

Green Innovation for Sustainable Tomorrow

2025 DS Neolux ESG Report



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Issue Date May 30, 2025
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About This Report

About This Report

DS Neolux publishes annual ESG reports to disclose its ESG activities and performance in a transparent manner. The goal of this report is to share the ESG management process and performance of DS Neolux with its stakeholders.

Reporting Principles

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

Reporting Period

This report is based on our activities and performance from January 1, 2024 to December 31, 2024. For qualitative activities regarding certain key issues, the report also covers activities carried out in the first half of 2025, and for major quantitative performance, data from the recent three years (2022 to 2024) is disclosed to show changes in trends.

Reporting Scope

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

Report Assurance

This report underwent a thorough review by the Board of Directors of DS Neolux before publication. To improve the internal and external credibility of contents, independent assurance has been completed by an independent assurance provider, NICE Information Service, according to the four principles of AA1000AP(2018): inclusivity, materiality, impact, and responsiveness. Detailed opinions regarding the assurance can be found on pp. 66-67.

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User Guide

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You can return to the home, table of contents, or previous pages by clicking the corresponding buttons.

Additionally, icons located at the top left of each page allow you to access specific functions quickly and conveniently.



Corporate Overview

CEO Message

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About Us

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CEO Message

Dear Valued Stakeholders,

Throughout the past year, DS Neolux has built a strong foundation for sustainable growth despite facing fierce competition and uncertain external environments. We not only accomplished technological innovations but also established a stronger management system that takes into account the environment and our social responsibility, continuing the effort to set goals for keeping up with the changing times. In 2024, in particular, our sales hit an all-time high, an achievement enabled by growth strategies that balanced technology with management. At the same time, we made internal improvements to build a better corporate culture and foster talent, in addition to the continued external effort to fulfil our corporate responsibility. In 2021, DS Neolux became the first company in the world to commercialize Black PDL, a key material for non-polarizing low power technology. With this breakthrough achievement for ESG technology, we are achieving high efficiency and low power consumption, thereby practicing eco-friendly value.

First, we will further upgrade our ESG management strategies to ensure that technologies drive our future growth.

Practicing ESG is no longer an option but a precondition for the survival and sustainable growth of a company. DS Neolux will integrate ESG factors into its technology-oriented business strategies, expanding its lineup of products and solutions that can contribute to the environment and society. Through such efforts, we will improve our competitiveness in mid to long-term business activities while building a solid foundation that is not wavered by external changes.

Second, we will practice proactive environmental management by fully recognizing the importance of climate change response.

DS Neolux does not merely follow environmental regulations but is establishing systems to minimize its environmental impacts across all stages from product development to manufacturing. We pledge to continue our efforts to improve energy efficiency, reduce waste, optimize processes, and take active action to reduce carbon emissions.

Third, we will diligently fulfill our social responsibility and foster talent and future leaders based on a people-oriented corporate culture.

We know that our future depends on the growth of individual employees, which is why we will actively discover and support promising employees and leaders. We will also continue to fulfil our social responsibility as a corporation by ensuring co-prosperity with the local community, fair trade with suppliers, and a safe and healthy workplace.

Fourth, we will communicate with our stakeholders in an even more transparent and responsible manner to reinforce our reliability.

All major decisions and ESG activities will be shared without leaving any room for ambiguity, in addition to honest disclosure of areas that require improvement, as well as accomplishments. We will listen and respond to the voices of various stakeholder groups to build a stronger basis for co-growth and trust.

Going forward, DS Neolux will continue to create new value through means that bring technology, people, and responsibility together, and grow into a company that society expects us to be. We'd like to express our sincere gratitude for your unwavering support and interest, and look forward to sharing the change and growth awaiting us in 2025 with you all. Thank you.

CEO Soo-hoon Lee



About Us

About DS Neolux

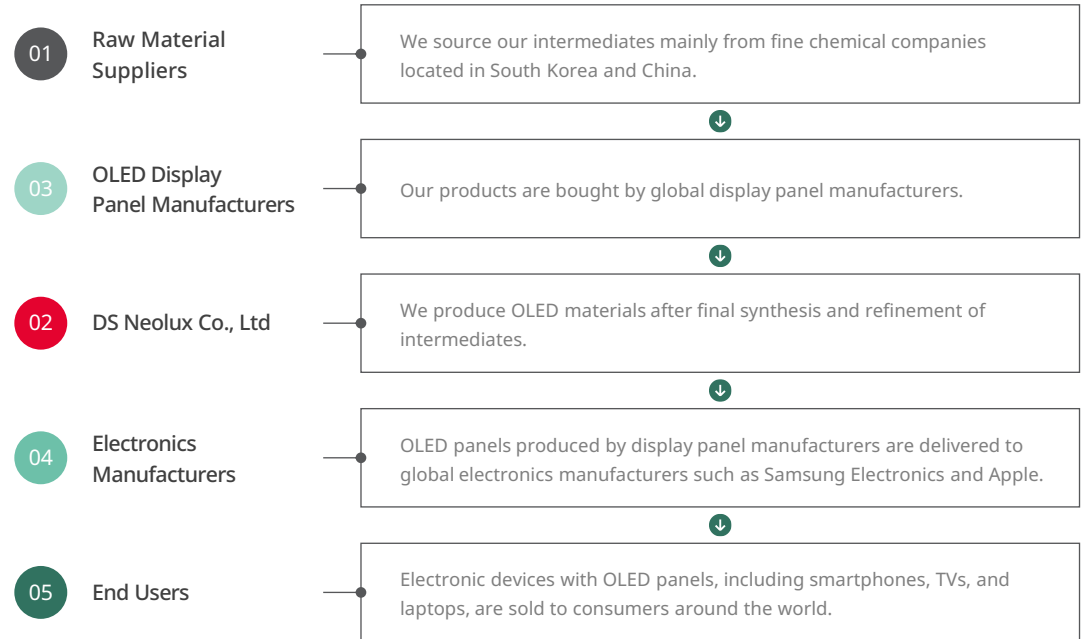
DS Neolux, a key affiliate of DS Group, specializes in developing and manufacturing OLED materials for displays. Fueled by innovative technologies and quality-oriented management, we devote our skills to developing next-gen material technologies while building systematic strategies for future growth. Our unrivaled competitiveness as a manufacturer and stable production capabilities allow us to build strong trust with clients and reinforce our position and achieve growth in a responsible manner in the OLED materials market, where renowned companies from South Korea as well as abroad fiercely compete with one another. Furthermore, we are reinforcing our technological prowess by expanding our global partnerships, recruiting skilled research personnel, and making steady investments in development infrastructure, putting in full-scale efforts to attain a competitive edge in the mid to long-term. Going forward, DS Neolux pledges to strengthen its leadership in the OLED industry, drawing upon its technology, experience, and spirit of challenge.

Company Overview

(As of December 31, 2024)

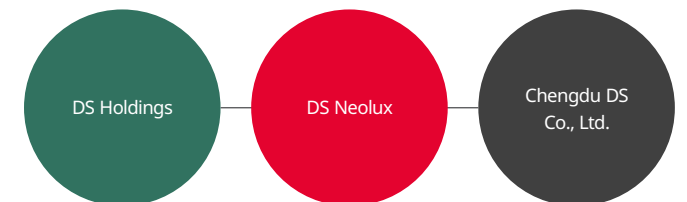
Name	DS Neolux Co., Ltd
Establishment	December 31, 2014
CEO	Suhun Lee, Bumsung Lee
Industry	Manufacturer of electronic components
Core Business	Development, production, sales and servicing of OLED materials
Credit Rating	A- (ECREDIBLE)
Website	www.dsnl.co.kr
Location	21-32, Ssukgol-gil, Ipjang-myeon, Seobuk-gu, Cheonan-si, Republic of Korea
Listing Date	February 2015 (KOSDAQ)
Type of Company	Mid size Company
No. of Employees	277 employees
Subsidiaries	Tigris Investment Chengdu DS Co.,Ltd

Business Value Chain



Subsidiary

DS Neolux established Chengdu DS Co.,Ltd. in 2022 to provide better services for clients in China and expand its business operations, allowing for a more sophisticated global management system.



About Us

Business Status

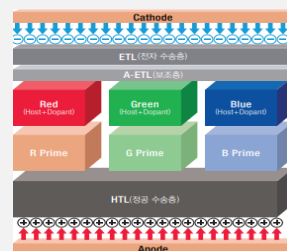
DS Neolux specializes in developing and producing organic light-emitting materials, a core component of OLED (Organic Light Emitting Diode) displays. Organic light-emitting materials for OLEDs are characterized by the ability to emit light on their own by converting electricity to light. Unlike conventional LCDs, they don't require a backlight unit (BLU), which means fewer limitations in terms of panel design and many other advantages, including wider viewing angles, higher contrast ratios, and shorter response times. DS Neolux, which in 2014 became the first Korean company to develop and mass-produce RED Host, a red-colored emissive layer, also commercialized a range of emissive and supporting layers, such as Red Prime in 2017 and Green Prime in 2021, taking the lead in the OLED materials market. In 2021, in particular, we succeeded in developing and mass-producing Black PDL (Pixel Define Layer), a low-power, eco-friendly, non-emitting material, for the first time in the world, a technological innovation that also has significance in terms of sustainability. In 2023, we acquired the conductive particle (CP) business from DS Hi-Metal, accelerating our development of new materials, and our scope of business is now expanding into the non-emissive material sector. Fueled by such technological competency, DS Neolux will continue to develop more advanced OLED materials while diversifying its business, laying the groundwork for future growth.

OLED (Pixel Define Layer) Materials

Main Products

DS Neolux develops and produces organic light-emitting materials, a core component of OLED display panels. Our flagship products include HTLs (Hole Transport Layers), Red Host, Red Prime, and Green Prime, which we supply to major display manufacturers in Korea and abroad in a stable manner. To keep up with the rapid technological advances in the OLED industry, we also constantly implement R&D activities to upgrade our organic materials, in addition to developing high-efficiency, low-power, and eco-friendly materials.

Structure of OLED Panels

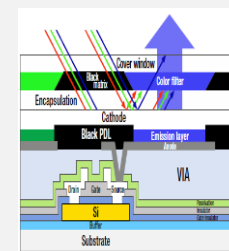


PDL (Pixel Define Layer) Materials

Main Products

In 2021, for the first time in the world, DS Neolux succeeded in developing Black PDL, a next-gen non-emitting material that overcomes the limitations of conventional PDLs, and has mass-produced and supplied it since then. Black PDL features upgraded properties compared to existing PDLs, which were mainly supplied to international businesses, and is praised as a key material for designing POL-less OLEDs. Applying the material makes it possible to produce thinner OLED panels and structures optimized for foldable displays. Black PDL also offers at least 20% higher luminous efficiency, at least 25% lower power consumption, and higher visibility to deliver outstanding performance. Black PDL, free of polarizers, uses less plastic and reduces energy consumption by improving luminous efficiency, which makes it an eco-friendly, high-performance material in terms of the environment as well as technology, with more and more industries expected to introduce it.

Structure of Black PDL

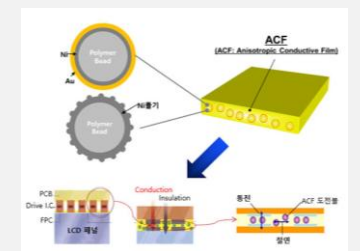


Conductive Particle

Main Products

Conductive particles refer to particles on polymer beads whose edges are electrolessly plated. They serve as a key component of an anisotropic conductive film (ACF). Our conductive particles demonstrate world-class qualities in distribution, evenness, mechanical properties, conductivity, and surface adhesiveness, helping improve the reliability and yield of not only ACFs but also anisotropic conductive paste (ACP). Furthermore, DS Neolux supplies products for the entire process from polymer core to insulating coatings, which allows us to provide client-tailored materials and ensure stable quality management.

Conductive Particles



About Us

History

Foundation (Acquisition and Launch of the OLED Business)

1999

- Foundation of DS Hi-Metal (DSHM)

2008

- DS Hi-Metal acquired and integrated LUDIS, today's DS Neolux, into the EL Material division

2009

- Began to supply HTL and CPL materials to Samsung Mobile Display

2010

- Finished construction of the Cheonan factory, and moved headquarters

2012

- Selected as a World Class 300 company

Development phase (Reorganization of business and establishment of long term vision)

2019

- Won an Award of Excellence at the Korea IR Awards and a commendation from the Minister of SMEs and Startup

2017

- Developed, produced, and supplied own IP Red Prime
- Won the Samsung Display Best Partner Award

2016

- Won the Samsung Display Best Partner Award

2015

- DUKSAN Neolux got listed on KOSDAQ
- Won an Industrial Award in recognition of the successful localization of OLED materials on the "6th Display Day" event organized by the Ministry of Trade, Industry and Energy

2014

- Became first in the nation to develop, produce, and supply own IP Red Host.
- Won the Award of Excellence at 'IP-R&D'

2020

- Developed and began the mass-production and supply of its own IP Green Prime: Won the Grand Prize at the Korea IR Awards

2021

- Developed and began the mass production and supply of its own IP Black PDL
- Won the Grand Prize at the Korea IR Awards
- Selected as a Youth-friendly Small Giant
- Received a Model Tax payer commendation from the Minister of Economy and Finance
- Selected as an Excellent Employer by Chungcheongnam-do Provincial Government

2022

- Won the Social Value category at the CSR Awards, organized by KCCI and Forbes
- Selected as a Youth-friendly Small Giant
- Selected an Excellent COSDAQ Disclosure Corporation and a Global Segment Company by the KRX

2023

- Selected as a Youth-friendly Small Giant
- Won the Social Value category at the KCCI & Forbes CSR Awards
- Acquired the Conductive Particle(CP)business from DS Hi-Metal

2024

- Selected as a Youth-Friendly Small Giant for four consecutive years
- Won the Social Value category at the KCCI & Forbes CSR Awards for three consecutive years





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ESG Management Strategies

ESG Vision and Goals

DS Neolux defines its ESG vision as building a sustainable future by innovating and challenging itself in collaboration with various stakeholders, including clients, employees, suppliers, and the local community. Our clear strategic direction and ability to take action allow us to deliver visible results and share them transparently. We also pursue responsible growth by internalizing ESG management.

ESG Vision and Goals

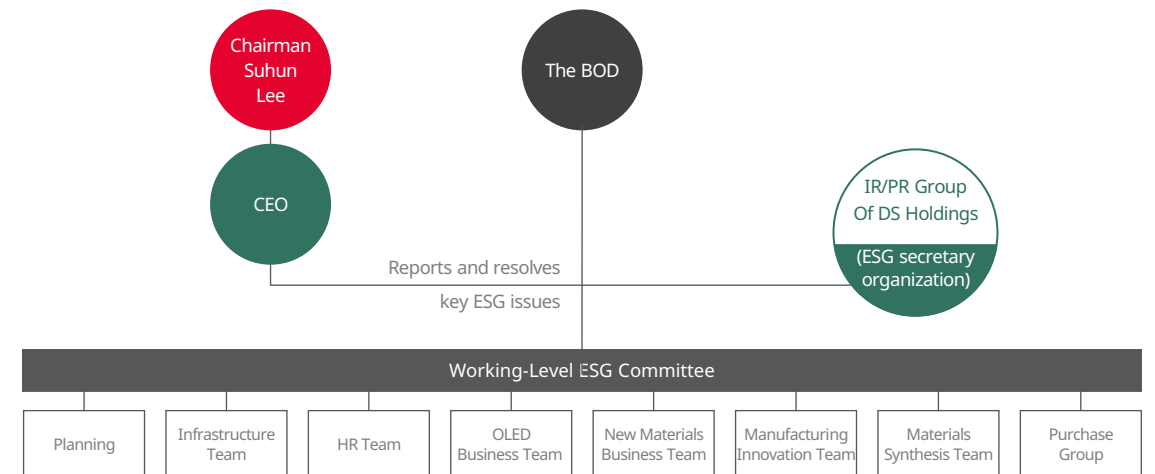
	Infinite Innovations and Challenges to Build a Sustainable Future		
ESG Vision	A Global Leader with Internalized ESG Management		
Core Values	Environmental Endeavor to Minimize Environmental Impact	Social Endeavor to Enhance Social Value	Governance Commitment to Responsible and Trusted Management
	<ul style="list-style-type: none"> Reinforcing environmental management Improving product sustainability 	<ul style="list-style-type: none"> Respecting human rights and improving employees' quality of life Reinforcing supply chain management Broadening the impact of social contribution 	<ul style="list-style-type: none"> Reinforcing ESG activities Internalizing ethical & compliance management
ESG Goals			
	↓		
ESG Key ESG Improvement Tasks	Climate Change Response 15% reduction in per-unit GHG emissions from 2022 by 2030	Air Pollutant Management Keep the concentration of dust and hydrocarbon emissions below 30% of the legal limit	Reducing Water Usage 10% reduction in water usage by 2025
	Building a Circular Economy Maintain at least 90% waste circularity rate at business sites	Improving Environmental Aspects of Products Facilitate the recycling of raw materials and packaging materials	Development of Eco-Friendly Products Develop next-gen PDLs and Blue Host
	Supply Chain Sustainability Management Include ESG factors in supplier evaluation	Reinforcing the Social Contribution System Develop mid to long-term social contribution strategies while reinforcing social contribution activities	

ESG Governance

Reinforcing ESG Governance

To ensure better implementation of our ESG management, the governance system of DS Neolux is managed by the Working-Level ESG Committee, which directly reports to the CEO. Working closely with the IR/PR Group of DS Holdings, which oversees and supports the ESG activities of DS Group affiliates, the Committee identifies, implements, and evaluates ESG tasks, publishes reports, and handles external communication, in addition to playing many other roles. The CEO receive reports on the Committee's activities and reports major ESG issues to the BOD, serving as a key mediator who ensures appropriate execution of the company's ESG vision and strategies, approves improvement tasks, and sets general directions. The BOD reviews ESG management issues and approves reports, including the annual materiality assessment, to provide supervision and consulting for effective application of the company's ESG strategies across its management. Although not directly reflected in the KPIs of the CEO or board members, the ESG performance of DS Neolux is linked with the KPIs of the IR/PR Group of DS Holdings and responsible executives.

ESG Governance

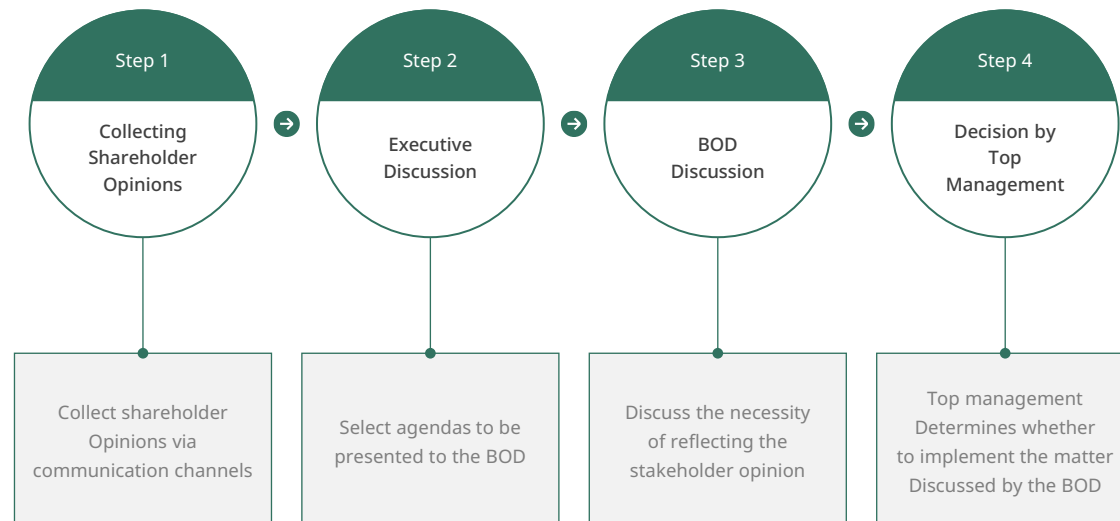


Stakeholder Communication

Stakeholder Engagement and Communication

DS Neolux fully recognizes the importance of stakeholder communication as an integral part of sustainable management. Accordingly, we categorize our major stakeholders into different groups, including clients, employees, shareholders and investors, suppliers, and the local community, for more systematic management, identifying the interest of each group and reflecting it in our management through active communication. We also operate a range of communication channels to listen to the voice of our stakeholders regarding major ESG issues and encourage their participation, an effort to create sustainable value as a corporation.

Process of Reflecting Stakeholder Opinions



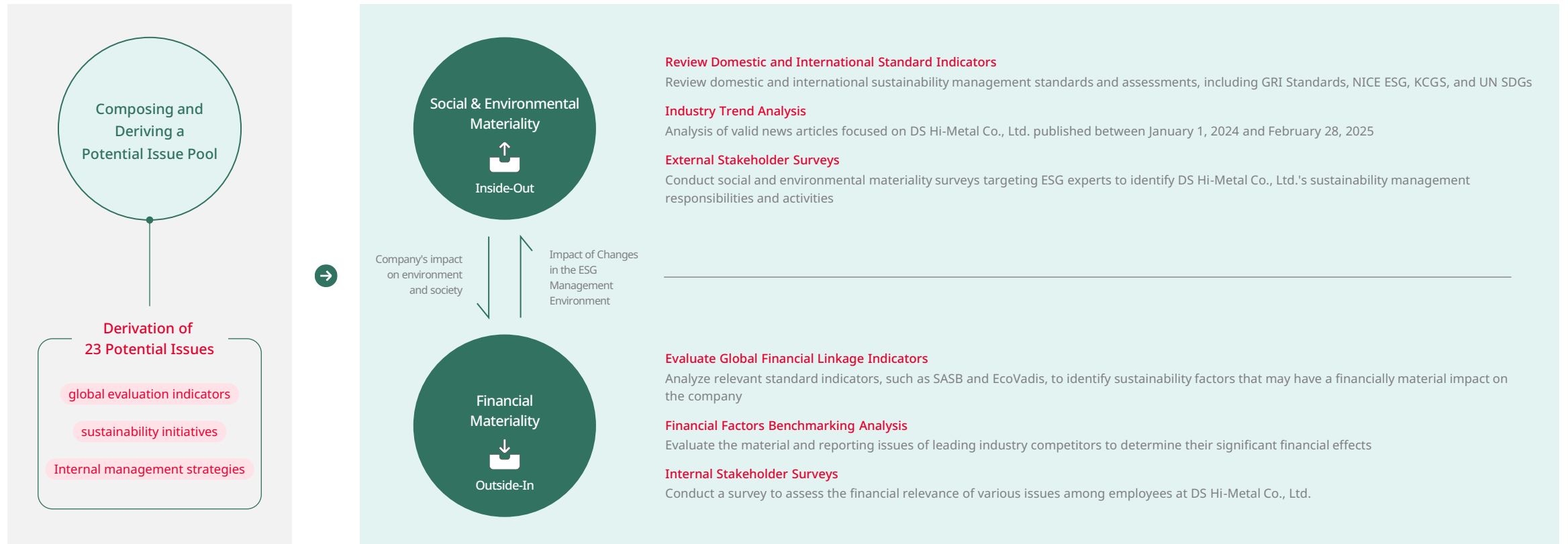
Communication Channels for Stakeholders

Stakeholder	Definition	Key Interests	Communication Channel
Clients	<ul style="list-style-type: none"> B2B clients 	<ul style="list-style-type: none"> Product quality and competitive pricing Accurate product information Reducing products' environmental impacts Preventing patent infringement 	<ul style="list-style-type: none"> Client meetings (continuous) Website (continuous)
Employees	<ul style="list-style-type: none"> The BOD Top management Company employees 	<ul style="list-style-type: none"> Fair reward system and enhanced employee benefits Better work environment in terms of human rights and labor Facilitating employee communication Work-life balance Management status 	<ul style="list-style-type: none"> Management briefing sessions (if required) Labor-Management Council meetings (four times a year) Employee communication events (if required) Satisfaction surveys (annually) Website (continuous)
Shareholders and investors	<ul style="list-style-type: none"> Individual and group investors Organizations Analysts, etc. 	<ul style="list-style-type: none"> Management performance and financial stability Improving corporate and shareholder value Transparent governance Risk management 	<ul style="list-style-type: none"> General meetings (annual general meetings and, if required, extraordinary general meetings) IR briefing sessions (if required) IR conference calls (continuous) Business reports (four times a year) Website (continuous)
Partner companies	<ul style="list-style-type: none"> Suppliers, etc. 	<ul style="list-style-type: none"> Fair trade Cooperation for co-prosperity and co-growth Smooth two-way communication 	<ul style="list-style-type: none"> Purchase contracts Supplier meetings (continuous) Website (continuous)
Local community	<ul style="list-style-type: none"> Local universities Charitable organizations, etc. 	<ul style="list-style-type: none"> Job creation Contributing to the development of the local community Creating social value Protecting the local environment 	<ul style="list-style-type: none"> Social contribution activities (continuous) Hiring talent from local community (continuous) News reports (if required)

Double Materiality Assessment

Double Materiality Assessment Process

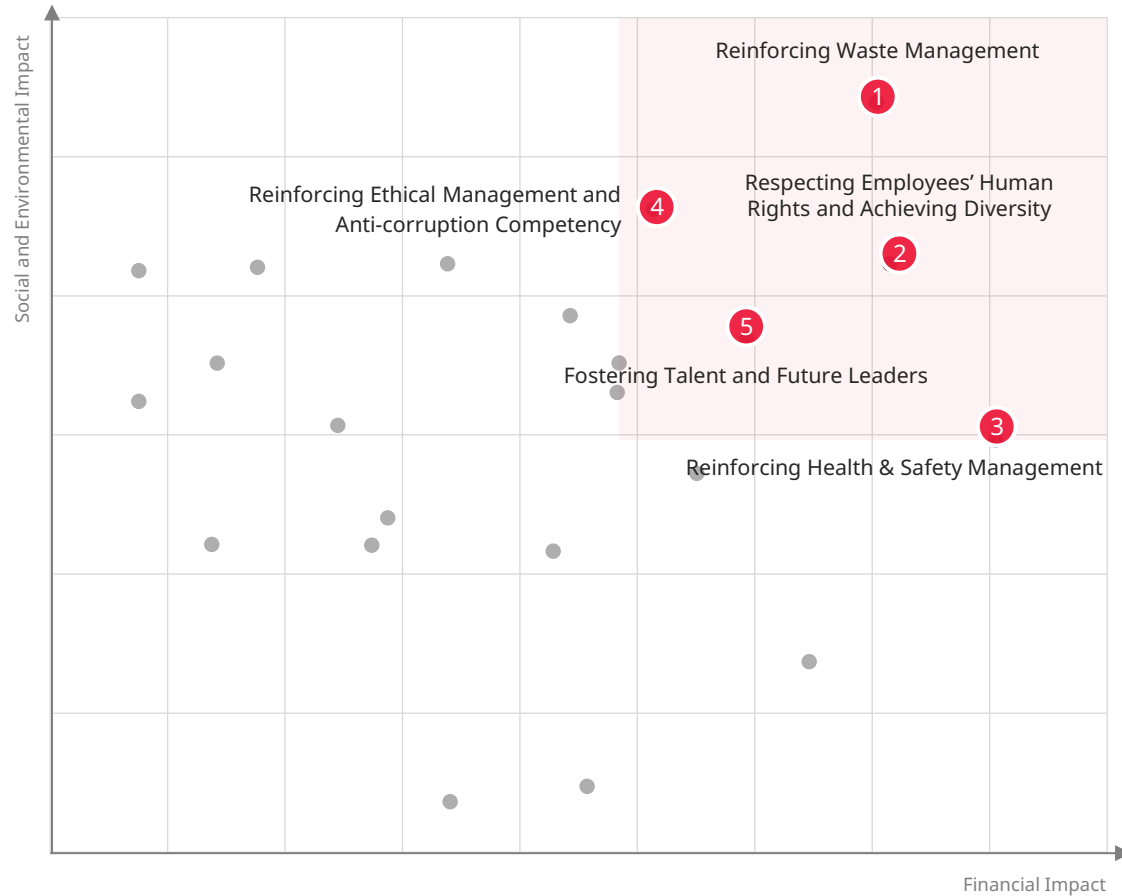
Sustainable management requires strategic handling of ESG issues. To identify key financial issues, as well as other issues that affect its external stakeholders, DS Neolux conducted a double materiality assessment that examined both the financial importance and the social/environmental importance of issues. This led to the discovery of issues that has major influence on the company, and after evaluating the priority of 23 potential ESG issues, five key reporting issues for DS Neolux were derived.



Double Materiality Assessment

Double Materiality Assessment Results

Materiality Map



Key Reporting Topics

Priority	Category	Issue Title	Change	Impact Area		GRI Index	Reporting Page
				Financial	Social		
1	Environment	Reinforcing Waste Management	Maintain	H	M	306	23
2	Social	Respecting employees' human rights and achieving diversity	Maintain	H	M	405, 406	25-26, 28
3	Social	Reinforcing health and safety management	Maintain	H	M	403	32-36
4	Governance	Reinforcing ethical management and anti-corruption competency	Maintain	M	M	205, 206	47-48
5	Social	Fostering talent and future leaders	New	M	M	404	27, 29

Environmental Issue



Background



Importance

- 1 Today, waste management is one of the most important environmental issues alongside climate change response, and to ensure efficient usage of resources and environmental conservation, sustainable manufacturing is essential. Industrial waste from the manufacturing process, in particular, may cause serious harm to the environment if not sorted and treated properly, and a company's ability to handle waste directly affects its fulfillment of environmental responsibility, its social trust, and the sustainability of its supply chain.

Response

- 1 To minimize the environmental impact of its business activities, DS Neolux implements systematic waste management and a regulated disposal system while putting continuous efforts into recycling resources and reducing waste.

Plans and Goals

- Maintain at least 90% waste circularity rate and upgrade the virtuous cycle of resource circularity to practice eco-friendly management

2024 Highlight of DS Neolux

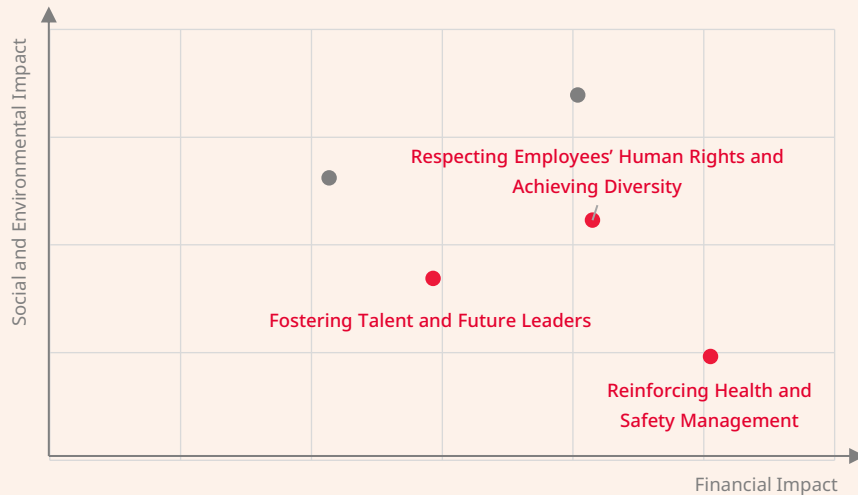


91.2% waste circularity rate at business sites

Social Issue



Background



Importance

- 1 As global supply chains face increasingly strict human rights due diligence laws, companies now need to self-evaluate and better manage their human rights risks in compliance with global human rights due diligence requirements in order to prevent potential risks regarding newly introduced regulations and lay the foundation for sustainable management.
- 2 Health and safety management closely relates to the lives and health of employees, and ensuring a safe workplace and protecting the health and lives of all employees is one of the most integral social responsibility of a company.
- 3 In a fast-changing industrial environment, a company can't achieve sustainable growth without recruiting skilled talent and fostering future leaders through systematic training. Talent development directly affects the organization's long-term competitiveness, not just its short-term performance, especially for technology-centered companies, where it is essential to establish a professional, industry-leading workforce.

Response

- 1 DS Neolux strives to internalize a human-oriented corporate culture. In 2023, in particular, we established a global human rights charter following international standards and guidelines on human rights and labor, an effort to systemize our human rights management.
- 2 With "achieving zero safety and health incidents" as our key management task, we have formulated health and safety management policies to build a safer workplace and protect the health of employees. We also obtained certification to ISO 45001, an international standard for occupational health and safety management systems, which allows us to systematically identify and manage potential risks in developing, producing, and selling electronic materials for OLED displays.
- 3 Under the motto of "people-oriented management," DS Neolux provides various educational and career development opportunities for employees to achieve continuous growth and fully exhibit their capabilities. Fostering next-gen leaders is included in executives' KPIs, and we offer job-tailored training, leadership reinforcement programs, and systematic performance management to build the foundation for sustainable leadership.

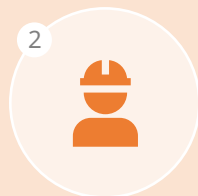
Plans and Goals

- Achieving zero safety accidents through health and safety management
- Laying the foundation for sustainable management by creating a discrimination-free organizational culture that respects human rights
- Fostering a group of next-gen leaders through an upgraded leadership development system

2024 Highlight of DS Neolux



Maintained Employment of Individuals with Disabilities



Received "A" Rating in the Internal Safety Activity Assessment for 2024



Included Fostering Leadership in Executive KPIs

Governance Issue



Background



Importance

- 1 Ethical management and compliance management play a foundational role in establishing a sustainable, trusted company. Even a single violation may lead to tremendous risks such as reputational damage, penalties, and legal action. With the growing importance of ethical management in global supply chains and investment, ethical management is now becoming a prerequisite for ensuring fair trade with suppliers, as well as clients and investors. As a result, ethical management is no longer an option but a fundamental obligation of companies.

Response

- 1 DS Neolux practices ethical management across the company based on its own ethics charter and code of ethics, striving to internalize a responsible corporate culture that complies with law and ethics.
- 2 DS Neolux regularly provides ethics and anti-corruption training for employees. We also operate DS Clean Reporting Center, a system to make sure that everyone, including external stakeholders, can report cases of unfair or unethical conduct. We manage our performance in ethical management based on training completion rate, the number of reports, and other relevant indicators, with plans to upgrade the internal control system for enhanced ethical management.

Plans and Goals

- Internalizing ethical management and promoting an anti-corruption organizational culture through voluntary participation

2024 Highlight of DS Neolux



All Employees Submitted Their Pledge of Ethical Management



Conducted Ethics and Compliance Training



Operated DS Clean Center



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ESG Performance

Key ESG Achievements

2024 ESG Performance

Environmental

Certification to ISO 50001(Energy Management)

In October 2024, DS Neolux obtained ISO 50001 (Energy Management) certification to enhance its energy consumption efficiency and level of environmental management in a systematic manner. This certification means that we are equipped with a company-wide energy management system for all stages from setting energy-saving goals to management, monitoring, and improvement, which allows us to further reinforce the basis for sustainable management through efficient use of resources and reducing GHG emissions.

Social

Chosen as a Youth-Friendly & Youth-Hiring Small Giant

DS Neolux was selected as a “Youth-Friendly Small Giant” for four consecutive years from 2021 to 2024. We strive to become a “company that everyone wants to work at” by providing younger workers with stable employment and growth opportunities and offering flexible working hours, competency-oriented training, and reasonable reward systems. In January 2025, we were chosen as a “Youth-Hiring Small Giant” by the Ministry of Employment and Labor and the Ministry of SMEs and Startups. The title is granted to companies that satisfy various criteria, including performance in youth employment, the level of salary, and work-life balance. It is a public recognition for DS Neolux’s talent-oriented management and youth-friendly culture.

Social

Support for Pediatric Palliative Care at Asan Medical Center

Since 2022, DS Neolux has made annual donations for critically ill pediatric patients receiving palliative care at Asan Medical Center and their families, with a pledge to donate a total of KRW 500 million. In January 2024, we made our third donation, KRW 100 million, which was used by the hospital to officially launch the Sunshine Tree Service, a palliative care program, and open a dedicated center for it. DS Neolux was also invited to the center’s opening ceremony, where our personnel talked about the significance of sharing and exchanged warm words with patients’ families, medical staff, and other officials from the hospital.

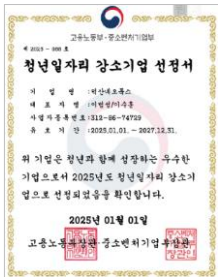
Social

Operation of Commute Shuttles for Employees’ Comfort

For more comfortable commutes and enhanced employee benefits, DS Neolux has been operating commute shuttles since 2024. This ensures more stable and efficient commutes for employees living in areas with limited access to public transportation, leading to higher satisfaction with work and a better work-life balance. Furthermore, by encouraging employees to take commute shuttles instead of driving to work, we are reducing carbon emissions both directly and indirectly, in addition to helping relieve traffic congestion during rush hours and saving energy. It is a real-world example of internalizing ESG, a goal of DS Neolux, and we will continue to devise and introduce systems that both consider the environment and employees’ wellbeing.



ISO 50001 certificate



Certificate of selection as a Youth-Hiring Small Giant



Certificate of selection as a Youth-Friendly Small Giant



Support for pediatric palliative care



Operation of commute shuttles

ESG Performance

Key ESG Achievements

2024 ESG Performance

Social The 7th Yuha Pureun Foundation Scholarship Ceremony

Yuha Pureun Foundation, a foundation affiliated with DS Group, held the 7th scholarship ceremony in January 2024, awarding tuition grants and scholarships worth KRW 100 million to 30 selected STEM students. The foundation provides support not only as financial assistance but also by operating summer and winter school programs during school holidays, offering meaningful educational opportunities for students to strengthen their leadership skills and creativity and develop a vision. Since its establishment in 2017, Yuha Pureun Foundation has awarded scholarships worth around KRW 900 million to 110 select students, and plans to continuously expand its support for the growth and development of young talent.

Social Winning of the Social Value Category at the KCCI & Forbes CSR Awards for Three Consecutive Years

In March 2024, DS Neolux won the Social Value category at the 15th KCCI & Forbes CSR Awards, becoming a third consecutive winner of the award. The prestigious KCCI & Forbes CSR Awards, co-organized by KCCI and Forbes Korea and sponsored by the Ministry of Health and Welfare, aim to encourage exemplary companies that practice CSR and promote corporate contributions to co-prosperity and the public good. The Awards recognized DS Neolux’s practice of sustainable management based on visible CSR activities, such as the support for pediatric patients, as well as the efforts to pursue co-prosperity with communities, public benefits and fulfil its social responsibility as a corporation.

Social Continued Employment of Brand Image Creators with Disabilities

Since 2022, DS Neolux has been employing individuals with developmental disabilities interested in art and culture as its “brand image creators” to offer a stable work environment and establish an inclusive hiring culture. The brand image creators participate in DS Neolux’s branding efforts by turning its activities into the form of artwork. We provide support for their working conditions and show our respect to their work so they can keep creating artwork in an autonomous and creative manner. Although we did not hire additional image creators or hold an exhibit of their work in 2024, we continue to provide stable employment for the current brand image creators and encourage their participation in work, helping them live independently in society and achieve professional growth.



The 7th Yuha Pureun Foundation scholarship ceremony



Winning of the KCCI & Forbes CSR Award



Artwork by brand image creators

Environmental

Climate Change Response

Climate Change

Reinforcing Climate Change Response Strategies

DS Neolux actively practices low-carbon management to reduce GHG emissions and optimize its energy consumption. We set mid- to long-term goals for climate change response, which aim to reduce the use of GHGs, energy, and water and to create a circular economy. We also implement systematic risk management as well as activities to improve our environmental performance in accordance with the international standard for environmental management systems (ISO 14001). Furthermore, we take part in the South Korean government's carbon neutrality policy and global initiatives to keep the average temperature rise to 2°C or below, with our Working-Level ESG Committee leading the effort to identify, evaluate, and improve climate risks. To this end, we obtained certification to ISO 50001, an international standard for energy management, in 2024, allowing for more efficient and systematic energy consumption. Such efforts lay a practical foundation for us to reduce energy consumption and GHG emissions, thereby practicing sustainable management.

Organization and Management System for Climate Change Response

CEO	Working-Level ESG Committee	Infrastructure Team
<ul style="list-style-type: none"> Sets and decides the direction of ESG management Makes decisions on climate change issues Manages climate change risks and opportunities 	<ul style="list-style-type: none"> Develops and oversees ESG and climate change response strategies Proposes company-wide guidelines on climate change response Responds to climate change initiatives 	<ul style="list-style-type: none"> Supports the development and implementation of climate response strategies Analyzes risks and opportunities regarding climate change

Mid to Long-Term Goals for Climate Change Response

Continuous



- Air Pollutant Management**
Keeping the concentration of air pollutant (dust and hydrocarbons) emissions below 30% of the legal limit
- Building a Circular Economy**
Maintaining at least 90% waste circularity rate at business sites

From 2025



- Reducing Water Usage**
10% reduction in total emissions by 2025

By 2030

- GHG Emission Reduction**
15% reduction in per-unit GHG emissions from 2022 by 2030 (absolute)

Climate Change Response Governance

Led by its Working-Level ESG Committee, DS Neolux established climate change response strategies based on systematic analysis of relevant risks and opportunities. We also set specific GHG reduction goals while building a practical roadmap to promote company-wide participation. The Working-Level ESG Committee regularly reports major issues to the CEO and the BOD, ensuring that they are reflected in managerial decisions. Furthermore, to better respond to the demand of global ESG rating agencies and our stakeholders, we continuously improve our climate information disclosure system and standards. We have also linked reducing GHG emissions through energy conservation to the KPIs of relevant departments and executives for more active participation, an effort to attain a sustainable competitive edge as a company. In 2023, we publicly announced our support for the TCFDD(Task Force on Climate-Related Financial Disclosures) and took part in the CDP(Climate Disclosure Project)'s climate change response assessment, laying the groundwork for climate change response. Going forward, DS Neolux will manage climate change-related risks in a more systematic manner so we can turn them into opportunities for further growth and sustainable management.

Activities to Improve Energy Efficiency

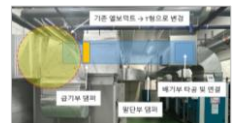
Over 90% of GHGs emitted by DS Neolux comes from electricity consumed during the process of manufacturing display materials, which is why our climate change response focuses on improving energy efficiency and using less electricity. To this end, we implement a range of energy-saving activities, such as installing power-saving timers and high-efficiency inverters in utility facilities and switching to LED lamps. Our everyday efforts to save energy include minimizing the operation of air conditioners on weekends and public holidays, turning off lights in rest areas, and remote monitoring of air conditioning and heating. In 2024, we carried out various energy-saving measures, such as installing high-efficiency transformers, reusing the waste heat of air compressors and transformers, integration of air compressor pipes for minimal operation, changing the pressure of PCW (Process Cooling Water) supply pumps while optimizing their operation, and introducing an integrated control system for air compressors. Most notably, we manage our systems according to the ISO 50001 standard (energy management systems) to achieve energy conservation and GHG reduction in a more systematic manner.



Integrated control system for air compressors



Reuse of waste heat from transformers



Reuse of waste heat from air compressors

Environmental

Climate Change Response

Climate Change

Reinforcing GHG Reduction Activities

DS Neolux carries out a variety of activities to reduce its GHG emissions. We aim to establish a sustainable production environment with a strategic approach that takes into account not only energy conservation but also facility stability, operational efficiency, and costs. In particular, considering that most of GHGs emitted by our business sites comes from electricity consumed during the manufacturing process, we put continuous efforts into ensuring efficient energy consumption and reducing GHG emissions. We installed four EV charging stations in our business sites for employees and visitors driving EVs, and purchased EVs as our new delivery vehicles to help reduce Scope 1 emissions. Such efforts allow us to not only reduce direct emissions but also promote the use of eco-friendly transportation, creating social value. As a result, we have saved annual electricity costs by KRW 180 million, in addition to reducing our total GHG emissions in 2024 by around 5% compared to the previous year.

GHG Reduction Plans for 2025

1	Reducing electricity costs by installing dehumidifying heat pipes for air conditioners
2	Reducing electricity costs by installing precise heating control systems for air conditioners
3	Reducing electricity by repairing leaking air pipes in air compressors
4	Reducing electricity costs through restricted operation of air conditioners in PRO Center
5	Reducing electricity costs by installing fog cooling systems for outdoor units of air conditioners in R&D Center
6	Reducing electricity costs by utilizing waste heat from chillers in R&D Center



Purchase of electric delivery vehicles



On-site EV charging stations

Environmental Management

Prevention of Environmental Accidents

DS Neolux operates systematic management systems to identify potential environmental tasks in its business sites and prevent accidents. We conduct an environmental impact assessment every year in an effort to inspect a range of environmental hazards such as air pollution, water pollution, toxic chemical spills, and derive areas of improvement for future management. Although there were no serious risks identified in the 2024 assessment, we are still implementing monitoring activities and preventive measures to minimize potential hazards. We also provide regular environmental training for all employees to raise environmental awareness across the company, in addition to carrying out company-wide campaigns to enhance employees' ability to respond to environmental accidents.

Activities to Prevent Environmental Accidents	Standards for Use of Hazardous Substances
<ol style="list-style-type: none"> 1. Conduct annual environmental impact assessments to identify and address potential hazards 2. Conduct annual emergency (fire, leak) drills to train all employees or specific groups on accident prevention 3. Communicate potential hazards and cases of accidents to all employees every quarter 4. Identify and address hazards and risks through monthly joint workplace safety inspections (for responsible employees and executives) 5. Manage potential hazards based on safety/environmental criteria 	<ul style="list-style-type: none"> • The Act on Registration and Evaluation of Chemical Substances • The Chemicals Control Act • The Occupational Health and Safety Act • The Act on the Safety Control of Hazardous Substances • EU REACH Regulation • The EU RoHS Regulation • Japan's Chemical Substances Control Law (J-REACH) • Japan's Industrial Health and Safety Act • China State Council Decree 591, China Ministry of Environment (MEP) Order 7

Environmental Training in 2024

Session Date	Attendance Rate (Attendees/Employees required to attend)	Topic
Jan. 18, 2024	100% (183/183)	Danger of chemical accidents
May 24, 2024	*Excluding supervisors	Chemical handling training

Environmental Management of Supplier Products

In compliance with domestic and international regulations and clients' environmental policies, DS Neolux carefully examines the environmental properties of products manufactured by its suppliers, ensuring that none of them contains hazardous substances. We apply uniform standards to all suppliers and require them to submit an RoHS test report upon signing a contract with us. Furthermore, we regularly commission accredited agencies to conduct hazardous substance testing on supplier products. If a supplier is found to use substances subject to environmental regulations, DS Neolux examines the possibility of improvement through discussion, then requests the supplier to submit and implement improvement plans.

Environmental

Environmental Management

Reinforcing Environmental Management Systems

DS Neolux fully recognizes the importance of environmental management in achieving sustainable growth and environmental protection, which is why we work for the cause in a systematic manner. We obtained certification to ISO 14001, an international standard for environmental management systems, for the development, production, sales, and servicing of OLED materials in 2007, and have maintained the certification since then through periodic reviews and recertification reviews. Furthermore, in 2023, we reinforced our environmental management system by adding a Facility Management Group, which oversees energy management, and a Safety & Environment Group, which oversees environment management, to the Infrastructure Team, a team dedicated to the environmental sector. These two groups discuss key environmental issues through the Working-Level ESG Committee and regularly report major environment-related matters to the CEO and the BOD so they can be reflected in the decision-making process. In 2024, we obtained certification to ISO 5001 (Energy management systems) for even more efficient and systematic management of energy consumption and more advanced energy management. We established an integrated environmental and energy management system in connection with the existing ISO 14001 certification, allowing for more systematic response to environmental risks and energy saving activities.

Environmental Management Policy

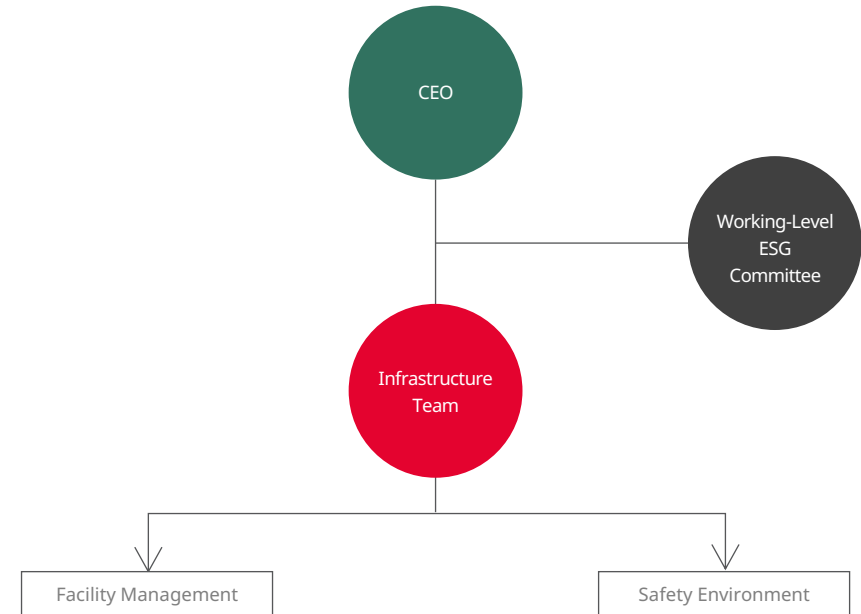
1. Understand and comply with environmental regulations and laws imposed on management activities.
2. Establish and operate systems optimized for environmental policies and goals.
3. Actively discover potential risks across all aspects of management activities and improve them.
4. Provide continuous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

Certificate of Environmental Management System

- 1 ISO 14001 certificate
- 2 ISO 50001 certificate



Environmental Management Organization Chart



Environmental

Reducing Environmental Impacts

Building a Circular Economy

Reinforcing Raw Material Management

With sustainable management of raw materials as its core value, DS Neolux strives to build a more transparent supply chain for its raw materials to protect the environment and increase resource efficiency. To this end, we work with responsible suppliers to ensure sustainable sourcing of raw materials. Moreover, we thoroughly analyze and optimize the usage of raw materials in our manufacturing process to maximize resource efficiency while preventing waste of resources. We also make active use of eco-friendly, recyclable packaging materials, an effort to minimize waste, creating a sustainable management system that contributes to a circular economy.

Use of Sustainable Packaging Materials

In order to minimize the use of packaging, DS Neolux considers the recyclability and eco-friendliness of materials as a top priority. We also run campaigns for collecting and reusing packaging materials to reduce the waste of resources and promote a circular economy. Such efforts help us generate less packaging waste and use resources in a more sustainable manner.



Recycled cardboard



Reusable danpla box

Minimizing Waste Generation

DS Neolux strives to minimize waste generation, comply with legal requirements, and prevent environmental pollution. We also annually review our performance in resource circularity to ensure appropriate disposal of waste and increase recycling rates. Waste generated at DS Neolux is categorized into waste from its business sites and hazardous waste, which comes from the manufacturing process and is disposed of by our recycling partner. Moreover, all our waste is carefully sorted into different categories such as scrap metal, paper, and oil, contributing to resource recycling. Such efforts led us to overachieve the target circularity rate set by the South Korean government in 2024 and maintain at least 90% waste recycling rate. To create a circular economy and minimize its environmental impact, DS Neolux will continuously reinforce its waste management system and promote resource circularity.

Technology Development for Eco-Friendly OLEDs

DS Neolux continues to upgrade its eco-friendly technologies by developing OLED display materials and improving their performance. Unlike LCDs, which require backlights, OLEDs emit light on their own, preventing unnecessary consumption of energy. In 2021, DS Neolux became the first company in the world to succeed in mass-producing Black PDL, which can replace conventional polarizers to enhance the penetration rate of OLED panels to minimize electricity consumption, leading to longer battery life, and consequently, to energy conservation. We are improving the stability and performance of Black PDL so it can be applied to a broader range of applications, in addition to developing new materials, including those for BRP (Black Resin Printing) inkjet. These eco-friendly technologies are expected to help panel manufacturers streamline their processes. DS Neolux is also committed to developing eco-friendly organic materials by enhancing the voltage, efficiency, and lifespan of light-emitting OLED materials. To enhance the low internal quantum efficiency of fluorescent Blue Host, we are developing a next-gen Blue Host by using phosphorescence sensitized fluorescence, which combines phosphorescence and thermally activated delayed fluorescence. Using this material, we're also working on technologies to increase the electrical efficiency and lifespan of OLED panels. At the same time, we explore ways to enhance the recyclability of materials essential for material synthesis so we can minimize their environmental impact and develop more sustainable OLED materials.

Technology Development to Reduce Environmental Impact

Photoresist(PR) materials like Black PDL usually include per- and polyfluoroalkyl substances (PFAS) for enhanced spreadability. PFAS, however, are often called “forever chemicals” because they are unlikely to be naturally decomposed and may accumulate in organisms. Research also shows that they could have negative influence on the human body by damaging the immune system, causing hormonal disruption, and negatively affecting reproductive health. As a result, some countries have introduced legislations that restrict or ban the use of PFAS, whereas South Korea’s regulations on PFAS apply only to PFOS (Perfluorooctane Sulfonate), a type of PFAS. To keep up with the changes in global environmental regulations, DS Neolux developed PFAS-free Black PDL, an effort to minimize its environmental impact. Our R&D activities also aim to make all products PFAS-free, and we have recently completed the registration of a “PFAS-Free” trademark.

Trademark	
Application No.	40-2024-0180749
Registration No.	KR 40-2339079

Environmental

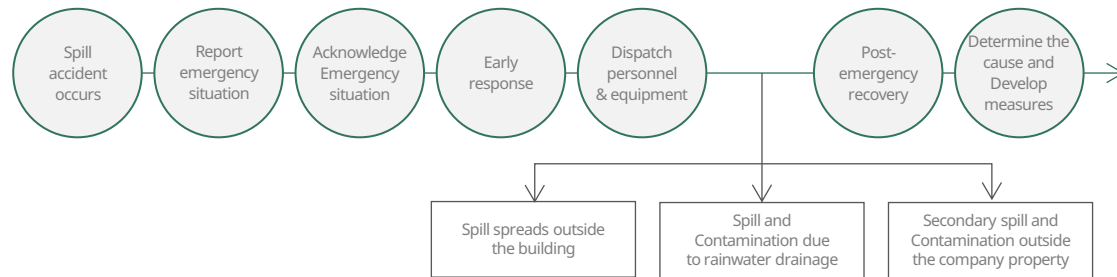
Reducing Environmental Impacts

Contaminants

Management of Hazardous Chemicals

DS Neolux obtained its business license in compliance with the Chemicals Control Act and operates its own chemical management system for safe handling of hazardous chemicals. We provide material safety data sheets (MSDS) for all types of chemicals handled in our business sites and update them regularly based on the latest information, in addition to monitoring the registration and amount of the handled substances. In compliance with relevant laws and legislations, we diligently take part in statistical reporting and performance surveys conducted by the National Institute of Chemical Safety of the Ministry of Environment. To prevent potential chemical hazards, managers and employees handling chemicals receive biannual safety training and are provided with certified safety equipment at work. Additionally, we conduct periodic emergency drills for situations such as toxic chemical spills and fires, ensuring prompt response in case of accidents.

Chemical Spill Response Process



Air Pollutant Management

DS Neolux complies with emission standards to preserve local air quality. We operate air pollution prevention facilities and monitor the concentration of emissions in real time using IoT systems, leading to more effective management of air pollutants. Additionally, we replace activated carbons used in these prevention facilities every six months for more efficient operation and put in continuous efforts to minimize the emissions of air pollutants such as fine dust. Such management activities have allowed us to keep the concentration of our emissions below the legal limit every year.

Water Resource Management

All wastewater from DS Neolux's business sites is disposed of not internally but by an external service provider in compliance with legal requirements, allowing for pre-emptive prevention of water pollution. In particular, Mulbaro, our electronic transfer system, enables us to monitor the entire wastewater disposal process in real time. We also transparently report our annual disposal results to responsible authorities to ensure thorough water resource management. As of December 31, 2024, DS Neolux used 11,640 tons of water and generated 414 tons of wastewater, with the latter fully disposed of by an external service provider. We invest a considerable amount of money annually in stable wastewater disposal and aim to practice responsible water resource management and environmental conservation by reinforcing relevant activities.



Facilities for water resource management

Biodiversity Conservation

Recognizing the importance of biodiversity, DS Neolux endeavors to minimize the impact of its business activities on natural ecosystems. In particular, we plan to undergo assessments focusing on biodiversity in addition to the regular environmental impact assessment when purchasing business sites or launching new projects, an effort to identify potential damage to the ecosystem and take preventive and improvement measures. We strictly adhere to the Convention on Biological Diversity (CBD) as well as domestic and international laws and regulations, and take caution not to develop protected areas or cause negative impact to the habitats of threatened or protected species. DS Neolux pledges its continued commitment to “no net loss” by ensuring no loss of biodiversity caused by its business activities and to responsible management and protection efforts.

Social

Employee Management

Human Rights

Reinforcing Human Rights Management Policy

DS Neolux respects the human rights of all stakeholders involved in its management and production activities, including employees, and strives to build a human-oriented corporate culture. In 2023, we established a human rights charter to systemize human rights management.

Human Rights Governance

At DS Neolux, human rights management is executed and overseen by the HR Team. The team prevents, identifies, and manages human rights risks, and also takes part in the Working-Level ESG Committee to discuss and report major human rights issues. Matters that require the BOD's review are presented at the BOD meeting by the ESG secretary organization, the IR/PR Team of DS Holdings, while the highest responsibility for the management of human rights risks falls on the BOD.

Human Rights Management Process



DS Neolux Human Rights Charter

1. Basic Principle

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

2. Scope of Application

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

3. Management Guidelines

3-1	Prohibition of Discrimination	We prohibit discrimination based on gender, race, or religion, and pay equal wage for equal work.
3-2	Compliance with Working Conditions	We comply with the labor law and minimum wage regulations of the country where we operate our business, and provide wage contracts and invoices.
3-3	Humane Treatment	We prohibit mental/physical coercion and abuse, and if such an event occurs, take measures to prevent recurrence while prioritizing the protection of the victim.
3-4	Prohibition of Forced Labor	We do not force labor against employees' free will and protect the health of female employees by ensuring that they are not forced to work overtime or on holidays. We do not request the surrender of ID cards as a condition of employment.
3-5	Guarantee of Freedom of Association and Collective Bargaining	We guarantee employees' rights to organize, conduct collective bargaining, and take collective action, and provide sufficient opportunities for employees to communicate with the company regarding working conditions.
3-6	Prohibition of Human Trafficking	We prohibit the recruitment, transfer, and harboring of human resources for exploitation.
3-7	Compliance with Minimum Employment Age	We comply with the minimum age of employment and only hires employees aged 18 or above.
3-8	Guarantee of Occupational Safety	We regularly inspect the facilities and equipment of our business sites and conduct relevant training to build a safe work environment.
3-9	Operation of Grievance Handling Process	We operate grievance channels accessible to employees as well as external stakeholders to address issues concerning human rights violations and develop measures to prevent their recurrence.
3-10	Inspection of Human Rights Management Status	We regularly inspect the status of our human rights management and, if required, take improvement measures.

Social

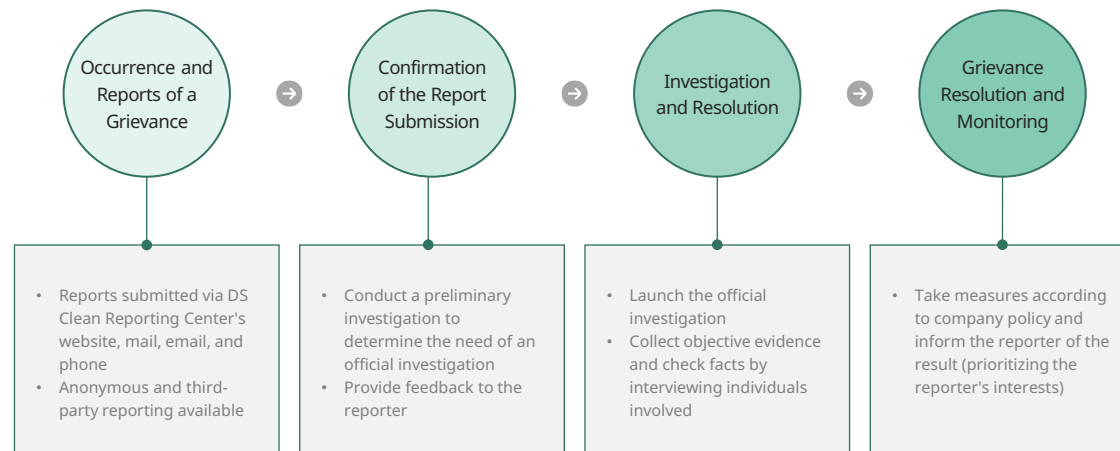
Employee Management

Human Rights

Operation of a Human Rights Grievance Channel

To protect its employees and stakeholders from human rights violations, DS Neolux operates DS Clean Reporting Center, an online reporting system. The center accepts reports via website, email, and mail and ensures anonymity to protect whistleblower confidentiality. We communicate the reporting process to all employees via internal groupware and posters, in addition to posting it on our website for suppliers and other external stakeholders. All reports made to the center undergo through investigation for fact-checking purposes, with protecting the victim and preventing recurrence as a top priority. If the investigation reveals a human rights violation, strict disciplinary action will be taken following relevant rules, which may also lead to follow-up preventive activities such as human rights training or campaigns. Human rights risks identified by the reporting center are reported to the Working-Level ESG Committee and the BOD for the top management to implement necessary inspections and measures. No reports related to human rights were received in 2024.

Grievance Handling Process



Human Rights Training for Employees

As part of its commitment to human rights management, DS Neolux provides regular human rights training for employees to recognize and respect the importance of human rights. These training sessions, participated by all employees, explore various topics, such as the prevention of sexual harassment and workplace bullying and promoting disability awareness, with the aim of preventing discrimination and human rights violations at work while building a fair and healthy work environment. We continuously improve and reinforce the content of training so employees can protect their own human rights with a sense of responsibility, an effort to internalize a workplace culture that respects the value of integrity and equality.

Human Rights Training in 2024

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

Social

Employee Management

Talent Management

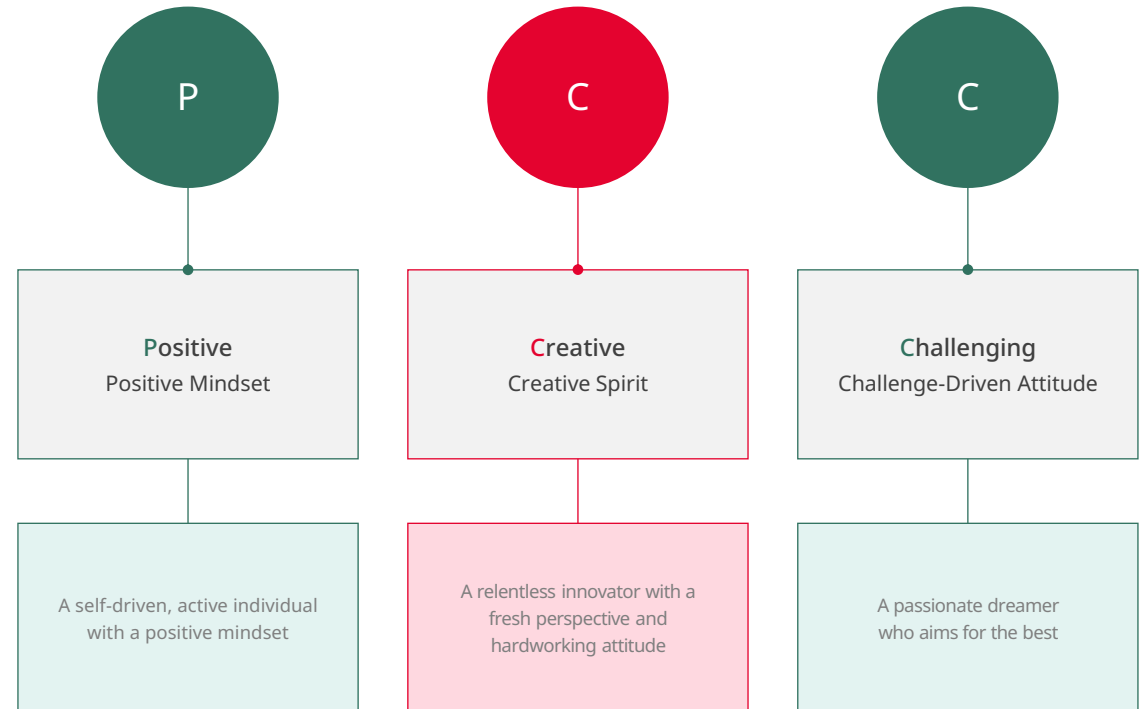
Human Resource Policies

DS Neolux believes that employees determine a company's competitiveness, which is why it operates HR systems that drive performance and support competency development. We ensure that all employees are provided with equal opportunities, not discriminated based on gender, age, place of origin, marriage, pregnancy, or any other reason in recruitment, hiring, training, placement, promotion, retirement, and dismissal. Our HR policy also clearly state the principle of anti-discrimination, to which we strictly adhere. Such principles and efforts led us to earn the "Green" rating in the 2024 Samsung Display Partner Code of Conduct Review, demonstrating outstanding performance in all criteria, including labor, human rights, ethics, environment, and safety.

Talent Recruitment

DS Neolux strives to achieve sustainable growth by recruiting talented personnel. We recruit on a regular as well as ongoing basis to find positive, creative talent with a growth-oriented mindset as well as display materials experts knowledgeable in synthesizing and refining organic materials. Additionally, we work with top universities in Korea and abroad to award scholarships to students and recruit skilled talent more quickly in collaboration with relevant academic departments and labs. Based on such efforts, we are expanding the extend of our recruitment campaign year after year, which led us to be chosen as a "Youth-Friendly Small Giant" for four consecutive years from 2021 to 2024.

Core Values





Social

Employee Management

Talent Management

Respecting Employee Diversity

DS Neolux follows an HR principle that all employees must be given equal opportunities regardless of gender, location, race, or any other personal traits. We respect employee diversity and treat all employees equally by adopting rational and transparent performance evaluation and promotion systems. The gender of recruited individuals does not affect their wages or benefits, and unfair practices such as recruitment and promotion discrimination are strictly prohibited. DS Neolux always endeavors to promote employee diversity by hiring individuals with disabilities and recipients of MPVA benefits, in accordance with its internal policy, which strictly forbids discrimination.

Female Managers at DS Neolux

Classification		Unit	2024
Managers	Total no. of managers	Person	75
	Total no. of non-managers	Person	202
No. of female managers by position	No. of female managers	Person	7
	Group leader	Person	0
	Part leader	Person	3
	PM	Person	4
	Percentage of female managers	%	2.5
	Group leader	%	0.0
	Part leader	%	1.1
PM	%	1.4	

Diversity-Oriented HR Policy

DS Neolux incorporates the value of diversity and inclusivity into its HR policy to build a fair and balanced work environment. The gender ratio of our workforce, in particular, is more balanced than the industry average, and the gap in average tenure between male and female employees is also smaller than the industry average. DS Neolux will keep striving to establish an organizational culture where all employees are given equal opportunities to achieve continuous growth, regardless of their gender, age, and background.

Promoting the Recruitment of Employees with Disabilities

To promote an inclusive organizational culture, DS Neolux grants additional points to applicants with disabilities in the recruitment process and ensure that they are not discriminated in any way regarding working conditions and environment. As a result, the percentage of employees with disabilities at DS Neolux amounts to 1.1% as of December 31, 2024.

Social

Employee Management

Talent Management

Employee Development

To help employees develop their job competencies and career, DS Neolux establishes annual training plans and provides training tailored to each employee's career stage and job. Most notably, in 2020, we abolished our job ranking system to switch to a performance and competency-oriented HR system that encourages employees to achieve growth in a more proactive manner. We ensure that an employee's length of employment does not determine their job, while also operating a promotion system based on the years of holding a position and providing job transfer opportunities. Such systems encourage employees to unleash their potential to the fullest.

Main Training Programs

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

Employee Performance Evaluation and Compensation

In an effort to encourage employees to set their own goals and deliver results, DS Neolux operates an MBO(Management by Objectives)-based performance evaluation system. The goals of individual employees are set according to the company-wide management goal, with their progress being checked in quarterly review and feedback sessions. Additionally, our employees undergo competency assessments based on their job competencies and DS Neolux's core values. Team leads and executives, in particular, receive multi-angled assessments that evaluates their leadership skills in an objective manner. The results of these assessments directly affect the employee's compensation and promotion, which helps employees stay motivated and improve themselves.

Performance Evaluation System



Employee Compensation System

Fixed pay	<ul style="list-style-type: none"> Base salary: Annual salary
Variable pay	<ul style="list-style-type: none"> Management performance-based bonus: provided differentially based on company-wide, organizational, and individual performance Stock options: irregular granting of stock options based on tenure and performance (To be regularly granted in the future) Improvement suggestion rewards: provided differentially based on improvement performance of production and quality-related teams R&D rewards: provided to employees with significant contribution to R&D and revenue generation Performance incentives: provided differentially based on performance, accounting for overall achievement of company-wide(shared), organizational, and individual goals

Social

Employee Management

Organizational Culture

Fostering a Culture of Mutual Respect Among Employees

Recognizing the value of mutual respect, the organizational culture of DS Neolux provides an autonomous, horizontal workplace where all employees are treated with respect. At DS Neolux, the 11th day of each month is a “Mutual Respect Day,” an initiative to practice mutual respect as our core value. It also serves as an occasion for listening to the voices of employees and inspecting internal situations through communication. Furthermore, we provide a range of opportunities for employees to voice their opinions and feedback freely and actively, which we do our best to reflect in our management activities.

Reinforcing Labor-Management Communication

DS Neolux strives to internalize a healthy labor-management culture based on mutual respect and trust between the two parties, making it a driving force for continuous growth. We hold Labor-Management Council meetings every quarter to discuss agendas such as working conditions and employee welfare, as well as quarterly management briefing sessions, where the top management and employees communicate with one another for transparent sharing of the company's major policies and business results. Employees can post suggestions and complaints anytime on the “Suggestions for Improvement” and “DS Communication Square” bulletin boards on company intranet, which helps us make visible improvements to the work environment and employee welfare.

Operation of Employee Communication Channels

DS Neolux operates various communication channels to foster a horizontal and vibrant organizational culture. Such efforts include interactive activities such as internal workshops and clubs, which bring together employees regardless of their age and job positions, helping them better understand each other and feel a stronger sense of connection and belonging. We also conduct periodic organizational culture surveys and multi-angled assessments to ensure employee's voices are heard and to improve our organizational culture based on it.



Organizational revitalization



Management briefing session



Workshop



Rice cake sharing event

Social

Employee Management

Organizational Culture

Improving Employees' Working Conditions

At DS Neolux, the well-being and happiness of employees always come first, which is why it continuously improves their work environment. To this end, we provide a pleasant office space based on employees' feedback, flexible working hours, and job competency training, promoting work-life balance. Furthermore, we offer regular health checkups and other various welfare programs, putting in unsparing efforts to create a stable and satisfying workplace.

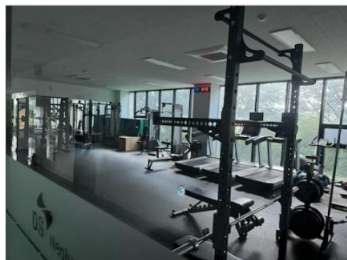
Employee Welfare Programs

With the work-life balance of employees as a core company value, DS Neolux provides flexible work arrangements as well as various welfare programs. Employees can flexibly choose when to start and finish work within the core time, from 10:00 a.m. to 3:00 p.m. We are also one of the first middle-market companies to introduce a partial four-day workweek system with our "DS Refresh Day" for enhanced employee well-being. Our family-friendly policies provide support for pregnant and parenting employees according to maternity protection laws. We also offer various welfare programs, including parental leave, reduced working hours, and family care leave, for both male and female employees. Other benefits include free stays at resorts in the summer holiday season, free health checkups for employees and their spouses, and assistance for housing expenses for newly hired employees as well as children's tuition fees.

DS Refresh Day

Main Welfare Programs

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



On-site gym



On-site cafeteria



Commute shuttle



On-site 10-minute recovery room



Free summer holidays at resorts

Social

Health and Safety Management

Workplace Safety

Health and Safety Management System

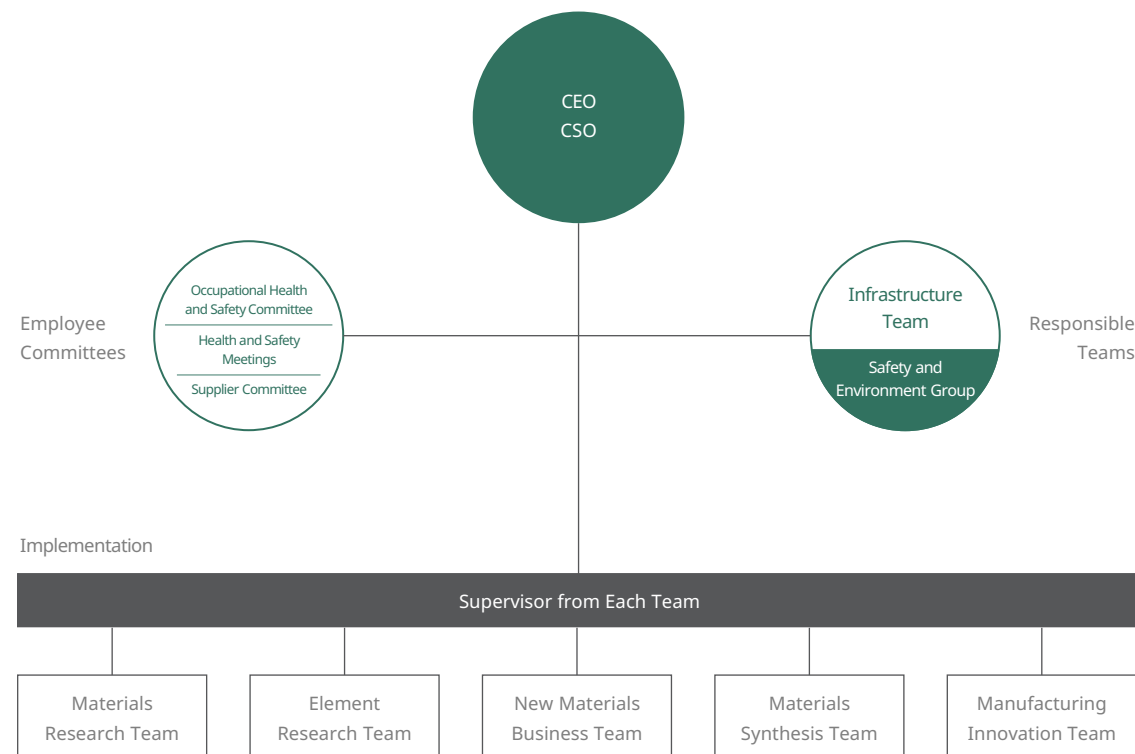
DS Neolux operates systematic health and safety management systems to create a safe workplace and protect employees, with health and safety as its top management value. Based on our certification to ISO 45001 (health and safety management systems), as well as ISO 14001 and ISO 50001, we build and operate ESG-oriented management systems in an integrated manner while making constant improvements. In 2024, we updated our health and safety protocols and guidelines to better reflect the current laws and work environment, leading to more advanced management systems. In particular, we reinforced supervisor-led safety activities to internalize autonomous safety management in which the responsible personnel proactively evaluates and improves risk factors. Our year-end participatory programs, such as the Safety Golden Bell event, also help safety and health personnel stay motivated by offering rewards. In the second half of 2024, we promoted the Safety and Environment Part to a group directly supported by the CEO and top management to reinforce its authority and responsibility, leading to a more practical health and safety management system. Going forward, DS Neolux will promote a safety and health culture that values systematic management and preemptive prevention so all employees can work in a safe environment.

ESH Policy

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

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

Organization Chart of Health and Safety Management



Social

Health and Safety Management

Workplace Safety

Operation and Management of the Occupational Health and Safety Committee

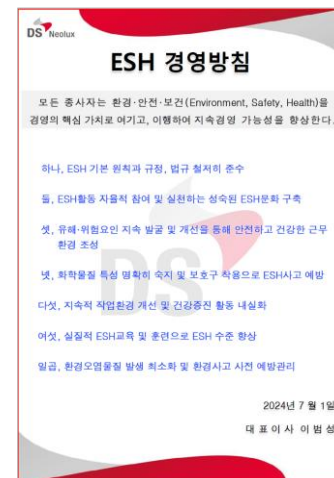
To prevent occupational accidents and improve its work environment, DS Neolux holds quarterly Occupational Health and Safety Committee meetings, which provide updates on legal requirements set by the Occupational Safety and Health Act and internal health and safety campaigns such as employee-led safety activities. In 2024, in particular, we added three advisory committee members from each department to the Committee, increasing the number of committee members to eight, allowing for a broader reflection of employee feedback. The Occupational Health and Safety Committee enables DS Neolux to reinforce labor-management communication and actively discuss health and safety issues in its business sites, with the goal of protecting employees and building a pleasant workplace.

Notable Results from Occupational Health and Safety Committee Meetings in 2024

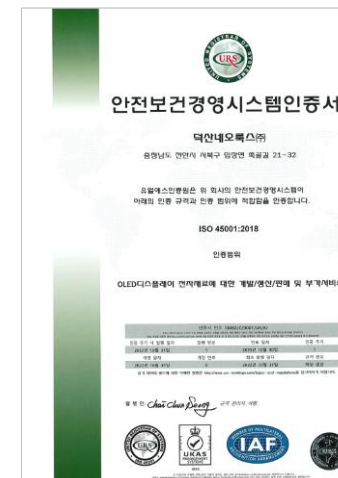
Classification	Agenda	Result
Q1 2024	Expansion of the work environment measurement process	No abnormalities identified after Expansion
Q2 2024	Increasing hazards regarding traffic accidents due to the lack of parking space, such as double parking	Addressed by operating commute shuttles
Q3 2024	Sharp edges of personal cabinets	Protective tape applied to all cabinets
Q4 2024	Revision of health and safety guidelines and establishment of 2025 operation plans	Approval of operational plans and the revised guidelines

Reinforcing the Health and Safety Responsibilities of Employees

At DS Neolux, health and safety hold the highest importance, which is why each member of top management and responsible departments is given clear roles and responsibilities in operating the health and safety management system. The CEO, for example, inspects business sites regularly, and conducts half-yearly joint inspections to identify health and safety risks and ensure they're properly addressed. In 2024, we revised our health and safety management policy and assigned a dedicated budget for health and safety, providing practical assistance to the responsible personnel. Furthermore, executives hold monthly safety management meetings to stay informed about the results of company-wide health and safety activities and other major issues and discuss approaches to key risks. Likewise, supervisors, including team leads, undergo periodic ESG training and are required to conduct on-site inspections. The results of such activities also affect their performance evaluation, leading to more effective implementation.



ESH management policy



ISO 45001 certificate

Social

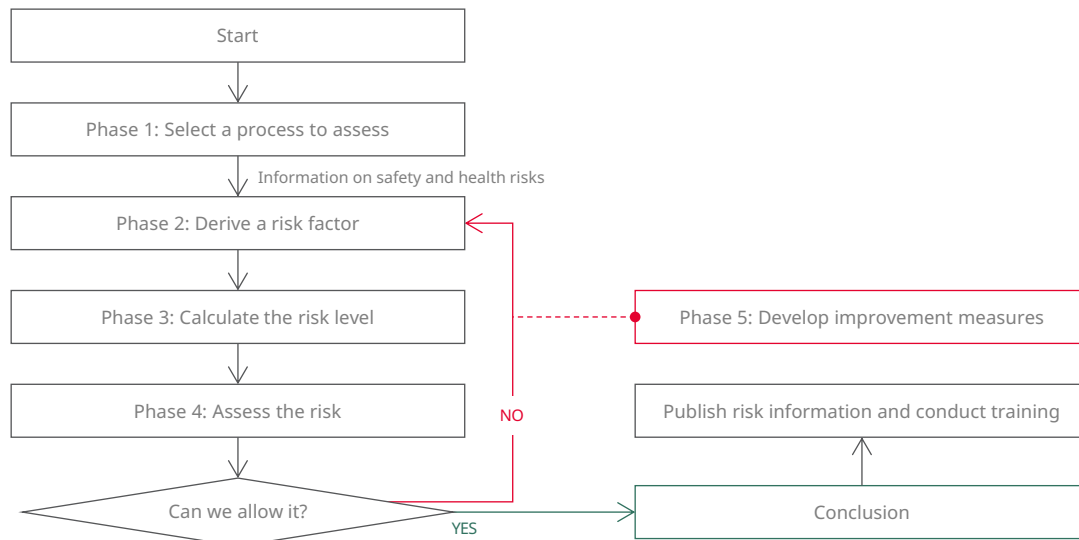
Health and Safety Management

Workplace Safety

Health and Safety Risk Assessment

DS Neolux conducts a company-wide risk assessment every year to identify and address potential hazards and risk factors at its business sites. This risk assessment, led by responsible supervisors, involves team-based training to encourage the participation of all members and analyzes potential risks at business sites in a systematic manner using the 4M (Man, Machine, Material, Method) approach. It determines risk levels on a scale of 20, requiring teams with risk levels of 9 or above to conduct internal training and make necessary investments to lower the risk level to the permitted limit. Such assessments and improvements allow us to manage on-site risks in a preemptive manner and continuously improve the safety of the work environment.

Risk Assessment Process



Health and Safety Inspections and Management

Personnel at DS Neolux conduct monthly joint safety inspections to identify and address potential hazards and risk factors as well as non-compliance with relevant regulations at business sites. These inspections, participated by safety managers, executives, group leads, and part leads, enable preemptive discovery of on-site hazards, and the inspection results are shared with the CEO and supervisors through safety management meetings and training sessions. We also commission external institutions to carry out inspections, and take part in co-prosperity projects led by prime contractors to keep improving our level of management.

Results of the 2024 Health and Safety Risk Assessment and Risk Factor Improvement Performance (Unit: items)

Total No. of Risk Factors Discovered	Improvement Target	Result	
		To Improve	Completed Improvement
727	190	237	190

Examples of Improved Risk Factors in 2024

Classification	Description
Risk	Fire caused by sparks from the friction between the solvent reactor drum and the inserting rod
Improve	Made a Teflon cover for the inlet of the drum
Risk	Heavy objects falling from warehouse shelves while placing goods due to the lack of fall-prevention measures
Improve	Installed dedicated guards for racks
Risk	Acute poisoning due to fume caused by ink-jet testing
Improve	Installed closed hoods and introduced an auto-exhaust program for ink-jet testing
Risk	Delay in alerting employees in the case of a fire
Improve	Linked a flame detection camera app to notify all managers in the case of a fire



Social

Health and Safety Management

Workplace Safety

Reinforcing Health and Safety Activities of Employees

In 2024, DS Neolux conducted team-tailored training sessions to reinforce the safety activities of employees, especially supervisors. Safety managers attended each team's training session to examine major risk factors and ensure that additional training is provided on recurring issues, raising safety awareness at workplaces. Supervisors, in particular, made learning materials themselves and provided support in risk improvement activities, enhancing on-site safety competencies in a systematic manner. Such efforts allowed us to further strengthen employees' awareness of safety and response skills and, consequently, to keep our workplace free of any serious accident throughout 2024. As a result, we could achieve an A rating, the highest rating, in our internal health and safety activity assessment. Going forward, DS Neolux will continue to upgrade its management systems to fully internalize a healthy and safe organizational culture.

Collecting Safety and Health Suggestions

DS Neolux improves the work environment by actively taking employees' suggestions regarding health and safety. In 2024, we received a total of 14 suggestions from quarterly meetings and addressed 9 of them. Notable measures include introducing drum pickers and dollies, improving the entrance to the indoor warehouse, reducing odor caused from wastewater collection, repairing elevator malfunctions, and developing slip prevention measures. We address problems primarily by making physical changes, rather than relying on human resources, an effort to provide a safer work environment.

Health and Safety Training and Drills

DS Neolux complies with the Occupational Safety and Health Act and conducts systematic health and safety training and drills to build a safer workplace. To ensure autonomous health and safety management by work-level teams, we provide regular training sessions in collaboration with safety managers, including monthly training sessions led by on-site supervisors. We also update our emergency plans annually to strengthen our emergency response ability, in addition to conducting emergency drills for various situations, including fires, blackouts, and toxic chemical spills. In 2024, in particular, we introduced non-scripted fire drills, where a fire scene is simulated without prior notice to assess employees' early response and evacuation abilities. This allows us to identify and improve problems that cannot be found in conventional drills and better respond to real emergency situations. DS Neolux pledges to keep upgrading its health and safety training and drills, doing its utmost to ensure that every employee can work in a safer, healthier environment.

Emergency Drills Conducted in 2024

Classification	Description	No. of Drills Conducted
Company-wide joint drills	1. Fire evacuation drill (first half) 2. Non-scripted fire drill (second half)	2
Team-tailored emergency drills	1. Fire evacuation drill 2. First aid drill (for contact with chemicals) 3. Safety accident drill	12

Social

Health and Safety Management

Workplace Safety

Management of Employee Well-Being and Health

DS Neolux implements systematic management to ensure employees' well-being and health and prevent occupational illness. We offer special and regular health checkups every year for employees to check for any occupational illness, in addition to conducting work environment measurement periodically to identify potential hazards. If employees receive abnormal results from checkups or require further observation, we provide follow-up support such as consultations with doctors and, if required, transfer them to different positions for additional protection. Furthermore, we carry out monthly health work inspections, as well as quarterly joint inspections with hygiene experts, to check the health environment of our business sites. The results are reported to the CEO, and top management ensures that the identified issues are properly addressed. There has been no case of occupational illness since DS Neolux's foundation, a result of our preemptive and thorough health management. We also operate an in-company fitness room to improve employee health, continuously increasing our investment in such facilities.

Healthcare Programs

Classification	Description
Health checkup for employees	General annual checkups and special quarterly checkups
Work environment measurement	Half-yearly analysis of potential hazards at work sites
Consultations for employees who receive abnormal checkup results or require further observation	Ongoing care by providing health consultations twice a month
Fitness facility	Ongoing operation of a free on-site gym

Health and Safety Activities



Emergency drill



Safety Golden Bell

Social

Enhancing Client Satisfaction

R&D

Establishing R&D Strategies

DS Neolux, an R&D-oriented company that independently develops and produces core display materials based on organic OLED materials, puts company-wide efforts into reinforcing its R&D capabilities. Our OLED Business Team conducts research with the goal of improving the performance and quality of organic materials, a key component of OLEDs (Organic Light Emitting Diodes), leading to increasingly competitive products. The New Materials Business Team, on the other hand, focuses its effort on expanding DS Neolux's portfolio in the global materials market to gain a competitive edge. In addition, we continuously increase R&D investments while securing technological competitiveness by supporting national projects and diversifying our scope of business, with the strategic goal of achieving sustainable growth through developing new materials with next-gen technology.

(As of December 31, 2024)

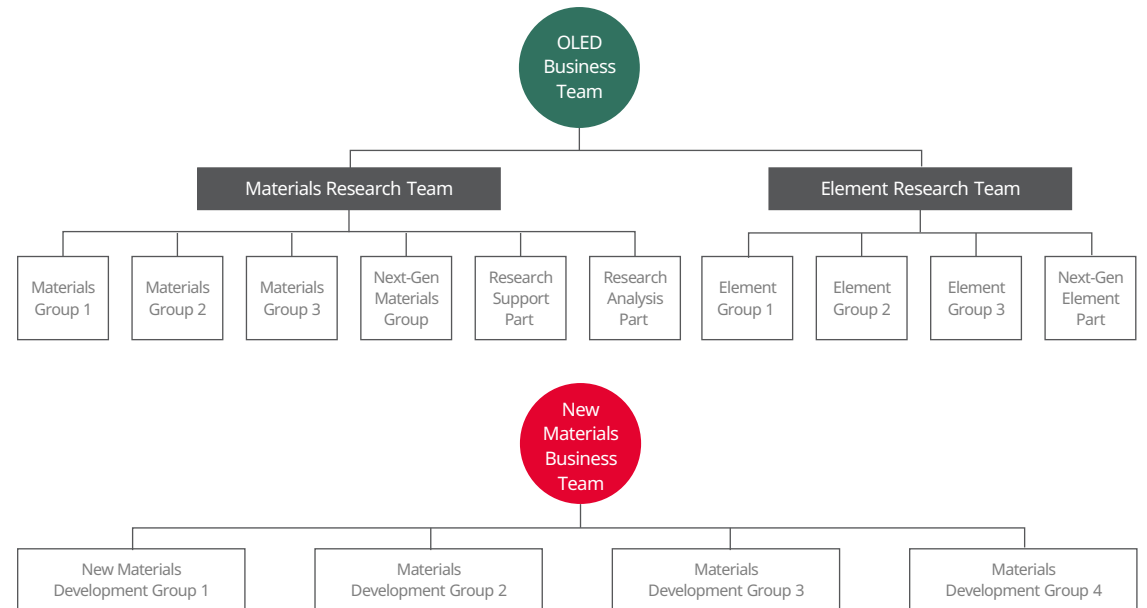


R&D Organization and Employees

The R&D workforce of DS Neolux is divided into the OLED Business Team and the New Materials Business Team, based on the area of development. The OLED Business Team focuses on satisfying panel manufacturers' demand in the fast-changing OLED display market by developing high-performance organic materials, whereas the New Materials Business Team is committed to researching various new materials for business diversification.

DS Neolux, which currently employs a total of 119 researchers, also works closely with top universities in Korea and abroad to support talent development and plans to launch industry-academia projects to hire research personnel, an effort to ensure continuous recruitment of skilled talent. We also invite advisory professors twice a month and hold guest seminars to reinforce internal research competencies, and encourage our research personnel to participate in domestic and international conferences and other professional training programs to keep up with the latest technological trends and improve their R&D capabilities.

R&D Organizational Chart



R&D Employees

Classification	Unit	2022	2023	2024
No. of R&D employees	Persons	109	125	119
Percentage of R&D employees' company-wide	%	44.5	49.2	43.0
No. of R&D employees with master's or PhD degrees	Persons	81	78	83
Percentage of R&D employees with master's or PhD degrees	%	74.3	62.4	69.7

Social

Enhancing Client Satisfaction

R&D

R&D Investment

With the vision of “becoming the No.1 ‘inno-creator’ in the materials and part sectors by infinitely challenging itself,” DS Neolux has invested at least 10% of its annual revenue in R&D to strengthen the competitiveness of current products while discovering new areas of business. We implement a range of analysis devices and simulation programs for the development of OLED materials. After introducing a new OLED deposition machine for IT in 2023, we decided to purchase additional deposition machines for the HQ and the Chengdu office to diversify our clients and ensure our element assessment process satisfies their varying demand. Consequently, a total of two new deposition machines will be installed in 2025. Furthermore, to accelerate the development of new materials and improve client satisfaction, we plan to introduce analysis facilities worth around KRW 7 billion and build more clean rooms.

2024 R&D Achievements

Since successfully commercializing red emissive layers in 2024, DS Neolux has continuously reinforced its competitiveness in the OLED materials market, as evident in the commercialization of red supporting layers in 2015 and green support layers in 2020. We are consistently supplying materials for OLED smartphone displays to global IT manufacturers such as Samsung Electronics and Apple, and in 2024, our materials, alongside the Tandem OLED technology, were applied to the first Apple tablets to feature OLED displays. To keep up with the fast-changing OLED display market, we conduct continuous research on next-gen OLED materials like blue phosphorescent materials while expanding our business in both the organic OLED materials and non-emitting materials sectors. In 2021, DS Neolux became the first company in the world to mass-produce Black PDL (Opixel Define Layer), laying the groundwork for diversifying our business portfolio, and we are now working to improve the material's properties for broader application. Other notable projects by DS Neolux include the R&D effort to enhance the quality and performance of conductive particles, a business it acquired in 2023, and as of 2024, we are also developing new materials for BRP (Black Resin Printing) ink-jet and new PSPI(Photo Sensitive Polymide) materials. To achieve continuous growth in the materials market, DS Neolux is applying for patents with an active, strategic approach, owning 266 patent applications and 161 patent registrations for development-related technologies as of 2024. Going forward, we will keep implementing R&D activities to discover new items and secure patents, reinforcing our competitiveness in the global materials market.

R&D Investment

Classification	Unit	2022	2023	2024
Amount of R&D investment	KRW million	22,587	20,653	31,865
R&D investment to sales ratio	%	12.78	12.62	15.01

R&D Tasks

Task Name	Status as of 2024
Light-emitting materials	<ul style="list-style-type: none"> Development of high-efficiency, long-lasting OLED materials Development of materials for Tandem OLEDs and blue phosphorescent materials
Non-emitting materials	<ul style="list-style-type: none"> Expanding the application of Black PDL Development of BRP(Black Resin Printing) ink-jet materials Development of PSPI materials
Inorganic materials	<ul style="list-style-type: none"> Improving the quality of quantum dot materials Development to reduce the costs of materials for conductive particles

Patent Applications and Registrations

Classification	Unit	2022	2023	2024
Application	Items	175	316	266
Registration	Items	119	146	161

Social

Enhancing Client Satisfaction

Quality Management

Operation of Quality Management

All business activities conducted by DS Neolux places the highest priority on enhancing client satisfaction, which involves establishing strategies for more strict quality management. We possess systematic production capabilities and technologies tailored to each product and apply uncompromising quality management standards to product development and production, devoting ourselves to improving client trust and satisfaction.

The Four Quality Management Principles

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

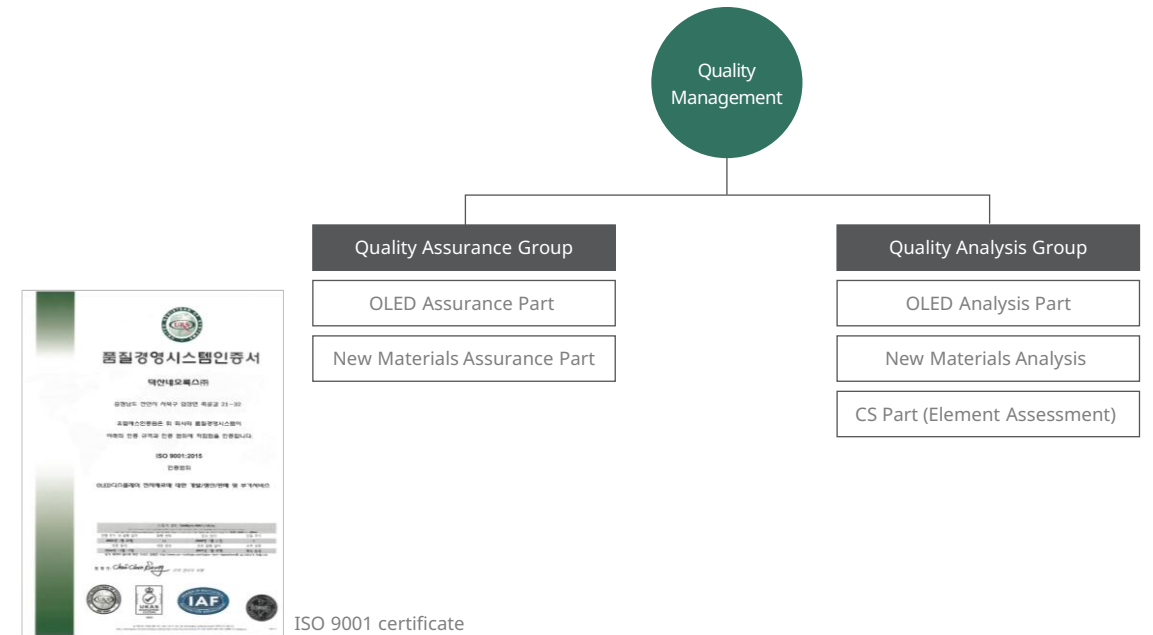
Quality Management System



Upgrading the Quality Management System

To provide clients with products of the highest quality, DS Neolux obtained certification to ISO 9001, an international standard for quality management systems, for all its business areas. Since then, we have maintained and managed the certification by undergoing annual reviews as well as triennial recertification reviews and ensuring the proper operation of our quality management system through an external certifier. We successfully passed the recertification review in 2024 as well, retaining our certification.

Organizational Chart for Quality Management



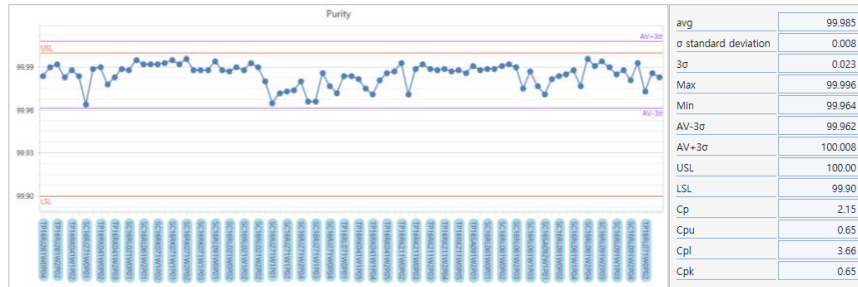
Social

Enhancing Client Satisfaction

Quality Management

Product Quality Management

To ensure highly competitive product quality and client satisfaction, DS Neolux manages its data and manufacturing process in digitized formats, using DS-QMS (DS Supplier Quality Management System) for raw materials and MES (Manufacturing Execution System) for processed and finished products. These digitized systems integrate dispersed data while reinforcing system connectivity, leading to quality management that can carry out analysis, judgment, and prediction.



Data and manufacturing process being managed in DS-QMS and MES

Management of Hazardous Substances in Products & Quality Improvement Efforts

In compliance with domestic and international regulations and clients' requirements for hazardous substance management, DS Neolux established and operates a systematic environmental management process for its products across all stages from raw materials to finished products. From the moment raw materials are delivered, we strictly check whether they include hazardous substances to ensure all products we supply are eco-friendly. The delivered raw materials and products regularly undergo in-depth testing by accredited institutions for more objective quality management. We also strictly adhere to laws and legislations by conducting hazard and risk assessments on our products according to domestic and international chemical regulations. Such processes allow DS Neolux to create better environmental value for clients as well as society.

Quality Management Strategies



Test Report of Hazardous Substances in Products

Social

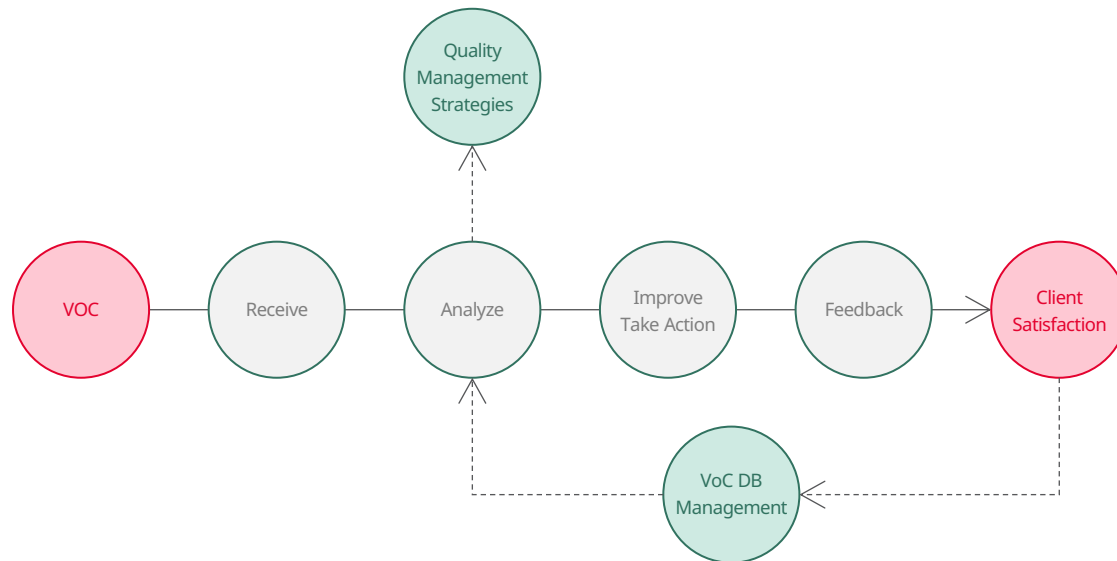
Enhancing Client Satisfaction

Client-Oriented Management

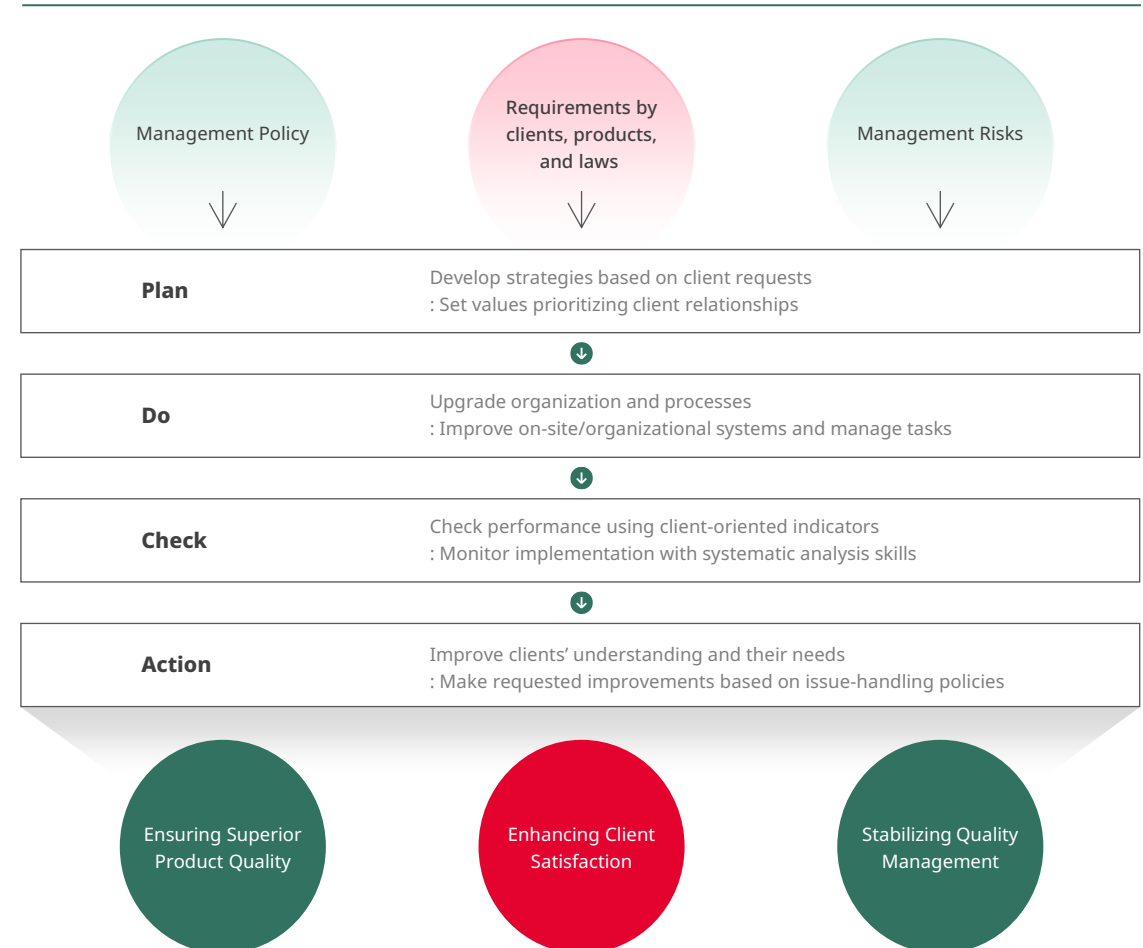
Client-Oriented Quality Improvement

DS Neolux operates a client response system that involves organic cooperation among all teams, including sales, production, quality, and research, aiming for a faster and more systematic response to client needs. The received VoC is turned into data for systematic management and used by the Quality Assurance Group to conduct in-depth analysis of client requests and reflect it in annual quality management strategies. This enables us to practice quality management that satisfies client needs in a preemptive manner, instead of simply solving the reported issue.

Client Satisfaction Process



Virtuous Cycle of Client-Oriented PDCA



Social

Supply Chain Management

Supply Chain Sustainability Management

Supplier Management Based on Supply Chain Management Policy

DS Neolux established a purchasing ethics charter to ensure fair and transparent purchases and operates a systematic purchase process led by the Purchase Group, which is responsible for supply chain management. In accordance with our supply chain management policy, we conduct document screening and on-site inspections before supplier selection and check the operation of current suppliers through reviews for further improvement. Additionally, we transparently disclose our purchase forecasts, quality requirements, and supply chain plans to suppliers, building cooperative relationships upon mutual trust. We also continuously provide technical partnerships and training support for suppliers to help improve their productivity.

Key Supply Chain Management Policy

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

Supplier Selection and Evaluation

DS Neolux selects and evaluates suppliers according to its internal guidelines and regularly inspects their operations to better examine their trade conditions and management status. We select key partners through systematic evaluations following our internal checklist and grade them accordingly. We also conduct comprehensive analysis of potential suppliers’ management status and level of quality management based on their technology, production capabilities, health/safety/environment management, hazardous substance management, and more, and convert the results into scores. We only sign contracts with companies scoring 70 or above out of 100, setting high supplier standards. Companies registered as our key suppliers undergo annual follow-up evaluations, and those with unsatisfying results are required to take corrective measures and receive another evaluation that examines whether the identified issue has been improved. We grant priority in order placement to key suppliers who receive high scores, motivating them to make improvements and reinforce their competitiveness. Such efforts are essential for us to achieve sustainable supply chain management and co-prosperity with our suppliers.

Supplier Evaluation Criteria

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

Conflict Mineral Purchasing Policy

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



Social

Supply Chain Management

Supplier Sustainability Management

Reinforcing Supplier Management

DS Neolux categorizes its suppliers into key suppliers and general suppliers for more systematic management. Key suppliers refer to important partners with which we signed a non-disclosure agreement (NDA). We make large-scale purchases from these partners, and they require mid- to long-term management. We expect key suppliers to meet our quality management standards, such as notifying us of changes and taking appropriate measures for nonconforming products. Furthermore, we collect and promptly process VoS (Voice of Suppliers) for more active reflection of supplier feedback, an effort to reinforce communication and build mutual trust with suppliers.

Supplier Communication Efforts

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

ESG Management at Key Suppliers

DS Neolux requests all its key suppliers to not use materials from conflict zones or environmentally regulated materials, and those that trade mass-produced materials with us must submit an agreement to not use the four main conflict materials, cobalt, or mica, as well as a CMRT(Conflict Minerals Reporting Template) and an EMRT (Extended Minerals Reporting Template). We conduct annual reviews to ensure the validity and appropriateness of the submitted documents, and if a false document, incorrect submission, omission, or the use of an uncertified material is identified, we take necessary action in accordance with our internal policies. Suppliers subject to environmental regulations are also requested to submit a document that confirms the non-use of environmentally regulated materials.

Key Supplier Status

Classification	Unit	2022	2023	2024
Domestic sourcing	Companies	16	18	16
Domestic outsourced processing	Companies			
Global sourcing	Companies	4	2	3
Total	Companies	2	2	3

Fair Trade with Suppliers

DS Neolux provides employees and suppliers with fair trade training and implements systematic management to ensure strict compliance with fair trade rules. To this end, we conduct code of conduct training, and sign fair trade agreements with new suppliers for more transparent trade practices. We also strongly encourage our primary and secondary suppliers to sign fair trade agreements with one another, promoting a culture of fair trade. Furthermore, our active communication with key suppliers allows us to check their compliance with fair trade regulations and develop preventive measures against unfair trade practices. When an unfair trade practice is identified, we review our contract with the corresponding supplier and take improvement measures.

Fair Trade Guidelines

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

Pursuing Mutual Growth with Suppliers

In addition to discovering areas that require support in its trade partnerships with suppliers, DS Neolux puts continuous efforts into spreading a culture of fair trade by improving its trade policy and signing fair trade contracts. Our technical support programs, for example, allow us to share latest technologies and know-how with suppliers to enhance their competitiveness. We also provide training programs spanning various sectors, including management, quality, and environmental management, reinforcing supplier competencies while enabling long-term partnerships. We regularly communicate with the representatives of key suppliers as part of our active effort to achieve mutual growth, and if required, provide assistance such as technical or hiring support to achieve co-prosperity with suppliers.

Support Programs for Mutual Growth

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

Social

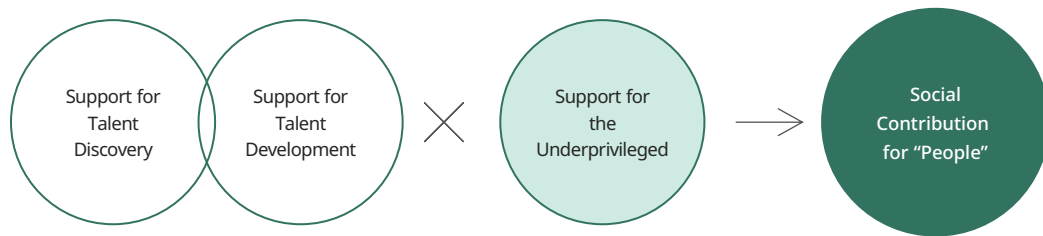
Value Creation for the Local Community

Social Contribution

Implementing Social Contribution Strategies

DS Neolux believes that a company must grow together with the local community and puts unsparing efforts into fulfilling its social responsibility. We define our core value as supporting and sharing with others, reflecting the philosophy of Junho Lee, our Honorary Chairman, that “management should move people.” As part of our social contribution effort, we have funded the Yuha Pureun Foundation since its establishment in 2017 to discover and foster industrial talent and support the underprivileged members of the community. DS Neolux pledges to continue the endeavor to build a better future with the local community by pursuing co-prosperity.

Social Contribution Strategies



2024 Forbes CSR Awards



Activities for people with developmental disabilities



Opening ceremony of the Sunshine Tree Program

Highlights from Our Social Contribution Activities

Fostering STEM Talent



DS Neolux provides a range of support to discover and foster local STEM talent. We award scholarships to undergraduate and graduate STEM students in Ulsan every year via the Yuha Pureun Foundation, which operates with personal funding from our Honorary Chairman, Junho Lee, as well as additional donations from Ulsan Cheil MG Community Credit Cooperatives and other DS Group affiliates. We also offer internship programs with technical lectures and assignments for enhancing job-ready skills and plan to expand our support to academic research and entrepreneurship in the future, helping foster local STEM talent.

Support for The Underprivileged



DS Neolux strives to fulfil its social responsibility by providing various support for the underprivileged members of society. In 2022, we signed a donation agreement worth KRW 500 million with Asan Medical Center to support pediatric patients and have made annual donations to the hospital since then. These donations are being used to build dedicated pediatric palliative care facilities and manage dedicated medical staff, leading to the opening of the Sunshine Tree Program Room In January 2024. Moreover, DS Neolux recruits individuals with developmental disabilities as its “brand image creators” as part of the continuous effort to increase the employment of the underprivileged and help them live independently in society.

Creating Quality Jobs



DS Neolux is committed to providing quality jobs and stable employment so it can achieve co-growth with the local community. As a result, we won the KCCI & Forbes CSR Award (co-organized by the KCCI and the Korea Joongang Daily & winners selected by Forbes Korea) for three consecutive years for continuously creating jobs and improving working conditions in Cheonan. Our contribution to enhancing youth employment and their work environment also led us to be chosen as a “Youth-Friendly Small Giant” in 2024 for four years in a row.

Governance

Healthy Governance

The BOD

Composition of the BOD

The Board of Directors (BOD) of DS Neolux performs the important duty of reviewing and making decisions regarding the company's major management policies and key business matters in accordance with the applicable laws, regulations, and the Articles of Incorporation. It is also obligated to deliberate and decide matters delegated from general meetings in a thorough manner. The BOD is appointed following a procedure prescribed by the Articles of Incorporation and, as of December 31, 2024, consists of four members (two executive directors, one non-executive director, and one independent director). For more efficient management and business execution, the chair of the BOD is elected from among executive directors, non-executive directors, and independent directors. Both executive directors and independent directors serve a term of three years, with reappointment decisions being made upon the expiration of term based on their performance review.

Appointment and Expertise of the BOD

(As of December 31, 2024)

Classification	Name	Gender	Career Highlights	Competencies	Term
Executive director	Suhun Lee	Male	<ul style="list-style-type: none"> Masters in International Trade, Korea University CEO of DS Holdings CEO of DS Hi-Metal CEO of DS AETHER CT 	Management/Leadership	Nov.1, 2024 to Nov.1, 2027
	Beomsung Lee	Male	<ul style="list-style-type: none"> PhD in Chemistry, KAIST CEO of DS Neolux 	Management/Leadership	Mar.31, 2022 to Mar.30, 2025
Non-Executive Director	Wuhan Kim (Chair of the BOD)	Male	<ul style="list-style-type: none"> PhD in Chemistry, Seoul National University Former Vice President of LG Chem COO of DS Holdings 	Management/Leadership	Mar.26, 2024 to Mar.26, 2027
Independent director	Byungsoo Kim	Male	<ul style="list-style-type: none"> PhD in Chemistry, University of Minnesota Associate professor of chemistry at UNIST Professor of chemistry at Yonsei University 	Risk management	Mar.26, 2024 to Mar.25, 2027

Diversity of the BOD

DS Neolux aims to enhance the diversity of the BOD to practice sustainable management and enhance its corporate value. We select candidates who possess various experience and competencies, without any discrimination based on gender, age, nationality, or cultural background.

Appointment and Expertise of the BOD

The appointment of directors is carried out with the goal of ensuring transparency and independence, thereby leading to healthy management and reinforcing the trust of shareholders and stakeholders. To this end, we thoroughly review the expertise of the candidate and obtain permission at the general meeting before proceeding with the final appointment. Our director appointment process focuses on reviewing whether the candidate's expertise and professional experience can contribute to the sustainable growth of the company in terms of finance, law, management, technology, ESG, and more, in addition to considering their career, field of expertise, understanding of the job, and legal eligibility to ensure that they do not fall under any disqualifying conditions outlined in the relevant laws, including the Commercial Act. Furthermore, we review whether the candidate owns shares in DS Neolux, their past employment, and other key interest-related aspects to ensure the independence of the BOD. Directors found to have such interests are restricted from exercising their right to resolution, allowing for fair decision-making. We make sure that the appointed executive director possesses the required expertise in areas such as management, finance, and technology. Independent directors, on the other hand, are required to have a deep understanding of organic light-emitting OLED materials as well as extensive experience in various fields, including law, accounting, and ESG, so they can scrutinize and provide advice for the company. We provide assistance for the independent director through an internal support organization to ensure their independence and expertise, as well as smoother work execution. The BOD members also take part in information and training sessions to reinforce their competency continuously. We plan to carry out annual training for the independent director in the future, and if required, will share information regarding the company's major matters and their responsibility and role as a director.



Governance

Healthy Governance

The BOD

Independence and Transparency of the BOD

Independent directors of DS Neolux are appointed after a thorough review of disqualifying conditions and independence requirements, in accordance with the Commercial Act and the Articles of Incorporation. We have appointed a full-time auditor with expertise to fulfil certain responsibilities, including scrutinizing our management, granting them with the authority to join BOD meetings, independently supervise the work of directors, and request information. Independent directors of DS Neolux also have the right to request data, which provides them with appropriate access to management information and the support required to make independent decisions regarding the agendas of BOD meetings.

Operation of the BOD

DS Neolux strives to build trust with shareholders and stakeholders and achieve sustainable management through transparent and responsible operation of the BOD. We regularly hold BOD meetings according to the annual operation plan, and if required, summon extraordinary general meetings for more prompt decision making. Details such as the date, place, and agenda of a BOD meeting is notified in writing at least 7 days before the meeting so that all directors are given sufficient information prior to discussion. There were a total of 13 BOD meetings held in 2024, where 15 agenda items were deliberated and resolved. The attendance rate of the BOD was 100%. Resolutions are made with the presence of a majority of directors and an affirmative vote of a majority of the present directors.

BOD Evaluation and Remuneration

DS Neolux ensures fair and reasonable BOD remuneration through performance evaluation based on factors such as the length of employment, contribution to the company, and expertise. Currently, we do not operate a dedicated committee for making decisions regarding the remuneration of directors and executives. Nevertheless, the remuneration limits for directors are determined in compliance with Article 388 of the Commercial Act and paid transparently according to internal policies. We also openly announce the total amount of remuneration paid to directors and executives as well as the average amount received per person every year.

BOD Remuneration Status

Classification	Unit	2022	2023	2024
Total amount of remuneration	KRW million	842	529	396
Average remuneration per person	KRW million	281	282	132

Shareholder Value

Shareholder Composition

DS Neolux has 80,000,000 authorized shares (with a par value of KRW 200), and as of December 31, 2024, owns 24,831,179 issued shares of common stock. Our largest shareholder is DS Hi-Metal Co., Ltd., which holds 36.67% of shares, and DS Neolux owns 1.08% of treasury shares.

Shareholder Status

(As of December 31, 2024)

Shareholder Composition	No. of shares owned
DS Hi-Metal Co., Ltd.	9,105,856
Affiliated persons	2,702,271
National Pension Service	1,387,330
Other minority shareholders	11,367,458
DS Neolux Co., Ltd	268,264
Total	24,831,179

Enhancing Shareholder Value

DS Neolux implements a range of policies to protect shareholders' rights and interests and enhance shareholder value. We introduced an e-voting system and a proxy voting solicitation system so shareholders can exercise their right to resolution and join the decision-making process more easily. We hold periodic general meetings, within three months after the end of each settlement period, and if required, summon an extraordinary general meeting to transparently disclose management-related matters. All shareholders are guaranteed one voting right per share, regardless of the number of shares owned, and receive equal treatment. We are also reinforcing our IR (Investor Relations) activities for more active shareholder communication, leading to prompt and transparent disclosure of management performance and other major information. Going forward, DS Neolux pledges to pursue shareholder-friendly management that enhances shareholder value and builds trust.

Governance

Transparency in Ethics & Compliance

Ethics & Compliance

Practicing the Ethics and Compliance Policy

DS Neolux practices fair and transparent management under the CEO's firm resolution to do so. To clearly state our principles for ethical management, we established and disclose our ethics charter and code of ethics, which are distributed to all employees to promote participation. We also encourage external stakeholders, including suppliers, to adhere to our code of ethics. Our employees are asked to sign a pledge of ethical management every year, an effort to raise ethical awareness across the company. Our ongoing monitoring activities allow us to check the implementation status of ethical management, and consequently, to reinforce our effort to internalize an ethical corporate culture and ensure compliance management in a continuous manner.

Managing the Ethics and Compliance System

To ensure independence and autonomy in its ethical and compliance management, DS Neolux operates an integrated ethics and compliance system led by DS Holdings, the holding company of DS Group. DS Holdings oversees the establishment, education, and monitoring of our ethics and compliance policy and the operation of DS Clean Reporting Center, with the goal of internalizing ethical awareness among employees. In terms of internal effort, the Financial Planning Group receives relevant information from the HR Team to assess the measures for controlling ethics and compliance at least once a year, and in 2024, no major corruption risks were identified. Going forward, we will continue to identify and improve ethics and compliance risks based on the results of operating the reporting center and assessments by the HR Group. They will also be reported to and approved by the BOD so we can constantly reinforce the effectiveness of our ethics and compliance system.

Ethics Charter

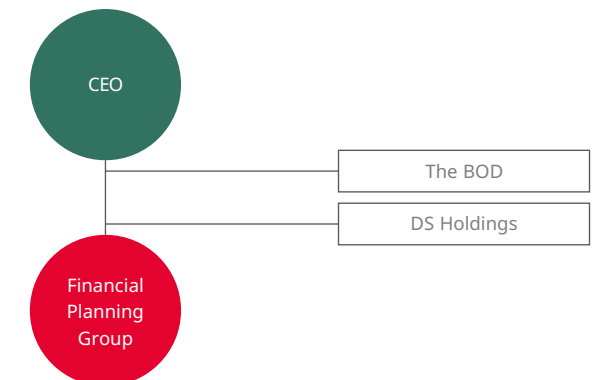
We share the same corporate philosophy and management policies as the company, respect the order of free, competitive markets and the principles of fair competition, and implement a code of ethics of the highest level and management activities in compliance with laws and regulations in every region and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

Code of Ethics

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

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

Organizational Chart for Ethical and Compliance Management



Governance

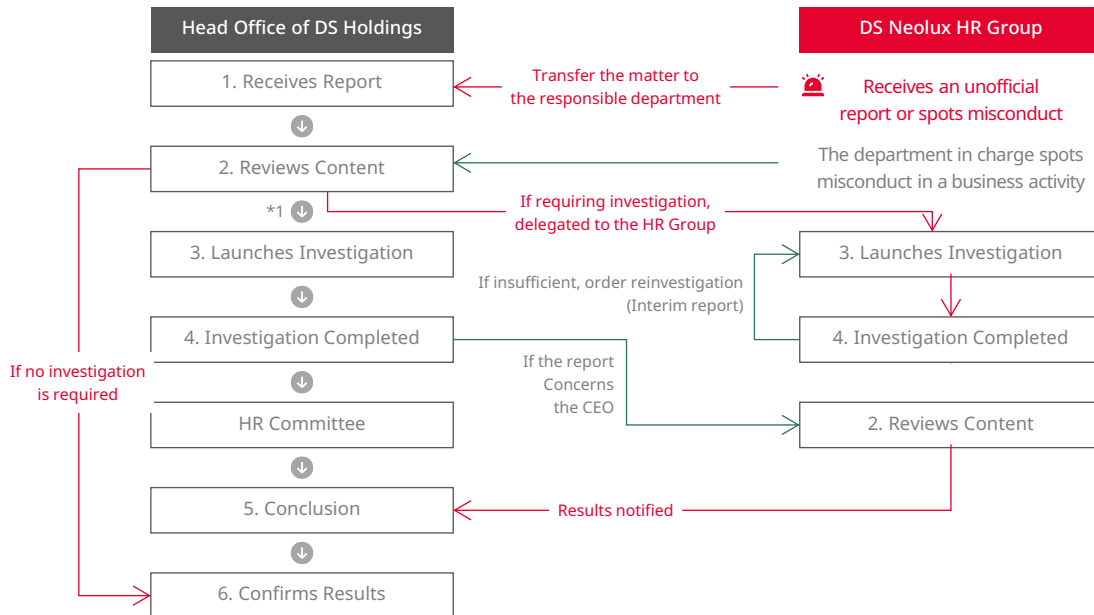
Transparency in Ethics & Compliance

Ethics & Compliance

Management of an Ethics and Compliance Reporting Channel

DS Neolux operates DS Clean Reporting Center to prevent corruptive and unethical conduct of employees and practice ethical management. The reporting center is independently operated by the audit organization of DS Holdings, our holding company, and investigates the submitted reports in a fair and objective manner. If required, reports are transferred to the HR Team so appropriate action can be taken according to our discipline policy. DS Neolux’s reporting system allows the company to practice more effective ethics and compliance management and maintain a clean corporate culture.

Report Handling Process at DS Clean Reporting Center



*1. Reports concerning the CEO, executives, or HR or audit teams are investigated directly by the company

Reinforcing the Protection of Confidentiality

DS Neolux is strongly committed to ensuring whistleblower confidentiality. We keep whistleblowers’ identities confidential and protected so they can submit reports with peace of mind, and strictly prohibit disadvantaging or retaliating against employees who submit reports.

Raising Ethical Awareness Among Employees

DS Neolux provides regular ethics and compliance training for all employees to prevent ethics and compliance risks and foster ethical management within the organization. We also plan to operate a range of communication channels, including newsletters and participative campaigns, where employees can recognize and practice ethics and compliance management in a more natural manner.

Ethics and Compliance Training Programs

Topic	Description	Attended by
Ethical management	<ul style="list-style-type: none"> Anti-corruption Fair trade Whistleblowing 	<ul style="list-style-type: none"> CSR ESG management
		All employees

No.	과제명	학습기간	복습기간	평가횟수	수료여부	복습여기
1	[이러닝] [법정비수다기] 개인정보보호 및 정보보안	2024.10.01~2024.11.15	2024.11.16~2025.11.15	100명	수료 완료	복습여기
2	[이러닝] [법정비수다기] 직장 내 괴롭힘 금지	2024.10.01~2024.11.15	2024.11.16~2025.11.15	100명	수료 완료	복습여기
3	[이러닝] [법정비수다기] 직장 내 성희롱 예방교육	2024.10.01~2024.11.15	2024.11.16~2025.11.15	100명	수료 완료	복습여기
4	[이러닝] [법정비수다기] 직장 내 장애인 인식개선	2024.10.01~2024.11.15	2024.11.16~2025.11.15	100명	수료 완료	복습여기
5	[이러닝] [온리닝] 경영교육, 품격 있는 조직 만들기	2024.10.01~2024.11.15	2024.11.16~2025.11.15	100명	수료 완료	복습여기

Online Training Platform

Governance

Reinforcing Information Protection

Information Protection

Establishment and Management of the Information Protection Policy

DS Neolux operates its information protection management system in compliance with information protection laws and the internal security policy. We adhere to legal requirements regarding information protection, operate a systematic information protection management organization, and protect key technologies and internal information assets to enhance the stability of our business.

Information Protection Policy

1. All employees are obliged to strive to prevent the leakage of the key technologies and the assets of the company.
2. All employees shall fully comply with security rules to protect the information assets of the company, including not only technology- and management-related resources that belong to the company but also any technology-related resource acquired from client companies.
3. No employees shall access internal information assets unlawfully or modify or leak them without permission in any case.
4. All employees shall comply with laws, legislations, enforcement degrees, and enforcement rules related to the protection of information and industrial technology when performing their duties.
5. All employees shall ensure that personnel from partner companies comply with the security rules of DS Neolux through management and supervision.

Operation of the Information Protection System

DS Neolux has its own risk handling process that protects the company's information and data from different types of disasters, including volcanic eruptions, earthquakes, and terrorism, and guarantees the continuity of work based on the information system disaster recovery policy. We established and implement recovery plans, built a disaster recovery system, and conduct regular drills to prepare ourselves for potential disasters. Furthermore, we strive to keep our system up-to-date by upgrading it through constant monitoring.

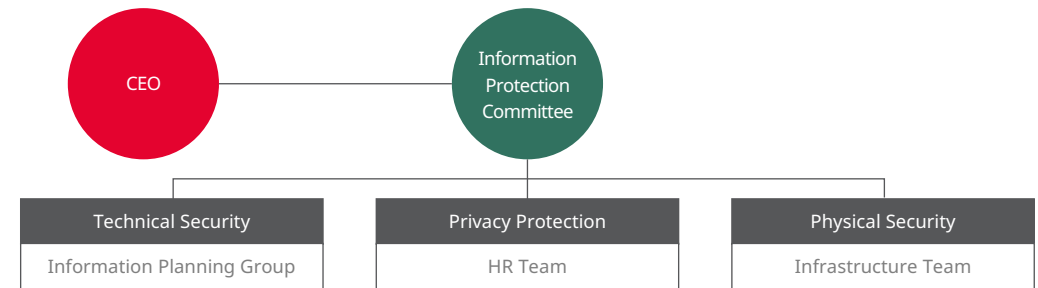
Reinforcing Monitoring of Core Technology & Information Leakage

DS Neolux carries out a range of activities to ensure and strengthen the security of its core technologies. We work with relevant departments to inspect the operation of security systems and monitor the flow of information, collect opinions to improve operational problems, and regularly revise our information security policy. We have also established a system that prevents information security violations by applying the latest security systems and processes that overfulfill local legal requirements, striving to prevent information leakage.

Operation of the Information Protection Organization

Aiming to achieve zero information leakage by improving the information protection system and awareness, DS Neolux has formed and operates its own Information Protection Committee. The Committee, consisting of teams representing each division, discusses matters such as information protection strategies, approaches, and policies. The designated security manager from each division discovers security risks regarding the corresponding team through the Information Protection Committee, and implements action to address them.

Organizational Chart for Information Protection



Reinforcing Security Incident Prevention

With changes in work environments due to the increase of remote work and business trips, as well as the growing use of cloud storage, more and more IT technologies are now being used, leading to security vulnerabilities. DS Neolux established a range of security services to improve its systems, and implements activities that prioritize the prevention of security incidents, such as security breach drills.

Information Security Training Status

Classification	Attendance Rate (Attendees/Employees required to attend)		
	2022	2023	2024*
Attendance rate of information protection training	100% (235/235)	100% (249/249)	99% (266/268)

* Excluding two employees on leave

Governance

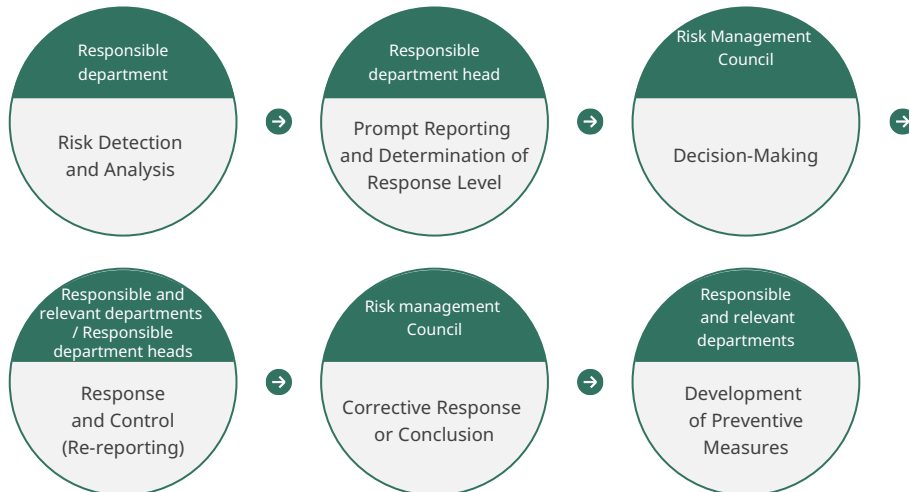
Risk Management

Risk Integration

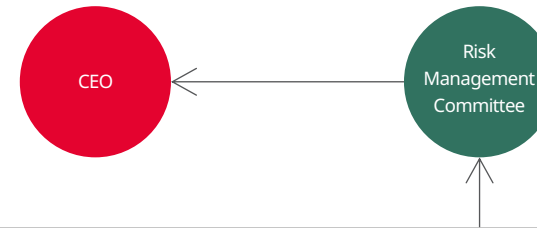
Upgrading the Risk Management System

DS Neolux has established and operates a systematic risk management system to promptly respond to risks that may arise in the fast-changing internal and external management environments. We aim to ensure the stability and sustainability of our business by establishing a system that allows us to define all types of potential risks in advance and respond to them without delay across the company. The risks identified by each department are reported to the responsible department head, who in turn conducts regular monitoring to prevent the risk and develops measures to minimize damage caused by the risk. In addition, to enhance the effectiveness of our risk response, we hold weekly Risk Management Committee meetings, where the head of each department gathers to examine the status of major risks and response strategies, which are then promptly reported to the CEO.

Risk Response Process



Risk Management Governance System



Division	Risk Type	Key Risks	Risk Response Strategies
Financial Planning	Finance	<ul style="list-style-type: none"> Changes in exchange rates due to foreign currency trade Fluctuating interest rates due to changes in the financial market Accounting misdeeds, such as fair trade and anti-corruption issues 	<ul style="list-style-type: none"> Continuous monitoring of the financial environment and exchange rates Utilization of hedging instruments in managing interest rate and exchange rate risks Operation of an internal accounting management system
Purchase	Supply chain	<ul style="list-style-type: none"> Delays in raw material procurement ESG risks of suppliers 	<ul style="list-style-type: none"> Ensuring the stability of partner contracts Supplier diversification Potential introduction of supplier ESG assessments
Infrastructure	Environment/ Safety	<ul style="list-style-type: none"> Violation of environmental regulations Safety accidents Natural disasters resulting from climate change Unstable energy supply 	<ul style="list-style-type: none"> Reinforcing the monitoring of laws and regulations and the compliance process Improving safety systems and investing in relevant facilities Conducting employee safety training Reinforcing energy-saving systems
Sales	Sales activities	<ul style="list-style-type: none"> Sales activities and restrictions (Shrinking demand) 	<ul style="list-style-type: none"> Continuous monitoring of the market environment and client demand
R&D and Legal	Research and Development	<ul style="list-style-type: none"> Delayed response to new technologies Technology leakage and patent infringement Limitations in development due to tightening technological regulations 	<ul style="list-style-type: none"> Analysis of technological trends in the downstream sector IP monitoring Monitoring regulations and response measures
Manufacturing	Production and Quality	<ul style="list-style-type: none"> Production termination and quality defects Old facilities 	<ul style="list-style-type: none"> Preemptive production inspections and operation of response systems Reinforcing the quality management system Developing facility repair and replacement plans



Governance

Risk Management

Tax Strategies

DS Neolux regards diligent compliance with tax obligations as a key corporate social responsibility and strives to achieve sustainable growth based on fair and transparent tax payments. We deeply understand that taxes paid by citizens serve as core resources for the balanced growth of a country's economy and environmental sustainability, which is why we fulfill our tax obligations in an honest, transparent manner. In 2024, we developed new tax strategies to prevent and systematically manage tax-related risks while strictly adhering to laws and regulations. Additionally, we constantly monitor changes in tax policies and reinforce internal tax competencies to build a more stable tax management system. Going forward, DS Neolux will practice ethical and responsible tax policies to fulfil its corporate social responsibility while building stronger trust with shareholders and stakeholders.

Tax-Related Awards

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

Tax Strategies

1. Diligent Fulfillment of Tax Obligations

- We strictly adhere to the tax laws of the country where we lead business activities, and fulfill our tax reporting and tax paying obligations with precision and diligence.
- We actively communicate with tax authorities, and in the event of an investigation or data request, respond to it promptly and transparently.
- We do not take unfair advantage of differences in tax laws between countries to avoid tax obligations or use tax havens.

2. Management of Tax-related Risks

- We improve internal processes related to tax reporting and payment, and clearly define the roles and responsibilities of relevant employees.
- Before making major business decisions, we review tax issues, and actively consult accounting firms and other external experts.
- If there are uncertainties in the interpretation of tax laws, we actively consult external experts such as accounting firms to carefully examine relevant issues and minimize tax risks.
- Important tax-related matters, including the establishment and revision of tax policies, are decided through the BOD's approval for a more transparent process.



ESG Data

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Economic Performance

Economic Value Creation

Consolidated Balance Sheet

Classification	Unit	2022	2023	2024
Current Assets	KRW million	189,300	100,923	124,327
Non-Current Assets	KRW million	172,238	303,404	327,985
Total Assets	KRW million	361,538	404,327	452,312
Current Liabilities	KRW million	16,165	23,665	23,496
Non-Current Liabilities	KRW million	25,041	27,469	29,811
Total Liabilities	KRW million	41,206	51,134	53,306
Capital Stock	KRW million	4,966	4,966	4,966
Additional Paid-In Capital	KRW million	138,602	138,602	138,602
Other Capital Items	KRW million	(4,155)	(7,559)	(6,863)
Retained Earnings	KRW million	180,820	217,087	262,205
Non-Controlling Interest	KRW million	98	97	96
Total Equity	KRW million	320,332	353,193	399,005
Total Liabilities and Equity	KRW million	361,538	404,327	452,312

Economic Value Distribution

Classification	Unit	2022	2023	2024
Employee wages	KRW million	19,589	19,087	24,766
Purchases from suppliers	KRW million	99,987	92,552	86,861
Corporate tax payment*	KRW million	(7,252)	(6,146)	(11,240)
R&D investments	KRW million	22,913	20,653	31,865
Donations for local communities	KRW million	200	249	102

* 2022-2023 figures were modified to match the corporate tax payment stated in the business report.

Consolidated Income Statement

Classification	Unit	2022	2023	2024
Revenue	KRW million	176,677	163,702	212,252
Cost of Goods Sold	KRW million	116,927	106,253	130,725
Gross Profit	KRW million	59,750	57,449	81,527
Selling, General and Administrative Expenses	KRW million	14,884	24,530	29,055
Operating Income	KRW million	44,867	32,920	52,472
Other Income	KRW million	2,742	1,407	2,671
Other Expenses	KRW million	2,429	1,821	4,372
Financial Income	KRW million	4,722	10,298	7,971
Financial Expenses	KRW million	5,341	1,504	3,511
Share of Profit from Associates	KRW million	226	426	(1,333)
Profit Before Tax	KRW million	44,787	41,724	53,897
Corporate Tax Expense	KRW million	5,867	5,920	8,136
Net Income	KRW million	38,920	35,804	45,761

Shareholder Composition and Status

Classification (As of Dec. 31, 2024)	No. of Shares Owned (Unit: Shares)	소유 비율 (Unit:%)
DS Hi-Metal Co., Ltd.	9,105,856	36.67
Junho Lee and other affiliated persons	2,702,271	10.88
Other shareholders	12,754,788	51.37
Treasury stock	268,264	1.08
Total	24,831,179	100.00



Environmental Performance

GHG Emission Management

Classification		Unit	2022	2023	2024
GHG Emissions	Scope 1 (direct) emissions	tCO ₂ eq	79.2	60.9	56.4
	LPG	tCO ₂ eq	9.7	10.9	11.5
	Gasoline	tCO ₂ eq	63.1	47.0	41.3
	Diesel	tCO ₂ eq	6.4	3.1	3.6
	Scope 2 (indirect) emissions	tCO ₂ eq	13,041.5	12,225.8	11,626.5
	Total GHG emissions	tCO ₂ eq	13,120.7	12,286.8	11,682.9
Emission intensity	Scopes 1+2 emissions per unit	tCO ₂ eq/KRW 100 million	7.43	7.51	5.50
Target GHG emission		tCO ₂ eq	13,120.70	12,902.03	12,683.36
GHG emissions reduced compared to previous year		tCO ₂ eq	489.84	833.94	603.87
GHG reduction rate		%	7.0	6.8	5.2

Raw Material Management

Classification		Unit	2022	2023	2024
Total raw material usage		ton	57.6	62.4	100.8
Raw materials for main light-emitting OLED materials		ton	8.9	8.9	15.2
Raw materials for main non-emitting OLED materials		ton	32.3	34.7	62.7
Usage of other raw materials		ton	16.4	18.7	23.0

Energy Consumption

Classification		Unit	2022	2023	2024
Total energy consumption		GJ	273,722.0	256,407.7	243,816.3
Direct energy	Electricity	GJ	272,526.1	255,475.0	242,950.9
	Total direct energy consumption	GJ	272,526.1	255,475.0	242,950.9
Indirect energy	LPG	GJ	167.2	189.7	198.5
	Gasoline	GJ	938.0	698.9	615.5
	Diesel	GJ	90.7	44.1	51.4
	Total indirect energy consumption	GJ	1,195.9	932.7	865.4
Energy intensity		GJ/KRW 100 million	154.9	156.6	114.9
Target energy consumption		GJ	273,722.0	269,160.0	264,597.9
Energy consumption reduced compared to previous year		GJ	10,236.38	17,314.33	12,591.33
Energy consumption reduction rate		%	7.0	6.8	5.2

Water Resource Management

Classification		Unit	2022	2023	2024
Total water usage		ton	10,204	11,353	11,640
Municipal water usage		ton	10,204	11,353	11,640
Total wastewater discharge		ton	373	378	414



Environmental Performance

Waste Management

Classification		Unit	2022	2023	2024
Total waste generation		ton	474.5	460.1	688.0
Disposal of non-recycled waste	Total generation of general waste	ton	29.5	30.2	20.2
	Incinerated	ton	29.5	30.2	20.2
	Total hazardous waste	ton	16.4	7.6	40.3
	Incinerated	ton	16.4	7.6	40.3
	Total generation of non-recycled waste	ton	45.9	37.8	60.4
Disposal of recycled Waste	Total generation of recycled waste	ton	428.6	422.3	627.5
	Liquid and solid organic solvents	ton	428.6	422.3	627.5
	Waste recycling rate	%	90.3	91.8	91.2
Waste disposal	Total waste disposal	ton	45.9	37.8	60.4

Air Pollutant Management

Classification		Unit	2022	2023	2024
Pm(dust) emissions		mg/Sm3	0.008	0.002	0.675
PM concentration compared to regulations		%	0.03	0.005	2.250

Chemical Management

Classification		Unit	2022	2023	2024
Chemical usage		ton	119	136	186
Chemical discharge		ton	91	109	120

Environmental Investment Performance

Classification		Unit	2022	2023	2024
Amount of environmental investment		KRW million	27.9	169.0	231.0



Social Performance

Employee Status

Classification		Unit	2022	2023	2024	
Total no. of employees		Person	245	254	277	
Gender	Male	Person	195	203	219	
		%	79.6	79.9	79.1	
	Female	Person	50	51	58	
		%	20.4	20.1	20.9	
By age	Under 30	Person	91	87	93	
		%	37.1	34.3	33.6	
	30 to 49	Person	147	156	176	
		%	60.0	61.4	63.5	
	50 or above	Person	7	11	8	
		%	2.9	4.3	2.9	
By employment type	Permanent	Person	238	242	268	
	Male	Person	189	194	215	
		Person	49	48	53	
	Temporary	Person	7	12	9	
	Male	Person	6	9	4	
		Person	1	3	5	
Non-employee workers		Person	0	0	0	
By position	Special position	Person	3	10	6	
	Production job	Person	27	26	33	
		01	Person	20	21	29
		02	Person	7	4	3
	03	Person	0	1	1	
	Research job	Person	46	46	51	
	T1	Person	43	42	47	
	T2	Person	3	4	3	
	T3	Person			1	

Classification		Unit	2022	2023	2024
By position	Office job	Person	160	161	178
	G1	Person	92	82	97
	G2	Person	58	68	70
	G3	Person	10	11	11
	Executive	Person	9	11	9
By workplace location	Cheonan	Person	177	242	260
	Seoul	Person	3	0	0
	Others	Person	65	12	17

Average Employee Tenure

Classification		Unit	2022	2023	2024
Average employee tenure		Months	59	62	64
Male		Months	61	65	67
Female		Months	53	54	52



Social Performance

Employee Diversity

Classification		Unit	2022	2023	2024	
Female employees	No. of female employees by position	Special position	Person	3	5	4
		Production job	Person	0	1	1
		01	Person	0	1	1
		02	Person	0	0	0
		03	Person	0	0	0
		Research job	Person	10	5	6
		T1	Person	10	5	6
		T2	Person	0	0	0
		Office job	Person	36	40	47
		G1	Person	22	23	29
	G2	Person	14	16	17	
	G3	Person	1	1	1	
	Executive	Person	0	0	0	
	By department & job type	Revenue-generating department	Person	2	3	4
STEM department		Person	48	48	49	
Employees from disadvantaged backgrounds	No. of employees with disabilities		Person	4	5	3
	Percentage of employees with disabilities		%	1.6	2.0	1.1
	No. of employees who are recipients of MPVA benefits		Person	0	0	0
	Percentage of employees who are recipients of MPVA benefits		%	0	0	0
	No. of employees who are foreign nationals		Person	6	5	4
	Percentage of employees who are foreign nationals		%	2.4	2.0	1.4

New Hires and Turnovers

Classification		Unit	2022	2023	2024	
Total no. of employees		Person	245	254	277	
New hires	Total no. of hires		Person	39	53	58
	Gender	Male	Person	33	44	45
			%	84.6	83.0	77.6
		Female	Person	6	9	13
			%	15.4	17.0	22.4
	By age	Under 30	Person	21	40	37
			%	53.8	75.5	63.8
		30 to 49	Person	17	11	21
			%	43.6	20.8	36.2
		50 or above	Person	1	2	0
			%	2.6	3.8	0.0
	By employment type	Permanent	Person	33	35	55
		Temporary	Person	6	18	3
	Internal recruitment		Person	2	1	1
Total no. of turnovers		Person	34	63	34	
Turnover rate		%	13.9	24.9	12.3	
No. of voluntary turnovers		Person	32	63	34	
Voluntary turnover rate		%	13.1	26.1	12.3	
Employee Turnovers	Gender	Male	Person	27	54	29
			%	79.4	85.7	85.3
		Female	Person	7	9	5
			%	20.6	14.3	14.7
	By age	Under 30	Person	13	28	15
			%	38.2	44.4	44.1
30 to 49		Person	19	33	16	
		%	55.9	52.4	47.1	
50 or above		Person	2	2	3	
		%	5.9	3.2	8.8	
By employment type	Permanent	Person	31	52	29	
	Temporary	Person	3	11	5	
By job type	Office job	Person	29	55	27	
	Production job	Person	5	8	7	



Social Performance

Parental Leave Status

Classification	Unit	2022	2023	2024		
No. of employees who took parental leave	Person	1	1	0		
No. of employees who took maternity leave	Total no. of employees	4	5	3		
	Gender	Male	2	2	2	
		Female	2	3	1	
No. of employees who returned to work after parental leave	Total no. of employees	1	5	3		
	Gender	Male	0	3	2	
		Female	1	2	1	
Percentage of employees who have worked at least for 12 months after returning from parental leave	Total no. of employees	3	4	3		
	Gender	Male	1	2	2	
		Female	2	2	1	
Percentage of employees who returned to work after parental leave	Total no. of employees	%	25.0	60.0	100.0	
	Gender	Male	%	0.0	100.0	100.0
		Female	%	50.0	33.3	100.0
Percentage of employees who have worked for at least 12 months after parental leave	Total no. of employees	%	60.0	66.7	60.0	
	Gender	Male	%	100.0	50.0	100.0
		Female	%	50.0	100.0	50.0

Operation of the Labor-Management Council

Classification	Unit	2022	2023	2024
No. of Labor-Management Council meetings held	Times	4	4	4
No. of agendas discussed in Labor-Management Council meetings	Items	4	4	4
No. of agendas resolved in Labor-Management Council meetings	Items	4	4	4
Percentage of agendas resolved	%	100	100	100



Social Performance

Employee Training

Classification		Unit	2022	2023	2024	
No. of employees who attended training (Cumulative)		Person	1,716	1,569	1,864	
Total training costs		KRW 1 thousand	85,746	82,144	79,127	
Total training time	Training hours	Hours	13,010	11,697	10,302	
	By job type	Office job	Hours	12,504	11,052	9,891
		On-site job	Hours	506	645	411
Average training costs per person*		KRW 1 thousand/Person	50.0	52.4	42.4	
Average hours of training per employee		Hours/Person	7.6	7.5	5.5	
Ethics & anti-corruption training	No. of attendees	Person	232	263	277	
	Total training time	Hours	928	1,052	1,108	
	Training hours per person	Hours/Person	4.0	4.0	4.0	
Human rights training	No. of attendees	Person	232	263	277	
	Total training time	Hours	696	789	831	
	Training hours per person	Hours/Person	3.0	3.0	3.0	
Health and safety training	No. of attendees	Person	229	253	251	
	Total training time	Hours	5,496	3,036	3,012	
	Training hours per person	Hours/Person	24.0	12.0	12.0	
Environmental training	No. of attendees	Person	229	253	251	
	Total training time	Hours	458	506	502	
	Training hours per person	Hours/Person	2.0	2.0	2.0	
Information security training	No. of attendees	Person	232	249	266	
	Total training time	Hours	232	249	266	
	Training hours per person	Hours/Person	1.0	1.0	1.0	

Occupational health and safety

Classification		Unit	2022	2023	2024
Employees	No. of serious occupational accidents	Items	0	0	0
	No. of fatalities due to injuries	Person	0	0	0
	Injury fatality rate	Cases/million hours	0	0	0
	No. of fatalities due to disease	Person	0	0	0
	Disease fatality rate	Cases/million hours	0	0	0
	No. of accident victims	Person	0	0	0
	No. of occupational accidents	Items	0	0	0
	Occupational accident rate	Cases/million hours	0	0	0
	Loss Time Injury Frequency Rate(LTIR)	Cases/million hours	0	0	0
	Total Recordable Incident Rate(TRIR)	Cases/million hours	0	0	0
Partner companies	Occupational Illness Frequency Rate(OIFR)	Cases/million hours	0	0	0
	No. of serious occupational accidents	Items	0	0	0
	No. of fatalities due to injuries	Person	0	0	0
	Injury fatality rate	Cases/million hours	0	0	0
	No. of fatalities due to disease	Person	0	0	0
	Disease fatality rate	Cases/million hours	0	0	0
	No. of accident victims	Person	0	0	0
	No. of occupational accidents	Items	0	0	0
	Occupational accident rate	Cases/million hours	0	0	0
	Loss Time Injury Frequency Rate(LTIR)	Cases/million hours	0	0	0
Partner companies	Total Recordable Incident Rate(TRIR)	Cases/million hours	0	0	0
	Occupational Illness Frequency Rate(OIFR)	Cases/million hours	0	0	0



Social Performance

Employee Remuneration*

Classification		Unit	2022	2023	2024	
Average salary	Male	KRW million	34.9	35.1	36.1	
	Female	KRW million	34.8	34.2	35.3	
	Female to male average remuneration ratio	%	99.7	97.4	97.8	
Average remuneration	Male	KRW million	51.4	52.6	53.5	
	Female	KRW million	50.3	49.7	52.2	
	Female to male average remuneration ratio	%	97.9	94.5	97.6	
01 Remuneration	Base salary	Male	KRW million	23.1	25.4	25.6
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
	Remuneration	Male	KRW million	34.8	40.0	40.5
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
02 Remuneration	Base salary	Male	KRW million	28.0	30.9	30.5
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
	Remuneration	Male	KRW million	41.7	48.1	49.9
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
T1 Remuneration	Base salary	Male	KRW million	26.2	26.5	27.4
		Female	KRW million	25.8	26.0	27.2
		Female to male average remuneration ratio	%	98.5	98.1	99.3
	Remuneration	Male	KRW million	38.0	37.8	39.2
		Female	KRW million	36.4	36.8	38.1
		Female to male average remuneration ratio	%	95.8	97.4	97.2

* Since there is only one 03 and G3 employee, base salary and remuneration for the corresponding position are not disclosed.

Classification		Unit	2022	2023	2024	
T2 Remuneration	Base salary	Male	KRW million	36.2	35.3	36.2
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
	Remuneration	Male	KRW million	50.7	51.5	52.2
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
G1 Remuneration	Base salary	Male	KRW million	32.0	32.2	32.3
		Female	KRW million	32.3	31.6	31.8
		Female to male average remuneration ratio	%	100.9	98.1	98.5
	Remuneration	Male	KRW million	46.7	46.4	47.7
		Female	KRW million	46.7	45.5	46.4
		Female to male average remuneration ratio	%	100.0	98.1	97.3
G2 Remuneration	Base salary	Male	KRW million	43.4	44.0	44.1
		Female	KRW million	42.0	41.9	42.7
		Female to male average remuneration ratio	%	96.8	95.2	96.8
	Remuneration	Male	KRW million	64.0	64.6	67.5
		Female	KRW million	61.0	62.1	63.3
		Female to male average remuneration ratio	%	95.3	96.1	93.8
Executive Remuneration	Base salary	Male	KRW million	190.0	166.1	159.9
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A
	Remuneration	Male	KRW million	190.0	166.1	159.9
		Female	KRW million	N/A	N/A	N/A
		Female to male average remuneration ratio	%	N/A	N/A	N/A



Social Performance

Employee Wage

Classification	Unit	2022	2023	2024
Ratio of entry-level male employees' wages to minimum wage	%	174.1	162.8	159
Ratio of entry-level female employees' wages to minimum wage	%	174.1	162.8	159
Starting salary of entry-level employees - Male	KRW million	40	40	40
Starting salary of entry-level employees - Female	KRW million	40	40	40

Employee Performance Evaluation

Classification	Unit	2022	2023	2024	
Employees subject to performance evaluation	No. of employees evaluated	Person	213	212	253
	Percentage of employees evaluated	%	86.9	88.0	91.3
No. of employees subject to the comparative analysis system	Person	153	155	180	
	Percentage of employees evaluated	%	62.4	64.3	65.0
No. of employees subject to the comparative analysis system	Person	213	212	253	
	Percentage of employees evaluated	%	86.9	88.0	91.3
No. of employees who received regular performance evaluations	Person	153	154	180	
Percentage of employees who received regular performance evaluations	%	62.4	60.9	65.0	

Social Contribution Activities

Classification	Unit	2022	2023	2024
Total social contribution costs	KRW million	200	100	100

Information Security Violations

Classification	Unit	2022	2023	2024
No. of violations of information protection laws or regulations	Items	0	0	0
No. of information protection incidents	Items	0	0	0



Social Performance

Supply Chain Management

Classification		Unit	2022	2023	2024
No. of key suppliers*		Companies	22	22	22
Amount of purchase from suppliers	Raw and subsidiary materials	KRW million	69,142	67,515	79,422
	Construction services	KRW million	18,404	15,485	20,782
	Consumables	KRW million	12,441	9,552	19,299
	Total purchase amount	KRW million	99,987	92,552	119,503
Supplier ESG Management	No. of suppliers that submitted a pledge for non-use of conflict materials	Companies	31	35	35
	No. of suppliers that submitted a pledge for non-use of environmentally regulated materials	Companies	31	35	35

* 2022-2023 figures differ from the previous year's report due to changes in the key supplier selection criteria.

Reports of Human Rights Violations

Classification		Unit	2022	2023	2024
No. of human rights violation reports		Items	0	0	0
No. of human rights violation reports processed		Items	0	0	0

R&D Status*

Classification		Unit	2022	2023	2024
R&D employee status	No. of R&D employees	Person	109	125	119
	Percentage of R&D employees	%	44.5	49.2	43.0
	No. of R&D employees with master's or PhD degrees	Person	81	78	83
	Percentage of R&D employees with master's or PhD degrees	%	74.3	62.4	69.7
R&D investment status	Amount of R&D investment	KRW 100 million	226	207	319
	Percentage of R&D investment in revenue	%	12.8	12.6	15.0
Patent applications and registrations	Application	Items	175	316	266
	Registration	Items	119	146	161

* Percentage figures were modified in this year's report due to calculation errors.



Governance Performance

Composition of the BOD

Classification	Unit	2022	2023	2024
No. of BOD members	Person	3	4	4
Male	Person	3	4	4
Female	Person	0	0	0
No. of executive directors	Person	2	3	3
Male	Person	2	3	3
Female	Person	0	0	0
No. of independent directors	Person	1	1	1
Male	Person	1	1	1
Female	Person	0	0	0
Percentage of executive directors	%	66.7	75.0	75.0
Percentage of independent directors	%	33.3	25.0	25.0

Operation of the BOD

Classification	Unit	2022	2023	2024	
BOD meetings	No. of BOD meetings held	Times	13	9	13
BOD meeting agendas	No. of agendas reported in BOD meetings	Items	17	10	15
ESG agendas	No. of ESG risk-related agendas reported in BOD meetings	Items	0	1	0
BOD meeting attendance	BOD meeting attendance rate	%	97	100	100
	Attendance rate of executive directors	%	96	100	100
	Attendance rate of independent directors	%	100	100	100
Length of BOD term	Average length of BOD term	Year	2.7	2.9	4.1
	Average length of executive directors' term	Year	3.2	2.9	4.2
	Average length of independent directors' term	Year	1.7	2.7	3.7

BOD Assessment and Remuneration

Classification	Unit	2022	2023	2024	
BOD remuneration	Total remuneration of BOD	KRW million	842	529	396
	Average remuneration of BOD	KRW million	439	200	216
	Average remuneration of BOD per person	KRW million	281	282	132
Remuneration of executive directors	Total remuneration of executive directors	KRW million	806	493	360
	Average remuneration of executive directors	KRW million/Person	403	164	180
Remuneration of independent directors	Total remuneration of independent directors	KRW million	36	36	36
	Average remuneration of independent directors	KRW million/Person	36	36	36
Remuneration of CEO and employees*	Remuneration of CEO	KRW million	806	243	360
	Median employee remuneration	KRW million	56	49	61
	Employee to CEO remuneration ratio	Times	14.5	5.0	5.8
	Increase rate of CEO remuneration	%	(10.4)	(69.8)	47.8
	Increase rate of median employee remuneration	%	(10.9)	(12.0)	25.6
	Employee to CEO ratio of remuneration increase rates	Times	94.8	581.5	187.1

* Due to the transition from a single-CEO system in 2023 to a co-CEO system in 2024, the total amount of remuneration has increased.



Governance Performance

Expertise of the BOD

Classification	Unit	2022	2023	2024
No. of independent directors with experience in the industry	Person	1	1	1

Regulatory violations

Classification	Unit	2022	2023	2024	
Regulatory violations	Total no. of violations	Items	0	0	0
	Violations of environmental regulations	Items	0	0	0
	Violations of occupational safety regulations	Items	0	0	0
	Violations of fair trade regulations	Items	0	0	0
Amount of fines	Total amount of fines	KRW million	0	0	0
	Violations of environmental regulations	KRW million	0	0	0
	Violations of occupational safety regulations	KRW million	0	0	0
	Violations of fair trade regulations	KRW million	0	0	0

Tax Payment Status

Classification	Unit	2022	2023	2024
Earnings before tax	KRW million	44,788	41,754	53,908
Accrued corporate tax (Corporate tax to pay)	KRW million	2,882	2,993	5,610
Corporate tax expenses	KRW million	5,867	5,938	8,156
Tax rate	%	22.0	21.0	21.0
Effective tax rate	%	13.1	14.2	15.1



A p p e n d i x

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GRI Standards 2021

Universal Standards

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	2-4	Restatements of information	53, 60	
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	2-9	Governance structure and composition	45	
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	2-14	Role of the highest governance body in sustainability reporting	10	
	2-15	Conflicts of interest	45	
	2-16	Communication of critical concerns	61	
	2-17	Collective knowledge of the highest governance body	-	N/A
	2-18	Evaluation of the performance of the highest governance body	-	N/A
	2-19	Remuneration policies	46	
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GRI 3: Material Topics 2021	3-1	Processes to determine material topics	12	
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Material Topics

Fostering Talent and Next-Generation Leaders

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	306-2	Management of significant waste-related impacts	23
	306-3	Waste generated	55
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Respecting Employees' Human Rights and Achieving Diversity

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GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	32-33
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GRI Standards 2021

Material Topics

Reinforcing Ethical Management and Anti-corruption Competency

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Fostering Talent and Future Leaders

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	404-3	Percentage of employees receiving regular performance and career development reviews	60

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Non-Material Topics

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GRI 303: Water and effluents	303-1	Interactions with water as a shared resource	24
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GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	54
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Independent Assurance Statement

To Executives and Stakeholders of DS Neolux

NICE Information Service (the “Assurer”) was commissioned by DS Neolux to provide an independent assurance for the 2025 DS Neolux ESG Report (the “Report”). All information and claims stated in the Report fall under the responsibility of DS Neolux, and this independent statement was prepared based on the results of the assurance we conducted according to the data and information disclosed by DS Neolux in the Report.

Standards and Scope

The verification was conducted applying the international verification standard AA1000AS v3, and was carried out as a Type 1 with a Moderate level of assurance. The review also included reporting in accordance with the GRI Standards 2021.

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

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

No.	Material Topic	Topic Standard	
		Applicable Indicator	Reporting Indicator
1	Reinforcing Waste Management	306	306
2	Respecting Employees' Human Rights and Achieving Diversity	405, 406	405, 406
3	Reinforcing Health & Safety Management	403	403
4	Reinforcing Ethical Management and Anti-corruption Competency	205, 206	205-2
5	Fostering Talent and Future Leaders	404	404

Subjects and Methodology

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

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

Limitations

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

Independent Assurance Statement

Conclusion and Opinion

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

Inclusivity

DS Neolux defined key stakeholders that affect its management activities as clients, employees, shareholders and investors, suppliers, and the local community, and established a stakeholder engagement process considering the characteristics of each group. We confirmed that it uses this process to listen to and collect stakeholders’ opinions and reflect them in its management activities.

Materiality

We confirmed that DS Neolux selected material issues by conducting a double materiality assessment that considers its financial, environmental, and social impacts through forming an issue pool and the analysis of financial statements and the direction of ESG strategies. We also confirmed that all the five key issues derived from the double materiality analysis were reflected in the Report.

Responsiveness

We confirmed that DS Neolux operates a governance system that discovers, executes, and manages the performance of ESG tasks led by the Working-Level ESG Committee, which directly reports to the CEO, and that the BOD of DS Neolux deliberates significant ESG-related management decisions. DS Neolux also operates internal and external communication channels, such as client and supplier meetings, the Labor-Management Council, general meetings, and IR conference calls, to manage and respond to the collected opinions.

Impact

DS Neolux sets quantitative indicators and carries out monitoring activities to identify and manage the direct and indirect impacts of key topics. We confirmed that DS Neolux measures the impact of its organizational activities on stakeholders with respect to sustainability, analyzes values that affect stakeholders, and considers their impact in a mid to long-term perspective.

Recommendations

It is the Assurer’s opinion that DS Neolux displays excellence in its efforts to reinforce ESG management by operating an Working-level ESG Committee and in its preemptive response to internal and external ESG demands. In particular, we consider it remarkable that DS Neolux established a human rights charter, purchasing ethics charter, conflict mineral policy, and other ESG-related policies for internal and external stakeholders, including employees and suppliers, and that it strives to comply with them. For DS Neolux to improve its sustainability performance in the future, we present the following recommendations.

1. Since the management of material issues derived from a materiality assessment play a crucial role in responding to changes in corporate environments and risk management, we recommend DS Neolux to set key KPIs for each derived material issue and continuously manage the relevant performance.

Qualification and Independence

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

Lead Verifier **Jin-seul Jung**,
ACSAP



May 2025
CEO, NICE Information Service
Jong-yoon Kim






ESG Initiatives

UN SDGs

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

No.	Objectives	Key Activities	Reporting
1	No poverty	We promote the recruitment of employees with disabilities and strictly prohibit discrimination regarding working conditions or types of employment. We also make donations for pediatric patients receiving palliative care at Asan Medical Center to support medically underserved populations.	27, 44
3	Good health and well-being	We provide regular health checkups, medical consultation, and an on-site gym to promote the health of employees, manage hazardous chemicals, and improve the work environment to establish a safer and healthier workplace.	24, 31, 36
4	Quality education	In addition to offering continuous support for employees to upgrade their skills, we help increase educational opportunities in the local community by making donations to universities and research institutions through our sponsorship for the Yuha Pureun Foundation.	44
5	Gender equality	We operate fair recruitment, evaluation, and compensation systems, as well as a maternity protection system and flexible working hours to build a women-friendly organizational culture and achieve gender equality.	28-29
6	Clean water and sanitation	We operate a management system for more efficient water usage and dispose of wastewater in compliance with legal requirements, striving to create an environment with clean water and sanitation.	24
7	Clean energy	Based on our certification to ISO 50001, an international standard for energy management systems, we are increasing our investment in energy-saving facilities and improving operation efficiency. We also promote the use of eco-friendly energy through continuous operation of EV charging stations.	20-21
8	Decent work and economic growth	DS Neolux, chosen as a Youth-Friendly Small Giant, puts continuous efforts into creating local jobs, increasing youth employment, and fostering a safer, healthier work environment.	27
9	Industry, innovation and infrastructure	We actively implement R&D activities and develop high-value-added new materials to contribute to technological innovations and reinforcing the competitiveness of the OLED display material sector.	37-38
10	Reduced inequalities	We provide equal opportunities for all stakeholders and eliminate any form of discrimination due to gender, nationality, age, disability, or any other kind of difference, thereby fostering an inclusive organizational culture.	26
11	Sustainable cities and communities	To preserve the local environment and achieve carbon neutrality, we strive to better manage hazardous substances and prevent environmental incidents. We also operate commute shuttles and invest in eco-friendly facilities for harmonious co-existence with the region.	21
12	Responsible consumption and production	Based on our certification to ISO 14001, an international standard for environmental management systems, we practice fundamental reduction of waste and are maintaining a high recycling rate in a stable manner.	22-23
13	Climate action	We establish systematic management systems for GHG reduction, and set quantitative reduction goals while constantly reviewing and implementing feasible means of reduction.	20-21
16	Peace, justice and strong institutions	For fairer and more transparent management, we operate an ethical management system as well as DS Clean Supporting Center, and provide ethics training for employees to reinforce their compliance awareness and responsibility continuously.	48



ESG Initiatives

10 UNGC Principles






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

No.	Objectives		Key Activities	Reporting
Human Rights	Principle 1	Support and respect the protection of internationally proclaimed human rights.	<p>DS Neolux complies with global standards and guidelines on human rights and labor set by the UNGP and ILO and established a human rights charter in 2023 to internalize human rights management. To prevent human rights risks, we provide employees with regular human rights training and receive reports related to human rights violations through DS Clean Reporting Center, which is also available for external stakeholders.</p> <p>In addition, we operate our talent recruitment, performance evaluation, and compensation systems based on the principle of equality, do not employ minors, and promote the recruitment of employees with disabilities, continuously striving to protect the socially disadvantaged.</p>	25-26, 27-28
	Principle 2	Make sure not to be complicit in human rights abuses.		
	Principle 3	Uphold the freedom of association and the effective recognition of the right to collective bargaining.		
Labor	Principle 4	Eliminate all forms of forced and compulsory labor.		
	Principle 5	Effectively abolish child labor.		
	Principle 6	Eliminate discrimination in respect of employment and occupation.		
Environment	Principle 7	Support a precautionary approach to environmental challenges.	<p>DS Neolux established a global-level environmental management system so it can fulfill its environmental responsibility. In addition to the existing certification to ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems), we obtained certification to ISO 50001 (energy management systems) in 2024, further reinforcing our ESG management system. This allowed us to lay the foundation for more efficient energy consumption and GHG reduction and to establish our own emission management system. We also provide MSDS and training, in addition to conducting regular chemical spill drills. Furthermore, we introduced an IoT system for our air pollution prevention facilities to monitor the concentration of emissions in real time, and are maintaining our emissions below the legal limit to help protect the local environment.</p>	22, 24
	Principle 8	Undertake initiatives to promote greater environmental responsibility.		
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Principle 10	Work against corruption in all its forms, including extortion and bribery.	<p>We established and disclosed an ethics charter and a code of ethics for fair and transparent management, and receive reports of unethical or unfair conduct through DS Clean Reporting Center. Additionally, all our employees submit a pledge of ethical management and regularly receive ethics and compliance training to reinforce their awareness of ethical awareness and responsibility continuously.</p>	47-48

Membership & Awards

Membership Status

2024

Association	Description
 <p>The Korean Information Display Society KIDS Korean Information Display Society (KIDS)</p>	<p>KIDS is an academic association that implements a range of programs to promote the academic and technological development of the display sector, which include R&D support, facilitating academic activities, fostering experts, and enhancing industry-academia collaboration. DS Neolux regularly takes part in the association's seminars and conferences to keep up with latest trends and build Korean Information Display Society (KIDS) cooperative relationships.</p>
 <p>Korea Display Industry Association (KDIA)</p>	<p>The KIDA is an association founded to help strengthen the bonds within Korea's display sector, promote mutual benefits, and facilitate the development of the display industry across all aspects. It offers various support activities for its members, including the exchange of technological information and assistance in entering overseas markets</p>
 <p>삼성회 Samsung Supplier Association</p>	<p>Samsung Supplier Association was founded in 1981 to promote the mutual growth of Samsung Electronics and its suppliers through building smooth cooperative relationships, exchange of information, and collaborative technological development. It now has 39 primary suppliers as its members, and DS Neolux has taken part in various tasks and projects of the association since Samsung Supplier Association joining it in 2014.</p>
 <p>한국IR협의회 KOREAN IR SERVICE Korea Investor Relations Service (KIRS)</p>	<p>The KIRS is a non-profit corporation built in 2009 by the KRX with the approval of the Financial Services Commission to promote the healthy development of the capital market. It seeks to raise awareness of investor relations (IR) and facilitate IR activities among listed companies. DS Neolux has been a member of the association since 202</p>
 <p>MPE Future Forum</p>	<p>The MPE Future Forum is a public-private consultative body through which the industry, the government, and professionals propose policies and work together to reinforce the competitiveness of key industries such as the semiconductor, display, and rechargeable battery sectors. The organization analyzes current issues concerning the material, part, and equipment (MPE) industry, expands networks, incorporates policies, and enhance inter-industry connections to promote the growth of South Korea's MPE industry and seek future strategies.</p>

Awards

Details	Date	Organization
<p>Selected as a Youth-friendly Small Giant (for four consecutive years)</p>	<p>January 2024</p>	<p>Ministry of Employment and Labor</p>
<p>2024 KCCI & Forbes CSR Awards - Winner of the CSR Award in the Social Value category (for three consecutive years)</p>	<p>March 2024</p>	<p>Korea JoongAng Daily, KCCI, Forbes</p>

