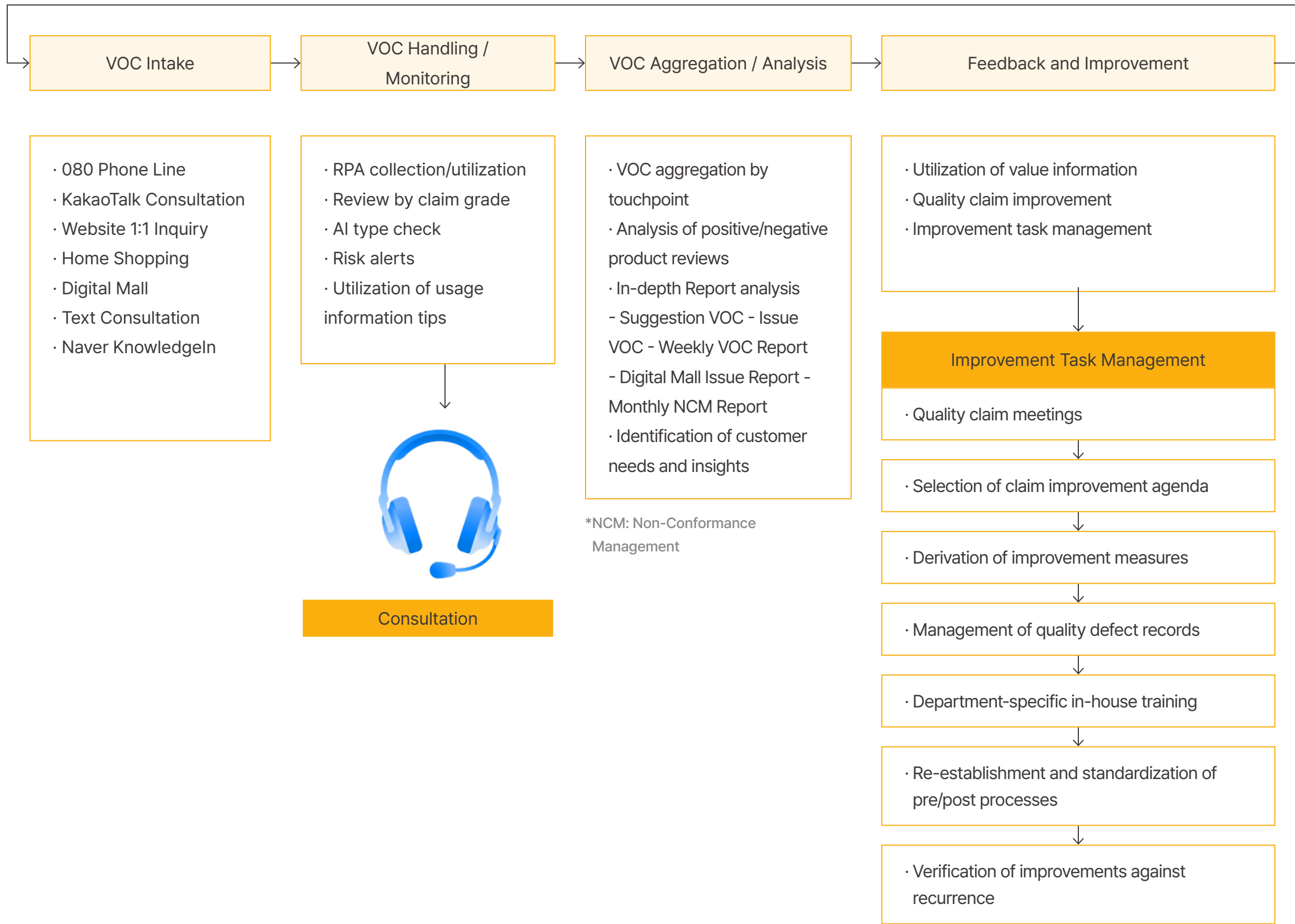
To strengthen product quality competitiveness and raise the level of management across its supply chain, Aekyung Industrial provides regular quality training for its suppliers. Aimed at strengthening suppliers' manufacturing and quality management capabilities, this training focuses on deepening their understanding of quality standards and enhancing their ability to apply them in the field. Supplier quality training is centered on Quality Audits and supports suppliers' autonomous quality management capabilities through practice-oriented training in areas such as on-site management, process management, and the review of quality documents. In addition, we provide customized training that reflects the characteristics of each product group—such as pouches, toothpaste and tubes, cosmetics containers, pumps, and liquid and hair-product containers. In 2025, we steadily carried out Quality Audits and improvement training for key suppliers throughout the year, and we managed quality risks in advance by strengthening preliminary quality inspections of new packaging-material companies. Going forward, Aekyung Industrial will continue to steadily expand quality training based on close collaboration with its suppliers, pursuing shared growth and the strengthening of sustainable supply chain competitiveness.

Enhancing Customer Value

Customer Management System

Customer Management Process

Aekyung Industrial operates a company-wide customer management process to systematically manage the diverse opinions and needs of its customers and channel them into improvements in product and service quality.



Customer Management Activities

Customer Satisfaction Management

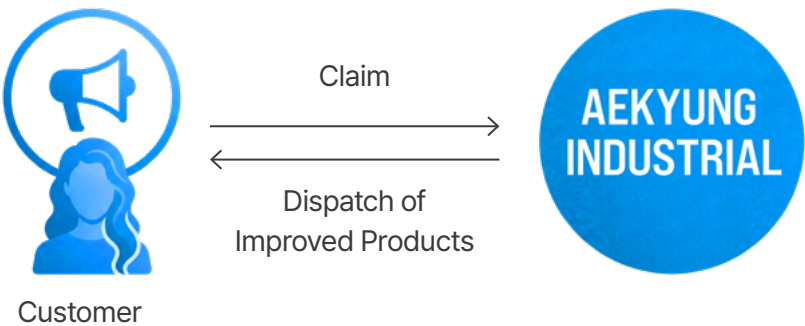
Aekyung Industrial conducts systematic customer satisfaction management activities to prevent customer attrition and secure loyal customers. We conduct satisfaction surveys targeting not only customers who have experienced inconvenience but also those who have used our consultation services, comprehensively reviewing their experiences throughout the use of our products and services. Through the survey results, we identify shortcomings such as the quality of consultation responses, the speed of problem resolution, and the accuracy of the information provided, translating these into improvement tasks and reflecting them in the continuous enhancement of service quality. In addition, the results of customer satisfaction management feed into the overall customer management process, leading to improvement activities focused on preventing recurrence and forestalling potential issues. Through these customer satisfaction management activities, Aekyung Industrial will continue to strengthen customer trust and practice customer-centered management to build long-term customer relationships.

Category	2023	2024	2025
Claim Customer Satisfaction	4.7	4.7	4.7
Consultation Customer Satisfaction	4.7	4.7	4.7

On a 5.0-point scale

Complaint Management

Aekyung Industrial recognizes customer complaints and claims as important feedback for improving products and services, and operates systematic claim customer management activities. Customer complaints received are shared with the relevant departments for cause analysis and improvement review, and are reflected in improvements to product quality and ease of use. In particular, when a product that was the subject of a claim is improved, we strengthen our follow-up care—for example, by sending the improved product to the customer concerned—striving to restore customer trust and provide a positive experience. These claim customer management activities aim not merely at short-term problem resolution but at building lasting relationships with customers.



Enhancing Customer Value

Customer Management Activities

Provision of Information Tips

To support the safe use of products and enhance everyday convenience, Aekyung Industrial provides not only product usage information but also useful information tips that customers can apply in their daily lives. Beyond basic information such as product-specific usage methods, precautions, and storage tips, we also offer practical information that consumers can use in everyday life, striving to improve customer understanding. This information is provided through the customer support page on our official website and is organized with accessibility and readability in mind so that customers can easily find the information they need. In this way, we help prevent inconvenience and safety accidents caused by product misuse and contribute to spreading a culture of proper product use.

Activities to Strengthen Product Information Accessibility and Daily Safety

Aekyung Industrial steadily pursues social contribution activities to improve information accessibility and strengthen everyday safety. Each year, on White Cane Safety Day (October 15), we collaborate with the Korea Consumer Agency to distribute braille tags and stickers that support the safe daily lives of people with visual impairments. Now in its fourth year, this activity was designed to improve accessibility to household products that are difficult to identify due to their similar container shapes, and to secure the everyday safety of people with visual impairments. Aekyung Industrial and the Household Goods Industry Council produced and provided reusable braille tags that can be applied to everyday household products such as laundry detergent, fabric softener, and shampoo, as well as braille and low-vision stickers that can be attached to small products such as cosmetics. The braille tags are made of hygienic, reusable silicone and are designed with a detachable fastening method so that they can be used on products of various sizes. In particular, during the design and product composition process, we reflected the opinions of actual users through the Korea Blind Union, enhancing practical usability for people with visual impairments. The donated items will be delivered to households of people with visual impairments through 17 regional chapters nationwide, and Aekyung Industrial will continue to steadily expand its activities to improve product and information accessibility with consideration for the safety and rights of the socially vulnerable.



Daily Safety Support Donation Ceremony

Launch of Customer-Tailored Products

Aekyung Industrial is strengthening its brand competitiveness in overseas markets by launching customer-tailored products that take into account the characteristics of global consumers and a diverse range of skin tones. As part of its strategy to diversify global markets, our flagship cosmetics brand AGE20'S has entered the online and offline channels of Pureseoul, a leading K-beauty select shop in the United Kingdom, expanding its points of contact with local consumers. In particular, in consideration of the diversity of local consumers' skin tones, we launched our steady-seller Essence Pact in 20 shades, applying a tailored product strategy that reflects the characteristics of a multiethnic, multicultural market. We have also obtained both CPNP and SCPN, the certifications essential for distributing cosmetics in the European Union and the United Kingdom, thereby meeting the product safety and regulatory compliance required in global markets. Prior to this, our makeup brand LUNA also strengthened its locally tailored operating strategy by expanding the shades of its concealer products from 6 to 20 in the UK market. Through the launch of customer-tailored products, Aekyung Industrial responds to the diverse needs of global consumers, and going forward we will continue to pursue responsible global market expansion based on product development that reflects regional consumer characteristics and on ensuring product safety.



AGE20'S Signature Essence Pact Intense Cover



LUNA Long-Lasting Tip Concealer

Enhancing Customer Value

Customer Management Activities

Continuous Design Development

Based on its design philosophy of 'designing customers' tomorrow,' Aekyung Industrial pursues design development that takes into account customers' usage experiences and everyday convenience. Centered on the Aekyung Innovation Center (AKIC), we incorporate design as a core element from the earliest stages of product planning, developing and proposing customer-oriented product designs. Based on analyses of market trends and consumer needs, AKIC derives design solutions that balance the functionality and aesthetics of products, thereby strengthening both brand identity and product competitiveness. Through continuous design development, Aekyung Industrial creates differentiated product value and responds flexibly to the changing consumption environment. Going forward, we will continue to strengthen customer-centered product competitiveness through design innovation that considers customers' daily lives and their future.

Launch of AGE20'S & Oryany Collaboration Edition

Our flagship cosmetics brand AGE20'S collaborated with the fashion brand Oryany to unveil the 'AGE20'S X Oryany Collaboration Edition,' realizing a design innovation that blends fashion sensibility into makeup products. This collaboration edition is characterized by the application of Oryany's signature colors and stylish design elements to a soft leather case, presenting key AGE20'S makeup products such as pacts and blushers in a more luxurious and distinctive form. We also provided a limited-edition pouch, reflecting a design strategy that considers both the product-use experience and collectible value.



AGE20'S Launches the 'Pink for Every Heart Edition' with Saki

Our flagship cosmetics brand AGE20'S unveiled the 'AGE20'S Pink for Every Heart Edition' through a collaboration with visual artist Saki, realizing an emotion-centered design innovation. Under the concept of 'pink for everyone, presented by AGE20'S,' this edition was planned as a limited edition that applies a pink color suited to the 2025 S/S season throughout its design. Hand-drawn illustrations created by the artist Saki—including a letter, ribbon, and sealing wax—were applied to the packaging to visually express a warm and inclusive brand message. The product lineup likewise used pink as an accent color in line with the concept, enhancing its collectible value, and was designed to blend naturally with the complexion and makeup styling. Through this, AGE20'S presents a design direction that resonates with a wide range of consumers, not limited to any particular age or style.



LiQ × Care Bears, Launch of the 'Emerald Blooming Scent' Perfume Power Capsule

Our smart liquid detergent brand LiQ collaborated with Care Bears, the popular characters of the global entertainment company Cloudco Entertainment, to unveil a Perfume Power Capsule product, proposing a product experience filled with everyday healing and emotion. This collaboration product was designed to reflect the characters' positive messages in its design concept so as to provide emotional satisfaction even during laundry, and it enhanced ease of use by combining washing, deodorizing, and fragrance care functions into a single capsule.



Launch of a.solution & Kkotka Collaboration Edition

Our functional vegan solution brand a.solution launched a collaboration edition reflecting the tastes and trends of the Z+Alpha Generation (those in their teens and twenties) through a collaboration with Kkotka, a harmless healing character. This collaboration edition was designed to strengthen emotional communication with consumers by combining emotional design elements with a.solution's product strength in helping address skin concerns. Through collaborations such as this, Aekyung Industrial uses design not as a mere external element but as a means of resonating with consumers and conveying brand value, and going forward we will continue to pursue design innovations that enable emotional communication with consumers.



Enhancing Customer Value

Customer Communication Channels

AK Lover Operation

Recognizing that authentic relationships with customers form the foundation of sustainable growth, Aekyung Industrial steadily operates participatory communities that communicate and grow together with customers. As part of these customer engagement activities, we run 'AK Lover,' our official corporate supporters' group, providing customers with opportunities to directly experience Aekyung Industrial's various brands and values and to share their opinions. AK Lover is an official customer supporters' group whose members experience products firsthand and take part in brand activities through testing panels and various events, serving as a channel of communication between our brands and customers. In 2025, we collaborated with our brands to hold new product development review sessions over approximately five months, actively reflecting customer feedback in the product development process, and we created opportunities for customers to naturally take part in social contribution activities in their daily lives through a 'briquette donation event.' Going forward, Aekyung Industrial will continue to expand ongoing, trust-based communication with customers through the AK Lover program and strengthen its activities to create social value through customer participation.



Digital Communication

To continuously strengthen communication with customers, Aekyung Industrial operates digital communication centered on its official social media channels. Through a customized content strategy that takes into account the characteristics of each platform and user behavior, we deliver our brand messages to customers in a friendly and effective manner. On our YouTube channel, we produce and operate story-based video content to naturally convey brand values and product information and to strengthen emotional communication with customers. On Instagram, we use various content formats such as illustrations, Reels, and events to encourage customer participation and expand brand touchpoints in everyday life. We also operate a Naver Post account to provide reliable information, systematically offering product information and content useful for daily life. Through our Facebook channel, we strengthen communication with global customers and steadily expand our points of contact with overseas consumers. Going forward, Aekyung Industrial will continue to strengthen two-way communication with customers across diverse digital channels and create sustainable value based on customer trust.

Customer Idea Suggestions

Aekyung Industrial operates a customer idea suggestion program to actively reflect the voice of the customer in its business activities. We provide an open communication channel through which customers can freely suggest, in any format, the inconveniences they experience while using our products or their ideas for improvement. Customer ideas and suggestions received undergo an internal review procedure in which their feasibility and effectiveness are comprehensively evaluated, and they are reflected in product improvements and the planning of new products through consultation among the relevant departments. In this way, improvements based on customers' actual usage experiences are applied to product design and quality management. Aekyung Industrial regards the customer idea suggestion program not as a mere gathering of opinions but as a collaborative process of creating products together with customers. Going forward, we will continue to strengthen our customer-participation communication system, practicing customer-centered management while enhancing customer satisfaction.



Registration of
Ideas and
Other Suggestions



First Review



Second Review



Adoption of Ideas and
Other Suggestions

Launch of SHOWERMATE Goat Milk Body Lotion

In response to customer requests for a lotion with the same scent as the Goat Milk Body Wash, we actively incorporated this feedback into our product development and newly launched the 'SHOWERMATE Goat Milk Body Lotion.'



Mercent Fabric Softener Officially Enters Costco

In active response to customers' requests to be able to purchase the 'Mercent Fabric Softener Rose de Mai Scent'—previously available only as store-specific pop-ups at Costco—on a permanent basis, the product has now officially entered 13 stores nationwide.



Enhancing Customer Value

Operation of Offline Events

Participation in 2025 'Cosmoprof Las Vegas'

We participated in 2025 'Cosmoprof Las Vegas,' held in Las Vegas, USA. Cosmoprof is the world's largest specialized B2B beauty exhibition, offering a comprehensive view of trends and innovations in the global beauty industry and serving as a venue for global exchange where a wide range of companies—including manufacturers, brand owners, and raw material suppliers—showcase their latest products and technologies. In particular, the Las Vegas edition of Cosmoprof is counted, along with Bologna, Italy and Hong Kong, as one of the 'world's top three beauty industry exhibitions,' and has established itself as a key global exhibition for entering the North American market. Aekyung Industrial decided to take part in this exhibition with the aim of expanding its B2B distribution network in North America, including the United States, and strengthening strategic business cooperation with leading local distributors and retail partners. During the event, we exhibited cosmetics brands such as AGE20'S, LUNA, a.solution, and point&, along with hair and body brands such as KERASYS, SHOWERMATE, and LUVSCENT, focusing on identifying global distribution partners and expanding distribution channels in North America. Through this, we sought to effectively showcase our brand's competitiveness in the local market and to broaden our cooperative foundation for sustainable global business growth.



Participation in 'Dubai Beauty World'

We participated in 'Dubai Beauty World,' held at the Dubai World Trade Centre. Dubai Beauty World is the largest beauty and wellness exhibition in the Middle East, with approximately 164 countries participating—including the United Arab Emirates, Iran, Saudi Arabia, India, Pakistan, and China—and is regarded as a hub for global beauty trends and industry exchange. Through this exhibition, Aekyung Industrial worked to raise its brand awareness and identify new business partners in the Middle East, Southwest Asia, and European markets. To this end, we showcased our new brand 'signiq' along with major cosmetics brands such as AGE20'S and LUNA and personal care brands such as KERASYS, LUVSCENT, and 2080, expanding opportunities for cooperation with local distribution partners and seeking to strengthen our global business foundation.



LUNA Operates 'REI's Room' Pop-Up Store in Tokyo, Japan

At LOFT in Ginza, Tokyo, we operated the 'Welcome to REI's Room' pop-up store, inspired by our brand ambassador 'REI.' At this pop-up store, we set up an experience zone where visitors could try products firsthand, including the 'Long-Lasting Tip Concealer,' the 'Conceal Blender Palette,' and the new 'Glow Layer Blur Cheek,' further solidifying our standing as a K-beauty brand. We also promoted the appeal of our make-up brand—whose strengths lie in coverage and longevity—through various local marketing efforts, and we will continue to strengthen communication with Japanese consumers.



LUNA Grinding Conceal Butter: Japan Launch Event

At 'Hikarie Hall' in Shibuya, Tokyo, we held an offline launch presentation for the 'LUNA Grinding Conceal Butter.' Brand ambassador REI attended the event, sharing her product-use experience and beauty tips while communicating directly with Japanese consumers. Building on this event, we plan to steadily expand our product portfolio in Japan and, over the medium to long term, broaden our points of contact with local consumers.



Participation in 2025 'Cosmobeauty Seoul x K-Beauty Festa'

We participated in 2025 Cosmobeauty Seoul x K-Beauty Festa, held at COEX, to showcase our brands' product capabilities to global buyers. At this event, we operated a booth where visitors could experience a variety of personal care brands such as KERASYS, LUVSCENT, and 2080, effectively conveying the product capabilities of K-household products through direct communication with global buyers.



Information Security

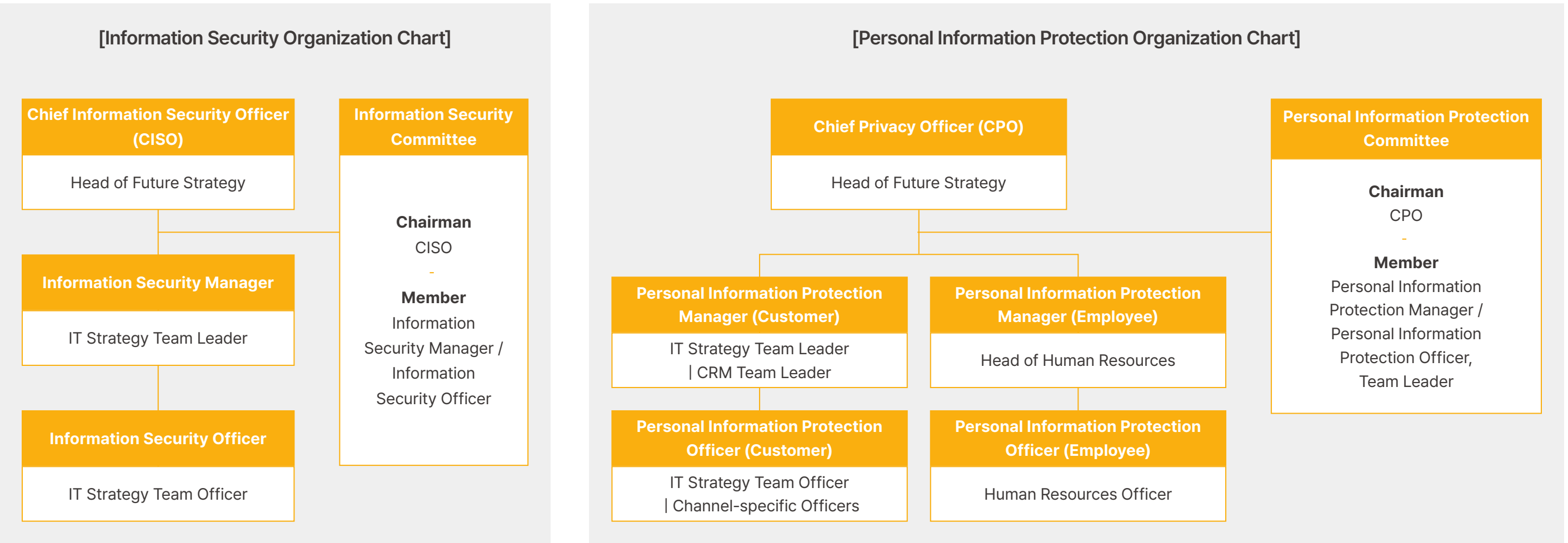
Information Security System

Information Security Policy

Aekyung Industrial establishes and operates systematic information security policies and a management system to safely protect personal and corporate information. Aekyung Industrial's Information Security Policy consists of a total of ten subordinate guidelines, including one internal management plan for personal information as well as guidelines for the operation of the information security organization, information asset management, and personnel security, thereby clarifying company-wide information security management standards. Each year, the IT Strategy Team analyzes changes in information security-related laws and regulations along with the latest IT security trends arising in the internal and external environment, and regularly reviews and updates its policies and guidelines; revised content is shared through internal postings so that all employees can become familiar with it, thereby spreading a culture of information security compliance. In addition, we pursue multifaceted information security activities, including strengthening security for departments that handle personal information, upgrading the harmful-site blocking system, reinforcing management of the Design Center file server, and coordinating network access controls. Furthermore, we strengthen information access controls by adding OTP authentication for VPN connections and operating segregation of privileges, and we continuously advance our management system to prevent information leaks and security incidents. Aekyung Industrial provides customized training for information security officers and general employees to raise voluntary awareness of personal information protection, and through information security activities to respond to increasingly sophisticated cyberattacks, it continues to strengthen company-wide information security.

Information Security Organization

To systematically protect information assets and personal information, Aekyung Industrial operates separate organizations for information security and personal information protection. The information security organization is centered on the Chief Information Security Officer (CISO), with the Information Security Manager and information security officers handling practical duties to carry out company-wide information security activities. The information security organization is responsible for establishing information security policies, managing internal regulations, protecting information assets, controlling access privileges, operating security systems, and preventing and responding to security incidents; through collaboration with each department, it reviews security risks in advance and derives improvement tasks. In addition, it shares major security issues through the Information Security Committee and systematically manages its information security strategy and implementation status. Meanwhile, the personal information protection organization is centered on the Chief Privacy Officer (CPO) and operates a management system involving the departments that handle personal information and related departments. The personal information protection organization is responsible for reviewing the status of personal information processing, managing the implementation of protective measures, and preventing and responding to personal information breaches, and it continuously strengthens its response system in line with changes in laws and regulations. By clearly distinguishing and interconnecting the roles of the information security and personal information protection organizations, Aekyung Industrial manages information security and personal information protection in an integrated manner. Going forward, we will continue to advance our level of information security based on a clear organizational structure, thereby strengthening the trust of our customers and stakeholders.



Information Security

Information Security Process

Aekyung Industrial establishes and operates a step-by-step information security process to respond promptly and systematically in the event of a personal information leak or security incident. When a personal information incident occurs, we begin responding from the initial recognition stage through external breach monitoring and the receipt of incident indicators; once an incident report is received, we prepare a security incident report to quickly assess the overview and impact of the incident. We then convene the relevant department personnel or, if necessary, request analysis from an external specialized firm, and depending on the severity of the matter, we form a dedicated incident response task force (TFT) to strengthen our response system. We urgently convene the Information Security Committee to determine the direction of the incident response, and in accordance with the Personal Information Protection Act, we report the facts of the leak and the results of our measures to the relevant authorities and notify the data subjects of the relevant matters. After the incident is resolved, we analyze the cause of the personal information leak, establish and implement supplementary measures and recurrence prevention plans, and conduct case-sharing and recurrence prevention training for all employees to strengthen security awareness across the organization. In the event of a security incident, we also check for matters such as account creation, changes to access privileges, and changes to system settings and file access modes, and we restore system stability through follow-up measures such as applying security patches and improving configuration settings. All incident response processes and records are systematically managed, and the results of statistical analysis by incident type are used for future information security training materials and the establishment of security measures. Through this information security process, Aekyung Industrial continues to strengthen its security incident response capabilities and to practice responsible management based on personal information protection and the security of information assets.

Security Management

Customer Personal Information Protection Activities

Aekyung Industrial recognizes the protection of customers' personal information as a core corporate responsibility and steadily pursues customer personal information protection activities based on a company-wide management system. Customers' personal information is strictly managed in accordance with relevant laws and internal regulations throughout the entire process from collection to use, storage, and destruction, and only the minimum information is processed for its intended purpose. In particular, we systematically manage access privileges through the departments that handle personal information and strengthen internal controls, such as restricting access beyond business purposes, to prevent the misuse and abuse of personal information. We also minimize the risk of external breaches and information leaks through technical protective measures such as system access controls, log monitoring, and encryption management. Aekyung Industrial manages the status of personal information processing through regular inspections and internal monitoring, and continuously improves its management standards in line with changes in personal information protection laws and regulations. In addition, we raise awareness of customer information protection through personal information protection training for employees and support the practice of personal information protection in daily work. Going forward, Aekyung Industrial will continue to regard customer trust as its top priority, providing a safe service environment through systematic personal information protection activities and fulfilling its role as a responsible company.

Number of violations and leaks under the Personal Information Protection Act in 2025: 0

Information Security Activities

Aekyung Industrial pursues a variety of information security activities from technical, managerial, and educational perspectives in order to continuously strengthen the level of protection for personal information and information assets. In preparation for potential leaks of customer personal information, we have taken out personal information protection liability insurance, establishing a foundation for prompt response and damage minimization in the event of an incident. We also proactively identify and address vulnerabilities across our infrastructure and security systems, and we review the adequacy and reliability of our management system through pre-inspection consulting for information security disclosure. We are likewise strengthening prevention-focused responses to external security threats, such as proactively blocking hacker groups' indicators of compromise (IoC) and blocking IP addresses suspected of leaking confidential information. To raise company-wide information security awareness, we conduct regular information security training and spam email simulation drills, and we continuously share key matters related to strengthening company-wide security management through our internal bulletin board. This helps employees recognize and respond to security threats in their daily work. In addition, we strengthen information access controls by upgrading our data loss prevention (DLP) system, applying OTP authentication for VPN connections, and operating segregation of privileges, and we systematically manage internal security risks by operating ongoing inspection processes such as monthly log monitoring and monitoring of employees scheduled to leave. Going forward, Aekyung Industrial will continue to respond to cyber threats through proactive information security activities and steadily strengthen the trust of its customers and stakeholders.

INFORMATION SECURITY

Security Management

Information Security Training

To proactively prevent information leaks and security incidents and to foster a company-wide security culture, Aekyung Industrial provides systematic information security training for its employees. The training is divided into categories tailored to participants' job characteristics and work environments: ▲Personal Information Protection training, ▲new-employee security training, ▲spam email response drills, and ▲Information Security Officer training. Personal Information Protection training is held regularly, at least once a year, for all employees and focuses on the basic concepts and processing procedures of personal information, domestic and international information security trends, and infringement incident cases and how to respond to them. This raises employees' awareness of personal information protection and helps prevent legal and ethical risks that may arise in practice. New-employee security training is provided to new and experienced hires who have been with the company for less than six months, covering information security policies, the use of security systems such as VPN and DRM, internal monitoring and audit systems, and recent security incident cases. In addition, we strengthen our capabilities to respond to phishing and malicious emails through regular spam email simulation drills, and employees who become infected receive separate, customized re-training to ensure they are familiar with the risks of misuse and abuse of personal information, relevant laws and regulations, and precautions when using messengers. Furthermore, in-depth training is provided to Information Security Officers, focusing on the latest security threat trends and the advancement of the incident response system. Aekyung Industrial will continue to steadily expand customized information security training by job function and risk level, thereby strengthening employees' security capabilities and practicing responsible management that safely protects customer and corporate information.

Training Course	Training Content	Trainees
Personal Information Protection Training	- Basic overview of information security - Domestic and international information security trends, including recent infringement incident cases - Infringement incident response procedures - Internal regulations that employees must comply with - Understanding the information security management system	All employees
New-Employee Security Training	- Understanding information security systems (VPN, DRM, etc.) - Information security rules, including caution against spam email - Reporting process in the event of a system or personal information incident - Mobile security	New employees and experienced hires
Spam Email Drill Training	- Understanding of personal information and case studies - Definitions of information and communications service providers and personal information handlers - Recent personal information leak cases - Precautions for each stage of personal information processing - Third-party provision and consignment of personal information - Processing of sensitive information and unique identification numbers	Employees infected during cyber crisis response drills
Officer Training	- Key amendments to the Personal Information Protection Act - Balancing AI innovation and risk management - A new paradigm of cyber threat hunting - System security responding to the new paradigm	Information Security Officer

Conducting Information Security Drills

Aekyung Industrial conducts regular information security drills to raise employees' security awareness and strengthen their ability to respond to actual security incidents. To counter increasingly intelligent and sophisticated cyberattacks, we run simulation drills based on real-world cases so that employees can directly recognize and respond to security threats. In particular, during the regular information security drills, customized spam email response training is provided to employees who fall victim to spam and phishing attacks. This training ensures that they become familiar with the risks of misuse and abuse of personal information, methods for identifying phishing and malicious emails, an understanding of relevant laws and regulations, and precautions when using messengers, thereby preventing the recurrence of similar incidents. The results of the reporting drills are shared internally to review security vulnerabilities and are reflected in improvements to information security policies and response processes. In particular, we actively encourage reporting by selecting and rewarding outstanding participants. Such drills go beyond mere training to drive real changes in security behavior in everyday work. Aekyung Industrial will continue to conduct regular information security drills and effective response training, thereby strengthening employees' security response capabilities and further advancing the level of protection for personal information and information assets.

Local Community

Social Contribution Framework

Social Contribution Policy

Guided by its social contribution vision of being “a happy company that communicates with its neighbors with a heart of LOVE and RESPECT and practices genuine sharing,” Aekyung Industrial operates a social contribution policy aimed at creating sustainable social value. We will continue to steadily advance our social contribution policy and implementation framework, thereby strengthening our role as a responsible company that grows together with local communities.



Main Activities				
In-Kind Donations	Support for Single-Parent and Multicultural Families	Support for Youth Preparing for Independence and Adolescents	Support for Persons with Disabilities	Environmental Protection / Employee Participation
· Clean Protect Campaign · 2080 dental health campaign · Support for the Senior Job Fair · In-kind support for medical volunteer groups · Emergency relief supplies for accident and disaster sites	· Support for ‘Spring Day’, the counseling center for single mothers · Hosting the Hanmaeum Eoulim Sports Festival · Healing camps for single-parent and multicultural families	· Sponsoring Didim Seed Savings Accounts · Living support for youth preparing for independence · Mentoring healing camps · Guidebook for setting up a first home · Cheongyang youth table tennis team · Scholarships for talented students · Must-read books for youth · Gukin Global Mentoring	· Cultural outreach for people with developmental disabilities · Braille tags for the visually impaired · Operating a standard workplace for persons with disabilities · ‘Impact Project’ for creating jobs for persons with disabilities	· Kimchi and briquette sharing · Participation in blood donation campaigns · Making ‘Hope’ Packages · Making attachment doll kits · Volunteering at abandoned-dog shelters · Supporting plogging · Creating a flower garden at the Paran Kkumteo childcare center · in-house collection of waste batteries and waste medicines · River ecosystem protection activities

Social Contribution Performance

Category	Unit	2023	2024	2025
Number of cash support beneficiaries	Persons	16,608	16,497	16,214
Amount of in-kind support	BOX	213,576	281,199	510,538

Mid- to Long-Term Social Contribution Goals

Category	Unit	2026	2028	2030
Cumulative number of cash support beneficiaries	Persons	32,428	48,966	83,042
Cumulative amount of in-kind support	BOX	1,021,076	1,541,825	2,614,776

Social Contribution Activities

2025 Donations

Number of Social Contribution Programs	
36	
Social Contribution Cost	
In-kind	21.25 billion KRW
Cash	0.53 billion KRW
Total Social Contribution Cost	21.78 billion KRW
Share of Sales	3.3%

LOCAL COMMUNITY

Social Contribution Framework

Main Activities

Support for Vulnerable Groups
Donation of Camellia gift boxes for female adolescents from vulnerable households
Donation of sanitary pads worth 220 million KRW to shelters for domestic violence victims
Hosting the 4th ‘Happy Outreach’ for people with developmental disabilities
Donation of products worth 6 billion KRW for marginalized and vulnerable groups in Seoul
Hosting the ‘Eoulim Sports Festival’ for multicultural and single-parent families
Delivery of ‘Onmaeum Fruit Boxes’ to the Korean Unmarried Mothers’ Families Association
Support for Young Adults
Sponsorship of 300 million KRW to the Cheongyang-gun youth table tennis team
Sponsoring support programs for youth preparing for independence
Donation of ‘Books of Love’ for adolescents in Cheongyang-gun
‘First Steps in Home-Making for Youth’ support for youth preparing for independence
Employee Participation
Love and Respect blood donation campaign
Product donations and volunteer work at ‘Nabiya Saranghae’, a shelter for abandoned cats
‘Hope Package’ sharing event with products worth 2.3 billion KRW
Kimchi sharing event
Support for Disaster Sites
Donation of relief supplies worth 300 million KRW to wildfire-affected sites
Donation of oral hygiene products worth 340 million KRW to volunteer firefighters

Achievements of Local Community Co-Prosperity Activities

Supporting female adolescents from vulnerable households on International Women's Day	
Recipients	Female adolescents from vulnerable households
Number of Beneficiaries	2,000 people

On International Women's Day, Aekyung Industrial carries out social contribution activities that support the health and hygiene rights of female adolescents from vulnerable households. In cooperation with Good People, an international relief and development NGO, we held a ‘Camellia Gift Box Delivery Ceremony’ for female adolescents who face difficulty purchasing hygiene products due to financial hardship. This support was designed to ease the burden of menstrual costs for female adolescents and to create a healthy environment for their growth, and a total of 320 million KRW worth of goods—including hygiene products such as ‘Chiuu b Pure Cotton Sanitary Pads’ and cosmetics—were delivered. The donated goods will be delivered to approximately 2,000 female adolescents in need through educational institutions and child welfare facilities. Aekyung Industrial will continue to steadily expand social contribution activities that support the health and safety of vulnerable groups, including female adolescents, thereby contributing to improving the quality of life of the socially disadvantaged and realizing an inclusive society.

‘Books of Love Donation’ for adolescents in Cheongyang-gun	
Recipients	Adolescents of Jeongsan High School
Number of Beneficiaries	200 people

Aekyung Industrial steadily pursues social contribution activities centered on educational support so that children and adolescents in local communities can form balanced reading habits and achieve healthy growth. Together with People for Sharing Hope and Cheongyang-gun, we held a ‘Books of Love Donation Ceremony’ at Jeongsan High School in Cheongyang-gun, setting out to spread a culture of reading among local youth. This book donation was an activity to instill proper reading habits in local adolescents and improve their learning environment; we donated approximately 1,000 must-read books for adolescents, supporting an allocation of five books per student. Through this, we sought to provide learning opportunities for adolescents to develop broad knowledge and thinking skills. The ‘Books of Love Donation’ is one of Aekyung Industrial's flagship educational-support social contribution programs; launched in 2014, it was held for the 11th time this year. To date, we have donated a cumulative total of approximately 10,000 books to community child centers and elementary, middle, and high schools in areas such as Guro-gu, Mapo-gu, and Cheongyang-gun, thereby contributing to strengthening local educational infrastructure.

‘Hope Package’ Sharing Event with the Seoul Metropolitan Government	
Recipients	Marginalized groups in Seoul's 25 autonomous districts
Number of Beneficiary Households	5,000 households

Guided by its corporate philosophy of ‘Love (愛) and Respect (敬)’, Aekyung Industrial steadily carries out large-scale sharing activities in partnership with local communities. Together with the Seoul Metropolitan Government, the Seoul Council on Social Welfare, and the Community Chest of Seoul, we held the ‘Love and Respect 2025 Hope Package Sharing Event’ to spread a culture of sharing. The Hope Package Sharing Event is one of Aekyung Industrial's flagship social contribution activities, which began in 2012 and is now in its 14th year, and aims to support the stable livelihoods of vulnerable groups in welfare blind spots. At this event, we produced 5,000 sets of Hope Packages, each consisting of 27 types of daily necessities such as household products and cosmetics, and delivered products worth a total of 2.3 billion KRW. The Hope Packages produced will be delivered to 5,000 vulnerable households across Seoul's 25 autonomous districts through the Seoul Itda Food Bank Center. Aekyung Industrial will continue to steadily expand sharing activities that provide practical help to local communities through cooperation with local governments and related organizations, thereby strengthening its role as a company that faithfully fulfills its social responsibility.

HUMAN RIGHTS MANAGEMENT

Human Rights Grievance Channel

Aekyung Industrial operates a ‘Jebohagi’ (Reporting) system to prevent human rights violations and resolve grievances promptly, actively listening to the voices of its stakeholders. This system is a human rights grievance channel available not only to employees but also to all stakeholders connected to Aekyung Industrial, including customers, suppliers, and local communities, and it was designed on the basis of accessibility and transparency. Reports received through the ‘Jebohagi’ system are reviewed fairly and independently in accordance with publicly disclosed handling procedures, and we strictly observe protection principles to safeguard the identity of informants and prevent any disadvantage to them. By transparently disclosing matters concerning report contents, the handling process, and informant protection through official channels, we enhance the credibility of the system. In 2025, a total of 6 reports were received through the ‘Jebohagi’ system, and all of them were handled in a timely manner in accordance with the grievance handling process. Aekyung Industrial will continue to steadily review the effectiveness of its grievance channels and create an environment in which stakeholders can raise their opinions with confidence, thereby strengthening human-rights-respecting management.

Report Types	Reportable matters include any act that violates the Code of Ethics—such as fraudulent or unethical conduct involving Aekyung Industrial employees and acts that undermine a sound corporate culture—as well as suggestions for improving unreasonable practices. However, slander not based on facts and matters concerning personal privacy unrelated to work are not handled.
Handling Procedures	The contents of a report are handled in a strictly confidential manner, and whether to launch an investigation is determined through preliminary procedures, such as verification with the relevant department, under the principle of protecting the informant's identity. Once an investigation is confirmed to begin, we verify the facts of the report by securing objective evidence and conducting an in-depth investigation, then carry out and complete follow-up measures in accordance with internal regulations. At the informant's request, we provide feedback on the handling results to the informant, except where doing so would infringe upon the company's legitimate rights and interests.
Informant Protection	We do not disclose the identity of informants or any information suggesting it without their consent. In addition, informants do not suffer any disadvantage to their status or face discrimination for having filed a report. If an informant is subjected to a disadvantageous measure as a result of reporting, they may petition Aekyung Industrial's ethics department regarding the action and its timing, and the ethics department takes all measures to ensure that no disadvantage occurs. Furthermore, when informants report fraudulent or unethical conduct in which they were themselves involved, we operate a voluntary disclosure reduction system that can mitigate sanctions against the informant through sufficient consideration of mitigating circumstances.

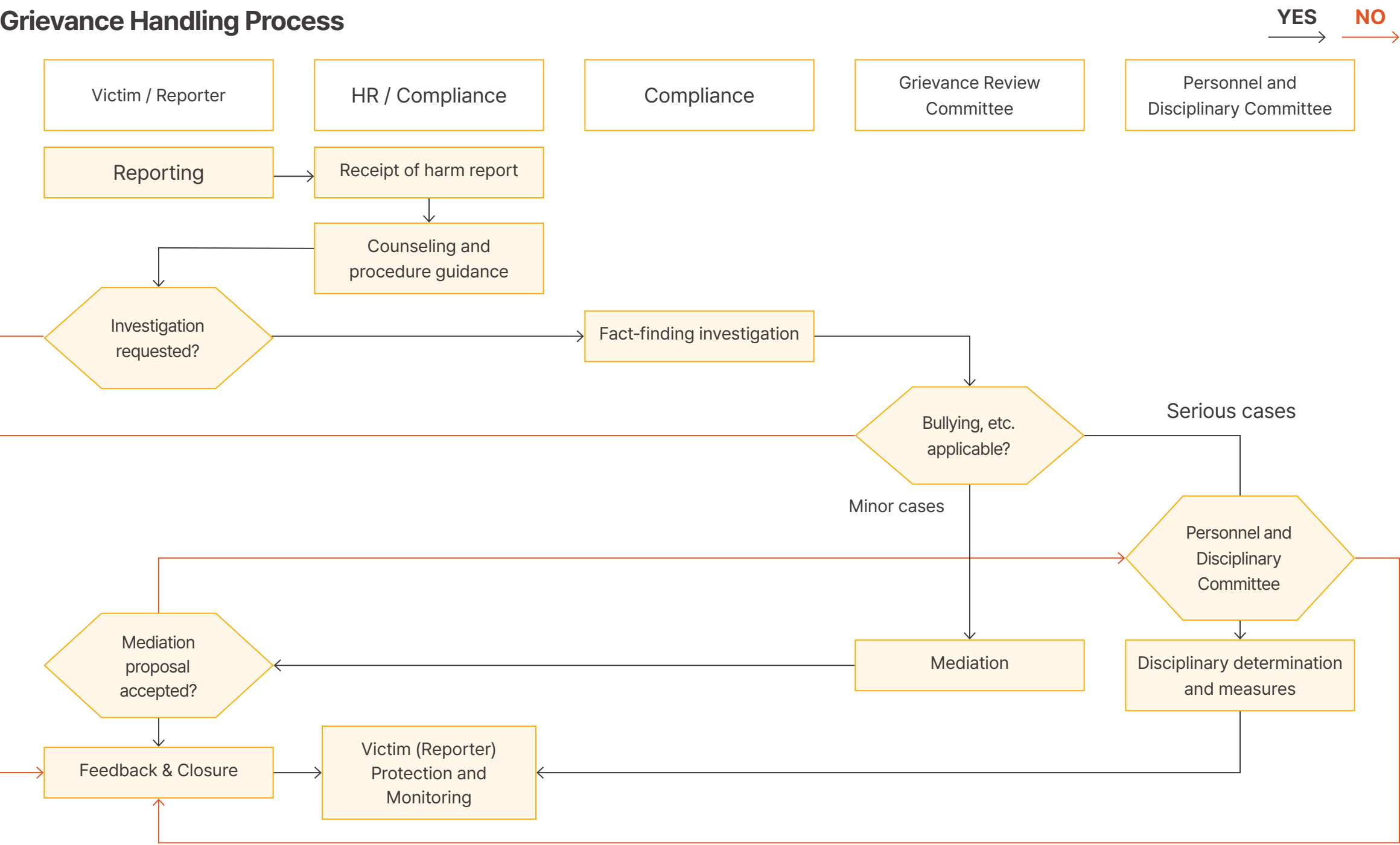
‘Jebohagi’ Reporting Status

Category		Unit	2023	2024	2025
Grievance	Sexual harassment	Cases	0	1	1
	Bullying / Abuse of power		0	2	0
	Other		3	1	1
	Corruption		1	2	4
Total number of reports			4	6	6

Status of Penalties and Disciplinary Actions Related to Corruption Cases

Category	Unit	2023	2024	2025
Severe disciplinary action	Cases	0	1	0
Minor disciplinary action		0	1	1
Other		1	0	3

Grievance Handling Process



Remarks

· Report submission documents · Anonymous reporting available <Reporting Channels> · Online: Insight grievance report - Ethical Management - Report · Offline	· Counseling record sheet · Confidentiality pledge (counselor/counselee, etc.) · Agreement form *Consent obtained when recording counseling content	· Investigation record sheet · Confidentiality pledge (investigator/investigatee, etc.)	· Minutes of the Grievance Review Committee <Grievance Review Committee> · Head of Management Support Division · Head of the relevant division · Head of Human Resources · Compliance Team Leader · Legal affairs lawyer *External experts may be present	· Minutes of the Personnel Committee · Disciplinary outcome document <Personnel Committee> · CEO · Heads of each division · Head of Human Resources
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Governance

Trust, Transparently — Management Built on Transparent Trust

Governance	77
Integrated Risk Management	84
Ethical Management	86



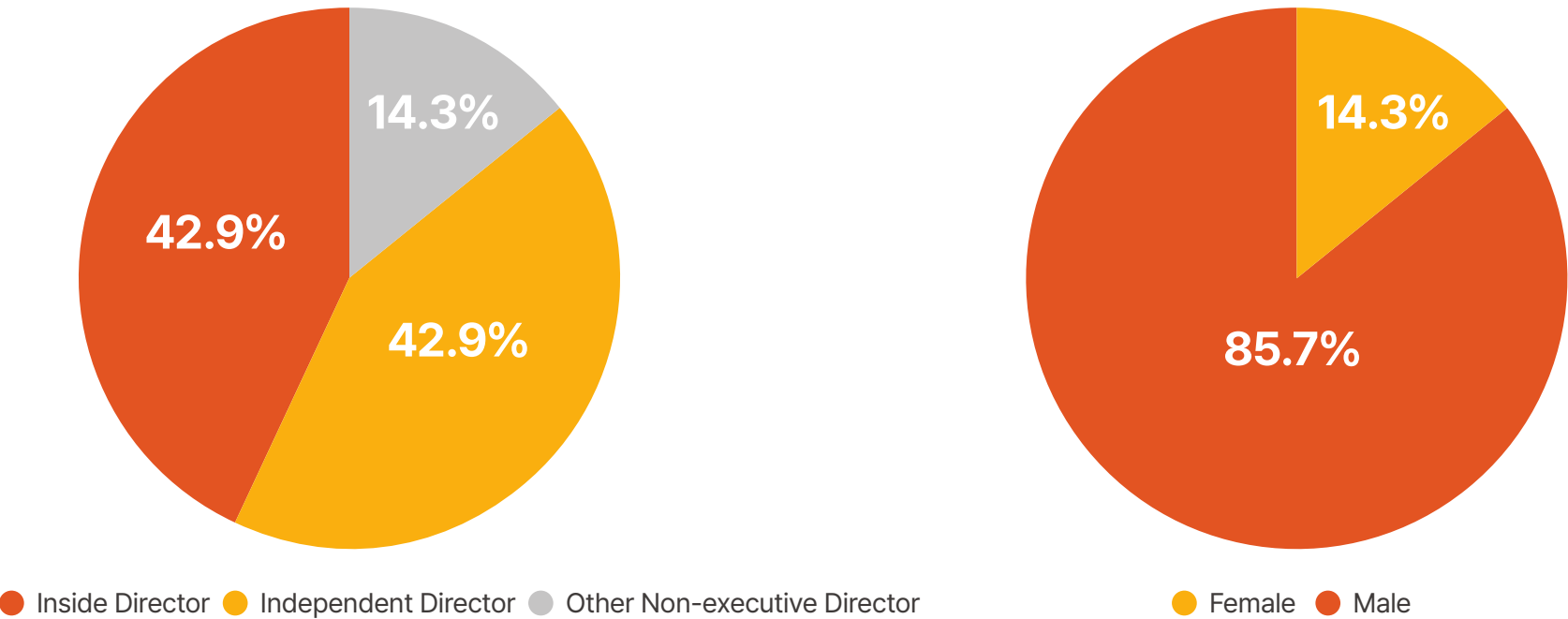
GOVERNANCE

Status of the Board of Directors

Aekyung Industrial's Board of Directors comprises a total of seven members: three Inside Directors, three Independent Directors, and one Other Non-executive Director. The Board is composed of all directors, and in accordance with the articles of incorporation, the CEO serves as Chairman of the Board, assuming responsibility for its operation. When composing the Board, we primarily select individuals with the career experience and expertise suitable for the company's management and appoint them as directors in accordance with the procedures prescribed by relevant laws such as the Commercial Act. Directors are appointed through the General Meeting of Shareholders in comprehensive consideration of independence, diversity, and expertise, and their terms of office are determined at the General Meeting in accordance with the articles of incorporation.

In accordance with the Board Operation Regulations, the Board thus composed deliberates and resolves on matters prescribed by laws or the articles of incorporation, matters delegated by the General Meeting of Shareholders, and key matters concerning the company's basic management policies and business execution. Through the Board's in-depth discussions and reasonable decision-making, Aekyung Industrial pursues responsible management and the enhancement of sustainable corporate value. We will continue to strengthen a transparent and sound governance structure centered on the Board, thereby enhancing the trust of shareholders and stakeholders and solidifying the foundation for long-term growth.

Board Composition Ratio



*Totals may not add up due to rounding.

★ Chairman of the Board ● Chairman ○ Member

Classification	Inside Director			Independent Director			Other Non-executive Director
Name (Gender)	Kim Sangjoon (M)★	Ahn Jungtae (M)	Park Jinwoo (M)	Kim Woocheol (M)	Song Changjoon (M)	Yoon Yeosun (F)	Chung Inchul (M)
Date of Birth	1972. 11	1976. 03	1975. 02	1966. 12	1970. 01	1966. 10	1963. 07
Position	- (Present) CEO / Executive Director, Aekyung Industrial Co., Ltd.	- (Present) Head of Household & Daily Care Division, Aekyung Industrial Co., Ltd.	- (Present) Head of Management Support Division, Aekyung Industrial Co., Ltd.	- (Present) Professor, Department of Taxation, University of Seoul - (Present) Independent Director, Korea Deposit Insurance Corporation (~26.07)	- (Present) Professor of Accounting, College of Business, Hanyang University	- (Present) Dean, KAIST College of Business - (Present) Professor of Marketing, KAIST Graduate School of Business - (Present) Independent Director, Hyosung Heavy Industries (~28.03)	- (Present) Head of Future Business, Taekwang Industrial Co., Ltd.
Date of Initial Appointment	23.03	23.03	25.03	26.03	26.03	26.03	26.03
Term of Office	23.03 - 28.03	23.03 - 28.03	26.03 - 28.03	26.03 - 28.03	26.03 - 28.03	26.03 - 28.03	26.03 - 28.03
Audit Committee				○	●	○	
Internal Transaction Committee			○	●	○	○	
Independent Directors Nomination Committee			○	○	○	●	
ESG Committee			○	○	○	●	

*Board of Directors status as of March 26, 2026

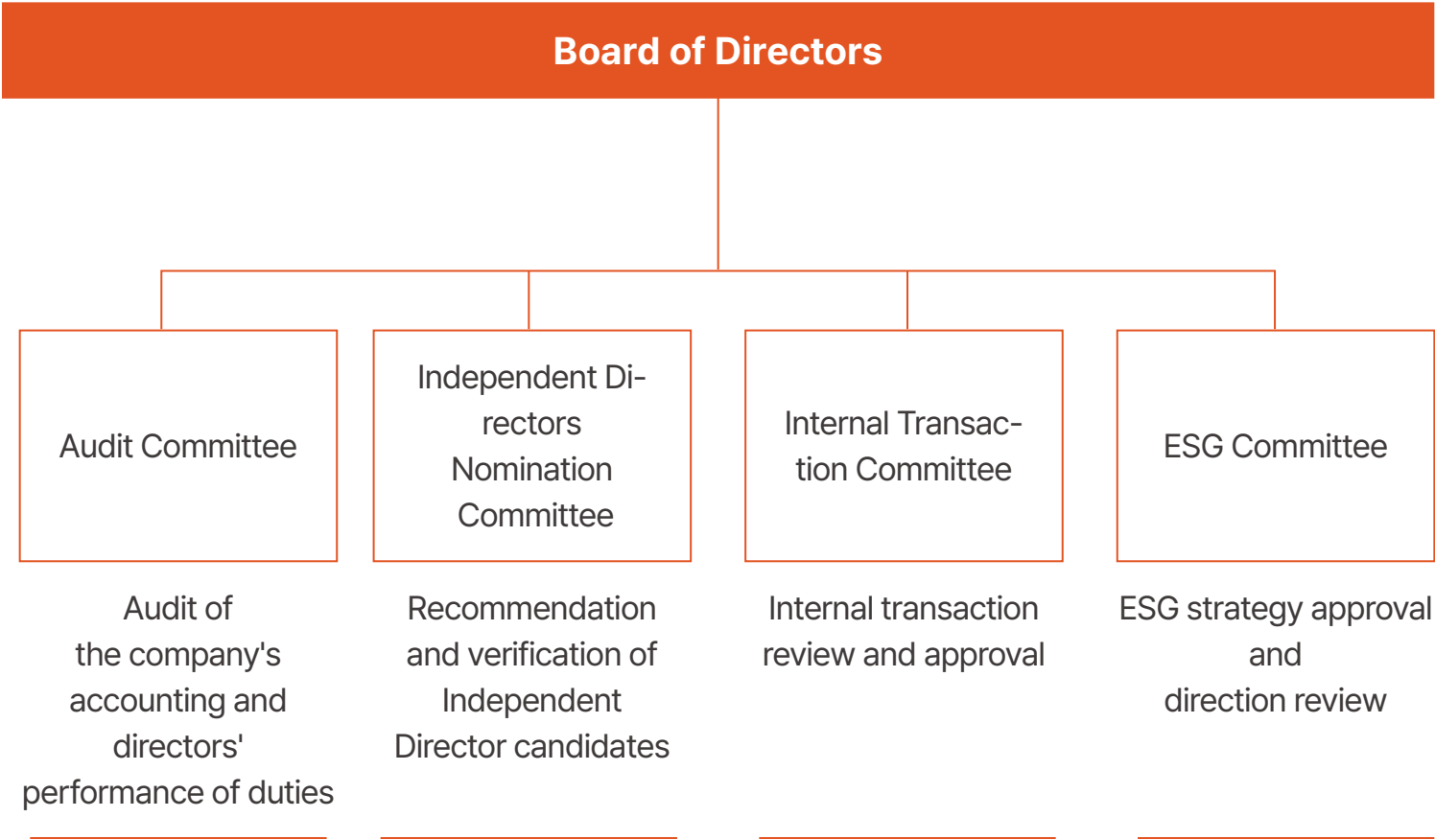
GOVERNANCE

Board of Directors Organization

Operation of Committees under the Board

To enhance the expertise and efficiency of the Board, Aekyung Industrial has established and operates a total of four committees under the Board: the Audit Committee, the Independent Directors Nomination Committee, the Internal Transaction Committee, and the ESG Committee. Each committee is composed of directors appointed with comprehensive consideration of their expertise, career experience, and roles in the relevant field, and it supports the Board's decision-making through independent, in-depth review. By assigning clear roles and responsibilities to each committee, we systematically address key management tasks such as strengthening financial transparency, ensuring fairness in the Board's composition, reviewing the appropriateness of internal transactions, and managing ESG strategy and performance.

In addition, to support the functioning of each committee, we have established support organizations composed of the relevant departments, which assist with reviewing materials, submitting agenda items, and monitoring implementation. Through the operation of committees within the Board, Aekyung Industrial has built a professional and responsible decision-making structure, and we will continue to steadily strengthen our sound governance and sustainable management systems.



Status of Committee Meetings under the Board in 2025	
Classification	Main Agenda Items
Board of Directors	- Report on the results of Audit Committee meetings and the audit report - Amendment of the ESG Committee regulations - Report on the results of Internal Transaction Committee meetings - Report on 2025 management performance - Introduction of electronic voting and electronic proxies - Resolution on the health and safety plan - Report on compliance control inspection results - Introduction of Board activity evaluation
Audit Committee	- Report on the draft settlement financial statements and draft business report for the 40th fiscal year - Report on the audit results for the 40th fiscal year - Audit and report on the operational status of the internal accounting management system - Review and approval of the internal audit department's 2025 audit plan - Review of the agenda and submitted documents for the 40th Annual General Meeting of Shareholders - Post-evaluation of auditor compliance matters
Independent Directors Nomination Committee	- Recommendation of candidates for appointment as Independent Directors
Internal Transaction Committee	- Report on 2025 transactions between directors, etc. and the company, and preliminary review of transaction limits - Preliminary review of the acquisition of shares and equity securities of other corporations - Report on monetary loans to subsidiaries - Extension of the maturity of monetary loans to related parties
ESG Committee	- 2025 key reporting plan of the ESG Committee - Report on the establishment of management plans for each material issue - Report on the publication of the 2024 Sustainability Report

Audit Committee	Meetings Held	6
	Agenda Items	11
Independent Directors Nomination Committee	Meetings Held	2
	Agenda Items	3
Internal Transaction Committee	Meetings Held	5
	Agenda Items	9
ESG Committee	Meetings Held	3
	Agenda Items	5

GOVERNANCE

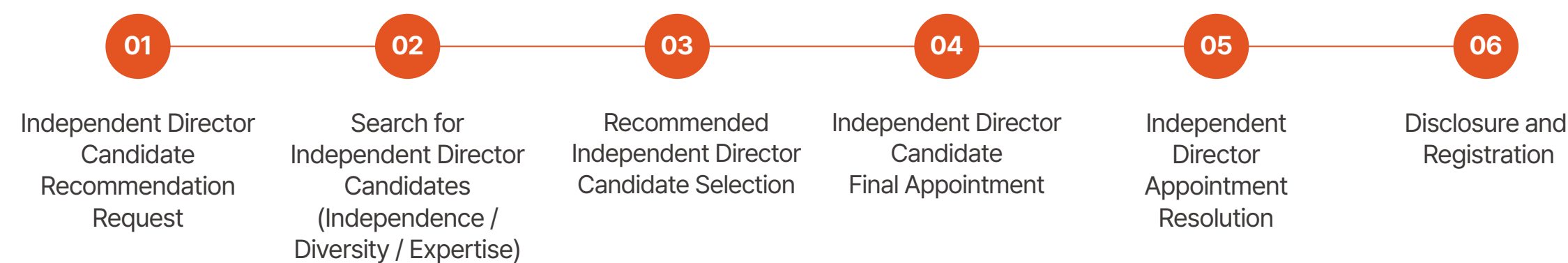
Audit Committee

The Audit Committee operates with the purpose of strengthening management transparency through the monitoring and inspection of overall management activities. To secure the Committee's independence and objectivity, Aekyung Industrial composes the Audit Committee of three Independent Directors who have no interest in the company or its related parties. In addition, a director with expertise in accounting and finance is appointed as Chairman to systematically review the appropriateness of accounting treatment and the reliability of financial reporting. The Audit Committee inspects the operational status of the internal accounting management system, the appropriateness of the financial statements, and the internal control system as a whole, and reports improvements to the Board where necessary. Through this, Aekyung Industrial strengthens accounting transparency and responsible management and continues to enhance the trust of shareholders and stakeholders. Going forward, the Audit Committee will continue to contribute to the establishment of sound governance based on its independence and expertise.

Independent Directors Nomination Committee

To ensure fairness and transparency in the composition of the Board, Aekyung Industrial operates the Independent Directors Nomination Committee. The Committee recommends Independent Director candidates based on the relevant laws, the articles of incorporation, and the Board regulations, with the core purpose of strengthening the Board's independence and expertise. While giving priority to verifying each candidate's independence, the Committee screens candidates in comprehensive consideration of the expertise, management capabilities, and diversity befitting a global company. This supports the Board in making reasonable decisions based on diverse perspectives and expertise. The appointment of Independent Directors begins with a request for candidate recommendations and proceeds through the search for candidates considering independence, diversity, and expertise, the selection of recommended candidates, and a final candidate review, leading to a resolution of appointment at the General Meeting of Shareholders. The results of appointments are transparently disclosed through public disclosure and registration in accordance with relevant laws. Through a systematic Independent Director appointment process, Aekyung Industrial will continue to strengthen the Board's objectivity and accountability and steadily advance its sound governance and sustainable management systems.

Independent Director Appointment Process



Internal Transaction Committee

To manage transactions with internal stakeholders transparently and fairly, Aekyung Industrial has established internal transaction regulations and operates the Internal Transaction Committee to implement them effectively. The Committee prevents and monitors unfair support practices related to transactions among affiliates and with related parties, with the primary purpose of establishing a fair trading order. To secure the Committee's independence and objectivity, it is composed primarily of Independent Directors, and we strengthen the transparency of its operation so that internal transactions are subject to fair deliberation and oversight. The Committee reviews the appropriateness and fairness of relevant transactions in advance and, where necessary, identifies improvements and reports them to the Board, thereby supporting responsible decision-making. Through the operation of the Internal Transaction Committee, Aekyung Industrial minimizes the potential for conflicts of interest and builds a sound governance structure that enhances the trust of shareholders and stakeholders. We will continue to steadily advance our management standards and procedures for internal transactions, thereby practicing fair and transparent management.

ESG Committee

To responsibly manage the impact of its business activities on society and the environment and to systematically advance sustainable management, Aekyung Industrial established the ESG Committee within the Board in May 2023. The ESG Committee is the highest-level decision-making body that deliberates on and proposes strategy and policy directions across the environmental (E), social (S), and governance (G) domains as a whole. The Committee oversees the embedding of sustainable management throughout corporate operations by establishing mid- to long-term ESG strategies, reviewing key policies and systems, examining the status of risk management, and monitoring major performance. It also reflects the changing global ESG environment and stakeholder demands, steadily reviewing the direction and action items of sustainable management and reporting improvements to the Board. Through the operation of the ESG Committee, Aekyung Industrial addresses ESG issues as a core management agenda and pursues sustainable growth and the enhancement of corporate value based on responsible Board-level oversight and decision-making. We will continue to strengthen systematic ESG governance centered on the ESG Committee.

GOVERNANCE

Board and Independent Director Support Organizations

Board Secretariat

To support the efficient operation of the Board and its committees, Aekyung Industrial operates the Board Secretariat. The Secretariat consists of a total of seven members—one divisional executive, one team leader, and five team members—and is dedicated to supporting the smooth operation of the Board and its committees. The Board Secretariat performs overall administrative work such as preparing agenda items, reviewing and providing materials, supporting meeting operations, and monitoring the implementation of resolutions, thereby underpinning the Board's prompt and reasonable decision-making. It also serves a coordinating role, working with relevant departments to ensure that key management issues and ESG matters are sufficiently discussed. Based on the Board Secretariat, Aekyung Industrial enhances the expertise and operational efficiency of the Board and its committees and strengthens transparent and responsible governance. We will continue to steadily advance our Board-centered management system through the systematic operation of support organizations.

Compliance Team

To strengthen ethical and compliance management and internal control, Aekyung Industrial operates a dedicated Compliance Team. The Compliance Team consists of a total of five members—one team leader and four team members—and plays a key role in supporting the effective functioning of the Audit Committee. It systematically collects and analyzes data related to the Audit Committee and reports it regularly, supporting the Committee's reasonable judgment and decision-making. In addition, by inspecting and supervising compliance with company-wide work processes and the status of internal regulation implementation, the Team ensures that work is performed in accordance with laws and internal standards. Through the operation of the Compliance Team, Aekyung Industrial will continue to enhance the effectiveness of internal control and steadily strengthen sound governance based on transparent and responsible management.

Compliance Officer

To enhance the effectiveness of its internal legal compliance standards and strengthen its company-wide compliance management system, Aekyung Industrial appointed a Compliance Officer by Board resolution on October 31, 2024. The Compliance Officer is responsible for checking compliance with the internal legal compliance standards and relevant laws and for identifying improvements to in-house work processes as a whole. Through this, Aekyung Industrial proactively prevents the possibility of violations of laws and internal regulations and systematically manages compliance risks across its management activities. The Compliance Officer also shares inspection results through close collaboration with the Compliance Team and the Audit Committee and, where necessary, reports system improvements and follow-up measures to the Board. Taking the appointment of the Compliance Officer as an opportunity, Aekyung Industrial clarifies the responsibilities and roles of compliance management and further strengthens its internal control and ethical management systems. We will continue to steadily advance our compliance control activities under a Board-centered oversight system, thereby establishing governance befitting a transparent and trusted company.

Classification		Inspection and Action Items	Results
Risk Management	System Improvement	Notification of amendments to the company-wide 'Delegation and Final Approval Regulations'	Improved work consistency and enhanced work efficiency and usability of internal regulations
Risk Management	Status Review	Identifying the status of the enactment and amendment of standard contracts and reviewing amendments	Conducted a survey of demand for enacting and amending standard contracts and carried out revision and supplementation procedures
Risk Management	Status Review	Providing advisory and response support to business units on intellectual property (IP) matters such as trademark rights	New registration of intellectual property rights (trademarks, etc.)
Compliance Internalization	System Improvement	Announcement of guidelines for concluding contracts and storing contract documents	Provided guidance on contract review exceptions and small-transaction requirements and clarified the parties responsible for storing contract documents
Compliance Internalization	Improvement Training	Notification and distribution of the compliance newsletter to employees	Strengthened employees' compliance and ethics practices by creating and distributing content on ethics issues
Compliance Internalization	Improvement Training	Offline training on understanding and utilizing trademark rights	Enhanced practical trademark capabilities across the four Household Goods & Cosmetics business divisions

Support Organization Status	Department	No. of Staff	Composition (Avg. Tenure)	Key Activities
	Legal Affairs Team	4	1 team leader, 3 team members (avg. tenure: 4.5 years)	- Company-wide legal risk advisory and response - Protection and operational management of corporate assets, including IP - Compliance monitoring and related training
	Compliance Team	5	1 team leader, 4 team members (avg. tenure: 12.4 years)	- Monitoring compliance with ethical management and anti-corruption activities - Training on compliance and other regulatory requirements - Company-wide internal control management and improvement checks

GOVERNANCE

Board Operation

Principles of Board Independence, Diversity, and Expertise

Aekyung Industrial's Board performs functions independent of management and the controlling shareholder and makes objective and reasonable judgments on the company's key management decisions. In accordance with the Independence Guidelines for Independent Directors, we restrict eligibility for appointment as an Independent Director in cases of a special relationship with management or the controlling shareholder, thereby proactively preventing conflicts of interest that may arise in the course of Board operation. In addition, a director with a special interest in a particular agenda item is prohibited from exercising voting rights in the relevant Board resolution, thereby ensuring the fairness and transparency of decision-making. Aekyung Industrial strengthens the Board's expertise by appointing as directors individuals with expertise in the various fields needed for corporate decision-making, such as management, accounting, finance, and law. Furthermore, by composing the Board of directors with diverse ages and experiences, we ensure that multifaceted perspectives and balanced discussions take place. All directors undergo regular performance evaluations, and the evaluation results are used as important criteria for determining director remuneration and reappointment. Through this framework of Board independence, expertise, and evaluation, Aekyung Industrial builds responsible governance and creates sustainable corporate value based on the trust of shareholders and stakeholders.

Independence Guidelines for Independent Directors

- ① A director, executive officer, or employee engaged in the regular business of the company, or a director, auditor, executive officer, or employee who has been engaged in the regular business of the company within the past two years
- ② Where the largest shareholder is a natural person, that person and his or her spouse and lineal ascendants and descendants
- ③ Where the largest shareholder is a corporation, a director, auditor, executive officer, or employee of that corporation
- ④ The spouse and lineal ascendants and descendants of a director, auditor, or executive officer
- ⑤ A director, auditor, executive officer, or employee of the company's parent or subsidiary
- ⑥ A director, auditor, executive officer, or employee of a corporation that has a material interest in the company, such as a business relationship
- ⑦ A director, auditor, executive officer, or employee of another company at which a director, executive officer, or employee of the company serves as a director or executive officer
- ⑧ A minor, a person under adult guardianship, or a person under limited guardianship
- ⑨ A person who has been declared bankrupt and has not yet been reinstated
- ⑩ A person for whom two years have not elapsed since the completion or exemption of the execution of a sentence of imprisonment without labor or heavier
- ⑪ A person for whom two years have not elapsed since being dismissed or removed from office for violating a law separately prescribed by Presidential Decree (Article 34(3) of the Enforcement Decree of the Commercial Act)
- ⑫ A shareholder of a listed company who, together with persons in a special relationship with him or her as prescribed by Presidential Decree (related parties, Article 34(4) of the Enforcement Decree of the Commercial Act), owns the largest number of shares based on the total number of issued shares excluding non-voting shares—that person (the largest shareholder) and his or her related parties
- ⑬ A shareholder (major shareholder) who, in whatever name and on his or her own account, owns 10/100 or more of the total number of issued shares excluding non-voting shares, or who exercises de facto influence over the listed company's key management matters such as the appointment and dismissal of directors, executive officers, and auditors, and his or her spouse and lineal ascendants and descendants
- ⑭ Any other person prescribed by Presidential Decree as being unable to faithfully perform the duties of an Independent Director or as being able to influence the management of the listed company (Article 34(5) of the Enforcement Decree of the Commercial Act)

General Meeting of Shareholders

To protect shareholders' rights and ensure transparent decision-making, Aekyung Industrial operates the General Meeting of Shareholders as a core decision-making body. The General Meeting is convened and operated in accordance with the articles of incorporation and relevant laws, and it deliberates and resolves on the company's key management matters, including the appointment of directors and auditors, the approval of financial statements, and the approval of director remuneration limits. When holding a General Meeting, Aekyung Industrial provides the relevant agenda and reference materials in advance so that shareholders can participate in decision-making based on sufficient information, and conducts the meeting in accordance with fair and transparent procedures. We also comply with relevant laws to ensure that shareholders' voting rights are substantively guaranteed, thereby securing fairness in the operation of the General Meeting. The Board appointed through the General Meeting oversees the company's management based on the authority and responsibility delegated by shareholders and practices responsible management based on a relationship of trust with shareholders. Going forward, Aekyung Industrial will continue to strengthen communication with shareholders and enhance the transparency of General Meeting operations, thereby promoting sound governance and the creation of sustainable corporate value.

Classification	38th Annual General Meeting of Shareholders	39th Annual General Meeting of Shareholders	40th Annual General Meeting of Shareholders
Date of Convocation Resolution	2023.03.07	2024.02.21	2025.02.24
Date of Convocation Notice	2023.03.08	2024.03.06	2025.03.11
Date of the General Meeting	2023.03.23	2024.03.21	2025.03.26
Period between the Notice Date and the General Meeting Date	15 days	15 days	15 days
Attendance of Board Members	2 of 6 attended	2 of 7 attended	3 of 8 attended

GOVERNANCE

Remuneration of Directors and Audit Committee Members

Remuneration Calculation Criteria

With respect to the remuneration of directors and audit committee members, Aekyung Industrial establishes and operates transparent and reasonable remuneration calculation criteria in accordance with Article 388 of the Commercial Act. The remuneration limits for directors and auditors are determined by resolution of the General Meeting of Shareholders, and actual remuneration is paid within the limits approved at the General Meeting, based on evaluations of assigned duties and the results of delegated work. The salary of registered directors is calculated in comprehensive consideration of their duties and position, the nature of their delegated work, and the results of performing that work, in accordance with the Executive HR Management Regulations. Bonuses are determined by reflecting the company's performance for the relevant period and the results of each executive's individual performance evaluation, in accordance with the Employee Incentive Payment Regulations. In addition, based on the Executive Benefits Management Regulations, we provide benefits such as health checkups, accident insurance, and children's tuition support, thereby supporting executives in performing their duties with stability. Meanwhile, the salary of audit committee members is paid within the remuneration limit in consideration of the nature of their delegated work and level of responsibility, and no separate bonuses or benefits are provided. Through its remuneration system for directors and audit committee members, Aekyung Industrial establishes a principle of compensation based on responsibility and performance, and will continue to steadily strengthen sound governance based on the trust of shareholders and stakeholders.

Remuneration Paid

Aekyung Industrial pays remuneration to its directors and audit committee members transparently and reasonably within the limits approved by the General Meeting of Shareholders. The remuneration limit for registered directors approved at the 2025 General Meeting was a total of KRW 6,500 million, on a basis that includes all directors newly appointed or resigned during the year. In terms of actual remuneration paid, a total of KRW 2,318 million was paid to seven registered directors (excluding Independent Directors and audit committee members), for an average of KRW 331 million per person. A total of KRW 202 million was paid to six audit committee members, for an average of KRW 34 million per person. Meanwhile, among individuals whose annual remuneration was KRW 500 million or more, the CEO was paid remuneration of KRW 1,384 million. By transparently disclosing the details of remuneration payments, Aekyung Industrial enhances the trust of shareholders and stakeholders. Going forward, we will continue to operate the remuneration system for directors and auditors in connection with responsibility and performance and to steadily strengthen transparency regarding the level and structure of remuneration.

Amount Approved by the General Meeting of Shareholders	Classification	Number of Persons	Amount
	Registered Directors	8 Persons	6,500 million KRW

*The number of directors is the headcount of all directors who, during the year, were newly appointed or resigned

All Directors and Auditors	Classification	Number of Persons	Total Remuneration	Average Remuneration per Person
	Registered Directors (excluding Independent Directors and the Audit Committee)	7 Persons	2,318 million KRW	331 million KRW
	Audit Committee Members	6 Persons	202 million KRW	34 million KRW

*The number of directors is the headcount of all directors newly appointed or resigned during the year

By Individual	Position (Name)	Total Remuneration
	CEO (Chai Dongseok)	1,384 million KRW

*Status of individual remuneration for those whose annual remuneration paid was KRW 500 million or more

GOVERNANCE

Protection of Shareholder Rights

Share and Capital Structure

Aekyung Industrial maintains its share and capital structure on the basis of stable governance and responsible management. The total number of issued shares is 26,409,935, and the largest shareholder and related parties hold a 63.13% stake, securing management stability and the ability to execute long-term strategy. Among the largest shareholder and related parties, AK Holdings holds a 45.08% stake and Aekyung Asset Management holds 18.05%, while the Employee Stock Ownership Association holds 1.67%, expanding employees' participation in the company and contributing to the alignment of interests between the company and its employees. Treasury shares account for 4.61% and other shareholders for 30.59%, with domestic institutions and foreign investors holding 3.54% and individual shareholders holding 27.04%, forming a diverse shareholder base. Based on this share and capital structure, Aekyung Industrial protects shareholders' rights and strengthens its relationship of trust with the market through transparent governance. Going forward, we will maintain a capital structure that balances stability and flexibility and will continue to enhance both corporate value and shareholder value through sustainable growth.

Classification	Number of Shares	Shareholding Ratio
Largest Shareholder and Related Parties	16,672,578	63.13%
1. AK Holdings	11,904,812	45.08%
2. Aekyung Asset Management	4,767,766	18.05%
Employee Stock Ownership Association	441,738	1.67%
Treasury Shares	1,217,367	4.61%
Other	8,078,252	30.59%
1. Domestic Institutions and Foreign Investors	935,895	3.54%
2. Individual Shareholders	7,142,357	27.04%
Total	26,409,935	100.00%

*As of December 31, 2025

Voting Rights Exercise System

To protect shareholders' rights and expand participation in the General Meeting of Shareholders, Aekyung Industrial systematically operates a voting rights exercise system. We have introduced an electronic voting system so that shareholders can conveniently exercise their voting rights without constraints of time or place, thereby improving accessibility to participation in the General Meeting. Through electronic voting, shareholders can express their intentions on key agenda items based on sufficient information even when in-person attendance is difficult, enabling the substantive exercise of voting rights. In addition, by informing shareholders of and encouraging the proxy voting system, we ensure that shareholders' intentions are broadly reflected in management decision-making. Going forward, Aekyung Industrial will continue to create a shareholder-friendly voting environment and steadily strengthen responsible governance through the fair and transparent operation of the General Meeting of Shareholders.

Shareholder Return Policy

Aekyung Industrial recognizes the enhancement of shareholder value and stable shareholder returns as core management tasks and operates a reasonable dividend policy from a mid- to long-term perspective. By determining the size of dividends in comprehensive consideration of investment plans, the stability of the financial structure, the sustainability of dividends, and the dividend yield, we seek to balance corporate growth with shareholder returns. Since its listing, Aekyung Industrial has steadily maintained a dividend policy with a payout ratio of 20% or higher, and to improve the predictability of distributable dividend amounts for investors, we implemented a dividend policy at a payout ratio of around 30% from 2023 to 2025. This payout ratio refers to the ratio of total cash dividends to net income attributable to owners of the parent company on an annual consolidated financial statement basis. Through this, we provide shareholders with stable returns while strengthening the foundation of trust for enhancing long-term corporate value. Going forward, Aekyung Industrial will continue to operate a responsible dividend policy, balancing the securing of investment resources for future growth with the expansion of shareholder returns.

INTEGRATED RISK MANAGEMENT

Risk Management System

Risk Management Organization

To respond systematically to medium- and long-term management risks, Aekyung Industrial has established and operates a company-wide Integrated Risk Management system. The Chair of the ESG Committee concurrently serves as the Head of Integrated Risk Management, taking responsibility for identifying and managing key risks from a company-wide perspective. The Integrated Risk Management system operates by defining risks by category—financial, business, ESG, etc.—and establishing response measures and management criteria for each risk. Through this, we comprehensively manage not only short-term financial risks but also medium- and long-term ESG risks, including environmental and social issues, regulatory changes, and reputational risks. In particular, recognizing that corporate risks tend to arise in an interconnected manner rather than individually, we develop efficient response strategies by consolidating and analyzing individual risks and conducting a comprehensive review from ESG and business perspectives. Building on this Integrated Risk Management system, Aekyung Industrial plans to advance its ESG management and strengthen the foundation for sustainable growth even amid an uncertain business environment.



Tax Payment

To faithfully fulfill the social responsibilities arising from its business activities, Aekyung Industrial complies with the tax laws and systems of each country and pays its taxes transparently. Even as we expand our global business, we strictly comply with the tax laws and taxation systems of each country and operate a management system to prevent illegal acts such as tax avoidance and evasion. The department in charge of tax-related affairs monitors changes in tax policy and anticipates and assesses tax risks in advance to carry out stable tax management. Paying taxes is an important part of corporate activity that contributes to local communities and national finances. Going forward, Aekyung Industrial plans to strengthen tax compliance and tax risk management and to enhance responsible management and corporate transparency by transparently disclosing tax-related information to stakeholders.

	Category	Unit	2023	2024	2025
Corporate Tax Status	Income before income tax	KRW	59,427,475,005	55,793,772,099	19,652,716,141
	Income tax expenses		10,822,863,524	13,295,224,950	4,526,213,153

*On a consolidated basis, including the corporate tax of AK Trading Limited (Shanghai)

Internal Accounting Management System

To ensure the reliability and transparency of its financial information, Aekyung Industrial has established and systematically operates an internal accounting management system. In 2025, a regular assessment of the operating status of the internal accounting management system was conducted, and an independent external auditor audited our system based on the 'Conceptual Framework for Design and Operation of the Internal Accounting Management System' presented by the Steering Committee of the Internal Accounting Management System. As a result, as of December 31, 2025, Aekyung Industrial's internal accounting management system was judged to be effectively designed and operated from a materiality perspective, and an Unmodified Opinion was expressed. This objectively confirms that the internal control procedures related to financial reporting are reasonably established and implemented. Going forward, Aekyung Industrial plans to strengthen accounting transparency through the inspection and improvement of its internal accounting management system and to maintain sound corporate governance based on the provision of reliable financial information.

INTEGRATED RISK MANAGEMENT

Financial/Non-financial Risk Management

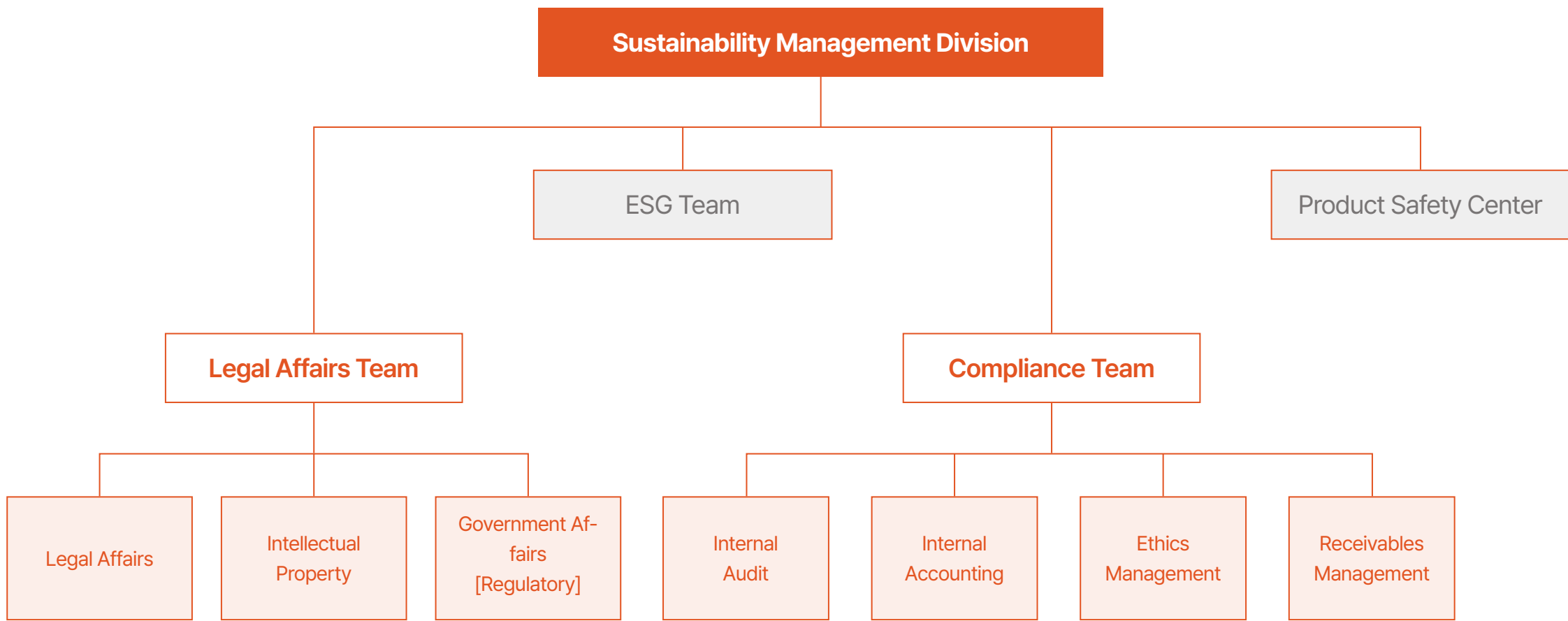
Aekyung Industrial is building an Integrated Risk Management system by integrating the risk management functions that had previously been managed separately by each area. For non-financial and financial risks, we define the impact of each risk and establish and manage response strategies for them.

	Risk Name	Risk Definition and Impact	Response Status	Relevant Department
Non-financial Risk	Climate and Environmental Risk	- Risks arising from natural disasters such as typhoons, floods, and droughts - Risks in responding to domestic and international policies and regulations related to climate change response - Risks related to investors' demand for information disclosure on climate change response - Risks affecting the environment, such as accidents involving violations of environmental laws and regulations	- Establishing the 'NET ZERO 2050 ROAD MAP' and strategies for climate change response - Monitoring the possibility of being subject to GHG regulations and domestic and international trends and regulations - Disclosing environmental performance, etc. in the Sustainability Report - Management through ISO 14001 environmental impact assessments	ESG Team
	Resource Circulation Risk	- Risks of microplastic discharge and an increase in plastic due to packaging waste - Risks of improper resource circulation due to incorrect separate-discharge labeling for packaging recycling - Risks arising from inadequate response to the growing demand for Sustainable Packaging	- Applying the internal eco-friendly indicator AKGI (Aekyung Green Index) to develop sustainable products, such as reducing plastic usage and developing easily recyclable products - Inspecting operating SKUs twice a year based on the separate-discharge labeling guidebook - Development based on 3R (Reduce, Recycle, Replace)	Packaging Development Team
	Human Rights Risk	- Risks of infringement due to failure to fulfill human rights protection obligations under domestic and international standards - Risks to worker health and safety due to workplace bullying, sexual harassment, etc.	- Operating the 'Report' system, a human rights grievance channel - Conducting workplace bullying and sexual harassment prevention training for all employees	Compliance Team HR Team
	Customer Risk	- Risks of recalls and complaints due to carelessness during product use, etc. - Risks of customer dissatisfaction that may arise from failure to adequately respond to the increase in digital channel inquiries	- Actively gathering customer feedback on inconveniences to drive product improvements - Identifying customer needs through customer satisfaction surveys and then implementing improvement activities - Operating an internal digital TF to enhance customer response quality and establishing a response monitoring system	CRM Team
	Safety Risk	- Safety and environment-related risks that may arise at business sites during operations - Risks of damage to external image due to safety and environmental accidents	- Operating 'Safety Walk' to prevent serious industrial accidents and environmental accidents - Conducting regular emergency drills for all employees to prepare for emergencies - Conducting Safety Culture Internalization Training to embed a safety culture	ESG Team
	Supply Chain Risk	- Risks of a supply chain management crisis due to global regulations such as supply chain due diligence laws - Risks of supply disruptions caused by dependence on specific suppliers when internal issues arise	- Establishing a supply chain ESG assessment system and operating regular assessments - Responding to supply risks through supply chain list management and dual sourcing	Procurement Planning Part ESG Team
	Raw Material Risk	- Risks of high volatility in the price, supply availability, and quality of raw materials - Risks of rising raw and subsidiary material prices in response to international issues	- Reviewing raw material stability to ensure a sustainable supply of raw materials - Establishing pricing policies to defend against the impact of raw and subsidiary material price increases	Procurement Planning Part Management Planning Team
	Information Security Risk	- Risks of disasters affecting key systems, such as personal information leaks and the hacking of the company's information assets or their infection by viruses and malware	- Conducting Personal Information Protection training - Conducting regular company-wide information security drills to prepare for information leaks	IT Strategy Team
	Quality Risk	- Material risks arising in product quality management	- Managing product quality through the Product Safety Development Process, from raw material purchasing to product sales	Quality Control Team Product Safety Team
	Legal Violation Risk	- Risks that may arise from violations of laws and regulations - Risks of violating product and safety, health, and environmental laws and regulations	- Conducting employee compliance training to ensure legal compliance - Conducting periodic regulatory monitoring by each responsible department	Compliance Team Product Safety Team ESG Team
	Ethics Risk	- Risks of legal sanctions and reputational damage due to unethical conduct by employees (corruption, bribery, conflicts of interest, etc.)	- Collecting ethics pledges from employees and complying with the four major practices for fair trade	Compliance Team Procurement Planning Part
Financial Risk	Planning Risk	- Risks from changes in industry and market trends - Risks of a contraction in cosmetics exports due to the deterioration of international relations with China	- Identifying strategic risks through management review meetings and reporting regularly to management - Pursuing growth by focusing on a second key export country beyond China	Management Planning Team
	Investment Risk	- Risks arising from new investments	- Reviewing risks in advance by operating an internal investment review committee	Investment & IR Team
	Accounting Fraud Risk	- Risks of embezzlement or other accounting fraud by internal members	- Expansion of the consolidated internal accounting management system - Monitoring the financial statements and financial ratios of small subsidiaries	Accounting Team

ETHICAL MANAGEMENT

Ethical Management Framework

Ethical Management Organization



Ethics Charter

- 1 We respect laws and social norms and do not engage in any illegal or wrongful conduct.
- 2 We place our customers' trust above all else and strive for their happiness.
- 3 We respect the rights of shareholders and enhance corporate value through transparent and efficient management.
- 4 We respect the diversity of our employees, do not discriminate, and trust and cooperate with one another.
- 5 We respect the principles of fair trade and pursue the establishment of a sound market order and the value of mutual prosperity.
- 6 As a member of society, we faithfully fulfill the social roles and responsibilities required of a corporation.

Code of Ethics



Compliance with laws

- Compliance with domestic and international laws and regulations
- Prohibition of the use of internal information
- Prevention of sexual harassment
- Efforts to prevent misconduct
- Protection of company assets and important information
- Prohibition of receiving money, valuables, and entertainment



Obligations toward customers

- Maintaining trust with customers
- Pursuing customer happiness



Obligations toward shareholders

- Respecting shareholders' rights
- Equal treatment
- Active provision of information



Obligations toward employees

- Fair treatment
- Creating a good work environment



Obligations toward competitors and suppliers

- Fair competition with competitors
- Fair dealings with suppliers



Basic Ethics for Employees

- Establishing a sound corporate culture
- Prohibition of conflict-of-interest conduct
- Prohibition of political involvement
- Compliance with the Code of Ethics

ETHICAL MANAGEMENT

Workplace Anti-Sexual Harassment / Anti-Bullying Policy

To foster a healthy organizational culture in which employees can work with mutual respect, Aekyung Industrial strictly prohibits workplace sexual harassment and bullying and thoroughly handles and manages related matters in accordance with its internal standard guidelines (company regulations). We focus on prevention by consistently providing sexual harassment and bullying prevention training and awareness activities for all employees. When an incident occurs, we give top priority to protecting the confidentiality and personal safety of the victim or reporter and operate a management system to ensure a fair and objective investigation.

We also protect the rights of the alleged actor (or perpetrator) until the facts are clearly established, thereby adhering to fair procedures. After an investigation, we continue follow-up monitoring and management activities to prevent secondary harm and the recurrence of similar cases.

Through the operation of these policies, Aekyung Industrial fosters a safe working environment free from discrimination and bullying and is establishing an organizational culture grounded in mutual trust and respect.

Workplace Anti-Sexual Harassment Policy

This policy prohibits an employer, superior, or worker from using their position in the workplace, or in connection with work, to make sexual remarks or engage in sexual conduct that cause another worker or stakeholder to feel sexual humiliation or repulsion, or from imposing employment-related disadvantages on the grounds of non-compliance with such sexual remarks, conduct, or other demands.

01. Determination of Workplace Sexual Harassment

- ① Victim's subjective circumstances: Judged based on the victim's perspective rather than the actor's intent
- ② Consideration of social norms: Judging whether an ordinary person in a similar situation would feel sexual humiliation or repulsion at the conduct
- ③ Case-by-case determination: Determined by comprehensively considering all circumstances and records, including the relationship between the parties and the location
- ④ Other: Considering factors such as whether the conduct was repeated, whether a specific target was identified, and whether refusal was expressed

02. Reporting and Consultation Process

- ① Online and in-person reporting through the 'AK Grievance System'
- ② Consultation process: Consultation conducted in accordance with the AK Grievance System (Refer to page 75)

03. Disciplinary and Corrective Measures

- ① After a fact-finding investigation through the Grievance Review Committee, determination of whether the matter is serious or minor, and the assessment and implementation of disciplinary action
- ② After the case is closed, support for victim protection and monitoring to prevent secondary harm and recurrence

Workplace Anti-Bullying Policy

This policy prohibits employees from using the advantage of their position or relationships in the workplace to go beyond the appropriate scope of work and thereby inflict physical or mental suffering on other employees or worsen the working environment.

01. Determination of Workplace Bullying

- ① Use of the advantage of position or relationships in the workplace: Judged based on the rank/position structure, work competency, or influence within the workplace
- ② Exceeding the appropriate scope of work: Judged based on the business necessity under social norms and the nature of the conduct
- ③ Inflicting physical or mental suffering or worsening the working environment: Judged based on whether it hindered the employee's ability to perform

02. Reporting and Consultation Process

- ① Online and in-person reporting through the 'AK Grievance System'
- ② Consultation process: Consultation conducted in accordance with the AK Grievance System (Refer to page 75)
- ③ During consultation, providing the victim with necessary information such as relevant laws and investigation and handling procedures, thereby granting the right to choose other remedies

03. Disciplinary and Corrective Measures

- ① After conducting a fact-finding investigation through the Grievance Review Committee, determination of whether the matter is serious or minor, and the assessment and implementation of disciplinary action
- ② When workplace bullying is confirmed, determination of appropriate measures such as changing the work location or ordering paid leave
- ③ After the case is closed, support for victim protection and monitoring to prevent secondary harm and recurrence

ETHICAL MANAGEMENT

Activities to Strengthen Ethical Management Awareness

Ethical Management Pledge

Aekyung Industrial regards ethical management as its top priority and operates an Ethical Management Pledge so that employees can practice transparency and fairness in corporate management. Through the pledge, all employees promise to comply with relevant rules such as the company's articles of incorporation, company regulations, and accounting standards, and to maintain a fair and faithful attitude in performing their duties. They also refrain from misconduct such as making unfair demands by using one's position, abusing authority, and accepting money, valuables, or entertainment, and thoroughly comply with relevant laws and internal regulations in their relationships with public officials and stakeholders. By implementing the Ethical Management Pledge, Aekyung Industrial strengthens employees' sense of responsibility and fosters a sound corporate culture and a trust-based management environment. We aim to contribute to sustainable growth and the establishment of a sound corporate culture as all employees actively participate in practicing ethical management.

Compliance Letter

To enhance employees' ethical awareness and establish a culture of compliance management, Aekyung Industrial regularly issues a Compliance Letter. The Compliance Letter is an internal communication tool for building a transparent corporate culture based on ethical values and responsibility, helping employees easily understand the importance of ethical management and put it into practice in their daily work. The letter covers a range of topics, including key issues related to ethical management and compliance, the core content of in-house regulations and laws, and points to note drawn from real cases, providing practical guidance so that employees can make decisions consistent with ethical standards. In this way, it serves a preventive role in situations that call for ethical judgment and minimizes potential ethical risks. By regularly distributing the Compliance Letter, Aekyung Industrial strengthens communication with its employees and builds a shared understanding of ethical management. Going forward, we will continue to share proper standards for performing work and to steadily spread a corporate culture in which all employees participate together as agents of ethical management.

윤리경영 실천 서약서

본인은 애경산업 임직원으로서 윤리경영을 최우선 가치로 생각하며, 기업경영의 투명성 확보 및 경쟁력 제고와 깨끗한 기업문화의 창출을 위하여, 회사의 윤리강령 및 실천지침을 숙지하였으며 윤리경영의 책임과 의무를 다하고자 다음의 사항을 성실히 준수할 것을 서약합니다.

- 1

회사의 정관·사규, 회계처리기준 등을 준수하며, 투명하고 공정하게 원칙에 따라 직무를 성실히 수행하겠습니다.

☑ 확인
- 2

윤리규정을 준수하고 품위를 손상하는 행위를 하지 아니하며, 부정하게 직위를 이용하거나 부당한 요구를 하는 등 권한을 남용하지 않고 공정한 직무수행에 앞장서겠습니다.

☑ 확인
- 3

공직자 및 관계자·제3자에게 직·간접적으로 부정한 청탁을 하거나 금품 등을 제공하지 않고 '부정청탁 및 금품 등 수수의 금지에 관한 법률' 및 기타 제반 법령 및 규정을 성실히 준수함과 동시에 양심에 어긋나지 않도록 행동하겠습니다.

☑ 확인
- 4

사적인 이익을 목적으로, 회사의 거래나 자원을 이용하거나 금품·향응 등 경제적 이익을 수수하지 아니하며, 회사에 손해를 끼치는 행위를 하지 않겠습니다.

☑ 확인
- 5

본인 또는 가족 등 이해관계인과 회사와의 거래(알선)시 사전에 신고하고 이해상충 예방을 위한 조치를 다하겠습니다.

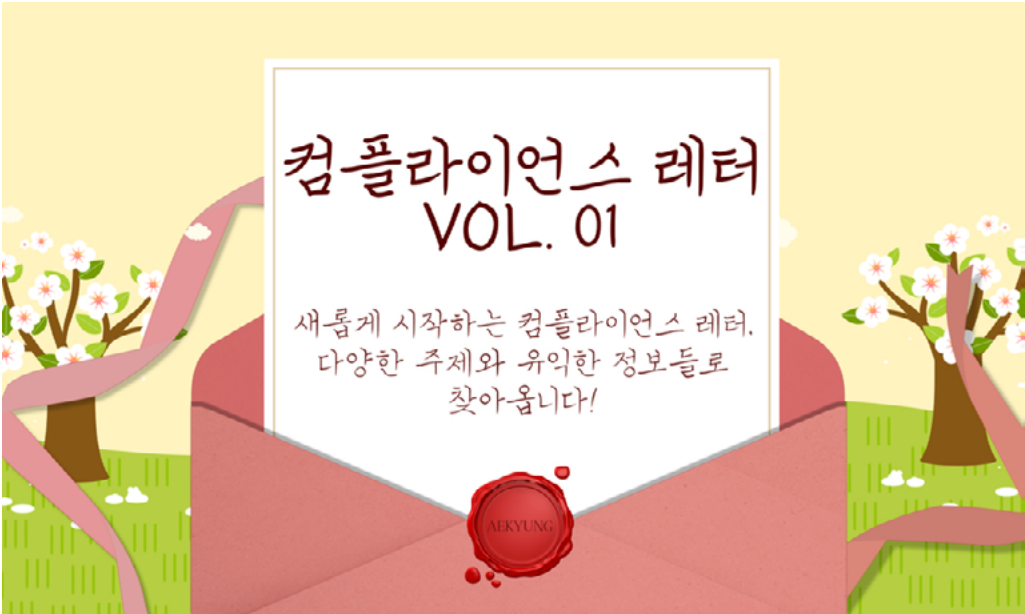
☑ 확인
- 6

본인이 업무를 투명하고 공정하게 처리하였다는 것과 업무처리 과정에서 회사의 윤리강령 등을 위반하지 않았다는 점을 밝히기 위해 필요시 본인의 개인정보 제공 요청에 응하며, 성실히 제공하는 것에 동의합니다.

☑ 확인
- 7

상기 모든 사항을 성실히 준수함으로써 회사가 추구하는 윤리경영 실천에 적극 동참하고 올바른 기업문화 창출에 이바지하도록 하겠습니다.

☑ 확인





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ECONOMIC PERFORMANCE

Consolidated Statement of Financial Position

[Unit: KRW]

Category	2023	2024	2025
Assets			
Current Assets	268,472,581,367	295,771,084,439	290,219,328,638
Cash and cash equivalents	65,172,406,594	23,328,229,173	61,448,450,074
Accounts receivable	63,686,042,069	71,676,087,200	57,060,956,612
Other receivables	3,141,582,867	64,418,077,451	53,045,397,505
Other current financial assets	50,369,798,459	32,365,239,457	7,249,565,426
Current inventories	78,126,954,585	93,724,012,046	104,362,958,728
Other current assets	2,990,864,793	2,305,552,200	2,119,434,884
Assets held for sale	4,984,932,000	4,984,932,000	4,932,565,409
Current derivatives assets	0	2,968,954,912	0
Non-current Assets	213,900,014,107	203,580,383,666	207,589,477,657
Other non-current receivables	4,518,492,344	4,404,020,820	4,534,555,506
Other non-current financial assets	3,010,657,637	3,010,657,637	2,873,751,133
Investments in joint ventures	181,739,552	0	0
Tangible Assets	147,347,337,720	147,020,987,747	153,197,401,338
Intangible Assets	13,487,445,669	12,214,701,108	7,897,600,470
Right-of-use asset	24,875,036,721	23,920,731,650	22,398,544,280
Investment in real estate	2,517,897,980	2,517,897,980	2,517,897,980
Other non-current assets	1,579,076,126	1,178,490,066	1,178,490,066
Deferred tax assets	2,959,701,017	2,913,061,239	3,838,332,228
Non-current derivatives assets	2,535,375,269	0	0
Non-current net defined benefit assets	10,887,254,072	6,399,835,419	9,152,904,656
Total assets	482,372,595,474	499,351,468,105	497,808,806,295

[Unit: KRW]

Category	2023	2024	2025
Liabilities			
Current liabilities	90,410,809,063	94,267,395,263	91,357,127,893
Current accounts payable	42,874,196,320	42,905,968,571	49,802,953,365
Other current payables	35,265,970,714	38,176,790,205	25,570,043,436
Short-term borrowings	683,000,000	2,200,000,000	6,381,600,000
Current lease liabilities	793,482,016	848,049,495	758,332,847
Current corporate tax liabilities	4,535,194,871	7,503,220,325	2,147,728,139
Other current liabilities	6,087,122,759	2,407,761,179	4,182,555,859
Current provisions	171,842,383	205,776,158	2,513,914,247
Current non-controlling interests liabilities		19,829,330	0
Non-current liabilities	4,335,067,509	4,473,050,386	7,383,035,534
Long-term lease liabilities	1,028,061,727	989,731,501	492,064,068
Non-current employee benefit provisions	2,550,771,020	3,483,318,885	4,554,954,629
Deferred tax liabilities	0	0	1,433,210,587
Other non-current liabilities	0	0	902,806,250
Non-current non-controlling interests liabilities	756,234,762	0	0
Total Liabilities	94,745,876,572	98,740,445,649	98,740,163,427
Equity			
Equity attributable to owners of the Parent Company	387,142,792,818	400,419,281,776	399,068,642,868
Share capital	26,409,935,000	26,409,935,000	26,409,935,000
Capital surplus	143,348,035,807	143,419,838,931	143,470,876,841
Other capital items	(19,902,353,969)	(30,990,720,682)	(33,955,687,719)
Accumulated other comprehensive income	295,704,060	854,079,071	927,499,605
Retained earnings (deficit)	236,991,471,920	260,726,149,456	262,216,019,141
Non-controlling interest equity	483,926,084	191,740,680	0
Total equity	387,626,718,902	400,611,022,456	399,068,642,868
Total liabilities and equity	482,372,595,474	499,351,468,105	497,808,806,295

Economic Performance

Consolidated Statement of Comprehensive Income

[Unit : KRW]

Category	2023	2024	2025
Revenue (Sales)	668,866,951,127	679,076,572,242	654,527,659,913
Cost of Sales	354,139,481,206	363,604,706,971	367,346,920,990
Gross Profit	314,727,469,921	315,471,865,271	287,180,738,923
Selling and administrative expenses	252,789,655,938	268,646,941,870	266,035,004,358
Operating Profit (Loss)	61,937,813,983	46,824,923,401	21,145,734,565
Other income	4,971,473,752	10,782,215,616	7,139,147,439
Other expenses	16,483,649,813	7,207,071,638	12,570,495,578
Financial income	12,201,412,433	7,741,080,573	5,431,782,778
Financial expenses	2,772,418,422	2,215,106,301	1,493,453,063
Share of net income (loss) for the period of associates and joint ventures accounted for using the equity method	(427,156,928)	(132,269,552)	0
Income before income tax (loss)	59,427,475,005	55,793,772,099	19,652,716,141
Income tax expenses (income)	10,822,863,524	13,295,224,950	4,526,213,153
Net income for the period (loss)	48,604,611,481	42,498,547,149	15,126,502,988
Attribution of net income (loss) for the period			
Net income (loss) for the period attributable to owners of the Parent Company	48,751,764,547	42,560,565,997	15,205,225,319
Net income (loss) for the period attributable to non-controlling interests	(147,153,066)	(62,018,848)	(78,722,331)
Other comprehensive income	(1,910,742,773)	(3,360,662,010)	969,754,340
Items not reclassified to profit or loss for the period (other comprehensive income, net of tax)	(1,885,916,160)	(3,919,037,021)	896,333,806
Remeasurement gains or losses on defined benefit plans (other comprehensive income, net of tax)	(1,885,916,160)	(3,919,037,021)	896,333,806
Items that may be reclassified to profit or loss for the period (other comprehensive income, net of tax)	(24,826,613)	558,375,011	73,420,534
Foreign currency translation differences for foreign operations (other comprehensive income, net of tax)	(24,826,613)	558,375,011	73,420,534
Total comprehensive income	46,693,868,708	39,137,885,139	16,096,257,328
Comprehensive income attributable to owners			
Equity Attributable to Owners of Parent Company	46,841,021,774	39,199,903,987	16,174,979,659
Non-controlling interests	(147,153,066)	(62,018,848)	(78,722,331)
Earnings per share			
Basic earnings (loss) per common share (Unit: KRW)	1,897.0	1,689.0	604.00
Diluted earnings (loss) per common share (Unit: KRW)	1,894.0	1,689.0	604.00

Economic Value

Category	Details	Unit	2023	2024	2025
Direct economic value	Total Sales		6,689	6,791	6,545
	Overall		1,868	2,047	2,015
			547	512	515
	Employees		102	117	122
			11	10	8
	Shareholders		81	149	146
Distributed economic value	Government	KRW 100 million	108	133	45
	Suppliers		3,138	3,383	2,262
	Local Community		191	212	218
	Total distributed economic value		6,046	6,563	5,394
Reserved economic value			643	228	1,214

Environmental Data

Eco-friendly Product Status

Category	Unit	2023	2024	2025
Number of Green Products	Products	218	229	221
Sales of Green Products	million KRW	53,662	40,301	24,092
Proportion of Green Products Sales	%	8.0	5.9	3.7

*Green product criteria: Environmental mark (eco-label certification, etc.), low-carbon product certification, etc.

Eco-friendly Purchase Status

Category	Unit	2023	2024	2025
Eco-friendly Purchase Amount	billion KRW	9.99	20.95	4.73
Total Purchase Amount		313.8	338.3	330.8
Proportion of Eco-friendly Purchase	%	3.2	6.2	1.4

*Eco-friendly purchases criteria: Purchase costs of eco-friendly packaging materials (PIR, PCR, FSC-certified cartons, etc.)

*Total purchase amount criteria: Total purchase costs of raw materials/packaging materials, merchandise, outsourced processing, etc.

Plastic Usage

Category	Unit	2023	2024	2025
Plastic Usage	ton	9,172	10,280	8,852
Plastic Reduction (3R)		348	410	317

*3R: Reduce, Reuse, Recycle

Energy Management

Category		Unit	2023	2024	2025
Energy consumption by source	Fuel consumption	TJ	5	6	6
	Electricity consumption		144	145	155
	Steam consumption		44	32	34
Non-renewable energy consumption			193	183	193
Renewable energy consumption			0.0045	0.1306	0.2082
Total energy consumption			193	183	193
Energy intensity		TJ/Sales-KRW 100 million	0.0289	0.0270	0.0295

*Some energy consumption figures differ because the calculation method and disclosure criteria were changed beginning in 2024.

GHG Management

	Category	Unit	2023	2024	2025
Scope 1	- Cheongyang Plant	tCO ₂ -eq	303.5	342.7	368.1
	- Daejeon Plant		55.7	-	-
	- Logistics Center		-	-	-
	- R&D Center		49.5	44.3	23.4
	- AKIC		-	-	-
	- Head Office		16.1	14.7	30.2
	- Branch		-	-	-
	Total Direct (Scope 1) GHG Emissions		424	401	421
Scope 2	- Cheongyang Plant	tCO ₂ -eq	7,770.9	8,008.7	8,562.9
	- Daejeon Plant		562	26.8	2.4
	- Logistics Center		337.9	273.3	277
	- R&D Center		490.5	469.	472
	- AKIC		69.3	77.1	80.4
	- Head Office		107.6	354.3	364.3
	- Branch		-	21.9	23.6
	Total Energy Indirect (Scope 2) GHG Emissions		9,338	9,231	9,782
	Total GHG Emissions		9,760	9,629	10,201
Scope 1+2	Greenhouse Gas intensity	tCO ₂ -eq/Sales-KRW 100 million	1.4591	1.4179	1.5586

*Under the Emissions Trading Scheme guidelines for emissions reporting and verification, total emissions are truncated to integers at the business-site level, so the sum of Scope 1 and Scope 2 emissions may differ slightly from the total emissions figure.

Environmental Data

Water Management

Water Usage						
Category	Source	Unit	2023	2024	2025	
Head Office/AKIC	Municipal Water	ton	6,249	5,549	5,765	
Cheongyang Plant	Municipal Water		240,209	235,000	230,169	
Daejeon Plant	Industrial water		2,183	0	3,481	
	Municipal Water		1,944	110	0	
Logistics Center	Municipal Water		482	683	730	
R&D Center	Municipal Water		6,265	7,166	6,498	
Total Water Usage			257,332	248,508	246,643	
Water intensity			ton/Sales-KRW 100 million	38.4709	36.5937	37.6842
Water Reuse Amount						
Category		Unit	2023	2024	2025	
Cheongyang Plant		ton	-	-	5	
Total Water Reuse Amount			-	-	5	
Wastewater Discharge						
Category		Unit	2023	2024	2025	
Cheongyang Plant		ton	90,885	89,559	93,833	
Daejeon R&D Center			-	4,741	4,663	
Total Wastewater Discharge			90,885	94,300	98,496	
Wastewater intensity			ton/Sales-KRW 100 million	13.5872	13.8860	15.0490

*Usage = Water Withdrawal

*At the Daejeon Plant, water usage is attributable to facilities engineering issues rather than to production.

*The Cheongyang Plant, which previously disclosed groundwater and municipal water separately, has consolidated these into 'Municipal Water' beginning in 2024.

Water Pollutant Management

Category	Business Site	Unit	2023	2024	2025
TOC	- Cheongyang Plant	kg	46,976	20,610	10,874
	- Daejeon Plant		11	-	-
	- R&D Center		15	32	14
	Total TOC Discharge		47,002	20,642	10,888
BOD	- Cheongyang Plant	kg	27,931	14,518	10,026
	- Daejeon Plant		6	-	-
	- R&D Center		6	33	5
	Total BOD Discharge		27,943	14,551	10,031
SS	- Cheongyang Plant	kg	15,980	3,150	1,893
	- Daejeon Plant		46	-	-
	- R&D Center		22	86	39
	Total SS Discharge		16,047	3,236	1,932

Waste Management

Waste Disposal/Recycling							
Category			Unit	2023	2024	2025	
General Waste			ton	2,124	1,803	1,811	
Designated Waste				76	33	46	
Medical Waste				2	2	1	
Total Waste Disposal				2,201	1,838	1,858	
Waste intensity			ton/Sales-KRW	0.3290	0.2706	0.2839	
			100 million				
Recycling Amount			ton	1,739	1,633	1,692	
Recycling Rate			%	79.0	88.9	91.1	
Treatment Performance by Waste Type							
Business Site	Type	Treatment Method	Unit	2023	2024	2025	
Cheongyang Plant	General	Recycling	kg	1,533,700	1,588,890	1,676,020	
		Incineration		91,130	33,790	-	
		Landfill		8,090	-	-	
	Designated	Recycling		23,600	15,080	15,490	
		Incineration		14,550	5,020	5,160	
		Landfill		1,460	-	-	
		Neutralization		-	2,910	-	
	Total Waste Generated			1,672,530	1,645,690	1,696,670	
	Total Recycling			1,557,300	1,603,970	1,691,510	
Daejeon Plant	General	Recycling	kg	67,280	-	-	
		Incineration		-	-	-	
		Landfill		182,670	-	-	
	Designated	Recycling		-	-	-	
		Incineration		9,450	-	-	
		Others		4,660	-	-	
		Total Waste Generated			264,060	-	-
	Total Recycling			67,280	-	-	
	Logistics Center	General		Recycling	kg	111,820	29,140
Incineration			110,470	136,430		122,010	
Designated		Recycling	350	-		-	
		Others	220	-		-	
Total Waste Generated			222,860	165,570		122,010	
Total Recycling			112,170	29,140		-	
R&D Center	General	Recycling	kg	1,920	134	440	
		Incineration		16,576	14,860	12,872	
	Designated	Incineration		21,584	10,108	24,905	
	Medical	Incineration		1,670	1,551	1,278	
	Total Waste Generated			41,750	26,653	39,495	
	Total Recycling			1,920	134	440	

Environmental Data

Air Pollutant Management

Category		Unit	2023	2024	2025
Dust Emissions	- Cheongyang Plant	kg	393.8	342.7	296.8
	- Daejeon Plant		708.6	-	-
	Total Dust Emission		1,102	343	297
	Dust intensity	kg/Sales-KRW 100 million	0.1648	0.0505	0.0453
Dust Emission Concentration		mg/m³	3.9	1.7	1.38
NOx (Nitrogen Oxide) Emissions	- Cheongyang Plant	kg	Not Detected	16.39	Not Detected
NOx (Nitrogen Oxide) Emission Concentration		mg/m³	-	0.4	-

*Not registered, as the source of SOx generation has been eliminated at the Cheongyang Plant.

Chemical Substances Management

Category	Unit	2023	2024	2025
Chemical Emissions	kg	1,526	980	2,039
Chemicals intensity	kg/Sales-KRW 100 million	0.2282	0.1443	0.3116

Hazardous Chemical Management

Category	Unit	2023	2024	2025
Hazardous Chemical Usage	ton	490	550	552
Hazardous Chemical intensity	ton/Sales-KRW 100 million	0.0733	0.0810	0.0843

Social Data

Employee Status

Category		Unit	2023	2024	2025
Total Number of Employees			912	939	950
Gender	Male	Persons	566	575	562
	Female		346	364	388
Employment Type	General		520	539	543
	Production		254	257	258
	Specialist		69	67	68
	Contract		58	63	68
	Executive		8	10	10
	Independent Director		3	3	3
Diversity	Persons with Disabilities		27	31	31
	Foreign Nationals		7	8	7
	Persons of National Merit		14	16	15

*The figures for employees with disabilities include employees of Aekyung Industrial and its subsidiary, Modurak Aekyung Industrial Co., Ltd.

New Hire Status

Category		Unit	2023	2024	2025
New Hires by Age Group	20s	Persons	85	87	89
	30s		48	60	54
	40s		16	24	12
	50s or older		11	13	6
	Total		160	184	161
New Hires by Gender	Male	Persons	64	77	48
	Female		96	107	113
	Total		160	184	161
New Hire Gender Ratio	Male Ratio	%	40.0	41.8	29.8
	Female Ratio		60.0	58.2	70.2
	Total		100.0	100.0	100.0

Worker Diversity by Position

Category			Unit	2023	2024	2025
Ratio of Male Employees to Total Employees				62.1	61.2	59.2
Ratio of Male Employees by Position	General	G1	%	37.0	32.6	31.9
		G2		42.2	35.6	33.8
		G3		62.8	61.7	58.2
		G4		81.6	80.2	80.0
	Production	L1		86.6	81.9	83.1
		L2		93.0	93.9	92.0
	Specialist	T1		4.0	4.8	5.0
		T2		0.0	0.0	0.0
		T3		22.2	20.0	17.6
	Contract	R3		52.4	61.9	38.5
		R4		50.0	57.1	58.6
	Executive	A1		87.5	70.0	76.9
Ratio of Female Employees to Total Employees				37.9	38.8	40.8
Ratio of Female Employees by Position	General	G1	%	63.0	67.4	68.1
		G2		57.8	64.4	66.2
		G3		37.2	38.3	41.8
		G4		18.4	19.8	20.0
	Production	L1		13.4	18.1	16.9
		L2		7.0	6.1	8.0
	Specialist	T1		96.0	95.2	95.0
		T2		100.0	100.0	100.0
		T3		77.8	80.0	82.4
	Contract	R3		47.6	38.1	61.5
		R4		50.0	42.9	41.4
	Executive	A1		12.5	30.0	23.1
Ratio of Foreign Workers to Total Employees				0.8	0.9	0.7
Ratio of Foreign Workers by Position	General	G1	%	4.9	1.2	1.4
		G2		1.2	2.3	2.1
		G3		0.0	0.9	0.8
		G4		0.0	0.0	0.0
	Production	L1		0.0	0.0	0.0
		L2		0.0	0.0	0.0
	Specialist	T1		0.0	0.0	0.0
		T2		0.0	0.0	0.0
		T3		3.7	3.3	2.9
	Contract	R3		0.0	2.4	0.0
		R4		0.0	0.0	0.0
	Executive	A1		0.0	0.0	0.0

Social Data

Tenure/Turnover Status

Category	Unit	2023	2024	2025
Average Tenure	Years	9.3	9.4	9.8
Number of Turnovers	Persons	98	108	109
Turnover Rate	%	10.7	11.5	11.5

*Turnover: Voluntary resignations

Use of Childcare Leave

Category		Unit	2023	2024	2025
Number of Users	Male	Persons	7	11	14
	Female		20	15	23
	Total		27	26	37
Number Returned	Male		4	10	13
	Female		14	19	12
	Total		18	29	25
Number retained for at least 12 months after returning to work	Male	Persons	2	4	9
	Female		8	14	16
	Total		10	18	25
Number Scheduled to Return	Male	Persons	4	10	13
	Female		16	21	12
	Total		20	31	25
Return-to-work Rate	Male	%	100.0	100.0	100.0
	Female		87.5	90.5	100.0

*Employees retained for at least 12 months after returning: based on those who returned from childcare leave during the previous reporting period.

*Return-to-work rate formula: (Number who returned after childcare leave ended) / (Number scheduled to return from childcare leave) × 100

Employee Training Status

Category	Unit	2023	2024	2025
Total Training Cost	KRW thousand	443,320	497,565	393,873
Training Cost per Person		486.1	529.9	414.6
Total Training Hours	Hours	42,520	41,195	46,470
Training Hours per Person		46.6	43.9	48.9

Regular Performance Evaluation Status

Category	Unit	2023	2024	2025
Number of Employees Subject to Evaluation	Persons	785	795	791
Proportion of Employees Subject to Evaluation	%	86.1	84.7	83.3

*Based on the second-half evaluation; the employee figures exclude executives.

*Subject to regular performance evaluation: General staff (those who have worked 90 days or more within the half-year of joining); Production/field staff (regular employees with more than one year of service); Specialist staff (no evaluation in the first half-year that includes the date of joining; evaluation conducted from the following half-year).

Retirement Pension Status

Category	Unit	2023	2024	2025
Number of Members	Persons	782	773	761
Subscription Amount	KRW	56,468,518,950	58,510,001,914	60,123,026,792

*Defined benefit (DB)

Labor Union Status

Category	Unit	2023	2024	2025
Number of Members	Persons	254	257	258
Number of Eligible Members		831	849	859
Membership Rate		30.6	30.3	30.0

Health Insurance Benefit Status

Category	Unit	2023	2024	2025
Number of Employees Receiving Health Insurance Benefits	Persons	909	936	947

Social Data

Industrial Accident Rate

Category		Unit	2023	2024	2025
Head Office/AKIC	Accident	%	0.11	0.00	0.00
	Disease		0.00	0.00	0.00
	Total		0.11	0.00	0.00
R&D Center	Accident		0.00	0.00	0.00
	Disease		0.00	0.00	0.00
	Total		0.00	0.00	0.00
Cheongyang Plant	Accident		1.19	0.28	0.26
	Disease		0.00	0.00	0.00
	Total		1.19	0.28	0.26

*Based on Korea Occupational Safety and Health Agency standards

Safety Walk

Category		Unit	2023	2024	2025
Cheongyang Plant	Identification	Cases	273	204	233
	Improvement		273	200	227
	Improvement Rate	%	100.0	98.0	97.4
R&D Center	Identification	Cases	213	144	71
	Improvement		213	144	71
	Improvement Rate	%	100.0	100.0	100.0

2025 Safety and Health Training Completion Records

Category		Unit	First half	Second half
Number of Completers by Business Site	Head Office/AKIC	Persons	416	428
	Cheongyang Plant		313	304
	R&D Center		73	75
	Logistics Center		9	11
Company-wide Completion Rate		%	100	100

*Prepared based on those who completed regular safety and health training

Supplier Status

Category		Unit	2023	2024	2025
Total Suppliers	Companies		403	415	409
Key Suppliers			17	19	19

*Key supplier criteria: Accounting for 50% or more of the purchase amount

Supplier Industrial Accident Rate

Category		Unit	2023	2024	2025
Industrial Accident Rate	%		0.42	0.02	0.21
Lost Time Injury Frequency Rate (LTIFR)			0.37	0.23	0.18
Key Suppliers	Companies		19	19	19

*Scope of supplier accident rate: Key suppliers

2025 Co-development of Eco-Friendly Packaging Materials

Brand Name	Material Name	SKU	Company Name	Development Details
woolshampoo, LiQ, AGE20'S, LABCCiN, Estar, KERASYS, SHOWERMATE, BLACKFORET	Container	13	Daedong Plastic, Atec Sejong, Taega	Use of PIR containers
AGE20'S	Container	16	Hanttam, Korea PS, Taejin Chemical, Irupack, UVMtech, Masaki Korea, Yerim Life	Use of PCR containers
LABCCiN	Container	4	Taedong C&S, LCC	PET → HDPE conversion
Estar, SHOWERMATE	Container	4	Atec Sejong, Taega	Colored PET container (Difficult) → Colorless PET container (Average)
KERASYS	Container	2	Taejin Chemical, Atec Sejong	Transparent PET container, one-touch cap: Average recyclability
BLACKFORET	Container	1	Daejin Co., Ltd.	AL container, removable label: Excellent recyclability
SHOWERMATE	Container	4	Pyuko	Colored PET container (Difficult) → Colorless PET container (Average)
Trio	Pump cap	1	SUN&L Changnyeong Plant	Use of all-PP plastic pump cap
AGE20'S	Raw material	1	Yerim Life	Use of PCR raw materials
point&	Tube cap	1	CNF Co., Ltd.	Use of PCR tube cap
point&	Pouch	1	Jeilcham	Use of PIR pouch
TISLO	Carton	7	CNF Co., Ltd.	FSC-certified carton

Social Data

Product Recalls

Category	Unit	2023	2024	2025
Number of Recalls	Cases	0	0	0

Social Contribution Donations

Category		Unit	2023	2024	2025
Social Contribution Programs	Programs	Programs	31	32	36
	In-kind		18.67	20.55	21.25
	Cash	billion KRW	0.39	0.64	0.53
	Total		19.06	21.19	21.78
Proportion of Social Contribution Programs in Sales	Sales	billion KRW	668.9	679.1	654.5
	Share of Sales	%	2.8	3.1	3.3

Governance Data

Board Operation

Category	Unit	2023	2024	2025
Number of meetings	Meetings	8	8	8
Inside Director Attendance Rate	%	100	100	97.6
Independent Director Attendance Rate		100	100	88.8
Other Non-executive Director Attendance Rate		100	100	75
Attendance Rate (Average)		100	100	87.1
Number of Resolutions	Cases	35	17	23
Reports		13	8	13
Total Board Agenda Items		48	25	36

2025 Board Training

Category	Date	Training	Participants
Independent Director Training (AK Holdings)	25.05.16	Discussion on enhancing understanding of the Group and on business direction	Independent Directors (Park Hyeongmyeong, Jin Insik)
	25.02.19	2025 Economic and Industrial Outlook and Response Strategies	
	25.03.11	Leadership that drives organizational performance in the AI era	
Executive Training (AKT ON)	25.05.13	How the Future of Manufacturing Moves in the Digital Transformation (DX) Era	Company-wide leaders, including executives
	25.06.18	Negotiation and communication skills for leaders	
	25.09.09	Tectonic shifts in the global economy: strategies for turning risks into opportunities	
	25.10.14	Leadership strategies for responding to change	
	25.11.25	Communication skills for today's leaders	

2025 Ethical Management Training

Training	Purpose	Target	Date	Number of Completers	Ratio of Training Completers to Total Employees
New Employee Aekyung IN Program <Ethics Reinforcement Training>	In-house Ethics Training	New Hires	25.08.12	15	1.6%

Government Subsidy

Category	Unit	2023	2024	2025
Government Subsidy	million KRW	147	305	68

Association Membership

Korea Cosmetics Association	Korea Marketing Association
Korea Association of Business Executives	Distribution and Logistics Promotion Institute, Korea Chamber of Commerce and Industry
Korea Association of Listed Companies	Korea Standards Association
Korea Chamber of Commerce and Industry	Cheongyang-gun Entrepreneurs' Council
KCEA (Korea Consumer-centered Enterprise Association)	Korea Industrial Safety Association
Korea Association for the Promotion of Industrial Technology	Korea International Trade Association

Association	Unit	2023	2024	2025
Korea Cosmetics Association	million KRW	17.82	20.52	22.44
Korea Association of Business Executives		20.38	21.22	21.92
Korea Association of Listed Companies		10.24	10.24	10.24

Governance Data

Management System Certifications

Certification	Certification Body	Validity Period
ISO9001 Quality Management System	KSA (Korea Standards Association)	~2027.03.31
ISO14001 Environmental Management System	KSA (Korea Standards Association)	~2026.03.31
ISO45001 Health and Safety Management System	KSR Certification	~2028.12.25
ISO22716(GMP)	Bureau Veritas Korea	~2028.01.19
CGMP (Good Manufacturing Practice for Cosmetics)	Ministry of Food and Drug Safety	2016.07.22~
Halal Certificate	KMF (Korea Halal Industry Promotion Institute)	~2027.01.19
Family-Friendly Certificate	Ministry of Gender Equality and Family	~2027.11.30
Green Technology Certificate	Ministry of Environment	2022.11.24~2029.11.23
Green Technology Product Confirmation	Ministry of Environment	2022.11.24~2029.11.23
Eco-Label Certification	Ministry of Environment	By product
Vegan Cosmetics Certification	Korea Agency of Vegan Certification and Services	By product

Revisions in the Report

Water Usage: Daejeon Plant 2024 water usage data corrected from municipal water to industrial water **Labor Union:** Eligible-members and membership-rate data for 2023 and 2024 corrected in line with the data calculation method **Intensity:** Changed from production-based intensity to sales-based intensity **Retirement Pension:** Number-of-members data for 2023 corrected in line with the data calculation criteria



Appendix

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GRI Standards

Statement of use	Aekyung Industrial has prepared its Sustainability Report in accordance with the GRI Standards. The reporting period is from January 1 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

Category	Disclosure	Requirement	Page
The organization and its reporting practices	2-1	Organizational details	6~8
	2-2	Entities included in the organization's sustainability reporting	2, 6
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	100 (*Refer to the footnotes on each page)
	2-5	External assurance	106~107
Activities and workers	2-6	Activities, value chain and other business relationships	11~15
	2-7	Employees	95
	2-8	Workers who are not employees	95
Governance	2-9	Governance structure and composition	77~80
	2-10	Nomination and selection of the highest governance body	77~81
	2-11	Chair of the highest governance body	77
	2-12	Role of the highest governance body in overseeing the management of impacts	78~79
	2-13	Delegation of responsibility for managing impacts	78
	2-14	Role of the highest governance body in sustainability reporting	22
	2-15	Conflicts of interest	81
	2-16	Communication of critical concerns	22
	2-17	Collective knowledge of the highest governance body	99
	2-18	Evaluation of the performance of the highest governance body	82
	2-19	Remuneration policies	82
	2-20	Process to determine remuneration	82
	2-21	Annual total compensation ratio	Business Report p.230, 233

Category	Disclosure	Requirement	Page
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	39, 52, 72, 74, 87
	2-24	Embedding policy commitments	38~45, 58, 53~56, 72~73, 47~51, 75
	2-25	Processes to remediate negative impacts	75, 84
	2-26	Mechanisms for seeking advice and raising concerns	62, 78~79, 84
	2-27	Compliance with laws and regulations	Business Report p.246~248
	2-28	Membership associations	99
	2-29	Approach to stakeholder engagement	24
Stakeholder Engagement	2-30	Collective bargaining agreements	48, 96
	3-1	Process to determine material topics	25
Management Approach	3-2	List of material topics	26
	3-3	Management of material topics	27~30
	201-1	Direct economic value generated and distributed	6, 8, 10, 90-91
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	32-37
	201-3	Defined benefit plan obligations and other retirement plans	96
	201-4	Financial assistance received from government	99
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	45, 49, 73
	203-2	Significant indirect economic impacts	45, 49, 72
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	62, 86, 88
	205-3	Confirmed incidents of corruption and actions taken	75
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Report p.246~248
Tax	207-1	Approach to tax	84
	207-2	Tax governance, control, and risk management	84
	207-3	Stakeholder engagement and management of concerns related to tax	84
	207-4	Country-by-country reporting	84

GRI Standards

Category	Disclosure	Requirement	Page
Materials	301-1	Materials used by weight or volume	92
	301-2	Recycled input materials used	104
	301-3	Reclaimed products and their packaging materials	104
Energy	302-1	Energy consumption within the organization	93
	302-3	Energy intensity	93
	302-4	Reduction of energy consumption	37
Water and Effluents	303-1	Interactions with water as a shared resource	43
	303-2	Management of water discharge-related impacts	43
	303-3	Water withdrawal	93
	303-4	Water discharge	93
	303-5	Water consumption	93
Emissions	305-1	Direct (Scope 1) GHG emissions	37, 92
	305-2	Energy indirect (Scope 2) GHG emissions	37, 92
	305-4	GHG emissions intensity	37, 92
	305-5	Reduction of GHG emissions	37, 92
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	94
Waste	306-1	Waste generation and significant waste-related impacts	38~42
	306-2	Management of significant waste-related impacts	38~42
	306-3	Waste generated	42, 93
	306-4	Waste diverted from disposal	42, 93
	306-5	Waste directed to disposal	42, 93
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	61
	308-2	Negative environmental impacts in the supply chain and actions taken	61, 62
Employment	401-1	New employee hires and employee turnover	95~96
	401-3	Parental leave	96

Category	Disclosure	Requirement	Page
Occupational Health and Safety	403-1	Occupational health and safety management system	52~56
	403-2	Hazard identification, risk assessment, and incident investigation	52~56
	403-3	Occupational health services	52~56
	403-4	Worker participation, consultation, and communication on occupational health and safety	52~56
	403-5	Worker training on occupational health and safety	55~56, 63, 97
	403-6	Promotion of worker health	55~56
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52~56
	403-8	Workers covered by an occupational health and safety management system	52~56
	403-9	Work-related injuries	97
	403-10	Work-related ill health	97
Training and Education	404-1	Average hours of training per year per employee	96
	404-2	Programs for upgrading employee skills and transition assistance programs	47~48, 51
	404-3	Percentage of employees receiving regular performance and career development reviews	96
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	95
	405-2	Ratio of basic salary and remuneration of women to men	96
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	74
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	74
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	45, 49, 73
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	61
	414-2	Negative social impacts in the supply chain and actions taken	61
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	58
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	58
Marketing and Labeling	417-1	Requirements for product and service information and labeling	58
	417-2	Incidents of non-compliance concerning product and service information and labeling	58
	417-3	Incidents of non-compliance concerning marketing communications	58
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70

SASB

Topic	Accounting Metric	Code	Notes
Water Management	(1) Total water withdrawn, (2) total water consumed, and the percentage of each in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	(1) Water withdrawal: 246,643 ton (2) Water consumption: 246,643 ton (3) According to the World Resources Institute (WRI) criteria, the Aekyung Industrial business sites located in high water stress regions are the Cheongyang Plant and the Daejeon R&D Center.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	The Cheongyang site, located in a water-stressed region, purifies and uses groundwater to reduce municipal water consumption, and manages water usage by installing flow meters for each process. In addition, we are reviewing the introduction of a water recycling system and continuing our reduction efforts.
Product ·Environmental, ·Health & ·Safety Performance	Revenue from products that contain Substances of Very High Concern (SVHC) subject to the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)	CG-HP-250a.1	All of our raw materials are subject to internal standards modeled on the Chemicals Control Act and the Act on the Registration and Evaluation, Etc. of Chemical Substances, and these standards also encompass EU REACH SVHC. A raw material may be used only when it conforms to these internal standards. In addition, we manage cyclopentasiloxane (D5) and cyclohexasiloxane (D6), which are restricted under Annex XVII of EU REACH, to standards stricter than those required by domestic regulations, and we are developing alternative raw materials and formulations.
	Substances listed on the Candidate Chemicals List of the California Department of Toxic Substances Control (DTSC), and revenue from products that contain them	CG-HP-250a.2	In compliance with the domestic regulations equivalent to the DTSC Candidate Chemicals List — namely the Act on the Registration and Evaluation, Etc. of Chemical Substances and the Chemicals Control Act — we select and use only ingredients and raw materials of a quality suitable for use in cosmetics, in accordance with our standards.
	Hazardous new materials and chemicals of concern: discussion of the identification and management process	CG-HP-250a.3	To exclude hazardous chemical ingredients and ensure product safety, we conduct safety reviews of all raw materials. To this end, we continuously monitor, in real time, not only domestic regulations but also the assessment results of authoritative bodies such as the ECHA (European Chemicals Agency), the EU SCCS (EU Scientific Committee on Consumer Safety), and the U.S. CIR (Cosmetic Ingredient Review). To keep abreast of global regulatory trends, we also check compliance with EU REACH, the FDA food additive standards, and the pharmacopoeia of each country. Furthermore, through Aekyung Industrial's internal product safety process, we systematically manage safety information for all chemical substances, including Material Safety Data Sheets (MSDS) and Certificates of Ingredients (COI).
	Revenue from products designed in accordance with green chemistry principles	CG-HP-250a.4	We obtained Green Technology Certification (Certification No. GTP-22-01557) for our eco-friendly dishwashing liquid manufacturing technology, and by applying this technology to the 'LABCCiN Kitchen Care Antibacterial Dishwashing Liquid,' we received Green Technology Product Confirmation (Certification No. GTP-22-03259). The 2025 sales of the 'LABCCiN Kitchen Care Antibacterial Dishwashing Liquid' amounted to KRW 248,280,769.
Packaging Life cycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	CG-HP-410a.1	(1) Total weight of packaging: 8,852 tons (2) Percentage made from recycled or renewable materials: 3.6% (3) Percentage that is recyclable, reusable, or compostable: 63.3%
	Discussion of strategies to mitigate the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	From the perspective of the 3R (Reduce, Recycle, Replace) — indicators that quantitatively assess and improve the environmental performance of product packaging materials and structures — we have established the AKGI indicators and are developing sustainable packaging.
Environmental and ·social impacts of the palm oil supply chain	Amount of palm oil sourced, and the percentage certified through Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	CG-HP-430a.1	In 2025, we sourced 18,795 tons of palm-derived raw materials.

TCFD

TCFD Recommendations	Disclosure	Recommended Disclosures	Reference Page
Governance	a)	Describe the board's oversight of climate-related risks and opportunities.	p. 32
	b)	Describe management's role in assessing and managing climate-related risks and opportunities.	p. 32
Strategy	a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	p. 34~36
	b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p. 34~36
	c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 34~36
Risk Management	a)	Describe the organization's processes for identifying and assessing climate-related risks.	p. 33
	b)	Describe the organization's processes for managing climate-related risks.	p. 33
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p. 33
Metrics and Targets	a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p. 37
	b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	p. 37
	c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 37

Verification Opinion Statement

Sustainability Report Verification

Aekyung Industrial Co., Ltd.

Dear Stakeholders

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged to independently verify the 2025 Sustainability Report (hereinafter 'the Report')²⁾ of Aekyung Industrial Co., Ltd.¹⁾ (hereinafter 'the Company'). KFQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

1) Organization Address (based on headquarters) : 188, Yanghwa-ro, Mapo-gu, Seoul
2) Data Collection Period : January 1, 2025 – December 31, 2025

Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

Verification Scope

1. Verification Boundary : Financial Performance – Based on Consolidated Financial Information / Non-financial Performance – Based on All Domestic Business Sites

* All Domestic Business Sites: Headquarters, AKIC, Cheongyang Plant, Daejeon Plant (suspended since October 2023), Central Research Institute, and Domestic Logistics Centers (Yongin, Gimhae)

2. Verification Items (based on GRI Standards 2021)

Category	GRI Standards	
Universal Standards	· 2-1 to 2-5 (The organization and its reporting practices)	
	· 2-6 to 2-8 (Activities and workers)	
Topic Standards*	· 2-9 to 2-21 (Governance)	
	· 2-22 to 2-28 (Strategy, policies, and practices)	
	· 2-29 to 2-30 (Stakeholder engagement)	
	· 3-1 to 3-3 (Material Topics Disclosures)	
	· GRI 206 (Anti-competitive Behavior)	· GRI 403 (Occupational Health and Safety)
Topic Standards*	· GRI 207 (Tax)	· GRI 414 (Supplier Social Assessment)
	· GRI 301 (Materials)	· GRI 416 (Customer Health and Safety)
	· GRI 302 (Energy)	· GRI 418 (Customer Privacy)
	· GRI 305 (Emissions)	

* Topic Standards : Provisions Criteria for Material Issues

3. Excluded Items from Verification: The following items are not included within the scope of verification 1) Performance and reporting practices of subsidiaries, affiliates, partners, and third parties 2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report 3) Other related information such as periodic disclosure reports and financial statements

Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 1 – Moderate]

Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to assess the reliability of the information disclosed in the Report based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- Non-financial Information : Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- Financial Information : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.
(However, the contents of the above data are not included in the verification scope.)

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the appropriateness of narrative disclosures, were evaluated through interviews with the responsible personnel. However, interviews with internal/external stakeholders were not conducted. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

Competency and Independence

The audit team for this verification was duly composed in accordance with KFQ's internal regulations. KFQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.

Verification Opinion

As a result of the verification, it is the opinion of KFQ that:

- 1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)
 - **Inclusivity**
The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.
 - **Materiality**
The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.
 - **Responsiveness**
The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.
 - **Impact**
The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.
- 2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) - Accordance, SASB, TCFD)
- 3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.

2026-06-08

Ji Young Song, President, Korean Foundation for Quality (KFQ)



AA1000
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000-80/V3-DUL4T

Ji Young Song

GHG Verification Opinion Statement

GI-26-V026-01-02

Verification Opinion Statement

GHG Emissions Verification

Aekyung Industrial Co., Ltd

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Aekyung Industrial Co., Ltd¹⁾ (hereinafter the 'Organization') for 2025 KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the Organization.

1) Address (based on headquarters) : 188, Yanghwa-ro, Mapo-gu, Seoul, Republic of Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the Organization's voluntary GHG emissions inventories.

Verification Scope

The scope of verification encompasses all facilities and emission sources at seven sites²⁾ under the operational control of the Organization for the years 2022, 2023, and 2024.

2) Head Office, Cheongyang Plant, R&D Center, AKIC, Logistics Center, Branch, Daejeon Plant

Verification Criteria

The verification was carried out at the request of the Organization using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No. 2025-64 of Ministry of Environment)

Verification Approach

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level. The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

- 1) GHG emissions of the Organization were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

Appendix. GHG Emissions Calculation Results

2026-05-11



Ji Young Song

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QA1500-05-GI(3)

Appendix. GHG Emissions Calculation Results

Organization

Aekyung Industrial Co., Ltd

GHG Emission calculation period

January 1st to December 31st, 2025

Scope 1, 2 Emissions

Unit : tCO₂eq

Year	Site	Scope 1	Scope 2	Subtotal
2025	Head Office	30.159	364.272	394
	Cheongyang Plant	368.077	8,562.900	8,930
	R&D Center	23.419	471.986	495
	AKIC	-	80.361	80
	Logistics Center	-	277.003	277
	Branch	-	23.598	23
	Daejeon Plant	-	2.417	2
	Subtotal	421.656	9,782.536	10,201
Total				10,201

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

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QA1500-05-GI(3)

2025 AEKYUNG Industrial Sustainability Report

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Design	Rudolph Works

Sustainability Report History



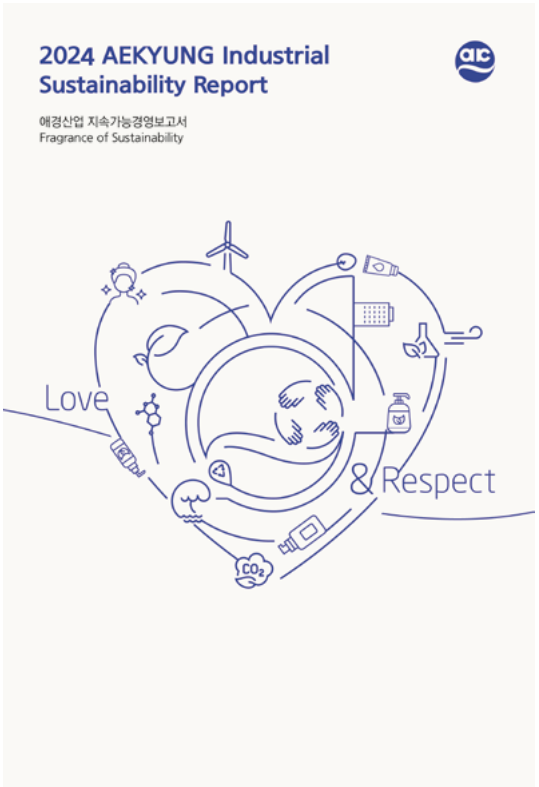
2021 AEKYUNG Industrial Sustainability Report



2022 AEKYUNG Industrial Sustainability Report



2023 AEKYUNG Industrial Sustainability Report



2024 AEKYUNG Industrial Sustainability Report