ASIA 2026 SUSTAINABILITY REPORT

CREATING SUSTAINABLE FUTURE

Drive a Value for Human Being and Nature

Creating value with consideration for people and the environment

In line with our philosophy of creating value with consideration for people and the environment, we respect both people and the environment as we work toward a sustainable future.
We will continue to grow as a value-driven company that contributes to enhancing the quality of life for our customers and society.

About This Report

Report Overview

ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG have published an integrated Sustainability Report covering the four companies annually since 2022, with the aim of transparently disclosing their overall performance in sustainable management across economic, social, and environmental dimensions to stakeholders. The report comprehensively presents the ESG management strategies and initiatives of ASIA Holdings and each reporting entities, actively addressing stakeholders' growing social interest in Environmental, Social, and Governance (ESG) issues. ASIA Holdings and all its affiliates will continue to strive to fulfill their social responsibilities by reflecting the expectations and demands of stakeholders.

Reporting Period

The reporting period covers January 1 to December 31, 2025. For certain material achievements, the report also includes activities and information through the first half of 2026. To enable trend analysis of quantitative performance, results for the most recent three years (2023–2025) are disclosed together. Data with a different reporting period are indicated with separate footnotes.

Reporting Scope

This report covers a total of four entities: ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG. Financial information for each entity is prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS), while non-financial information encompasses all domestic business sites of ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG as separate legal entities. Where the reporting scope differs from the above, or where data has changed relative to previous reports, additional explanations are provided.

Reporting Principles and Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and refers to the disclosure recommendations of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). There have been no significant changes in the reporting scope, boundary, or measurement methods compared to the previous report. In cases where data collection methods have been updated, the data have been revised based on 2025 figures and are separately indicated with footnotes. Quantitative environmental performance data, including greenhouse gas emissions, energy, and waste, may be subject to change as information submitted to the government in accordance with applicable regulations is finalized after the publication of this report. Once finalized, such information will be available through the Environmental Information Disclosure System.

Independent Assurance

The report content and data have been subject to third-party assurance by BSI Group Korea, an independent external assurance provider, in accordance with the AA1000AS (Moderate level, Type 1) standard to ensure transparency and reliability. The assurer's statement can be found in the Appendix, "Independent Assurance Statement," of this report.

Publisher

ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG

Publication Date

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Report Publication (Contact)

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Interactive User Guide

This report is published as an interactive PDF, featuring navigation links that allow readers to move directly to related pages within the document.

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OVERVIEW

CEO Message

ASIA Holdings

Dear Valued Stakeholders of ASIA Holdings,

We would like to express our sincere gratitude to our shareholders, customers, business partners, and local community stakeholders for their continued interest and unwavering support for ASIA Holdings.

Guided by our management philosophy of being "Creating value with consideration for people and the environment," ASIA Holdings has steadily practiced responsible management for a sustainable future throughout more than 60 years of history.

Since publishing our first sustainability report in 2012 to provide more transparent and reliable information, we have continued meaningful communication with stakeholders by candidly sharing the ESG management philosophy and performance of the entire group, including ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG.

Going forward, ASIA Holdings will continue to make ESG management a key driver of future growth and build a sustainable tomorrow together with all stakeholders. Through responsible action and transparent disclosure, we will repay the trust you have placed in us and make every effort to achieve both economic performance and social value.

We ask for your continued interest and generous advice as ASIA Holdings moves forward on its journey toward a better tomorrow.

Thank you.

ASIA Holdings CEO **Oh, Ki Ho**

CEO Message

ASIA Cement, HALLA Cement

Dear Valued Stakeholders,

ASIA Cement and HALLA Cement are making continuous efforts to practice responsible management for a sustainable future.
Through this report, we would like to express our deep appreciation to all stakeholders, including our customers, employees, business partners, and local communities, who have placed their trust in and worked together with both companies.

The year 2025 was marked by continued domestic and global economic uncertainty and a downturn in the construction market, making the importance of ESG management even greater. Amid these changes, both companies have strengthened their management systems to consider environmental responsibility and social value together, while laying the foundation for sustainable growth.
In particular, to respond to the climate crisis and achieve carbon neutrality, we have continued to promote various eco-friendly activities, including expanding the use of eco-friendly fuels and raw materials, improving energy efficiency, and investing in and upgrading facilities to expand resource circulation.

In addition, building on the value of "ECO TOGETHER 2025," both companies established the integrated vision "GROW 2030" and set a mid- to long-term direction for balanced growth across the environment, profitability, technological innovation, and safety.

Going forward, ASIA Cement and HALLA Cement will continue to place ESG management at the core of business operations and grow as companies that fulfill their responsibilities to the environment and society while creating a sustainable future.

Thank you.

ASIA Cement CEOs **Lim, Kyeong Tai and Kim, Woung Chong**
HALLA Cement CEOs **Lim, Kyeong Tai and Hwang, Sok Yong**

CEO Message

ASIA Paper MFG

Dear Valued Stakeholders,

ASIA Paper MFG regards sustainable management as a core value essential to its long-term viability. We are embedding environmental, social, and governance (ESG) principles across all aspects of our operations and putting our commitment to a better future into practice.

In the environmental domain, we are establishing a resource circulation system spanning from the procurement of raw and auxiliary materials to product shipment. Based on ISO 14001, FSC, and Environmental Product Declaration (EPD) certifications, we systematically manage product impacts and will continue to strengthen our capability to address climate change through investments in carbon neutrality facilities and the development of smart eco-friendly plants.

In the social domain, we prioritize the realization of a zero-accident workplace. Through rigorous risk assessments, we proactively eliminate potential hazards, while operating a dedicated safety and health center and company-wide campaigns. We will establish a workplace culture where all members can work with stability.

In terms of governance, ASIA Paper MFG is committed to transparent management. We fulfill our social responsibilities through diligent tax compliance and ethical business practices, placing the trust of stakeholders, including shareholders, at the center of our management. We will clearly communicate our performance and further strengthen our shareholder return policies.

Building on a sound governance structure, ASIA Paper MFG will continue to grow together with our employees and shareholders.

We sincerely appreciate your continued support.

ASIA Paper MFG CEOs **Yu, Seung Hwan and Lee, Hyun Tak**

Milestones

Drive a Value for Human Being and Nature

Creating value with consideration for people and the environment

ASIA began its journey in the 1950s, during the early stages of Korea's economic development, and has since grown alongside customers as a leading player in the industry, contributing to the advancement of the Korean economy. Through continuous innovation and challenges across its businesses—ranging from cement and paper to venture investment—the company is opening new possibilities for the future. Guided by its vision, "Creating value with consideration for people and the environment," as well as its management philosophy of "Creative thinking, Proactive execution, and The accumulation and development of knowledge," ASIA strives for a more prosperous future.

Since transitioning to a holding company structure in 2013, ASIA has been reinventing itself as a sustainable company that grows together with all stakeholders by focusing its capabilities, developed over more than half a century, on its commitments to customers, value for people, and a better future for the next generation.

1950~1989

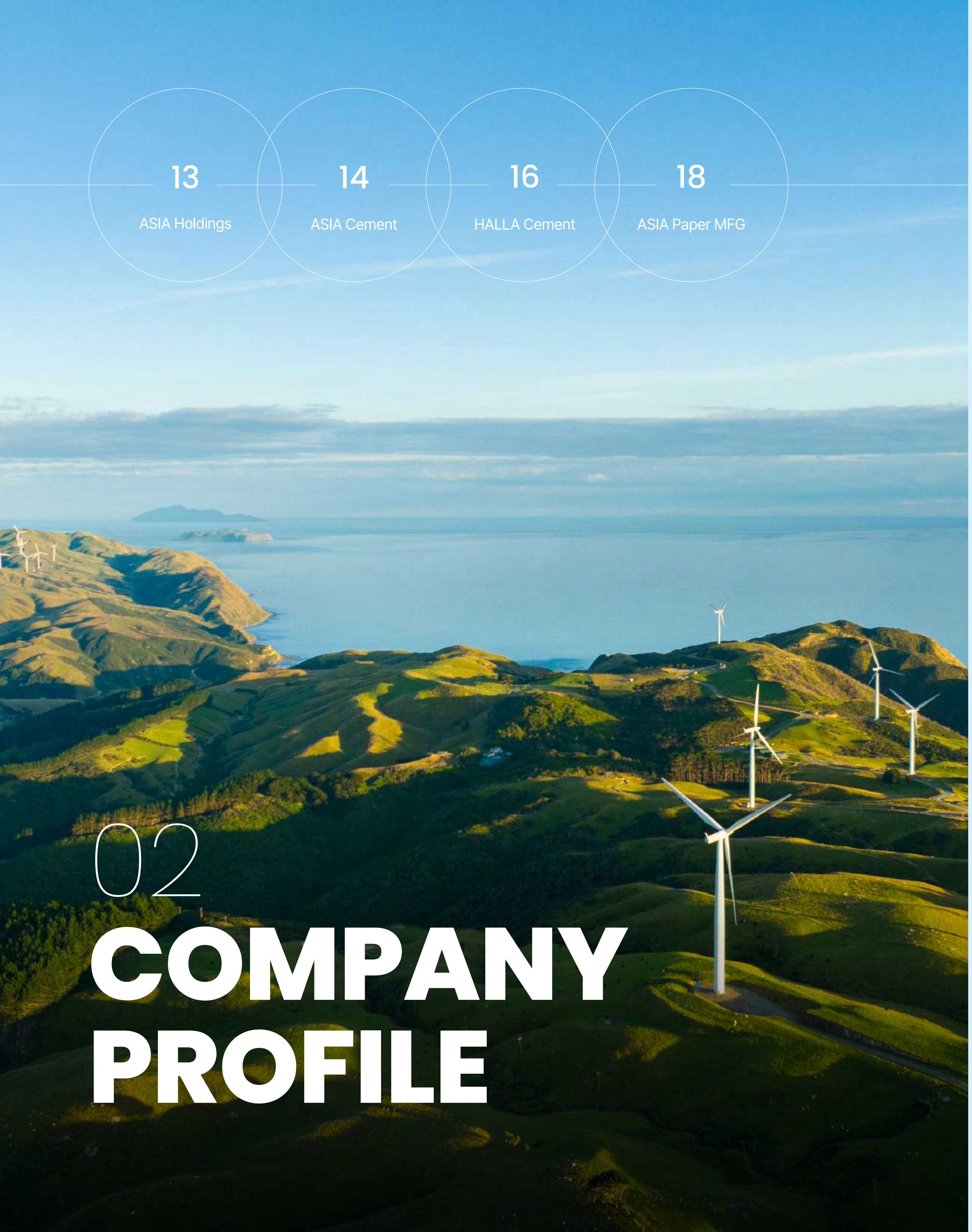
1957. 04	Establishment of Kyungwon Industrial Co., Ltd.
1966.12	Completion of the Jecheon Plant (Annual Capacity: 400,000 tons)
1973. 11	Name changed to ASIA Cement Industry Co., Ltd., and establishment of the corporate philosophy: "Let's dedicate ourselves to the country and the company."
1974. 06	The company's shares were listed on the Korea Exchange
1982. 07	Increase in production capacity through the renovation of the Jecheon Plant (Annual Capacity: 2.3million tons)
1985. 10	Acquisition of ASIA Paper MFG, formerly known as International Paper

1990~2009

1990. 07	Establishment of an internal labor welfare fund
1998. 10	All operation sites achieved certification under ISO 9001 and 9002 quality standards
1999. 07	Voluntary Agreement signed for energy conservation and greenhouse gas reduction
2000. 05	Cumulative supply of ready-mixed concrete surpasses 20 million m^3
2001. 06	First in the cement industry to obtain safety management certification (KOSHA 2000 Program)
2004.07	Awarded the 2004 Ecofriendly Management Award (selected by The Korea Economic Newspaper)
2005. 10	Production of Korea's first 150 MPa (1,500 kg/cm^2) ultra-high-strength concrete

2010~2025

2010. 06	Development of environmentally friendly eco-concrete that suppresses carbon emissions (in collaboration with LOTTE E&C)
2013. 10	Transitioned to a holding company structure
2017. 11	ASIA Cement was selected as an excellent company for quality competitiveness (by the National Standards Institute)
2018. 01	ASIA Cement incorporated HALLA Cement as an affiliate
2021. 01	ASIA Cement and HALLA Cement declared the 2025 Vision and Core Value 'ECO TOGETHER 2025'
2022.05	ASIA Paper MFG certified with SMETA Audit Report
2023.07	ASIA Cement launched development projects for carbon neutrality core technologies (waste synthetic resin fuel substitution and blended cement)
2024.04	HALLA Cement selected as an ESG Sharing Leading Company by the Gangwon Community Chest of Korea
2025.12	ASIA Cement awarded the Grand Prize in the Metal, Non-Metal & Chemical Industry Category at the 33rd CCEJ Good Company Award



02 COMPANY PROFILE

Striving for Excellence in Quality and Trust

ASIA Holdings

Since establishing a holding company structure in 2013, ASIA Holdings has built a more transparent corporate governance framework. Centered on its core businesses—cement (ASIA Cement, HALLA Cement, ASIA Industry Development) and paper (ASIA Paper MFG, Kyungsan Paper, Cheil Industrial, Yujin Fiber Board, APACK, AP Recycling)—the Group operates a diversified portfolio of affiliates, including Wooshin Venture Investment, Gyeongju World, and Ahnong. Leveraging this extensive business network, ASIA Holdings continues to drive sustainable growth across the Group.

General Overview

 # Company Name
ASIA Holdings

 # Established on
April 26, 1957

 # CEO
Lee, Hoon Beom and Oh, Ki Ho

 # Headquarters
430, Nonhyeon-ro, Gangnamgu, Seoul, Republic of Korea

 # Business
Management consulting, rental business and others

 # Number of Employees*
17 (as of December 31, 2025) * including executives

ASIA Business Sectors

 # Cement

As a capital-intensive industry requiring substantial upfront investment, the cement industry—forming the backbone of the national economy—relies heavily on economies of scale. Within this environment, ASIA Cement and HALLA Cement focus on the production and supply of essential construction materials, while enhancing operational efficiency and strengthening internal fundamentals. At the same time, they are actively pursuing new product development and continuous management innovation. In addition, ASIA Industry Development, which specializes in the production of construction aggregates, conducts its business in close alignment with domestic construction market trends and government infrastructure (SOC) investment policies.

 # Paper

In the paper segment, which produces a wide range of paper products based on recycled paper and pulp, ASIA Paper MFG leads a group that includes Kyungsan Paper, Cheil Industrial, Yujin Fiber Board, APACK, and AP Recycling. ASIA Paper MFG, the flagship company, focuses on the production of containerboard, kraft paper, and gypsum linerboard, while striving to reduce manufacturing costs by maximizing the operational efficiency of solid recovered fuel (SRF) and incineration boiler systems. Furthermore, the Group is generating business synergies through vertical integration in the packaging segment and by advancing waste-paper recovery systems, while expanding its scope beyond recycling-based cost reduction into the area of alternative energy.

 # Venture Investment # Leisure # Education

In the venture investment sector, Wooshin Venture Investment plays a key role in identifying and nurturing high-potential startups and SMEs at an early stage, delivering tangible results through a diversified investment portfolio spanning ICT, bio & healthcare, and manufacturing. Gyeongju World, which leads the leisure segment, offers unique experiences that allow customers to escape from everyday life through its specialized rides and attractions and has firmly established itself as a nationally recognized theme park beyond the southern region. In addition, by supporting the operation of Mungyeong Girls' High School and Munchang High School under the Mungyeong Educational Foundation, the Group contributes to creating an optimal educational environment that fosters future talent with strong character and outstanding capabilities.

Revenue for the Year 2025 (Consolidated Basis)	Operating Profit for the Year 2025 (Consolidated Basis)
KRW 1.88 trillion	KRW 111.0 billion

Striving for Excellence in Quality and Trust

ASIA Cement

ASIA Cement, which has driven the growth of Korea's cement industry, manufactures a diversified portfolio of construction materials, including cement, ready-mixed concrete, dry mortar, specialty cement, and aggregates. Its products are reliably supplied to customers through a nationwide and well-established sales network comprising construction companies, ready-mix concrete producers, distributors, and the Public Procurement Service. ASIA Cement continues to pursue ongoing innovation, placing the highest priority on achieving customer satisfaction and ensuring the highest standards of quality as its core management values.

General Overview

 # Company Name
ASIA Cement

 # Established on
October 1, 2023

 # CEO
Lim, Kyeong Tai and Kim, Woung Chong

 # Headquarters
430, Nonhyeon-ro, Gangnamgu, Seoul, Republic of Korea

 # Business
Manufacturing and selling cement, ready-mixed concrete, dry mortar, and aggregate

 # Number of Employees*
502 (as of December 31, 2025) * including executives

Our Business

 # Cement

Based on company-owned limestone quarries with the largest reserves and highest quality in the domestic industry, we have established an annual production system with a capacity of approximately 5 million tonnes. We produce high-fluidity cement suitable for high-rise buildings and have secured strong market trust through our advanced technology and quality competitiveness.

4,410 K tonnes per year (production capacity)

 # Ready-Mixed Concrete

Ready-mixed concrete (REMICON) is unhardened concrete produced at specialized facilities. Due to its characteristics—requiring transportation and placement before the hydration reaction between cement and water progresses—it is a representative regionally bound industry with a limited delivery distance.

5,040 K m^3 per year (production capacity)

 # Dry Mortar

Dry mortar, a mixture of cement, dried sand, and various performance-enhancing additives in optimal proportions, is an innovative material that significantly improves work convenience and construction efficiency, as it can be used on-site simply by adding water.

dry mortar 2,140 K tonnes per year (production capacity)

 # Aggregate

ASIA Cement's crushed aggregates for concrete are produced by recycling low-grade limestone from its own quarries. Through rigorous quality control, the product obtained KS certification in 2006. Equipped with advanced dust prevention facilities and a fully automated production system, we ensure stable quality and an environmentally friendly production process.

814 K m^3 per year (production capacity)

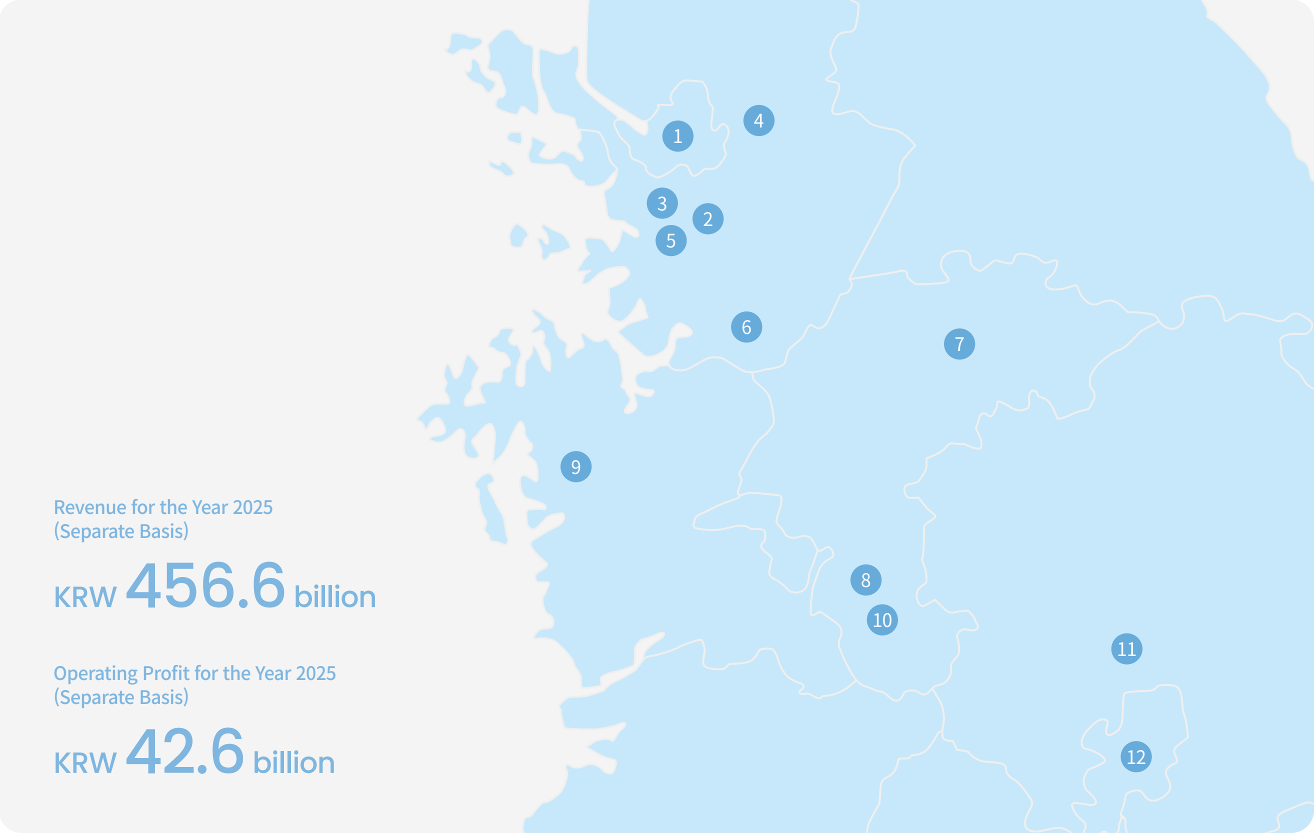
 # GPC

GPC is a premix cement developed to meet the growing demand for high-quality concrete in large-scale and high-rise construction, as well as the need for improved construction efficiency. By pre-blending various functional binders, it ensures consistent quality and is supplied as a customized solution tailored to site requirements.

500 K tonnes per year (production capacity)

Our Locations

ASIA Cement conducts the operations with its headquarters in Seoul and its main plant in Jecheon as key bases. In addition, the company operates an extensive nationwide network that includes cement distribution terminals, ready-mixed concrete and dry mortar production facilities, and sales offices across major regions.



● Cement ● Ready-Mixed Concrete ● Dry Mortar ● Aggregate ● GPC ● Facility Rental

Seoul

1 Headquarters	430, Nonhyeon-ro, Gangnam-gu, Seoul

Metropolitan Area

2 Suwon Plant	1006, Deokyeong-daero, Gwonseon-gu, Suwon-si, Gyeonggi-do
3 Seoul Plant for Ready-Mix Concrete	108, Anyangcheondong-ro, Dongan-gu, Anyang-si, Gyeonggi-do
4 Deokso Logistics Center	40, Deokso-ro, Wabu-eup, Namyangju-si, Gyeonggi-do
5 Bugok Storage Site	201, Ganamu-ro, Uiwang-si, Gyeonggi-do
6 Yongin Plant	15, Hyeongyeong-ro 17beon-gil, Namsamyeon, Cheoin-gu, Yongin-si, Gyeonggi-do

Chungcheongbuk-Do

7 Jecheon Plant	14, Songhaksan-ro, Songhak-myeon, Jecheon-si, Chungcheongbuk-Do

Central Region

8 Daejeon Plant	25, Bangdumal 1-gil, Daedeok-gu, Daejeon
9 Hongseong Plant	48, Chungseo-ro 966beon-gil, Guhang-myeon, Hongseong-gun, Chungcheongnam-do
10 Jungbu Plant	60, Arirang-ro 55beon-gil, Daedeok-gu, Daejeon

Daegu Region

11 Daegu Plant	2, Gyeonghocheondong-gil, Yammokmyeon, Chilgok-gun, Gyeongsangbuk-do
12 Daegu Branch Office	1773, Daegubeol-daero, Seo-gu, Daegu

Creating New Values through Change and Innovation

HALLA Cement

In January 2018, HALLA Cement was incorporated into ASIA Cement as an affiliate, a company with over 60 years of heritage. Following this integration, the company became the third-largest cement manufacturer in Korea in terms of market share and established a nationwide distribution network covering both coastal and inland regions. HALLA Cement maintains a strong nationwide presence through five regional branches (Central, Western, Yeongnam, Jeju, and Special Sales) and more than ten distribution terminals, supplying products to key customer segments including ready-mixed concrete producers, construction companies, distributors, downstream manufacturers, and government procurement. HALLA Cement continues to lead industry innovation through advanced technological capabilities and high-quality services, operating a customer-centric Concrete Technology Center to provide specialized technical support. The company places the highest priority on safety, health, and environmental management, actively engaging in environmentally friendly mine restoration, endangered species recovery projects, and community contribution programs. Moving forward, HALLA Cement will continue to fulfill its corporate social responsibilities while pursuing sustainable growth.

General Overview

 # Company Name
HALLA Cement

 # Established on
January 27, 1978

 # CEO
Lim, Kyeong Tai and Hwang, Sok Yong

 # Headquarters
225, Sangye-gil, Okgye-myeon, Gangneung-si, Gangwon-do, Republic of Korea

 # Business
Manufacture of non-metallic mineral products

 # Number of Employees*
533 (as of December 31, 2025) * including executives

Our Business

Cement

Ordinary Portland Cement (OPC), which offers versatility and consistent quality for general construction applications, is one of HALLA Cement's key products. In addition, the Company produces and supplies Blast Furnace Slag Cement (SC), manufactured by finely grinding granulated blast furnace slag—a by-product of the steelmaking process—and blending it with Portland cement at specific proportions.

7.6 million tonnes per year
Portland cement production capacity

4.75 million tonnes per year
Slag cement production capacity

Specialty Cement

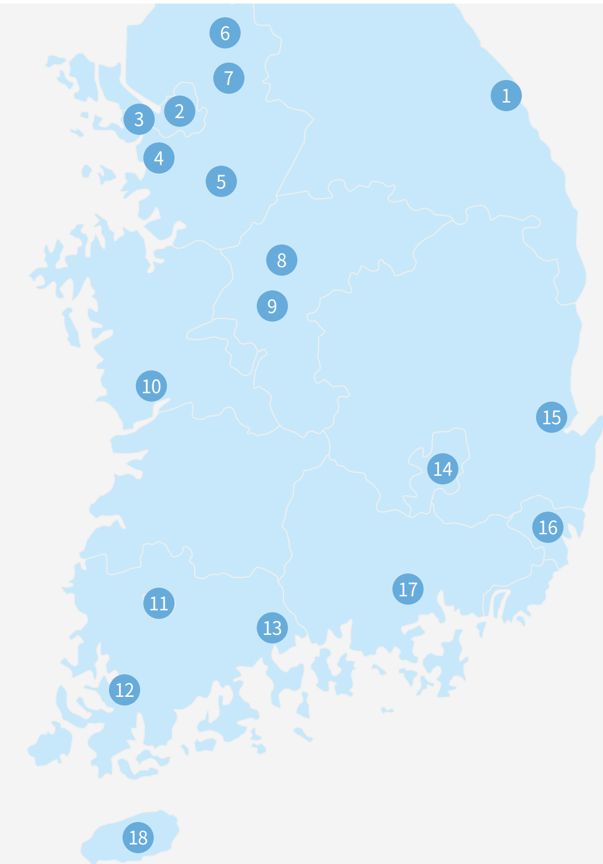
HALLA Cement offers a portfolio of more than ten types of specialty cement products designed to maximize performance for diverse applications. These products are precisely manufactured for specialized uses, including rapid-hardening, low-heat, and steam-cured cement, as well as applications such as road paving, foamed concrete, ground stabilization, and pile grouting.

Other Products

In addition to its core cement products, HALLA Cement also produces blast furnace Slag Powder (SP), Fly Ash (FA), and high-quality aggregates—essential materials for civil engineering and construction projects. Through this, the company continues to broaden its construction materials portfolio.

Our Locations

HALLA Cement is headquartered in Okgye-myeon, Gangneung-si, Gangwon-do, where its main production plant is also located. In addition, the company operates production facilities in Gwangyang, Pohang, and Incheon. Furthermore, it has established a nationwide distribution and sales network to ensure the stable supply of its products.



Revenue for the Year 2025 (Separate Basis)
KRW **534.3** billion

Operating Profit for the Year 2025 (Separate Basis)
KRW **34.0** billion

1 Headquarters / Okgye Plant / Yeongdong Sales Office	225, Sangye-gil, Okgye-myeon, Gangneung-si, Gangwon-do
2 Seoul Office / Central Office / Special Sales Office	3F, ASIA Tower, 430, Nonhyeon-ro, Gangnam-gu, Seoul
3 Incheon Plant / Sales Office	79, Seohae-daero, Jung-gu, Incheon
4 Uiwang Distribution Center / Sales Office	105, Ganamu-ro, Uiwang-si, Gyeonggi-do
5 Concrete Technology Center / Technical Support Team	70, Iseopdaecheon-ro 561beon-gil, Hobeop-myeon, Icheon-si, Gyeonggi-do
6 Choseong-ri Distribution Center	40, Cheongsin-ro 118beon-gil, Cheongsan-myeon, Yeoncheon-gun, Gyeonggi-do
7 Yangju Office	203, Sewon Medical Plaza, 6, Goeupnam-ro, Yangju-si, Gyeonggi-do
8 Eumsung Distribution Center	58, Hanbul-ro, Eumseong-eup, Eumseong-gun, Chungcheongbuk-do
9 West Regional Office / Maepo Distribution Center	337-35, Simokbugang-ro, Bugang-myeon, Sejong
10 Janghang Distribution Center	268-6, Jangsan-ro, Janghang-eup, Seocheon-gun, Chungcheongnam-do
11 Gwangju Sales Office	1201B, A-dong, IBC Knowledge Industry Center, 43-10, Cheomdangwagi-ro 208beon-gil, Buk-gu, Gwangju
12 Samho Distribution Center / Sales Office	291 Sinhang-ro, Mokpo-si, Jeollanam-do
13 Gwangyang Plant / Sales Office	159, Saneop-ro, Gwangyang-si, Jeollanam-do
14 Daegu Sales Office	1773, Dalgubeol-daero, Seo-gu, Daegu
15 Pohang Plant / Sales Office	41, Daesong-ro 101beon-gil, Nam-gu, Pohang-si, Gyeongsangbuk-do
16 Yeongnam Regional Office / Onsan Distribution Center	290, Sanam-ro, Onsan-eup, Ulju-gun, Ulsan
17 Changwon Distribution Center / Sales Office	410, Jeokhyeon-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do
18 Jeju Regional Office / Distribution Center	294–34, Wolgak-ro, Hallim-eup, Jeju-si, Jeju

A trusted partner dedicated to enhancing quality of life and creating a more vibrant world

ASIA Paper MFG

Since its establishment in 1958, ASIA Paper MFG has established itself as a leading company in South Korea's industrial paper sector. The company operates its core business centered on the Sejong and Sihwa Plants, which together have an annual production capacity of one million tonnes. Utilizing recycled paper and pulp as key raw materials, ASIA Paper MFG has built a made-to-order production system capable of supplying essential base papers—including linerboard, gypsum linerboard, and kraft paper—tailored to diverse customer requirements across various industries. Recently, the company further expanded its production infrastructure with the establishment of the Cheongju Plant. This enables it to respond more effectively to increasingly diverse industrial demands and contribute to the advancement of Korea's paper industry and the enhancement of national industrial competitiveness. Building on these achievements, ASIA Paper MFG continues to pursue innovation and transformation to evolve into a comprehensive paper manufacturer.

General Overview

 # Company Name
ASIA Paper MFG

 # Established on
March 7, 1958

 # CEO
Yu, Seung Hwan and Lee, Hyun Tak

 # Headquarters
430, Nonhyeon-ro, Gangnamgu, Seoul, Republic of Korea

 # Business
Manufacturing and selling linerboard and other products

 # Number of Employees*
291 (as of December 31, 2025) * including executives

Our Business

Linerboard
Linerboard is a fundamental material used for both interior and exterior packaging of corrugated boxes, which are widely utilized across various industries—from agricultural products to industrial goods. Leveraging advanced facilities and accumulated technological expertise, ASIA Paper MFG produces products in a wide range of colors and basis weights, fully meeting increasingly sophisticated customer quality requirements.

Gypsum Linerboard
Gypsum linerboard, widely used in construction materials, is offered in various grades depending on its function, including IVORY (general), GREEN (antibacterial), PINK (fire-resistant), BLUE (water-resistant), and GRAY (back paper). The products are precisely manufactured and supplied by differentiating between face paper and back paper applications and customizing basis weights according to customer specifications.

Kraft Paper
Kraft paper is produced in a range of basis weights, such as 75 g/㎡, 80 g/㎡, and 90 g/㎡, and is primarily used for packaging bags. It is also widely utilized as a versatile material across various industrial applications.

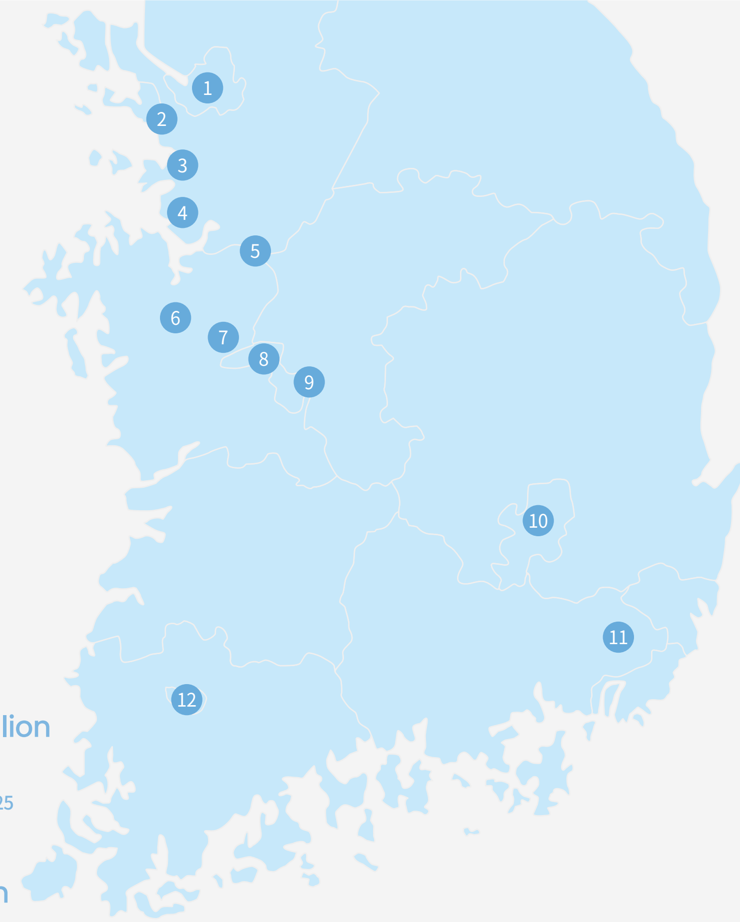
Vision and Goals

ASIA Paper MFG strives to contribute to the future, humanity, and the environment with the vision of 'achieving sustainable business as a comprehensive paper manufacturer.' Through our management philosophy of 'proactive action,' 'creative thinking,' and 'knowledge accumulation and development,' we aim to grow into a company that creates greater value.

Mission	Vision	Economic Goal
A company contributing to the future, humanity, and the environment	Achieving sustainable business as a comprehensive paper manufacturer	Enhancing the capability for consistent revenue generation and securing growth foundations through efficient investments

Our Locations

ASIA Paper MFG operates the Sejong Plant in Sejong City as its first plant and the Sihwa Plant in the Sihwa National Industrial Complex as its second plant. The company is headquartered in Seoul. In addition, the company is currently undergoing commissioning at the newly established Cheongju Plant to further expand its linerboard production base. Furthermore, its subsidiaries—including Kyungsan Paper, Cheil Industrial, Yujin Fiber Board, Apack, and AP Recycling—are strategically located across key regions nationwide.



Revenue for the Year 2025 (Separate Basis)
KRW **485.3** billion

Operating Profit for the Year 2025 (Separate Basis)
KRW **30.4** billion

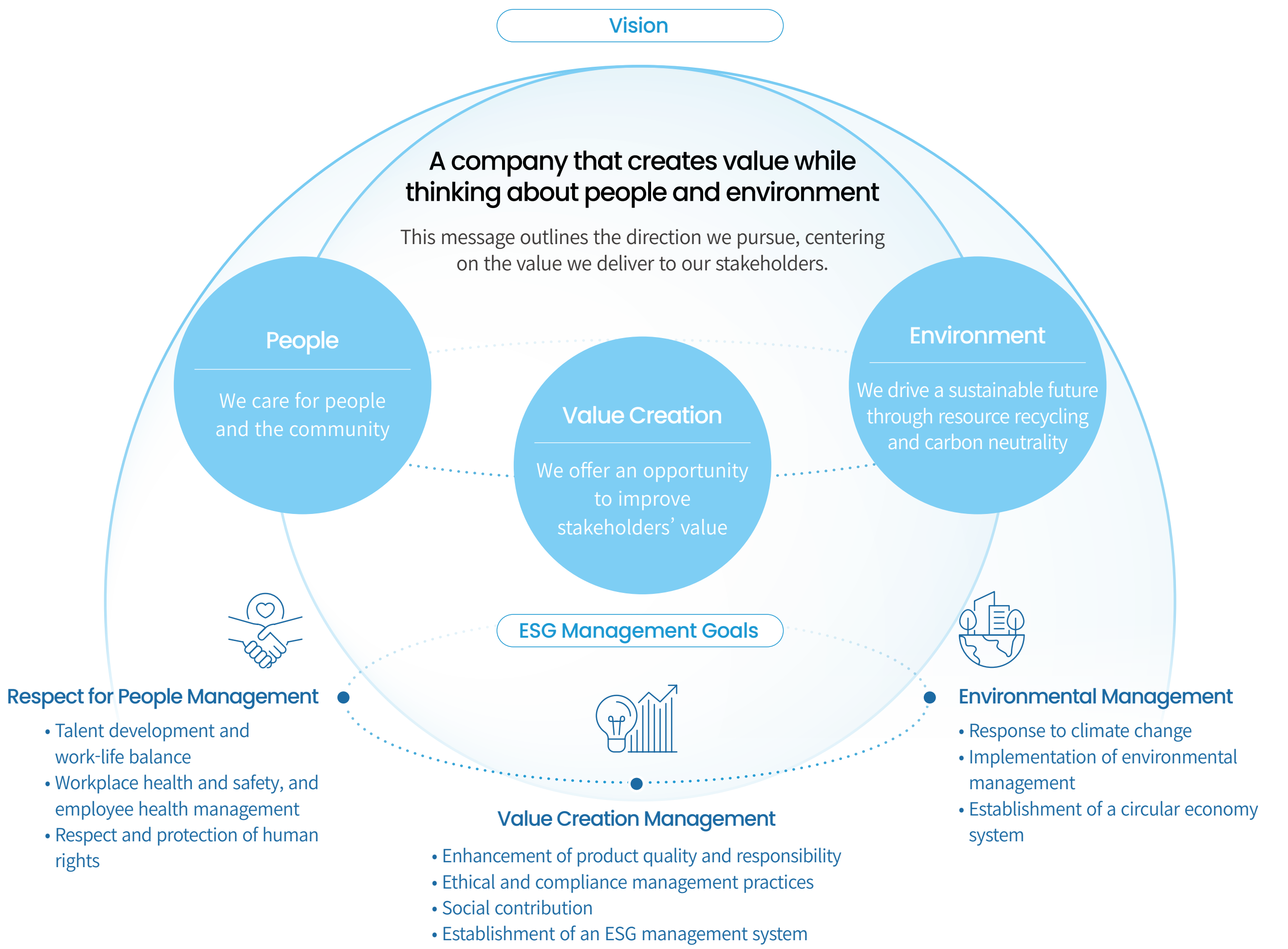
❶ ASIA Paper MFG Headquarters	430, Nonhyeon-ro, Gangnam-gu, Seoul
❷ ASIA Paper MFG Sihwa Plant	231, Seohaean-ro, Siheung-si, Gyeonggi-do
❸ Yujin Fiber Board	34, Manhae-ro, Siheung-si, Gyeonggi-do
❹ Cheil Industrial Hwaseong Plant	456, Eunhaengnammu-ro, Yanggam-myeon, Hwaseong-si, Gyeonggi-do
❺ Cheil Industrial Anseong Plant	573, Sindumangok-ro, Miyang-myeon, Anseong-si, Gyeonggi-do
❻ AP Recycling Asan Plant	72-20, Galsangyo-ro, Asan-si, Chungcheongnam-do
❼ ASIA Paper MFG Cheongju Plant	27, Gangnaesandan 2-ro, Gangnae-myeon, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do
❽ ASIA Paper MFG Sejong Plant	497, Buganggeumho-ro, Bugang-myeon, Sejong
❾ AP Recycling Daejeon Plant	75, Daejeon-ro 1397beonan-gil, Daedeok-gu, Daejeon
❿ Kyungsan Paper	35, Biseul-ro 96-gil, Yuga-myeon, Dalseong-gun, Daegu
⓫ APACK	12, Sanmakgongdan Nam 5-gil, Yangsan-si, Gyeongsangnam-do
⓬ Cheil Industrial Gwangju Plant	80, Pyeongdongsandan-ro, Gwangsan-gu, Gwangju

03
ESG FUNDAMENTAL

ESG Management System

ASIA ESG Vision and Goals

ASIA's ESG management is overseen by the Board of Directors and the ESG Management Committee. ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG have established and operate dedicated organizations by ESG topic to implement ESG activities at the operational level.



Management Philosophy

Develop entrepreneurship, think creatively, and accumulate knowledge

Challenge
We perpetually strive to take proactive actions that do not settle for reality but challenge new things for better outcomes.

Creation
We are encouraged to think creatively, leading to business innovation and development.

Knowledge Development
We are built to retain knowledge as a source of our competitive advantage, helping our employees develop their abilities and strive to be the best talent, achieving the highest performance.

ASIA ESG Management Committee

ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG have formally launched and operate the ESG Management Committee, composed of executives and independent directors from each company. The committee serves as a key advisory body that supports the Boards of Directors—the highest decision-making bodies of ASIA Holdings and its affiliates—in making informed decisions on mid- to long-term ESG policies and management strategies. To ensure objectivity and expertise in its operations, more than half of its members are independent directors with extensive knowledge across environmental, social, and governance areas. In addition, the Chairman of the Committee is appointed from among the independent directors to further strengthen its independence.

ASIA Holdings
Working-level Departments

ASIA Cement
Working-level Departments

HALLA Cement
Working-level Departments

ASIA Paper MFG
Working-level Departments

ESG Management System

ASIA 2025 ESG Highlights

Since 1982

44 years

Continuous dividend payments (ASIA Holdings)

Occupational Health and Safety Management System

KOSHA-MS

Certified by three companies: ASIA Cement, HALLA Cement, ASIA Paper MFG

2025 ASIA Holdings Shareholder Return

101.0%

Shareholder return ratio

First in the Cement Industry

Installation of the **SCR System**

September 2025 (ASIA Cement)

HALLA Cement

73%

Proportion of products with EPD certification

2025 HALLA Cement Customer Satisfaction

94 points

(out of 100 points)

KRW 4.26 billion

Combined social contribution fund of the three companies

National Quality Circle Competition

For 9 consecutive years

Gold Prize Winner

(ASIA Cement)

GROW 2030
Mid- to Long-Term Carbon Neutrality Vision for the Cement Division

by 2030 compared to 2018

Target to reduce CO_2 emissions by **20%**

(ASIA Cement · HALLA Cement)

Governance Across Four Companies

99%

2025 Average Board Attendance Rate

ASIA Cement 아세아시멘트

2025 Fuel substitution rate	2025 Waste recycling rate
53.8%	82.9%

ASIA Paper MFG 아세아제지

2025 Recycled raw material usage rate	2025 Eco-certified product sales ratio
92.8%	95.9%

GROW 2030

ASIA Cement and HALLA Cement declared the integrated vision "ECO TOGETHER 2025" in 2021 to proactively respond to rapid changes in the business environment and maximize synergy between the two companies. Based on this, they established a solid foundation for environmental management, including greenhouse gas reduction and expanded use of circular resources, while promoting zero-accident workplaces through thorough risk management and strengthened safety activities. Furthermore, to fully inherit and further expand their commitment to sustainable growth and eco-friendly transition, both companies established a new mid- to long-term integrated vision, "GROW 2030." Centered on the newly established "GROW 2030," the companies will advance their environmental management systems and drive a new leap toward the future.

Promise for a sustainable future,

GROW 2030

This is the commitment declaration of both companies to achieve balanced growth in the environment, profitability, technological innovation, and safety by inheriting the values of the "ECO TOGETHER 2025."

❶ Reduce CO_2 emissions by 20%, by 2030 compared to 2018

Establish company-wide mid- to long-term carbon neutrality scenarios and targets for proactive and systematic implementation

❷ Improve EBITDA by 30%, by the end of 2030 compared to the end of 2025

Reduce costs by enhancing and maximizing the use of alternative fuels and raw materials, and increase profitability by developing new high-value-added products

❸ Commercialize low-carbon blended cement through innovation and realize smart factories

Monitor and respond to technological innovation trends to develop eco-friendly and special-purpose new products and innovate production processes and management systems

❹ Zero safety and environmental accidents

Establish workplaces free from serious safety and environmental accidents through continuous risk management

ESG Management System

2025 ESG Management Performance

ASIA HOLDINGS

ESG Management Activities	Key Achievements	Expected Effects
Shareholder returns	• Repurchased KRW 8.0 billion of the own shares • Canceled KRW 8.0 billion of the repurchased shares on 2025.02.26 (KRW 4.0 billion) and 2025.11.07 (KRW 4.0 billion) • Cash dividends of KRW 9.213 billion (KRW 5,600 per share) • Shareholder return ratio of 101.0% on a separate basis • 44 consecutive dividend payments • Hold an extraordinary general meeting of shareholders (2025.09.26)- reduction of capital reserve and securing a tax-free dividend source for shareholders	Enhancing shareholder value, Implementing the publicly disclosed shareholder return policy and increasing shareholder trust

asia CEMENT

ESG Management Activities	Key Achievements	Expected Effects
Installation of NOx emission reduction facilities	• Installation of an SCR (Selective Catalytic Reduction) system for NOx emission reduction (completed in September 2025)	Increase use of alternative fuels and reduce pollutant emissions
Improvements to dryer and facilities at Seoul REMICON Plant	• Changed dryer type [Drum → Fluid Bed (heat recovery type)]	Reduction of LNG fuel use
Implementation of the 3rd-year Integrated Pollution Prevention and Control (IPPC) project at Jecheon Plant	• Execution of consulting services with a specialized consulting firm • Continuation of IPPC permit TFT activities	Responding to environmental regulations and securing process flow diagrams
Carbon neutrality campaign at Jecheon Plant (ongoing)	• Continued COA (Carbon "O" Asiacement) activities • Employees' daily practices for carbon neutrality • Selected and quantified 16 common employee lifestyle practices	Enhancement of ESG management (awareness improvement), Reduction of environmental costs through energy conservation and waste reduction
Introduction of environmental monitoring system	• Additional introduction of environmental monitoring systems for noise, oil leakage, and other issues to prepare for environmental accidents and support stakeholder response	Establishment of environmental pollutant monitoring system
Environmental Management Committee meeting	• Held the Environmental Management Committee once a month to drive environmental improvement	Preventing and improving environmental issues and reducing environmental risks
Building a people-centered safety culture based on communication and execution	• Introduced simultaneous hands-on VR training devices • Introduced the self-regulated safety responsibility system and safety and health audit system for all plants • Conducted Level 3 safety leadership enhancement training by level (company-wide)	Accident prevention and establishment of a safety culture
Renewal of Environmental Product Declaration certification	• Completed renewal of Environmental Product Declaration certification for 8 types of dry mortar	Strengthening environmental reputation and sales capabilities
National Quality Circle Competition	• Won the Gold Award at the 51st National Quality Circle Competition: Jeongjingi Quality Circle (Gold Award for nine consecutive years)	Enhancement of QC circle recognition and improvement in corporate reputation
Shareholder returns	• Repurchased KRW 10.0 billion of the own shares (2025.02.26~2026.04.15) • Canceled KRW 10.0 billion of the repurchased shares on 2025.02.26 (KRW 5.0 billion) and 2025.11.07 (KRW 5.0 billion) • Distributed dividends of KRW 9.0 billion (total amount of the interim and year-end dividends) • Hold an extraordinary general meeting of shareholders (2025.09.26)- reduction of capital reserve and securing a tax-free dividend source for shareholders	Enhancing shareholder value, Implementing the publicly disclosed shareholder return policy and increasing shareholder trust

HALLA asia

ESG Management Activities	Key Achievements	Expected Effects
Establishing a World-Class safety culture	• Implementing the mid- to long-term roadmap for a World Class safety culture - Human error prevention management campaign and training - Development of behavioral standards for safety leadership by level and implementation of self-assessment - Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs'	Establishing a World-Class safety culture, Strengthening supplier capabilities, Zero serious accidents
Reviewing and implementing mid- to long-term investments for carbon neutrality	• Installation of photovoltaic power generation facilities at the headquarters building in 2025: KRW 500 million • Completion of mine modernization investment (scheduled for August 2026): approximately KRW 73.0 billion	Increasing alternative fuel throughput, reducing nitrogen oxide (NOx) emissions and carbon emissions
Proactive response to environmental regulations	• Preparation for the transition of the Integrated Pollution Prevention and Control (IPPC) system in the cement industry - Implementation of integrated environmental permit consulting • Review to meet stringent emission limit requirements under the integrated environmental permit - Testing of reducing agent injection following K2 and K3 modifications - Review of investment in SCR systems for NOx reduction	Securing continuity of plant operations and enhancing corporate reputation
Win-win cooperation with local communities	• Strengthening win-win cooperation through the establishment of a social contribution foundation by the cement industry - Contribution fund in 2025: KRW 2.4 billion	Enhancement of trust through transparent execution of public-interest projects

ASIA PAPER

ESG Management Activities	Key Achievements	Expected Effects
Operation after completion of the smart eco-factory construction project	• Monitoring and preparation of project impact reports	Improving the eco-friendliness of production facilities by reducing odors and greenhouse gases and utilizing renewable energy
Strengthening safety culture	• Activities in 'Safety and Health Win-Win Cooperation Program between Large-SMEs' • Maintained PSM Grade S • Introduced safety management incentive system	Establishing a safety culture and preventing serious accidents, Encouraging voluntary participation in safety activities
Application for carbon-neutral facility support project	• Installation of inverters, replacement of screens, installation of photovoltaic facilities • Replacement of the low-pressure incinerator boiler with a high-efficiency water-tube waste heat boiler	Reduction of power consumption and costs through the expansion of eco-friendly energy use, greenhouse gas reduction, and electricity generation
Korea Environmental Product Declaration (EPD) certification	• Obtained Environmental Product Declaration certification for gypsum linerboard	Expanding overseas markets and enhancing competitiveness
Dividends and acquisition of treasury shares	• Repurchased KRW 10.0 billion of the own shares (2025.01.07~2026.01.08) • Canceled 2,300,000 shares of the repurchased shares (2025.03.14 / 2025.12.03) • Distributed dividends of KRW 9.6 billion • Hold an extraordinary general meeting of shareholders (2025.09.26)- reduction of capital reserve and securing a tax-free dividend source for shareholders	Enhancing shareholder value, Implementing the publicly disclosed shareholder return policy and increasing shareholder trust

Stakeholder Communication

Stakeholders' Key Interests

ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG recognize that communication with stakeholders is a core element of sustainable management activities and continue to make efforts to strengthen smooth communication and interaction. Each company provides necessary information to key stakeholders who influence its management activities in a timely and transparent manner, actively listens to stakeholder opinions, and seeks to build relationships based on mutual trust.

Stakeholder	Key interest	ASIA Holdings	ASIA Cement	HALLA Cement	ASIA Paper MFG
Employees	Management leadership	●	●		
	Ethical Management	●	●		
	Development of new businesses		●		
	Safe workplaces		●	●	●
	Capability development and training		●	●	
	Respect for human rights			●	
	Fair compensation			●	●
	Employee communication			●	●
	Employee benefits			●	●
	Labor-management relations			●	●
Suppliers	Product safety		●		
	Safe workplaces		●		●
	Compliance with environmental laws and regulations		●		
	Transparent management	●	●		
	Customer satisfaction	●	●		
	Product innovation		●		
	Win-win management			●	
	Mutual growth			●	
	Mutual communication				●
Shareholders and Investors	Management performance	●	●		
	Investment outlook	●	●		
	Stock price	●	●		
	Transparent management			●	●
	Sharing of management information			●	●
Government and Local Authorities	Participation in national projects	●	●		
	Participation in public policy	●	●		●
	Exploration of new business opportunities		●		
	Safe workplace		●		●
	Compliance with regulations			●	●
	Responding to climate change			●	
	Industrial co-development			●	●
	Tax obligations			●	●
	Job creation			●	●
Customers	Product safety		●		
	Customer satisfaction	●	●		
	Eco-friendly product development		●		
	Environmental pollution prevention	●	●		
	Corporate social responsibility	●	●		
	Customer communication			●	●
	Product info disclosure				●
	Product and service quality			●	●
	Brand value			●	●
Local Communities	Product safety		●		
	Corporate social responsibility	●	●		
	Building trust	●	●		
	Environmental pollution prevention	●	●	●	●
	Economic development of the local community			●	●
	Job creation			●	●
	Social contribution				●

Communication Channels

ASIA Holdings, ASIA Cement, HALLA Cement, and ASIA Paper MFG classify and manage stakeholders into six groups: employees, suppliers, shareholders and investors, government/local authorities/institutions, customers, and local communities/NGOs. They establish and operate tailored communication channels for each group to enable communication appropriate to the characteristics of each stakeholder group, systematically collect key areas of interest by group, and reflect them in corporate management activities.

Ongoing / Monthly / Quarterly / Semi-annual / Annual / Biennial

ASIA Holdings	ASIA Cement	HALLA Cement	ASIA Paper MFG
Groupware (Ongoing) Quarterly company newsletters (Quarterly)	Groupware (Ongoing) Labor-management council (Quarterly) Company-wide technology seminar (Annual) Quarterly company newsletters (Ongoing)	Intranet bulletin board (Ongoing) Corporate team-building program (Annual) Labor-management council (Quarterly) Company-wide technology seminar (Annual) Quarterly company newsletters (Quarterly) Monthly company newsletters (Monthly) Management briefings (Annual)	Groupware (Ongoing) Workshops by level (Ongoing) Labor-management council (Quarterly) Quarterly company newsletters (Quarterly)
Roundtable discussions (Quarterly)	Roundtable discussions (Monthly) Partner health and safety committee (Monthly) On-site opinion gathering (Ongoing)	Distributors' roundtable discussions (Quarterly) Partner health and safety committee (Monthly) On-site opinion gathering (Ongoing)	Partner health and safety committee (Monthly)
Shareholder meetings (Annual) Corporate disclosures (Ongoing)	Shareholder meetings (Annual) Corporate disclosures (Ongoing) Press releases (Ongoing)	Shareholder meetings (Annual) Management performance presentations (Annual) Press releases (Ongoing)	Shareholder meetings (Annual) Corporate disclosures and management performance presentations (Ongoing) Brochure (Ongoing) Business reports (Annual) IR meeting (Ongoing)
Interview (Ongoing) Press releases (Ongoing)	Roundtable discussions (Ongoing) Surveys (Ongoing) Interview (Ongoing)	Joint research (Ongoing) Policy forums (Ongoing) Committees (Ongoing) Commissions (Ongoing)	Industry associations and unions (Korean Paper Association, Paper Unions, and others) (Ongoing) Korea Listed Company Association (Ongoing)
Surveys (Annual)	Site visits (Ongoing) Customer satisfaction surveys (Annual) Brochure (Ongoing) Press releases (Ongoing)	Brochure (Ongoing) Customer satisfaction surveys (Biennial) Customer technical seminars (Ongoing) Press releases (Ongoing)	Brochure (Ongoing)
Social contribution activities (Ongoing)	Residents' roundtable discussions (Ongoing) Events and social contribution activities (Ongoing) On-site opinions (Ongoing)	Public project sponsorship and fund for social contribution (Ongoing) Social contribution activities and public environmental activities (Ongoing)	Social contribution activities (Ongoing)

Materiality Assessment

ASIA conducts a materiality assessment to systematically identify sustainability issues faced by the company and to derive key issues that are of high interest to stakeholders and have a significant impact on its business activities. In this process, ASIA adopts a double materiality approach, which comprehensively considers both the impacts of its business activities on the environment and society and the effects of external factors on its financial performance. Prior to the assessment, the company first identifies the impacts of its business activities on the environment and society, as well as the risks and opportunities that external factors may pose to its financial condition and performance. Based on these results, ASIA then performs both qualitative and quantitative evaluations of environmental, social, and financial impacts. The final set of material issues is reviewed and approved by the ESG Management Committee. In addition, an independent third-party assurance provider verifies whether the material issues have been reasonably determined in accordance with the established assessment process.

Double Materiality Assessment Process

Step 1.

Issue Pool Determination

Derive an ESG issue pool related to ASIA

1. Review ESG standards
- ESG guidelines, evaluation indicators, initiatives, investor requirements, related associations, and other guidelines

↓

2. Compare and review material issues from the previous year
- Review of additional requirements and potential omissions

↓

3. ESG issue pool determination
- Determination of ESG issues for materiality assessment

Step 2.

Identify Impacts, Risks, and Opportunities

Identify the impact of each ESG issue on the environment and society, as well as financial risks and opportunities

1. Analyze internal and external status
- Comprehensive analysis of internal materials, ESG disclosures and evaluation indicators (GRI, SASB, KCGS, etc.), websites, media, industry trends, and other sources

↓

2. Identify impact characteristics by issue
- Impact: the impact of corporate activities on the environment and society
- Risk/Opportunity: the impact of external factors on ASIA's financial position and performance

(Risk-negative, loss / Opportunity-value, benefit)

Step 3.

Double Materiality Assessment

Conduct quantitative and qualitative assessments of impacts and financial risks and opportunities

1. Environmental and social impact

Scale | Scope | Irreme-diability | Likeli-hood

Media research | ESG indicator analysis

External stakeholder survey

+

2. Financial impact

Scale | Likelihood

ESG indicator analysis | Benchmarking

Internal employee survey

Step 4.

Material Issue Determination

Determine key ESG issues based on the double materiality assessment results

Score impact and identify priorities
- Scores were assigned on a 10-point scale for each evaluation factor to identify relatively important issues.
- Material issues were determined by considering priorities based on scores as well as corporate characteristics and status.

↓

Determinated 3 material issues

ESG Issue Pool

Environmental
- Responding to climate change
- Establishing a circular economy system
- Environmental management systems
- Biodiversity

Social
- Workplace health and safety
- Product quality and responsibility
- Talent development and work-life balance
- Respect and protection of human rights
- Strengthening information security management
- Social contribution and community engagement
- Supply chain ESG risk management and win-win growth
- Collaborative labor-management culture

Governance
- Establishing an ESG management system
- Business ethics and compliance
- Managing financial/non-financial risks
- Soundness of the Board of Directors
- ESG disclosure and ESG performance evaluation
- Protection of shareholder rights

Economic
- R&D and technological innovation
- Business performance

Materiality Assessment Outcomes

ESG Issue	Environmental and Social Impact			Financial Impact		Final Result
	Actual/Potential	Positive/Negative	Impact Level	Risk/Opportunity	Impact Level	
Responding to climate change (Material)	Actual	Negative	●●◐	Risk	●●●	●●●
Establishing a circular economy system (Material)	Actual	Positive	●●●	Opportunity	●●◐	●●●
Workplace health and safety (Material)	Actual	Negative	●●○	Risk	●●●	●●●
Environmental management systems	Actual	Negative	●●◐	Risk	●●●	●●◐
R&D and technological innovation	Potential	Positive	●●●	Opportunity	●●○	●●◐
Social contribution and community engagement	Actual	Positive	●●●	Opportunity	●○○	●●◐
Product quality and responsibility	Actual	Negative	●○○	Risk	●●◐	●●○
Talent development and work-life balance	Actual	Positive	●●○	Opportunity	●●◐	●●○
Business performance	Actual	Negative	●◐○	Risk	●◐○	●●○
Supply chain ESG risk management and win-win growth	Actual	Positive	●○○	Risk	●●○	●◐○
Collaborative labor-management culture	Actual	Positive	●◐○	Risk	●◐○	●◐○
Biodiversity	Actual	Negative	●●◐	Risk	●○○	●◐○
Establishing an ESG management system	Potential	Positive	●◐○	Opportunity	◐○○	●○○
ESG disclosure and ESG performance evaluation	Actual	Positive	●●○	Opportunity	◐○○	●○○
Soundness of the Board of Directors	Actual	Positive	◐○○	Risk	●○○	●○○
Managing financial/non-financial risks	Potential	Negative	◐○○	Risk	●●○	◐○○
Business ethics and compliance	Potential	Negative	◐○○	Risk	●◐○	◐○○
Protection of shareholder rights	Actual	Positive	●○○	Risk	◐○○	◐○○
Respect and protection of human rights	Potential	Negative	◐○○	Risk	◐○○	◐○○
Strengthening information security management	Potential	Negative	◐○○	Risk	◐○○	◐○○

ASIA ESG Material Issue Management

Material Issue	Management Approach	Target	GRI	Page
Responding to climate change	To respond to the low-carbon transition, ASIA Cement and HALLA Cement operate a joint Carbon Neutrality Committee under the "GROW 2030" vision framework and jointly establish and implement mid- to long-term carbon neutrality roadmaps. ASIA Paper MFG, based on the principle of reducing climate change impacts, is expanding the use of renewable energy, improving process energy efficiency, advancing its value chain emissions inventory, and strengthening reduction cooperation.	• Reduce GHG emissions by 20% by 2030 (ASIA Cement · HALLA Cement) • Reduce GHG emissions by 42% by 2030 (ASIA Paper MFG)	201, 302, 305	34-37
Establishing a circular economy system	To enhance resource circularity in both the cement and paper industries, ASIA is undertaking various activities, including expanding the use of alternative fuels and raw materials, improving process efficiency, and developing eco-friendly products. Under the joint vision, 'GROW 2030,' ASIA Cement and HALLA Cement manage the agenda of maximizing alternative fuel and raw material usage, driving resource circularity through improved operational efficiency linked to financial performance. ASIA Paper MFG is gradually reducing resource consumption by minimizing water and energy use through water reuse, alternative fuel utilization from waste, reuse of by-products, and waste heat recovery.	• Improve EBITDA by 30% by maximizing the efficiency of alternative fuel and raw material use (ASIA Cement, HALLA Cement)	301, 306	38-41
Workplace health and safety	ASIA recognizes the health and safety of all workers, including employees and suppliers, as a core responsibility. Accordingly, it operates management systems to create safe and healthy workplaces, including the personal protective equipment wearing and use, worker training, and monitoring and improvement of working conditions.	• Zero accidents	403	42-45

04

MATERIAL TOPICS

Material Topics #1.

Responding to Climate Change

Key Insights by Division

01 Cement Division

• Governance

ASIA Cement operates a climate change governance framework based on a management-led reporting structure. Key decisions on matters such as carbon neutrality targets, greenhouse gas reduction strategies, and eco-friendly investment directions are made under the leadership of the Chief Executive Officer. These agendas are closely integrated with enterprise-wide management strategies and systematically managed accordingly. At the operational level, the company has established a cross-functional collaboration system led by dedicated teams, involving departments such as production, facilities, energy, and finance. Key reduction performance indicators are set as KPIs, regularly monitored, and the outcomes are reflected in executive performance evaluations. HALLA Cement likewise operates a management-led decision-making structure to oversee climate change response as a core corporate agenda. The company conducts integrated reviews and feedback processes on a company-wide basis to ensure the implementation of greenhouse gas reduction targets and to guide low-carbon transition investment strategies.

• Strategy

To proactively respond to the government's 2050 carbon neutrality policy and further advance the low-carbon paradigm, we established the mid- to long-term vision "GROW 2030," grounded in our core values of safety and environment, profitability, and technological innovation. GROW 2030 sets key targets to be achieved by 2030, including a 20% reduction in CO_2 emissions, an EBITDA of 30%, the expansion of low-carbon and blended cement products, the implementation of DX·AX-based smart factories, and the achievement of zero serious accidents and environmental incidents. Centered around a jointly operated Carbon Neutrality Committee across both companies, we are systematically advancing our mid- to long-term carbon neutrality roadmap and implementation tasks.

• Risk Management

ASIA Cement and HALLA Cement identify transition risks and physical risks arising from climate change and analyze and manage the potential financial impacts of these factors, including increased costs and reduced revenues. Based on the identified risk factors, we continuously monitor the strengthening of carbon regulations and the growing demand for low-carbon transition. To proactively respond to these changes, we are advancing mid- to long-term strategic planning, capital investments in facilities, and the implementation of R&D initiatives.

• Metrics and Targets

Greenhouse Gas Emissions Reduction in 2025 (compared to 2020)	Greenhouse Gas Emissions Reduction in 2025 (compared to 2020)
11%	20.2%
ASIA Cement	HALLA Cement

02 Paper Division

• Governance

ASIA Paper MFG has established a governance framework in which top management directly oversees and supervises overall environmental management, including climate change response. At its key operational sites, the Sihwa and Sejong Plants, major environmental issues are managed by the Environment and Safety teams. Through cross-functional coordination with relevant departments, the company actively promotes investments in eco-friendly facilities and improvement tasks. Key environmental issues are regularly reviewed and reported through periodic meetings attended by the Chief Executive Officer and Head of Plant. Greenhouse gas reduction is managed as a core performance indicator of environmental operations.

• Strategy

ASIA Paper MFG operates a phased reduction strategy to mitigate the impacts of climate change. Internally, the company is advancing key reduction measures centered on the expansion of renewable energy usage and improvements in process energy efficiency. In parallel, it is enhancing the greenhouse gas emissions inventory across the value chain and strengthening collaborative reduction efforts with its suppliers, thereby steadily building its climate response capabilities in a phased manner.

• Risk Management

ASIA Paper MFG identifies and manages transition risks arising from climate-related policy and market changes, as well as fluctuations in energy and raw material supply, along with physical risks that may impact its operational sites. For the identified risks, the company continuously monitors changes in government policies and the industry landscape. To strengthen its response capabilities, it is concurrently advancing participation in carbon neutrality support programs and investments in facilities.

• Metrics and Targets

Greenhouse Gas Emissions Reduction by 2030 (Scope 1+2)	Renewable Energy Usage at Operations by 2030	By 2050
42%	at least 15%	Carbon Neutrality

Climate Risk Management by Division

Cement Division

Climate-related risks and opportunities, such as the implementation of the greenhouse gas emissions trading system and growing market demand for low-carbon products, affect products and services, manufacturing processes, customers and markets, R&D, and the overall supply chain. Accordingly, to systematically identify the financial impact of climate-related risks and opportunities, ASIA Cement and HALLA Cement classified these factors into transition and physical aspects and analyzed the financial impact of each detailed factor on the business.

ASIA Cement Climate Risk Analysis

Climate Change Risks and Opportunities			Impact Level* Short-term	Mid-term	Long-term	Financial Impact of Climate Change Risks	Financial Impact of Climate Change Opportunities
Transition Risk & Opportunities	Policy / Regulation	• National GHG emission reduction targets • Emissions Trading Scheme • Climate change and environmental disclosure requirements	H	H	M	• Cost of purchasing emission allowances • Increased disclosure costs due to strengthened obligations	• Cost savings in facility investment due to expansion of Env. policies and government support • Reduced financing costs through transparent disclosure
	Tech	• High-efficiency energy equipment • R&D of eco-friendly products and processes	H	H	M	• Increased investment in facilities and infrastructure	• Energy cost savings through high-efficiency equipment
	Market	• Low-carbon/eco-friendly certified products	L	M	M	• Increased costs for eco-certification of products and R&D	• Increased demand and revenue from low-carbon/eco-friendly products
	Reputation	• Consumer preference for eco-friendly companies and brands	L	L	M	• Increased costs of capital acquisition • Declined revenue due to decreased product demand	• Reduced financing costs • Human capital contribution through talent recruitment and retention
Physical Risk & Opportunities	Acute	• Sudden natural disasters such as typhoons, floods, and droughts	M	M	H	• Asset damage and human casualties due to disasters • Supply disruptions due to transportation delays	• Improved corporate trust and reputation through effective disaster response and recovery
	Chronic	• Changes in weather patterns such as sea level rise, temperature increase, and dust storms	L	M	H	• Increased operating costs including heating, cooling, and maintenance	• Increased demand and revenue from low carbon, eco-friendly products adaptable to new climate patterns

* Time Range: Short-term(within 1 year), Mid-term(1 to 5 year), Long-term(5 years and beyond) / Impact Level: Low (L), Moderate (M), High (H)

HALLA Cement Climate Risk Analysis

Climate Change Risks and Opportunities			Impact Level* Short-term	Mid-term	Long-term	Financial Impact of Climate Change Risks	Financial Impact of Climate Change Opportunities
Transition Risk & Opportunities	Policy / Regulation	• National GHG emission reduction targets • Emissions Trading Scheme	H	M	M	• Cost of purchasing emission allowances • Early replacement of outdated equipment due to government policy changes	• Cost savings in facility investment due to expansion of Env. policies and government support
	Tech	• High-efficiency energy equipment • R&D of eco-friendly products and processes	H	H	M	• Costs associated with adopting new technologies	• Energy cost savings through high-efficiency equipment, including K2/K3 preheater modifications
	Market	• Low-carbon/eco-friendly certified products	L	M	M	• Increased costs for eco-certification of products and R&D	• Increased demand and revenue from low-carbon/eco-friendly products
	Reputation	• Establishing community reputation and trust in areas surrounding business sites	M	M	M	• Revenue decline due to delays or interruptions in procurement and business permits	• Human capital contribution through talent recruitment and retention
Physical Risk & Opportunities	Acute	• Sudden natural disasters such as typhoons, floods, droughts	M	M	H	• Asset damage and human casualties due to disasters • Supply disruptions due to transportation delays	• Improved corporate trust and reputation through effective disaster response and recovery
	Chronic	• Changes in weather patterns such as sea level rise, temperature increase, dust storms	L	M	H	• Increased operating costs including heating, cooling, and maintenance	• New products and services adaptable to new climate patterns

* Time Range: Short-term(within 1 year), Mid-term(1 to 5 year), Long-term(5 years and beyond) / Impact Level: Low (L), Moderate (M), High (H)

Material Topics #1.

Responding to Climate Change

Climate Risk Management by Division

Paper Division

In domestic paper industry, key reduction measures include improving process efficiency, introducing energy-saving facilities, and transitioning from fossil fuels to eco-friendly energy such as solar and waste energy, and the carbon neutrality transition across the industry is now accelerating. In response to these changes in the industry, ASIA Paper MFG is carrying out company-wide climate change response activities to contribute to achieving the 2050 carbon neutrality goal, while continuing diverse reduction efforts by participating in government-led carbon neutrality support projects and making its own facility investments.

As part of these efforts, the company was selected for the Ministry of Climate, Energy and Environment's "Smart Eco-Factory Construction Project" and completed the transition to an ICT-based eco-friendly factory that reduces GHG and environmental pollutant emissions and further improves energy efficiency. In addition, ASIA Paper MFG has steadily invested in facilities to reduce environmental pollutants that cause global warming, thereby gradually strengthening its climate change response capabilities.

The Sihwa Plant was selected for the Korea Environment Corporation's "Carbon Neutrality Facility Support Project" and completed a GHG reduction task through boiler replacement that improved energy efficiency. It was also selected for the Korea Energy Agency's "Subsidy Program for GHG Reduction Facilities in the Emissions Trading Scheme" and plans to expand renewable energy use and further reduce GHG emissions through self-generation by installing differential pressure power generation facilities in 2026. As part of the 2025 carbon neutrality support project, the Sejong Plant completed the installation of photovoltaic power generation facilities on rooftops and parking lots, further expanding the basis for renewable energy use at the business site.

ASIA Paper MFG Climate Risk Analysis

Climate Change Risks and Opportunities			Impact Level*			Financial Impact of Climate Change Risks	Financial Impact of Climate Change Opportunities	Response Strategy
			Short-term	Mid-term	Long-term			
Transition Risk & Opportunities	Policy / Regulation	• Climate change and environmental disclosure • National GHG emission reduction targets	M	M	M	• Increased disclosure costs due to strengthened obligations • Cost of emission allowances	• Reduced financing costs through transparent disclosure • Cost savings in facility investment due to expansion of Env. policies and government support	• Response to ESG disclosure assessments through a dedicated ESG department • Phased investments considering policy changes and technological advancements
	Tech	• Competition in eco-friendly product and technology development • Expansion of high-efficiency, low-emission facilities	M	M	H	• Increase in costs for product and technology R&D • R&D investment losses and revenue decline from falling behind in development competition	• Increased sales from new product launches • Reduced manufacturing costs through innovation in eco-friendly manufacturing processes	• Development and patent application for fresh food linerboard • Implementation of on-site energy-saving projects linked to cost competitiveness • Replacement of aging and low-efficiency facilities through the smart eco-factory project
	Market	• Regulatory changes in major pulp exports and imports • Change in customer preferences towards eco-friendly products	L	M	H	• Increased raw material procurement costs • Revenue decline if customer needs are not met	• Increased sales by responding to demand for eco-friendly products	• Diversification of raw material supply sources (import of process-suitable pulp brands) • Renewal of FSC certification and strengthened sales of fresh food base paper
	Reputation	• Investor and stakeholder demands for climate action	L	M	M	• Stock price decline and investment withdrawal in case of inadequate response • Customer attrition	• Reduced financing costs and increased sales due to strong reputation	• Development of carbon neutrality roadmap and implementation of reduction measures
Physical Risk & Opportunities	Acute	• Sudden natural disasters such as typhoons, floods, droughts	M	M	H	• Costs for facility and equipment damage restoration • Decline in collateral value of owned real estate • Production disruptions due to operational shutdowns, raw material supply interruptions and product losses	• Increased corporate trust and reputation after appropriate disaster response and recovery	• Stockpiling and diversifying supply sources for agricultural-based materials (e.g., corn starch)
	Chronic	• Changes in weather patterns such as sea level rise, temperature increase, dust storms	L	M	H	• Increase in operating and management costs for factories and logistics warehouses	• New products and services that can respond to new climate patterns	

* Time Range: Short-term(within 1 year), Mid-term(1 to 5 year), Long-term(5 years and beyond) / Impact Level: Low (L), Moderate (M), High (H)

Climate Governance in the Cement Division

ASIA Cement · HALLA Cement Carbon Neutrality Committee

As the carbon neutrality policy becomes more concrete, the cement industry is facing a situation that requires a proactive and active approach to the carbon neutrality transition. The cement industry, to which ASIA Cement and HALLA Cement belong, has been designated as one of the four major carbon-intensive industries along with steel, petrochemicals, and oil refining. While it is an essential industry for maintaining social infrastructure and the manufacturing base, it is also an industry that must reduce carbon emissions in its production process. To overcome these industrial limitations and transition to a low-carbon production structure, fundamental improvements across the value chain are required, including expanded use of alternative raw materials to limestone and alternative fuels to coal, as well as the introduction of hydrogen-based kilns, which entail large-scale facility investments.

In response to this industrial environment, ASIA Cement and HALLA Cement developed the existing "ECO TOGETHER 2025" vision and newly established the mid- to long-term integrated vision "GROW 2030," with safety and environment, profitability, and technological innovation as core values. To secure execution capabilities for the integrated vision and accelerate carbon neutrality responses, both companies operate the Carbon Neutrality Committee in the form of a TFT encompassing key company-wide functions such as planning, production, and sales. The Committee consists of executives from each business area and working-level staff from relevant departments such as planning, production, and sales, and presents the optimal direction for carbon neutrality aligned with the low-carbon paradigm while responding to rapidly changing climate, technological, and business environments.

Carbon Neutrality Cooperation Unit Structure

Operating Committees

Carbon Neutrality Subcommittee	Technology Commercialization Subcommittee
• Database construction • Roadmap support • Carbon reduction strategy reports	• Performance data collection • Utilization reports • Grand consortium
Carbon Neutrality Achievement and Dissemination	Research & Development Facilitation

Establishing synergy effects and collaborative systems for carbon neutrality technology development in the cement industry

In addition, since 2023, the Carbon Neutrality Cooperation Unit, a cooperation system among companies in the cement industry led by the Korea Cement Association, has been launched to maximize the outcomes of carbon neutrality R&D and promote dissemination and expansion. Under a Steering Committee composed of the Ministry of Trade, Industry and Resources, the Korea Planning & Evaluation Institute of Industrial Technology, the general project manager, the cooperation group, and external experts, the unit operates a Carbon Neutrality Subcommittee and a Technology Commercialization Subcommittee. Through the Technology Commercialization Subcommittee, it has participated in the government-led Grand Consortium and signed a memorandum of understanding. The government plans to provide a total of KRW 935.2 billion by 2030 for the development of carbon neutrality technologies in the four major carbon-intensive industries, including the cement industry. ASIA Cement and HALLA Cement intend to contribute to the transition to a low-carbon society by participating in both cooperation systems.

Furthermore, ASIA Cement's R&D Team participates in the Ministry of Trade, Industry and Resource's "Carbon Neutrality Industry Core Technology Development Project" and is carrying out the task of "developing admixtures and blended cement manufacturing technologies using unused inorganic resources." During the first research phase from July 2023 to December 2025, the team completed research to identify new SCMs (Supplementary Cementitious Materials) that can partially replace cement and contribute to carbon emission reduction and received a "continued implementation" decision. During the second research phase from January 2026 to December 2028, the team plans to develop multi-component cement using new SCMs, expand SCM use in cement (from 10% to 15%), develop concrete mixtures using blended cement, and conduct environmental impact assessments.

Key Activities of ASIA Carbon Neutrality Committee

2021. 01~11
- Launched the Carbon Neutrality Committee
- ASIA Cement and HALLA Cement conducted TFT activities and developed the 2050 carbon neutrality roadmap (draft)

2021. 12
- Developed a carbon neutrality roadmap for both companies

2022
- Established short-term foundational measures

2023
- Ensured mid- to long- term maintenance and optimization

Material Topics #2.

Establishing a Circular Economy System

Key Insights by Division

01 Cement Division

• Governance

ASIA Cement is promoting expanded use of alternative fuels and raw materials, waste resource recovery, carbon reduction through process efficiency improvement, and development of eco-friendly products based on the high-temperature calcination process characteristics of the cement industry. To manage these activities, the company operates a Resource Circulation Team within the Production Division, where the senior manager oversees raw material and fuel management and Allbaro system management to manage resource circulation performance.

• Strategy

ASIA Cement and HALLA Cement declared their joint vision "GROW 2030" and established a target to maximize the use of alternative fuels linked to financial performance. They have also established and implemented large-scale investment plans, including calcination process improvements, to further expand the use of fuels and raw materials based on circular resources.

• Risk Management

In the process of establishing a circular economy system, ASIA Cement identifies and manages major potential risks in four areas: circular fuel supply and demand, quality control, environmental regulation, and local community complaints. For each area, it operates various response measures, including stabilizing raw material and fuel supply through long-term supply contracts, advancing quality control based on real-time analysis systems, pursuing R&D to expand the transition to low-carbon fuels and apply CCUS (carbon capture, utilization, and storage) technologies, and operating local community briefings and resident participation programs. Through these efforts, the company plans to establish a stable resource circulation system and minimize environmental and social risks.

• Metrics and Targets

ASIA Cement

Alternative Fuel Usage Rate against the 2025 Target	Raw Material Substitution Rate (Excluding Limestone)	Fuel Substitution Rate (Proportion of Fossil Fuel Replacement)
100%	69%	54%

HALLA Cement

Alternative Fuel Usage Rate	Raw Material Substitution Rate	Fuel Substitution Rate
31.9%	68%	32%

02 Paper Division

• Governance

ASIA Paper MFG recognizes its responsibility as a key player in establishing a resource circulation system and manages circular economy agendas in an integrated manner based on environmental management governance. Led by the Environmental Safety Team, the company establishes and implements circular resource utilization tasks such as water reuse, conversion of waste into alternative fuel, utilization of process-generated waste as resources, and waste heat recovery. Major performance is regularly reviewed and fed back within the environmental management decision-making system.

• Strategy

To minimize resource and energy input in the paper production process, ASIA Paper MFG promotes resource circulation activities at each process stage as key strategies, including water reuse, conversion of waste into alternative fuel, utilization of process-generated waste as resources, and waste heat recovery. In particular, the Sihwa Plant has further improved waste heat recovery efficiency by installing a high-efficiency boiler through the Korea Environment Corporation's Carbon Neutral Facility Support Program, and based on this, it will continue to reduce energy use and further reduce greenhouse gas emissions.

• Risk Management

ASIA Paper MFG recognizes volatility in recycled raw material supply and demand, reduced resource and energy use efficiency in processes, and strengthened environmental regulations that may arise due to the characteristics of the paper industry as key management areas in promoting a circular economy. In response, the company regularly monitors resource circulation activities by business site and will further advance its management system going forward.

• Metrics and Targets

Waste Heat Recovery Rate from Incineration of Process-Generated Waste	Process Water Reuse Volume (Sihwa Plant)	Waste Synthetic Resin Recycling Rate
100%	1,000 tonnes/day	100%

Cement Division

Recycled Resource Utilization in Cement Processes

ASIA Cement and HALLA Cement have established and operate a resource circulation system that recycles various waste resources generated by industry and households as cement raw materials and calcination fuels by utilizing the high-temperature calcination environment of over approximately 1,450℃ in the cement manufacturing process. Through this, they reduce the use of natural resources and simultaneously realize stable waste treatment and resource recovery, contributing to the establishment of a circular economy system and the creation of environmental value.

In terms of raw material substitution, industrial by-products such as blast furnace slag from the steelmaking process, coal ash from thermal power generation, and various types of sludge (including sewage sludge and water treatment sludge) are used as cement raw materials, reducing the use of natural mineral resources and enabling expanded resource recycling and efficient use of raw materials. In addition, appropriate adjustment of raw material components contributes to securing quality stability of cement and clinker. In terms of fuel substitution, combustible industrial waste such as waste synthetic resins and household waste are used as alternative fuels after pretreatment, reducing dependence on fossil fuels and contributing to improved energy efficiency and reduced carbon emissions.

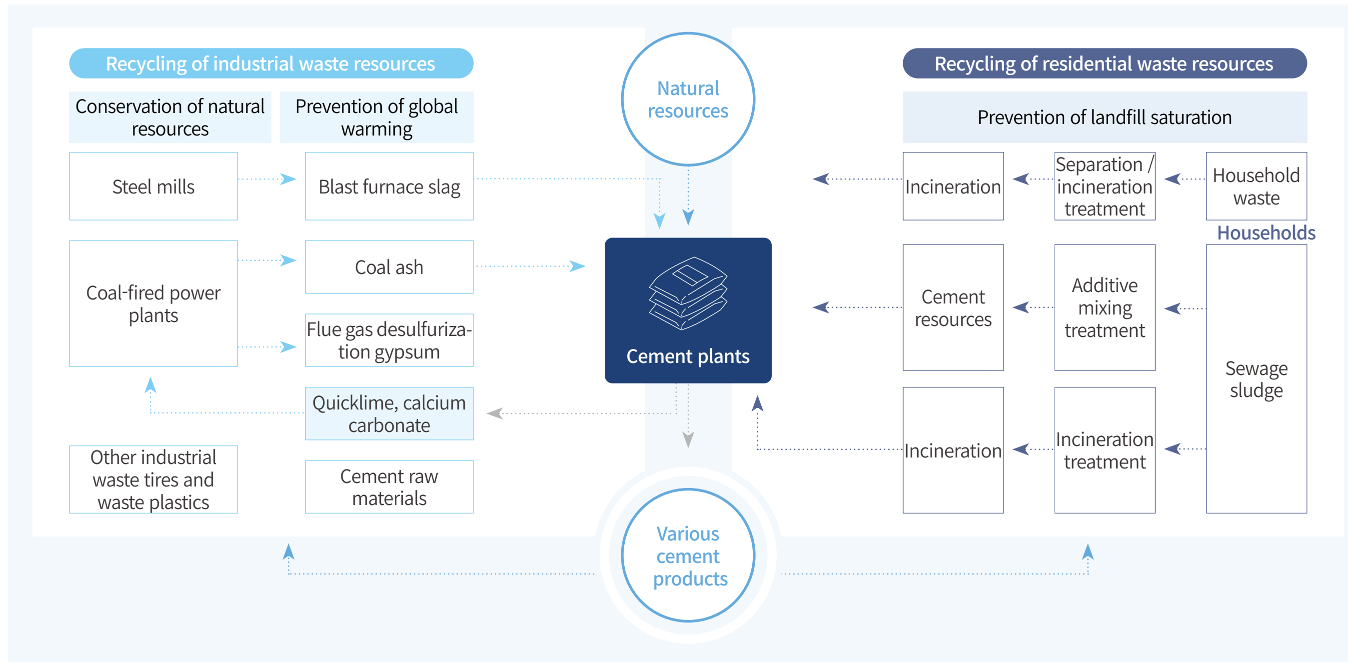
The use of these circular resources is regarded as a key means of minimizing landfill and incineration of waste, suppressing secondary environmental pollution, and contributing to greenhouse gas reduction by reducing raw material mining and fossil fuel use.

Meanwhile, in accordance with the "100 Core Carbon Neutrality Technologies" selected by the Special Committee on Carbon Neutrality Technology in May 2023, the cement industry has set key strategies such as replacing limestone through expanded use of non-carbonate raw materials, reducing clinker use and expanding blended materials, and converting bituminous coal-based fuels to circular fuels, and is pursuing related technology development with the aim of commercialization around 2030. Based on these technological and institutional foundations, both companies will strengthen their role as key players in the circular economy that simultaneously secure resource circularity and carbon reduction effects.

 # Self-recycling of Generated Waste (Unit: ton, based on Jecheon Plant)

Category	2023	2024	2025
Waste refractory materials	2,090	2,041	1,882
Process sludge	4.1	4.0	3.5

 # Recycling Process of Circular Resources in the Cement Production



Material Topics #2.

Establishing a Circular Economy System

Cement Division

Eco-friendly Process Innovation and Management

ASIA Cement is promoting process technology development and eco-friendly product research in response to national greenhouse gas reduction policies and carbon neutrality goals and is systematically carrying this out in connection with national projects. In the ongoing national project, the company is developing alternative raw materials to reduce the use of limestone, the main source of carbon emissions in cement production, while also establishing related facility systems, thereby contributing to greenhouse gas reduction and carbon neutrality.

In addition, by reducing the input ratio of bituminous coal used in the calcination process and increasing the use ratio of alternative fuels, the company is pursuing process optimization and demonstration technology development to reduce emissions of air pollutants such as nitrogen oxides (NOx) and sulfur oxides (SOx). In particular, the company introduced the industry's first Selective Catalytic Reduction (SCR) system in September 2025, further strengthening NOx reduction performance and seeking to secure core technologies for low-carbon cement production and establish a foundation for an eco-friendly industry.

Before introducing alternative materials, HALLA Cement verifies in advance whether they meet environmental standards and whether they contain process-inhibiting substances through sample analysis. After contracts are signed, the company continues quality monitoring during the receiving and use stages to check compliance with relevant laws and regulations and recycles only resources whose safety has been confirmed. By providing feedback to suppliers according to the quality level of incoming resources, the company encourages voluntary quality improvement and actively responds to civil complaints through continuous communication with local communities. In addition, it continues efforts to ensure transparency by disclosing the status of recycled waste receipt on its website twice a year.

Use of Alternative Materials and Fuels in Cement Manufacturing Process

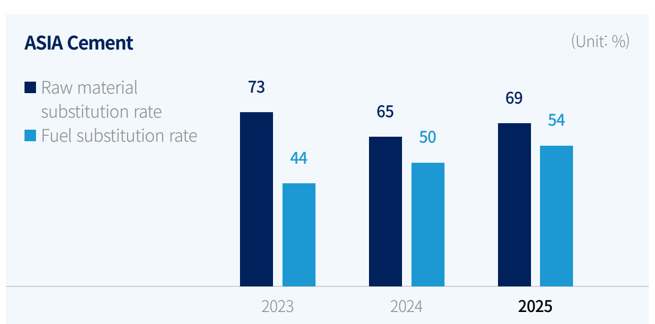
Process	Input	Main Sources	Substitute
Raw materials	Coal ash	Thermal power plants	Clayey raw materials
	Sludge	Water treatment plants and sewage treatment	Clayey raw materials
	Waste foundry sand	Metal and automotive industries	Siliceous raw materials
	Slag	Metal/smelting steel mills	Iron-bearing raw materials
Calcination	Waste synthetic resin	Plastic manufacturing	Bituminous coal fuel
Grinding	Desulfurization gypsum	Thermal power plants, desulfurization processes in the smelting industry	Additives

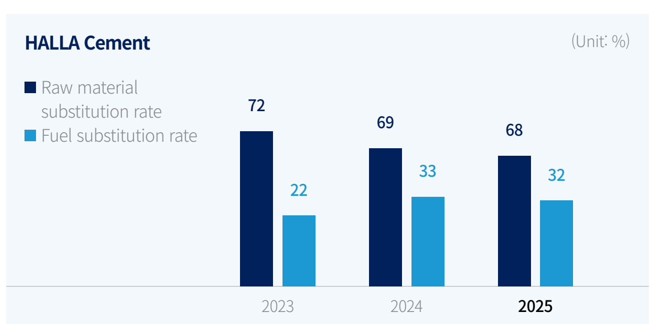
Status of Alternative Materials and Fuels Use in 2025

(Unit: ton)

ASIA Cement	558,741
HALLA Cement	854,727

Fuel and Raw Material Substitution Rates using Circular Resources



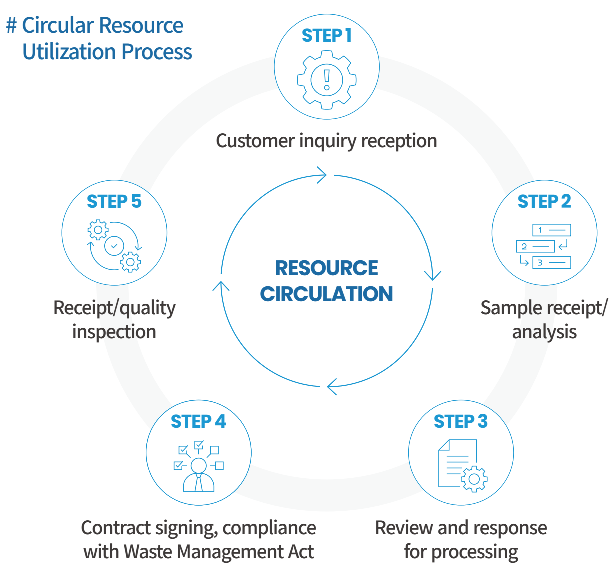


Cement Division

Resource Recycling in Ultra-high-temperature Calcination

The calcination process, which is at the core of cement manufacturing, is conducted at temperatures of approximately 1,450°C or higher, with actual gas temperatures reaching around 2,000°C. This ultra-high-temperature environment decomposes most hazardous substances contained in the circular resources input, preventing secondary pollution while providing technical conditions for stable recycling of various waste resources. ASIA Cement and HALLA Cement have a combined annual cement production capacity of approximately 12 million tons and, based on this, possess the capacity to process large volumes of circular resources. In addition, by securing pretreatment and input infrastructure optimized for the characteristics of each resource, including waste tire crushers, waste synthetic resin crushing and grinding facilities, and organic sludge input facilities, the companies safely operate differentiated treatment procedures according to the type and properties of circular resources.

Circular Resource Utilization Process



Paper Division

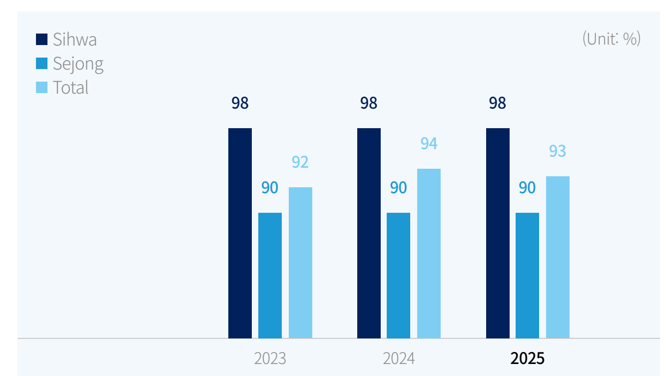
Recycled Resource Utilization in the Paper Industry

Korea's paper industry remains among the largest in the world. As of 2025, annual paper production was approximately 10.55 million tons, of which industrial corrugated board accounted for 5.64 million tons. Due to changes in the industrial environment, demand for printing paper, which formerly accounted for a large share, has been declining, while the market size for packaging and specialty paper continues to expand. In particular, as the global trend toward plastic-free and less-plastic solutions spreads, the scope of paper use is expanding into eco-friendly alternatives and basic material applications.

Approximately 80% of paper produced in Korea is recycled paper using "paper resources" as the main raw material, while the remaining 20% uses trees planted and managed according to strict international forest management standards such as FSC (Forest Stewardship Council). Linerboard produced by ASIA Paper MFG also uses domestic and overseas paper resources as its main raw material, and the company plays a key role as a large-scale user of recycled paper resources by contributing to higher paper resource recycling rates and forest conservation. In 2025, together with the Korea Paper Association, Asia Paper MFG continued efforts to improve social awareness of paper and the paper industry through various activities, including the production of entertainment-style promotional content, a digital campaign to expand participation in "RE:PAPER 100," and media publicity.

In addition to the raw material aspect, ASIA Paper MFG is promoting the reuse of process water and the utilization of waste generated in product production processes as resources to minimize environmental impacts from manufacturing processes and expand resource circulation. The company is also continuing activities to achieve the target for recycled resource use under the Ministry of Climate, Energy and Environment's "Guidelines on Recycling for Designated Recycling Business Operators."

Recycled Material Usage Rate



Material Topics #3.

Workplace Health and Safety

Key Insights by Division

01 Cement Division

• Governance

Workplace risk factors in the cement industry mainly arise from structure installation and maintenance, use of heavy equipment, and quarrying operations. In addition to accidents, noise exposure and dust inhalation may also negatively affect worker health. Accordingly, ASIA Cement and HALLA Cement set occupational health and safety as the highest management priority and manage occupational health and safety issues in an integrated manner within the company-wide management decision-making system.

• Strategy

ASIA Cement places safety and health as its top priority across all aspects of its business and operates a strategy to establish and implement safety and health policies and regulations together with a dedicated safety and health organization that includes the CEO. Through this, the company strengthens workplace-level risk factor management and company-wide occupational health and safety. HALLA Cement, based on its safety and health management systems certified under ISO 45001 and KOSHA-MS, adopts "safety-first management" as an implementation strategy that recognizes safety as a core value at all business sites. Through this, the company seeks to establish both a standardized safety management system and a site-centered safety culture.

• Risk Management

Safety and health risks in the cement industry are divided into accident risks arising from on-site work characteristics such as structure installation and maintenance, use of heavy equipment, and quarrying operations, and health impacts arising from working environments such as noise and dust exposure. ASIA Cement and HALLA Cement recognize these risk factors as key areas of safety and health management, identify and manage them through workplace-specific risk assessments and regular inspections, and will gradually advance their management systems going forward.

• Metrics and Targets

ASIA Cement
- Zero-accident Workplace
- Operation of Self-regulated Occupational Health and Safety Management System

HALLA Cement
- Zero-accident Workplace
- Sustain and Enhance World-Class Safety Culture Maturity

02 Paper Division

• Governance

Due to the characteristics of the paper industry, which uses large machinery and equipment in production processes, the risk of workplace accidents is inherent, and noise and dust generated at factories may also affect worker health. Accordingly, ASIA Paper MFG sets environmental safety and health as the highest management priority and manages related environmental safety and health matters in an integrated manner within its management decision-making system.

• Strategy

ASIA Paper MFG regards the creation of a safe and pleasant working environment as a core task and conducts company-wide safety and health activities based on the establishment of its Environmental Safety and Health Management Policy. The policy is operated on the premise of participation and practice by all employees, thereby further strengthening workplace-level risk factor management and the company-wide safety and health system.

• Risk Management

Safety and health risks in the paper industry are divided into accident risks arising from on-site work characteristics such as the use of large machinery and equipment, and health impacts caused by exposure to noise and dust in the plant. ASIA Paper MFG recognizes these risk factors as key areas of safety and health management and will gradually advance its management system going forward.

• Metrics and Targets

- 60% Reduction in Recordable Medically-Treated Injuries
- Zero Serious Accidents

Key Safety Performance in 2025

아세아시멘트

Serious accident

ZERO

Total safety training hours

34,337 hours

- Safety leadership training by level and specialized training for company-wide supervisors
- Implementation of simultaneous hands-on VR training at the Safety Experience Center
- Company-wide human error prevention campaign
- Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs'

HALLA

Serious accident

ZERO

Total safety training hours

30,664 hours

- Safety culture improvement consulting
  - safety culture level in the top 10%
- Human error prevention management training and promotion
- Safety and health campaigns
- Operation of Project Risk Management Committee
- Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs' hosted by the Ministry of Employment and Labor & Korea Occupational Safety and Health Agency (selected as an excellent company)

아세아제지

Serious accident

ZERO

Total safety training hours

7,455 hours

- Introduction of safety management incentive system
- Site-centered risk assessment
- In-house safety campaigns
- Implementation of safety certification system for shared tools
- Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs'

Material Topics #3.

Workplace Health and Safety

ASIA Safety and Health Management System

ASIA Safety and Health Management Principles

ASIA sets safety as the highest priority in corporate management and operates safety management principles that are consistently applied across all business activities. To ensure the effectiveness of safety management, the company operates relevant certification systems and has gradually improved its safety culture and safety management level through regular site inspections and improvement activities. An internal safety-dedicated organization conducts safety training and safety culture dissemination activities, supporting all employees in naturally internalizing safety awareness in their daily work.

ASIA Safety and Health Activities

01 Safety observation	02 Housekeeping	03 Improvement of unsafe behaviors and conditions
04 Review of safe work procedures	05 Review of fall risk assessment	06 Risk assessment and improvement

ASIA Safety and Health Management System

1 Goals, regulations and rules	6 Emergency response preparation
2 Leadership, responsibility, organization	7 Accident investigation and reporting
3 Consultation and delegation of authority	8 Education and training
4 Risk management	9 Communication
5 Evaluation and improvement	10 Documentation and records

ASIA Safety and Health Certifications

ASIA Cement

KOSHA-MS (Jecheon Plant)

ASIA Paper MFG

KOSHA-MS (Sihwa Plant, Sejong Plant)

HALLA Cement

ISO 45001 (Okgye, Incheon, Gwangyang and Pohang Plant)

KOSHA-MS (Okgye Plant)

Safety Experience Training Center Certificate (HALLA Cement Safety Training Center, located at Okgye Plant)

Hands-on Safety Training Infrastructure

Safety Experience Facilities

ASIA Cement and HALLA Cement operate safety experience centers and training facilities at their Jecheon and Okgye Plant, establishing systematic safety and health training infrastructure for the prevention of industrial accidents and the establishment of a safety culture. The safety experience facilities of both companies go beyond lecture-based training and are designed as site-centered learning spaces where participants can directly experience situations and present ideas, enabling them to naturally learn on-site safety rules and regulations. The training targets are not limited to employees of the two companies; the facilities are operated broadly for employees of ASIA affiliates and suppliers as well as local residents, thereby proactively responding to social interest and demands for safety and health.

01 ASIA Cement Safety Experience Center

- Opened on November 1, 2022
- Investment amount of KRW 820 million
- One training room and seven experiential training booths
  - for conveyors, confined spaces, tools and hot work, energy isolation, work at height, general facilities and equipment, and VR experience (newly added in 2025)
- Formed TF teams by booth
  - booth design, training scenarios development, in-house instructors training and operation
- Designated as mandatory training for all employees
  - total number of trainees in 2025: 780 (employees: 466, suppliers: 314)

02 HALLA Cement Safety Experience Training Center

- Opened in May 2009
- Korea Occupational Safety and Health Agency's official safety experience training center
  - designated as the second private institution in 2019 and utilized as a specialized public safety training
- 14 themed safety experience booths area of 408 m^2
  - including conveyor safety, energy isolation, and personal protective equipment, introduced VR (Virtual Reality) training facilities in 2024, renovation in February 2025
- Operates specialized in-house instructor programs
- Conducts regular safety training year-round
  - regular training provided for employees, suppliers and external personnel, along with mandatory safety training for new hires

05

SUSTAINABILITY AT ASIA

48 ASIA Holdings

58 ASIA Cement

92 HALLA Cement

120 ASIA Paper MFG

ASIA Holdings

Board of Directors

Board Composition

ASIA Holdings' Board of Directors consists of four inside directors and two independent directors appointed through the general meeting of shareholders and is operated to balance management stability with the Board's independent oversight function. Director candidates submitted to the Board are reviewed and confirmed by comprehensively considering expertise, management experience, responsibility, and other factors. When there are shareholder proposals related to director candidates, they are reflected in the agenda of the general meeting of shareholders in accordance with applicable laws and procedures.

Board Members

Category	Name	Term	Initial Appointed	Gender	Experience
Inside Director	Lee, Hoon Beom(CEO)	2025.03 ~ 2027.03	2021.03	Male	• Graduated from the Graduate School of New York University • Chairman of ASIA Cement • Chairman of HALLA Cement • Chairman of ASIA Paper MFG • CEO and Chairman of ASIA Holdings
	Lee, In Beom	2025.03 ~ 2027.03	2023.03	Male	• Master of Business Administration (MBA) from MIT Sloan School of Management • Vice Chairman of ASIA Cement • Vice Chairman of ASIA Paper MFG • Vice Chairman of ASIA Holdings
	Oh, Ki Ho (Chairman of the Board and CEO)	2025.03 ~ 2027.03	2021.03	Male	• Graduated from Seoul National University Graduate School, Department of Business Administration • CEO of ASIA Cement • President of ASIA Holdings
	Kim, Tae Hyeong	2026.03 ~ 2028.03	2022.03	Male	• Graduated from Hankuk University of Foreign Studies, Department of Business Administration • Executive in charge of Business Administration at ASIA Holdings
Independent Director	Choi, In Seok	2025.03 ~ 2027.03	2023.03	Male	• Director, Planning and Coordination Office, National Police Agency • Attorney at Law, Yulchon LLC
	Kim, Joo Yeon	2025.03 ~ 2027.03	2023.03	Female	• Fair Trade Committee member, Legal Office, Korean Air • Attorney at Law, Shin & Kim LLC

* CEO concurrently serves as Chairman of the Board to accurately understand changes in the business environment and establish specific management strategies in response to such changes.

Board Gender Composition

Male	Female
5	1

Board of Directors

Board Composition

Board Independence and Expertise

ASIA Holdings's Board of Directors is composed of inside directors with expertise in management, finance, and industrial operations, and independent directors with experience and expertise in law and public administration. Inside directors handle key management issues based on their deep understanding of the Group's business characteristics and industrial environment, while independent directors enhance the transparency and objectivity of management decision-making from an independent perspective. In the director candidate selection process, the company comprehensively reviews professional competencies as well as legal disqualification, ethical standards, and potential conflicts of interest to maintain a sound governance system. By maintaining independent directors at approximately one-third of the full Board, the company strengthens the independence and oversight function of the Board. As of 2026, the Board consists of five male directors and one female director.

Board Skill Matrix

	Lee, Hoon Beom	Lee, In Beom	Oh, Ki Ho	Kim, Tae Hyeong	Choi, In Seok	Kim, Joo Yeon
Economy/Finance/ Management	●	●	●			
Risk Management	●	●	●			
Human Resources Management			●	●		
Law/Regulation/Public Policy	●	●	●	●	●	●
Compliance			●	●	●	●
Governance	●	●	●	●		
Accounting	●	●	●	●		
Sales/Marketing				●		
IT/Digital				●		
ESG	●	●	●	●	●	●
Industry Expertise	●	●	●	●		
International Experience	●	●	●			
Organization Operating Experience	●	●	●			
Policy Advice					●	●

Board of Directors

Board Operations

As the highest decision-making body responsible for the company's key management decisions, ASIA Holdings's Board of Directors deliberates and resolves matters stipulated by laws and the Articles of Incorporation as well as matters concerning the establishment and execution of management strategies and key policies. It also comprehensively reviews and manages matters that have a significant impact on company operations. To ensure efficient Board operation and responsible decision-making, the Chairman of the Board exercises the authority to convene and preside over Board meetings in accordance with the Articles of Incorporation.

Key Board Resolutions in 2025

Session	Date	Attendance	Agenda	Result
1	2025.1.7	100%	Resolution on the acquisition of treasury shares	Approved
2	2025.2.26	100%	Convocation of the 60th Annual General Meeting of Shareholders Resolution on cash dividends based on the statement of appropriation of retained earnings for the 60th fiscal year Resolution on cancellation of treasury shares	Approved
			Report on the operating status of the internal accounting management system	Reported
3	2025.3.4	100%	Report on evaluation of the operating status of the internal accounting management system	Reported
4	2025.3.12	100%	Approval of the financial statements for the 60th fiscal year Approval of the treasury share report	Approved
5	2025.3.20	100%	Resolution on the results of the 60th Annual General Meeting of Shareholders Appointment of CEO	Approved
6	2025.6.16	100%	Provision of office building collateral for borrowing by ASIA Cement	Approved
7	2025.8.14	100%	Determination of record date for the extraordinary general meeting of shareholders Convocation of the extraordinary general meeting of shareholders	Approved
8	2025.9.26	100%	Resolution on the results of the extraordinary general meeting of shareholders	Approved
9	2025.10.16	100%	Resolution on the acquisition of treasury shares Determination of record date for interim dividends	Approved
10	2025.11.7	100%	Resolution on interim dividends Resolution on cancellation of treasury shares	Approved

Board Meetings and Attendance Rate in 2025

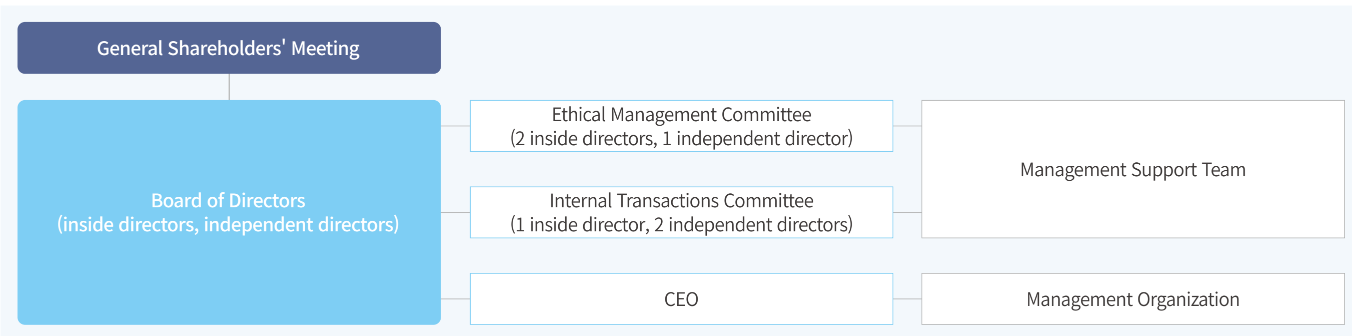
Number of meetings held	Inside Director attendance rate	Independent Director attendance rate	Approval rate
10	100%	100%	100%

Board of Directors

Committees under the Board of Directors

To establish an ethical and transparent management system, ASIA Holdings practices corporate ethics based on fair and objective decision-making processes and strives to build a corporate culture trusted by stakeholders. To this end, the company has established and operates the Ethical Management Committee and the Internal Transactions Committee under the Board of Directors. Each Committee is composed of inside and independent directors with expertise in relevant areas, and an independent director serves as the Chair of the Committee.

Board Committee Structure



Internal Transactions Committee

The Internal Transactions Committee reviews and manages overall decision-making related to internal transactions and is operated to establish a fair and transparent internal transaction system. Through this, it strengthens objectivity and accountability in transaction processes and contributes to establishing a corporate culture based on social trust.

Committee	Member	Purpose of Establishment and Authority	Remarks
Internal Transactions Committee	Choi, In Seok Oh, Ki Ho Kim, Joo Yeon	• Manage overall decision-making on internal transactions • Establish an objective and transparent decision-making process	Chair: Choi, In Seok

Ethical Management Committee

The Ethical Management Committee is operated to establish the ethical management system and spread a transparent corporate culture. The Committee deliberates and resolves key policies related to ethical management, and reviews and decides on matters such as enactment and revision of ethics-related standards and codes of ethics, and whether to refer violations to the Personnel Committee.

Committee	Member	Purpose of Establishment and Authority	Remarks
Ethical Management Committee	Kim, Joo Yeon Oh, Ki Ho Kim, Tae Hyeong	• Set agendas for ethical activities across management • Draft and manage ethics-related regulations	Chair: Kim, Joo Yeon

Subcommittee Activities in 2025

Committee	Date	Agenda	Result	Attendance
Ethical Management Committee	2025.02.10	Review of sustainability report publication plan	Reported	100%
Internal Transactions Committee	2025.01.10	Review/report on internal transactions (annual brand usage fees and management service fees)	Reported	100%

Board of Directors

Board Training

ASIA Holdings operates training programs centered on various topics such as the business environment, industry trends, and risk management to enhance the expertise and management understanding of independent directors. The company also supports the Board's strategic decision-making capabilities by continuously sharing information on major management status, business plans, and changes in industry conditions. Going forward, ASIA Holdings plans to further strengthen Board expertise by expanding training linked to external professional institutions and the scope of training related to ESG and compliance management.

Training for Independent Director

Date	Provider	Participants	Contents
2025.05.30	Korea Listed Companies Association	All attended (2 persons)	Job training for independent directors of listed companies

Performance Evaluation and Remuneration

ASIA Holdings determines director remuneration each year within the remuneration limit approved at the general meeting of shareholders, comprehensively considering responsibilities in performing duties, contribution to the company, market levels, management performance, and the level of compliance and ethical management practices. The company is also strengthening the foundation for responsible management by operating a transparent and reasonable remuneration system, and plans to further advance the linkage between Board activity evaluation and remuneration criteria to strengthen a sustainable governance system.

Compensation for Directors in 2025

(Unit: KRW million)

Category	Number of Directors	Total Compensation	Average Compensation
Executive Directors	4	1,768	442
Independent Directors	2	72	36

Risk Management

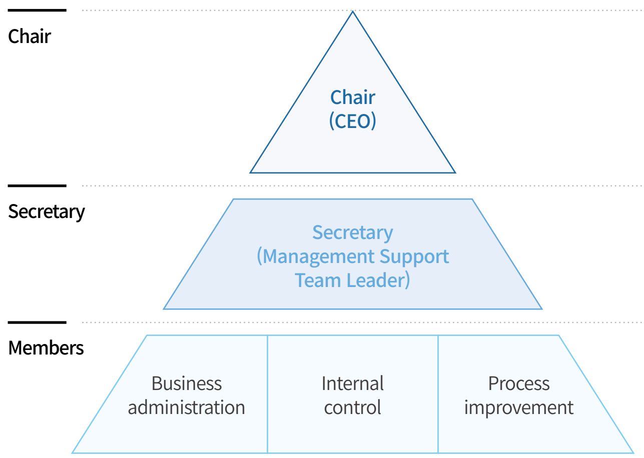
Risk Management System

Risk Management Governance

ASIA Holdings operates a systematic risk management process to proactively respond to rapidly changing business environments and various potential risks. The company continuously reviews key management issues and internal control matters, and monitors risk factors across finance, management, and internal control. When the possibility of a risk is identified, the company prepares response measures based on root cause analysis and impact review and establishes a management system to ensure prompt action through collaboration with relevant departments.

ASIA Holdings regularly reports the operating status and evaluation reports of the internal accounting management system to the Board of Directors, thereby continuously reviewing the reliability of financial information and the effectiveness of internal control. In addition, the results of internal closing and internal audit activities are linked to risk management and used to improve the internal control system and strengthen management stability.

Composition and Operating Procedures of the Risk Management Committee



Risk Factors

ASIA Holdings classifies risks as shown in the table below and sets management items for each risk.

Category	Risk Factors
Financial risk	Exchange rate fluctuations, interest rate fluctuations, etc.
Ethical risk	Corruption, human rights violations, etc.
Environmental risk	Environmental laws and regulations, climate change, complaints and accidents, etc.
Health and Safety risk	Safety accidents, response to enactment and revision of occupational safety and health-related laws and regulations, etc.

Ethical Management

Ethical Management Policy

ASIA Holdings regards ethical values and compliance management as core principles of business operations and strengthens the foundation for sustainable growth through responsible management activities. The company has established and operates ethical standards and a code of ethics that contain standards of conduct and principles for ethical judgment that employees must observe in performing their duties and discloses them on its website to share them with all stakeholders.

ASIA Holdings also operates the Ethical Management Committee under the Board of Directors to strengthen the effectiveness of its ethical and compliance management system. The Ethical Management Committee deliberates on the direction and key policies of ethical management, and reviews and manages the enactment and revision of ethics-related regulations and measures for violations. The Committee is composed of inside and independent directors, and an independent director serves as chair to ensure independence and fairness.

Basic Principles of ASIA Code of Ethics

01

Respect individual dignity and diversity.

02

Compete fairly in accordance with laws and commercial ethics.

03

Maintain accounting transparency through accurate accounting records.

Ethics Violation Risk Management

ASIA Holdings reviews key systems and business processes through an independent and objective internal audit system. The company manages ethical and compliance risks by conducting regular audits, and reflects improvement items identified through audit results in follow-up actions so that they lead to business improvements and enhanced ethical awareness among employees.

Whistleblowing Channel

Go to Cyber Reporting Center

Through the Customer Support menu on its website, ASIA Holdings receives reports on ethical violations such as corruption and misconduct, work-related irregularities, receipt of money or entertainment, unfair practices, workplace bullying, and sexual harassment. Reports may be submitted anonymously, and in the case of real-name reports, the identity of the reporter is protected and managed in accordance with relevant regulations to ensure that no disadvantage occurs. When misconduct is confirmed, the company strives to prevent recurrence through deliberation and measures by the Personnel Committee.

Efforts to Spread an Ethical Culture

ASIA Holdings operates various ethics and compliance training programs to enhance employees' ethical awareness and establish a healthy organizational culture. Every year, all employees take an ethical management practice pledge, and all employees, including new hires, participate in compliance and ethics training. In addition, the company continuously conducts legally mandated training and training by level, such as disability awareness improvement, sexual harassment prevention, and workplace bullying prevention, to spread a culture of mutual respect and non-discrimination. In particular, by making key human rights and workplace ethics training, including ethics training, mandatory, the company continuously strengthens members' sense of responsibility and level of ethical practice.

Protection of Shareholder Rights

Information Disclosure

ASIA Holdings actively uses the Financial Supervisory Service Electronic Disclosure System and the Korea Exchange Electronic Disclosure System to practice transparent information disclosure so that all shareholders can access corporate information fairly and promptly. In addition, to facilitate smooth interaction with shareholders, the company continuously posts major disclosure matters and the official email address of the dedicated IR department on its official website. These communication channels are open to foreign shareholders without discrimination, establishing an environment in which anyone can freely contact the IR department through the website or email.

Furthermore, to fundamentally prevent omissions of mandatory disclosures, the company regularly reviews its internal disclosure process and thoroughly conducts professional training for personnel in charge. As a result of these efforts, ASIA Holdings has not been designated as an unfaithful disclosure corporation over the past three years and has continued to maintain a reliable and responsible disclosure system.

Shareholder Participation Rights

Exercise of Voting Rights

ASIA Holdings faithfully implements procedures under relevant laws and regulations, including the Commercial Act, so that all shareholders can exercise voting rights under equal conditions. The company publicly discloses its operating principles related to the protection of shareholder rights through the Corporate Governance Charter, and when a matter arises in which the exercise of voting rights by specific shareholders is restricted by law, the company responds appropriately based on the relevant laws and regulations.

Shareholder Proposal Rights

The right of shareholders to directly propose agenda items for the general meeting of shareholders is provided under Articles 363-2 and 542-6 of the Commercial Act. Accordingly, shareholders who have continuously held shares representing at least 1.0% of the total issued and outstanding shares, excluding non-voting shares, for a period of six months or more from the record date, or shareholders who hold 3% or more of such shares regardless of the six-month holding requirement, are entitled to propose agenda items for the general meeting of shareholders, including the appointment of directors. Such proposals must be submitted in written or electronic form no later than six weeks prior to the date of the general meeting of shareholders, calculated as six weeks prior to the date marking one year from the previous annual general meeting. Received proposals undergo verification of shareholder qualification and legal review, and the results are notified to the proposing shareholder in the same written or electronic document format. Details of the relevant procedures are provided in the Stakeholder Communication area under the Governance menu on ASIA Holdings's website. There have been no shareholder proposals submitted to the general meeting of shareholders over the past three years, and no open letters from institutional investors as part of stewardship activities have been received.

Protection of Shareholder Rights

Shareholder Return

ASIA Holdings has paid dividends consecutively for 44 years since 1982 and regards stable and predictable shareholder returns as a core principle. The dividend amount is determined by comprehensively considering the dividend yield and payout ratio of peer companies, management performance, cash flows, and the scale of investments required for continued growth, within the scope of distributable profits and net income on separate financial statements excluding non-recurring gains and losses. ASIA Holdings, ASIA Cement, and ASIA Paper MFG provide dividend-related information in advance through the "Decision on Cash and In-kind Dividends" disclosure three weeks before the general meeting of shareholders, and on the day of approval at the general meeting of shareholders, they finalize and announce details such as dividend payment dates through disclosure of the results of the general meeting.

Based on these principles, the three companies announced their shareholder return policy for the two fiscal years 2025–2026 through fair disclosure in December 2024.

For fiscal year 2025, ASIA Holdings paid an interim dividend of KRW 630 and a year-end dividend of KRW 4,970, repurchased KRW 8.0 billion of treasury shares, and cancelled treasury shares twice during 2025, recording a dividend payout ratio of 54.1% and a shareholder return ratio of 101.0% on a separate basis. ASIA Cement paid an interim dividend of KRW 50 and a year-end dividend of KRW 200, repurchased KRW 10.0 billion of treasury shares, and resolved in March 2026 to cancel 421,230 previously acquired treasury shares, recording a dividend payout ratio of 47.3% and a shareholder return ratio of 99.7% on a separate basis. Asia Paper paid an interim dividend of KRW 50 and a year-end dividend of KRW 200, repurchased KRW 10.0 billion of treasury shares, and cancelled 2,300,000 treasury shares (previously acquired in 2023–2024) during 2025, recording a dividend payout ratio of 33.0% and a shareholder return ratio of 67.3% on a separate basis.

ASIA will continue its efforts to enhance shareholder value and strengthen investor predictability through consistent shareholder return policies, while further reinforcing the long-term foundation for shareholder returns.

Key Dividend History in 2025

ASIA Holdings

Number of consecutive dividend payments		Average Dividend Yield	
Interim/Quarterly Dividends	4	Over the Past Three Years	2.30
Final Dividends	44	Over the Past Five Years	2.42

ASIA Cement

Number of consecutive dividend payments		Average Dividend Yield	
Interim/Quarterly Dividends	3	Over the Past Three Years	1.95
Final Dividends	13	Over the Past Five Years	2.00

ASIA Paper MFG

Number of consecutive dividend payments		Average Dividend Yield	
Interim/Quarterly Dividends	-	Over the Past Three Years	3.93
Final Dividends	8	Over the Past Five Years	3.24

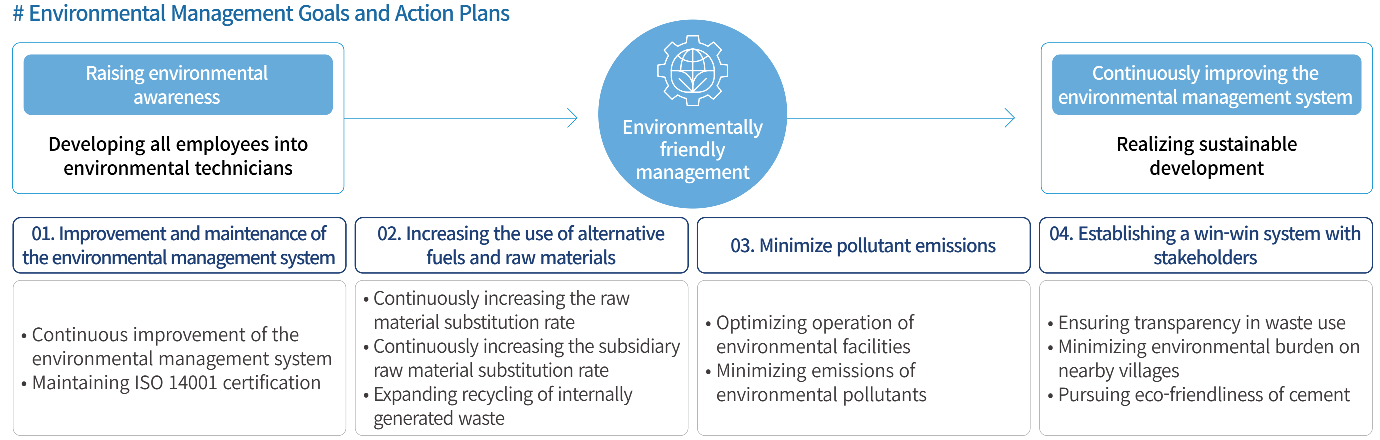
ASIA Cement

Environmental Management

Environmental Management Strategy

Under the environmental policy of "preventing environmental pollution and creating environmental performance through continuous improvement of the Environmental Management System," ASIA Cement continues its efforts to establish a sustainable production system and minimize environmental impacts. To this end, the company operates the ISO 14001 Environmental Management System across all business sites and continues to strengthen its environmental management system. In its production processes, the company uses high-calorific resources such as waste synthetic resin and waste synthetic rubber as alternative fuels to expand resource circulation and reduce carbon emissions, thereby reducing fossil fuel use. In 2025, alternative fuel use totaled 276,309 tons, and the company plans to gradually expand the transition to eco-friendly fuels and the operation of environmentally friendly business sites going forward.

Environmental Management Goals and Action Plans



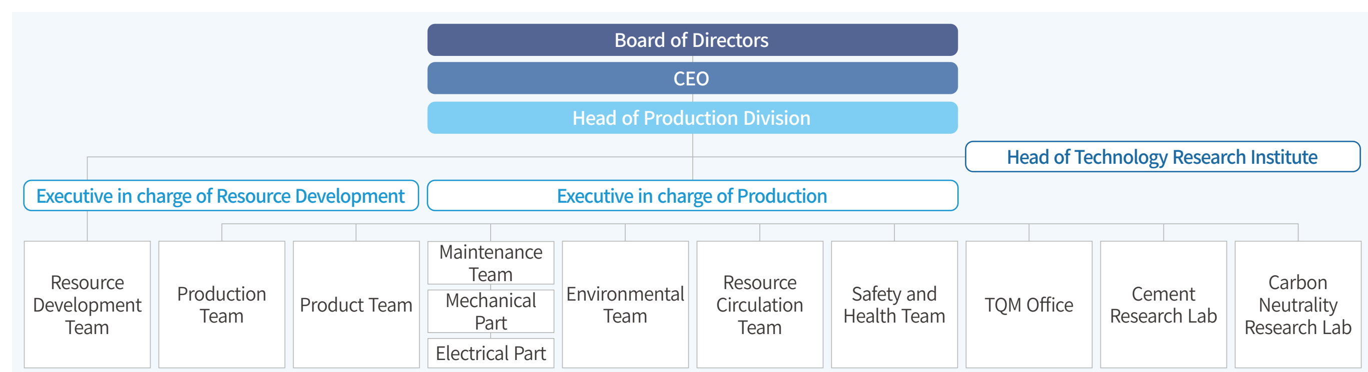
Environmental Management System

ASIA Cement Environmental Policy

ASIA Cement Environmental Policy

ASIA Cement operates key environmental management decisions and improvement activities under the leadership of the CEO. Responsibility and authority for establishing environmental management policies and identifying and implementing environmental improvement tasks are assigned to the CEO, while each organization's environmental performance and progress are regularly reported to and reviewed by the Production Division leader. The established environmental policy is shared with all employees through the company website. Major environmental performance and key issues are shared with the Board of Directors, the highest decision-making body, and managed at the company-wide level. The established environmental policy is communicated to employees through training. In addition, environmental performance indicators are reflected in KPIs for some organizations, such as the Environmental Team, and the company plans to gradually expand the linkage between environmental performance and the remuneration system for managers.

Environmental Management Organization Chart



Environmental Management

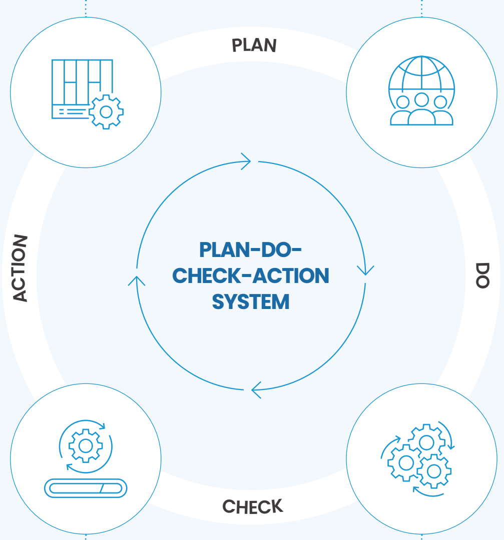
Environmental Management Plan-Do-Check-Action System

ASIA Cement operates a management system based on Plan-Do-Check-Action (PDCA) to ensure the execution and continuous improvement of environmental management activities. In the Plan stage, the company establishes environmental management policies and goals. In the Do stage, it carries out activities such as improving the environmental management system, expanding the use of circular resources, and reducing pollutant emissions. In the Check stage, the company reviews and analyzes the environmental management level and operating status of business sites through internal environmental audits and evaluations by specialized institutions. The identified improvement tasks and goals are reflected in actual management activities in the Action stage.

Environmental Management System

PLAN
Establish and implement polices
- Environmental management policy
- Annual environmental goals and detailed targets
- Environmental improvement programs

DO
Improve environmental management system
- Minimization of pollutant emissions
- Increase the use of circular resources
- Establishment of a win-win system with stakeholders



ACTION
Reflect improvement goals

CHECK
Operate environmental assessment programs
- Internal environmental audits
- Environmental status surveys of Jecheon Plant and subfacilities
- Environmental management evaluation by specialized institutions

Mid- to Long-term Targets for Pollutant Management

ASIA Cement established and has been promoting "Clean2030," a mid-to long-term environmental management plan for the Production Division, from 2025 to respond to strengthening environmental regulations and stakeholder expectations. Key tasks include reducing nitrogen oxide (NOx) emissions, responding to product hazards, strengthening integrated environmental management, and improving employees' environmental awareness. To enhance execution, the company established the Production Division Environmental Policy, regularly operates the Environmental Management Committee, and continues to advance its environmental management system.

Status and Mid- to Long-term Targets for Pollutant Management

Category	2024 Performance	2025 Performance	Target
Nitrogen oxide intensity (kg/ton-cl)	1.38	1.22	0.85 (2034)
Hexavalent chromium content in products (ppm)	7.6	7.1	4.0 (2027)
Response to integrated environmental system	-	Development of integrated environmental management plan (draft)	Completion of integrated environmental permit (2027)
Fostering employee environmental awareness	Training centered on managers	Includes managers and suppliers (546 persons)	Expansion of training targets (2026)

▶ Production Division Environmental Policy

Expanding Alternative Fuel Use

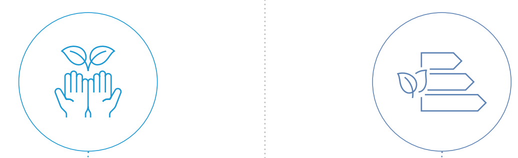
ASIA Cement is working to reduce the use of fossil fuels such as coal by utilizing circular resources, including waste synthetic resin and waste synthetic rubber, as alternative fuels. These resources have sufficient calorific value and are expected to have positive effects in terms of expanding resource circulation and reducing carbon emissions. In 2025, alternative fuel use totaled 276,309 tons, and the company plans to continue expanding the use of eco-friendly fuels.

Environmental Management

Identification and Assessment of Environmental Impacts

To maintain its environmental management system, ASIA Cement proactively evaluates and strictly manages environmental factors across all business areas. This is implemented through "Basic Environmental Assessmet" and "Environmental Impact Assessment." For new and modified facilities, the company conducts basic environmental assessments from the initial review stage to minimize negative impacts. In parallel, it conducts environmental impact assessments across daily activities, identifies significant environmental factors, and continuously carries out systematic follow-up management.

Status of Environmental Impact Assessment



Basic Environmental Assessment

Conduct assessment of potential environmental aspects and impacts from the review stage to minimize environmental impacts when installing, modifying, or replacing new facilities and equipment

Environmental Impact Assessment

Identify environmental aspects and impacts related to the organization's activities, products, and services, and select, register, and manage key environmental aspects that cause significant environmental impacts

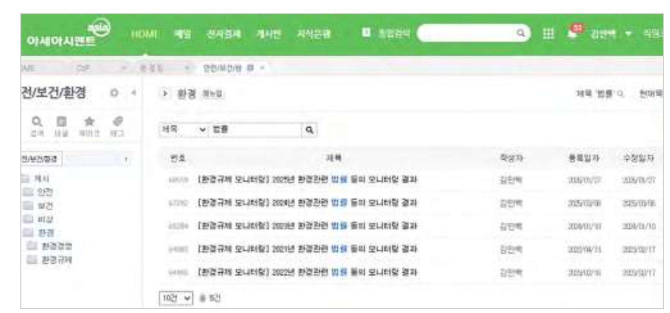
Area	Identification of Environmental Impacts	Significant Environmental Aspects*
Resource development	1. Drilling, blasting, loading, and hauling operations 2. Crushing and transportation operations, etc.	8 cases
Production	1. Raw material grinding and storage 2. Calcination process, etc.	30 cases
Machinery	1. Mechanical construction 2. Civil engineering and construction work, etc.	3 cases
Electrical	1. Electrical construction 2. Management of power receiving and transforming facilities, etc.	1 case
Technical research	1. Waste heat power generation facilities 2. Radiation work, etc.	1 case
Raw and subsidiary materials	1. Raw and subsidiary materials and bituminous coal unloading 2. Lubricant storage, etc.	1 case
Resource circulation	1. Storage of recyclable waste 2. Waste crushing and input, etc.	2 cases
Environment	1. Workplace waste treatment 2. Fugitive dust, etc.	3 cases

*Environmental impact assessments are conducted biennially, and the number of significant environmental aspects identified is based on the results of the most recent impact assessment conducted in 2024.

Environmental Laws and Regulations Monitoring System and Response Strategy

ASIA Cement systematically manages environmental laws and regulations and other requirements applicable to its management activities, production processes, products, and services in accordance with the "Regulations on Management of Laws and Other Requirements." Each department manages the list of laws and regulations related to its work and continuously monitors relevant legislation from the review of amendments through enactment and promulgation via the electronic official gazette and other channels.

In particular, the Environmental Team reviews the official gazette and major regulatory trends related to environmental laws and regulations on a weekly basis, and major matters that may affect management are shared through reports and meetings to discuss response directions. In addition, the company strengthens its environmental compliance response capabilities by compiling annual monitoring results and sharing them company-wide through groupware.



▶ Monitoring Status of Environmental Laws and Regulations

Environmental Management

Integrated Pollution Prevention and Control (IPPC) System

Following the Ministry of Climate, Energy and Environment's inclusion of the cement manufacturing industry in the integrated environmental management system in 2023, ASIA Cement became subject to the Act on the Integrated Management of Environmental Pollution Facilities and is pursuing the transition to integrated environmental permitting by June 30, 2027. The integrated environmental management system is designed for industries and large-scale business sites with significant environmental impacts by integrating management methods for environmental media such as air, water, and soil, and minimizing and optimizing pollutant emissions.

In response, ASIA Cement has been operating a dedicated TF centered on the Production Division of Jecheon Plant since May 2023, prior to the legal amendment, and is currently carrying out the fourth stage of the five-stage implementation plan. After June 2026, the company plans to proceed step by step with preliminary consultation and main consultation for integrated environmental permitting. In addition, to proactively respond to strengthened nitrogen oxide (NOx) emission limits, the company installed and has operated SCR equipment at Kiln No. 4 from September 2025, the first such installation in the domestic cement industry.

Environmental Improvement Program

Since introducing ISO 14001 in 2007, ASIA Cement has carried out various environmental improvement activities under the policy of "preventing environmental pollution and creating environmental performance through continuous improvement of the Environmental Management System." As part of these efforts, the company operates an "Environmental Improvement Program" led by the Environmental Team. Every year, department-level task selection meetings are held to review the previous year's performance and identify improvement tasks that can contribute to reducing environmental burden and improving environmental awareness.

The contribution rate and performance of each task by area are regularly reported to executives of the Production Division, enabling systematic management of environmental goals and detailed action tasks. Going forward, the company plans to expand the Environmental Improvement Program, currently centered on the Production Division, to headquarters organizations to strengthen company-wide environmental management activities.

2025 Environmental Improvement Program Performance

Overall achievement rate
87 %

Total number of improvement tasks
88 cases

Achievement Rate of Environmental Improvement Tasks

No.	Area	Tasks	Achievement rate
01	Air	15 tasks	93%
02	Fugitive dust	9 tasks	100%
03	Waste	11 tasks	60%
04	Energy	7 tasks	80%
05	Others	5 tasks	100%
06	Environmental Management	18 tasks	95%
07	Training/ Promotion	23 tasks	79%

Environmental Management

Environmental Training

ASIA Cement conducts various environmental training and response drills for employees and suppliers to strengthen environmental safety awareness and accident response capabilities.

Environmental Training Results

Category	Training	Trainees	Performance
Company-wide environmental training	Training to improve employee environmental awareness	Office workers, on-site workers, and suppliers	468/511 persons (92%)
Specialized environmental training	Understanding and application of ESG management	Production Division Executives and Team Leaders, Planning and Support Division Team Leaders, Head of Branch Plant	24/26 persons (92%)
	Need for ESG environmental management	Middle Managers of Production Division, Management Planning and Support Division, and Branch Plant	27/27 persons (100%)
	Need for environmental risk management	Middle Managers of Production Division, Management Planning and Support Division, and Branch Plant	27/27 persons (100%)
	Practical environmental management training	Personnel in charge of environmental emission facilities in the Production Division, Safety and Health Team	11/11 persons (100%)

In particular, to improve initial response and accident recovery capabilities in the event of environmental pollution accidents, ASIA Cement regularly conducts environmental pollution response drills. Through scenario-based drills and feedback assuming actual situations, the company continuously reviews and supplements its response system. In addition, it strengthens response capabilities to minimize environmental damage and enable prompt recovery in the event of similar accidents. The effectiveness of these activities was confirmed in September 2025, when employees of ASIA Cement's Jecheon Plant prevented additional pollution through prompt initial response to an oil spill that occurred at another business site upstream of Mudocheon Stream.

Environmental Pollution Accident Response Drill Process

Pre-training and accident response case

▶ Pre-training and field practice for 2025 water pollution accident response drill

▶ Initial response case for oil spill upstream of Mudocheon Stream in 2025

Responding to Climate Change

Greenhouse Gas Emission Reduction Activities

ASIA Cement declared the integrated vision “ECO TOGETHER 2025” in 2021 and has promoted carbon emission reduction activities and is now implementing mid- to long-term carbon reduction targets in stages under the expanded “GROW 2030” framework. In particular, the company is pursuing various reduction activities with the goal of reducing CO_2 emissions by 20% by 2030 compared to 2018.

In the fuel combustion process, one of the main sources of greenhouse gas emissions, the company focuses on reducing fossil fuel use by expanding the use of circular fuels. To this end, it invested approximately KRW 70.0 billion from January 2020 to March 2023 to improve the calcination process and plans to continue expanding related investments. It is also continuing R&D, including the use of non-carbonate raw materials, to reduce emissions generated during limestone calcination.

Meanwhile, the company is also promoting carbon neutrality lifestyle practices based on employee participation. In 2025, the Environmental Team conducted an “Energy Saving Campaign” to identify energy waste cases and carry out reduction practices, with a total of 271 employees participating. Specifically, 112 employees participated in the “Find the Hidden Energy Thief” case contest and identified 146 cases of energy waste, while 159 employees, from executives to new hires, participated in the “My Energy Promise” pledge certification. Through this, an electricity saving effect of approximately 2,160 kWh is expected, rewards were provided for excellent campaign cases, and expansion to suppliers is being considered.

Energy Consumption Reduction Activities

ASIA Cement actively participates in the voluntary energy efficiency target system and the Energy Efficiency Innovation Partnership (KEEP30) led by the Ministry of Trade, Industry and Resources to reduce greenhouse gas emissions and dramatically improve energy efficiency. As part of this, in 2025, the company completed a performance report on the implementation of the partnership. In addition, centered on the Jecheon Plant, the company establishes detailed reduction targets by energy source every year and actively utilizes the government’s support system for high-efficiency facilities to simultaneously reduce energy consumption and strengthen manufacturing cost competitiveness.

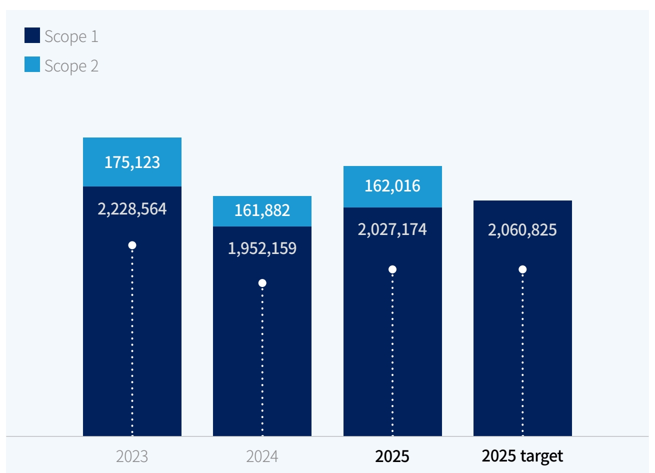
In terms of production processes, the company is gradually reducing dependence on bituminous coal by using various circular resources, including waste synthetic resin, waste synthetic rubber, waste expanded synthetic resin, and waste synthetic fiber, as alternative fuels. In particular, since 2015, the company has supplied high-temperature exhaust gas (Hot Gas) generated during processes as a heat source for the waste heat recovery power plant at Jecheon Plant. Through this, the company not only contributes to reducing fossil fuel use in the local community, but also generated approximately KRW 900 million in waste heat power generation revenue in 2025, contributing to lower electricity costs. ASIA Cement will continue to expand the introduction of high-efficiency technologies and the share of alternative fuel use to achieve substantive energy reduction targets.

“Find the Hidden Energy Thief” campaign

identified **146** cases of energy waste

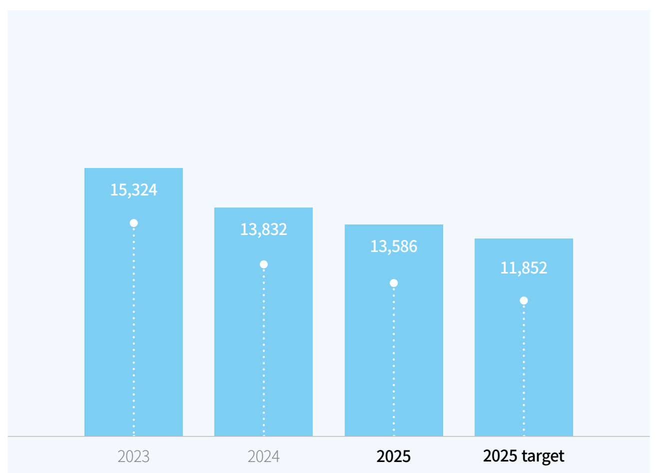
Greenhouse Gas Emissions

(Unit: tCO_2eq)



Total Energy Consumption

(Unit: TJ)



Responding to Climate Change

Carbon Neutrality Research Lab

ASIA Cement established the Carbon Neutrality Research Lab in May 2023 to realize carbon neutrality and establish a low-carbon production system. The lab consists of professionals from various fields, including researchers and facility/process experts, and carries out research and technology development tasks to reduce carbon emissions.

Major activities include conducting national projects related to carbon neutrality technology development and reviewing process improvements for innovation in the cement production process. Based on this, the company is promoting both production efficiency improvement and carbon emission reduction, and plans to contribute to achieving carbon neutrality goals and realizing sustainable management through continuous technological innovation and R&D.

National Task Project

Category	Project	Background and Purpose	Performance	Plan
Project #01	Development of commercial-scale manufacturing and field application demonstration technologies to increase the use of blended materials	Development of commercial-scale field application technologies that reduce reliance on clinker, which has a high greenhouse gas emission factor in cement manufacturing, and increase the ratio of blended materials to contribute to achieving carbon neutrality in the cement industry	Expected reduction in carbon emissions through increased use of blended materials	Development of commercial-scale high-performance clinker and blended cement manufacturing process technologies
Project #02	Development of Portland cement manufacturing and utilization technologies that replace at least 5% of limestone using non-carbonate raw materials	Expected reduction in carbon dioxide emissions by utilizing industrial waste with low carbonate content (slag, waste concrete, etc.) as cement raw materials	Joint development of non-carbonate raw material technologies in collaboration with the steel industry	Derivation of optimal quality conditions according to expanded use of non-carbonate raw materials
Project #03	Development of technologies to increase the fuel substitution rate in the cement calcination process to at least 65% through optimization of waste synthetic resin supply and combustion processes	Development of uniform heat source supply technologies and energy efficiency improvement technologies to expand the use of waste synthetic resin alternative fuels as calcination fuel, contributing to carbon emission reduction in the cement industry and to expanded waste resource circulation and solutions to waste treatment issues	Establishment of demonstration facilities (storage, sorting, automated transfer systems, etc.) to increase the waste synthetic resin substitution rate and development of research/technologies to reduce air pollutants	Trial operation evaluation of the waste synthetic resin input system and development of technologies to reduce air pollutants (NOx, SOx, etc.) from calcination facilities and introduction of demonstration facilities

Minimizing Environmental Impact

Air Pollutant Management

ASIA Cement is strengthening its air pollutant management system in response to the application of the integrated environmental management system. To obtain integrated environmental management permits before July 2027, the company is carrying out preparation activities such as environmental impact assessments, establishment of environmental prevention plans, and development of environmental management systems. It also manages improvement tasks and achievement rates by major area, including air, fugitive dust, waste, energy, water quality, and training. In particular, the company has set reduction of air pollutants and fugitive dust as key management tasks and plans to gradually advance improvement activities by referring to best practices in the same industry. Since 2025, it has newly listed fugitive dust-generating facilities and dust control facilities, and is also reviewing and planning additional facility improvements to reduce fugitive dust.

Air Pollutants

ASIA Cement continuously monitors the emission status of air pollutants from major air emission facilities and conducts systematic management activities. For all emission facilities, the company conducts regular inspections and emission measurements through specialized measurement companies, and the measurement results are registered and managed in the Stack Emission Management System operated by the National Institute of Environmental Research.

Dust and Fugitive Dust

ASIA Cement carries out various management activities across production processes and business sites to reduce fine dust and fugitive dust. In particular, to reduce fugitive dust generated during transportation within the manufacturing process, the company installs and operates fugitive dust suppression facilities that exceed legal standards, and conducts quarterly monitoring of air pollution levels in areas around Jecheon Plant.

In accordance with the voluntary agreement on fine dust reduction signed with the Ministry of Climate, Energy and Environment in December 2019, the company continues to implement various reduction activities, including shortening the operating hours of grinding facilities, expanding operation of water spraying facilities, and implementing an alternate-day vehicle operation system. In addition, vulnerable locations with high potential for fugitive dust generation are separately designated, evaluated, and managed, and the company will continue efforts to minimize environmental impacts through continuous facility improvements and strengthened management.

NOx and SOx Management

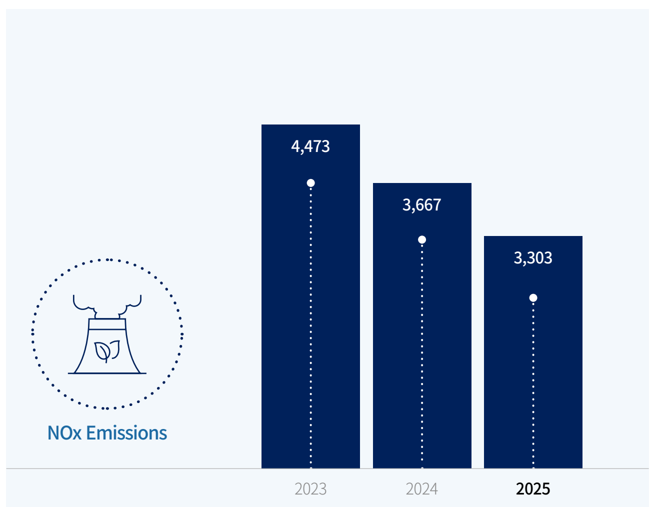
As a business site subject to total air pollutant load management, ASIA Cement operates a real-time monitoring system based on the Tele Monitoring System (TMS) and manages NOx and SOx within the permitted total emission limits. During the first phase of the total load management system (2020–2024), the company complied with the permitted total emission limits, and in 2025, when the second phase (2025–2029) began, it managed nitrogen oxide emissions at approximately 3,300 tons.

In particular, in September 2025, the company introduced Selective Catalytic Reduction (SCR) equipment at Kiln No. 4 for the first time in the domestic cement industry. After trial operation and process optimization, the system is now operating stably. As a result, NOx emission intensity per ton of clinker decreased from 1.35 kg in 2024 to 1.22 kg in 2025, and the emission concentration is being managed stably at less than 50 ppm, including ammonia-related operating parameters. SCR facilities contribute to the reduction of hazardous volatile air pollutants, including dioxins, total hydrocarbons (THC), benzene, and hydrogen cyanide (HCN).

Building on the stable operation of its SCR facilities, ASIA Cement will proactively respond to increasingly stringent environmental regulations and further advance its eco-friendly production system.

Air Pollutant NOx Emissions

(Unit: ton)



Annual Nitrogen Oxide (NOx) Allowances

Category	2025	2026	2027	2028	2029
NOx Allowance (tons)	3,711	3,573	3,436	3,298	3,161

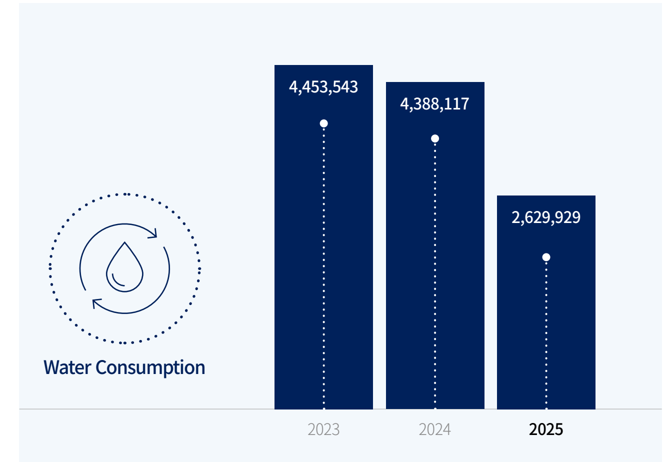
Minimizing Environmental Impact

Water Recycling and Wastewater Management

ASIA Cement's Jecheon Plant uses water as indirect cooling water for production facilities and manages it systematically through industrial water pumps and recovery pumps. Most of the water used is recovered and circulated within the business site, improving water resource use efficiency. Discharged water is managed within the standards required by relevant laws and regulations, and industrial water is operated to pass through an artificial wetland, a nature-based non-point pollution reduction facility, before being discharged outside the site, thereby helping prevent eutrophication in rivers.

Total Water Consumption

(Unit: m³)



Waste and Recycling

Waste generated at ASIA Cement's Jecheon Plant is managed by classifying it into general waste and designated waste and is treated either through on-site crushing facilities or outsourced to specialized external companies depending on the type. To reduce waste and comply with laws and regulations, the company continuously operates department-level reduction targets, waste collection box management, waste oil storage areas, and incoming inspection systems. In addition, the company uses waste synthetic rubber and waste synthetic resin as alternative fuels to reduce bituminous coal use and contributes to improved heat intensity and cost reduction through the operation of industrial by-product recycling facilities.

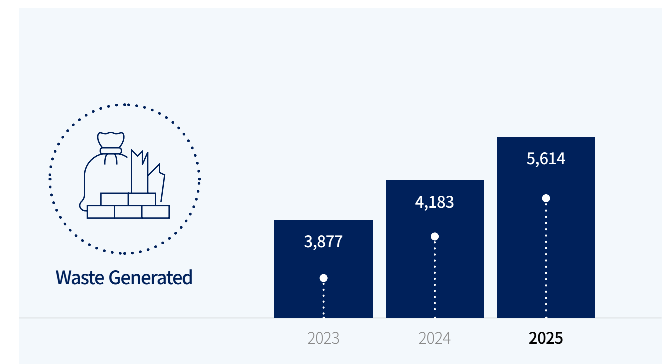
In 2023, a new waste storage area was designated at Jecheon Plant to reduce environmental risks that may arise during waste storage and treatment. In 2025, the company is also pursuing a recycling environmental assessment for stone powder (stone and aggregate wastewater treatment sludge) generated during mine aggregate production. Although the material is currently classified as waste, the company is proceeding with relevant procedures so that it can be recognized as limestone raw material for cement through the recycling environmental assessment and used as a recycled product.

Waste recycling rate in 2025

82.9%

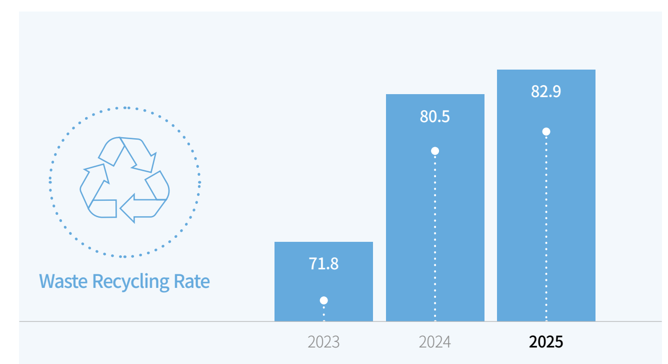
Total Waste Generated

(Unit: ton)



Waste Recycling Rate

(Unit: %)



Minimizing Environmental Impact

Chemical Substance and Odor Management

Chemical Substance Management

ASIA Cement systematically manages chemical components that may be contained in circular resources in accordance with relevant laws and regulations. Circular resources used at Jecheon Plant may contain chemical substances used in the processes of emitting companies, and the company manages their components and content in accordance with the standards of the Chemicals Control Act. In addition, the company investigates and analyzes the amount of chemical substances contained in circular resources and reports them in accordance with relevant standards, while minimizing environmental and safety risks through continuous monitoring.

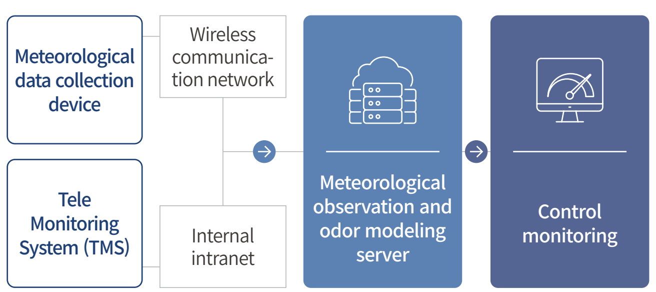
Chemical Substance Management

Category		2021	2022	2023	2024
Amount brought in through recycled waste (tons/year)	Aluminum	1,692.76	1,510.96	1,022.54	752.97
	Manganese	2,628.95	1,863.80	1,719.08	2,036.78
	Zinc	185.79	189.82	73.06	76.02
	Chromium	5.85	3.87	3.05	2.46
Emissions to air and waste (kg/year)	Aluminum	226.87	393.30	288.18	157.85
	Manganese	352.35	481.62	484.49	427.03
	Zinc	24.90	49.05	20.16	15.93
	Chromium	0.78	1.00	0.84	0.61

Odor Monitoring

ASIA Cement operates a real-time odor monitoring system for site boundaries and major emission outlets, managing odor data around the clock. The collected data are used to analyze the causes of odor and support reduction activities, and the company continues management activities to minimize environmental impacts around its business sites based on these data. Through this, the company is enhancing environmental trust with local communities and striving for responsible environmental management and sustainable site operations.

Odor Monitoring Process



Eco-friendly Investment and Green Purchasing

Eco-friendly Investment

ASIA Cement continues to invest in kiln process and facility improvements to expand the use of alternative fuels and raw materials for environmental protection and climate change response. The company promotes eco-friendly facility investments and environmental improvement activities across various environmental areas, including air and water quality, thereby strengthening environmental management capabilities at its business sites. Over the past three years, the average annual environmental investment has been approximately KRW 25.7 billion, and the company plans to continue large-scale investments in 2026 to improve environmental performance and establish an eco-friendly production system.

Green Purchasing

ASIA Cement thoroughly analyzes incoming raw and subsidiary materials and prioritizes the purchase of products that meet environmental pollution standards. The company practices green purchasing to minimize substances that may cause environmental pollution, such as heavy metals, NOx, and SOx, and encourages suppliers to operate environmental management systems. In addition, the company operates procedures to review environmental risks and opportunities in advance during investment decision-making and plans to gradually advance the relevant review system. Since 2016, the company has also annually quantified and evaluated environmental management risks, using the results of regular environmental impact assessments and basic environmental assessments for environmental facility improvement and investment reviews.

Biodiversity Conversion

Environmental Impact Assessment of Operations

Since 2016, ASIA Cement has established and operated an environmental impact assessment plan to understand the impact of Jecheon Plant operations on the surrounding environment. Once every half year, a specialized environmental impact assessment agency investigates the natural ecological environment around the business site. The assessment covers air quality (PM10, PM2.5, NO_2), odor, noise and vibration, and water quality of discharged water flowing into the water system after passing through non-point pollution reduction facilities. Monitoring is also conducted for riparian plants, terrestrial animals such as mammals, birds, amphibians, reptiles, and terrestrial insects, and freshwater animals such as fish and benthic macroinvertebrates, mainly in the upstream and downstream sections of Mudocheon Stream.

According to the 2025 assessment, non-point pollutants and organic matter from farmland, villages, and roads upstream of Mudocheon flowed into and accumulated in the stream, reducing gravel layers and expanding sand and mud layers. As a result, some fish and benthic macroinvertebrate species inhabiting gravel habitats showed a declining trend. The aquatic ecosystem in the area did not show significant differences compared to the past, but it was analyzed that the influence of non-point pollution sources from nearby farmland and roads continues, and it was also predicted that changes in temperature and precipitation due to climate warming may lead to a decline in the diversity and biomass of freshwater fauna.

Biodiversity Conservation Activities

ASIA Cement continuously monitors biodiversity in the project area and nearby original conservation areas through Post-Investigation of Environmental Impacts. According to the investigation results, mammals have limited presence within the project area, but various species have been confirmed in nearby forests and around the Jucheon River, and the impact of business operations was analyzed to be insignificant. For birds, a total of 48 species were confirmed as of 2025, an increase from the 44 species identified at the time of the environmental impact assessment. Although occurrence within the mine is limited, stable habitats are maintained in the broader external assessment area, indicating that the impact of mining operations on the ecosystem is limited.

In addition, legally protected species such as otters (Class I endangered wildlife and natural monument), leopard cats (Class II endangered wildlife), and common kestrels (natural monument) have continued to be confirmed during Post-Investigation of Environmental Impacts. Based on these assessment results, ASIA Cement is accumulating basic data for protected species management and plans to strengthen biodiversity conservation activities by continuously monitoring major habitats and legally protected species.

Mine Ecological Restoration

Since the environmental impact assessment renegotiation in 2003, ASIA Cement has regularly conducted Post-Investigation of Environmental Impacts for nature-friendly mine development and production. The company is currently conducting its 23rd-year survey, through which it analyzes the environmental impacts of mining and post-mining business activities and continuously manages the implementation of mitigation measures and consultation items presented in the environmental impact assessment report.

In addition, flora and fauna surveys are conducted in accordance with the Ministry of Climate, Energy and Environment's natural environment survey and grading standards, and ecosystem changes are continuously monitored based on the survey results. Since 2022, in connection with the mine expansion plan, the company has established a long-term master plan with the goal of environmental impact assessment renegotiation in 2030, and is reviewing the expansion scope, ecological and naturalness grade management, and ecological restoration plans in stages. As a preliminary measure for mine restoration, the company operates a temporary transplanting site to secure trees for restoration. It planted 100 oak trees in 2023, 300 in 2024, and 100 in 2025, achieving a cumulative total of 500 trees planted to date. The company is also working to improve the survival rate of trees by relocating the existing temporary transplanting site and improving the soil environment.

Cumulative planting at temporary transplanting site for mine ecological restoration

500 trees

Workplace Health and Safety

Occupational Health and Safety Management System

ASIA Cement strives to realize accident-free workplaces based on the establishment of and compliance with safety and health policies and regulations. Since completing the transition to KOSHA-MS safety and health management system certification in 2022, the company has maintained certification through continuous follow-up management and operational inspections. It also operates a systematic safety and health management system centered on a dedicated safety and health organization, promoting the establishment of a safety culture and strengthening execution at business sites.

Application rate of Occupational Health and Safety Management System (Based on number of employees)

58%

ASIA Cement Safety Organization Chart

Mid- to Long-term Occupational Health and Safety Roadmap

Since 2025, quantitative targets have been set each year at a level reduced by 50% compared to the previous year's target, and the roadmap is operated as a short-, mid-, and long-term framework based on 2026, 2028, and 2030.

ASIA Cement 2030 Mid- to Long-term Occupational Health and Safety Management Roadmap

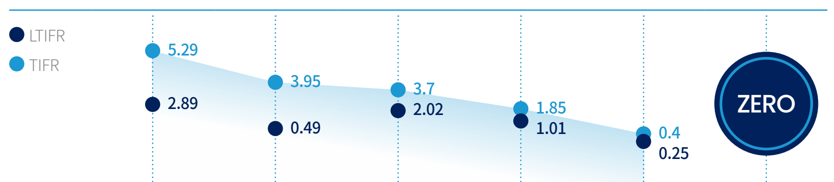
2025-2026: Aggressive reduction in accident rate

Prevent safety accidents with the target of reducing the accident rate by 50% each year compared to the target after 2025

Final 2030 target "Zero Accident Rate"

Achieve zero safety accidents at all business sites by 2030 through phased reductions

Category	2024 (Performance)	2025 (Performance)	2025 (Target)	2026 (Target)	2028 (Target)	2030
LTIFR	2.89	0.49	2.02	1.01	0.25	0
TIFR	5.29	3.95	3.70	1.85	0.40	0



Key Occupational Health and Safety Management Strategies (Priorities)

Priority 1. Prevention of serious accidents	Priority 2. Autonomous safety and health management system	Priority 3. Moving together with a safety culture in which everyone participates
Fundamentally prevent serious accidents by proactively eliminating risk factors at all business sites	Establish a Top Class autonomous safety and health management system in which employees comply with safety rules voluntarily	Build a culture in which safety is practiced as one team, taking responsibility not only for one's own safety but also for colleagues' safety

Workplace Health and Safety

Occupational Health and Safety Management Activities

ASIA Cement Safety and Health Policies and Regulations

Establishment and Review of Occupational Health and Safety Management Plans

ASIA Cement places occupational health and safety as the highest priority in its management and promotes systematic safety and health management activities through the establishment of policies and regulations. The established safety and health policies and regulations are shared company-wide through the corporate website. In addition, the company aims to foster a "safety culture in which everyone participates" by preventing serious accidents and establishing a world-class occupational health and safety management system. In particular, to strengthen management's safety and health leadership, ASIA Cement holds biannual "Safety Forums" to review the implementation status of safety and health management plans and establish improvement measures. In 2026, the company plans to conduct an objective safety culture maturity assessment to identify the strengths and weaknesses of its operations and, based on the results, will continue its efforts to create a safer and healthier workplace.

Risk Assessment

ASIA Cement conducts systematic risk assessments to proactively identify and eliminate potential hazards and risk factors at business sites to prevent safety accidents. In particular, field workers directly participate and provide opinions throughout regular and ad hoc risk assessments, maximizing the effectiveness of the system. This safety management system applies equally to employees and suppliers. ASIA Cement provides multifaceted support to help suppliers obtain and maintain risk assessment certification from the Korea Occupational Safety and Health Agency. In addition, the company provides expert consulting to enhance the overall safety and health capabilities of employees and suppliers, and since 2023 has newly introduced specialized training for supervisors to further strengthen their ability to respond immediately to on-site risk situations.

Risk Assessment Process

01 Classification of work processes
02 Identification of hazards
03 Conducting risk assessment
04 Development of improvement measures
05 Sharing of risk assessment results

Occupational Health and Safety Management Activities

Activity Category	Implementation Cycle	Key Details
Safety patrol activities	Daily	Joint inspections by the Safety and Health Team and field departments / Weekly Wednesday review meetings and discussions on improvement measures
Safety Inspection Day	Once a month	Conduct inspections with suppliers according to designated safety themes
Joint occupational health and safety inspection	Once a quarter	Jointly conducted by field departments and supplier personnel at each business site
Inspection for response to the Serious Accidents Punishment Act	Semiannually	Check compliance with manuals under Article 4 of the Enforcement Decree and implementation of improvement measures
Workplace environmental measurements	Separate regular inspection	Measurement of exposure concentration and environment for hazardous substances in the workplace
Safety and health audit activities	Annually	Activities based on audit lists for all departments (including branch plants)
Supplier health and safety activity evaluation	Annually	Review supplier safety and health levels and support improvements
KOSHA-MS certification audit	Annually	Maintenance audit for KOSHA-MS-certified business site (Jecheon Plant)
Safety inspection of hazardous machinery and equipment	Biennially	Statutory inspection of hazardous machinery and equipment such as lifts, hoists, and conveyors

VFL (Visible Felt Leadership) and On-site Communication

Management conducts monthly VFL (Visible Felt Leadership) activities by directly visiting work sites. Through this, management communicates its safety beliefs and directly discusses with workers to promptly identify on-site safety and health issues. In addition, through SFA (Safety First Asiacement) activities that improve unsafe behaviors of field workers, the company encourages the voluntary establishment of an accident prevention culture.

Workplace Safety Accident Prevention Efforts

Since 2020, ASIA Cement has introduced leading indicators for industrial accidents, including lost-time injuries and medical treatment injuries, and systematically manages annual performance. Based on this, the company establishes mid- to long-term occupational health and safety strategic plans and continuously promotes prevention-oriented safety management activities to realize zero-accident workplaces.

Workplace Health and Safety

Occupational Health and Safety Management Activities

Safety Call System

ASIA Cement operates the "Safety Call" system (right to stop work), enabling field workers to immediately stop work when they recognize a dangerous situation. For reported risk factors, work is stopped immediately and resumed only after the situation is identified, risk factors are improved, and safety is confirmed. Through this, the company expands autonomous safety participation by field workers and establishes a safety-centered work culture that prevents potential accidents in advance.

Safety Call Handling Procedure

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Safety Call request	Work stoppage	Situation identification	Confirmation of improvement	Work resumption

Accident Investigation Process

01	02	03	04	05	06
Emergency situation dissemination	Rescue of injured persons and first aid	Work stoppage	Report to 119 or the Ministry of Employment and Labor	Accident investigation and implementation of improvement measures	Release of work stoppage

Human Error Prevention Campaign

ASIA Cement operates a safety campaign centered on the "Top 12 Risk Factors" to prevent human error, one of the primary causes of industrial accidents. The company selects key focus areas on monthly basis and shares safety messages across the organization, linking them with on-site preventive activities to ensure their translation into practical safety management. In addition, near-miss cases are analyzed to identify and manage potential risk factors, while preventive activities for recurring risks are further strengthened.

Company-wide Safety and Health Audit

ASIA Cement operates a company-wide safety and health audit system and continuously reviews the level of safety management at each business site. Based on audit results, the company identifies improvement tasks and implements phased improvement measures to advance the overall occupational health and safety management system across business sites.

Health and Safety Training

Strengthening Safety Leadership Competencies by Level

ASIA Cement has been operating safety leadership training programs by organizational level since 2021 to enhance employees' safety management capabilities. Through these initiatives, the company supports employees in proactively performing safety-related responsibilities from an organizational perspective and in strengthening their safety coaching capabilities. Safety leadership roles are categorized into members, supervisors, team members (office-based supervisors), and mid-level managers, enabling tailored training by level. In 2025, the company completed the Level 3 training program for each organizational level.

Specialized Training for Supervisors

ASIA Cement operates tailored specialized training programs for supervisors from both direct employees and suppliers to promote the establishment of a strong on-site safety culture. In addition, statutory safety training for supervisors in accordance with Article 16 of the Occupational Safety and Health Act is conducted through programs delivered by external professional instructors. Since 2023, the "pre- and post-assessment and customized training" program, developed in collaboration with external experts, has become a key foundation for strengthening ASIA Cement's safety-related capabilities. Feedback and survey data collected from the field are actively utilized to enhance training content with a stronger practical focus and to support the resolution of site-specific safety improvement initiatives.

Key Safety and Health Training Performance in 2025

Training Name	Training Hours (Hr)
Regular safety training	19,872
Specialized training for supervisors	2,320
Safety leadership enhancement training by level	2,536
Safety Experience Center Training	2,340

Employee Health Management Program

Hearing Conservation Program

ASIA Cement identifies noise-generating areas within its production sites and develops and distributes noise maps based on noise levels to prevent noise-induced hearing loss and occupational diseases among employees. In addition, since 2023, the company has strengthened hearing protection measures by providing customized earplugs tailored to the individual ear canal sizes of employees at the Jecheon Plant.

Health Examinations and CPR Training

ASIA Cement supports annual health check-ups to promote employee well-being and prevent occupational diseases, while also conducting specialized medical examinations for on-site workers. In addition, the company operates an in-house health management center where healthcare professionals provide health consultations and post-examination follow-up services. Furthermore, ASIA Cement has established an emergency response system by conducting first aid and CPR training and by expanding the installation of automated external defibrillators (AEDs).

Workplace Health and Safety

Supplier Occupational Health and Safety

ASIA Cement operates systematic support and management programs so that all supplier workers can work safely and lead healthy lives. In particular, both resident and non-resident suppliers are managed in an integrated manner within the KOSHA-MS occupational health and safety management system. Suppliers with insufficient safety levels receive retraining, while outstanding suppliers are rewarded, thereby raising safety capabilities across the entire supply chain.

Supplier Occupational Health and Safety Promotion System

Vision
Realizing zero-accident workplaces and building sustainable partnerships through win-win cooperation

Goal
ZERO serious accidents and advancement of safety culture across all suppliers

Measure
ESG-based supplier evaluation and incentives for excellent suppliers

Safety Evaluation	Safety Evaluation
Self-safety evaluation upon new registration and regular ESG status evaluation	Joint on-site safety inspections and verification of compliance with work permit system

Occupational Health and Safety Council

ASIA Cement operates a monthly Occupational Health and Safety Council with suppliers, chaired by the plant's Chief Officer responsible for safety and health. Through the council, the company shares on-site safety issues and improvement items and strengthens the safety and health communication system with suppliers. In addition, joint safety inspections with suppliers are conducted at least once per quarter, and regular safety and health activity evaluations and result analyses support the improvement of suppliers' safety management capabilities.

Supplier Health Examinations and Follow-up Management for Persons with Findings

ASIA Cement supports follow-up management for supplier workers with findings from health examinations to strengthen supplier worker health management. The company has signed an agreement with the Chungbuk Workers' Health Center and operates annual health counseling and follow-up management programs for persons with findings and those requiring observation from general and special health examinations. It also supports safety protective equipment required for the working environment, striving to protect supplier workers' health and improve working environments.

Safety and Health Grievance Handling for Supplier Workers in 2025

Category	Received	Resolved	Resolution Rate
Occupational Health and Safety Council	54	54	100%
Others (SNS, etc.)	51	50	98%

Plan
Support safety improvement and planning

Establishment of support plans
- Establish and implement annual supplier safety and health training and technical support plans

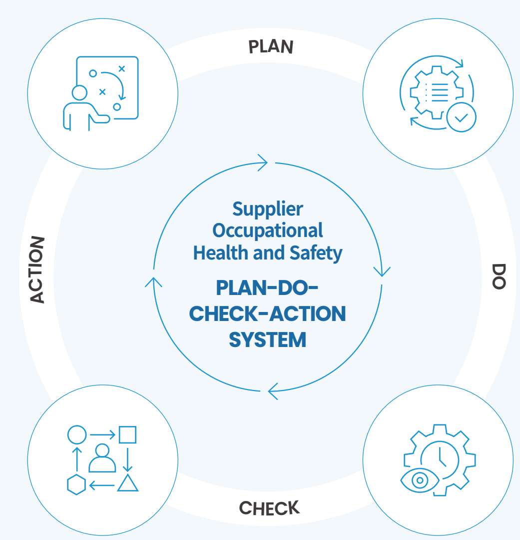
Win-win cooperation roadmap
- Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs'
- Support for self-regulation

Do
Operation of customized implementation programs

Safety experience training
- Experiential safety training for workers based on the Jecheon Plant Safety Experience Center

Specialized training for supervisors
- Site-Specific training and consulting

Communication channels
- Monthly Occupational Health and Safety Committee meetings



Action
Provide results feedback and follow-up

Reward excellent suppliers
- Provide incentives to zero-accident suppliers
- Encourage voluntary safety practices

Manage underperforming suppliers
- Retraining and penalties
- Reconsider continuation of contracts if improvements are not made

Check
Supplier evaluation and monitoring

Regular evaluation
- Regular annual evaluation of occupational health and safety activities for all suppliers and review of safety capabilities

New supplier filtering
- Self-safety evaluation at initial contract and restriction on registration of suppliers that do not meet standards

Talent Management

Talent Recruitment

ASIA Cement operates fair and non-discriminatory recruitment based on its desired talent profile of "Challenge," "Creation," and "Knowledge Development." Factors unrelated to job performance, such as gender, age, and educational background, are excluded from evaluation, and outstanding talent is selected through competency-based recruitment procedures.

To expand diversity, the company operates preferential policies for socially underrepresented groups such as persons with disabilities and persons eligible for veterans' benefits and plans to increase the proportion of female employees in office and technical positions going forward. In addition, by actively expanding recruitment of local talent, 91% of field workers hired at Jecheon Plant from 2019 to 2025 were residents of the Jecheon area. The company also continues efforts to secure outstanding talent and revitalize local employment by operating a pre-employment training program for field positions in connection with Korea Polytechnics.

Field workers hired at Jecheon Plant from 2019 to 2025

91% residents of the Jecheon area

Employee Capability Enhancement

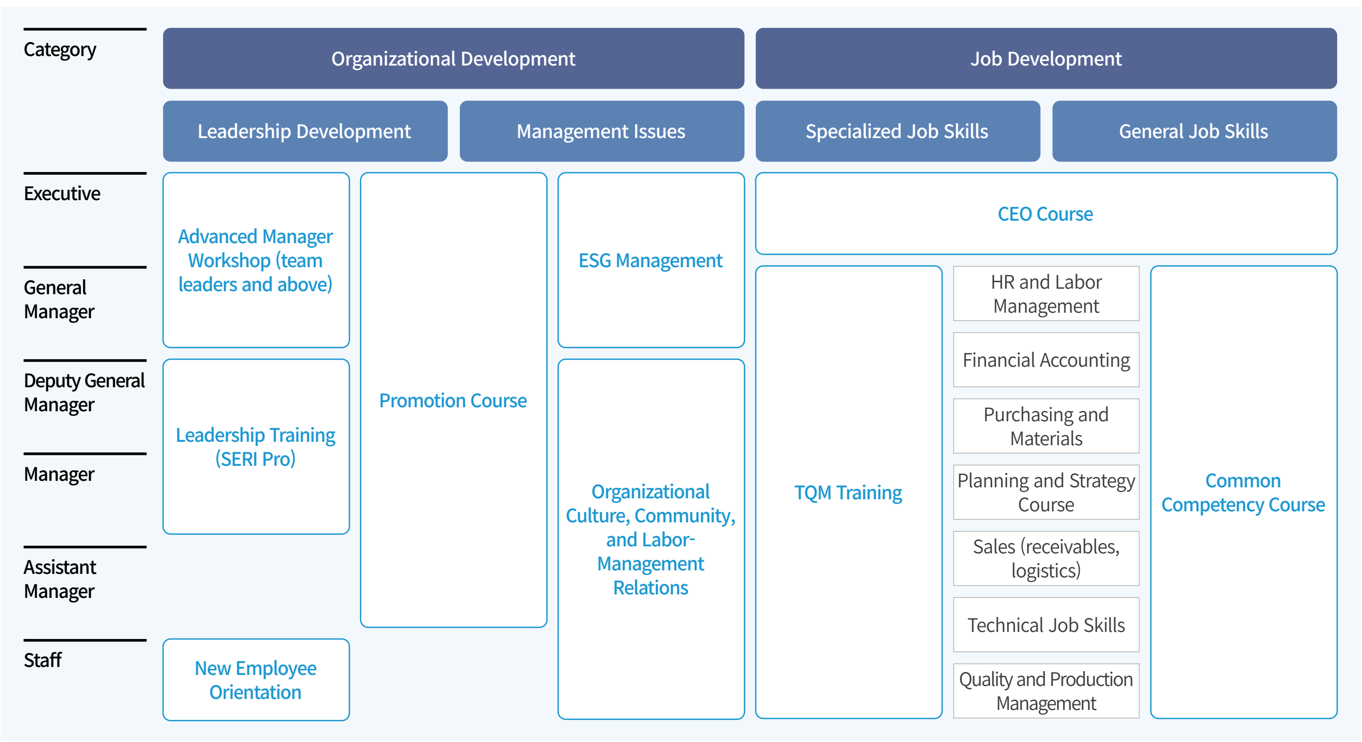
ASIA Cement operates various training programs to strengthen organizational and job competencies. Along with foreign language, computer literacy, and humanities/social science education, the company supports employee self-development and job expertise through in-house instructor development, professional certification support, and sales workshops.

It also allows departments to autonomously apply for and participate in external training so that employees can receive appropriate training when needed. For team leaders and above, the company also provides sustainability management training using the SERI Pro online education program. Going forward, ASIA Cement plans to continuously expand customized training and job-specialized courses, while gradually advancing the system for measuring the performance and effectiveness of training programs.

Average job competency training hours per employee (Managers, 2025)

7.9 hours

Training System Diagram (Company-wide Training)



Talent Management

Fair Performance Evaluation and Compensation

ASIA Cement's human resources management focuses on improving the performance and capabilities of each employee. To this end, individual indicators are designed to be linked to the company's vision and management policies. Feedback is provided on both short-term performance goals and long-term competencies, as key behavioral indicators are defined and evaluated across these two axes. The resulting performance evaluation outcomes are used as criteria for promotion and personnel transfers, thereby further solidifying a competency-based HR system.

Employee Benefits and Welfare

To improve employees' quality of life, ASIA Cement operates welfare programs across four areas: housing, family, health, and leisure. Employees receive financial support such as housing funds, children's tuition, and living funds, as well as various leisure benefits, including in-house club activities and condominium use, enabling the company to support employees across their daily lives. Meanwhile, to resolve potential disadvantages for employees subject to statutory retirement pay during the transition from the progressive retirement allowance system to statutory retirement pay and to encourage long-term retention of outstanding talent, ASIA Cement introduced a new retirement allowance subsidy system in 2023. Under this system, employees with more than 10 years and up to 20 years of service receive a subsidy of years of service × KRW 700,000 upon retirement, while employees with more than 20 years of service receive years of service × KRW 1,200,000. ASIA Cement will continue to operate effective welfare programs so that employees can focus on their work while maintaining work-life balance.

Welfare expenses per employee in 2025

KRW 31 million

Work-Life Balance

ASIA Cement's working hour system is designed to support employees' work-life balance, and flexible working hours and staggered commuting systems have been introduced for this purpose. Given the seasonal nature of the industry, work concentration during certain periods is unavoidable, and the company operates a flexible work system that balances compliance with the statutory 52-hour workweek and productivity improvement. For female employees who are pregnant, giving birth, or raising children and their families, statutory protection systems such as reduced working hours, childcare leave, and family care leave are fully implemented, and loan support for childbirth and medical expenses through the in-house employee welfare fund is also provided, reducing employees' financial burden. As part of efforts to create a corporate culture that enables work-family balance, a childbirth grant system was newly established in 2024, under which KRW 10 million is provided per child when an employee has a child. Through this, part of the burden borne by families during childbirth and childcare is shared at the company level.

Labor-Management Cooperation Culture

ASIA Cement and the labor union have established a partnership based on mutual trust and have cooperated for sustainable development. Major issues and information are shared weekly between working-level labor and management representatives, and through these meetings, management direction is explained while suggestions from field workers are reflected in the establishment of HR systems. To enhance trust between labor and management, labor-management harmony training involving management and union members is operated biennially. Training programs on stress management and communication capability enhancement are also conducted, gradually establishing an organizational culture of communication and harmony. In addition, through quarterly labor-management councils and management briefings, management performance and workforce operation status are shared with employees, further strengthening the foundation for transparent management.

Human Rights Protection

Human Rights Protection System

ASIA Cement operates recruitment regulations, environmental, safety and health policies, the Code of Ethics, and various standards to protect the human rights of stakeholders and prevent human rights violations. Internally, the company uses a mentoring system to promptly share and resolve issues when human rights violations or grievances occur. Going forward, it plans to systematize its human rights management policy and mid- to long-term goals, while gradually strengthening human rights risk identification and mitigation measures, effectiveness assessments, and management of vulnerable stakeholders.

Grievance Handling System

ASIA Cement's grievance handling system is operated as a mechanism to resolve human rights issues that may arise in relation to working environments and working conditions. Various counseling channels, including email and telephone, are available depending on each worker's working conditions, allowing employees who experience human rights issues to request counseling and handling in the manner most suitable for them. After an application is received, the grievance handler reviews and investigates the matter, and the results are communicated to the applicant, with corrective measures taken where necessary.

In addition, the "Open Voice" channel on the company intranet receives and reports various grievances, including unfair work handling, sexual harassment, and workplace bullying, and has become an easily accessible channel that all employees can use conveniently.

Grievance Handling Process

Number of Human Rights Grievances Reported and Resolved

Number of Human Rights Grievances Reported and Resolved	2023	2024	2025
Number of reports	4	4	3
Number of resolved cases	4	4	3

Human Rights Training for Employees

ASIA Cement recognizes employees as a core asset, and as an extension of this recognition, operates various human rights training programs on topics such as prevention of workplace bullying and prevention of sexual violence and sexual harassment. As the training is conducted online, it provides a foundation for spreading a culture of respect for human rights and preventing unfair human rights violations. In 2025, a total of 516 employees completed human rights-related training.

Sustainable Supply Chain Management

Building a Sustainable Supply Chain

To build a sustainable supply chain, ASIA Cement comprehensively evaluates and manages not only suppliers' quality, supply stability, and production capacity, but also social and environmental risks and implementation levels, including fair trade compliance, occupational health and safety, and environmental management. In May 2024, the Supplier Code of Conduct was established and incorporated into purchasing regulations, applying across supplier selection and operations. The code also specifies compliance standards in four areas: human rights, environment, ethics, and safety. Supplier risks are managed proactively through regular evaluations and inspections, and suppliers requiring improvement are provided with training and consulting to gradually raise their sustainability levels. Going forward, the company plans to advance ESG evaluation indicators and establish a data-based monitoring system, further enhancing the transparency and effectiveness of supply chain management.

Supply Chain Management Policy

ASIA Cement independently establishes, discloses, and operates ESG policies for supply chain sustainability management. The policies apply to its own employees and major Tier 1 suppliers, and are planned to be gradually expanded to Tier 2 suppliers. Supplier compliance standards for human rights, environment, ethics, and safety are defined through the Supplier Code of Conduct, and all areas of environment (E), social (S), and governance (G) are included in the scope of application. In terms of supply chain ESG risk management, evaluations are conducted when new suppliers are registered and annually for existing suppliers, with ad hoc inspections and on-site due diligence conducted where necessary. Due diligence is led by the purchasing department and related management organizations and is conducted in multiple ways, including written assessments, review of supporting documents, and on-site inspections. Based on the results, improvement and corrective actions are requested, and follow-up measures such as transaction restrictions are applied in cases of non-implementation or serious violations.

Supply Chain Code of Conduct

Compliance Standards for Suppliers' Social Responsibility

01	02	03	04
Scope of application	Included items	Contractual stipulation	Monitoring
Centered on employees and Tier 1 suppliers, all internal and external suppliers in business relationships and company employees	All ESG areas (labor and human rights, environment, ethics, anti-corruption/fair trade, and occupational health and safety)	Pledge and reflection at the contract stage, mandatory pledge to comply with the code and laws when signing contracts	Regular and ad hoc inspections, annual periodic evaluation; on-site Audits as needed Corrective actions for non-compliance, including requests for remedial measures and transaction restrictions

Sustainable Supply Chain Management

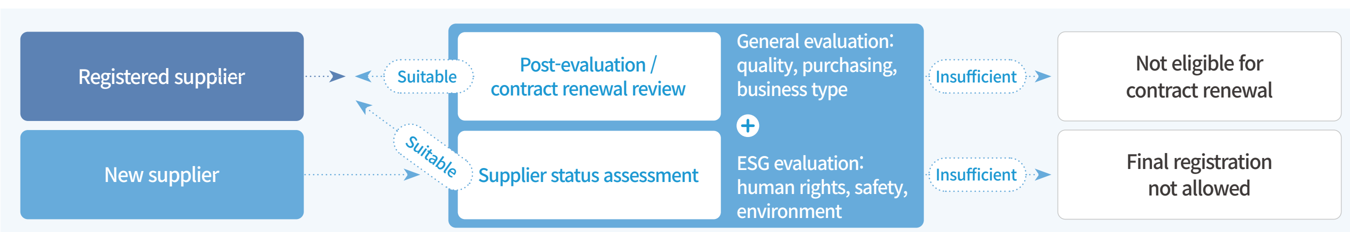
Supplier Selection and Evaluation Process

When selecting and contracting with new suppliers, ASIA Cement checks their occupational health and safety level through self-safety assessments, and suppliers that do not meet the required level are not allowed to sign contracts or register as suppliers. In addition, the company evaluates supplier sustainability risks by including ESG items composed of human rights, safety, and environmental factors in its regular supplier status evaluations. In 2025, evaluations were conducted on a total of 29 companies. Going forward, we will continue to assess the sustainability of our partners through an integrated supply chain ESG performance evaluation framework and detailed assessment indicators.

Key Suppliers

Category	2023	2024	2025
Number of suppliers	535	495	226
Major suppliers	26	26	24
Suppliers evaluated	29	29	29
Major suppliers evaluated	7	7	7
Suppliers identified as high-risk based on evaluation results	1	1	3
High-risk suppliers with which improvement was discussed	1(warning)	1(warning)	0
Suppliers whose contracts were terminated based on evaluation results	0	0	0

Supplier Selection and Evaluation Process



Sustainable Supply Chain Management

Supplier Support Programs

ASIA Cement operates various programs to support suppliers in fulfilling social responsibilities and achieving shared growth. Training programs are provided to help suppliers comply with laws and regulations on integrity, safety, and environment and fulfill social and environmental responsibilities, while legal and labor services are also provided to protect suppliers' working conditions. Among the support areas, the safety area includes particularly various systems. Safety facilities are regularly repaired to create safe working environments, and experiential training for suppliers is conducted once a year at the safety experience training center within the plant to raise on-site safety awareness. In addition, support is provided for safety training fees, certification acquisition costs, and health examination costs, strengthening both safety awareness and job capabilities of supplier workers, and a reward system is also operated for outstanding suppliers. Efforts are also being made to reduce suppliers' financial burden. Low-interest loans and a cash payment system for small transactions help suppliers secure practical financial stability, further strengthening the foundation for win-win cooperation.

Support for Shared Growth and Environmental Management Improvement

ASIA Cement's supplier shared growth activities are broadly carried out across three pillars: human support, financial support, and communication. In terms of human support, rewards are provided to zero-accident suppliers and outstanding proposers, safety training costs are supported to raise safety awareness, and costs for acquiring job-related certifications are supported, gradually improving supplier workers' job expertise. Support for health examination costs for supplier employees helps create a healthy working environment, and direct hiring of in-house supplier employees suited to job and occupation characteristics contributes to qualitative employment growth and job creation. In terms of financial support, low-interest loans are provided to ready-mixed concrete mixer truck operators to replace old vehicles, supporting both accident prevention and the reduction of emissions and establishment of an eco-friendly transportation system. For transactions with SMEs of KRW 5 million or less, a cash payment system is operated, practically easing suppliers' funding burden. In terms of communication, supplier meetings are held periodically to collect supplier opinions on preventing cargo vehicle accidents and system operations, and issues raised by suppliers go through consultation procedures and lead to reduced accident frequency. SNS communication channels are also used, establishing a system where supplier grievances can be received and handled in real time.

Supplier Complaints Received in 2025

Supplier Complaints Received in 2025	Received	Resolved	Resolution Rate
Meetings	16	15	94
Website	0	0	N/A

2025 Supplier Financial and Non-financial Support Performance

Number of participants in supplier occupational health and safety training
415 trainees

Rewards for zero-accident performance
KRW 48 million

Loans for ready-mixed concrete mixer truck purchases
1 case / KRW 56 million

Participation in 'Safety and Health Win-Win Cooperation Program between Large-SMEs'

ASIA Cement participates in the Safety and Health Win-Win Cooperation Program between Large-SMEs hosted by the Korea Occupational Safety and Health Agency to strengthen the safety and health capabilities of in-house suppliers. In 2025, the company carried out a win-win cooperation project worth approximately KRW 76 million in connection with 17 in-house suppliers, performing consulting to improve risk assessment capabilities and occupational health and safety activity tasks focused on improving safety awareness and working environments. The company plans to continue expanding occupational health and safety win-win cooperation with suppliers by participating in the project in 2026.

Social Contribution

Social Contribution Action Tasks

ASIA Cement systematically promotes social contribution projects to grow together with society and fulfill its corporate social responsibilities. Centered on the "Social" value of ESG management, the company regards win-win cooperation with local communities and sustainable development as key tasks. The External Cooperation Team, which is dedicated to social contribution, serves as a communication channel with local residents and builds trust-based cooperative relationships through tailored social contribution activities that reflect local needs. The company also continues to expand various programs, including sponsorship of local events, support for vulnerable groups, and environmental cleanup activities, while strengthening execution and expertise through the Social Contribution TF.

Volunteer hours per employee in 2025

2.6 hours

Action tasks in three major areas

01 Discovering young leaders	02 Practicing love and service	03 Community shared growth
Establishment and operation of school foundation • Scholarship selection and development of young leaders	**Practicing life-sharing** • Love Blood Donation volunteer activities • Signing regular blood donation MOU	**Support for regional development funds** • Sponsorship of international events and support for resident welfare facilities
Establishment and operation of Seobong Cultural Foundation • Research support projects and development of leading talent • Fostering student athletes, supporting sports development and expanding the base of marathon participation	**Support for nursing facilities for the elderly and grandparent-grandchild families** • Seongnackwon and Yohanne House	**Participation in local economic revitalization** • Purchase of local gift certificates and signing of MOUs
Support for local scholarship foundations • Support for students in disadvantaged environments and discovery of outstanding talent	**Improvement activities for housing-vulnerable households** • Love House repair volunteer activities	**Community shared growth** • Sponsorship of regional development funds • Support projects for residents, education projects, and local events
		Natural environment cleanup activities • Nearby road cleaning, river cleanup activities, and fugitive dust reduction activities

Social Contribution Activities

Discovering Young Leaders

ASIA Cement operates scholarship programs to nurture future talent through Mungyeong Academy, Seobong Cultural Foundation, and Asong Scholarship Association. The company discovers creative and outstanding students, supports educational opportunities, and continues various support activities to help them grow into capable next-generation leaders.

01 Mungyeong Academy

Mungyeong Academy was established based on the wishes of founder Seobong Lee Dong-nyeong, who devoted himself to regional development and talent cultivation. To contribute to the development of local education, it established Mungyeong Girls' High School and Munchang High School in Mungyeong City and continues educational activities to discover outstanding local talent and nurture future leaders.

02 Seobong Cultural Foundation

The Seobong Cultural Foundation is a scholarship foundation established in 1985 to nurture outstanding talent who will lead Korea's future. Since 1999, it has provided scholarships to students with excellent academic performance and continued activities to foster talent. It also sponsors the Seobonggi Short-distance Marathon held annually in Mungyeong City, contributing to local sports development, expansion of the marathon base, and discovery of promising athletes.

Social Contribution

Social Contribution Activities

Practicing Love and Service

ASIA Cement promotes various social contribution activities at its headquarters and business sites nationwide, practicing sharing and win-win cooperation with local communities. The company continuously carries out activities to support vulnerable groups and improve local welfare, striving to contribute to a happy society for all.

01 Practicing Life-sharing

To help overcome blood supply shortages and practice life-sharing, ASIA Cement signed an MOU for "Love Blood Donation" with the Chungbuk Blood Center in 2016 and has continued regular blood donation volunteer activities. The company currently operates blood donation campaigns five times a year, contributing to support for emergency surgeries and critically ill patients. In recognition of these contributions, the company received a commendation from the Head of the Blood Management Headquarters on World Blood Donor Day in 2021. In addition, the company supports health promotion in local communities by providing oriental medicine support for local senior citizens.

02 Housing Environment Improvement Activities

Through the "Love House Repair" project, ASIA Cement supports housing environment improvements for elderly people living alone and near-poverty households. Each year, in cooperation with the Korean Red Cross, the company selects four to five households, repairs aging housing facilities, and provides safer and more pleasant living environments. In addition, together with its affiliate HALLA Cement, the company participates in Habitat Korea's "Hope House Building" project, supporting stable housing environments for housing-vulnerable groups. Through these efforts, the company seeks to deliver practical help and the value of hope to neighbors in local communities.

Jecheon Fund Management Committee

The Jecheon Fund Management Committee was established under the "Voluntary Fund Creation Agreement by the Cement Industry to Expand Community Contributions" signed in 2022, and transparently creates and operates social contribution funds for regions where production plants are located. Through this, it discovers and supports various projects that can improve residents' quality of life and contribute to local community development.

Community Shared Growth

ASIA Cement continuously sponsors local events and conducts social contribution activities for win-win cooperation and common development with local communities. By supporting cultural and artistic fields, such as sponsoring the Jecheon International Music & Film Festival, the company contributes to the development of the local cultural industry and revitalization of the local economy. It also systematically operates social contribution TF projects to create a corporate culture that grows together with local communities.

Support for Regional Development Funds

Through regional development funds, ASIA Cement continues support activities to improve residents' welfare and living environments. By sponsoring scholarships through the Jecheon City Talent Development Foundation, the company supports education for local children and youth and fosters future talent. It also contributed KRW 300 million to expand automatic car wash facilities near production plants, improving resident convenience and creating local jobs.

Quality Management

Quality Management System

ASIA Cement's quality and environmental management system was established as a foundation for supplying products of the highest level that customers can trust. To this end, the company introduced ISO 9001 (Quality Management System) certification in 1998 and ISO 14001 (Environmental Management System) certification in 2007. Its efforts to supply customers with products that are excellent not only in quality but also in environmental aspects continue to this day.

The entire process from receipt of raw materials to storage, production, and shipment is monitored by stage, and verified products are provided to customers, further strengthening trust in the products. In addition, product quality completeness continues to be improved to prevent quality issues at the final consumer stage, and the quality management system supporting this is steadily supplemented and improved.

Quality Improvement Activities

ASIA Cement's quality circle activities are rooted in QC (Quality Control) activities, which were introduced for the first time in the industry in 1969, and have continued for more than 50 years. Continuous improvement awareness underlies proposal activities and individual improvement activities by quality circle, and activities are further revitalized through executive's strong interest, training support, and reward systems. Quality circle themes include various areas such as cost reduction, quality and productivity improvement, and customer satisfaction, helping to continuously resolve issues in production facilities and cement product quality. An in-house quality circle competition is also held once a year to discover excellent improvement themes, and improvement activities and ideas are shared and evaluated among employees. Based on these activities, ASIA Cement won the Gold Award at the National Quality Circle Competition for nine consecutive years from 2017 to 2025.

Product Safety Management

To ensure product safety, ASIA Cement manufactures cement using only safe and harmless raw materials under strict standards. Thorough incoming inspections and quality inspections are applied throughout the entire process from manufacturing to finished products, and regular quality inspections are commissioned to accredited institutions and the results are transparently disclosed on ASIA Cement's website to provide accurate information to customers and build trust. In addition, regular radioactivity inspections of cement products are commissioned to the Korea Atomic Energy Research Institute once per quarter, and the results are also disclosed externally. Alternative fuels and raw materials are also analyzed on a quarterly basis and the results are submitted to the Ministry of Climate, Energy and Environment. ASIA Cement will continue to disclose objective data on the quality and safety of cement products and manufacture cement that considers people and the environment.

▶ ISO 9001 Certification

▶ ISO 14001 Certification

▶ Radiation Test Report for Cement Products

Quality Management

Product R&D

The cement manufacturing process inherently generates large volumes of carbon dioxide, a greenhouse gas, due to the decarbonation of limestone, its primary raw material. In response, ASIA Cement is continuously pursuing the development of technologies to identify and utilize alternative materials to replace limestone, thereby reducing greenhouse gas emissions. In particular, the company is conducting research in connection with national R&D projects on the development of blended materials and blended cement utilizing underutilized inorganic resources, as well as on technologies for applying non-carbonate raw materials as alternatives to limestone. Furthermore, in the fuel sector, ASIA Cement is improving its conventional coal-based fuel structure and expanding the use of various alternative fuels such as waste synthetic resins and biomass. Through these efforts, the company aims to reduce fossil fuel consumption while promoting waste resource utilization and is developing technologies for optimized fuel blending and combustion suitable for kiln operations. Based on this environmentally friendly transition strategy for both raw materials and fuels, the company continues to expand the development of low-carbon cement and the production of low-carbon products.

Obtained EPD certification – ready-mixed concrete (certified in 2025)

19 products

Development of Cement Carbon Neutrality Technologies (linked to national projects)

To achieve carbon neutrality in the cement industry, ASIA Cement is promoting expanded use of alternative fuels, use of non-carbonate raw materials, and development of blended cement technologies in connection with national projects. Through this, the company aims to reduce dependence on fossil fuels and carbon emissions, expand low-carbon cement, improve production process efficiency, and contribute to greenhouse gas reduction and the establishment of a resource circulation system.

R&D on Type 3 Early-strength Cement Manufacturing Technology

ASIA Cement is promoting the development of Type 3 early-strength cement manufacturing technologies to secure performance, economic feasibility, and productivity. By standardizing optimal mixing and manufacturing conditions, the company is working to improve quality stability and production efficiency and secure high-quality product production and cost competitiveness.

R&D on Using Steel Slag as Cement Admixture

To use converter slag, a by-product of the steel industry, as a cement admixture, ASIA Cement has established a cooperative system with the steel industry and is promoting R&D, thereby working to reduce carbon emissions by reducing clinker use, expand recycling of industrial by-products, and vitalize the circular economy.

Development of Special Concrete Mix Technologies

Special concrete mix technologies are being developed to respond to changing climate conditions and construction environments. First, cold-weather concrete is a mix technology designed to respond to reduced strength development in cold seasons and changes in systems, and it realizes cold-weather concrete mixes by condition (severe cold season 0 to −10℃, cold season 0 to 4℃). Even under non-heated conditions at −10℃, it secures compressive strength of at least 5 MPa within 36 hours and meets design standard strength. Next, ultra-retention concrete was developed to respond to urban traffic congestion, hot-weather conditions in summer, and the removal of restrictions on ready-mixed concrete transportation time, and is designed to maintain flowability for up to four hours at 40℃. Finally, rainy-weather concrete was developed to respond to the establishment of guidelines for concrete placement in rain and rainfall during construction and secures performance that satisfies design standard strength even under rainfall of 6 mm/hr or less.

Development of Waterproof Floor Mortar for Concrete Structures

A waterproof floor mortar product for concrete structures was also developed to reduce waterproofing and leakage defects. It is designed to secure waterproofing performance without constructing a separate waterproof layer, and is expected to reduce construction periods and costs simultaneously.

Customer Satisfaction Management

ASIA Cement continues to collect customer opinions and strengthen its quality support system to respond to changing customer needs and market environments. The company conducts annual customer satisfaction surveys to receive evaluations of quality and service from business partners, thereby preventing quality issues in advance and improving customer satisfaction. Based on survey results, items requiring improvement are analyzed, improvement measures are established and reflected, and customer requirements and on-site opinions are continuously used in quality and service improvement activities.

Customer satisfaction in 2025 (converted to 100-point scale)

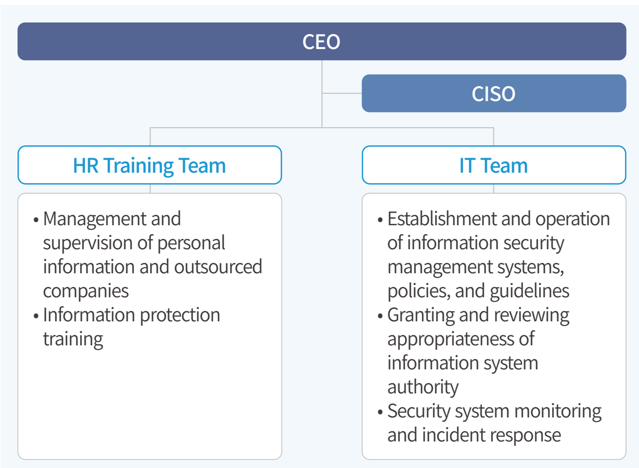
88 points

Information Security

Information Security Management System

Under the guidance and supervision of the Chief Information Security Officer (CISO), each responsible organization at ASIA Cement systematically manages information security activities. The IT Team and HR Training Team cooperate to disseminate security policies company-wide and perform related support activities such as checking compliance with information security regulations. In addition, the company operates detailed information security regulations for employees, customers, and contractors so that information assets and important information held by the company can be safely protected and used.

Information Security Management System Chart



Efforts to Strengthen Information Security

ASIA Cement safely manages personal information and key information assets based on an integrated security system. The company continuously monitors amendments to personal information-related laws and regulations, and continuously supplements information management and protection regulations so that personal information processing systems meet legal and technical standards. In addition, through the internal accounting management system, the company conducts IT audits and inspections of internal and external personnel, and matters identified during audits are improved by establishing action plans. The company also continues to prevent cybersecurity incidents and strengthen security levels through firewall and VPN operation and regular log monitoring.

Information Security Response Simulation Training Activities (supported by KISA)

As part of efforts to strengthen information protection, ASIA Cement participates once or twice a year in cyber crisis response simulation training led by KISA (Korea Internet & Security Agency). Scenario-based training, including APT response, simulated penetration, and detection response, is conducted to establish a system for identifying and improving security vulnerabilities in advance. The status of information protection operations is also disclosed through the KISA Information Protection Disclosure Portal, thereby further enhancing external trust in information protection operations.

Information Protection "Digital CleanUp Event"

ASIA Cement's Digital CleanUp Event is held once a year to raise employees' information protection awareness and improve the use of internal resources. Through this event, unnecessary personal information, company confidential information, and large mail files stored on PCs are organized collectively. Based on these regular inspection activities, employees' security awareness is naturally refreshed, while the foundation for efficient use of digital resources is also established.

Information Security Investment and Training

ASIA Cement invests in security systems and infrastructure to strengthen information security. The company operates its budget by considering fixed costs for maintaining information security systems and variable investments such as additional system replacement and server configuration. Since 2024, it has established a firewall dedicated to factory automation (FA), separating the FA network from the office automation (OA) network and further strengthening security levels between internal networks. It has also established a disaster recovery (DR) center at an external KT data center to safely protect key data and maintain business continuity in the event of system failures or disasters. In addition, the company conducts personal information and information security training for employees at least once a year. In particular, monthly phishing email drills are conducted to raise employees' awareness of information security, along with related security training. Online training also introduces key contents of the latest Personal Information Protection Act and information breach cases to strengthen employees' security awareness.

Board of Directors

Board Composition

ASIA Cement's Board of Directors consists of eight directors in total: six inside directors and two independent directors. Directors are appointed through the general meeting of shareholders, and candidates are submitted as agenda items for the general meeting after deliberation by the Board of Directors. If shareholder proposals are received, they are reflected in the agenda of the general meeting of shareholders within the legally permitted scope in accordance with relevant laws and procedures.

Board Members

Category	Name	Term	Initial Appointed	Gender	Experience
Inside Director	Lee, Hoon Beom	2025.03~2027.03	2013.10	Male	• Graduated from the Graduate School of New York University • CEO and Chairman of ASIA Holdings • Chairman of ASIA Paper MFG • Chairman of HALLA Cement • Chairman of ASIA Cement
	Lee, In Beom	2026.03~2028.03	2022.03	Male	• Master of Business Administration (MBA) from MIT Sloan School of Management • Vice Chairman of ASIA Holdings • Vice Chairman of ASIA Paper MFG • Vice Chairman of ASIA Cement
	Lim, Kyeong Tai (Chair of the Board and CEO)	2026.03~2028.03	2020.03	Male	• Graduated from Chungbuk National University, Department of Chemical Engineering • CEO and President of HALLA Cement • CEO and President of ASIA Cement
	Kim, Woung Chong (CEO)	2025.03~2027.03	2021.03	Male	• Graduated from Sungkyunkwan University, Department of Industrial Psychology • Head of Sales Division, ASIA Cement • CEO and Vice Chairman of ASIA Cement
	Lee, Keon Hee	2026.03~2028.03	2026.03	Male	• Master of Business Administration (MBA), MIT Sloan School of Management • Planning Team Leader, Hyundai Oilbank • Currently Senior EVP of HALLA Cement • Currently Senior EVP of ASIA Cement
	Kang, Bong Hee	2026.03~2028.03	2026.03	Male	• Ph.D. in Architectural Engineering, Chungnam National University Graduate School • Head of Technology Research Office • Executive in charge of Production • Currently Head of Production Division
Independent Director	Park, Jin Won	2025.03~2027.03	2021.03	Male	• President of National Institute of Environmental Research • Chairman of Korea Waste Resources and Energy Technology Council • Professor of Department of Chemical Engineering, Yonsei University
	Shin, Young Shik	2025.03~2027.03	2021.03	Male	• Chief Prosecutor, Criminal Division 2, Incheon District Prosecutors' Office • Member, KOSDAQ Market Corporate Review Committee, Korea Exchange • Expert Member, Financial Dispute Mediation Committee, Financial Supervisory Service • Managing Attorney, Joongbu Law Firm

* CEO concurrently serves as Chairman of the Board to accurately understand changes in the business environment and establish specific management strategies in response to such changes.

Board of Directors

Board Expertise, Independence, and Prevention of Conflicts of Interest

ASIA Cement operates a strategic and prompt decision-making system by composing its Board of Directors with inside directors who have business-related expertise and experience and independent directors who have expertise in diverse fields such as law, industry, and ESG.

Independent directors are appointed after comprehensive review not only of qualifications under the Commercial Act, but also of expertise, fairness in performing duties, ethical responsibility, and diligence. The company also secures independence and objectivity in Board operation by appointing individuals who have no material transaction relationships with the company and can make decisions independently from management and controlling shareholders.

Board Skill Matrix

	Lee, Hoon Beom	Lee, In Beom	Lim, Kyeong Tai	Kim, Woung Chong	Lee, Keon Hee	Kang, Bong Hee	Park, Jin Won	Shin, Young Shik
Economy/Finance/Management	●	●	●	●	●			
Risk Management	●	●	●	●				
Human Resources Management			●		●			
Law/Regulation/Public Policy	●	●	●	●				●
Compliance			●	●	●			●
Governance	●	●	●	●	●			
Accounting	●	●			●			
Sales/Marketing				●				
IT/Digital					●			
ESG	●	●	●	●	●	●	●	●
Industry Expertise	●	●	●	●	●	●	●	
International Experience	●	●			●		●	●
Organization Operating Experience	●	●	●	●	●	●		

Board of Directors

Board Operations

ASIA Cement's Board of Directors serves as the highest decision-making body for company management. It deliberates, resolves, and manages matters stipulated by laws and the Articles of Incorporation, the establishment and execution of basic management policies, and other key management issues. Board operations are conducted based on the Articles of Incorporation, and the Chair of the Board presides over meetings as the person authorized to convene the Board.

Key Board Resolutions in 2025

Session	Date	Attendance	Agenda	Result
1	2025.2.4	100%	Approval of the 12th fiscal year (2024) financial statements following completion of internal closing	Approved
2	2025.2.18	100%	Renewal of Shinhan Bank credit line loan and import letter of credit agreement	Approved
3	2025.2.26	100%	- Resolution on cancellation of treasury shares - Resolution on acquisition of treasury shares - Resolution on cash dividends based on the statement of appropriation of retained earnings for the 12th fiscal year - Convocation of the 12th Annual General Meeting of Shareholders - Report on the operating status of the internal accounting management system	Approved Approved Approved Approved Reported
4	2025.3.4	100%	Report on evaluation of the operating status of the internal accounting management system	Reported
5	2025.3.12	100%	- Approval of the financial statements for the 12th fiscal year - Renewal of Woori Bank comprehensive credit line and accounts receivable collateral loan agreement	Approved Approved
6	2025.3.20	100%	- Resolution on the results of the annual general meeting of shareholders - Appointment of CEO	Approved Approved
7	2025.3.25	100%	New borrowing of operating funds from Korea Development Bank	Approved
8	2025.4.7	100%	- Extension of Woori Bank operating funds - Extension of Korea Development Bank operating funds and renewal of credit line loan agreement	Approved Approved
9	2025.4.14	100%	Establishment of pledge over deposits	Approved
10	2025.4.21	100%	Extension of pledge over deposits	Approved
11	2025.5.12	100%	Extension of Woori Bank operating funds	Approved
12	2025.5.19	100%	Report on revision of the Fair Trade Compliance Manual	Reported
13	2025.6.9	100%	Extension of Shinhan Bank operating funds	Approved
14	2025.6.16	75%	- Refinancing of acquisition funds from Woori Bank - Refinancing of acquisition funds from Korea Development Bank	Approved Approved
15	2025.7.21	100%	Renewal of lease agreement for Hongseong cement silo with HALLA Cement	Approved
16	2025.8.14	100%	- Convocation of the extraordinary general meeting of shareholders - Determination of record date for the extraordinary general meeting of shareholders - Report on the results of the fair trade compliance status inspection for the first half of the year	Approved Approved Reported
17	2025.9.26	100%	Resolution on the results of the extraordinary general meeting of shareholders	Approved
18	2025.10.16	100%	- Resolution on acquisition of treasury shares - Determination of record date for interim dividends	Approved Approved
19	2025.11.7	100%	- Resolution on interim dividends (cash dividends) - Resolution on cancellation of treasury shares	Approved Approved
20	2025.11.10	100%	New borrowing of operating funds from Woori Bank and change to comprehensive credit line limit	Approved
21	2025.11.12	100%	- Report to the Board on ESG materiality assessment results - Report to the Board on environmental management and environmental management performance	Reported Reported

Board Meetings and Attendance Rate in 2025

Number of meetings held	Inside Director attendance rate	Independent Director attendance rate
21	100%	100%

Board of Directors

Committees under the Board of Directors

Board Committees

ASIA Cement operates the Ethical Management Committee and the Internal Transactions Committee under the Board of Directors to establish an ethical and transparent management system and strengthen objective decision-making. Through these committees, the company strives to establish a corporate culture based on ethical management and practice fair and transparent management. Each committee is composed of inside and independent directors in consideration of roles and expertise, and conducts deliberation and review of key agenda items based on an independent operating system.

Internal Transactions Committee

ASIA Cement's Internal Transactions Committee manages overall decision-making related to internal transactions and is operated to establish an objective and transparent decision-making system. Based on this, it helps establish a corporate culture grounded in fairness and transparency, and contributes to responsible management practices and fulfillment of social responsibilities.

Ethical Management Committee

ASIA Cement's Ethical Management Committee is operated to spread sound corporate ethics and create a transparent corporate culture. The committee reviews the direction and key agendas of ethical management across company management, and performs tasks related to the establishment, revision, and management of ethics-related regulations. Through this, the company continues to strengthen its ethical management system and establish a fair and responsible management culture.

Committee Activities in 2025

Committee	Member	Date	Agenda	Attendance
Ethical Management Committee	Lim, Kyeong Tai (Chair) Shin, Young Shik Yang, Seung Jo	2025.5.19	Revision of the Fair Trade Compliance Manual	100
		2025.8.14	Report on the results of the fair trade compliance status inspection for the first half of 2025	100
Internal Transactions Committee	Shin, Young Shik (Chair) Park, Jin Won Lim, Kyeong Tai	2025.7.12	Renewal of lease agreement for Hongseong cement silo with HALLA Cement	100

Board Training

ASIA Cement operates education programs in various fields to strengthen the expertise of independent directors and support responsible decision-making. In 2025, all independent directors participated in training on key job-related roles and legal responsibilities, enhancing Board capabilities and understanding of risk management.

Training for Independent Director

Date	Provider	Participants	Contents
2025.05.26	Korea Listed Companies Association	Park, Jin Won	Key roles and legal responsibilities related to independent director duties
2025.05.26	Korea Listed Companies Association	Shin, Young Shik	Key roles and legal responsibilities related to independent director duties

Performance Evaluation and Remuneration

ASIA Cement determines director remuneration each year through a Board resolution within the director remuneration limit approved at the general meeting of shareholders. When paying remuneration, the company comprehensively considers market competitiveness, contribution to the company, achievement of compliance and ethical management goals, position, and responsibilities.

Compensation for Directors in 2025

(Unit: KRW million)

Category	Number of Directors	Total Compensation	Average Compensation
Executive Directors	6	2,441	407
Independent Directors	2	72	36

Risk Management

Risk Management System

ASIA Cement operates an integrated risk management system that proactively identifies various risks that may affect management activities and continuously monitors and manages risk factors. Through this, the company responds proactively to rapidly changing domestic and overseas business environments. The Risk Management Committee, a dedicated risk management organization, classifies and manages risks that may arise in the course of business activities into key areas such as market, finance, fuel, facilities, technology, human resources, and environment. In particular, the company establishes a comprehensive risk management system by considering not only financial factors but also social and environmental risks such as human resources and the environment.

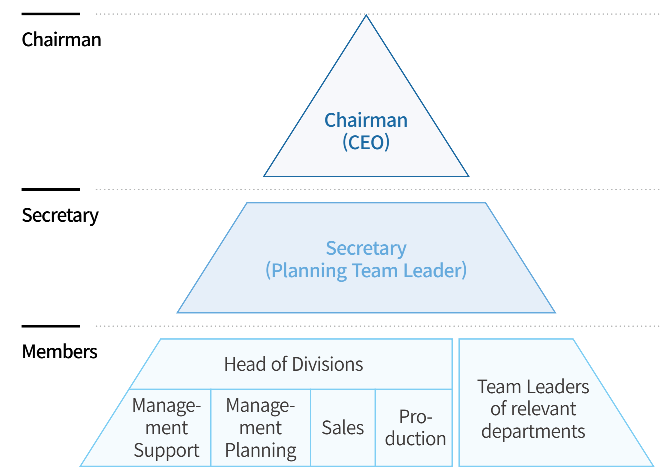
Risk Factors

Category	Risk Factors
1. Fuel risk	International supply and demand trends and price fluctuation trends by type of bituminous coal
2. Financial risk	Domestic and overseas financial market trends, interest rate fluctuations, exchange rate trends, and sharp increases in trade receivables
3. Human resource risk	When appropriate workforce supply and demand considering retirement age is not smooth
4. Market risk	When changes in demand trends, substitutes, prices, and market share are rapid
5. Facility·tech risk	When replacing facilities or applying new technologies
6. Environmental risk	When environmental laws are enacted or amended, climate change agreements are concluded, or environmental complaints and accidents occur

Risk Management Committee

ASIA Cement operates the Risk Management Committee to systematically respond to various risk factors in a rapidly changing business environment. The Committee continuously reviews management criteria and operating processes to identify potential management risks in advance and establish prevention and response systems. The Committee shares key risk issues and discusses response strategies, and where necessary, coordinates roles among departments and identifies improvement tasks to enhance execution. In 2025, meetings were held in the first half (February 17, 2025) and second half (August 18, 2025), attended by the Chairman, secretary, and division heads, including the CEO, to discuss key management risks and response directions.

Composition and Operating Procedures of the Risk Management Committee



STEP 1 Risk identification	Identify risks judged to be material and report them to the Chairman of the Risk Management Committee
STEP 2 Risk assessment	The Chairman convenes the Risk Committee and conducts risk assessment through review and discussion of relevant materials
STEP 3 Establish response measures	The Team Leader of the relevant department establishes response measures for the risk through data research, trend and impact assessment, and consultation where necessary
STEP 4 Reporting	The Team Leader who established response measures reports the risk investigation, root cause analysis results, and response measures to the Risk Management Committee Chairman
STEP 5 Department-level role assignment and execution	The relevant team, having received its role from the Chairman, executes problem-solving measures based on the response plan

Ethical Management

Ethical Management Policy and System

ASIA Cement Code of Ethics

ASIA Cement Program of Ethics

ASIA Cement has established ethical standards and a code of ethics based on core values of respect for individual dignity and diversity, fair competition, and accounting transparency, and discloses them to employees and stakeholders through its website. Based on this, the company promotes the establishment of an ethical and responsible corporate culture.

To strengthen the ethical management system, it operates the Ethical Management Committee and Internal Transactions Committee under the Board of Directors, managing key ethical management policies and internal transaction-related matters through objective and transparent procedures. In addition, the company operates internal control and audit systems, conducts regular audits, and reflects improvement tasks identified during audits, thereby continuously strengthening organizational transparency and employees' ethical awareness.

Efforts to Spread an Ethical Culture

ASIA Cement provides relevant training from the time of joining so that all members can perform their duties with ethical and compliance awareness. Through mandatory online training and training by level, the company raises awareness of workplace ethics, prevention of human rights violations, and non-discrimination, while encouraging active participation by members.

Along with ethics training, the company requires all employees to complete an annual ethical management practice pledge, strengthening their sense of responsibility for ethical management. In 2025, group-level fair trade training was conducted separately, replacing some ethics training courses with fair trade training, and employees complete ethical management practice pledges to reaffirm their commitment to ethical management and enhance ethical awareness among organizational members.

Whistleblowing Channel

ASIA Cement operates a Cyber Reporting Center on its website to promptly receive and handle reports of ethical violations and employee grievances. Various unethical cases, including receipt of money, valuables, or improper solicitations, workplace bullying, and sexual harassment, are managed as reportable matters. Reported cases are investigated and deliberated in accordance with relevant procedures, and necessary measures are taken. Reports may be submitted anonymously, and the identity protection and non-retaliation principles for real-name reporters are operated in accordance with relevant regulations.

To strengthen the internal reporting system, the company has also operated a separate groupware-based "Open Voice" channel since 2023. Employees can use this channel to more conveniently submit ethics issues, internal procedure violations, grievances, and improvement suggestions, and reported details are managed under the principle of confidentiality. Where necessary, separation measures to protect victims and follow-up investigations are also conducted.

Ethical Management

Creating a Fair Trade Culture

Through the Code of Ethics, ASIA Cement clearly defines principles for fair competition and transparent transactions, and discloses them on its website as standards that employees and stakeholders can follow. Based on this, the company establishes criteria for judging ethical conflict situations that may arise in the course of business and strives to establish a fair transaction culture with competitors and suppliers. To establish a fair transaction order, a fair trade bidding system is applied to certain purchasing and contract items, and suppliers are required to sign anti-corruption and integrity compliance pledges when entering into contracts. Through this, suppliers are also managed to comply with relevant laws and fair trade principles.

Fair trade advanced training conducted in 2025 (sales-related personnel)

74 trainees

Fair trade basic training conducted in 2025

218 trainees

Introduction and operation of Fair Trade Compliance Program (CP)

ASIA Cement introduced and operates a Fair Trade Compliance Program (CP) in 2024 to establish a transparent and responsible compliance management culture. To prevent fair trade-related risks in advance and establish a fair transaction order, the company appointed a compliance manager through a Board resolution and strengthened the independence and objectivity of operations by establishing a reporting system that reports directly to the Ethical Management Committee and the Board of Directors. It also formed a fair trade compliance organization centered on the Internal Control Team and involving responsible personnel from key departments such as sales, management, purchasing, and production, operating a management system based on interdepartmental collaboration.

To enhance the effectiveness of CP operation, the company established related internal regulations and prepared and distributed the Fair Trade Compliance Manual reflecting transaction relationships, industry characteristics, and contract structures, clearly guiding standards and procedures that employees must follow in performing their duties. The manual includes major laws such as the Fair Trade Act, Subcontracting Act, and Labeling and Advertising Act, as well as key risk types such as unfair trade practices, improper collaborative acts, and abuse of superior bargaining position, and employee conduct standards. Employees may report or consult with the compliance management organization when they discover or become aware of matters that may violate fair trade-related laws, and the company complies with confidentiality and non-retaliation under its whistleblower protection principles.

In addition, all employees, including the CEO, participate in pledging fair trade compliance, and compliance awareness is strengthened through fair trade training, regular monitoring, and improvement activities. Externally, the company shares its commitment to fair trade through fair trade compliance declarations and website disclosure and annually sends official letters under the CEO to stakeholders, including suppliers, stating relevant policies and the company's commitment to compliance. The company also operates website and email reporting channels to receive stakeholder reports and opinions, and when violations occur, it takes necessary measures and implements improvement activities in accordance with internal regulations.

HALLA Cement

Environmental Management

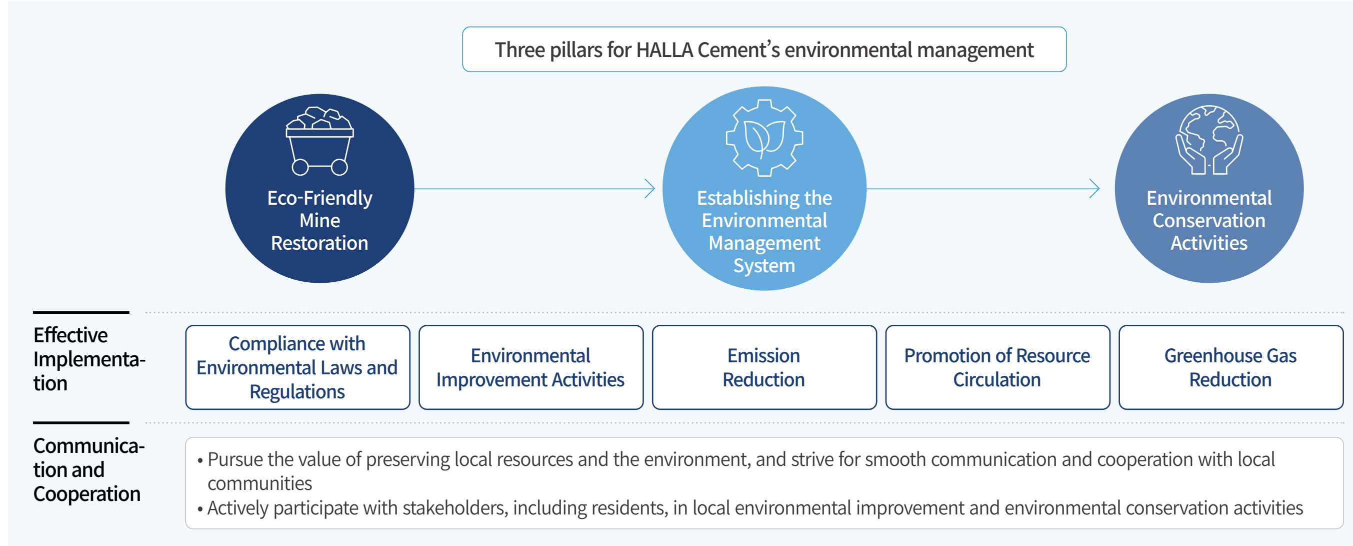
Environmental Management System

HALLA Cement Environmental Policy

Environmental Policy

HALLA Cement promotes environmental management that considers harmony between development and conservation of the natural environment, responding to social expectations for environmental preservation. The company has established an environmental management system centered on operation of the Environmental Management System, eco-friendly mine restoration, and environmental conservation activities. It has established an environmental policy focused on continuous improvement of the Environmental Management System, prevention of environmental pollution, and creation of environmental performance, and discloses it internally and externally through its website. Since 2002, the company has maintained and renewed ISO 14001 Environmental Management System certification and, based on this, strives to minimize environmental impacts arising from corporate activities and product production processes.

Environmental Management that Considers Both Development and Nature Conservation



Environmental Management Governance

HALLA Cement operates a regular meeting system to systematically manage environmental tasks and monitoring matters. General environmental management matters are reviewed through weekly executive meetings, monthly team leader meetings, and KPI meetings chaired by the Head of the Production Division, where key environmental issues and tasks are shared. In addition, major legal issues and environmental investment matters are reported to monthly IPM meetings and the Board of Directors so that they can be reviewed in key decision-making processes.

Environmental Task Execution and Monitoring Process

Environmental Management

Environmental Risk Management

Compliance and Monitoring

HALLA Cement operates environmental diagnosis and continuous monitoring systems at business sites to comply with environmental laws and prevent environmental risks. Matters requiring improvement identified through environmental diagnoses are continuously reviewed and managed, and the company continues activities to prevent potential violations of environmental laws in advance. It checks the possibility of pollutant generation using real-time monitoring systems such as CCTV, odor monitoring systems, and atmospheric dispersion modeling, while also conducting follow-up verification of operation results.

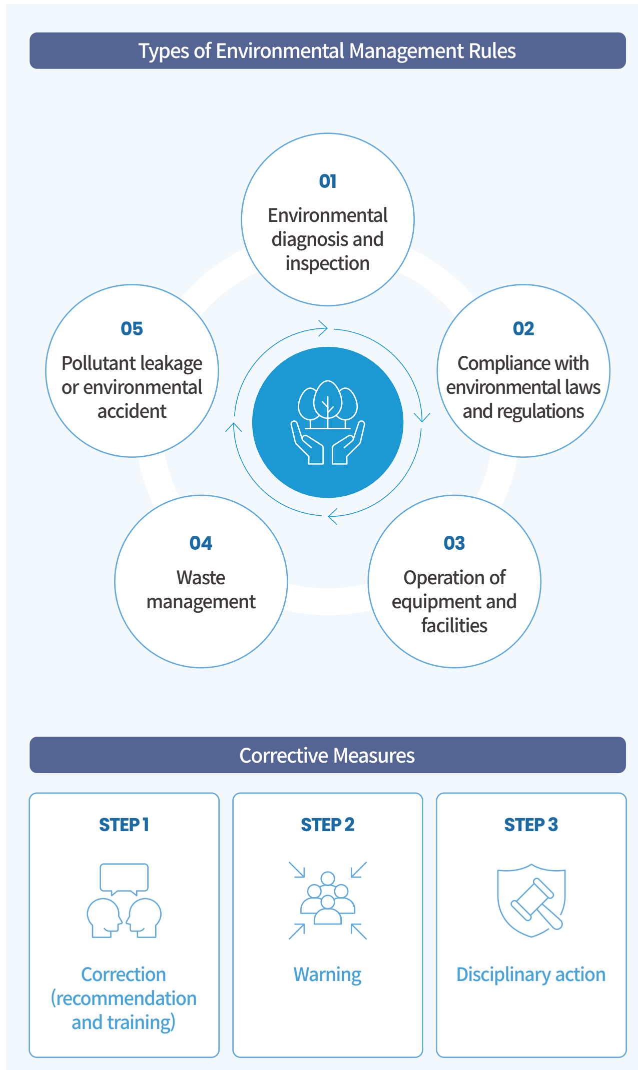
Environmental Risk Monitoring

HALLA Cement operates environmental risk monitoring activities at least twice a month to ensure more systematic and proactive environmental management. The company reviews environmental risks at business sites and shares related matters with all employees, while also carrying out improvement activities for identified issues. In addition, every two years, the company selects major environmental risks from its self-diagnosis results and holds environmental improvement meetings with team leaders and executives responsible for each area. Based on this, it reviews priority improvement tasks and environmental investment plans, and continues to strengthen management activities to reduce environmental risks.

Corrective Action for Non-compliance with Environmental Management Rules

HALLA Cement operates corrective action standards that apply when environmental management rules are not followed, in order to raise employees' sense of responsibility for environmental management and strengthen compliance with environmental rules. In 2023, the company established relevant regulations and systematized management standards by type of violation and corrective procedures by stage, thereby enhancing the effectiveness of environmental management activities. Based on the operation of clear management standards, HALLA Cement continues to strengthen employees' awareness of compliance with environmental rules and manage activities so that environmental risk prevention practices can take root in the field.

Environmental Management Types and Actions by Violation Stage



Environmental Management

Environmental Training

HALLA Cement's Okgye Plant operates regular environmental training programs to strengthen employees' environmental management capabilities and raise awareness of environmental improvement. Every year, the plant invites external professional training institutions to conduct environmental training and also operates regular training for CCR (Central Control Room) operators.

In addition, required job training conducted when new employees are hired or when crew leaders and supervisors are appointed includes environmental law compliance requirements and plant environmental management matters, helping establish a field-centered environmental management system.

Number of employees who completed environmental training in 2025

96 trainees

Environmental Training

Eco-friendly Activities

Local Community Environmental Activities

As part of environmental protection activities with local communities, HALLA Cement operates the "Clean and Beautiful Streets Campaign." Employees of Okgye Plant and supplier employees participate in the campaign twice a year, collecting waste and removing dust mainly around roads outside the plant and areas vulnerable to fugitive dust. Through these activities, the company contributes to improving the environment around business sites and conserving the local environment, while continuously strengthening the foundation for communication and cooperation with local communities.

Supplier Environmental Evaluation

To improve suppliers' environmental management levels, HALLA Cement reflects environmental management items in its safety activity evaluations conducted twice a year. Through these evaluations, the company reviews suppliers' environmental management levels and operating status, and provides incentives to outstanding suppliers based on the results. Suppliers that do not meet standards are given opportunities for reassessment, and if improvement is not made continuously, the company reconsiders whether to maintain the contract, thereby continuously managing the supplier environmental management system.

Responding to Climate Change

Carbon Neutrality Scenario

HALLA Cement established the ECO TOGETHER 2025 vision with the goal of pursuing not only profit generation but also environmental and social value and transparent management, and has promoted low-carbon transition efforts such as reducing greenhouse gas emissions and improving the efficiency of alternative fuel and raw material use. Building on this, the company recently established the mid- to long-term vision "GROW 2030," covering the environment, profitability, technological innovation, and safety, and is advancing its strategic system in a way that strengthens carbon neutrality execution capabilities while enhancing business competitiveness.

Based on an investment plan of approximately KRW 100 billion, the company is implementing major reduction tasks in stages, including expanded input of alternative fuels, improved heat source and process efficiency, expanded waste heat power generation, and transition to low-carbon products. It is also continuously supplementing implementation tasks to achieve its 2030 and post-2030 targets in line with mid- to long-term carbon neutrality scenarios.

Greenhouse Gas Reduction Projects

Project	Details	~2025	~2030	~2040
Increased input of alternative fuels into preheater (P/H)	K2, K3 P/H KHD retrofit	●		
Improvement of heat intensity through cooler retrofit	Promote cooler retrofit by line save 15 kcal/kg per line (improve heat recovery efficiency from 68% to 75%)			●
Installation of new waste heat power generation facility	Change to 11.8 MW (maintain existing 9 MW + install new 11.8 MW)		●	
Mine modernization project	Increase facility efficiency by increasing limestone transfer volume, etc.		●	

Greenhouse Gas Emission Reduction Activities

HALLA Cement identifies optimal reduction measures by emission source for greenhouse gases generated in the production process and establishes proactive implementation plans. The company is realizing more active greenhouse gas reductions by reducing fossil fuel use in manufacturing processes and increasing the share of circular resources. Under this direction, preheater retrofit work for the K3 kiln and K2 kiln has been completed, and greenhouse gas emission intensity per ton of clinker in 2025 was recorded at 0.8189 tCO_2eq/ton-cl, compared with the target of 0.8217 tCO_2eq/ton-cl, confirming improvement in intensity. HALLA Cement will continue to expand process-level reduction activities and further solidify the transition to a low-carbon production system.

Expected Effects of Kiln Preheater Retrofit

Reducing input of fossil fuels
31 % Reducing

Increasing input of alternative fuels
174 % Increasing

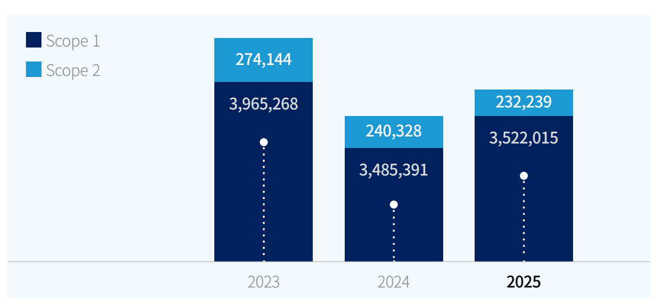
Reducing greenhouse gas emissions
9 % Reducing

Reducing energy costs
39 % Reducing

*Combined K2/K3 basis. Comparison of expected annual input volume, emissions, and costs before and after improvement.

Greenhouse Gas Emissions

(Unit: tCO_2eq)



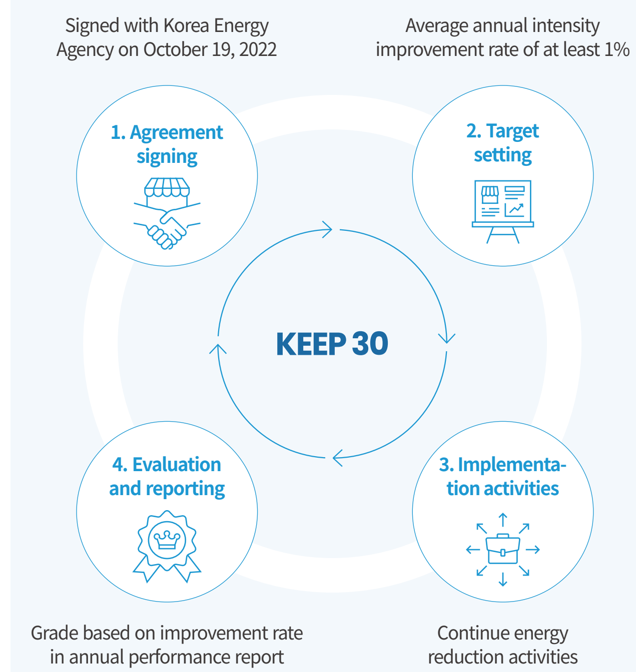
Responding to Climate Change

Energy Consumption Reduction Activities

To reduce energy use, HALLA Cement participated in the "2020 Voluntary Energy Efficiency Target Management" hosted by the Korea Energy Agency. Through this, the company replaced existing incandescent lamps with LED lights, and in 2021, using support funds from the Ministry of Climate, Energy and Environment, modified the fan of Kiln Line No. 4 from a fluid coupling system to an inverter system, continuously carrying out activities to reduce energy consumption. In 2024, the company also reviewed the additional installation of waste heat power generation facilities using waste heat generated from processes. In 2025, it introduced photovoltaic facilities within the plant and is currently generating and using its own electricity through solar panels installed at the main building and plant.

As an extension of these voluntary energy efficiency improvement efforts, HALLA Cement signed and has been implementing the KEEP30 Agreement (Voluntary Energy Efficiency Target Management) with the Korea Energy Agency. Under the KEEP30 Agreement, business sites voluntarily set and implement efficiency improvement targets for energy intensity or energy consumption and receive policy support. Since signing the agreement in October 2022, HALLA Cement has promoted activities with the goal of improving average annual energy intensity by at least 1% for five years from 2023 to 2027. In 2023, the first year of implementation, the improvement rate was only 0.21% due to the additional operation of K1, but in 2024, the company achieved an improvement rate of 8.78% through energy efficiency improvement activities following the K3 KHD retrofit and received an A grade. Based on these activities, HALLA Cement will further solidify the performance of KEEP30 implementation while gradually expanding the introduction of renewable energy.

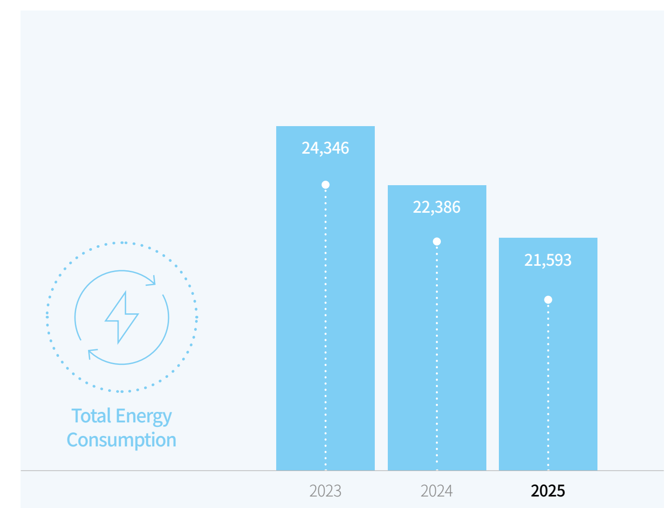
Korea Energy Agency KEEP30 Agreement Implementation System



Agreement period 5 years ('22~'27)
Grade evaluation: • A (1% or more) • S (0~1% or less) • B (less than 0%)

HALLA Cement Total Energy Consumption

(Unit: TJ)



Minimizing Environmental Impact

Air Pollutant Management

To manage air pollutants, HALLA Cement conducts self-measurements at kiln stacks and periodically monitors compliance with legal standards. The company currently links the TMS (Tele Monitoring System, remote pollutant monitoring equipment) control program with its internal notification system to manage pollutant concentrations using five-minute TMS data. It also plans to intensively manage emission levels of major pollutants through additional FT-IR analysis equipment and prepare without disruption for application of the Integrated Environmental Management System.

For hydrogen cyanide (HCN) and total hydrocarbons (THC), which are major management targets, the company intensively manages raw materials and fuels containing causal substances from the receiving stage and continuously monitors them to prevent their emission as air pollutants. To reduce fine dust emissions, the company inspects bag filters, which are prevention facilities, twice a year and intensively checks and manages major bag filters to control emission sources. Since signing a voluntary agreement with the Ministry of Climate, Energy and Environment on January 25, 2019 regarding fine dust reduction activities, the company has continued to promote fine dust reduction activities, including shortening the operating hours of grinding facilities.

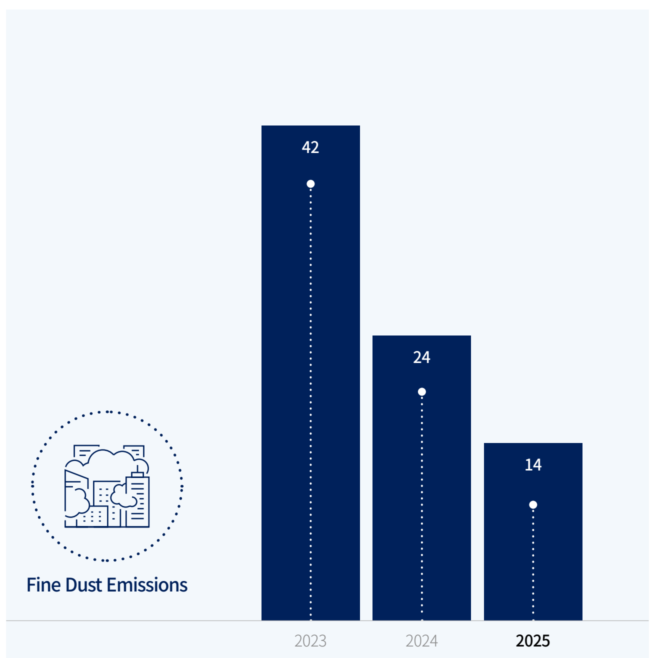
Water Consumption and Wastewater Management

HALLA Cement's Okgye Plant secures and manages plant water using a total of 20 water intake sources, including river water, groundwater, and tap water. To improve water consumption efficiency, the plant compiles and analyzes monthly usage and continuously promotes water resource management activities by checking for leaks and reducing unnecessary use.

All industrial water used in processes is reused, so no separate wastewater is generated from the manufacturing process. However, some wastewater is generated during the groundwater purification process of waste heat power generation facilities and the operation of car wash facilities. This wastewater is managed through physical and chemical treatment processes to control discharge concentrations and is operated within the standards required by relevant laws and regulations.

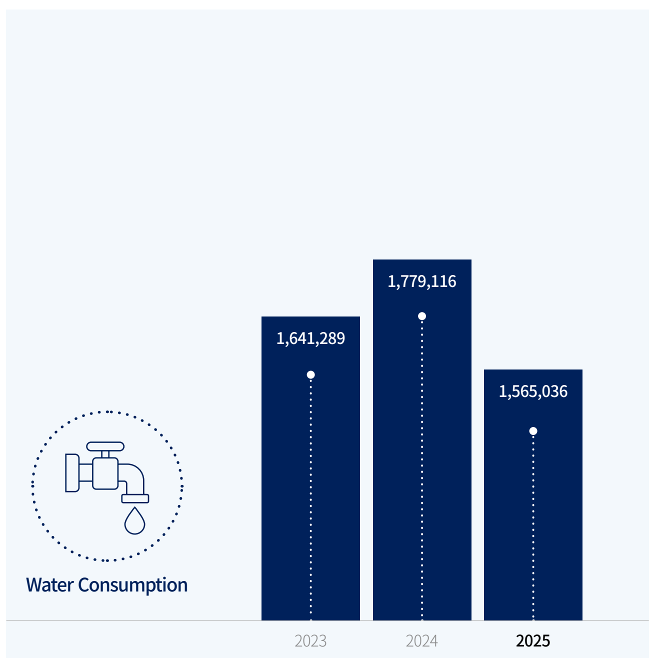
PM10 Fine Dust Emissions

(Unit: ton)



Total Water Consumption

(Unit: m³)



Minimizing Environmental Impact

Waste and Recycling Management

HALLA Cement continuously promotes separate discharge and sorting activities to strengthen resource circulation management of waste generated at business sites. Through its own sorting facility, the company classifies and manages waste by type and by whether it is combustible or non-combustible, and minimizes external discharge by recycling combustible waste as alternative fuel.

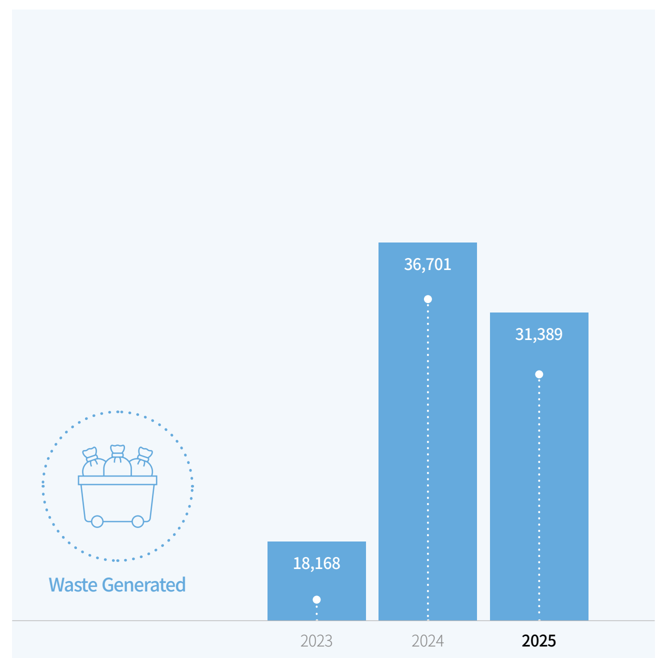
In addition, it has established operating rules for designated waste storage areas to strengthen waste treatment procedures and systematize storage area operating standards through management of waste receiving times. The company also conducts storage area inspections at least once a week and shares inspection results, continuously promoting activities to prevent environmental risks.

Waste recycling rate in 2025

61.1%

Total Waste Generated

(Unit: ton)



Chemical Substance Management

In response to strengthened regulations on chemical substances due to the increase in chemical accidents in Korea, HALLA Cement obtained a use permit in 2018 for hazardous chemical substances used in its waste heat power generation facilities. Since then, the company has strengthened chemical safety management by conducting handler training, improving handling facilities, and carrying out emergency response drills for leak accidents in accordance with handling and management procedures under relevant laws, including the Chemical Substances Control Act and the Act on the Registration and Evaluation of Chemical Substances. In 2019, to prevent the possibility of chemical accidents in advance, the company invested in facilities applying the latest technologies to the water treatment process, thereby eliminating the use of hazardous chemical substances and returning the use permit.

Biodiversity Conversion

Biodiversity Conservation Activities

Business Site Environmental Impact Assessment

Since completing consultation on the environmental impact assessment in 2003 in accordance with the Environmental Impact Assessment Act, HALLA Cement has continuously conducted post-environmental impact surveys based on results submitted annually to relevant agencies. In the environmental impact assessment, topography and geology, flora and fauna, water quality, and air quality are selected as key management items to systematically manage the environmental impacts of the business site. To this end, the company has established relevant committees to review the implementation status of topography and geological restoration plans, ecological recovery for flora and fauna, dam dredging work, and water pollution prevention activities, while also continuously monitoring environmental changes around the business site.

Establishment of Mine Ecological Restoration Plans and Promotion of Restoration Activities

HALLA Cement is engaged in continuous restoration activities centered on the preservation of the natural environment and eco-friendly mine rehabilitation. To this end, the company operates a Mine Monitoring Committee and a Forest Restoration Council, through which restoration plans are regularly reviewed and supplemented. Ecological restoration plans are established with a focus on landform and vegetation recovery, as well as the preservation of habitats for endangered species, while efforts are made to minimize environmental degradation around operational sites and restore ecological functions. In particular, from 2004 to 2025, the company has continued restoration efforts by planting more than 150,000 trees across approximately 1.28 million square meters of the Baekdudaegan Mountain Range.

Biodiversity Conservation Efforts

HALLA Cement carries out habitat restoration initiatives for endangered species to preserve biodiversity in the Baekdudaegan region where its operations are located. The company conducts ecological restoration activities targeting a diverse range of species, including insects and birds, and operates a conservation program for the Red-spotted apollo butterfly. In addition, the company continues conservation efforts through the planting of Siberian lily and Shield-leaved astilboides, as well as the installation and monitoring of artificial nests to protect habitats for mandarin ducks and flying squirrels.

01

ECO-Baekdudaegan+ Campaign

- A flagship environmental program carried out in collaboration with civil organizations
- Activities such as tree planting and experiential education to preserve and restore the Baekdudaegan ecosystem
- Recognized as the Best Project for Endangered Species Restoration for three consecutive years (2021–2023) and awarded the Minister of Environment Award

02

Wildlife Conservation with Local Communities

- Ongoing winter wildlife feeding programs operated since 2008 in collaboration with the Wonju Regional Environmental Office and civil environmental organizations
- Operation of a wild plant nursery and restoration center in collaboration with local environmental groups and residents

Cumulative mine restoration area
128 ha

Cumulative tree planting
154,800 trees

Workplace Health and Safety

Occupational Health and Safety Management System

HALLA Cement Safety and Health Policies and Regulations

Safety Management Policy and Dedicated Organization

HALLA Cement has set "realizing zero-accident workplaces through people-centered management" as its safety and health goal and has established safety and health policies and regulations that are disclosed to all members through its website. The company develops safety management based on key policies of faithfully implementing occupational health and safety management plans, gradually improving safety facilities, and implementing detailed action plans by stage in accordance with relevant laws and regulations. As a business site that holds both ISO 45001, the international standard for occupational health and safety management systems, and KOSHA-MS certification from the Korea Occupational Safety and Health Agency, HALLA Cement has established and operates a systematic occupational health and safety management system based on these certification systems.

Application rate of Occupational Health and Safety Management System (Based on number of employees)
84 %

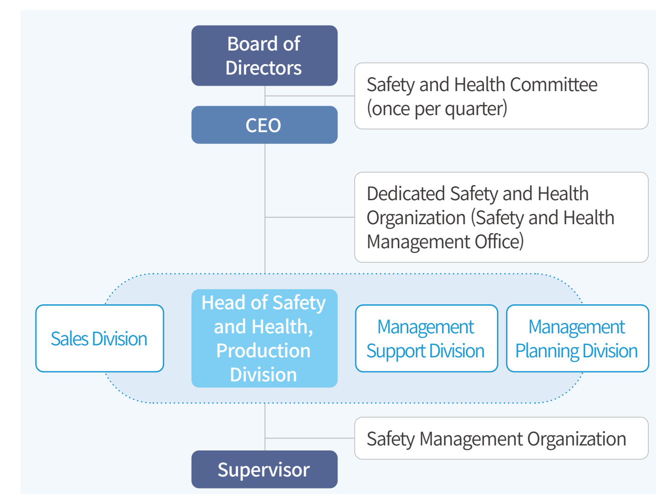
Operation of Mine Modernization Risk Management TFT

As the mine modernization project progresses, HALLA Cement is conducting activities to achieve the goal of "ZERO safety accidents" by assigning safety and health professionals. The committee consists of the Safety and Health Management Office, Safety Management Team, Mine Team, Mechanical Team, Electrical Team, and Conservation Management Team. Committee activities include TBM and risk assessment coaching, safety inspections, and Safety OPL activities, and the results are shared through monthly Committee meetings.

Dedicated Occupational Health and Safety Organization

HALLA Cement has established a dedicated organizational system to support the execution of safety management. Discussions and decision-making on the progress of safety and health management plans and company-wide safety and health issues are conducted quarterly through the Safety and Health Committee. The Safety and Health Management Office oversees securing safety and health by management representatives and company-wide safety and health work, while business site safety management organizations handle site-level safety and health activities and assist the occupational health and safety manager. Various systems across all job levels are operated for on-site safety management. Through management's Visible Felt Leadership activities, regular safety audits by team leaders, Safety Observation Reports by supervisors, and the safety patrol system, implementation of on-site safety and health is reviewed, and identified issues are discussed and improvement measures prepared. In addition, the Safety Eoullim quality circle, voluntarily formed by technical employees, promotes various safety and health improvement activities, helping establish an autonomous safety culture and participatory culture in stages.

Company-wide Occupational Health and Safety Organization



Workplace Health and Safety

Occupational Health and Safety Management Activities

Safety Accident Response and Risk Assessment

Safety accidents occurring at workplaces must be reported immediately to management by wired or wireless means in accordance with the "Accident Investigation and Reporting" rules. Accident causes are identified through joint investigations by the relevant team and the Safety Management Team, and recurrence prevention measures prepared based on the results are shared with employees. Risk assessments are also conducted, and control measures and improvement activities by risk level are implemented in stages based on the assessment results. In addition, preparedness to minimize damage is maintained at all times through the establishment of emergency response systems and regular emergency response drills. HALLA Cement also operates regular annual risk assessments and conducts separate risk assessments for suppliers in contractual relationships, including subcontracting and services, thereby proactively identifying and improving harmful and hazardous factors.

Risk Assessment Process

- 01 Identify harmful and hazardous factors
- 02 Conduct risk assessment
- 03 Determine improvement priorities
- 04 Establish and implement risk reduction measures
- 05 Follow-up management and reassessment

Safety Culture Diagnosis and Consulting

HALLA Cement continuously operates consulting to diagnose and improve the current maturity level of its safety culture. The diagnosis found that HALLA Cement's safety culture maturity level is at the beginning of Level 4 (World Class) among five levels, and strengths were identified in mutual safety improvement cooperation with in-house suppliers and external organizations, information sharing and participation, and a culture of discussion. Based on these evaluation results, a mid- to long-term roadmap for continuous improvement has been established. "Establishing a World Class safety culture" is presented as the vision, while "Establishing active safety participation and laying the foundation for a learning culture" is set as the goal. Strategic tasks to realize this consist of three pillars: creating a culture of active safety participation by all employees, creating a culture of safety learning practice, and establishing identification and improvement of human error causes. Based on this strategic framework, HALLA Cement continues improvement activities through collaboration with relevant departments and external organizations to maintain and strengthen a world-class safety culture.

Safety Culture Maturity

HALLA Cement's safety culture maturity level is positioned at Level 4 out of 5 levels

- Employees' trust in the company's safety-first policy and management's commitment to safety
- Excellent safety management system established, with field safety management led by individual departments
- Aging facilities and equipment, dilemma situations, and lack of capabilities and communication act as obstacles to improving the safety culture

STEP 1
Absence of safety behavior and safety management based on vague beliefs

STEP 2
Reactive safety culture based on passive behavior

STEP 3
System-based, interest-driven safety culture

STEP 4
Proactive, behavior-based safety culture focused on prevention

STEP 5
Safety culture based on mutual trust and cooperation through productive behavior

Safety Culture Maturity Level

▶ Safety Culture Maturity Level

▶ Poster for the campaign to prevent the three major accidents in cement companies

Company-wide occupational health and safety campaign

Based on the results of safety culture consulting, HALLA Cement continues to conduct occupational health and safety campaigns. Led by the Safety and Health Management Office and Safety Management Team, the company carries out company-wide campaigns not only with the parent company but also with suppliers and local SMEs.

Workplace Health and Safety

Occupational Health and Safety Management Activities

Employee Occupational Health and Safety Training

HALLA Cement conducts training required under the Occupational Safety and Health Act, including regular safety training, supervisor training, and special training. In addition, hands-on training reflecting actual work situations is conducted for employees and suppliers at the safety experience training center once every half year. The company also provides training on use of the safety experience training center to external organizations, and in some courses, training outcomes are checked through surveys. Through these training activities and operation of the safety training center, the company enhances employees' safety awareness and on-site response capabilities.

Key Safety and Health Training Performance in 2025

Training Name	Training Hours (Hr)
Regular training	9,800
Supervisor training	1,746
Special training	5,818
Accident case sharing	30

Employee Health and Well-being

All HALLA Cement employees and in-house suppliers undergo general health examinations, special health examinations, and examinations upon new hiring. Every Wednesday, Okgye Plant operates a "Health Management Room," providing blood pressure, blood sugar, cholesterol, and stress health counseling, dispensing medicines, and simple medical treatment. Through health management programs, the company also operates smoking cessation and musculoskeletal health management programs. In addition, twice a year, the company measures the working environment at business sites through an external professional company, shares the measurement results with employees, and implements workplace improvement activities where necessary. The company also conducts various programs to enhance safety awareness and spreads its internal safety culture through Safety and Health Month events.

Supplier Safety Management Support

HALLA Cement operates an occupational health and safety management system for suppliers to build safe working environments together with suppliers. Suppliers participate in the Safety and Health Council, on-site safety inspections, and improvement activities, and are subject to the same safety and health management standards as the company. In addition, the company regularly reviews suppliers' safety management levels through the Contractor Safety Management (CSM) evaluation, provides rewards to outstanding suppliers, and implements retraining and improvement measures for underperforming suppliers, thereby strengthening suppliers' safety management capabilities.

Supplier Risk Assessment

Since 2024, HALLA Cement has operated a one-on-one coaching-based risk assessment support program to strengthen suppliers' safety management capabilities. The company provides risk assessment training to suppliers with low scores in the risk assessment item of the Contractor Safety Management (CSM) evaluation and to new suppliers, and also provides feedback on evaluation results. The Safety Management Team then continues coaching and improvement support to enhance suppliers' capabilities to identify and manage risk factors.

Safety Eoullim Activities

HALLA Cement has expanded its "Safety Eoullim activities," previously operated mainly by employees, to suppliers to promote field-centered activities for establishing an autonomous safety culture. Participating suppliers join on a voluntary application basis and take part in safety-based field improvement activities and risk factor identification activities. The Safety Management Team provides regular training and coaching to participating suppliers, and monthly Safety Eoullim meetings are held to share best practices, improve shortcomings, and discuss on-site difficulties. Through this, the company works with suppliers to spread a participatory safety culture and improve on-site safety levels.

Safety and Health Win-Win Cooperation Program between Large-SMEs

Since 2023, HALLA Cement has participated in the government-led Safety and Health Win-Win Cooperation Program between Large-SMEs and promoted safety and health win-win activities with suppliers and local SMEs. This project is operated to enable large companies and SMEs to voluntarily establish cooperation systems, spread excellent safety and health models, and strengthen industrial accident prevention capabilities.

HALLA Cement conducts safety and health seminars and campaigns for suppliers, and also provides consulting and shares know-how to establish a self-regulated prevention system centered on risk assessment. In recognition of these achievements, the company was selected as an excellent company in the win-win cooperation project in 2023 and 2025, and in 2025 won the Excellence Award in the manufacturing and other categories at the Best Practices Presentation Contest for Risk Assessment hosted by the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency.

Talent Management

Talent Recruitment and Diversity

HALLA Cement strives to create an environment in which all employees can communicate smoothly, work effectively, and respect one another's diversity. The company actively recruits outstanding talent from Gangwon-do, where its production plant is located, thereby contributing to job creation and revitalization of the local economy in the production plant community. Through this, it aims to enhance its competitiveness while establishing a foundation for win-win cooperation with the local community. HALLA Cement also makes various efforts to secure and develop female talent. In particular, to create a stable working environment for female workers, the company actively operates systems that support work-family balance, including childbirth support payments, maternity leave, childcare leave, and reduced working hours during childcare. Through open recruitment and a job-based pay system, it provides working conditions without gender discrimination for the same jobs.

Proportion of female employees with 10 or more years of service

61 %

Talent Recruitment Process

Management positions

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Document screening & personality test	First interview	Second interview	Medical examina-tion	Final acceptance

Technical positions

STEP 1	STEP 2	STEP 3
Document screening & personality test	Written test / interview / medical examination	Selection of vocational trainees

Employee Capability Enhancement

HALLA Cement operates various training programs to develop talent capable of actively responding to rapidly changing business environments and industrial changes and securing future competitiveness. With the goal of strengthening job competencies and organizational competitiveness, the company has established customized training systems by seniority level and role, and supports continuous growth and self-development of employees.

Training System

01 Level-based training

[Management positions]
- Executive leadership training
- Manager leadership training
- Team member leadership training
- Manager online leadership training (SERI Pro)
- Promotion onboarding training (for executives, team leaders, managers, and assistant managers promoted)
- Junior employee workshop
- Team building

[Technical positions]
- Leader/member leadership training
- Team building

02 Role-based training

- Job training by division
- Individual competency development training
- New employee induction
- New employee OJT
- New employee mentoring
- Technical position pre-employment course
- Cement Learning Center (cement manufacturing process) e-learning
- Core talent training

03 Statutory certification training

[Common training]
- Prevention of workplace sexual harassment
- Disability awareness improvement in the workplace
- Prevention of workplace bullying
- Personal information protection

[Applicable personnel]
- Statutory qualification and certification training

Talent Management

Employee Capability Enhancement

Strengthening Common Competencies by Level

HALLA Cement selects key leadership competencies required by seniority level every year in connection with its management policies and operates training programs by level based on them. Through this, the company supports employees in developing the capabilities to identify and implement new ideas in a changing business environment. In addition, the company operates SERI Pro online training courses for managers, providing an environment where they can continuously learn business and leadership trends. For employees promoted to assistant manager or manager and newly appointed position holders, onboarding training is provided to strengthen organizational adaptation and role execution capabilities.

Leadership Training by Level

Team building as an event for employee unity

HALLA Cement operates company-wide team building programs for all management and technical employees on a two-year cycle by job group. Management and technical employees participate alternately each year, enabling continuous company-wide team building, with the core goals of activating communication among employees and strengthening organizational cohesion. In 2025, under the theme "T.O.P (Team of Power) — One Strength, A Future We Create Together," approximately 180 management employees participated, shared the company's vision and direction, and strengthened mutual trust and teamwork through various cooperative activities.

Team Building as an Event for Employee Unity

Strengthening Job Expertise

HALLA Cement systematically operates common job training by division, including production and sales, to strengthen employees' job performance capabilities and on-site problem-solving capabilities. The company also actively supports self-development activities by providing opportunities to take external professional job training based on consultation with supervisors. In addition, it operates e-learning content and a dedicated e-learning center for "cement quality and manufacturing processes," developed based on employees' practical experience and technical know-how, and since 2021 has supported all employees in learning cement manufacturing processes online at any time.

Talent Management

Employee Capability Enhancement

Development of Core Talent

HALLA Cement operates various development programs to strengthen management capabilities for core talent selected through Organization & HR Review. From 2025, the company newly introduced an offline graduate business school support system, actively supporting core talent in enhancing expertise and developing next-generation leaders. Going forward, it plans to continuously expand related training programs and growth support systems.

Strengthening New Employee Adaptation

HALLA Cement operates a systematic onboarding program to help new employees quickly adapt to the organization and their work. New employees receive induction training to enhance understanding of the company overall and support smooth adaptation to the organizational culture and work environment. Afterwards, through a mentoring program, senior employees support new employees' work performance and organizational adaptation, sharing practical experience and know-how to help stable early settlement. The company also operates a junior employee workshop every two years to foster future leaders and promote exchange among employees.

New Employee Induction Training

Fair Performance Evaluation and Compensation

Job-centered Fair Performance Evaluation and Compensation

HALLA Cement strives to motivate employees and achieve management goals through a job-centered HR management system and evaluations linked to compensation. Annual performance evaluation items include not only management performance but also safety performance. By sharing profits resulting from achievement of company management goals with employees, the company strengthens a company-wide cooperation system and boosts employee morale.

Training hours per employee
72.1 hours

Training expenditure in 2025
KRW 342 million

Talent Management

Employee Benefits and Welfare

HALLA Cement operates various work and welfare systems to support employees' work-life balance. The company continues to expand support for livelihood stability and welfare improvement so that employees can focus on their work in a stable environment, and strives to create a healthy and rewarding workplace culture. Through its welfare programs, the company also continues efforts to improve employee satisfaction and organizational engagement and establish a working environment in which work and family life are balanced.

Efforts to Stabilize Employment and Improve Working Conditions

01 Continued employment system	02 Maternity protection program	03 Improvement of long working hours
Since 2022, HALLA Cement has operated a continued employment system that allows skilled employees to work for up to two years after retirement age, helping retain their experience and know-how while supporting a stable employment environment.	HALLA Cement supports employees who are pregnant, giving birth, raising children, or caring for family members through statutory protection systems such as reduced working hours, childcare leave, and family care leave, fostering a work environment that promotes work-family balance.	HALLA Cement has improved its shift work system by reducing day and night working hours, minimizing substitute work, and assigning one crew to daytime duties for facility inspection and maintenance, thereby easing nighttime workloads and enhancing employee safety and health.

Employee Welfare Programs

01 Housing and livelihood stability systems
- Employee dormitory support
- Housing loan
- Livelihood stability loan
- Employee cement subsidy
- Children's tuition support
- Menstrual leave / maternity leave / childcare leave / reduce working hours
- Retirement pension

02 Health and leisure
- Five-day workweek
- Summer resort operation
- Comprehensive health examinations for employees and spouses (biennially)
- Group insurance
- Selective welfare benefits
- Summer vacation and annual leave

03 Congratulatory and condolence support
- Congratulatory events: employee marriage / child marriage / sibling marriage (including spouse) / parents' 60th birthday (including spouse) / childbirth / birthday (wedding anniversary), etc.
- Condolences: death of grandparents / parents (including spouse) / children / siblings, etc.

04 Others
- Rewards for long-serving employees and exemplary employees
- Mutual aid association

Labor-Management Cooperation Culture

HALLA Cement's labor union operations are based on the shared labor-management principle that "joint efforts based on mutual trust and respect between labor and management form the foundation of corporate competitiveness." A cooperative system is being established through productive, cooperative, human-centered, and lawful labor-management relations. To facilitate smooth communication between labor and management, the existing name "Labor-Management Council" has been changed to "Hanmaeum Council," more clearly reflecting the meaning of mutual cooperation and symbiosis. Through the Council, management information is shared and open dialogue continues to improve working environments and conditions. In addition, separate annual management briefings are held by region, including Okgye, Seoul, Gwangyang, Pohang, and Incheon, providing opportunities for management and employees to exchange opinions. At the field level, small-group activities called "Eoullim" are operated with worker participation. Through monthly meetings, improvement items are identified, best practices are shared, and activities for mutual congratulations, encouragement, and teamwork are carried out.

Human Rights Protection

Human Rights Training for Employees

HALLA Cement recognizes the importance of human rights management and conducts various human rights-related training for all employees to establish a culture of respect for human rights within the organization. The company operates annual training on prevention of workplace sexual harassment, prevention of workplace bullying, and disability awareness improvement, striving to enhance employees' human rights sensitivity and mutual respect. It also conducts regular training on the purpose and use of "Open Voice," the internal grievance counseling system, so that employees can receive appropriate help and support when human rights violations or grievances occur. Going forward, the company plans to continue strengthening the culture of human rights protection at business sites through ongoing training and system operation.

Grievance Handling System

HALLA Cement operates the "Open Voice" channel so that employees can freely submit and report unfair work handling, sexual harassment, workplace bullying, and various grievances. "Open Voice" is operated based on the company intranet to improve accessibility, and received matters are managed in strict confidence and not disclosed to third parties under the principle of confidentiality. Reporters can freely select recipients and report contents, and reports with unclear content or targets, or groundless slanderous or defamatory reports, are handled according to separate standards to establish a sound reporting culture based on facts.

"Open Voice" Operation Process

Operating procedure

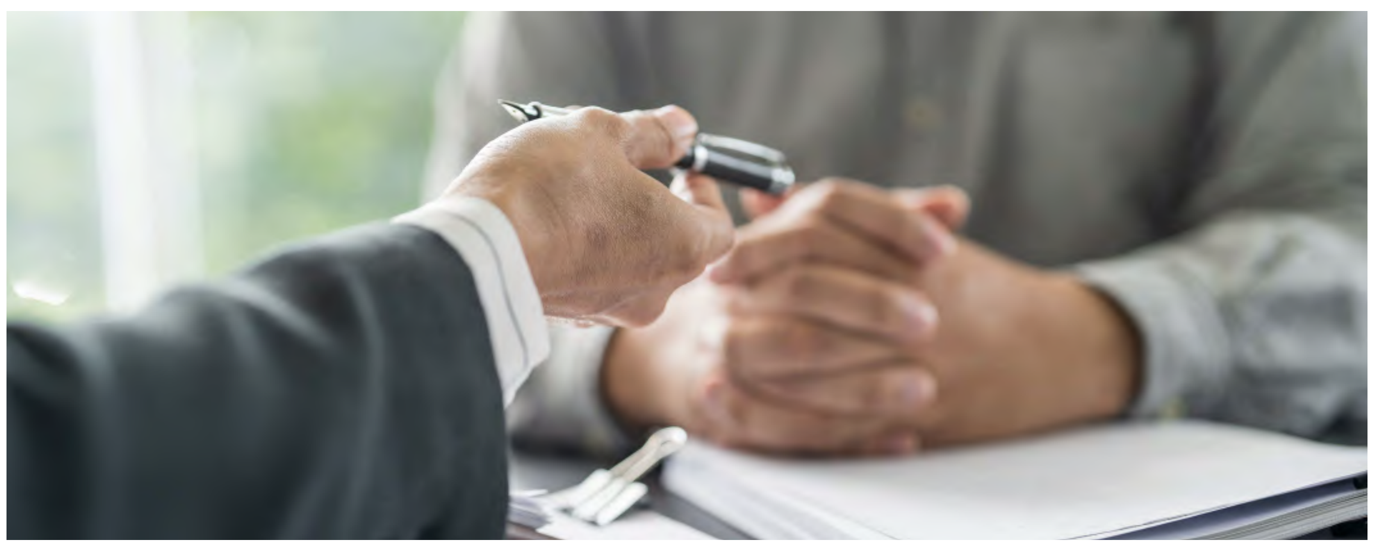
- **Reporting entity:** HALLA Cement employees
- **Reportable conduct**

Internal control violation	Sexual harassment	Bullying in the workplace	Grievance counseling
Matters related to violations of HALLA Cement internal regulations (procedures) and unethical conduct	Matters related to eliminating and preventing sexual harassment within the company	Matters related to eliminating and preventing workplace bullying	Grievances and suggestions related to duties and individual employees

- **Selection of recipient:** recipient can be freely selected regardless of content

Record management and response

Record management	Response
Records of the time received are managed, and information on the submitter is kept confidential unless the submitter discloses their identity.	The submitter can check the progress by accessing with a password, and if the submitter discloses their identity and requests a response, a response is provided.

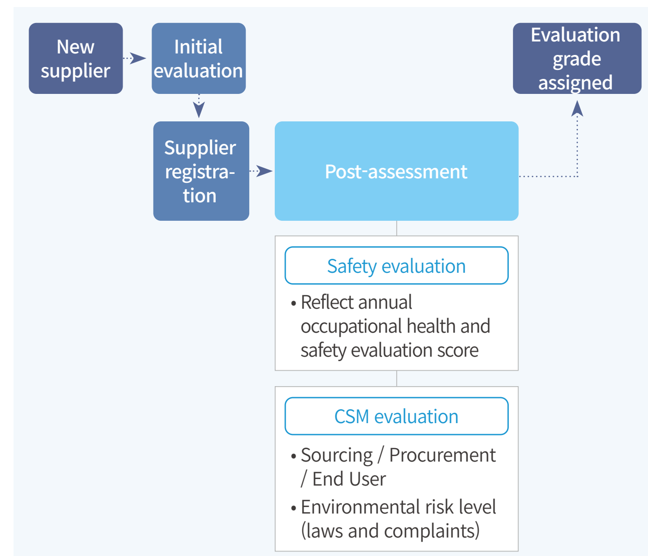


Sustainable Supply Chain Management

Supplier Selection and Evaluation Process

HALLA Cement strives to build a sustainable supply chain by evaluating and managing not only suppliers' financial soundness, supply stability, and quality, but also social and environmental factors such as fair trade compliance, occupational health and safety, and the environment. For new suppliers, the company conducts initial evaluations including ESG screening, and for registered suppliers, it operates annual post-evaluations reflecting environmental risk and occupational health and safety evaluation results. Evaluation results are used in supplier selection and purchasing processes, thereby managing risks across the supply chain and promoting a healthy cooperation ecosystem.

Supplier Selection and Evaluation Process



Supplier Status

Supplier Status	2023	2024	2025
Total number of suppliers managed	82	81	75
Number of suppliers in the overall supply chain (estimated)	622	629	685
Suppliers subject to social impact assessment	82	81	75
Suppliers screened through social impact assessment	0	0	0

Supplier Support Programs

HALLA Cement operates various support programs to stabilize supplier management and achieve sustainable shared growth. The company supports suppliers' competitiveness by lending facilities, equipment, and spaces, providing cost support, and offering incentives based on performance sharing. It also provides training locations and manuals to strengthen safety management. Since the second half of 2023, the company has reviewed the application of the delivery price indexation system to all contracts to strengthen SME win-win cooperation and supply chain stability. The system operates by reflecting changes in major raw material prices in delivery prices after consultation with suppliers and is expected to contribute to suppliers' management stability. In addition, the company operates supplier councils to share management status and listen to and improve difficulties, while striving to create a culture of shared growth based on mutual communication through online newsletters and sharing information related to ethical management.

Supplier Support Program

Category	Support program
Safety support	• Support for internal/external safety training for supplier employees • Conduct risk assessment training and provide technical support • Support safety management costs to secure supplier safety
Financial support	• Support operating funds upon suppliers' request (supplier liquidity fund support) • Early payment before Lunar New Year and Chuseok holidays
Training support	• Transfer and support HALLA Cement's know-how for suppliers' voluntary improvement activities
Others	• Support for improvement of suppliers' working environments

Social Contribution

Social Contribution Strategy and Goals

HALLA Cement regards "practicing corporate social responsibility" as an important core value. In particular, the company focuses on preserving local ecosystems and protecting wildlife, while supporting socially vulnerable groups and revitalizing the local economy to contribute to the welfare and development of local communities. As part of the "Voluntary Fund Creation Agreement by the Cement Industry to Expand Community Contributions" signed by seven major domestic cement companies, the "Gangneung Fund Management Committee" was launched in November 2021. The Committee was established with HALLA Cement, whose main plant is located in Gangneung, as the leading company, and will carry out projects related to the creation and operation of social contribution funds for the Gangneung and Okgye regions. Accordingly, HALLA Cement plans to create a win-win cooperation fund and, based on this, implement various shared growth programs to directly support local communities and residents.

Dedicated Social Contribution Organization

HALLA Cement promotes social contribution activities linked with local communities through the External Cooperation Team at its Okgye Headquarters. Employees at branch plants such as Gwangyang, Pohang, and Incheon also participate in various social volunteer activities, including blood donation and fundraising to support vulnerable groups, continuing communication and exchange with local communities.

In addition, the HRD & Communication Team at the Seoul Office operates cement sponsorship and employee construction volunteer activities linked to Habitat Korea's "Hope House Building" project. Through a community-centered social contribution organization, HALLA Cement continues to strive to become a company that grows together with local communities.

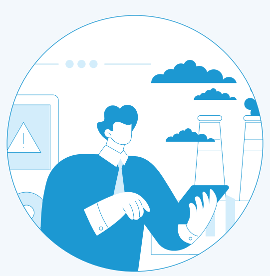
Social Contribution Activity System

Vision

As a responsible social partner, HALLA Cement is committed to fulfilling its social responsibilites

Direction

Pursuing sustainable development by balancing development and preservation



01
Environmental Management System for coexistence between people and nature

- Operation of ISO 14001
- Increased use of circular resources
- Reduction of carbon dioxide emissions
- Ecological restoration of mines

02
Sustainable power that protects the environment: public-interest environmental activities

- ECO-Baekdudaegan+ Campaign
- Restoration of habitats for endangered species
- Pursuit of partnerships with stakeholders

03
Path toward win-win cooperation and shared growth: community contribution activities

- Operation of regional development funds and scholarship foundations
- One Company-One Cultural Heritage preservation campaign
- Campaign to support sales of local specialties and employee charity fundraising activities
- Sharing of cultural center and employee apartments
- Sponsorship and volunteering for Habitat Korea's Hope House Building project

Social Contribution

Social Contribution Activities

01 Fund Support Projects

HALLA Cement creates funds every year to support regional development and resident welfare projects. Since 2003, the company has operated a regional development fund centered on Okgye-myeon, Gangneung City, and has promoted various community support projects, including sports promotion, school development, and sponsorship of cultural and welfare events. In 2025, it contributed approximately KRW 2.2 billion to continue support activities for community win-win cooperation and improved resident welfare.

Annual fund contribution amount
Approximately KRW 2.2 billion

02 Education Support Projects

To promote the educational environment in the Okgye community of Gangneung, HALLA Cement established the Okgye-myeon HALLA Cement Scholarship Foundation in 2003 and contributed KRW 800 million. The scholarship foundation supports scholarships for high school and university students from the region, contributing to the development of local talent.

Cumulative number of scholarship recipients
1,400 recipients

03 Ecological and Environmental Experiential Learning Program

Since 2004, HALLA Cement has operated ecological and environmental experiential learning programs for youth, providing elementary, middle, and high school students with various hands-on activity opportunities. To date, the program has been conducted a cumulative total of 537 times for youth, enabling participants to experience the value of nature and ecological environments and foster awareness of environmental conservation.

Cumulative number of experiential education sessions
537 sessions

04 Resident Support Projects

HALLA Cement operates various resident support projects to improve culture and welfare for residents of Okgye-myeon. The company opens the Okgye-myeon Cultural Center within its employee apartment complex to the local community and operates convenience facilities such as a bathhouse and fitness center for residents to use. It also leases 50 employee apartment units to local residents at affordable rates, providing stable housing environments and welfare facilities.

Average annual number of bathhouse users
33,000 users

Average annual number of fitness center users
8,300 users

Hope House Building Campaign

In 1998, HALLA Cement became the first company in Korea's construction materials industry to begin sponsoring Habitat Korea's "Hope House Building Movement." Since then, it has continued to provide all cement needed for housing construction free of charge, and employees have also continuously participated in volunteer activities to support housing-vulnerable groups.

Cultural Heritage Guardian Volunteering

In 2008, HALLA Cement signed a volunteer agreement with Gangneung Hyanggyo and has operated the "One Company-One Cultural Heritage Guardian" volunteer program. This activity is promoted with the aim of preserving cultural heritage in the Gangneung region and passing it on to future generations, and continues based on voluntary employee participation.

Campaign to Support Sales of Local Agricultural Products

To enhance corporate social value and achieve shared growth with local communities, HALLA Cement has continuously promoted a campaign to support sales of local agricultural products since 2008. Every year, the company purchases local agricultural products and provides them free of charge to all employees, contributing to increased income for local farms and revitalization of the local economy.

Quality Management

Quality Management System

HALLA Cement strives to provide high-quality products and services with the goal of building long-term business partnerships with customers and final consumers. To this end, the company operates a quality management system based on ISO 9001 and KS standards, working to secure product quality stability and reliability. In addition, it conducts preventive quality management and service improvement activities through regular visits to customers, and continues efforts to enhance quality competitiveness and customer satisfaction by actively reflecting customer feedback.

HALLA Cement Quality Management System

Product Safety Management

To strengthen product safety, HALLA Cement analyzes heavy metal content from the raw material stage and manages it according to strict standards. The company also discloses related analysis results on its website on a quarterly basis, increasing transparency of product information and continuously strengthening the quality and safety management system so that customers can use its products with confidence.

Customer Satisfaction Management

HALLA Cement conducts customer satisfaction surveys every two years to improve service quality and review its market competitiveness. The 2025 customer satisfaction survey result was 94.4%, up 2.8 percentage points from 2023.

The survey was conducted across six areas: accounting processing, sales representatives, shipment and transportation, product quality, technical support, and relationship building. In particular, satisfaction was high in accounting processing, sales representative response, and shipment and transportation. Customer complaints and improvement suggestions identified through the survey are addressed through department-level follow-up action plans and improvement activities.

Customer satisfaction in 2025
94 points

Quality Management

Product R&D

Development of Eco-friendly Products

HALLA Cement actively promotes Environmental Product Declaration certification for its products, quantitatively measuring environmental impacts across the entire life cycle from raw material extraction to production, transportation and distribution, use, and disposal. As of 2025, the share of products covered by Environmental Product Declaration certification was 73%, which applies to Ordinary Portland cement (OPC) products shipped from all plants. In addition, the company continues to expand the development of eco-friendly products such as Good Recycled (GR) certified slag cement, Environmental Label certified slag cement, and specialty cement (CEM FILL PRO), strengthening the environmental competitiveness of its products.

Proportion of EPD products based on 2025 sales volume
73%

R&D Case

Development of Shotcrete using Waste Gypsum from Gypsum Boards

HALLA Cement is conducting research on admixtures for shotcrete using waste gypsum, focusing on the resource circulation potential of waste gypsum boards generated as construction waste. Waste gypsum has limitations in high-value utilization due to impurities and residues during recycling, and a significant amount is currently landfilled. In 2025, HALLA Cement conducted research using waste gypsum that meets the standard for natural gypsum for cement (KS L 5401), and derived an optimal mix ratio that can secure excellent performance in terms of setting time and compressive strength when part of the cement is replaced with waste gypsum. This research is expected not only to contribute to reducing CO_2 emissions from the clinker manufacturing process by reducing the use of OPC (Ordinary Portland cement), but also to help revitalize the circular economy and reduce environmental burden by turning landfill waste into functional resources.

R&D and Quality Improvement

Beyond conventional indicator-centered quality management, HALLA Cement established a concrete laboratory in 2019 and conducts concrete experiments and research to establish a customer-centered quality management system. Through this, the company continuously promotes product quality improvement activities that can respond to changes in the market environment and customer needs. In addition, to discover and share knowledge on concrete mixes considering quality and economic feasibility, the company has held an internal concrete competition since 2020, and is strengthening product improvement and technical competitiveness through quality optimization research using statistics and technical seminars.

Eco-friendly Cement

Blast Furnace Slag Cement (SC)	Specialty Cement
• Contributing to carbon reduction by using ground granulated blast furnace slag, a by-product of the steel industry • Good Recycled Product (GR) certification (for products shipped from Gwangyang Plant and Pohang Plant) • Environmental Label certification (for products shipped from Pohang Plant)	• Reduced CO_2 emissions: CEM FILL PRO, CEM PILE, CEM PPO, CEM MAT, medium-flow cement • Eco-Label certification (CEM FILL PRO products shipped from Pohang Plant)

Information Security

Information Security Management System

HALLA Cement operates a professional information protection management system centered on the Chief Information Security Officer (CISO). In particular, through a collaborative system involving the IT, HR/Labor, and Compliance Support teams, the company enhances the execution of security policies and continuously checks compliance with regulations. In addition, to protect information assets, it establishes and operates information security regulations covering not only employees but also visitors and contract-related personnel, thereby securing data safety throughout the business process and minimizing security blind spots.

Efforts to Strengthen Information Security

HALLA Cement continuously advances its information security regulations in line with changing security regulations and rigorously checks the legal and technical compliance of personal information processing systems. It monitors cyber threats in real time through regular log analysis of firewalls, IPS, and VPNs. In particular, in 2025, the company introduced a 'vulnerability inspection service' to proactively block security risks not only in websites and development source code but also in the supply chain (SBOM). Through these efforts, it has achieved zero security incidents over the past three years and will continue to protect customers' valuable information with a comprehensive security system.

Information security incidents in 2025

Zero

Information Security Training

HALLA Cement conducts annual information security training for all employees to raise overall security awareness. In particular, to respond proactively to the latest cyber threats, the company conducts 'monthly phishing email response simulation training.' Additional advanced training is provided to infected or underperforming employees based on training results, strengthening practical response capabilities. The company also continuously shares the latest security cases through bulletin boards and email notices. Through this closely managed training system, HALLA Cement will prevent security incidents at the source and establish a company-wide security culture.

Cyber Crisis Response Simulation Training

To raise employees' information security awareness and identify cyber threat factors in advance, HALLA Cement participates every year in cyber crisis response simulation training hosted by KISA (Korea Internet & Security Agency). In the 2025 training, simulated penetration and vulnerability detection were confirmed to be blocked in advance without issues. In 2026, the company plans to participate in the training in both the first and second half of the year to conduct additional checks on potential vulnerabilities. In addition, various security systems are monitored on an ad hoc basis, and monitoring results will be operated under a monthly approval process.

Information Protection Campaign

Through semiannual information protection events, employees' security awareness is gradually enhanced. Activities linked to the events, such as file server and email cleanup and inspection of illegal software, are also carried out, preventing internal security risk factors in advance. In addition, the latest security-related cases are shared broadly with employees through internal bulletin boards and email notices, and based on these information-sharing activities, the company's internal security system is being further strengthened.

Establishment and Operation of Hacking/Phishing Response Training System

To respond to email-based security threats, HALLA Cement has established and operates its own hacking/phishing response training system. Various types of test emails are sent to employees every month, naturally raising awareness of email-based infection risks. Newly emerging phishing email types are promptly reflected in the internally developed system so that response training remains up to date at all times. Reporting procedures for risky emails are also clearly defined, establishing a foundation for preventing the spread of damage. Employees confirmed to be infected as a result of tests receive additional security training, further strengthening the company's preventive system against information security incidents.

Board of Directors

Board Composition

When appointing directors, HALLA Cement comprehensively reviews compliance with relevant laws such as the Commercial Act and the Articles of Incorporation, alignment with business purposes, professional capabilities, and ethical standards. As of 2025, the Board consists of five inside directors, and through a prudent appointment process, the company strengthens the independence and transparency of Board operations. Directors and auditors are appointed with the consent of a majority of voting rights of shareholders present at the general meeting of shareholders, and the CEO is appointed with the attendance of a majority of directors and approval of a majority of directors present. In addition, the company operates a two-representative CEO system to strengthen management expertise.

Board Members

All Board members are Inside Directors

Name	Term	Initial Appointed	Gender	Experience
Lee, Hoon Beom	2026.03~2028.03	2018.01	Male	• Graduated from the Graduate School of New York University • CEO and Chairman of ASIA Holdings • Chairman of ASIA Paper MFG • Chairman of HALLA Cement • Chairman of ASIA Cement
Lim, Kyeong Tai (Chair of the Board and CEO)	2026.03~2028.03	2018.01	Male	• Graduated from Chungbuk National University, Department of Chemical Engineering • CEO and President of ASIA Cement • CEO and President of HALLA Cement • Chairman of the Board of HALLA Cement
Hwang, Sok Yong (CEO)	2025.12~2027.12	2025.12	Male	• Graduated from Hankuk University of Foreign Studies, Department of Economics • Head of Sales Division of HALLA Cement • CEO and Managing Director of HALLA Cement
Lee, Keon Hee	2026.03~2028.03	2018.01	Male	• Master of Business Administration (MBA), MIT Sloan School of Management • Currently Senior EVP of ASIA Cement • Currently Senior EVP of HALLA Cement
Kim, Young Hwan	2025.03~2027.03	2021.03	Male	• Graduated from Kwandong Graduate School of Business Administration • Head of Management Support/Production at HALLA Cement

* CEO concurrently serves as Chairman of the Board to accurately understand changes in the business environment and establish specific management strategies in response to such changes.

Board Skill Matrix

Category	Lim, Kyeong Tai	Lee, Hoon Beom	Lee, Keon Hee	Kim, Young Hwan	Hwang, Sok Yong
Economy/Finance/Management	●	●	●	●	●
Risk Management	●	●	●	●	
Human Resources Management	●		●	●	●
Law/Regulation/Public Policy	●		●	●	
Compliance	●		●	●	
Governance	●	●			●
Accounting			●		
Sales/Marketing			●	●	●
IT/Digital			●		
ESG	●	●	●	●	●
Industry Expertise	●	●	●	●	●
International Experience		●	●		
Organization Operating Experience	●	●	●	●	●

Board of Directors

Board Operations

To secure efficiency and transparency in Board operations, HALLA Cement systematically manages the annual Board schedule. Board agenda items are notified to Board members at least three days before the meeting date in accordance with the Articles of Incorporation and Board regulations so that sufficient prior review can be conducted. In the event of schedule changes, the reasons for the changes are shared immediately. If Board members are unavoidably unable to attend on-site, video and audio conference methods are used to support smooth decision-making. Through this, the company continues to strengthen the fairness of the Board and the reliability of decision-making.

Key Board Resolutions in 2025

Session	Date	Attendance	Agenda	Result
1	2025.2.10	100%	Approval of corporate general operating funds loan (credit line transaction)	Approved
2	2025.2.24	100%	Approval of corporate general operating funds loan (individual transaction)	Approved
3	2025.2.24	75%	Report on 2025 Occupational Health and Safety Management Plan	Reported
4	2025.3.5	100%	Report on the operating status of the internal accounting management system Approval of the 2024 fiscal year financial statements Approval of the 2024 fiscal year business report Reappointment of directors Approval of the 27th Annual General Meeting of Shareholders	Reported Approved Approved Approved Approved
5	2025.3.19	100%	Execution of operating funds borrowing agreement	Approved
6	2025.3.20	100%	Report on 2024 operating performance and 2025 plan for the Fair Trade Compliance Program Appointment of CEO	Reported Approved
7	2025.4.14	100%	Approval of borrowing	Approved
8	2025.5.19	100%	Borrowing of KRW 200.0 billion in operating funds from Korea Development Bank Chungju Branch Borrowing of corporate operating installment repayment loan Execution of loan agreement and related contracts	Approved Approved Approved
9	2025.7.7	100%	Borrowing of carbon neutrality transition funds	Approved
10	2025.8.26	100%	Approval of borrowing (import financing loan)	Approved
11	2025.9.15	100%	Bank credit facilities with Citibank Korea	Approved
12	2025.10.15	100%	Execution of financial lease agreement	Approved
13	2025.11.10	100%	Addition of branch business operator	Approved
14	2025.12.8	75%	Revision of operating regulations for the Occupational Health and Safety Committee	Approved
15	2025.12.17	100%	Resignation of CEO Convocation of extraordinary general meeting of shareholders	Approved Approved
16	2025.12.17	100%	Appointment of CEO	Approved

Number of meetings held
16

Directors' attendance rate
97%

Board Training

HALLA Cement regularly conducts training for Board members by inviting external professional instructors on topics that help strengthen professional capabilities and compliance management.

Training for Board of Directors

Category	Contents	Participants
Level-based training	Executive leadership training	Kim, Young Hwan, Lee, Keon Hee, Lim, Kyeong Tai, Hwang, Sok Yong
	Understanding the Fair Trade Act	Kim, Young Hwan, Lee, Keon Hee, Lim, Kyeong Tai, Hwang, Sok Yong
Job training	Fair trade and compliance training	Lee, Keon Hee, Kim, Young Hwan
	Internal Accounting Management System training program	Lee, Keon Hee

Board of Directors

Committees under the Board of Directors

To enhance the efficiency and expertise of detailed management decision-making, HALLA Cement operates Committees under the Board of Directors in accordance with laws and the Articles of Incorporation. The company currently operates the Ethical Management Committee, Internal Transactions Committee, and Occupational Health and Safety Committee to support transparent and fair management activities. In particular, the Ethical Management Committee plays a central role in strengthening the ethical management system by deciding key policies related to ethical management, enacting and revising ethical standards and the Code of Ethics, reviewing ethical management-related agenda items, and establishing agendas.

Committee Activities in 2025

Committee	Member	Date	Agenda	Attendance
Occupational Health and Safety Committee	Lim, Kyeong Tai (Chair) Lee, Keon Hee Kim, Young Hwan	2025.2.24	Deliberation on the 2025 safety and health management plan	100%
		2025.6.30	Progress Review of the 2025 safety and health management plan and semi-annual review under the Serious Accidents Punishment Act	100%
		2025.9.29	2025 Safety culture assessment plan (draft)	100%
		2025.12.10	2025 Safety culture assessment results Results of the second-half 2025 semiannual implementation inspection under the Serious Accidents Punishment Act	100%
Ethical Management Committee	Lim, Kyeong Tai (Chair) Lee, Keon Hee Kim, Young Hwan	2025.7.14	Establishment and implementation of the 2025 corporate ethics code training plan Implementation of 2025 Fair Trade Act training	100%

Performance Evaluation and Remuneration

HALLA Cement systematically manages the performance and remuneration of key executives who have important authority and responsibility for the planning, operation, and control of corporate activities. Directors' performance is evaluated every year by comprehensively considering overall management performance in the previous fiscal year, achievement against individual targets, and other contributions to management. Accordingly, director remuneration is operated by reflecting performance evaluation results and is paid within the remuneration limit approved at the general meeting of shareholders.

Compensation for Directors in 2025

(Unit: KRW million)

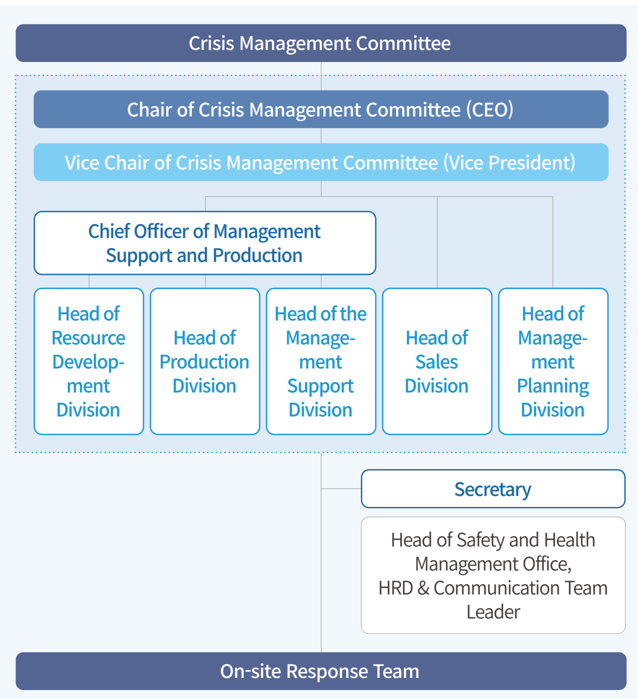
Category	Number of Directors	Total Compensation	Average Compensation
Inside Director	5	2,432	486

Risk Management

Risk Management System

HALLA Cement operates a risk management system that minimizes the possibility of crises through rationalization of business processes and establishment of a continuous monitoring system, and enables prompt and efficient response when crises occur. To minimize damage to stakeholders and overall management, the company organizes and operates the Crisis Management Committee. The Crisis Management Committee is a core organization that oversees decision-making and response activities for major risks, and consists mainly of CEOs, Vice Presidents, General Managers, and Division Heads responsible for key matters in each area. In the event of a crisis, separate on-site response teams are also operated by responsible area to enable rapid on-site response and minimize damage.

HALLA Cement Risk Management System



Integrated Financial and Non-financial Risk Management

HALLA Cement operates an integrated risk management system that combines financial and non-financial factors to systematically manage various risks that may arise across business activities. The company identifies major risks by comprehensively considering not only management-related risks such as funds, market conditions, and price fluctuations, but also social and environmental risks such as environment, safety, and product quality. Based on this, it analyzes risks in each area in advance and continuously reviews management levels, thereby minimizing the possibility of potential risks. In crisis situations, the company strives to minimize damage to stakeholders and overall business activities through a rapid response system.

Halla Cement Integrated Risk Management Factors

Category	Risk Factor
Environment	Direct and indirect pollution of water quality, air, soil, noise, and other environmental issues; Environmental impacts and forest damage caused by limestone mine development; Strengthened environmental regulations; Potential risks from the use of recycled resources
Safety	Workplace injuries; Plant and equipment accidents; Unauthorized occupation of facilities by internal or external parties
Product Quality	Product defects; Customer complaints about quality; Defective accidents at product-use sites
Transportation	Casualties during transportation of products, raw materials, and fuels; Delays or accidents in product transportation; Collective actions by transportation companies
Labor-Management Relations	Labor-management confrontation and conflict; Conflict or collective action with suppliers and workers
Management	Rapid changes in cash flow and market environment affecting sales and profit; Absence of management due to collective incapacity of executives; Major violations of laws and regulations; Collapse of IT systems; Sharp departure of major customers; Sudden changes in purchase prices and disruption of purchase sources for key raw materials and fuels
Health	Mass outbreak of epidemic or infectious diseases, and health-threatening natural phenomena such as fine dust and yellow dust
Disaster	Natural disasters such as typhoons, earthquakes, tsunamis, and wildfires; Externally caused accidents such as facility damage, power outages, water outages, and flooding
Government Policy	Rapid changes in regulations, laws, and rules affecting the cement industry
Media and Public Opinion	Spread of media reports on negative issues and malicious rumors

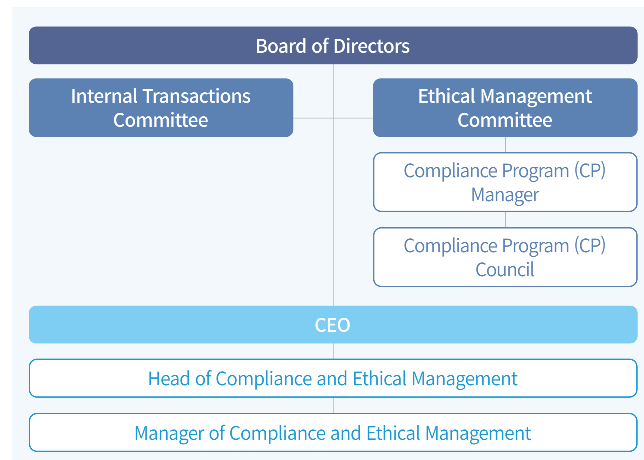
Ethical Management

Ethical Management System

HALLA Cement Code of Ethics
HALLA Cement Ethical Code

HALLA Cement has established ethical standards that define the criteria for proper conduct and value judgments that all stakeholders must follow and discloses them internally and externally through its website. The company operates the Ethical Management Committee under the Board of Directors, strengthening management leadership and commitment to ethical management. It also operates the Internal Transactions Committee to transparently deliberate and resolve matters related to fair competition and transactions with specially related parties. In addition, the company continues to advance its ethical and compliance management system through operation of the internal accounting management system, regular audits and implementation of improvement measures by its holding company Asia Holdings, operation of an internal compliance organization, establishment of a Code of Ethics, and regular employee training. From 2025, to strengthen ethical and compliance risk management, the company distributes self-checklists to each working-level department and promotes evaluation, review, and improvement activities.

Ethical Management Organization System



Introduction of Fair Trade Compliance Program (CP)

HALLA Cement introduced a Fair Trade Compliance Program (CP) in 2023. Accordingly, under the Ethical Management Committee, the company appointed a compliance manager and secretary, as well as members from purchasing, sales, production, and common functions, and established the Fair Trade Compliance Council. The compliance manager is appointed by the Board of Directors, and the Compliance Support Team is designated as the organization that assists and manages the program. The Fair Trade Compliance Council establishes basic policies for the compliance program and deliberates on important matters, while also conducting self-inspections and supervision to prevent legal violations in the responsible areas. From 2025, the company has announced the CEO's commitment to compliance to stakeholders through official letters and introduced and operated proposal and reporting channels. In addition, to ensure that employees clearly understand and comply with fair trade principles, the company has incorporated recommendations from the Korea Fair Trade Commission into internal regulations, and its Code of Ethics also includes fair trade guidelines. For suppliers, the company requires employees and agents of companies participating in contracts for all construction, services, and goods ordered by HALLA Cement to agree to and comply with the pledge to comply with laws and regulations on anti-corruption and integrity. In the event of a violation of the pledge, the company takes strict action against fair trade violations, including termination of contractual relationships.

Ethics Counseling and Reporting

HALLA Cement operates the "Open Voice" channel on its internal portal to receive reports and grievances related to violations of the Code of Ethics, workplace bullying, sexual harassment, and other violations of internal regulations and laws. To protect reporters, the company has established an identity protection system that guarantees anonymity, and reported cases are handled in accordance with relevant procedures. External stakeholders can also report illegal or inappropriate conduct through the Compliance Support Team, the department dedicated to ethical management, at halla-compliance@hallacement.co.kr. In addition, from 2025, the company has added and operated a reporting channel on its official website to improve accessibility for suggestions and reports.

ASIA Paper MFG

Environmental Management

Environmental Management Strategy

As a company that considers people and the environment and pursues continuous value creation, ASIA Paper MFG proactively responds to major environmental issues of high social interest, including climate change, fine dust, waste, and chemical substances. Based on its environmental management policy, related internal regulations, and internal guidelines, the company has established environmental management guidelines and uses them as systematic execution standards for operating low-carbon and eco-friendly business sites.

ASIA Paper MFG Environmental Management Guidelines

STEP 1
Workplace Environmental Management

- Establishment and management of processes and departmental standards, including environmental target management, education and training, guideline establishment and management, and internal audits

STEP 2
Production Operations and Maintenance

- Establishment and operation of manuals to minimize environmental pollution during operation, maintenance, and repair of production facilities
- Maintenance and environmental impact monitoring and improvement tailored to the characteristics of each production process

STEP 3
Product Development and Services · Logistics

- Expansion of supply of eco-friendly products and by-products for the transition to a low-carbon economy
- Preparation of guidelines to minimize environmental risks that may arise during transportation

STEP 4
Waste Management

- Establish and manage waste management guidelines covering the process from waste generation to final disposal, including work scope, definitions of terms, responsibilities and authorities, and actions in the event of environmental pollution

STEP 5
New Projects and Mergers & Acquisitions

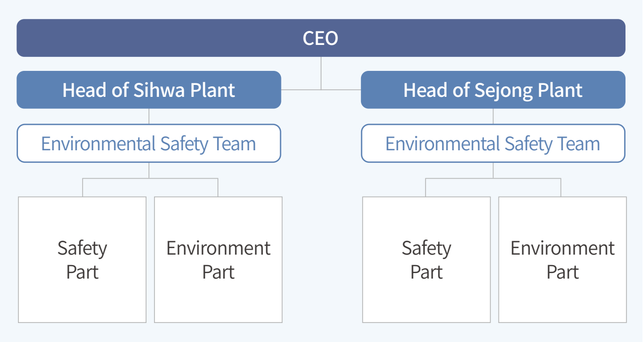
- Review quantitative and qualitative ESG expected effects and investment risks/response measures during new investment reviews
- Environmental management plans and environmental impact assessments for new businesses

Environmental Management Execution Departments and Reporting System

ASIA Paper MFG has established a structure in which top management directly exercises responsibility and authority over environmental management across production activities and business site operations. The CEO establishes and declares environmental management policies and environmental policies, and oversees company-wide environmental activities through a Plan-Do-Check-Action (PDCA) cycle that establishes implementation plans, executes and operates them, checks and takes corrective actions, and then reviews and improves the results. Based on this systematic operation, both the Sihwa Plant and Sejong Plant maintain ISO 14001 certification.

Centered on the Environmental Safety Teams of the Sihwa and Sejong plants, the company reviews major revised and changing environmental issues, conducts interdepartmental consultations, and promotes facility investments for improvement. Environmental management activities and major environmental issues handled by the Environmental Safety Team and related departments are placed on the agenda of monthly and annual meetings attended by the CEO and plant managers. At these meetings, key environmental management agenda items are discussed, including establishment of environmental improvement targets, facility investment decisions and execution, progress, and performance reports.

Environmental Management System



Environmental Management

Creating Eco-friendly Business Sites

Smart Eco-Factory Project

The Smart Eco-Factory Project is a national project by the Ministry of Climate, Energy and Environment that supports the transition of manufacturing plants of domestic SMEs and mid-sized companies into eco-friendly plants by reducing greenhouse gases and pollutants and improving energy and resource efficiency, providing up to KRW 1.0 billion per company. ASIA Paper MFG was selected as a supported company for this project in 2023 and successfully carried out the tasks over five months. Including government support and its own funds, the company completed total investments of KRW 5.2 billion, consisting of KRW 2.3 billion at Sejong Plant and KRW 2.9 billion at Sihwa Plant.

As part of the project, Sejong Plant introduced high-efficiency facilities to reduce electricity use and air pollutant reduction facilities, and significantly reduced sludge generation by applying high-efficiency sludge treatment equipment. At Sihwa Plant, the company carried out tasks including installation of a photovoltaic power generation system using factory rooftops, replacement of metal halide lamps at raw material yards with LED lighting, introduction of a biogas steam boiler for steam production using biogas generated from the wastewater treatment plant, and installation of high-efficiency microbubble scrubbers to reduce odor and minimize complaints.

After project completion, ASIA Paper continues to monitor facility effects and reports the effects to the Ministry of Climate, Energy and Environment once a year. As a result, in 2025 Sejong Plant achieved greenhouse gas emission reductions of approximately 4,805 tCO_2eq, a 57% reduction in nitrogen oxide emission concentration, and a 57% reduction in sludge generation. Sihwa Plant achieved greenhouse gas emission reductions of approximately 861 tCO_2eq, energy use savings of approximately 433 MWh, energy generation of approximately 637 MWh, and odor emission reduction of approximately 9,552 times.

ASIA Paper MFG will continue to expand investment in eco-friendly facilities to minimize environmental impacts at business sites and further strengthen the basis for low-carbon, resource-circulating plant operations.

Annual greenhouse gas emission reductions
5,666 tCO_2eq

Annual energy generation
637 MWh

Annual energy consumption savings
433 MWh

Renewable energy	Pollutant emissions
Sihwa • Operation of biogas utilization process and energy recovery/savings(annual greenhouse gas reduction of 861 tCO_2eq) • Operation of photovoltaic power generation facilities (annual energy generation of 637 MWh)	**Sihwa** • Operation of high-efficiency microbubble odor scrubber (odor reduction by 9,552 times) **Sejong** • Operation of low-NOx burner(57% reduction in nitrogen oxide emission concentration) • Operation of high-efficiency dehydrator(57% reduction in sludge generation)

Energy consumption and efficiency	ICT
Sihwa • Operation of LED lighting at raw material yard (annual energy savings of 433 MWh) **Sejong** • Operation of high-efficiency energy facilities such as high-efficiency motors, turbo blowers, and air compressors (annual greenhouse gas reduction of 4,805 tCO_2eq)	**Sihwa** • Operation of ICT monitoring system **Sejong** • Introduction of smart energy management system

Environmental Management

Environmental Safety Training

ASIA Paper MFG operates environmental training for employees and suppliers led by the Environmental Safety Teams of the Sihwa and Sejong Plants to secure environmental management capabilities by business site. Regular training includes quarterly MSDS (Material Safety Data Sheet) training, annual hazardous chemical safety training, and biennial training for hazardous chemical managers and handlers. Statutory training for managers under integrated environmental permitting and the Waste Management Act is also conducted periodically. In the event of an environmental accident, the company operates a pre-established emergency response system so that prompt and systematic measures can be taken to minimize human and physical damage.

In addition, before environmental repair work is conducted, safety work permits and prior training are provided once per repair project to employees and suppliers. By ensuring that workers fully understand environmental precautions before work begins, the company prevents the possibility of environmental accidents that may occur during work stages.

Eco-friendly Activities

ASIA Paper MFG regularly operates various environmental cleanup activities directly involving employees to contribute to creating a pleasant environment and conserving natural ecosystems in the communities where its business sites are located. These activities are promoted around two pillars: win-win cooperation with local communities and fulfillment of environmental responsibility.

Sejong Plant participates in routine environmental cleanup activities such as cleaning roads and slopes around the plant, pruning work, securing visibility on farm roads, and environmental improvement. It also conducted Geum River district environmental cleanup activities as part of an environmental cleanup campaign to create a pleasant environment around the Geum River. In cooperation with the Nature Conservation Federation and Bugang-myeon Office, the plant also regularly operates campaigns to raise local residents' awareness of and participation in wildfire prevention, striving to protect the natural environment together with the local community.

Sihwa Plant participated in the "Beautiful Industrial Complex" event and conducted waste collection activities along nearby river roads and around parks. Through this, the company contributed to improving the environmental aesthetics of the industrial complex and creating a pleasant working environment, while continuing efforts to create a clean and pleasant industrial complex that can be enjoyed together with the local community.

Responding to Climate Change

Climate Change Response Targets

ASIA Paper MFG has established its mid- to long-term environmental management direction as an environmental management vision centered on climate change response and transition to a circular economy. To realize and secure execution capabilities for the environmental management vision that reflects its management commitment to “Spreading Green Impact,” the company has derived company-wide mid- to long-term targets and detailed implementation tasks for greenhouse gas emissions. Going forward, ASIA Paper MFG will systematically implement the derived tasks and drive achievement of mid- to long-term targets by gradually strengthening value chain management, expanding external cooperation, and enhancing internal capabilities.

Basic Principle

Reducing Climate Change Impacts

Goals

Pursuing sustainable development that considers both development and conservation while practicing social responsibility

42% reduction in greenhouse gases by 2030

Compared to 2020, Scope1 + Scope2

Carbon neutrality by 2050

Key Tasks

01	02	03
Achieve at least 15% renewable energy use at business sites by 2030	Improve energy efficiency in internal processes	Advance value chain emissions inventory and strengthen reduction cooperation

Greenhouse Gas Emission Reduction Activities

In 2015, ASIA Paper MFG became subject to the Emissions Trading Scheme designated entity under the Act on the Allocation and Trading of Greenhouse Gas Emission Permits. In response to the government’s low-carbon green growth policy, the company has expanded acquisition of Green Technology and Green Business Certifications and met emissions allowance allocations by operating greenhouse gas reduction facilities at its business sites.

Sihwa Plant is reducing greenhouse gas emissions through the Smart Eco-Factory Project by reducing external electricity use and recovering methane gas for steam production and operates a regular inspection system by commissioning external measurements once a month to improve intensity. In 2025, the plant was selected for the Korea Environment Corporation’s Carbon Neutral Facility Support Project and completed high-efficiency boiler replacement work. It was also selected for the Korea Energy Agency’s Emissions Trading Scheme Reduction Facility Support Project and plans to pursue self-generation through installation of differential pressure power generation facilities in 2026.

Sejong Plant manages greenhouse gas emissions as a key indicator of environmental operation performance and has continuously improved emission intensity through high-efficiency facility introduction and process improvements. The plant contributed to national greenhouse gas reduction policies by carrying out the Smart Eco-Factory Construction Project led by the Ministry of Climate, Energy and Environment and the Carbon Neutrality Support Project led by the Ministry of Trade, Industry and Resource. Going forward, the company will gradually expand facility investments for additional reductions.

Responding to Climate Change

Energy Consumption Reduction Activities

Voluntary Energy DR

Voluntary energy DR: ASIA Paper MFG has set energy reduction targets and promoted energy-saving activities through voluntary agreements with the government. The voluntary energy Demand Response (DR) system in which Sihwa Plant and Sejong Plant participate is based on voluntary agreements between energy-intensive business sites and the government, setting reduction targets and providing incentives for achieving them. It also contributes to easing national electricity peak demand. The implementation rate of the voluntary energy efficiency target system at Sihwa and Sejong Plants has remained at 100% to date, and ASIA Paper MFG will continue participating in the program to achieve its energy reduction targets.

Eco-friendly Low-carbon Energy

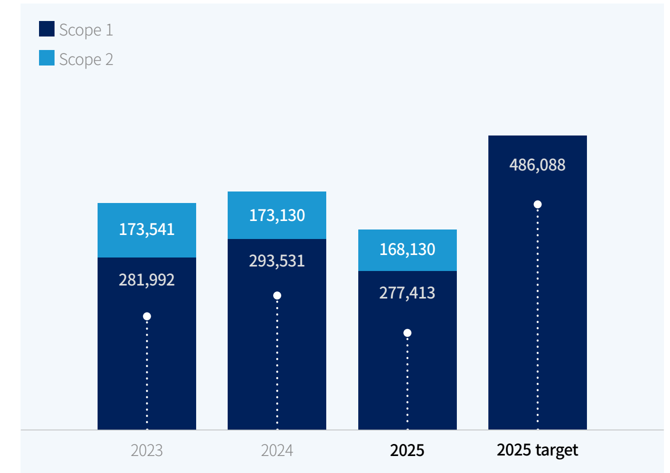
ASIA Paper MFG has been gradually expanding the use of renewable energy to replace fossil fuel use. As part of the Smart Eco-Factory project, Sihwa Plant introduced and operates a biogas steam boiler for steam production using biogas generated from the wastewater treatment plant, contributing to energy recovery and savings. It also promoted a renewable energy transition by installing a photovoltaic power generation system using factory rooftops. In 2026, the company plans to further expand the scope of renewable energy use by installing differential pressure power generation facilities. Sejong Plant produces steam needed for product production using renewable energy and continuously conducts high-efficiency facility introduction and waste resource quality inspections to improve renewable energy steam production intensity. In 2025, as part of the Carbon Neutrality Support Project, the plant additionally installed photovoltaic power generation facilities on building rooftops and parking lots, contributing to carbon emission reductions.

Disclosure of Greenhouse Gas Emissions and Energy Consumption

Disclosure of greenhouse gas emissions and energy use: ASIA Paper MFG submits greenhouse gas emissions and energy consumption generated at its business sites to the government in accordance with relevant laws and regulations, and transparently discloses related information to stakeholders. In addition, Sihwa Plant and Sejong Plant undergo annual external verification by accredited verification body to ensure the reliability of greenhouse gas emissions data.

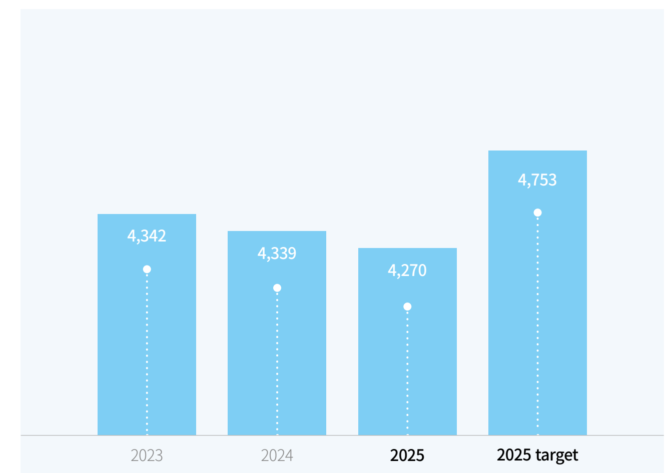
Greenhouse Gas Emissions

(Unit: tCO_2eq)



Total Energy Consumption

(Unit: TJ)



Minimizing Environmental Impact

Air Pollutant Management

ASIA Paper MFG minimizes the environmental impact of air pollutants emitted from business sites by conducting periodic inspection and maintenance of emission facilities and prevention facilities, thereby maintaining optimal operating conditions. Air pollutant emissions are monitored in real time through TMS (Tele Monitoring System) operation, and pollutants that cannot be monitored through TMS are measured periodically by specialized measurement companies. Measurement results are transparently managed through the Integrated Environmental Permit System and the Stack Emission Management System. In particular, following the transition to integrated environmental permitting in 2023, the company expanded self-measurement items from 20 to 35. It has also signed voluntary agreements with the Ministry of Climate, Energy and Environment and local governments where its business sites are located (Siheung City Hall and Sejong City Hall) to reduce fine dust and continues efforts to minimize nitrogen oxide and fine dust emissions.

Sihwa Plant installed a multi-cyclone (centrifugal dust collector) as an incinerator air prevention facility to improve dust treatment efficiency in exhaust gas, and expanded the incinerator air prevention facility SCR (Selective Catalytic Reduction) from one stage to two stages to increase treatment efficiency for nitrogen oxides (NOx) in exhaust gas.

Sejong Plant established a long-term strategy to reduce nitrogen oxides, an air pollutant, and from 2022 installed high-efficiency SCRs in incineration facilities and solid recovered fuel boilers, while also completing installation of low-NOx burners in LNG boilers that use natural gas. As a result of these efforts, Sejong Plant was selected as an excellent business site under the 6th Seasonal Fine Dust Reduction Voluntary Agreement in 2025 and received an award by the Geumgang Basin Environmental Office.

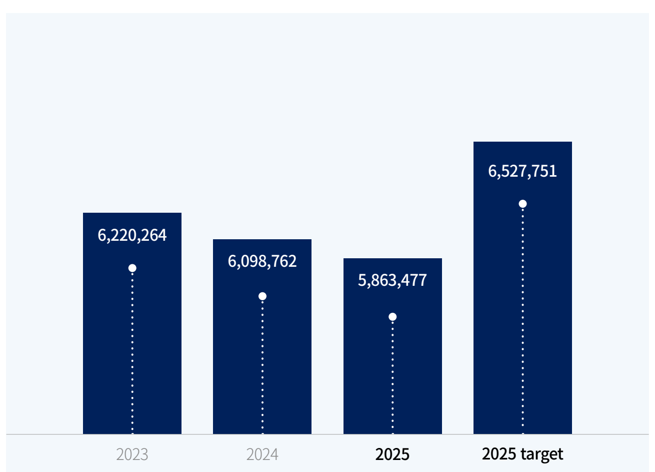
Water Consumption and Wastewater Management

Sihwa Plant produces linerboard and gypsum linerboard using industrial water. For efficient water management, the plant has improved the cooling water circulation system, steam condensate recovery, and process reuse water system within the plant. By gradually increasing the recycling rate, it manages the pollutant concentration of raw wastewater entering the wastewater treatment plant within the standards required by relevant laws and regulations. To manage aging pipelines, the plant operates 24-hour maintenance two to three times per month and an annual major maintenance period, inspecting and replacing pipelines that require replacement in a timely manner. In addition, as the organic matter indicator changed from COD to TOC, the plant installed TOC measurement equipment and conducts self-measurements twice a day, strengthening the TOC monitoring system for discharged water. Through a win-win cooperation demonstration program, the plant changed wastewater prevention facilities, improving water reuse rates, reducing pollutant concentrations, and improving carbon emissions.

Sejong Plant takes water from nearby rivers, treats it physically and chemically, and uses it as industrial water, while managing facility operations including daily facility inspections. To manage water use efficiently, the plant compiles and analyzes usage monthly and uses this as a basis to improve water quality intensity. It also introduced and operates a fiber-type disc filter that can reduce the amount of water treatment chemicals used compared to existing water facilities. Wastewater generated during product production is stably treated through water treatment facilities using high-efficiency treatment methods, and a 24-hour TMS (Tele Monitoring System) is installed and operated to continuously manage water treatment facility operations. TMS reliability is secured through annual inspections by accredited institutions and twice-monthly maintenance of measuring devices.

Total Water Consumption

(Unit: m^3)



Minimizing Environmental Impact

Waste and Recycling Management

Waste generated in the paper manufacturing process includes bottom ash, fly ash, sludge, and waste soil. More than 90% of the raw materials used in ASIA Paper MFG products are recycled paper resources. Waste generated during the recycling of paper resources is incinerated in waste heat recovery facilities, and the waste heat generated during incineration is converted into steam energy and reused, helping reduce fossil fuel use and support national waste reduction policies. Residual waste generated after incineration is treated legally and transparently through the Allbaro system.

To minimize complaints related to waste storage, Sihwa Plant has installed screen doors and alarms at waste storage areas and carried out exterior wall improvement work to reduce odor. Sejong Plant minimizes waste discharge by incinerating waste through waste heat recovery facilities and reusing the resulting waste heat as renewable energy, while residual waste discharged after incineration is also treated legally and transparently through the Allbaro system.

Waste recycling rate

67.2%

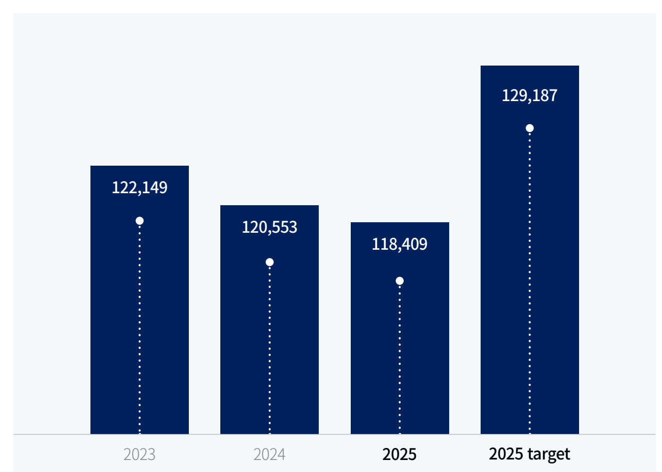
Noise and Odor Management

Following acquisition of integrated environmental permits, Sihwa Plant conducts self-measurements once a year for noise and once a quarter for odor. It also newly installed and operates an integrated odor scrubber at the wastewater treatment plant, further strengthening odor reduction and its ability to respond to stakeholder complaints.

Sejong Plant has also obtained Integrated Environmental Permits and conducts self-measurements once a year for noise and odor monitoring, while additionally conducting its own quarterly measurements to further strengthen the monitoring system. It also operates odor reduction activities through installation of screen doors at waste storage areas and spraying of deodorants.

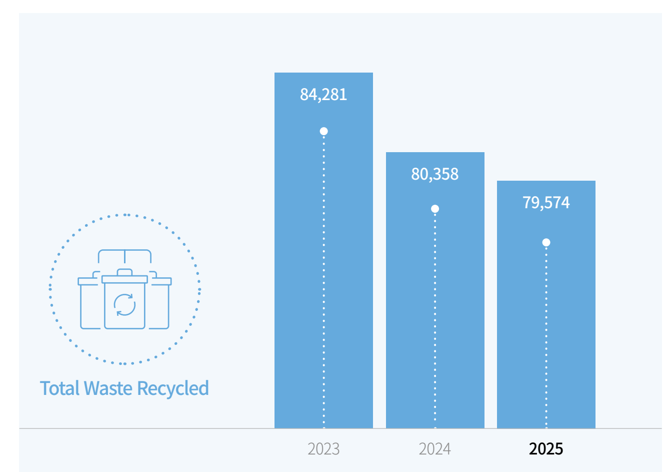
Total Waste Generated

(Unit: ton)



Total Waste Recycled

(Unit: ton)



Minimizing Environmental Impact

Eco-friendly Investment

Sihwa Plant is making various environmental investments in environmental facilities, including biogas boilers, photovoltaic power generation facilities, LED lighting replacement, installation of an integrated scrubber at the wastewater treatment plant, and expansion of air prevention facilities (centrifugal dust collectors and SCR). Sejong Plant has also replaced low-efficiency power facilities and air compressors with high-efficiency facilities to reduce greenhouse gas emissions, and has introduced high-efficiency prevention facilities such as SCR and low-NOx burners to reduce air pollutants, pursuing diversified investments for greenhouse gas reduction and environmental improvement.

2025 Environmental Investment

(Unit: KRW million)

Category	Amount
Waste treatment costs	5,445
Wastewater, air, and waste storage enhancement	1,472
Consulting on Emissions Trading Scheme and GHG verification	14
Environmental liability insurance	9
Environmental Certification Acquisition	12

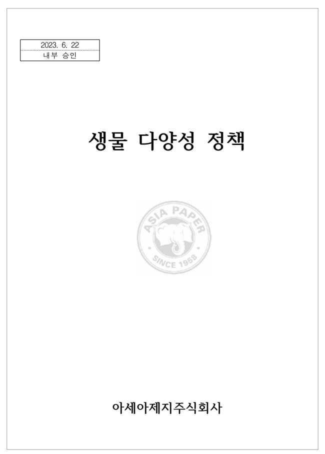
Total environmental investment in 2025

KRW 6,952 million

Biodiversity Conservation Policy

Forest resilience plays an important role in maintaining a healthy global ecosystem, and social concerns about the paper industry are increasing due to excessive logging and forest destruction. ASIA Paper MFG's major products, including linerboard, corrugated board, and corrugated boxes, are produced mainly using recycled paper resources, so direct pulp use is minimal. The pulp used is only FSC-certified pulp, which is granted only to forest resources managed in a sustainable manner.

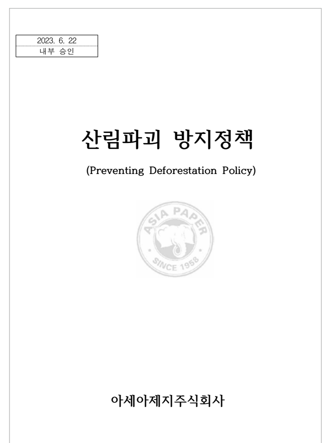
ASIA Paper MFG also recognizes the indirect impacts that its business activities may have on forest destruction and biodiversity, and discloses its "Biodiversity Policy" and "Preventing Deforestation Policy" on its website to declare internally and externally its commitment to preventing forest destruction and restoring natural ecosystems.


2023. 6. 22
내부 승인

생물 다양성 정책

아세아제지주식회사

▶ Biodiversity Policy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내부 승인

산림파괴 방지정책

(Preventing Deforestation Policy)

아세아제지주식회사

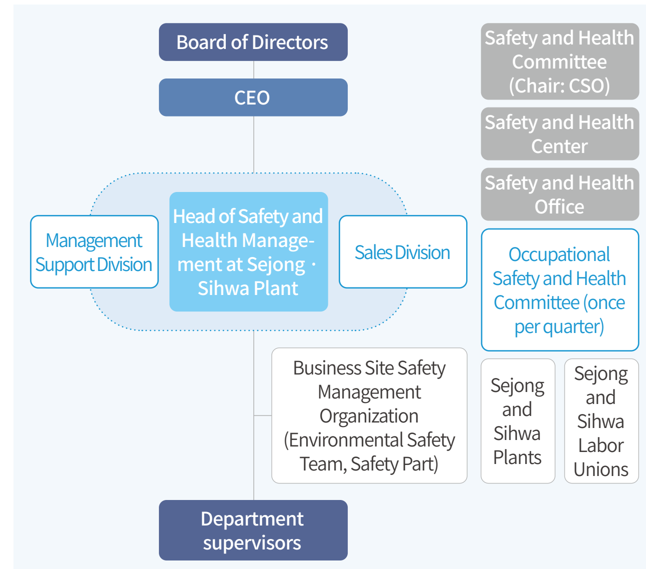
▶ Preventing Deforestation Policy

Workplace Health and Safety

Occupational Health and Safety Management System

ASIA Paper MFG operates a company-wide safety and health management system and continues efforts to collect and reflect on-site opinions through Supplier Safety Councils and Labor Union Safety and Health Committees. In addition, the Safety and Health Center, established as a separate organization by recruiting external experts, conducts evaluations of safety managers, enactment and revision of safety and health manuals and procedures, and safety diagnosis activities.

Dedicated Occupational Health and Safety Organization Chart



Permanent Safety Committee

The Permanent Safety Committee is a standing consultative body composed of the CEOs of ASIA Paper MFG and Kyeongsan Paper, plant managers of each company, and personnel responsible for safety. It is operated monthly at the company-wide level to improve site safety, build and inspect occupational health and safety systems, and comply with the Serious Accidents Punishment Act. Through the Committee, the company continues efforts to reduce accident factors, establish a system for constantly identifying risk factors, and improve occupational health and safety management capabilities.

Safety Management Policy

ASIA Paper MFG Environmental, Safety and Health Management Policy

ASIA Paper MFG has established an Environmental, Safety and Health Management Policy to create a safe and pleasant working environment. The policy is publicly disclosed on the company website, encouraging active participation and implementation by all employees. The policy embodies key values including respect for people, commitment to zero accidents, compliance with safety and health requirements, continuous improvement, and the promotion of a proactive safety culture and participation. It also provides direction for enhancing safety and health capabilities and maintaining an effective management system. Based on this policy, ASIA Paper MFG is undertaking various initiatives to create a safe workplace, including the efficient operation of KOSHA-MS, strengthening on-site safety inspections, and implementing improvement activities. In 2024, the company promoted safety culture initiatives through Behavior-Based Safety (BBS) programs and improved its Process Safety Management (PSM) rating from M+ to S. In 2026, ASIA Paper MFG aims to maintain the PSM Grade S rating by further strengthening on-site safety management activities and enhancing the safety awareness training system through the production of standard operating procedure videos.

In addition, ASIA Paper MFG is implementing a mid- to long-term roadmap to establish a mature safety culture. Starting from the "supervision-dependent" stage in 2025, the company plans to transition to "voluntary compliance" by 2027 and ultimately to a "safety culture formation" by 2030, with a goal of progressively reducing the accident rate from 0.8% to 0.3%.

Application rate of Occupational Health and Safety Management System (Based on number of employees)

91%

Mid- to Long-term Safety and Health Goals

Category	~2025 (supervision-dependent)	~2027 (voluntary compliance)	~2030 (safety culture formation)
Qualitative Target	• Prepare response measures for the Serious Accidents Punishment Act • Inspect serious accident prevention targets • Standardize safety and health indicators	• Behavior-based safety management activities • Management of hazardous machinery and equipment • Strengthening supervisor capabilities • Improvement of levels by safety management area	• Introduction of safety design • Line construction through safety design • Formation of safety culture
Quantitative Target	Accident rate 0.8%	Accident rate 0.6%	Accident rate 0.3%

Workplace Health and Safety

Safety and Health Inspections and Training

To proactively prevent workplace hazards and risks, ASIA Paper MFG conducts monthly safety and health patrols as well as regular inspection activities. The company strengthens on-site safety management by implementing corrective actions based on inspection results and sharing best practices across operations. In addition, special company-wide fire prevention inspections are carried out during seasonal risk periods, such as the thawing and winter seasons, to effectively manage seasonal hazards.

In particular, safety risks are proactively managed through regular inspections of heavy equipment vehicles and hazardous machinery. The company also reinforces Behavior-Based Safety (BBS) activities to prevent human error. Furthermore, ASIA Paper MFG has advanced its safety inspection system through supervisor training programs and the implementation of a shared tools safety certification system.

The company also enhances employees' safety awareness and on-site response capabilities by providing mandatory safety training, including regular safety education and training conducted when work processes change, as well as voluntary programs aimed at strengthening safety management competencies.

In 2026, ASIA Paper MFG plans to conduct a worker safety awareness survey to assess the current level of safety consciousness at the workplace and expand preventive safety management activities based on the results. In addition, the company will produce standard operation procedure videos for use as training materials, further improving worker safety awareness and strengthening compliance with standardized work procedures.

Key Safety and Health Training Performance in 2025

Training Name	Training Hours (Hr)
Regular safety training	4,392
Supervisor training	1,520
Training upon change in job	4
Special training	448

2025 Safety activity rate*
(including employees and in-house suppliers)
17.9 cases/person

* Safety activity rate: Annual number of activities per person for the eight safety activities defined by ASIA Paper MFG, including risk factor identification and improvement, emergency response drills, and worker behavior observation

Risk Assessment

ASIA Paper MFG conducts annual regular risk assessments to proactively identify and mitigate workplace hazards and risks. During the assessment process, both the likelihood and severity of potential injuries and illnesses are evaluated. For identified risks, improvement plans are established and the implementation status of corrective actions is systematically managed.

At the Sihwa Plant, 48 risk factors were identified in 2025, and all of them have been addressed with corrective actions. On-site hazards are identified through joint labor-management inspections and work standard reviews, and risk mitigation measures are established through risk assessment meetings that incorporate employee feedback.

At the Sejong Plant, 138 risk factors were identified in 2025, and corrective actions have been completed for 136 of them. In particular, improvement activities have been focused on the three major types of serious industrial accidents: falls, entrapment, and collisions. In addition, six key partner companies have actively participated in safety management efforts, maintaining certification of risk assessment recognition by the Korea Occupational Safety and Health Agency (KOSHA).

Risk Assessment Process

01 Identification of harmful and hazardous factors
02 Risk determination
03 Establishment and implementation of risk reduction measures
04 Sharing of risk assessment
05 Recordkeeping and retention

Safety Accident Prevention Activities

ASIA Paper MFG operates process-specific standard safe work procedures to establish a field-centered safety culture and strengthens the system for workers to comply with safety rules by providing training on enacted and revised content. Unsafe behaviors identified during work are immediately corrected and related cases are shared, continuing activities to improve safety awareness.

In addition, the company conducts comprehensive health examinations for all employees and their spouses to manage employee health and holds interviews with safety and health managers for persons with findings from general and special health examinations. The company also improves convenience facilities such as lounges, sleeping rooms, and restrooms to improve suppliers' working environments and create safe and pleasant workplaces.

Workplace Health and Safety

Response to Accidents and Efforts to Prevent Recurrence

ASIA Paper MFG operates response procedures and follow-up management systems to ensure prompt and systematic response in the event of industrial accidents. It also guarantees workers' right to stop work, proactively managing risk factors at worksites.

In the event of an accident, the company responds based on emergency measures, situation dissemination, hospital transfer, establishment of an accident investigation team, and accident investigation procedures, and implements improvement measures and follow-up actions according to the investigation results. To prevent recurrence of similar accidents, it continues risk factor management activities and checks each department's compliance with occupational health and safety-related laws and regulations, operating corrective actions for non-compliance.

Accident Investigation Process

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Emergency measures and reporting	Hospital transfer and other measures	Accident investigation	Implementation of improvement measures	Effectiveness verification	Follow-up management

Health Management Program

ASIA Paper MFG operates prevention-oriented health management programs to promote employee health and prevent occupational diseases. In 2025, the company conducted surveys on the risk of cerebrovascular and cardiovascular diseases and harmful factors for musculoskeletal disorders, reviewing workplace characteristics and individual health risk factors.

Based on the survey results, health counseling and health management guidance are provided, and field-centered preventive activities such as improving working posture and work methods are also promoted. ASIA Paper MFG will continue to strengthen its health management system so that employees can work in a healthy and safe environment.

Supplier Occupational Health and Safety Management

Supplier Safety Management Support

ASIA Paper MFG operates safety management support activities for suppliers to build safe working environments together with them. Monthly supplier safety councils are held to share key safety agenda items and on-site opinions, and support measures are prepared for matters requiring improvement. Through the operation of a safety communication channel with construction suppliers, the company quickly shares safety notices, cases of safety rule violations, and unsafe behaviors, and promotes activities to improve on-site risk factors. During regular risk assessments, supporters are designated for each supplier to support risk assessment activities, while suppliers' compliance with safety laws and implementation levels are checked to support improvement of deficiencies and strengthen safety management capabilities.

Supplier Safety Implementation Capability Evaluation System

ASIA Paper MFG operates a safety implementation capability evaluation system to improve suppliers' safety and health management levels and strengthen prevention of accidents in contracted work. In-house suppliers are evaluated every year, and external suppliers are evaluated every two years.

Evaluation results are reflected in supplier selection and management. Results are managed by A, B, and C grades, and in principle, contracts are signed with suppliers rated B or higher with scores of 70 or above. Through this, the company manages participation in work by suppliers that meet occupational health and safety standards and continues to strengthen suppliers' autonomous safety management capabilities and establish a safety culture.

Safety and Health Win-Win Cooperation Program between Large-SMEs

ASIA Paper MFG participates in the Safety and Health Win-Win Cooperation Program between Large-SMEs led by the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency to improve the occupational health and safety management levels of suppliers and local SMEs. The project supports serious accident prevention and spread of safety culture based on autonomous cooperation between contractors and subcontractors.

Sejong Plant provided occupational health and safety supplies to suppliers and promoted consulting by external professional institutions to establish a risk assessment-centered occupational health and safety management system. Through this, the company supports enhancement of suppliers' safety management capabilities and establishment of a field-centered prevention system.

Talent Management

Talent Recruitment

ASIA Paper MFG promotes an organizational culture in which diverse members respect one another and demonstrate their capabilities, and builds a working environment where individuals and the organization can grow together. Based on its management philosophy of "a company that creates value while considering people and the environment," the company pursues talent with enterprising spirit based on enhanced competitiveness, customer-oriented thinking, and differentiated creativity.

To secure outstanding talent, it operates systematic recruitment procedures including document screening, aptitude and personality tests, interviews, and medical examinations. It also contributes to organizational diversity and local job creation by expanding recruitment of local talent. In addition, it prohibits discrimination against minorities in terms of diversity, such as female workers and persons with disabilities, and reflects this in human rights protection work guidelines to create a fair working environment.

Average Length of Service

Male
14 years

Female
22 years

Employee Capability Enhancement

ASIA Paper MFG recognizes employees' capabilities and passion as a core foundation for corporate growth and supports continuous self-development and creation of organizational synergy. The company strives to foster growth-oriented and cooperative talent so that the experience of skilled workers and the capabilities of new employees can be harmonized.

To this end, employee training is operated by level, common, and job training, strengthening job expertise and organizational capabilities through training programs tailored to rank and role. Going forward, the company will gradually supplement the indicator management system to review the performance and effectiveness of training programs.

Training hours per person
17 hours

Training System Diagram

Category		Level-based	Role-based	Common	Common
		Level-specific training	Competency development training	Compliance & ethics training	Self-development training
Executives		Strategic management seminar	-	Sexual harassment prevention training, Personal information protection training, Disability awareness improvement training, Retirement pension training	-
Management positions	Senior employees	Development of leadership for senior employees	Job capability improvement training by division		Language and liberal arts training
		Improvement of management capabilities and decision-making			
Management positions	Management staff	Skill development by job level			
Technical positions		Labor union executive training			

Talent Management

Employee Benefits and Welfare

ASIA Paper MFG operates various employee benefit programs and supports work-life balance so that employees can work in a stable and healthy working environment. Through this, the company strives to enhance employee satisfaction and organizational engagement and create a vibrant organizational culture.

It operates various welfare programs, including livelihood stability loans, congratulatory and condolence support, medical and health support, and cultural and sports welfare support. It also supports in-house club activities to promote employees' leisure and communication. Active clubs receive activity expenses twice a year, and members participate autonomously in leisure, volunteer, and friendship activities based on this support.

Employee Welfare Programs

Category	Key support details
Livelihood stability	• Livelihood stability loans, including housing purchase and lease deposit loans
Subsidies	• Tuition support and childcare expenses, congratulatory/ condolence money and leave, long-service awards and leave
Medical and health care	• Annual comprehensive health examinations for employees and spouses
Welfare support	* Recreational facilities, fitness facilities * Language training support, congratulatory payments for professional certification acquisition, club activities * Special allowances for holiday workers

Labor-Management Cooperation Culture

ASIA Paper MFG has established stable labor-management relations based on win-win cooperation, and labor unions are operated at the Sejong and Sihwa Plants. The company and labor unions have maintained a long-term cooperative relationship based on mutual respect and trust. In addition, through continuous bargaining with labor unions, the company promotes improvements in working conditions and wage and welfare levels and operates quarterly labor-management councils to share key issues and improvement matters. Through this, the company strives to establish smooth communication and a cooperative labor-management culture.

Human Rights Protection

Basic Principles and Policies on Human Rights

ASIA Paper MFG Human Rights Management Policy

ASIA Paper MFG has established basic human rights principles and policies based on international human rights standards and shares them with all employees through its website, operating a management system so that respect for human rights is reflected throughout business activities. The related human rights guidelines apply to all business sites and are used as standards and principles for respect for human rights of employees and stakeholders.

To advance the human rights management system, the company plans to establish mid- to long-term goals and gradually supplement the human rights risk management system. Going forward, it will systematically strengthen the identification and mitigation of human rights risk factors, effectiveness assessment, and management of stakeholders vulnerable to human rights risks.

2025 Human rights training completion rate for employees

100%

Grievance Handling System

ASIA Paper MFG operates a grievance handling system to promptly resolve various difficulties that may arise in the course of work, including working environments and working conditions. Grievance handling officers are designated at each business site, and employees can freely submit opinions through various channels such as email, telephone, and face-to-face counseling.

Submitted grievances are investigated and reviewed by grievance handling officers, and handling results are communicated. Necessary improvement measures are managed to prevent recurrence of similar cases. Through this, the company supports employees in focusing on their work in a stable environment, and plans to gradually expand the scope of disclosure of human rights grievance handling status and operating results.

Number of Human Rights Grievances Reported and Resolved in 2025

(Unit: cases)

Category	2023	2024	2025
Number of reports	0	0	0
Number of resolved cases	0	0	0

Sustainable Supply Chain Management

Supplier Code of Conduct

ASIA Paper MFG operates a Supplier Code of Conduct to build a sustainable supply chain and presents basic principles and standards that suppliers and subcontractors providing products and services must follow. The Supplier Code of Conduct includes detailed guidelines in seven areas: labor and human rights, occupational health and safety, environment, ethics and fair trade, management systems, shared growth, and quality management. Based on this, ASIA Paper MFG supports suppliers in creating safe working environments and complying with worker human rights protection and environmental and ethical standards, while jointly promoting sustainable supply chain operations.

Ethics Pledge

ASIA Paper MFG operates an "Ethical Management Practice Pledge" for employees and suppliers to establish a fair and transparent transaction culture. The pledge includes requirements to comply with fair trade-related laws and conduct business according to ethical standards in the process of entering into and performing contracts. It also prohibits provision of improper benefits, including money, entertainment, and bribery, and manages both employees and suppliers to comply with ethical management standards. Through this, ASIA Paper MFG strives to establish a trust-based transaction order and a sound corporate culture.

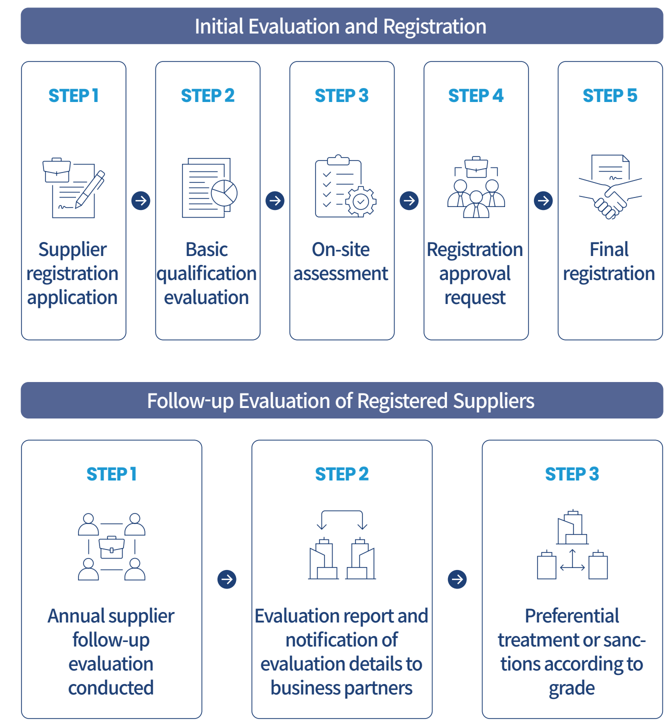
Supplier Selection and Evaluation Process

ASIA Paper MFG operates a systematic evaluation process from supplier selection to follow-up management to ensure stable and sustainable supply chain operations. In the supplier registration process, the company conducts basic qualification evaluations and status evaluations, calculates grades based on the results of evaluation items at each stage, and proceeds with final registration.

After supplier registration, annual follow-up evaluations are conducted to continuously review quality, purchasing, and basic management matters. Evaluation results are shared with suppliers, and preferential or improvement measures are operated according to grades, thereby improving supplier management levels and building a stable supply chain.

In addition, the company operates monthly supplier safety councils to listen to safety-related opinions, difficulties, and improvement requests, strengthening a win-win cooperation system based on continuous communication with suppliers.

Supplier Selection and Evaluation Process



Social Contribution

Social Contribution Activities

ASIA Paper MFG recognizes corporate social responsibility as an important value of sustainable management and promotes various social contribution activities that enable it to grow together with local communities. It practices win-win cooperation with local communities by operating participatory social contribution programs such as support for underserved neighbors, Red Cross activities, local volunteer activities, and donation activities. The company also strengthens the foundation for cooperation with various stakeholders through local job creation by recruiting local talent, win-win management with suppliers, and establishment of a healthy labor-management culture, and continues social contribution activities that can contribute to improving the quality of life of members of society.

Local Resident Welfare Support Activities

Filial Tourism and Senior Citizens' Feast

ASIA Paper MFG operates various community support activities such as filial tourism and senior citizens' feasts to improve the welfare of local senior citizens and promote emotional exchange. Through regular event support, the company provides local senior citizens with opportunities for rest and cultural experiences and continues sharing activities with the local community.

Support for Senior College "Niagara College"

ASIA Paper MFG supports "Niagara College," operated in Bugang-myeon, Sejong City, to support cultural and leisure activities for local senior citizens. Niagara College has been operated since 2013, and ASIA Paper MFG contributes to creating a smooth educational environment and operating programs by supporting educational equipment and materials.

Support and Sponsorship Activities for Community Development

ASIA Paper MFG continuously promotes various support and sharing activities for win-win cooperation with local communities. It invites residents of Bethesda House, a facility for persons with disabilities, and provides meal support, and participates in local community support activities such as regular sharing activities and rice donations through the Red Cross volunteer association.

It also contributes to improving the local learning environment by supporting educational equipment and promotes activities to revitalize the local economy, such as purchasing local specialties.

Participation in Social Contribution Activities

Classification	Item	Unit	2023	2024	2025
Employee participation	Number of employees participating in social contribution	employee	38	88	52
	Employee volunteer hours	hour	169	349	269
Expenditures on social contribution	Local resident support projects	KRW million	6	6	6
	Donations	KRW million	13	13	13
	In-kind support	KRW million	22	23	28
	Total	KRW million	41	42	47

Quality Management

Quality Management System

ASIA Paper MFG continuously operates and improves its quality management system to secure stable product quality and achieve customer satisfaction. Since first obtaining ISO 9001:2015 Quality Management System certification in 1997, the company has maintained its management system through regular audits and renewals, applying quality management standards across the entire process of design, development, production, and sales of linerboard, gypsum linerboard, kraft paper, and corrugating medium for corrugated board. Based on accumulated production experience and quality management capabilities, the company continues product quality improvement activities. It is enhancing production efficiency and quality levels by reducing the basis weight of gypsum linerboard and optimizing production of high-strength papers such as AK, AT, and AQ, while also conducting overseas product analysis and export quality reviews. In addition, it is improving the reliability of quality testing by replacing aging testing equipment such as burst strength testers and internal bond strength testers.

Quality Improvement Activities

FSC Chain of Custody Certification

ASIA Paper MFG maintains FSC Chain of Custody certification to use responsibly sourced forest resources in the production of linerboard and gypsum linerboard. Through this, it operates a raw material management system that considers environmental and social standards throughout the entire production process. It also establishes an anti-deforestation policy to manage forest protection activity standards at business sites and suppliers and does not use pulp produced from illegally harvested wood. Based on this, the company promotes sustainable use of forest resources and responsible supply chain operations.

Increasing the Ratio of Domestic Recycled Raw Materials

ASIA Paper MFG is improving production facilities to increase the use of domestic recycled paper resources and strengthen product quality competitiveness. The company introduced a size press applying the latest technology to improve tensile strength, compressive strength, and burst strength of industrial paper, thereby establishing a foundation for expanding the ratio of domestic recycled raw materials. It also contributes to revitalizing domestic paper resource recycling while improving production efficiency and quality stability, and expects carbon emission reduction effects in transportation due to reduced use of imported raw materials.

Development of Eco-friendly Base Paper

ASIA Paper MFG developed eco-friendly base paper applicable to fresh and frozen food packaging and obtained related patents. The base paper was developed to strengthen product protection and freshness maintenance functions while considering recyclability. In particular, it secures superior cooling performance compared with conventional aluminum foil packaging and paraffin packaging, and applies an easily recyclable structure to reduce environmental impacts from packaging use.

01

Communication with Suppliers and Customers

To manage supplier quality, ASIA Paper MFG analyzes the causes of customer defects using its experimental equipment and know-how. In addition, it holds quarterly base paper quality meetings with customers to share key issues and discuss related solutions.

02

Industry-academia-research Cooperation for Quality Verification and Technology Development

ASIA Paper MFG participates in industry-academia-research cooperation projects for continuous quality improvement and technology development.

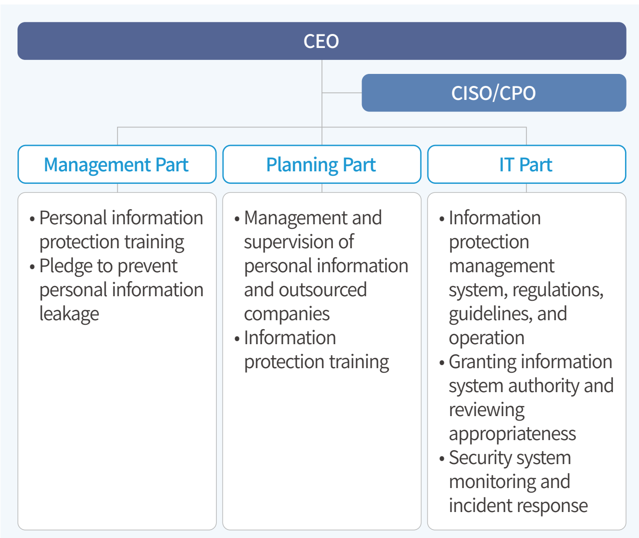
- Seoul National University (2006–2008): research on technology to prevent print line break
- Kookmin University (2019–2021): comparative study on quality characteristics of recycled paper raw materials
- Konkuk University (2021–2023): study on characteristics of wastepaper raw materials
- Chungbuk National University (2022–2024): comparative study on quality characteristics of recycled paper raw materials

Information Security

Information Security Management System

To strengthen its information protection system, ASIA Paper MFG operates an information security management system centered on the Chief Information Security Officer (CISO). Security policy establishment and management activities are performed under the guidance and supervision of the CISO, and related departments such as the Planning Part and IT Part cooperate to support company-wide security management activities. The company also shares security policies and management standards with employees and checks compliance with regulations, striving to build a stable information security operating system.

Information Security Management System Structure



Efforts to Strengthen Information Security

Information Security Regulations and Operating Standards

ASIA Paper MFG has established and operates relevant management standards and operating procedures to protect information assets and personal information. The company discloses its personal information processing policy on its website, and when personal information input is required for product inquiries or the Cyber Reporting Center, it operates the process after obtaining consent to provide personal information. Collected personal information is managed in accordance with the personal information processing policy, and the company operates a management system to ensure that information is safely protected during storage, collection, and use.

Disclosure of Personal Information Processing Guidelines

ASIA Paper MFG establishes personal information processing guidelines in accordance with Article 30 of the Personal Information Protection Act and standard personal information protection guidelines and discloses them on its website. Through this, it protects the personal information of data subjects and operates a management system to ensure that personal information-related inquiries and grievances can be handled promptly. In addition, the company complies with relevant standards and procedures during the collection, use, and storage of personal information, and continuously manages personal information so that it can be safely protected.

Information Security Response Simulation Training (supported by KISA)

To strengthen its information protection response capabilities, ASIA Paper MFG participates twice a year in cyber crisis response simulation training led by KISA (Korea Internet & Security Agency). Through this, the company reviews its response system for cyber threat situations and continuously strengthens its information security management level. It also discloses the status of information protection operations on the KISA Information Protection Disclosure Portal, striving to enhance transparency and reliability of information security operations.

Board of Directors

Board Composition

ASIA Paper MFG's Board of Directors consists of seven directors in total, including five inside directors and two independent directors. The Board deliberates and resolves major management matters and strategic directions of the company and operates director appointment procedures to secure independence and transparency. Board members are appointed through the general meeting of shareholders, and when the general meeting is convened, the company discloses the personal information of director candidates, recommenders, and relationships with the largest shareholder.

Board Members

Category	Name	Term	Appointed	Gender	Experience
Inside Director	Lee, Hoon Beom	2025.03~2028.03	2025.03	Male	• Graduated from the Graduate School of New York University • CEO and Chairman of ASIA Holdings • Chairman of ASIA Cement • Chairman of HALLA Cement • Chairman of ASIA Paper MFG
	Lee, In Beom	2024.03~2027.03	2024.03	Male	• Master of Business Administration (MBA) from MIT Sloan School of Management • Vice Chairman of ASIA Holdings • Vice Chairman of ASIA Cement • Vice Chairman of ASIA Paper MFG
	Yu, Seung Hwan (Chair of the Board and CEO)	2025.03~2027.03	2025.03	Male	• Graduated from Chuna-Ang University, Department of Business Administration • CEO of Cheil Industrial • CEO of Yujin Fiber Board • CEO and President of ASIA Paper MFG
	Lee, Hyun Tak (CEO)	2026.03~2028.03	2026.03	Male	• Graduated from Ajou University, Department of Environmental Engineering • CEO of Kyungsan Paper • Head of Sejong Plant, ASIA Paper MFG • CEO and Managing Director of ASIA Paper MFG
	Lee, Chang Ho	2026.03~2028.03	2026.03	Male	• Graduated from Kangwon National University, Department of Forest Products • Head of Production Division, ASIA Papertec • Head of Sihwa Plant, ASIA Paper MFG
Independent Director	Cho, Won Kyoung	2025.03~2027.03	2025.03	Female	• Graduated from Seoul National University School of Law • Passed the 41st Judicial Examination • Completed the 31st Judicial Research and Training Institute program • Planning and Coordination Deliberation Officer, National Court Administration • Lawyer at Kim & Chang Law Firm • Professor at Sungkyunkwan University Law School • Independent Director of Asia Paper MFG
	Yoo, Wan Hee	2024.03~2027.03	2024.03	Male	• Graduated from Seoul National University, Department of International Economics • Worked at Deloitte Anjin LLC • Worked at Korea Investment & Securities • Independent Director at NHN Corporation • Partner Accountant at Hanul Accounting Firm • Independent Director of Asia Paper MFG

* CEO concurrently serves as Chairman of the Board to accurately understand changes in the business environment and establish specific management strategies in response to such changes.

Board of Directors

Board Expertise, Independence, and Prevention of Conflicts of Interest

ASIA Paper MFG composes its Board of Directors by considering management expertise and independence. The Board includes both internal experts with understanding and experience in the company's business and independent directors with expertise in law and administration.

In the director appointment process, the company reviews in advance whether candidates meet qualification requirements under relevant laws, have histories of legal violations, or have impaired corporate value or infringed shareholder rights, thereby managing the appropriateness of Board composition. By operating at least one-quarter of Board members as independent directors, the company maintains oversight functions and independence, and also operates a management system to prevent conflicts of interest.

Board Skill Matrix

Category	Yu, Seung Hwan	Lee, Hyun Tak	Lee, Hoon Beom	Lee, In Beom	Lee, Chang Ho	Yoo, Wan Hee	Cho, Won Kyoung
Technology		●			●		
Leadership	●	●	●	●	●	●	●
Global Business		●	●	●			
Financial	●		●	●		●	
Legal & Regulatory	●			●			●
Sales & Marketing	●	●	●	●			
IT			●	●			
ESG	●	●	●	●	●	●	●
Risk Management	●					●	●
Independency						●	●

Board of Directors

Board Operations

ASIA Paper MFG's Board of Directors operates as the highest decision-making body that deliberates and resolves major management matters and strategic directions of the company. The Board reviews and manages matters stipulated by laws and the Articles of Incorporation, as well as the establishment of basic management policies, key management issues, and important decision-making matters. Board operations are conducted based on the Articles of Incorporation, and the Chair of the Board is responsible for convening and operating Board meetings.

Key Board Resolutions in 2025

Session	Date	Agenda	Result
1	2025.1.7	Resolution on execution of treasury share acquisition trust agreement	Approved
2	2025.2.10	Approval of the 69th fiscal year (2024) financial statements before audit	Approved
3	2025.2.26	Convocation of the 69th Annual General Meeting of Shareholders	Approved
4	2025.2.26	Resolution on cancellation of shares	Approved
5	2025.2.26	Approval of the auditor's evaluation report on the 2024 internal accounting management system	Approved
6	2025.2.26	Report on evaluation of the operating status of the 2024 internal accounting management system	Reported
7	2025.3.12	Treasury share report	Reported
8	2025.3.12	Approval of the 69th fiscal year (2024) financial statements after audit	Approved
9	2025.3.21	Resolution on the appointment of representative directors (each acting severally)	Approved
		Report on plan for establishing and implementing anti-corruption measures (2025) Report on identification and assessment of corruption risks (2025)	Reported
10	2025.7.9	Resolution on execution of treasury share acquisition trust agreement	Approved
11	2025.8.14	Convocation of the extraordinary general meeting of shareholders	Approved
		Determination of record date for the extraordinary general meeting of shareholders	Approved
12	2025.9.12	Resolution on record date to determine shareholders entitled to quarterly dividends	Approved
13	2025.10.13	Resolution on third-quarter cash dividends	Approved
14	2025.11.14	Resolution on cancellation of shares	Approved
		Resolution on implementation of Board and independent director evaluation	Approved
15	2025.12.16	Report on Board and independent director evaluation results	Reported
16	2025.12.22	Report to the Board on environmental management and environmental management performance	Reported
		Report on ESG materiality assessment results	Reported
17	2025.12.30	Resolution on termination of treasury share acquisition trust agreement	Approved

Board Meetings and Attendance Rate in 2025

Number of meetings held	Inside Director attendance rate	Independent Director attendance rate
17	100%	100%

Board of Directors

Committees under the Board of Directors

ASIA Paper MFG operates committees under the Board of Directors, including the Ethical Management Committee, Internal Transactions Committee, Compensation Committee, Risk Management Committee, and Independent Director Recommendation Committee, to establish transparent decision-making and a sound corporate culture. Each committee manages key management issues and internal control matters, and all Committee chairs are independent directors to secure independence.

Ethical Management Committee

It establishes company-wide ethics agendas by formulating and managing ethics-related policies and regulations.

Member	Date	Agenda	Attendance	Result
Yu, Seung Hwan Yoo, Wan Hee (Chair) Cho, Won Kyoung	2025.3.21	Report on Ethical Management Committee activity evaluation	100%	Reported
	2025.12.22	Report to the Board on environmental management and environmental management performance Report on ESG materiality assessment results	100%	Reported

Internal Transactions Committee

It oversees the overall decision-making process for internal transactions and establishes an objective and transparent decision-making framework.

Member	Date	Agenda	Attendance	Result
Yu, Seung Hwan Yoo, Wan Hee Cho, Won Kyoung (Chair)	2025.2.26	Report on evaluation of the operating status of the 2024 internal accounting management system	100%	Reported
	2025.3.21	Report on Internal Transactions Committee activity evaluation	100%	Reported

Compensation Committee

It designs transparent and reasonable compensation policies with the aim of supporting the company's long-term development.

Member	Date	Agenda	Attendance	Result
Lee, Chang Ho Yoo, Wan Hee (Chair) Cho, Won Kyoung	2025.3.21	Report on Compensation Committee activity evaluation	100%	Reported

Risk Management Committee

It establishes risk management policies aligned with the company's management strategy and determines acceptable levels of risk in managerial decision-making.

Member	Date	Agenda	Attendance	Result
Lee, Hyun Tak Yoo, Wan Hee (Chair) Cho, Won Kyoung	2025.3.21	Report on Risk Management Committee activity evaluation	100%	Reported

Independent Director Recommendation Committee

It recommends candidates for independent directors to support balanced and efficient management.

Member	Date	Agenda	Attendance	Result
Lee, Hyun Tak Yoo, Wan Hee Cho, Won Kyoung (Chair)	2025.3.21	Report on Independent Director Recommendation Committee activity evaluation	100%	Reported

Board of Directors

Board Training

ASIA Paper MFG operates education programs in various fields to strengthen independent directors' expertise and risk management capabilities. The company provides training on overall market conditions, management performance, and business plans related to the company and industry, as well as training by external professional institutions. Going forward, the company will continue to expand its training system to strengthen the Board's decision-making capabilities.

Training for Independent Director in 2025

Date	Provider	Participants	Contents
2025.2.26	ASIA Paper MFG	Cho, Won Kyoung, Yoo, Wan Hee	Report on management performance issues
2025.4.18	Korea Listed Companies Association	Yoo, Wan Hee	Core management diagnosis and decision-making for independent directors and executives
2025.5.26	Korea Listed Companies Association	Cho, Won Kyoung	Job training for independent directors of listed companies

Performance Evaluation and Remuneration

ASIA Paper MFG determines remuneration for registered directors, independent directors, and auditors through a Board resolution within the limit approved at the general meeting of shareholders. The remuneration level is calculated each year by comprehensively considering position, assigned duties, remuneration system, and performance evaluation items, and is operated in accordance with relevant standards.

Compensation for Directors in 2025

(Unit: KRW million)

Category	Number of Directors	Total Compensation	Average Compensation
Executive Directors	5	2,142	428
Independent Directors	2	72	36

Risk Management

Risk Management System

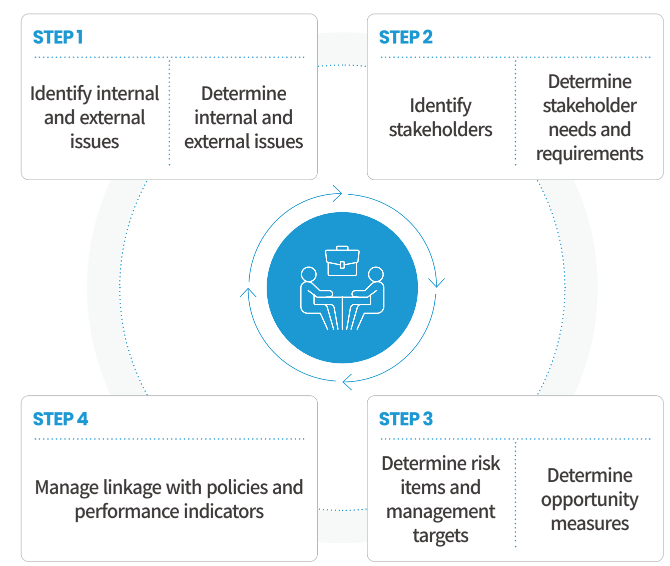
ASIA Paper MFG operates a risk management system to proactively manage risk factors arising from changes in the economic, environmental, and social business environment. The company has established a regular inspection system to identify potential risks and abnormal signs early and designates the Head of the Management Support Division as the risk management manager, who reports related activities to the Board of Directors.

In addition, the company systematizes roles and responsibilities by division and manages prompt decision-making and response based on a standardized reporting system. Identified risks and opportunity factors are reflected in future business strategies and management directions, and the risk management manager oversees response plans and execution processes by considering impacts across environmental, product, and service operations.

Derivation of Risk Items and Opportunity Impacts for Stakeholder Issues

At the end of each year, based on the Policy Management Operating Rules, ASIA Paper MFG department leaders regularly assess the materiality of internal and external issues and stakeholder requirements related to stakeholder management indicators identified and analyzed by each team. In this process, internal and external issues and stakeholder requirements are linked to performance indicators, and the impacts of each risk and opportunity factor are derived by stage. The "Issue-stakeholder risk and performance indicator linkage table" prepared based on department leader assessments is subsequently used as basic data when each department establishes quality and environmental targets for the following year.

Issue-Stakeholder Risk and Performance Indicator Linkage Process



Risk Management

Key Risks

ASIA Paper MFG recognizes that fluctuations in raw material prices have a significant impact on profitability due to the characteristics of the paper industry, and manages this as a key management risk. Imported pulp and recycled imported paper resources, which are major raw materials, are affected by global economic conditions and exchange rate fluctuations. Domestic recycled paper resources also experience price volatility depending on market supply and demand, plant operating rates, and changes in export volumes. Accordingly, ASIA Paper MFG sets foreign exchange risk, raw material risk, and sales price risk as key management items, continuously monitors market changes, and operates a response system.

Foreign Exchange Risk

ASIA Paper MFG manages foreign currency-denominated liability risk arising from exchange rate fluctuations as a key financial risk and operates a foreign exchange risk management system to ensure financial structure stability and predictable management operations. In particular, since the company uses methods such as USANCE in the process of importing key raw materials such as pulp and paper resources, it continuously monitors the possibility of foreign exchange losses due to exchange rate increases. To minimize the impact of exchange rate fluctuations on costs and profitability, the company reviews market conditions and continues to strengthen foreign exchange risk management activities for stable financial operations.

Raw Material Risk

ASIA Paper MFG manages instability in raw material supply and demand and price volatility caused by changes in the global market environment as key risk factors. In 2024, volatility in financial and foreign exchange markets increased due to geopolitical tensions and expanding domestic and overseas political and economic uncertainties, and in 2025 the impacts of changes in U.S. tariff policies and geopolitical risks in the Middle East have continued. As uncertainty in forecasting raw material prices and supply and demand conditions is increasing due to these market environment changes, ASIA Paper MFG will continue to review market trends and strengthen response measures to secure stable raw material supply and minimize risks.

Sales Price Risk

ASIA Paper MFG manages sales price fluctuation risk as a key management item to secure stable profitability. Sales prices are affected by various external factors such as raw material costs, transportation costs, energy costs, and exchange rates, and market conditions for imported pulp and recycled paper resources have a particularly significant impact on price decisions. As exchange rate and oil price fluctuations and expanding global political and economic uncertainties make market forecasting more difficult, ASIA Paper MFG continuously monitors market conditions and cost fluctuation factors and operates a sales price management system based on management judgment.

Ethical Management

Ethical Management System

ASIA Paper MFG Ethical Charter
ASIA Paper MFG Ethical Standards
ASIA Paper MFG Job Ethics Code of Conduct

Ethical Standards and Code of Conduct

To establish a foundation for practicing ethical management, ASIA Paper MFG has enacted the Ethical Charter, Ethical Standards, and Job Ethics Code of Conduct, discloses them internally and externally through its website, and presents ethical standards and conduct principles that employees and stakeholders must follow. The Ethical Charter states the direction for fulfilling corporate social responsibility and basic roles while aiming to be a responsible company that contributes to customers, shareholders, and the national society. Through the Ethical Standards and Job Ethics Code of Conduct, the company specifies employee conduct standards and business handling principles so that ethical management policies can be reflected in actual management activities.

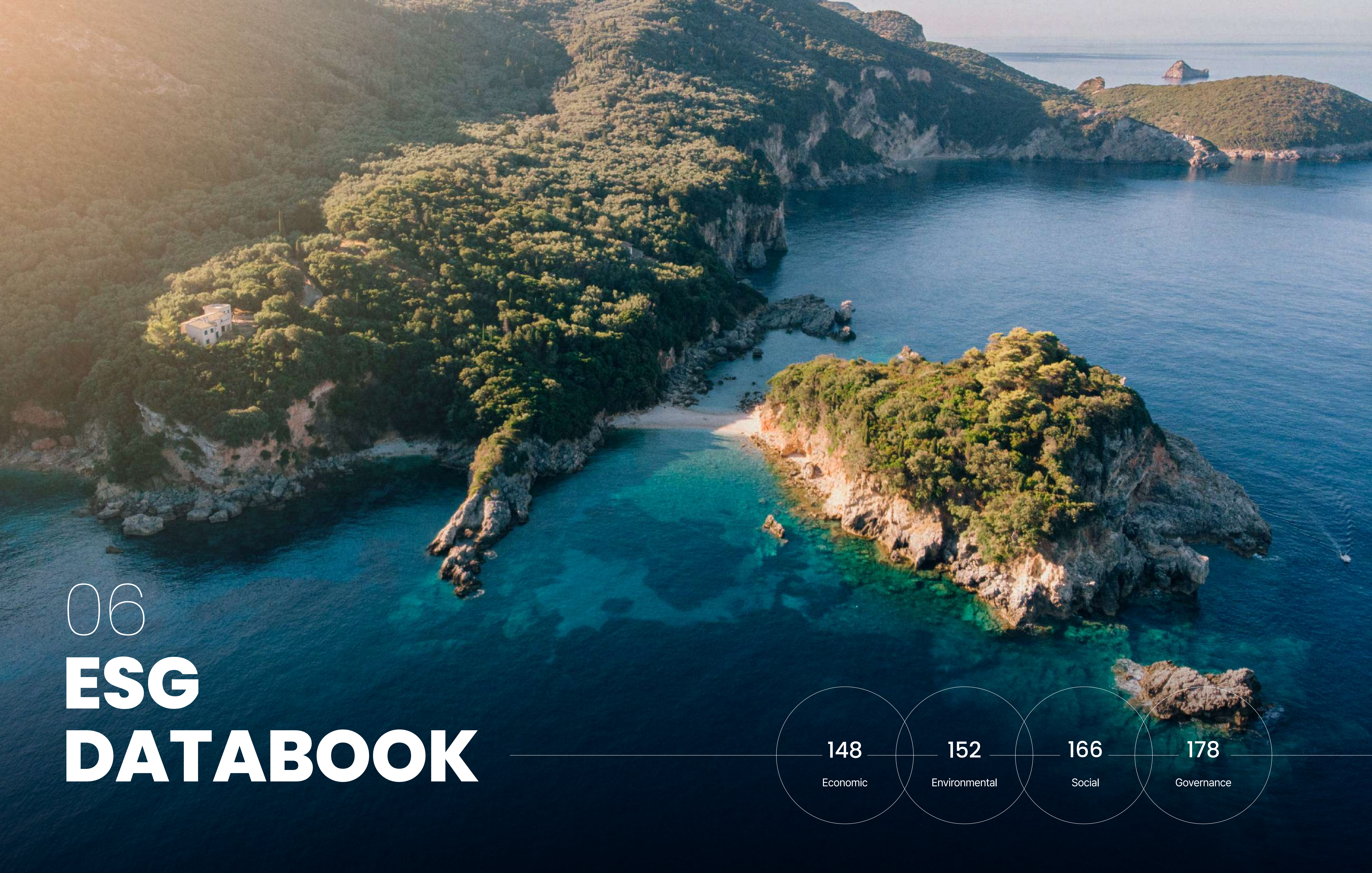
Strengthening Ethical Management Practice

ASIA Paper MFG operates the Ethical Charter, Ethical Standards, and Job Ethics Code of Conduct to prevent human rights violations and unethical conduct that may arise in the course of business operations and strengthens its ethical management practice system. Employees are required to check the ethical management practice pledge when accessing ERP, thereby promoting higher ethical awareness and spreading a culture of compliance management.

The company also separately operates ethical management practice pledges for employees and business partners, managing compliance with ethical standards by stakeholder group. The Job Ethics Code of Conduct presents both basic principles and detailed conduct standards to enhance practical applicability. Going forward, the company plans to gradually expand disclosure of unfair trade-related risk assessments and the operation status of fair trade training.

Ethics Counseling and Reporting

ASIA Paper MFG operates the “Communication Plaza” and “Cyber Reporting Center” on its website to collect opinions from various stakeholders, including employees, customers, and suppliers, and to strengthen ethical management practices. The “Communication Plaza” is used as a channel to receive various opinions such as general inquiries and suggestions, while the “Cyber Reporting Center” enables reporting of employee misconduct, corruption, or unethical conduct that may occur during transactions. Both internal employees and external stakeholders can use the reporting channel, and the identity and personal information of reporters, as well as reported details, are protected in accordance with information security regulations.



06

ESG DATABOOK

Economic

ASIA Holdings

Consolidated Statement of Financial Position

(Unit: KRW thousand)

Line Items	2025.12.31	2024.12.31	2023.12.31
Assets			
Current assets	830,381,810	869,742,108	873,549,387
Non-current assets	2,488,757,413	2,464,537,047	2,398,536,620
Total asset	3,319,139,223	3,334,279,155	3,272,086,007
Liabilities			
Current liabilities	551,709,286	916,274,124	561,839,258
Non-current liabilities	731,682,047	388,081,061	730,151,670
Total liabilities	1,283,391,333	1,304,355,185	1,291,990,928
Equity			
Equity attributable to owners of the parent company	1,187,749,013	1,151,370,505	1,077,694,142
- Share capital	10,955,120	10,955,120	10,955,120
- Additional paid-in capital	-318,535,853	-159,753,240	-190,934,822
- Retained earnings (deficit)	1,494,290,871	1,299,240,269	1,250,859,298
- Other components of equity	1,038,875	928,356	6,814,546
Non-controlling interests	847,998,877	878,553,465	902,400,937
Total equity	2,035,747,890	2,029,923,970	1,980,095,079
Total liabilities and equity	3,319,139,223	3,334,279,155	3,272,086,007

Consolidated Statement of Comprehensive Income

(Unit: KRW thousand)

Line Items	2025.1.1~2025.12.31	2024.1.1~2024.12.31	2023.1.1~2023.12.31
Revenue	1,884,464,676	2,007,423,276	2,115,887,323
Cost of sales	1,549,483,931	1,607,134,596	1,654,211,300
Gross profit	334,980,745	400,288,680	461,676,023
Selling and administrative expenses	223,950,268	227,866,691	221,281,029
Operating profit (loss)	111,030,477	172,421,989	240,394,994
Finance income	11,473,168	13,415,044	12,628,100
Finance costs	34,469,197	36,789,966	35,251,102
Other non-operating income	17,386,476	12,448,506	12,555,690
Other non-operating expenses	30,768,511	15,272,584	10,435,876
Share of profit (loss) of associates	-	-	-
Profit (loss) before income tax	74,652,413	146,222,989	219,891,806
Income tax expense (benefit)	23,376,571	37,780,478	44,290,423
Profit (loss) for the period	51,275,842	108,442,511	175,601,383

ASIA Cement

Consolidated Statement of Financial Position

(Unit: KRW thousand)

Line Items	2025.12.31	2024.12.31	2023.12.31
Assets			
Current assets	431,693,886	438,308,459	442,211,955
Non-current assets	1,746,260,419	1,757,094,748	1,678,175,961
Total asset	2,177,954,305	2,195,403,207	2,120,387,916
Liabilities			
Current liabilities	395,929,540	752,245,415	408,050,993
Non-current liabilities	680,896,377	336,735,982	663,213,431
Total liabilities	1,076,825,917	1,088,981,397	1,071,264,424
Equity			
Equity attributable to owners of the parent company	1,089,136,117	1,093,970,937	1,035,263,350
- Share capital	19,479,045	19,479,045	19,479,045
- Additional paid-in capital	497,950,428	564,131,771	564,144,649
- Retained earnings (deficit)	569,924,648	508,770,258	450,443,767
- Other components of equity	1,782,996	1,589,863	1,195,889
Non-controlling interests	11,992,271	12,450,873	13,860,142
Total equity	1,101,128,388	1,106,421,810	1,049,123,492
Total liabilities and equity	2,177,954,305	2,195,403,207	2,120,387,916

Consolidated Statement of Comprehensive Income

(Unit: KRW thousand)

Line Items	2025.1.1~2025.12.31	2024.1.1~2024.12.31	2023.1.1~2023.12.31
Revenue	1,022,789,744	1,110,338,447	1,200,454,909
Cost of sales	830,901,028	850,518,591	929,837,350
Gross profit	191,888,716	259,819,856	270,617,559
Selling and administrative expenses	114,754,244	119,068,684	123,730,928
Operating profit (loss)	77,134,472	140,751,172	146,886,631
Finance income	4,038,309	3,851,341	3,883,874
Finance costs	29,256,824	30,924,481	29,462,086
Other non-operating income	3,376,782	3,109,581	1,211,661
Other non-operating expenses	29,109,419	11,874,163	9,886,786
Share of profit (loss) of associates	-	-	-
Profit (loss) before income tax	26,183,320	104,913,450	112,633,294
Income tax expense (benefit)	9,749,180	24,840,068	23,197,853
Profit (loss) for the period	16,434,140	80,073,382	89,435,441

Economic

HALLA Cement

Consolidated Statement of Financial Position

(Unit: KRW thousand)

Line Items	2025.12.31	2024.12.31	2023.12.31
Assets			
Current assets	204,849,455	193,774,689	202,002,767
Non-current assets	898,639,601	898,624,826	825,020,682
Total asset	1,103,489,056	1,092,399,515	1,027,023,449
Liabilities			
Current liabilities	201,920,451	489,366,680	218,034,943
Non-current liabilities	548,753,875	248,968,902	493,390,807
Total liabilities	750,674,326	738,335,582	711,425,750
Equity			
Share capital	61,153,004	61,153,004	61,153,004
Additional paid-in capital	27,023,213	27,023,213	27,023,213
Retained earnings (deficit)	264,638,696	265,887,901	227,421,482
Other components of equity	-182	-185	-
Total equity	352,814,730	354,063,933	315,597,699
Total liabilities and equity	1,103,489,056	1,092,399,515	1,027,023,449

Consolidated Statement of Comprehensive Income

(Unit: KRW thousand)

Line Items	2025.1.1~2025.12.31	2024.1.1~2024.12.31	2023.1.1~2023.12.31
Revenue	534,324,988	585,702,463	625,225,476
Cost of sales	457,868,335	468,020,796	506,615,367
Gross profit	76,456,652	117,681,667	118,610,109
Selling and administrative expenses	42,449,001	46,134,068	50,843,536
Operating profit (loss)	34,007,651	71,547,599	67,766,573
Finance income	2,822,135	2,631,025	2,969,889
Finance costs	21,356,806	22,411,145	21,178,357
Other non-operating income	2,114,537	1,157,482	273,174
Other non-operating expenses	16,774,641	4,148,834	4,190,258
Profit (loss) before income tax	812,875	48,776,127	45,641,021
Income tax expense (benefit)	2,200,834	10,467,648	8,262,238
Profit (loss) for the period	-1,387,959	38,308,479	37,378,783

ASIA Paper MFG

Consolidated Statement of Financial Position

(Unit: KRW thousand)

Line Items	2025.12.31	2024.12.31	2023.12.31
Assets			
Current assets	356,547,556	390,047,678	403,603,823
Non-current assets	678,003,342	636,436,840	644,573,942
Total asset	1,034,550,897	1,026,484,518	1,048,177,765
Liabilities			
Current liabilities	151,557,164	150,651,829	153,102,583
Non-current liabilities	37,667,988	39,896,073	45,317,863
Total liabilities	189,225,152	190,547,902	198,420,446
Equity			
Equity attributable to owners of the parent company	845,325,745	835,936,616	849,757,319
- Share capital	44,782,510	44,782,510	44,782,510
- Additional paid-in capital	168,867,316	211,252,597	215,341,738
- Retained earnings (deficit)	631,688,820	579,856,469	589,395,611
- Other components of equity	-12,900	45,040	237,460
Non-controlling interests	-	-	-
Total equity	845,325,745	835,936,616	849,757,319
Total liabilities and equity	1,034,550,897	1,026,484,518	1,048,177,765

Consolidated Statement of Comprehensive Income

(Unit: KRW thousand)

Line Items	2025.1.1~2025.12.31	2024.1.1~2024.12.31	2023.1.1~2023.12.31
Revenue	855,126,180	891,065,284	908,334,402
Cost of sales	715,298,285	752,469,262	719,154,140
Gross profit	139,827,896	138,596,022	189,180,262
Selling and administrative expenses	112,611,846	112,029,901	101,597,760
Operating profit (loss)	27,216,050	26,566,121	87,582,502
Finance income	4,658,241	6,338,851	6,729,524
Finance costs	2,877,702	3,672,033	4,237,539
Other non-operating income	15,204,301	11,609,388	12,389,234
Other non-operating expenses	2,985,438	4,951,851	1,582,253
Profit (loss) before income tax	41,215,452	35,890,476	100,881,468
Income tax expense (benefit)	11,605,239	11,948,860	19,828,292
Profit (loss) for the period	29,610,213	23,941,616	81,053,176

Environmental

ASIA Cement

The scope of environmental quantitative data reporting for ASIA Cement includes all 12 domestic sites, including Seoul Headquarters, Jecheon, Daegu and Yongin. Due to limitations in data aggregation, certain reporting indicators (resource, waste, water, air pollutants and environmental training) were reported based on the Jecheon Plant, encompassing 95% of total production activities (based on cement production volume).

Greenhouse Gases and Energy

Category	Item	Unit	2023	2024	2025	Remark
Greenhouse gas emissions*	Total GHG emissions**	tCO_2eq	2,403,681	2,114,034	2,189,184	Following the standards according to the Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System [Ministry of Environment Notice No. 2025-64, 2025.04.11]
	Scope 1 emissions**	tCO_2eq	2,228,564	1,952,159	2,027,174	
	Scope 2 emissions**	tCO_2eq	175,123	161,882	162,016	
	GHG emission intensity (per clinker production)	tCO_2eq/ton-cl	0.79	0.78	0.81	
Energy consumption*	Total energy consumption**	TJ	15,324	13,832	13,586	
	Fossil fuels**	TJ	6,991	5,161	4,760	
	Alternative fuels (recycled resources)**	TJ	4,674	5,288	5,440	
	Electricity**	TJ	3,659	3,383	3,386	
	Energy intensity (per clinker production)	TJ/ton-cl	0.0050	0.0049	0.0045	

* The total greenhouse gas emissions and total energy consumption are the sums of truncated amounts at the site unit level, which may differ from the sum of each detailed item.
** Disclosure errors in the 2023 and 2024 data from the previous year's report were corrected.

Eco-friendly Vehicles

Item	Unit	2023	2024	2025	Remark
Total number of vehicles in fleet	vehicles	11	11	11	
Number of eco-friendly vehicles in fleet	vehicles	1	1	1	
Percentage of eco-friendly vehicles in fleet	%	9.1	9.1	9.1	

Use of Resources

Category	Item	Unit	2023	2024	2025	Remark
Consumption of key raw and auxiliary materials	Calcareous	ton	4,710,726	4,056,432	4,016,009	
	Argillaceous	ton	226,322	193,646	215,601	
	Siliceous	ton	104,874	149,433	127,042	
	Ferruginous	ton	78,713	72,984	71,084	
	Gypsum	ton	174,360	120,861	124,908	
	Slag	ton	170,818	205,289	145,982	
	Admixture	ton	11,130	11,144	12,880	
Alternative raw material consumption	Alternative raw materials (circular resources)	ton	343,629	295,750	282,432	
	Raw material substitution rate	%	73.4	64.8	69.0	Excluding limestone
Alternative fuel consumption	Alternative fuel (excluding recycled fuel oil)	ton	261,404	272,670	276,309	
	Recycled fuel oil	ton	5,914	3,776	0	
	Fuel substitution rate	%	44.0	50.0	53.8	

Waste

Category	Item	Unit	2023	2024	2025	Remark
Waste generation	Total	ton	3,877	4,183	5,614	
	General waste*	ton	2,427	3,194	2,462	2025 Target: 10% reduction compared to the previous year (2,875ton)
	Designated waste	ton	1,450	989	3,152	2025 Target: 10% reduction compared to the previous year (890ton)
Waste disposal	General waste (incineration)	ton	94	0	0	
	General waste (recycle)	ton	2,333	3,194	2,462	
	Designated waste (incineration)	ton	49	51	56	
	Designated waste (solidification)	ton	627	672	752	
	Designated waste (landfill)	ton	322	94	154	
	Designated waste (recycle)	ton	452	171	2,191	
Recycling of waste	Recycled waste	ton	2,785	3,365	4,653	
	Percentage of waste recycled	%	71.8	80.5	82.9	

* Municipal waste that is difficult to measure is excluded from general waste at the Jecheon plant, a major production site.

Water

Category	Item	Unit	2023	2024	2025	Remark
Water withdrawal	Total withdrawal	m^3	4,453,543	4,388,117	2,629,929	
	Surface water (river water)	m^3	4,387,656	4,321,086	2,532,461	
	Groundwater	m^3	60,570	62,941	92,681	
	Municipal water	m^3	5,317	4,090	4,787	
Water consumption		m^3	4,453,543	4,388,117	2,629,929	Excluding reused water (all wastewater from the wheel washing facility is reused. Laboratory wastewater is outsourced for treatment.)

Air Pollutants

Category	Item	Unit	2023	2024	2025	Remark
Air pollutants emissions	NOx	ton	4,473	3,667	3,303	Excluding nitrous oxide (N_2O)
	SOx	ton	3.1	1.0	3.4	
	Total suspended particles (TSP)	ton	52.2	46.7	44.3	
	Hydrogen chloride	ton	7.7	3.3	1.8	

Environmental

ASIA Cement

Environmental Investment

Category	Item	Unit	2023	2024	2025	Remark
Investment criteria	Air	KRW million	23,075	20,747	33,249	
	Water	KRW million	31	0	0	
	Others	KRW million	83	0	0	
Total amount environmental investment		KRW million	23,189	20,747	33,249	

Green Procurement

Category	Item	Unit	2023	2024	2025	Remark
Green procurement	Procurement of eco-certified products and services	KRW million	129	73	235	Eco-label-certified copper slag, etc.
	Procurement of non-certified products and services	KRW million	1,038	1,368	1,096	Low-carbon raw and auxiliary materials (e.g., silica, fly ash, clean slag)
	Total green procurement	KRW million	1,167	1,441	1,331	
Total procurement		KRW million	75,953	60,663	54,234	
Percentage of green procurement		%	1.54	2.38	2.45	

Eco-friendly Products and Services

Category	Item	Unit	2023	2024	2025	Remark
Sales of eco-certified products and services	Ready-mix concrete	KRW million	12,238	13,505	15,857	Low-carbon certified ready-mix concrete
	Dry mortar	KRW million	22,652	33,891	4,172	Low-carbon certified dry mortar
	Total	KRW million	34,890	47,396	20,029	
Total sales		KRW million	561,470	507,856	456,605	
Percentage of sales from eco-friendly products and services		%	6.2	9.3	4.4	

Environmental Training

Item	Unit	2023	2024	2025	Remark
Number of employees that received environmental training	persons	10	233	468	

Compliance with Environmental Regulations

Category	Item	Unit	2023	2024	2025	Remark
Environmental regulatory violations and fines	Number of environmental regulatory violations	cases	0	0	5	
	Fines resulting from environmental regulatory violations	KRW million	0	0	0	
	Number of environmental litigation case	KRW million	0	0	0	

Environmental

HALLA Cement

The scope of environmental quantitative data reporting for HALLA Cement includes all 18 domestic business sites, covering the Seoul Headquarters as well as the Okgye, Gwangyang, Pohang, and Incheon Plants. For certain reporting indicators where data aggregation is limited (resource usage, waste, water, air pollutants, and environmental training), the scope of reporting is the Okgye Plant that encompasses 100% of the total cement production of HALLA Cement.

Greenhouse Gases and Energy

Category	Item	Unit	2023	2024	2025	Remark
Greenhouse gas emissions	Total GHG emissions	tCO^{2}eq	4,239,404	3,725,709	3,754,247	Following the standards according to the Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System [Ministry of Environment Notice No. 2025-64, 2025.04.11]
	Scope 1 emissions	tCO_2eq	3,965,268	3,485,391	3,522,015	
	Scope 2 emissions	tCO_2eq	274,144	240,328	232,239	
	GHG emission intensity (per clinker production)	tCO_2eq/ ton-cl	0.83	0.82	0.82	
Energy consumption	Total energy consumption	TJ	24,346	22,386	21,593	
	Fossil fuels	TJ	12,784	10,037	10,115	
	Alternative fuels (recycled resources)	TJ	5,381	6,845	6,510	
	Refined fuel oil	TJ	100	112	97	
	Electricity	TJ	5,729	4,633	4,853	
	Energy intensity (per clinker production)	TJ/ton-cl	0.0048	0.005	0.0047	

* The total greenhouse gas emissions and total energy consumption are the sums of truncated amounts at the site unit level, which may differ from the sum of each detailed item.

Use of Resources

Category	Item	Unit	2023	2024	2025	Remark
Consumption of key raw and auxiliary materials	Limestone	ton	7,064,336	6,268,153	6,311,796	
	Shale	ton	12,813	45,734	55,586	
	Quartzite	ton	210,731	185,287	191,425	
	Iron ore	ton	0	0	0	
Alternative raw material consumption	Alternative raw materials (circular resources)	ton	565,792	520,872	527,349	
	Raw material substitution rate	%	72	69	68	Excluding limestone
Alternative fuel consumption	Alternative fuel (excluding recycled fuel oil)	ton	258,183	341,012	327,378	
	Recycled fuel oil	ton	64,018	60,051	61,060	
	Fuel substitution rate	%	22	33	32	

Waste

Category	Item		Unit	2023	2024	2025	Remark
Waste generation	Total		ton	18,168	36,701	31,389	
	General waste		ton	12,111	26,612	17,864	
	Designated waste		ton	6,057	10,089	13,525	
Waste disposal	General waste	Incineration	ton	229	235	133	
		Shredding/crushing	ton	-	-	85	
		Recycle	ton	11,907	26,349	17,646	
	Designated waste	Incineration	ton	73	82	97	
		Landfill	ton	4,331	8,513	11,874	
		Recycle	ton	1,618	1,523	1,545	
Recycling of waste		Recycled waste	ton	13,526	27,872	19,191	
		Percentage of waste recycled	%	74.4	75.9	61.1	

Water

Category	Item		Unit	2023	2024	2025	Remark
Water withdrawal	Total withdrawal	-	m^3	1,641,289	1,779,116	1,565,036	
	Surface water (river water)	Industrial use	m^3	1,015,318	1,178,900	1,133,020	
	Groundwater	Total	m^3	623,018	596,982	429,011	
		Industrial use	m^3	596,692	572,398	406,884	
		Residential use	m^3	26,326	24,584	22,127	
	Municipal water	Residential use	m^3	2,953	3,234	3,005	
Water consumption	Total water consumption	-	m^3	1,641,289	1,779,116	1,565,036	
	Industrial use	-	m^3	1,612,010	1,751,298	1,539,904	Excluding reused water (reuse of wastewater from wheel wash facilities)
	Residential use	-	m^3	29,279	27,818	25,132	
Water discharge	Wastewater and sewage	-	m^3	5,883	6,436	7,072	
	Water pollutant discharge	TOC	ton	0.012	0.018	0.026	
		BOD	ton	0.001	0.006	0.004	
		COD	ton	0.000	0.000	0.000	
		SS	ton	0.001	0.006	0.004	

Environmental

HALLA Cement

Air Pollutants

Category	Item		Unit	2023	2024	2025	Remark
Air pollutants emissions	NOx		ton	6,066	4,741	4,969	Excluding nitrous oxide (N_2O)
	SOx		ton	2.913	1.657	2.06	
	Dust	TSP	ton	77	62	56	
	Dust	PM10	ton	42	24	14	
	Dioxins/Furans		ton	0	0	0	
	VOCs		ton	145	195	246	※ VOCs emissions for 2023–2024 were initially calculated based on 5 categories; however, the figures have been revised due to the expansion to a total of 15 categories.
	PAHs		ton	0.006	0	0	
	Heavy metals (lead, mercury and cadmium)		ton	0.013	0.053	0.003	
	Hydrogen chloride		ton	0.049	0.114	0.003	

Environmental Investment

Category	Item	Unit	2023	2024	2025	Remark
Investment criteria	Air	KRW million	41,386	1,332	1,692	
	Others	KRW million	4,432	1,586	1,180	
Total amount environmental investment		KRW million	45,818	2,918	2,872	

Eco-friendly Products and Services

Category	Item	Unit	2023	2024	2025	Remark
Sales of eco-certified products and services	Total sales	KRW million	117,815	102,914	93,320	
	Sales of eco-certified products and services	KRW million	71,068	64,969	55,992	1) Products with Good Recycled (GR) certification and Eco-Label certification 2) Excludes products with only Environmental Product Declaration (EPD) Certification
	Sales of other eco-friendly products and services	KRW million	46,746	37,945	37,328	Products that have reduced carbon emissions, such as SEM PILE/PRO/ FILL and mid-fluidity concrete
Percentage of sales from eco-friendly products and services		%	22.0	17.6	14.9	

Environmental Training

Item	Unit	2023	2024	2025	Remark
Number of employees that received environmental training	persons	125	77	96	
Total training hours	hours	293	252	436	

Environmental

ASIA Paper MFG

The scope of environmental quantitative data reporting for ASIA Paper MFG includes Sihwa Plant and Sejong Plant, which together cover 100% of production activities (based on production volume).

Greenhouse Gases and Energy

Category	Item		Unit	2023	2024	2025	Remark
Greenhouse gas emissions	Target		tCO_2eq	488,965	482,305	486,088	
	Total emissions		tCO_2eq	455,533	466,661**	445,541	Following the standards according to the Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System [Ministry of Environment Notice No. 2025-64, 2025.04.11]
	Scope1 emissions		tCO_2eq	281,992	293,531**	277,413	
	Scope2 emissions		tCO_2eq	173,541	173,130**	168,130	
	GHG emission intensity	(per production)	tCO_2eq/ton	0.54	0.55	0.56	
	Sejong	Total emissions	tCO_2eq	316,002	325,089**	325,959	GHG emissions and energy consumption at the Sejong Plant encompass the Asan Branch
		Scope1 emissions	tCO_2eq	209,673	218,105**	222,238	
		Scope2 emissions	tCO_2eq	106,329	106,984**	103,721	
	Sihwa	Total emissions	tCO_2eq	139,531	141,572**	119,582	
		Scope1 emissions	tCO_2eq	72,319	75,426**	55,174	
		Scope2 emissions	tCO_2eq	67,212	66,146	64,408	
Energy consumption	Target		TJ	4,687	4,577	4,753	
	Total Energy consumption		TJ	4,342	4,339	4,270	
	Fuel		TJ	713	722	683	
	Electricity		TJ	3,623	3,616	3,442	
	Steam		TJ	6.31	0.31	147	
	Sejong	Total	TJ	2,619	2,632	2,535	
		Fuel	TJ	397	398	369	
		Electricity	TJ	2,222	2,234	2,167	
	Sihwa	Total	TJ	1,723	1,706	1,735	
		Fuel	TJ	316	324	314	
		Electricity	TJ	1,401	1,382	1,275	
		Steam	TJ	6.31	0.31	147	
	Energy intensity		TJ/ton	0.0051	0.0051	0.0054	
	Renewable energy		TJ	0.109	2.360	2.293	

* The total greenhouse gas emissions and total energy consumption are the sums of truncated amounts at the site unit level, which may differ from the sum of each detailed item.
** Disclosure errors in the previous year's report were corrected.

Use of Resources

Category		Item		Unit	2023	2024	2025	Remark
Consumption of key raw materials		Total		ton	932,197	966,861	899,434	
		Domestic recovered paper		ton	767,736	787,585	745,997	
		Domestic pulp		ton	6,089	6,034	5,280	
		Imported recovered paper		ton	93,007	108,558	88,277	
		Imported pulp			65,365	64,684	59,880	
Recycled material	Recycled material consumption	Total Consumption		ton	860,743	896,143	834,274	
		Domestic recovered paper		ton	767,736	787,585	745,997	
		Imported recovered paper		ton	93,007	108,558	88,277	
		Sejong	Total Consumption	ton	565,814	597,455	555,717	
			Domestic recovered paper	ton	565,620	597,455	555,717	
			Imported recovered paper	ton	194	0	0	
		Sihwa	Total Consumption	ton	294,929	298,688	278,557	
			Domestic recovered paper	ton	202,116	190,130	190,280	
			Imported recovered paper	ton	92,813	108,558	88,277	
Recycled material usage rate		Total		%	92.3	93.7	92.8	
		Sejong		%	89.6	90.3	90.3	
		Sihwa		%	98.0	97.9	98.1	

Environmental

ASIA Paper MFG

Waste

Category	Item			Unit	2023	2024	2025	Remark
Waste generation	Target			ton	130,988	124,615	129,187	
	Total			ton	122,149	120,553	118,409	
	General waste			ton	115,512	113,327	112,107	
	Designated waste			ton	6,637	7,226	6,302	
	Sihwa	Total		ton	31,027	37,278	36,078	
		General waste		ton	29,144	35,354	34,570	
		Designated waste		ton	1,883	1,924	1,508	
	Sejong	Total		ton	91,122	83,275	82,331	
		General waste		ton	86,368	77,973	77,537	
		Designated waste		ton	4,754	5,302	4,794	
Waste disposal	General waste	Landfill		ton	31,250	33,033	32,551	
		Recycle		ton	22,139	15,819	22,890	
		Energy conversion recycling		ton	62,123	64,475	56,666	
	Designated waste	Landfill		ton	6,618	7,154	6,278	
		Recycle		ton	19	64	18	
		Incineration		ton	0	8	6	
	Sihwa	General waste	Landfill	ton	10,027	10,762	11,435	
			Recycle	ton	2,319	4,539	11,643	
			Energy conversion recycling	ton	16,798	20,053	11,492	
		Designated waste	Landfill	ton	1,864	1,906	1,489	
			Recycle	ton	19	17	18	
			Incineration	ton	0	1	1	
	Sejong	General waste	Landfill	ton	21,223	22,271	21,116	
			Recycle	ton	19,820	11,280	11,247	
			Energy conversion recycling	ton	45,325	44,422	45,174	
		Designated waste	Landfill	ton	4,754	5,248	4,789	
			Recycle	ton	0	47	0	
			Incineration	ton	0	7	5	
Recycling of waste	Recycled waste			ton	84,281	80,358	79,574	Including energy conversation recycling
	Percentage of waste recycled			%	69.0	66.7	67.2	
	Sihwa	Recycled waste		ton	19,136	24,609	23,153	
		Percentage of waste recycled		%	61.7	66.0	64.2	
	Sejong	Recycled waste		ton	65,145	55,749	56,421	
		Percentage of waste recycled		%	71.5	66.9	68.5	

Water

Category	Item			Unit	2023	2024	2025	Remark
Water withdrawal	Target			m^3	6,671,011	6,432,900	6,527,751	
	Total withdrawal			m^3	6,220,264	6,098,762	5,863,477	
	Surface water (river water)	Total		m^3	6,186,501	6,069,342	5,830,140	
		Industrial use		m^3	6,171,346	6,048,355	5,803,919	
		Residential use		m^3	15,155	20,987	26,221	
	Ground water	Total		m^3	33,763	29,420	33,337	
		Residential use		m^3	33,763	29,420	33,337	
	Sejong	Total		m^3	4,608,893	4,267,972	4,291,245	
		Surface water (river water)	Industrial use	m^3	4,575,130	4,238,552	4,257,908	
		Groundwater	Residential use	m^3	33,763	29,420	33,337	
	Sihwa	Total		m^3	1,611,371	1,830,790	1,572,232	
		Surface water (river water)	Total	m^3	1,611,371	1,830,790	1,572,232	
			Industrial use	m^3	1,596,216	1,809,803	1,546,011	
			Residential use	m^3	15,155	20,987	26,221	
Water consumption	Total consumption			m^3	6,220,264	6,098,762	5,863,477	
	Industrial use			m^3	6,171,346	6,048,355	5,803,919	
	Residential use			m^3	48,918	50,407	59,558	
	Sejong	Total		m^3	4,608,893	4,267,972	4,291,245	
		Industrial use		m^3	4,575,130	4,238,552	4,257,908	
		Residential use		m^3	33,763	29,420	33,337	
	Sihwa	Total		m^3	1,611,371	1,830,790	1,572,232	
		Industrial use		m^3	1,596,216	1,809,803	1,546,011	
		Residential use		m^3	15,155	20,987	26,221	
Water pollutant discharge	TOC			ton	80.9	110.4	89.1	Total Organic Carbon
	SS			ton	9.6	18.2	11.4	Suspended Solids
	Sejong	TOC		ton	48.7	80.0	79.1	
		SS		ton	5.8	5.9	8.7	
	Sihwa	TOC		ton	32.2	30.4	10.0	
		SS		ton	3.8	12.3	2.7	

Environmental

ASIA Paper MFG

Air Pollutants

Category	Item		Unit	2023	2024	2025	Remark
Air pollutants emissions	NOx		ton	71.0	55.4	57.1	Nitrogen oxides
	SOx		ton	1.1	0.6	0.4	Sulfur oxides
	Dust	TSP	ton	3.3	2.9	2.3	
	Sejong	NOx	ton	46.0	36.1	37.0	
		SOx	ton	0.1	0.2	0.1	
		Dust(TSP)	ton	2.3	2.2	1.6	
	Sihwa	NOx	ton	25.0	19.3	20.1	
		SOx	ton	1.0	0.4	0.3	
		Dust(TSP)	ton	1.0	0.7	0.7	

Environmental Investment

Category	Item		Unit	2023	2024	2025	Remark
Invest-ment criteria	Total amount environmental investment		KRW million	7,487	7,482	6,952	
	Waste handling cost		KRW million	5,674	4,691	5,445	
	Wastewater, air, and waste storage enhancement		KRW million	1,743	2,742	1,472	
	Consulting on ETS and GHG verification		KRW million	14	14	14	
	Environmental liability insurance		KRW million	27	24	9	
	Environmental certification acquisition		KRW million	29	11	12	
	Sejong	Total amount environmental investment	KRW million	5,980	5,865	4,425	
		Waste handling cost	KRW million	4,210	3,100	2,944	
		Wastewater, air, and waste storage enhancement	KRW million	1,731	2,742	1,472	
		Consulting on ETS and GHG verification	KRW million	7	7	7	
		Environmental liability insurance	KRW million	18	14	0	
		Environmental certification acquisition	KRW million	14	2	2	
	Sihwa	Total amount environmental investment	KRW million	1,507	1,617	2,527	
		Waste handling cost	KRW million	1,464	1,591	2,501	
		Wastewater, air, and waste storage enhancement	KRW million	12	0	0	
		Consulting on ETS and GHG verification	KRW million	7	7	7	
		Environmental liability insurance	KRW million	9	10	9	
		Environmental certification acquisition	KRW million	15	9	10	

Green Procurement

Category	Item	Unit	2023	2024	2025	Remark
Green procurement	Procurement of eco-certified products and services	KRW million	59,922	64,285	56,380	
	Procurement of non-certified products and services	KRW million	163,315	182,142	152,932	
	Total green procurement	KRW million	223,237	246,427	209,312	
Total procurement	-	KRW million	258,959	283,129	241,310	
Percentage of green procurement	-	%	86.2	87.0	86.7	

Eco-friendly Products and Services

Category	Item	Unit	2023	2024	2025	Remark
Sales of eco-certified products and services	Sales of eco-certified products and services	KRW million	522,690	516,563	467,601	FSC® certified products
	Total sales	KRW million	532,898	528,380	487,375	
	Percentage of sales from eco-friendly products and services	%	98.1	97.8	95.9	

Environmental Training

Category	Item		Unit	2023	2024	2025	Remark
Environmental training	Number of employees that received environmental training		persons	214	206	206	
	Total training hours		hours	532	438	552	
	Sejong	Number of employees that received environmental training	persons	4	4	2	
		Total training hours	hours	64	18	32	
	Sihwa	Number of employees that received environmental training	persons	210	202	204	
		Total training hours	hours	468	420	520	

Compliance with Environmental Regulations

Category	Item		Unit	2023	2024	2025	Remark
Environmental regulatory violations and fines	Number of environmental regulatory violations		cases	1	1	3	
	Fines		KRW million	5.0	1.0	0.4	
	Number of litigation case		cases	0	0	0	
	Sejong	Number of environmental regulatory violations*	cases	0	0	1	
		Fines	KRW million	0	0	0	
		Number of litigation case	cases	0	0	0	
	Sihwa	Number of environmental regulatory violations**	cases	1	1	2	
		Fines	KRW million	5.0	1.0	0.4	
		Number of litigation case	cases	0	0	0	

* Details of violation and corrective measures (Sejong Plant): Exceedance of wastewater pollutant Total Nitrogen → Implementation of corrective actions including replacement of aging chemical storage facilities, enhancement of wastewater treatment facility operations, and strengthening of internal T-N management standards

** Details of violation and corrective measures (Sihwa Plant): Failure to register vehicle numbers in the Allbaro system for food waste, exceedance of ammonia standards in solid fuel boilers → Implementation of corrective actions including establishment of notification procedures for food waste transfer and adjustment of urea solution usage

Social

ASIA Cement

The scope of social quantitative data reporting for ASIA Cement includes all 12 domestic sites, including Jecheon, Daegu, Yongin, and Seoul, except for the data on social contribution, which is limited to the Jecheon Plant.

Workforce

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Number of employees			persons	492	493	502	Including executives
Number of employees by region	Seoul		persons	52	58	59	
	Gyeonggi		persons	96	93	93	
	Chungcheong and Daejeon		persons	308	307	315	
	Gyeongbuk and Daegu		persons	36	35	35	
Number of employees by contract	Permanent	Male	persons	465	461	470	
		Female	persons	22	24	26	
	Temporary	Male	persons	4	7	5	
		Female	persons	1	1	1	
Number of employees by employment type	Full-time	Male	persons	469	468	475	
		Female	persons	23	25	27	
	Part-time	Male	persons	0	0	0	
		Female	persons	0	0	0	
Women and minorities	Percentage of female employees		persons	4.5	5.1	5.4	
	Percentage of women in management positions	Executive	%	0	0	0	
		Senior manager	%	0	0.4	0.4	Manager level and above
		General manager	%	26.5	29.1	32.1	among annual-salary employees
	Employees with disabilities		persons (%)	2 (0.4)	1 (0.2)	1 (0.2)	
	Veterans and persons of national merit		persons (%)	20 (4.1)	20 (4.1)	19 (3.8)	

New Hires and Turnover

Category	Item	Unit	2023	2024	2025	Remark
New hires	Entry-level	persons	15	15	22	
	Experienced	persons	0	1	1	
Turnover	Total turnover	persons (%)	23 (4.7)	14 (2.8)	22 (4.4)	
	Voluntary turnover	persons (%)	5 (1.0)	7 (1.4)	1 (0.2)	
Average years of service		year	15.6	15.9	16.0	This report is based on the actual date of hire, while the business report is based on the date of the company split in 2013, resulting in differences in the data.

Labor Practice

Category	Item	Unit	2023	2024	2025	Remark
Labor union and collective bargaining*	Number of employees covered by collective agreements	persons	481	486	483	
	Percentage of employees covered by collective agreements	%	97.8	98.6	96.2	
Labor-management communication	Number of labor-management council meetings held	times	5	5	5	

* Executives of ASIA Cement are excluded from the scope of the collective bargaining agreement, and errors in previously disclosed data have been corrected.

Talent Development and Compensation

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Employee training	Overall training	Training hours	hours	15,873	17,086	17,167	
		Average training hours per employee	hours/ persons	32.3	34.7	34.8	
		Expenditures on training	KRW	590,477,962	570,752,008	654,892,618	
		Expenditures on training per employee	KRW/ persons	1,200,158	1,157,712	1,304,567	
	Job-specific training	Employees received job-specific training	persons	86	110	167	
		Job-specific training hours	hours	788	1,196	1,333	
		Average job-specific training hours per employee	hours/ persons	9.2	10.9	7.9	
Perfor-mance review	Percentage of employees that received regular performance reviews	Total	% (persons)	41.9(206)	44.8(221)	44.8 (225)	
		Male	% (persons)	44.3(206)	41.2(203)	40.6 (204)	
		Female	% (persons)	0	3.7(18)	4.2 (21)	
Employee compen-sation	Average salary	Average annual salary per employee	KRW million	92	101	95	
		Male average annual salary	KRW million	94	103	97	
		Female average annual salary	KRW million	49	58	58	
		Average salary ratio of women to men	%	52.4	56.3	59.3	

Work-Life Balance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Parental leave	Number of employees on parental leave	Male	persons	0	2	2	
		Female	persons	1	1	0	
	Return to work rates	Male	%	0	100	100	
		Female	%	100	100	-	
	Retention rates after 12 months of return	Male	%	100	0	100	
		Female	%	100	100	100	
Employee benefits and welfare	Expenditures on benefits and welfare	-	KRW million	15,215	17,837	15,676	
	Expenditures on benefits and welfare per employee	-	KRW million	31	36	31	
Retire-ment plans	Number of employees enrolled in the retirement plan	Total	persons	483	478	480	
		DB plan	persons	433	442	417	
		DC plan	persons	50	36	63	
	Retirement plan enrollment rate	-	%	98	97	93	

Social

ASIA Cement

Safety and Health

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Occupational Injury management	Lost time injuries	Employees	cases	5	3	0	
		Suppliers	cases	3	2	1	
		Total	cases	8	5	1	Zero cases of occupational illness over the past three years
	Serious accidents	Employees	cases	0	0	0	
		Suppliers	cases	1	1	0	
		Total	cases	1	1	0	
	Injury rate	Employees	%	1.02	0.61	0	Number of injured / Number of workers x 100
	Lost time injury frequency rate (LTIFR)	Employees		5.23	3.04	0	Lost time injuries x 1,000,000 hours / Total hours worked "Lost time injuries : Injuries or illnesses that require more than 3 days of leave"
		Suppliers		2.89*	1.83*	0.98	
		Total		4.52	2.89	0.49	
	Total recordable injury frequency rate (TRIFR)	Employees		7.32	4.06	5.17	Recordable injury x 1,000,000 hours / Total hours worked "Recordable injury : Lost time injuries and all reported cases that required medical treatment at medical institutions"
		Suppliers		4.82	5.49	2.84	Including medical treatment
		Total		6.02	5.29	3.95	
	Near miss cases reported	Employees	cases	711	436	463	
		Suppliers	cases	92	191	239	
		Total	cases	803	627	702	
	Near miss reporting transparency	Employees		1.76	1.31	1.40	
		Suppliers		0.44	2.58	2.89	
		Total		1.32	1.54	1.44	
	Near miss frequency rate (NMFR)	Total		80.59	60.32	69.41	Near miss cases reported × 200,000 hours / Total hours worked
Safety and health training	Safety and health training participants and training hours	Number of employees trained	persons	492	493	502	
		Ratio of employees trained	%	100	100	100	
		Number of suppliers trained	persons	405	416	415	
		Total training hours	hours	33,459	34,371	34,337	Employees + Directly managed suppliers

* Disclosure errors in the previous year's report were corrected.

Human Rights

Category	Item		Unit	2023	2024	2025	Remark
Human rights grievance and feedback channels	Cyber reporting system	Number of cases received	cases	4	4	3	
		Number of cases resolved	cases	4	4	3	
		Resolution rate	%	100	100	100	
Human rights training	Number of employees that received training		persons	503	503	516	
	Total training hours		hours	2,298	2,766	2,532	
	Percentage of employees that received training		%	100	100	100	

Supply Chain

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Supply chain ESG assessment	Number of suppliers identified	-	companies	535	495	226	
	Key suppliers	Number of key suppliers	companies	26	26	24	
	Assessed suppliers	Assessed suppliers	companies	29	29	29	
		Assessed key suppliers	companies	7	7	7	
	Assessment results	Suppliers with high risk	companies	1	1	3	
	Measures taken	Suppliers with high risk that agreed on corrective action	companies	1(warning)	1(warning)	0	
		Suppliers with contracts terminated as a result of the assessment	companies	0	0	0	
Win-win growth	Round table meetings	Number of meetings held	times	12	12	12	
		Grievances and complaints received	cases	14	35	54	
		Grievances and complaints resolved	cases	14	35	54	

Community Engagement

Category	Item	Unit	2023	2024	2025	Remark
Employee Engagement	Number of employees involved in social contributions	persons	369	258	400	
	Employee volunteer hours	hours	1,216	1,229	1,324	
Expenditures on social contribution	Local development fund	KRW million	734	334	622	
	Educational programs	KRW million	55	76	49	
	Support programs for residents	KRW million	515	722	150	
	Collaboration projects with the local government	KRW million	139	170	235	
	Donations	KRW million	208	236	183	
	Others (indirect operating costs)	KRW million	127	150	143	Expenses related to the operation of the Fund Management Committee (since 2022)
	In-kind support	KRW million	20	34	7	ASIA Cement's Contribution to the "Hope Building Project" by Korea Habitat, Co-sponsored with HALLA Cement
	Total social contribution expenditures	KRW million	1,798	1,722	1,389	

Social

HALLA Cement

The scope of social quantitative data reporting for HALLA Cement encompasses all domestic business sites, including the Seoul Headquarters and the Okgye Plant, except for the data on safety and social contribution, which is limited to the Okgye Plant.

Workforce

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Number of employees	Number of employees	-	persons	525	537	533	Including executives
By region	Number of employees by region	Okgye	persons	383	391	388	
		Seoul	persons	44	48	48	
		Gyeonggi and Incheon	persons	26	27	27	
		Sejong	persons	4	4	4	
		Gyeongbuk and Gyeongnam (including Ulsan)	persons	40	39	39	
		Jeonnam	persons	26	26	25	
		Jeju	persons	2	2	2	
By contract	Permanent	Male	persons	446	447	451	
		Female	persons	21	23	22	
	Temporary	Male	persons	56	67	59	
		Female	persons	2	0	1	
By employment type	Full-time	Male	persons	502	514	510	
		Female	persons	23	23	23	
	Part-time	Male	persons	0	0	0	
		Female	persons	0	0	0	
Women and minorities	Percentage of female employees	-	%	4.4	4.3	4.3	
	Percentage of women in management positions	Executive	%	0.0	0.0	0.0	
		Senior manager	%	2.9	3.1	3.0	
		General manager	%	4.6	4.5	4.5	
	Employees with disabilities	-	persons (%)	12 (2.3)	12 (2.3)	11 (2.1)	
	Veterans and persons of national merit	-	persons (%)	21 (4.0)	21 (3.9)	20 (3.8)	

New Hires and Turnover

Category	Item	Unit	2023	2024	2025	Remark
New hires	Entry-level	persons	26	17	24	
	Experienced	persons	7	8	0	
Turnover	Total turnover	persons (%)	9 (1.7)	35(6.5)	18 (3.4)	
	Voluntary turnover	persons (%)	5 (1.0)	11(2.0)	5 (0.9)	
Average years of service		year	18.8	19.0	18.9	

Labor Practice

Category	Item	Unit	2023	2024	2025	Remark
Labor union and collective bargaining*	Number of employees covered by collective agreements	persons	520	533	528	
	Percentage of employees covered by collective agreements	%	99.0	99.3	99.1	
Labor-management communication	Number of labor-management council meetings held	times	4	4	4	

* Executives of HALLA Cement are excluded from the scope of the collective bargaining agreement, and errors in previously disclosed data have been corrected.

Talent Development and Compensation

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Employee training	Overall training	Training hours	hours	42,328	39,504	38,417	
		Average training hours per employee	hours/ persons	80.6	73.6	72.1	
		Expenditures on training	KRW	281,970,014	404,641,549	342,773,957	
		Expenditures on training per employee	KRW/ persons	537,086	753,522	643,103	
	Job-specific training	Employees received job-specific training	persons	311	523	264	
		Job-specific training hours	hours	13,539	13,291	13,464	
		Average job-specific training hours per employee	hours/ persons	43.5	25.4	51.0	
Performance review	Percentage of employees that received regular performance reviews	Total	% (persons)	98.9 (519)	98.9 (531)	99.8 (532)	
		Male	% (persons)	98.8 (496)	98.8 (508)	99.8 (509)	
		Female	% (persons)	100.0 (23)	100.0 (23)	100.0 (23)	
Employee compensation	Average salary	Average annual salary per employee	KRW million	92	92	91	
		Male average annual salary	KRW million	94	94	93	
		Female average annual salary	KRW million	62	63	62	
		Average salary ratio of women to men	%	66.0	67.0	66.7	

Social

HALLA Cement

Work-Life Balance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Parental leave	Number of employees on parental leave	Male	persons	3	4	10	
		Female	persons	0	0	0	
	Return to work rates	Male	%	100	100	100	
		Female	%	N/A	N/A	N/A	
	Retention rates after 12 months of return	Male	%	100	100	100	
		Female	%	N/A	N/A	N/A	
Employee benefits and welfare	Expenditures on benefits and welfare		KRW million	9,898	11,275	12,811	
	Expenditures on benefits and welfare per employee		KRW million	19	21	24	
Retirement plans	Number of employees enrolled in the retirement plan(DC plan)		persons	434	445	451	
	Retirement plan enrollment rate		%	83	83	85	

Safety and Health

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Occupational Injury management	Lost time injuries	Employees	cases	0	1	1	
		Suppliers	cases	1	1	0	
		Total	cases	1	2	1	Zero cases of occupational illness over the past three years
	Serious accidents	Employees	cases	0	0	0	
		Suppliers	cases	0	0	0	
		Total	cases	0	0	0	
	Injury rate	Employees	%	0.00	0.29	0.20	1) Number of injured / Number of workers x 100 2) Company-wide injury rate: Okgye and all sites
	Lost time injury frequency rate (LTIFR)	Employees		0	0.97	1.37	Lost time injuries x 1,000,000 hours / Total hours worked
		Suppliers		0.68	0.70	1.00	Lost time injuries : Injuries or illnesses that require more than 3 days of leave
		Total		0.40	0.81	0.41	
	Total recordable injury frequency rate (TRIFR)	Employees		0	0.97	1.00	Recordable injury x 1,000,000 hours / Total hours worked
		Suppliers		0.68	1.39	-	Recordable injury : Lost time injuries and one or more days of absence(excluding first aid cases)
		Total		0.40	1.22	0.41	
	Near miss cases reported	Employees	cases	1,322	1,566	1,568	
		Suppliers	cases	557	610	531	
		Total	cases	1,879	2,176	2,099	
	Near miss reporting transparency	Total		1.32	1.41	1.42	
Safety and health training	Total training hours	Total	hours	35,605	31,680	30,664	

Human Rights

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Human rights grievance and feedback channels	Open Voice (employee)	Number of cases received	cases	1	0	0	
		Number of cases resolved	cases	1	0	0	
		Resolution rate	%	100	N/A	N/A	
Human rights training	Number of employees that received training		persons	527	540	533	
	Total training hours		hours	1,581	1,620	1,599	
	Percentage of employees that received training		%	100	100	100	

Supply Chain

Category	Item	Unit	2023	2024	2025	Remark
Supply chain ESG assessment	Number of suppliers monitored	companies	82	81	75	
	Total suppliers in the supply chain (estimated)	companies	622	629	685	
	Suppliers assessed on their social impacts	companies	82	81	75	
Win-win growth	Round table meetings with suppliers	times	13	12	12	※ The round table meetings are conducted through the Supplier Health and Safety Council

Social Contribution

Category	Item	Unit	2023	2024	2025	Remark
Expenditures on social contribution	Local development fund	KRW million	784	795	788	
	Educational programs	KRW million	179	187	194	
	Support programs for residents	KRW million	790	786	1,184	
	Collaboration projects with the local government	KRW million	725	727	480	
	Baekdudaegan conservation fund	KRW million	100	-	160	
	In-kind support	KRW million	150	160	20	
	Total social contribution expenditures	KRW million	2,728	2,655	2,826	

Product Quality and Safety

Category	Item	Unit	2023	2024	2025	Remark
Customer satisfaction	Customer satisfaction survey result	points	92	N/A	94	Customer satisfaction survey conducted biennially (not in 2024, 92 points in 2021)

Social

ASIA Paper MFG

The scope of social quantitative data reporting for ASIA Paper MFG includes all domestic business sites, including Sihwa Plant, Sejong Plant, and the Seoul Headquarters.

Workforce

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Number of employees			persons	281	291	291	Including executives
Number of employees by region	Seoul		persons	28	26	24	
	Siheung		persons	116	125	120	
	Sejong		persons	136	139	146	
	Daegu		persons	1	1	1	
Number of employees by contract	Permanent	Male	persons	265	274	275	
		Female	persons	11	11	10	
	Temporary	Male	persons	4	5	5	
		Female	persons	1	1	1	
Number of employees by employment type	Full-time	Male	persons	269	279	280	
		Female	persons	12	12	11	
	Part-time	Male	persons	0	0	0	
		Female	persons	0	0	0	
Women and minorities	Percentage of female employees		%	4.3	4.1	3.8	
	Percentage of women in management positions	Executive	%	0	0	0	
		Senior manager	%	2.2	4.9	4.7	
		General manager	%	19.2	16.7	16.0	
	Employees with disabilities		persons	8	8	8	
			%	2.8	2.7	2.7	
	Veterans and persons of national merit		persons	3	3	3	
			%	1.1	1.0	1.0	

New Hires and Turnover

Category	Item	Unit	2023	2024	2025	Remark
New hires	Entry-level	persons	26	28	31	
	Experienced	persons	5	5	0	
Turnover	Total turnover	persons	31	31	31	
	Total turnover rate	%	11.4	11.0	11.0	
	Voluntary turnover	persons	13	10	19	
	Voluntary turnover rate	%	4.8	3.6	6.8	
Average years of service		year	16.0	15.0	14.0	

Labor Practice

Category	Item	Unit	2023	2024	2025	Remark
Labor union and collective bargaining	Number of employees covered by collective agreements	persons	272	281	281	
	Percentage of employees covered by collective agreements	%	96.8	96.6	96.6	
Labor-management communication	Number of labor-management council meetings held	times	4	4	4	

Talent Development and Compensation

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Employee training	Overall training	Training hours	hours	3,858	7,816	5,015	All training, including job competency development programs
		Average training hours per employee	hours/ persons	13.7	26.9	17.2	
		Expenditures on training	KRW	50,119,730	117,414,972	66,281,554	
		Expenditures on training per employee	KRW/ persons	178,362	403,488	227,772	
Performance review	Percentage of employees that received regular performance reviews	Total	persons	229	234	235	
			%	81.5	80.4	80.8	
		Male	persons	219	224	226	
			%	81.4	80.3	80.7	
		Female	persons	10	10	9	
			%	83.3	83.3	81.8	
Employee compensation	Average salary	Average annual salary per employee	KRW million	84	81	79	
		Male average annual salary	KRW million	84	82	79	
		Female average annual salary	KRW million	65	66	67	
		Average salary ratio of women to men	%	77.4	80.5	84.8	

Work-Life Balance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Parental leave	Number of employees on parental leave	Male	persons	1	2	5	
		Female	persons	0	0	0	
Employee benefits and welfare	Expenditures on benefits and welfare		KRW million	4,248	4,661	4,200	
	Expenditures on benefits and welfare per employee		KRW million	15	16	14	
Retirement plans	Number of employees enrolled in the retirement plan	Total	persons	223	225	245	
		DB plan	persons	184	191	217	
		DC plan	persons	39	34	28	
	Retirement plan enrollment rate		%	79	77	84	

Social

ASIA Paper MFG

Safety and Health

Category	Item	Unit	2023	2024	2025	Remark
Lost time injuries	Employees	cases	6	11	13	
	Suppliers	cases	3	5	1	
	Total	cases	9	16	14	Including one case due to illness in 2023
Serious accidents	Employees	cases	0	0	0	
	Suppliers	cases	0	0	0	
	Total	cases	0	0	0	
Injury rate	Employees	%	1.6	0.8	2	Number of injured / Number of workers x 100
	Suppliers	%	0.5	0.9	0	
	Total	%	1.1	0.9	1	
Lost time injury frequency rate (LTIFR)	Employees	-	14.7	26.8	29.5	Lost time injuries x 1,000,000 hours / Total hours worked
	Suppliers	-	2.4	6.8	0	Injuries or illnesses that require more than 3 days of leave
	Total	-	9.4	17.7	16.1	
Total recordable injury frequency rate (TRIFR)	Employees	-	23.8	28.7	33.5	Recordable injury x 1,000,000 hours / Total hours worked
	Suppliers	-	12.0	11.3	2.4	Lost time injuries and all reported cases that required medical treatment
	Total	-	18.7	20.8	19.4	
Safety and health training	Employee training hours	hours	6,076	6,576	7,455	
	Training hours per employee	hours	22.3	23.4	25.6	

Human Rights

Category	Item	Unit	2023	2024	2025	Remark
Human rights grievance and feedback channels	Number of cases received(cyber reporting system)	cases	0	0	0	
	Number of cases resolved	cases	0	0	0	
	Resolution rate	%	0	0	0	
Human rights training	Number of employees that received training	persons	281	291	291	
	Total training hours	hours	281	291	291	
	Percentage of employees that received training	%	100	100	100	

Supply Chain

Category	Item	Unit	2023	2024	2025	Remark
Round table meetings held with suppliers	Number of meetings held	times	12	12	12	Monthly safety meetings

Community Engagement

Category	Item	Unit	2023	2024	2025	Remark
Employee engagement	Number of employees involved in social contributions	persons	38	88	52	
	Employee volunteer hours	hours	169	349	269	
Expenditures on social contribution	Support programs for residents	KRW million	6	6	6	Book donation to Bukang-myeon Cultural Welfare Center
	Donations	KRW million	13	13	13	
	In-kind support	KRW million	22	23	28	
	Total social contribution expenditures	KRW million	41	42	47	

Governance

ASIA Cement

The scope of governance quantitative data reporting for ASIA Cement includes all 12 domestic sites, including Jecheon, Daegu, Yongin, and Seoul.

Business Ethics and Compliance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Ethics and compliance training	Training for employees	Number of employees that received training	persons	503	503	292	Including mid-year hires and leavers
		Ratio of employees that received training	%	100	100	58.2	
		Total training hours	hours	1,795	2,263	446	
		Training hours per employee	hours/persons	3.6	4.5	1.5	
Ethics and compliance reporting channel	Cyber reporting system	Number of violations reported/received	cases	0	0	0	
		Number of cases processed	cases	0	0	0	
		Measures taken (disciplinary actions)	cases	0	0	0	

Partnership Projects with the Government

Item	Unit	2023	2024	2025	Remark
Financial assistance/support received from government and related agencies	KRW million	7,632	5,771	28,551	

Regulatory Compliance

Category	Item	Unit	2023	2024	2025	Remark
Anti-competitive and unfair trade practices	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
	Ratio to revenue	%	0	0	0	
Corruption and bribery	Corruption and bribery cases	cases	0	0	0	
Non-compliance with laws and voluntary codes on the safety and health impacts of products and services	Incidents resulting in fines or penalties	cases	0	0	0	
	Incidents resulting in warnings	cases	0	0	0	
	Incidents of non-compliance with voluntary codes	cases	0	0	0	
Non-compliance with product information and labeling	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Non-compliance with marketing communications	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Customer privacy breaches	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Other socioeconomic non-compliance	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	

HALLA Cement

The scope of governance quantitative data reporting for HALLA Cement encompasses all domestic business sites, including the Seoul Headquarters and the Okgye Plant.

Business Ethics and Compliance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Ethics and compliance training	Training for employees	Number of employees that received training	persons	189	539	534	
		Ratio of employees that received training	%	36	100	100.2	
		Total training hours	hours	778	879	1,043	
		Training hours per employee	hours/persons	1.5	1.6	2.0	
Ethics and compliance reporting channel	Reported to the Compliance Support Team (via email)	Number of violations reported/received	cases	0	0	1	
		Number of cases processed	cases	0	0	1	
		Measures taken (disciplinary actions)	cases	0	0	0	
	Open Voice (employee)	Number of violations reported/received	cases	0	0	0	
		Number of cases processed	cases	0	0	0	
		Measures taken (disciplinary actions)	cases	0	0	0	

Partnership Projects with the Government

Item	Unit	2023	2024	2025	Remark
Financial assistance/support received from government and related agencies	KRW million	11,780	4,384	1,180	Only government grants related to assets are included

Regulatory Compliance

Category	Item	Unit	2023	2024	2025	Remark
Anti-competitive and unfair trade practices	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
	Ratio to revenue	%	0	0	0	
Corruption and bribery	Corruption and bribery cases	cases	0	0	0	
Non-compliance with laws and voluntary codes on the safety and health impacts of products and services	Incidents resulting in fines or penalties	cases	0	0	0	
	Incidents resulting in warnings	cases	0	0	0	
	Incidents of non-compliance with voluntary codes	cases	0	0	0	
Non-compliance with product information and labeling	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Non-compliance with marketing communications	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Customer privacy breaches	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Other socioeconomic non-compliance	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	

Governance

ASIA Paper MFG

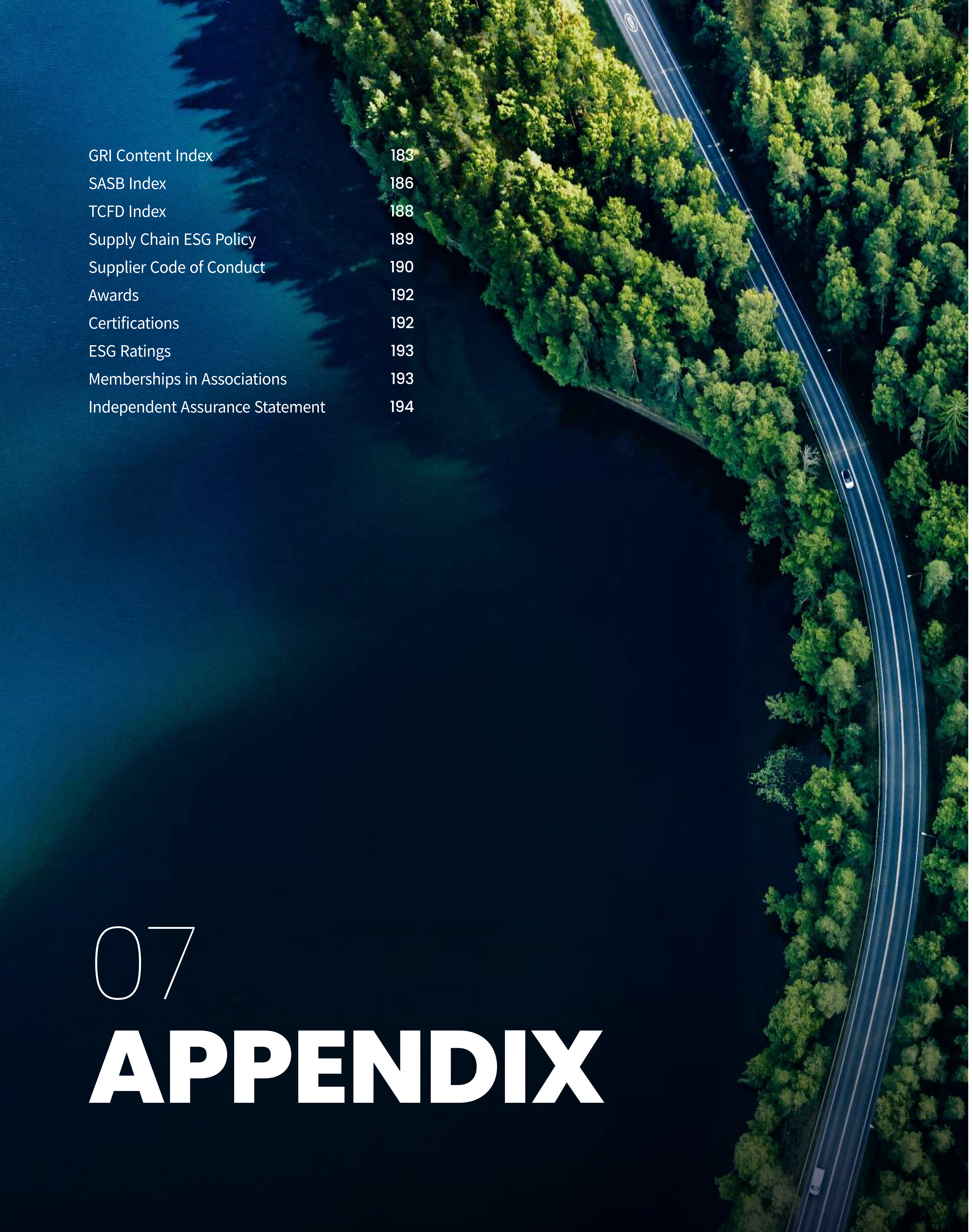
The scope of governance quantitative data reporting for ASIA Paper MFG includes all domestic business sites, including Sihwa Plant, Sejong Plant, and the Seoul Headquarters.

Business Ethics and Compliance

Category	Item	Sub-item	Unit	2023	2024	2025	Remark
Ethics and compliance training	Training for employees	Number of employees that received training	persons	281	291	291	
		Ratio of employees that received training	%	100	100	100	
		Total training hours	hours	281	291	291	
		Training hours per employee	hours/ persons	1	1	1	
Ethics and compliance reporting channel	Cyber reporting system	Number of violations reported/received	cases	0	0	0	
		Number of cases processed	cases	0	0	0	
		Measures taken (disciplinary actions)	cases	0	0	0	

Regulatory Compliance

Category	Item	Unit	2023	2024	2025	Remark
Anti-competitive and unfair trade practices	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
	Ratio to revenue	%	N/A	N/A	N/A	
Corruption and bribery	Corruption and bribery cases	cases	0	0	0	
Non-compliance with laws and voluntary codes on the safety and health impacts of products and services	Incidents resulting in fines or penalties	cases	0	0	0	
	Incidents resulting in warnings	cases	0	0	0	
	Incidents of non-compliance with voluntary codes	cases	0	0	0	
Non-compliance with product information and labeling	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Non-compliance with marketing communications	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Customer privacy breaches	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	
Other socioeconomic non-compliance	Fines	KRW	0	0	0	
	Number of violations	cases	0	0	0	



07 APPENDIX

GRI Content Index

General Disclosures

Classification	No.	Disclosure	Reported page	Remark
1. The organization and its reporting practices	2-1	Organizational details	12-19p	
	2-2	Entities included in the organization's sustainability reporting	4p	
	2-3	Reporting period, frequency and contact point	4p	
	2-4	Restatements of information	152, 160, 167, 168p	
	2-5	External assurance	194-196p	
2. Activities and workers	2-6	Activities, value chain and other business relationships	12-19p	
	2-7	Employees	166,170, 174p	
	2-8	Workers who are not employees	Omitted due to confidentially constraints	
3. Governance	2-9	Governance structure and composition	49, 52, 85, 88, 115, 117, 139, 142p	
	2-10	Nomination and selection of the highest governance body	49-51, 85-87, 115-116, 139-141p	
	2-11	Chair of the highest governance body	23, 49, 85, 115, 139p	
	2-12	Role of the highest governance body in overseeing the management of impacts	23, 51, 87, 116, 141p	
	2-13	Delegation of responsibility for managing impacts	23, 51, 87, 116, 141p	
	2-14	Role of the highest governance body in sustainability reporting	23p	
	2-15	Conflicts of interest	86, 140p	
	2-16	Communication of critical concerns	51, 87, 116-117, 141-142p	
	2-17	Collective knowledge of the highest governance body	53, 88, 116, 143p	
	2-18	Evaluation of the performance of the highest governance body	53, 88, 117, 143p	
	2-19	Remuneration policies	53, 88, 116, 143p	
	2-20	Process to determine remuneration	53, 88, 116, 143p	
	2-21	Annual total compensation ratio	Omitted due to confidentially constraints	
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy	8-10p	
	2-23	Policy commitments	55, 59, 71, 77, 90, 93, 101, 119, 129, 134, 145, 189-191p	
	2-24	Embedding policy commitments	55, 59, 71, 77, 90, 93, 101, 119, 129, 134, 145p	
	2-25	Processes to remediate negative impacts	76, 108, 134p	
	2-26	Mechanisms for seeking advice and raising concerns	55, 90, 119, 145p	
	2-27	Compliance with laws and regulations	155, 165, 178-180p	
	2-28	Membership associations	193p	
5. Stakeholder engagement	2-29	Approach to stakeholder engagement	28-29p	
	2-30	Collective bargaining agreements	167, 171, 175p	

GRI Content Index

Material Topics and Topic Standards

Classification	No.	Disclosure	Reported page	Remark
GRI 3: Material Topics 2021	3-1	Process to determine material topics	30-31p	
	3-2	List of material topics	30-31p	
GRI 3: Material Topics 2021 (Responding to Climate Change)	3-3	Management of material topics	31, 34-37p	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	35-36p	
GRI 302: Energy	302-1	Energy consumption within the organization	152, 156, 160p	
	302-3	Energy intensity	152, 156, 160p	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	152, 156, 160p	
	305-2	Indirect (Scope 2) GHG emissions	152, 156, 160p	
	305-4	GHG emissions intensity	152, 156, 160p	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	153, 158, 164p	
GRI 3: Material Topics 2021 (Establishing a Circular Economy System)	3-3	Management of material topics	31, 38-41p	
GRI 301: Materials	301-1	Materials used by weight or volume	152, 156, 161p	
	301-2	Recycled input materials used	152, 156, 161p	
GRI 306: Waste	306-2	Management of significant waste-related impacts	67, 99, 127p	
	306-3	Waste generated	153, 157, 162p	
	306-4	Waste diverted from disposal	153, 157, 162p	
	306-5	Waste directed to disposal	153, 157, 162p	
GRI 3: Material Topics 2021 (Workplace Health and Safety)	3-3	Management of material topics	31, 42-45p	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	70, 101, 129p	
	403-2	Hazard identification, risk assessment, and incident investigation	71-72, 102, 130-131p	
	403-3	Occupational health services	72, 103, 131p	
	403-4	Worker participation, consultation, and communication on occupational health and safety	71, 102, 130p	
	403-5	Worker training on occupational health and safety	72, 103, 130, 168, 172, 176p	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73, 103, 131p	
	403-8	Workers covered by an occupational health and safety management system	70, 101, 129p	
	403-9	Work-related injuries	168, 172, 176p	
	403-10	Work-related ill health	168, 172, 176p	

Economic

Classification	No.	Disclosure	Reported page	Remark
GRI 201: Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	167, 172, 175p	
	201-4	Financial assistance received from government	178-179p	
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	178-180p	
	205-3	Confirmed incidents of corruption and actions taken	178-180p	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	178-180p	

Environmental

Classification	No.	Disclosure	Reported page	Remark
GRI 101: Biodiversity	101-1	Policies to halt and reverse biodiversity loss	128p	
	101-2	Management of biodiversity impacts	100p	
	101-4	Identification of biodiversity impacts	69p	
GRI 303: Water and Effluents	303-2	Management of water discharge-related impacts	67, 98, 126p	
	303-3	Water withdrawal	153, 157, 163p	
	303-4	Water discharge	153, 157, 163p	
	303-5	Water consumption	153, 157, 163p	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	78, 109, 135p	

Social

Classification	No.	Disclosure	Reported page	Remark
GRI 401: Employment	401-1	New employee hires and employee turnover	166, 170, 174p	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75, 107, 133p	
	401-3	Parental leave	167, 175p	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	167, 171, 175p	
	404-2	Programs for upgrading employee skills and transition assistance programs	74, 104, 132p	
	404-3	Percentage of employees receiving regular performance and career development reviews	167, 171, 175p	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	49, 85, 115, 139, 166, 170, 174p	
	405-2	Ratio of basic salary and remuneration of women to men	167, 171, 175p	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	168, 173, 176p	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	78-79, 108-109, 134-135p	
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	178-180p	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	178-180p	

SASB Index

Industrial-specific Standards for Construction Materials and Containers & Packaging

ASIA strives to communicate more proactively with stakeholders by disclosing relevant information, drawing on industry-specific reporting standards developed by the Sustainability Accounting Standards Board (SASB).

Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO_2-e, Percentage (%)	EM-CM-110a.1 RT-CP-110a.1	152, 156, 160p
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	EM-CM-110a.2 RT-CP-110a.2	34-37, 64-65, 96-97, 124-125p
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	Quantitative	Metric tons	EM-CM-120a.1 RT-CP-120a.1	153, 158, 164p
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	Quantitative	Gigajoules, Percentage (%)	EM-CM-130a.1 RT-CP-130a.1	152, 156, 160p
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres, Percentage (%)	EM-CM-140a.1 RT-CP-140a.1	153, 157, 163p
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CP-140a.2	67, 98, 126p
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CP-140a.3	165p
Waste Management	Amount of waste generated, percentage hazardous and percentage recycled	Quantitative	Metric tons, Percentage (%)	EM-CM-150a.1 RT-CP-150a.1	153, 157, 162p
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	N/A	EM-CM-160a.1	69, 100p
	Terrestrial acreage disturbed, percentage of impacted area restored	Quantitative	Acres, Percentage (%)	EM-CM-160a.2	69, 100p
Workforce Health and Safety	(1) Total Recordable Incident Rate (TRIR) (2) Near Miss Frequency Rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-CM-320a.1	168, 172, 176p
	Number of reported cases of silicosis	Quantitative	Number	EM-CM-320a.2	-
Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	Quantitative	Percentage (%) by annual sales revenue	EM-CM-410a.1	-
	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	Quantitative	Presentation currency, Percentage (%)	EM-CM-410a.2	155, 159, 165p
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Quantitative	Presentation currency	EM-CM-520a.1	178-180p
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-CP-250a.1	-
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	N/A	RT-CP-250a.2	82p

Topic	Metric	Category	Unit of Measure	Code	Page
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Quantitative	Percentage (%) by weight	RT-CP-410a.1	152, 156, 161p
	Revenue from products that are reusable, recyclable, and/or compostable	Quantitative	Presentation currency	RT-CP-410a.2	155, 159, 165p
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	N/A	RT-CP-410a.3	137p
Supply Chain Management	Total wood fibre procured; percentage from certified sources	Quantitative	Metric tons, Percentage (%)	RT-CP-430a.1	137, 161p
	Total aluminium purchased; percentage from certified sources	Quantitative	Metric tons, Percentage (%)	RT-CP-430a.2	-

Activity Metric	Category	Unit of Measure	Code	Page
Production by major product line	Quantitative	Metric tons	EM-CM-000.A	14, 16p
Amount of production, by substrate	Quantitative	ton	RT-CP-000.A	14, 16p
Percentage of production as: (1) paper/wood, (2) glass, (3) metal and (4) plastic	Quantitative	Percentage (%) by revenue	RT-CP-000.B	-
Number of employees	Quantitative	persons	RT-CP-000.C	166, 170, 174p

TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a unified framework to help stakeholders properly assess climate-related risks and opportunities faced by companies. Drawing on the TCFD recommendations, ASIA actively reports its climate change response efforts in this report, focusing on governance, strategy, risk management, as well as metrics and targets.

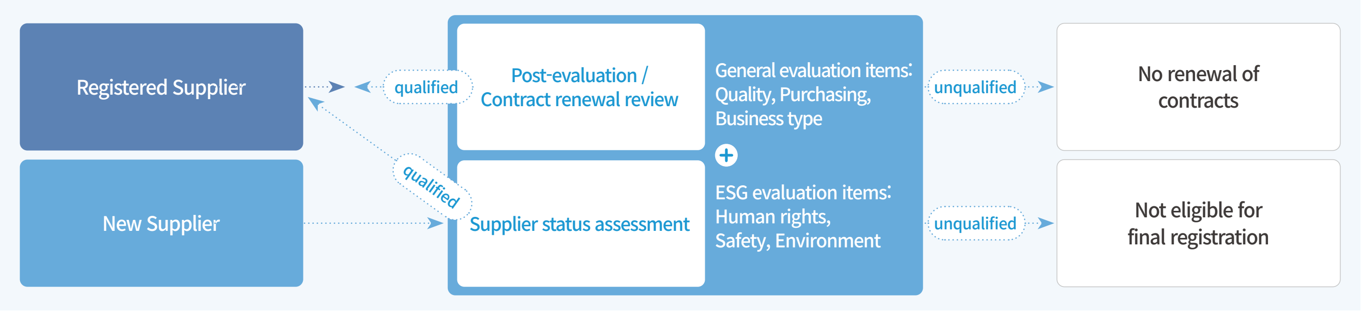
Pillar	Disclosures	Page	Remark
Governance	a) Describe the board's oversight of climate-related risks and opportunities	23, 87, 141p	
	b) Describe management's role in assessing and managing climate-related risks and opportunities	23, 34, 37p	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	35-36p	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	35-36p	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	-	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	34-36p	
	b) Describe the organization's processes for managing climate-related risks	34-36p	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	-	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	34, 64, 96-97, 124-125p	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	152, 156, 160p	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	64, 96-97, 125p	

Supply Chain ESG Policy

Aligned with our vision of creating value while prioritizing humanity and the environment, ASIA Cement has implemented a supply chain ESG policy. This policy encourages social and environmental responsibility within our supply chain. It outlines operational guidelines and partner evaluation processes to identify, mitigate, and address ESG risks. This policy applies to all ASIA Cement employees and trading partners.

Category	Detail
A. Supply Chain Operating Guidelines	• When evaluating and selecting suppliers, ASIA Cement considers compliance with our ESG management standards alongside financial stability, quality, price, supply reliability, and delivery timelines. • Our Supplier Code of Conduct details compliance requirements for partners across four key ESG management areas: environment, ethics, health, and safety. **Supply Chain ESG Management Procedures** 1) Identify risks within the supply chain and establish/review ESG management standards 2) Develop and implement strategies to mitigate/eliminate identified ESG risks 3) Conduct supply chain assessments and audits 4) Report and disclose audit results and relevant information
B. ESG Risks Identification	• ASIA Cement identifies risk factors within its supply chain by referencing internal risk management processes and global ESG guidelines such as the UNGC, TCFD, and OECD Due Diligence Guidance for Responsible Business Conduct. • Based on these identified risks, we establish and review ESG standards and conduct annual ESG risk assessments and monitoring for both new and existing partners. • This ensures risk factors are addressed, and we provide recommendations to mitigate or eliminate them. ASIA Cement may request documentation or conduct audits during this process.
C. Supplier Registration and ESG Evaluation Process	1) Require compliance with ASIA Cement's Supplier Code of Conduct and anti-corruption and integrity laws/regulations. 2) All partners seeking new contracts with ASIA Cement must undergo a supplier registration evaluation, including ESG criteria, as per our Purchasing Regulations. 3) Partners identified with high ESG risks must take corrective actions. Depending on the outcomes, trading relationships may be suspended or terminated.

Supplier Selection and Evaluation Process



Supplier Code of Conduct

1. Introduction

ASIA Cement is committed to creating value with consideration for both humanity and the environment. Our goal extends beyond our tasks to include our conduct, recognizing ethical and social responsibilities. ASIA Cement values these responsibilities and expects all suppliers engaged in business with us to share this commitment.

2. Human Rights

- **Prohibition of Forced Labor:** All forms of forced labor, bonded labor, contract labor, involuntary labor, slavery, or human trafficking are prohibited. All labor and services must be voluntary, and workers must be free to terminate their employment relationship under mutually agreed-upon terms.
- **Working Hours:** Daily and weekly working hours must not exceed local legal limits. Standard weekly working hours should not exceed 48 hours, and total weekly working hours (including overtime) should not exceed 60 hours, except in emergencies. Employees must have at least one day off per week.
- **Compensation:** Compensation for regular and overtime work must be fair and meet or exceed the minimum legal wage or industry standards. Suppliers must pay wages that meet basic needs. Unauthorized and punitive deductions are prohibited. All additional benefits mandated by national regulations must be provided.
- **Prohibition of Child Labor:** A minor is defined as a person under the age of 18, and an adolescent as someone between the ages of 15 and 18. ASIA Cement prohibits the use of child labor in any aspect of its operations.
- **Treatment of Employees:** All employees must be treated equally without discrimination. Unacceptable treatment, including mental abuse and sexual harassment, is never tolerated.

3. Environment

- **Pollution Prevention and Resource Management:** Waste, emissions, and resource consumption (such as energy and water) should be minimized. Suppliers should continuously monitor their activities and improve them by altering production, maintenance, and facility processes, or by reusing and recycling materials.
- **Environmental Permits and Disclosure Requirements:** Suppliers must obtain, document, and maintain all necessary environmental permits, approvals, registrations, and licenses for their operations. They must also comply with all disclosure and reporting requirements.
- **Hazardous Substances:** Substances posing environmental risks must be identified and managed to ensure safe handling, transport, storage, use, reuse, or recycling.
- **Wastewater and Solid Waste:** All wastewater and solid waste from operations, industrial processes, and sanitary facilities must be identified, managed, and treated as required before discharge or disposal. Proper documentation and evidence of legal handling and disposal must be maintained when using third-party waste management services.
- **Air Emissions:** Volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion byproducts must be identified, monitored, controlled, and treated before release into the atmosphere.

4. Ethical Management

- **Anti-Corruption and Legal Compliance Programs:** Suppliers' top management must establish clear standards and implement measures to prohibit all forms of bribery, corruption, illicit enrichment, and embezzlement. Suppliers must not offer, promise, give, or accept gifts, money, entertainment, or services intended to improperly influence business relationships or that threaten the professional independence of business partners. Suppliers must implement a comprehensive compliance program or conduct ongoing monitoring of business activities, including regular reviews and updates on legal compliance and anti-corruption measures. Suppliers must establish clear regulations for the provision and acceptance of gifts and provide regular training for employees on ethical business practices.
- **Disclosure of Information:** Information regarding the supplier's business activities, structure, financial situation, and performance must be disclosed in accordance with relevant regulations and industry best practices. Forgery or false statements about situations or practices within the supply chain are strictly prohibited.
- **Conduct Toward Competitors:** Suppliers must respect fair competition and comply with laws that uphold and promote competitive practices, particularly antitrust laws and regulations.

5. Health and Safety

- **Compliance with Safety Regulations:** ASIA Cement and its partners comply with industrial safety and health laws. Potential safety risks should be managed through appropriate processes, workplace design, safety regulations, and continuous safety training based on our safety and health provisions. Suitable personal protective equipment must be provided to workers.
- **Safety and Health Regulations:**
  1) I assess and control risks before starting work.
  2) I perform tasks with adequate qualifications and competency.
  3) I never modify or remove safety devices, or use them for purposes other than intended, and always wear required personal protective equipment.
  4) I do not work under the influence of alcohol or drugs.
  5) I report all accidents.
- **Preparation and Response to Emergencies:** Risks and emergencies must be identified and assessed. Their impact should be minimized through emergency measures, plans, and response procedures. Incidents should allow for corrective actions through tracking, reporting, and further investigation.
- **Sanitary Facilities, Hygiene, and Working Environment:** Workers should be provided with clean sanitary facilities, drinking water, and hygienic cooking and dining facilities. Dormitories provided by suppliers must be maintained clean and safe.

Awards

Company	Awards	Date
ASIA Cement	Awarded the Grand Prize in the Metals, Non-metals, and Chemicals sector at the "33rd CCEJ Good Company Award"	2025.12.22
	Finance Team/IR Team, Management Support Division, recognized as an "Excellent Corporation for 2025 XBRL Financial Disclosure" and received a commendation from the Financial Supervisory Service	2025.11.20
	Won the Gold Prize at the 51st National Quality Control Circle Competition (9 consecutive years)	2025.11.19
	Received the Minister of Environment Award at "2025 Environment Day" for contributions to environmental conservation (Team Leader Kim, Man Baek)	2025.06.05
	Won the Gold Prize at the 50th National Quality Control Circle Competition (8 consecutive years)	2024.11.20
	Received the Minister of Environment Award at the "16th Resource Circulation Day" for contributions to resource circulation and environmental protection (Team Leader Byun, Dong Geon)	2024.09.06
	Received the Minister of Trade, Industry and Energy Award for contributions to the cement industry (Deputy Manager Won, Pil Sung)	2024.07.01
HALLA Cement	Recognized as an Outstanding Company in the 2025 Win-Win Cooperation Program hosted by the Ministry of Employment and Labor and KOSHA	2026.02.25
	Awarded as a top-performing company in the "2023 Safety and Health Win-Win Cooperation Program between Large-SMEs."	2024.02.29
	Awarded a Certificate of Recognition as a Distinguished Taxpayer by Gangwon State	2024.03.27
	Selected as the Best Workplace for Endangered Species Restoration Projects	2021~2024
ASIA Paper MFG	Received the Grand Prize in the Technology Award from the Korea TAPPI (Technical Association of the Pulp and Paper Industry) (Kim, Dong Kyu, Deputy Plant Manager of the Sihwa Plant)	2025.04.24
	Recognized as an Outstanding Contributor to Safety Management at the Paper & Pulp Industry Safety and Health Conference hosted by the Korea Paper Association (Manager Kim, Dae Soo)	2025.11.13
	Received the Excellence Award in the Technology Award from the Korea TAPPI (Environmental Safety Team, Sejong Plant)	2026.04.23

Certifications

Company	Certification	Validity Period
ASIA Cement	Safety and Health Management System (KOSHA-MS)	2025.05.17 ~ 2028.05.16
	Environmental Management System (ISO 14001)	2025.12.18 ~ 2028.12.17
	Quality Management System (ISO 9001)	2025.11.18 ~ 2028.11.17
	Environmental Product Declaration Certification for Portland cement	2026.02.26 ~ 2029.03.25
	Low-Carbon Product Certification of Environmental Product Declaration for 19 types of ready-mix concrete	2026.03.26 ~ 2029.03.25
	Environmental Product Declaration Certification for 1 types of ready-mix concrete	2025.11.21 ~ 2028.11.20
	Low-Carbon Product Certification of Environmental Product Declaration for 5 types of dry mortar	Expired as of 2025.02.02 and 2025.07.28
	Environmental Product Declaration Certification for 8 types of dry mortar	Varies by product
HALLA Cement	Safety and Health Management System (KOSHA-MS)	2023.10.21 ~ 2026.10.20
	Safety and Health Management System (ISO 45001)	2023.08.08 ~ 2026.08.07
	KOSHA Recognition Certificate for the Safety Experience Education Center	Certified on 2019.08.23
	Environmental Management System (ISO 14001)	2023.12.06 ~ 2026.12.05
	Quality Management System (ISO 9001)	2023.12.06 ~ 2026.12.05
	Environmental Product Declaration Certification for Portland cement	Varies by product
	Good Recycled (GR) certification for slag cement	Varies by product
	Eco-Label Certification for slag cement and specialty cement	Varies by product
ASIA Paper MFG	Safety and Health Management System (KOSHA-MS)	Sejong Plant: 2024.09.16 ~ 2027.09.15 Sihwa Plant: 2026.01.30 ~ 2029.01.29
	Environmental Management System (ISO 14001)	Sejong Plant: 2023.12.15 ~ 2026.12.14 Sihwa Plant: 2023.08.04 ~ 2026.08.03
	Quality Management System (ISO 9001)	2024.07.09 ~ 2027.07.08
	FSC® Chain of Custody (COC)	2022.03.19 ~ 2027.03.19
	Sedex Members Ethical Trade audit(SMETA)	Certified on 2022.05.27
	Environmental Product Declaration Certification for Gypsum Linerboard	2025.04.25 ~ 2028.04.24

ESG Ratings

Korea Institute of Corporate Governance and Sustainability (KCGS) ESG Ratings

ASIA Holdings

Area	2023	2024	2025
Overall	A	A	B+
Environmental	B+	A	B+
Social	B+	A	A
Governance	A	A	B+

ASIA Cement

Area	2023	2024	2025
Overall	B+	A	B+
Environmental	B+	A	A
Social	A	A	B+
Governance	B	B+	B

ASIA Paper MFG

Area	2023	2024	2025
Overall	C	B+	B+
Environmental	B	B+	B+
Social	B+	A	A
Governance	D	B	B

Memberships in Associations

Company	Associations		
ASIA Cement	Korean Standards Association	Korea Industrial Safety Association	Korea Cement Association
	Korea Productivity Center	Korean Recycled Construction Resources Institute	Korea Fire Safety Association
	Federation of Korean Industries	Korea Ready Mixed Concrete Industry Association	Korea Chamber of Commerce and Industry
	Architectural Institute of Korea	Korea Radiological Association	Korea Society of Waste Management
	Korea Chemicals Management Association	Korea Aggregates Association	Korea Construction Living Environment Testing Institute
	International Management Institute	Korea Mining Association	Korea Concrete Institute
HALLA Cement	Korea Cement Association	Korea Institute of Building Construction	Korea Sustainable Development Council
	Korea Construction Technology Exchange Association	Korea Conformity Laboratories	Korea Aggregates Association
	Korea Mining Association	Korea International Trade Association	Korea Fire Safety Association
	Korea Concrete Institute	Korean Standards Association	Korea Environmental Engineers Association
	Gangneung Chamber of Commerce and Industry	Gangwon Cement Industry Environment Council	Occupational Safety and Health Council in Gangwon Cement Sector
	Korea Industrial Safety Association	Donghae Port Logistics Association	
ASIA Paper MFG	Korea Paper Association	Korea Technical Association of the Pulp and Paper Industry	Korea Mech. Const. Contractors Association
	Korea Paper Industry Cooperative	Korea Listed Companies Association	Korea Electric Engineers Association
	Korea Enterprises Federation	Korea International Trade Association	Korea Industrial Safety Association
	Chungbuk Enterprises Federation	Korea Paper Resource Association	Ansan Siheung Environmental Engineers Incorporated Association
	Shiheung Chamber of Commerce and Industry	Korea Fire Safety Institute	Korea Environmental Conservation Association Chungbuk branch
	Korean Standards Association (Sihwa)	Korean Standards Association (Sejong)	

Independent Assurance Statement

To: The Stakeholders of ASIA

ASIA Holdings, ASIA Cement, HALLA Cement and ASIA Paper MFG

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the ASIA 2026 Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to ASIA and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the ASIA's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the ASIA. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

ASIA is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ASIA only.

The Assurer is responsible for providing ASIA's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of ASIA. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with ASIA includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of Disclosures Covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by ASIA.

[Universal Standards]
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]
101-1,2&4, 201-2~4, 205-2&3, 206-1, 301-1&2, 302-1&3, 303-2~5, 305-1,2,4&7, 306-2~5, 308-1, 401-1~3, 403-1~5&7~10, 404-1~3, 405-1&2, 406-1, 414-1, 416-2, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Verification of the sustainability strategy implementation process and supporting systems, including the generation, collection, and reporting of data across performance areas, as well as confirmation of the evidence supporting claims presented in the report
- Assessment of ASIA's reporting and management processes against the four principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000 Accountability Principles Standard (2018)
- On-site visit to ASIA's headquarters to confirm the effectiveness of data collection processes, internal control procedures, and management practices.

Limitations and Approach used to Mitigate Limitations

The Assurer performed limited verification for a limited period based on the data provided by ASIA. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with ASIA. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain ASIA's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion

ASIA has identified employees, partners, shareholders and investors, government and local authorities, customers, and local communities as its key stakeholders across subsidiaries. The company operates diverse communication channels tailored to each stakeholder group and, through its stakeholder engagement process, collects expectations and opinions from core stakeholder groups. The resulting key issues are incorporated into sustainability-related decision-making.

Independent Assurance Statement

Materiality: Identification and reporting of material sustainability topics

ASIA has conducted a Double Materiality Assessment to identify sustainability management issues, key stakeholder concerns, and core issues with significant impact on business activities. The company developed an issue pool relevant to the ASIA Group and, through risk and opportunity identification, assessed both environmental and social impacts (Impact Materiality) and financial impacts (Financial Materiality). Based on this assessment, three key material issues were selected and disclosed in the company's report.

Responsiveness: Responding to material sustainability topics and related impacts

ASIA reports on the core material issues identified through its Double Materiality Assessment under the section "Material Topics." For each core material issue, the company discloses governance, strategy, risk management, indicators, and targets. In addition, for both the cement and paper divisions, ASIA provides details on risk management, key activities, and performance, thereby presenting its response measures and outcomes related to the core material issues.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

ASIA has established a process to identify and assess the impacts of core material issues on the organization and its stakeholders. The analysis of impacts, risks, and opportunities related to these core material issues is utilized in decision-making for developing response strategies for each issue. This process is disclosed through the report.

Recommendations and Opportunity for Improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- To strengthen transparency and accountability in corporate governance, ASIA should further systematize its board performance evaluation framework and consider introducing independent third-party assessments by external professional institutions. In addition, by disclosing in greater detail the key improvement areas identified through evaluation results, the corresponding follow-up actions, future tasks, and implementation status, the company can enhance the transparency of governance operations and build greater trust among stakeholders.
- To proactively respond to GRI 101: Biodiversity 2024, ASIA should further enhance its biodiversity disclosure framework. In particular, the company needs to establish a system for identifying activities, products, and services that have significant impacts on biodiversity across its operations and value chain. It should also disclose more detailed information on key impact areas, including location-based data, scope of impacts, restoration and mitigation outcomes, and supply chain management practices and results. Furthermore, by strengthening a management approach based on the mitigation hierarchy of avoidance, minimization, restoration, and offsetting — along with quantitative targets, performance indicators, standardized data calculation methodologies, and internal control systems — ASIA can improve the completeness and reliability of its biodiversity disclosures going forward.

GRI-Reporting

ASIA has self-declared compliance with GRI Standards. Based on the data and information provided by ASIA, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

AA1000
Licensed Report
000-4/V3-4U93C

Issue Date: 18/06/2026
For and on behalf of BSI (British Standards Institution):
BSI representative

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 809850

SangWoo Nam, Lead Assurer (LCSAP)
Sustainability Framework and KPIs related to Governance, Environmental and Social/People

Seonghwan Lim, Managing Director of BSI Korea