



ESG Assessment Report

Environment · Social · Governance

YJ LINK

QESG Assessment 2023

YJ LINK

Date Assessed	2023-12-08	Validity Period	2024-12-07
Industry	Machinery		
Data Quality	Lv2. On-desk Assessment*		

* An independent third-party evaluator reviews the company's submitted responses for reliability and validity at a reasonable level before producing the results, in addition to the reliability of the company's responses, resulting from third-party evaluations. (See the last page for more details)

CEO	Tel	Address	Company Status	Num of Employees	Revenue
PARK SOONIL	053-592-1723	110 Secheon-ro 1-gil, Dasa-eup, Dalseong-gun, Daegu 42921	External financial audit corporation	82	56,297,632 ,000 KRW

Base year of sales and number of employees: 2023

Summary of ESG Assessment Results

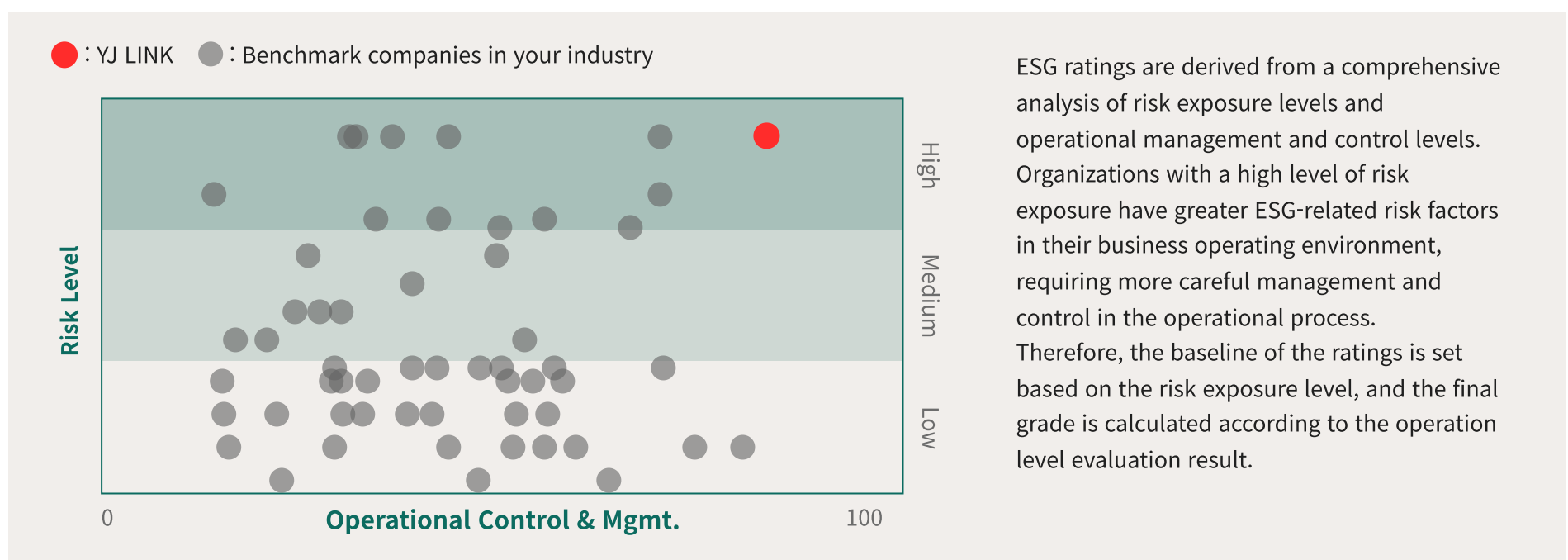
Overall Ratings



C	B	BB	BBB	A	AA	AAA
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In 2023 - 1st half, YJ LINK obtained a total ESG score of 81.3 points. The score represents that YJ LINK manages and controls environmental, social, and governance (ESG) risk and opportunity factors at a faithful level, and there is a high possibility of improving stakeholder value due to non-financial factors.

Overall level



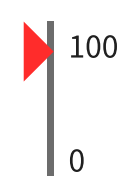
Risk Exposure

High

- ⬆ High
- Medium
- ⬇ Low

Operational Control & Mgmt.

81.3



As a result of diagnosing potential and actual ESG risk exposure levels in overall business activities, the risk level was determined to be High.

The benchmark distribution represents the distribution of the scores of peer group companies.

Risk Exposure

YJ LINK - Risk Exposure

High

Last Updated : 2023-12-08

Low Risk
Medium Risk
High Risk

Risk exposure by categories

Y : Yes N : No

Human rights and Labor

- | | |
|---|--|
| <p>1. Restructuring and other manpower reductions have been carried out within the last year N</p> <hr/> <p>2. Short-term contracts or day laborers are hired N</p> <hr/> <p>3. Migrant workers from abroad are employed N</p> <hr/> <p>4. Underaged workers, such as student interns are hired N</p> | <p>5. There are subcontracts of parts of major production process to another business site Y</p> <hr/> <p>6. There are a few workers required to repay debts or pay fees to the company upon termination of employment or contract N</p> <hr/> <p>7. There are a few workers who contract according to the piece rate N</p> <hr/> <p>8. There is neither a labor union operated nor a workers representative appointed N</p> |
|---|--|

Health and Safety

- | | |
|---|--|
| <p>1. Workers operate equipment that requires electrical voltages greater than 240V N</p> <hr/> <p>2. There are tasks that workers are doing in a confined space N</p> <hr/> <p>3. There are tasks in which workers lift heavy objects without the aid of machinery N</p> <hr/> <p>4. There is the use of machinery that may cause injury to workers (amputation, narrowness, jam etc.) Y</p> | <p>5. There are jobs where workers are at risk of falling N</p> <hr/> <p>6. Dormitory provided Y</p> <hr/> <p>7. Food and beverage facilities such as cafeterias within the workplace are provided Y</p> <hr/> <p>8. There are customer service workers in the company N</p> |
|---|--|

Environment

- | | |
|--|--|
| <p>1. It is subject to the GHG/Energy Target Management System N</p> <hr/> <p>2. Equipment that emits greenhouse gases(GHGs) directly is used Y</p> <hr/> <p>3. It is subject to Greenhouse Gas Emissions Trading Scheme (GHG ETS) N</p> <hr/> <p>4. Wastewater treatment is entrusted/consigned N</p> <hr/> <p>5. Discharge facilities are installed and operated N</p> <hr/> <p>6. It is located in water scarce, drought areas N</p> <hr/> <p>7. Water is used Y</p> <hr/> <p>8. It is subject to permission/report of waste treatment business N</p> | <p>9. Have waste treatment facilities N</p> <hr/> <p>10. Designated waste is discharged N</p> <hr/> <p>11. General waste from the business sites is discharged Y</p> <hr/> <p>12. Construction waste is discharged N</p> <hr/> <p>13. Use (non-)road mobile pollution sources such as vehicles and construction equipment N</p> <hr/> <p>14. Scattering dust is generated N</p> <hr/> <p>15. Have air pollutant emission facilities N</p> |
|--|--|

Ethics

1. There are business sites operating in countries with a low Corruption Perceptions Index(CPI) Y

Compliance Issues

These are items detected as compliance issues corresponding to regulatory violations among risk exposure level evaluation items.

: Yes : No

Human rights and Labor

- 1. There have been legal sanctions for violating the Labor Standards Act within the last year
- 2. Have been included in the list of business owners in arrears by the Ministry of Employment and Labor within the last year
- 3. Have been involved in petitions or accusations for unpaid wages within the last year

Health and Safety

- 1. There have been legal sanctions for safety and health violations within the last year

Environment

- 1. There have been legal sanctions for violating water-related environmental laws within the last year
- 2. There have been fines, penalties, or administrative orders for violating waste-related environmental laws within the last year
- 3. There have been fines, penalties, or administrative orders for violating air-related environmental laws within the last year
- 4. There have been legal sanctions related to environmental licensing within the last year
- 5. There has been an environmental emergency within the last year

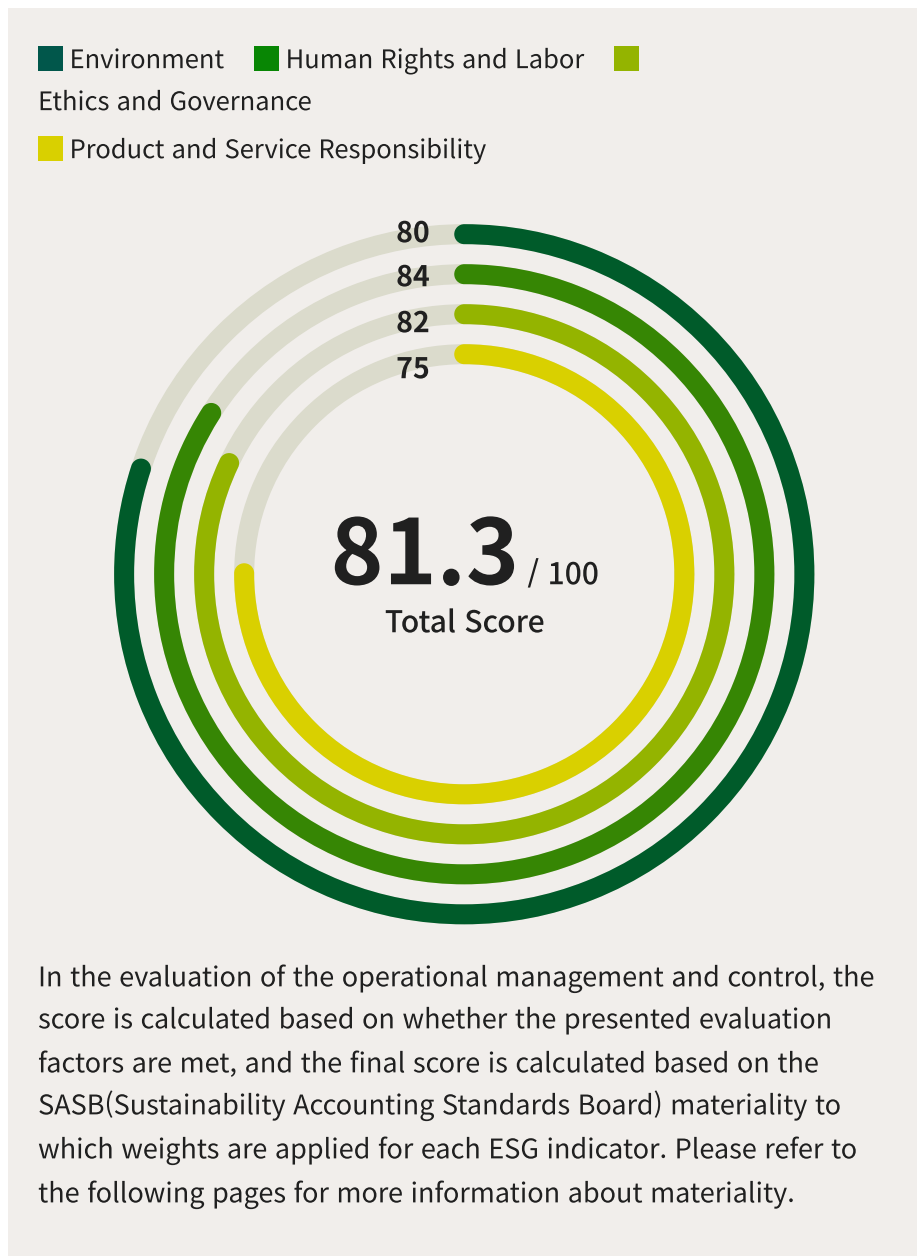
Ethics

- 1. There have been investigations or audits related to unethical behaviors such as corruption, anti-competition, conflicts of interest, etc. by the company or its executives and employees within the last year
- 2. There have been legal sanctions for violating laws and regulations related to fair trade within the last year
- 3. Have been involved in a lawsuit due to intellectual property infringement within the last year
- 4. There have been investigations for violating the Display and Advertising Act within the last year

Operational Control & Mgmt.

The evaluation of the operational management and control level evaluated how well the organization managed ESG throughout its business activities and business environment. 'Policy', 'Activity', and 'Performance' are constituted as evaluation elements, and among the items submitted as answers above, items other than 'Risk' fall under this category.

ESG Total Score



Score Trend

Unit: Score

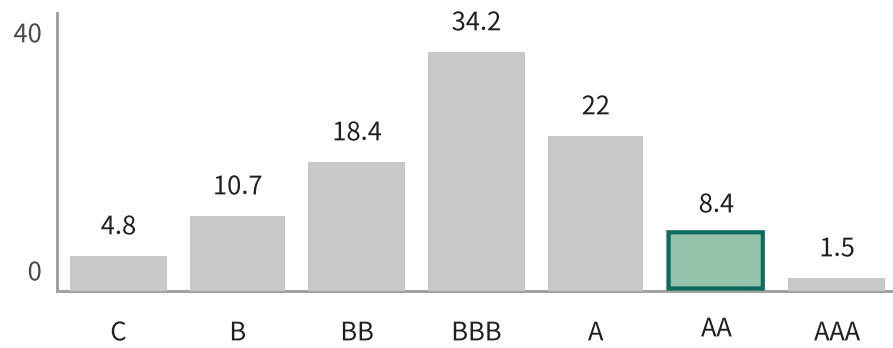
The score trend represents the total score trend of the last 3 assessments.



Benchmark Distribution

Unit: %

The benchmark distribution represents the distribution of the scores of peer group companies.



ESG Result by Sector

In YJ LINK obtained a total ESG score of 81.3 points. The score represents that YJ LINK manages and controls environmental, social, and governance (ESG) risk and opportunity factors at a faithful level, and there is a high possibility of improving stakeholder value due to non-financial factors.

Environment	Human rights and labor	Ethics and governance	Product and service responsibility
80 / 100	84 / 100	82 / 100	75 / 100
Environmental management system 95	Human rights/labor standards and practices 89	Ethical management 96	Chemicals safety 43
Greenhouse gas(GHG) 67	Workplace safety 97	ESG management and information disclosure 83	Renewable energy opportunities 86
Water and wastewater 73	Supply chain ESG 61	Governance 54	Defects and recalls 85
Waste 92			Diversity and participation of professional manpower 56
Air quality -			

ESG Result by Sector



Environment

Sector Rating **AA**
Weights 28%

▼ Benchmark Avg. 39

80

YJ LINK has a **Environment** score of **80**, and is faithfully managing and controlling risks and opportunity factors related to environment, and there is very little room for damage to stakeholder values through related issues.

Indicators	Score (out of 100 point)	Weights (%)
Environmental management system	95	8
Greenhouse gas(GHG)	67	10
Water and wastewater	73	5
Waste	92	5
Air quality	-	-



Human rights and labor

Sector Rating **AA**
Weights 32%

▼ Benchmark Avg. 55

84

YJ LINK has a **Human rights and labor** score of **84**, and is faithfully managing and controlling risks and opportunity factors related to human rights and labor, and there is very little room for damage to stakeholder values through related issues.

Indicators	Score (out of 100 point)	Weights (%)
Human rights/labor standards and practices	89	11
Workplace safety	97	13
Supply chain ESG	61	8



Ethics and governance

Sector Rating **AAA**
Weights 17%

▼ Benchmark Avg. 34

82

YJ LINK has a **Ethics and governance** score of **82**, and is faithfully managing and controlling risks and opportunity factors related to ethics and governance, and there is very little room for damage to stakeholder values through related issues.

Indicators	Score (out of 100 point)	Weights (%)
Ethical management	96	9
ESG management and information disclosure	83	4
Governance	54	4



Product and service responsibility

Weights 23%

75

YJ LINK has a **Product and service responsibility** score of **75**, and is faithfully managing and controlling risks and opportunity factors related to product and service responsibility, and there is very little room for damage to stakeholder values through related issues.

Indicators	Score (out of 100 point)	Weights (%)
Chemicals safety	43	4
Renewable energy opportunities	86	7
Defects and recalls	85	9
Diversity and participation of professional manpower	56	3

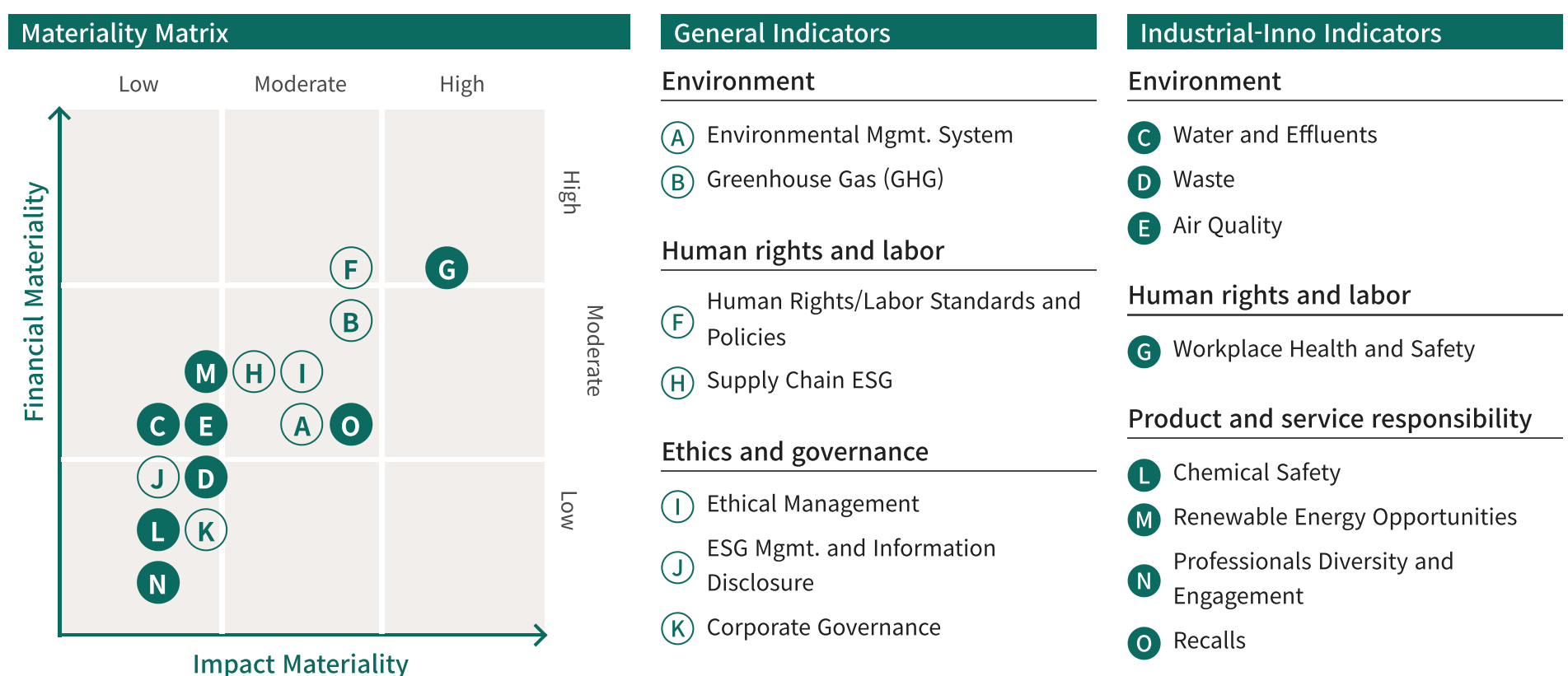
* Weights: It refers to the weight of importance occupied by four areas: 'Environment, Human Rights and Labor, Ethics and Governance, and Product and Service Responsibility' in evaluating a company's ESG risk management level according to industry specificity. The weight indicates how much of each score is reflected in the total score.

Industry ESG Materiality - Machinery

Industry ESG materiality is the result of analyzing the importance of 17 ESG indicators in the industrial context. The materiality matrix is a composition of 'Business Relevance', which indicates the relevance of each indicator to conducting economically, environmentally, and socially sustainable business in the relevant industry, and 'Stakeholder Impact', which indicates the level of impact on stakeholders such as shareholders, investors, and local communities.

The position of each indicator in the materiality matrix indicates the relative priority that companies in the industry should manage for sustainability management in terms of ESG. It also refers to the level of risk that an enterprise could face if the indicator was not properly managed.

- In the matrix, the higher the position of a metric in the matrix, the more important it is in the upper right corner.
- General indicators are issues to be managed in common across all industries, and only priority indicators are displayed for industrial innovation indicators reflecting industry specificity.



* Corporate Governance indicators are applied only to corporations subject to external audit.

ESG Key Indicators - Machinery industry

This is an industrial innovation index derived from the analysis of ESG materiality in the Machinery industry

Icon	Categories	Indicators	Detailed Indicators
(C)	Environment	Water and Effluents	Water consumption and wastewater discharge, Water and wastewater management
(D)	Environment	Waste	Waste discharges, Waste management
(E)	Environment	Air Quality	Air pollutant emissions, Air pollutant management
(G)	Human rights and Labor	Workplace Health and Safety	Safety and health policy, Disaster prevention activities, Industrial accident
(L)	Product and Service Responsibility	Chemical Safety	Chemicals management, Life Cycle Assessment
(M)	Product and Service Responsibility	Renewable Energy Opportunities	Use of renewable energy, Renewable Energy Conversion Plan
(N)	Product and Service Responsibility	Professionals Diversity and Engagement	Capacity building and participation of employee, Diversity, Recruitment and employment retention
(O)	Product and Service Responsibility	Recalls	Quality and defect management policy, Defect monitoring and recall decision making, Product recall

Environment

Score	Sector Rating	Weights
80 /100	AA	28 %

YJ LINK's score for the Environment is 80. The score of YJ LINK has a difference of 41 points compared to the average of 39 points in the benchmark of peer group companies in Korea, and it is evaluated as an excellent level of management/control. The environmental management system, greenhouse gas(ghg), water and wastewater, waste, air quality were applied to the Environment part evaluation.

Score Comparison



	Score (out of 100 point)	Score Gap
■ YJ LINK	80	-
▲ Benchmark Max.	100	-20
▼ Benchmark Avg.	39	41
▲ Benchmark Min.	0	80

The highest score in the Environment sector of YJ LINK's benchmark is 100, the average score is 39, and the lowest score is 0.

Rating Distribution



In the Environment sector, 6.9% of peer companies has got AA.

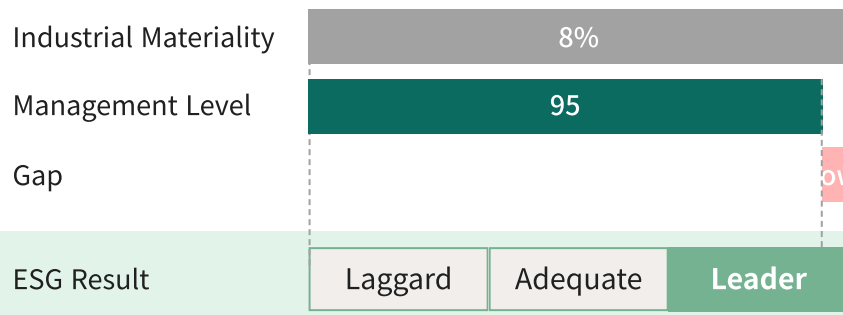
Indicators

Indicators	Score	Summary
Environmental management system	95	<input checked="" type="checkbox"/> Execution of environmental management, Environmental policy is managed at an excellent level
Greenhouse gas(GHG)	67	<input checked="" type="checkbox"/> GHG emissions reduction activities is managed at an excellent level <input checked="" type="checkbox"/> GHG emissions is managed at an good level
Water and wastewater	73	<input checked="" type="checkbox"/> Water consumption and wastewater discharge is managed at an excellent level <input checked="" type="checkbox"/> Water and wastewater management is managed at an good level
Waste	92	<input checked="" type="checkbox"/> Waste management, Waste discharges is managed at an excellent level
Air quality	-	(N/A)

Environmental management system

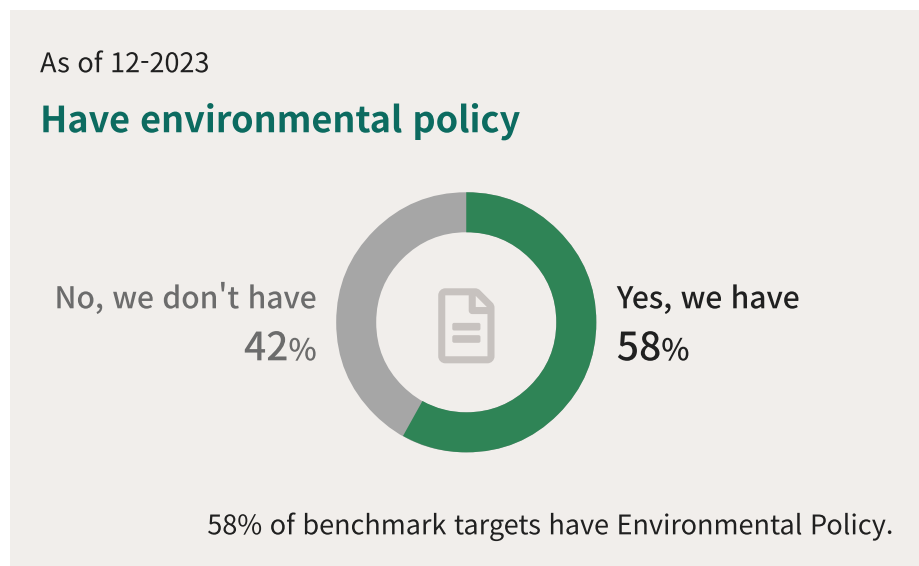
Companies and organizations must actively strive to minimize the negative environmental impact of their business activities. By establishing environmental policies, basic principles of environmental management, and having a system to regularly review and improve environmental status and performance centered on the responsible organizations and meetings, a company can lay the foundation for environmental performance management.

95

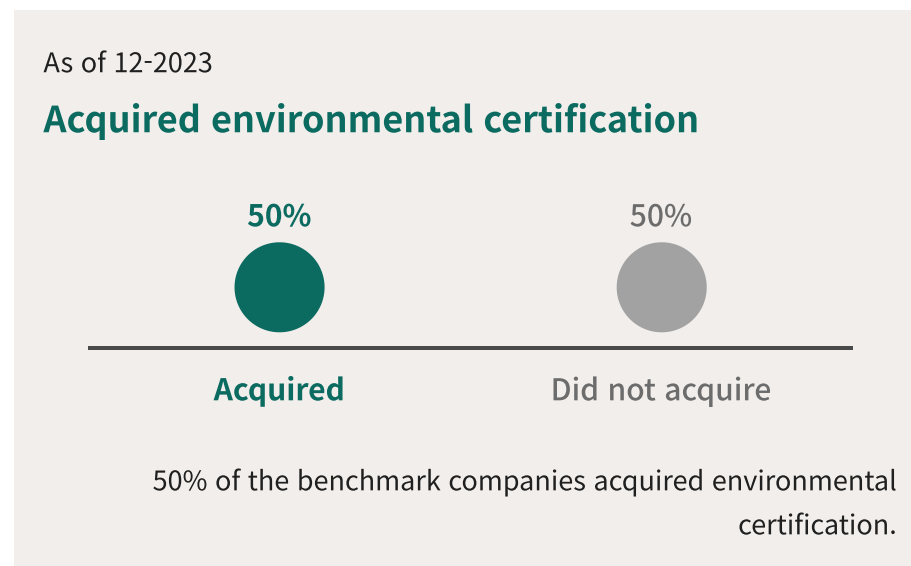


Key Figures

Environmental Policy



Environmental Certification



Well Managed and Need to Be Improved

Well Managed

- Officially stipulates measures or strategies for managing environmental impact in the course of business operations
- Defines environmental impact management factors that the company should manage through environmental management policies
- By disclosing environmental policies to the public, we express our will for environmental management and induce stakeholders to participate in environmental management.
- By reviewing and revising environmental policies the company has the basic ability to respond to external environmental factors such as laws/regulations and changes in the internal environment.
- Have environmental management policies or regulations
- Has ISO 14001 or equivalent environmental management system certification
- Designated an organization or person in charge of environmental management
- Establish annual environmental goals for each company or each business site
- Promoting environmental management through regular meetings and/or management reports
- There is a fact that there has been an investment to reduce environmental impact within the past year
- There has been no negative complaint from the local community regarding environmental impact within the past year.
- No news, articles, or other media reports about the company's negative environmental impact within the past year

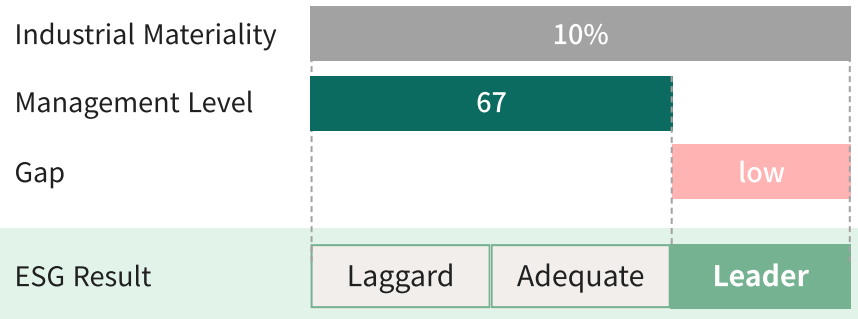
Need to Be Improved

- No mid-to-long-term environmental goals for the next 3 years or more to implement long-term environmental management

Greenhouse gas(GHG)

Greenhouse gas emissions from fuel and energy consumption are a major factor in climate change, and UN member states, including Korea, are operating various regulations and systems to reduce greenhouse gas emissions based on the 'United Nations Framework Convention on Climate Change'. Companies and organizations can preemptively respond to regulations such as limiting greenhouse gas emissions and setting prices by calculating annual direct/indirect greenhouse gas emissions and establishing and implementing mid- to long-term emission reduction targets.

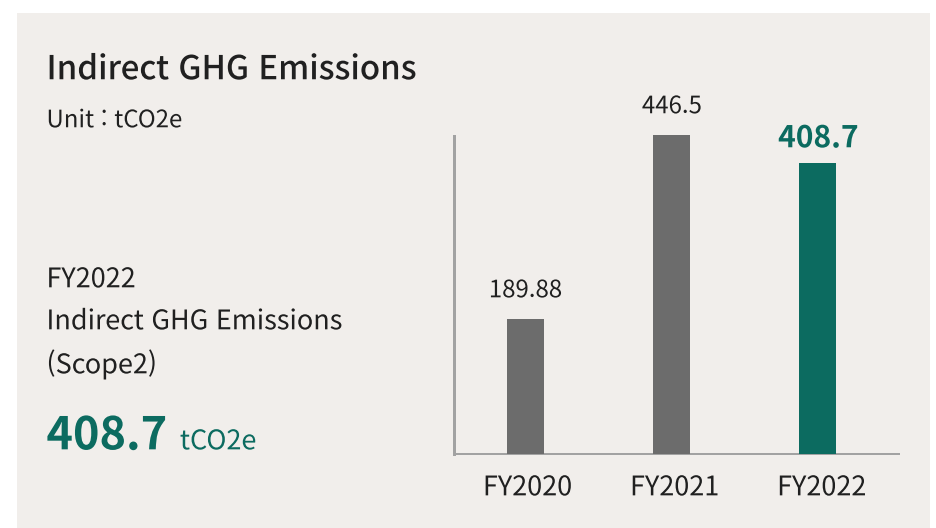
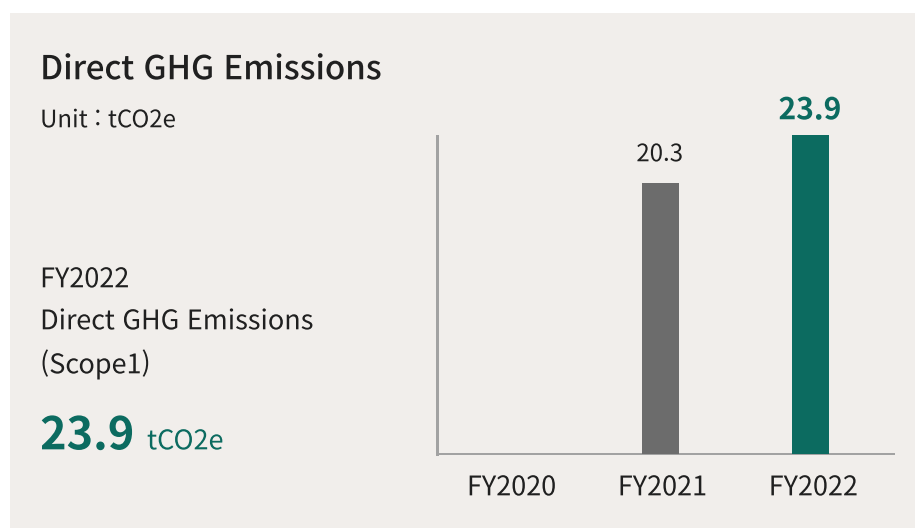
67



Key Figures

GHG emissions





Well Managed and Need to Be Improved

Well Managed

- Direct GHG emissions (Scope 1) can be presented
- Can present indirect greenhouse gas emissions (Scope 2)
- Received third-party verification for greenhouse gas emissions
- Disclosed annual energy consumption to the public
- Disclose annual direct/indirect greenhouse gas emissions to the public
- Set a target to reduce greenhouse gas emissions
- No issues are identified as negative media exposure related to greenhouse gas emissions and energy.
- Establish short-term greenhouse gas emission and/or energy usage goals based on regular data review
- Active activities such as running internal campaigns or participating in local or external programs to reduce greenhouse gas emissions and save energy

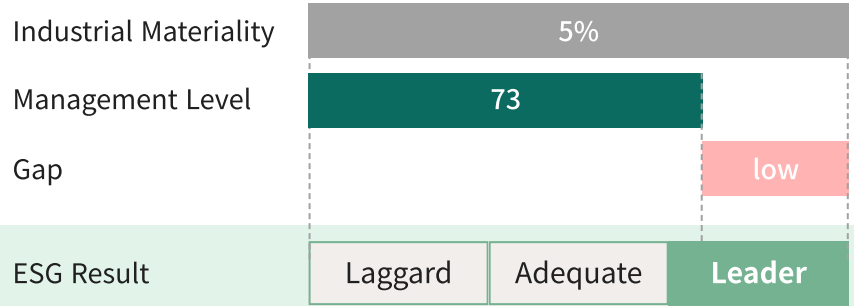
Need to Be Improved

- Direct greenhouse gas (Scope 1) emission trend has not been properly managed for the past three years
- The trend of indirect greenhouse gas (Scope 2) emissions for the past three years has not been properly managed.
- Other indirect greenhouse gas (Scope 3) emissions cannot be presented
- No energy use reduction target set
- No energy efficiency or investment to reduce greenhouse gas emissions within the past two years

Water and wastewater

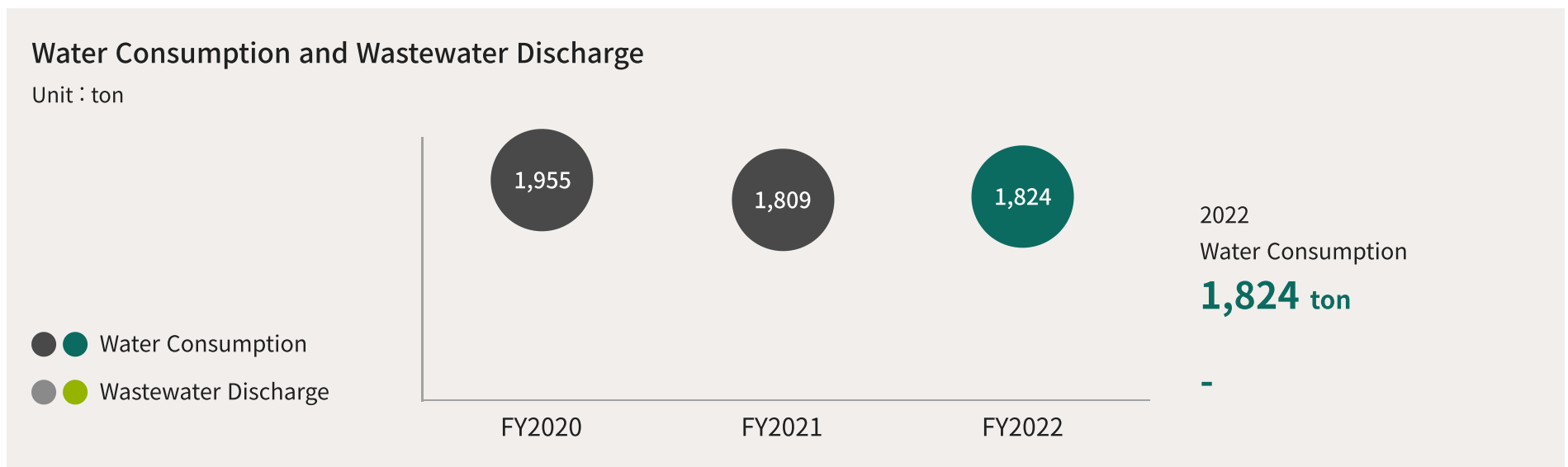
Water is a highly local community-dependent resource that can lead to conflict with the community if not managed properly. Companies and organizations can improve the efficiency of water resource use and prevent supply risks by continuously managing water consumption according to water supply sources. In addition, we can actively respond to environmental regulations by managing wastewater discharge related to water use.

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Key Figures

Water Consumption and Wastewater Discharge



Well Managed and Need to Be Improved

Well Managed

- Can provide annual water withdrawal
- Received third-party verification for water usage and wastewater discharge
- Water consumption and wastewater discharge are disclosed externally through the website or public data.
- No issues are identified as negative media exposure related to water and wastewater.
- Establish specific quantitative targets for water withdrawal/use or wastewater discharge

Need to Be Improved

- The trend of water withdrawal for the past 3 years has not been properly managed.
- No active internal and external activities to save water and protect water resources
- There has been no investment progress in the last two years to streamline water use

Waste

Waste generation information not only represents the level of environmental impact, but also indirect information about process efficiency and productivity. Companies and organizations can reduce waste by improving resource efficiency and recycling.

92

Industrial Materiality 5%

Management Level 92

Gap Low

ESG Result

Laggard

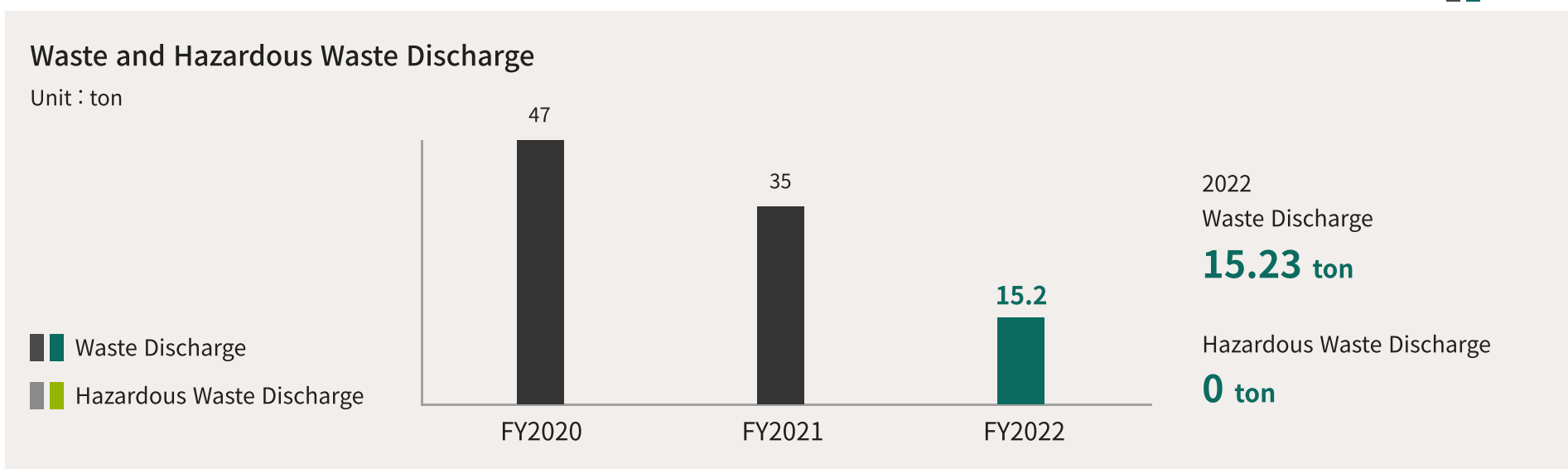
Adequate

Leader

Key Figures

Waste Discharged





Well Managed and Need to Be Improved

Well Managed

- The trend of maintaining or reducing waste emissions over the past three years
- The amount of general waste and the amount of designated waste can be presented separately.
- Can present annual waste emissions
- 3rd party verification for waste emissions
- The amount of waste is disclosed externally through the website or public data.
- No issues identified as negative media exposure issues related to waste
- Established specific quantitative goals for waste reduction
- Active activities such as activities to reduce waste generated during the business process or participation in external programs related to recycling/recycling

Need to Be Improved

- Do not use recycled/recyclable raw materials or articles in the company's products and services

 **Environment** 80 | AA Ratings

Air quality

Businesses with air pollutant emission facilities emit not only greenhouse gases that cause climate change, but also harmful air pollutants such as nitrogen oxides (NOx) and sulfur oxides (SOx). Businesses must strive to limit and reduce air pollutant emissions beyond legal regulations.

Industrial Materiality

Management Level

Gap

- %

-

ESG Result

Laggard

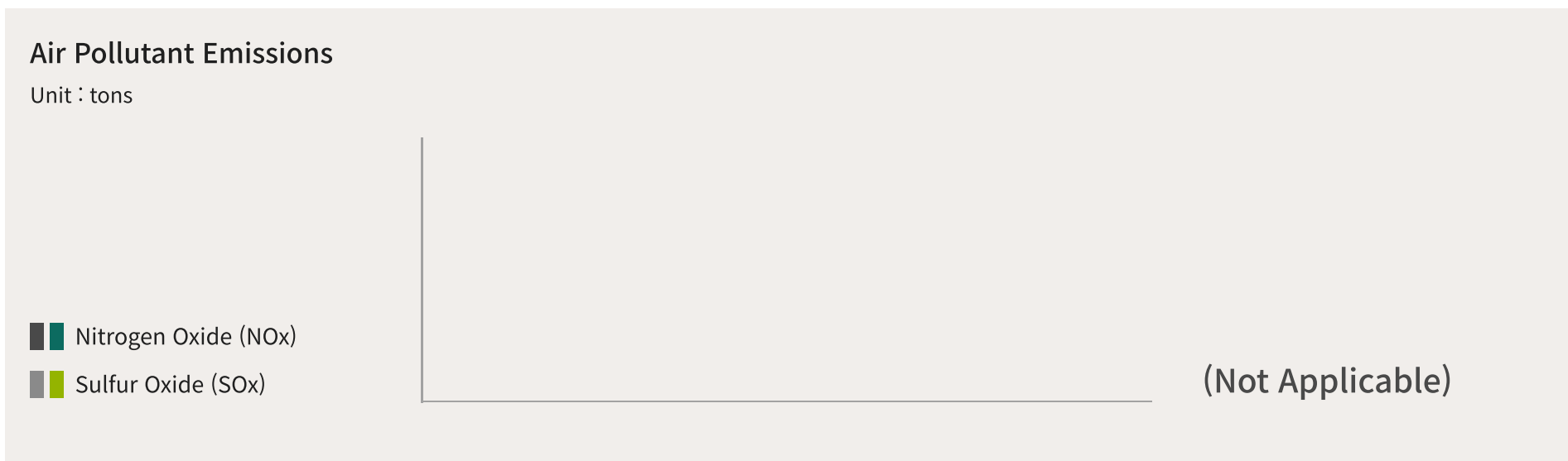
Adequate

Leader

Key Figures

Air Pollutant Emissions

 YJ LINK



Well Managed and Need to Be Improved

Well Managed

There is no element that can be presented as Well Managed

Need to Be Improved

There is no element that can be presented as Need to Be Improved

♥ Human Rights and Labor

Score	Sector Rating	Weights
84 /100	AA	32 %

YJ LINK's score for the Human Rights and Labor is 84. The score of YJ LINK has a difference of 29 points compared to the average of 55 points in the benchmark of peer group companies in Korea, and it is evaluated as an excellent level of management/control. The human rights/labor standards and practices, workplace safety, supply chain esg were applied to the Human Rights and Labor part evaluation.

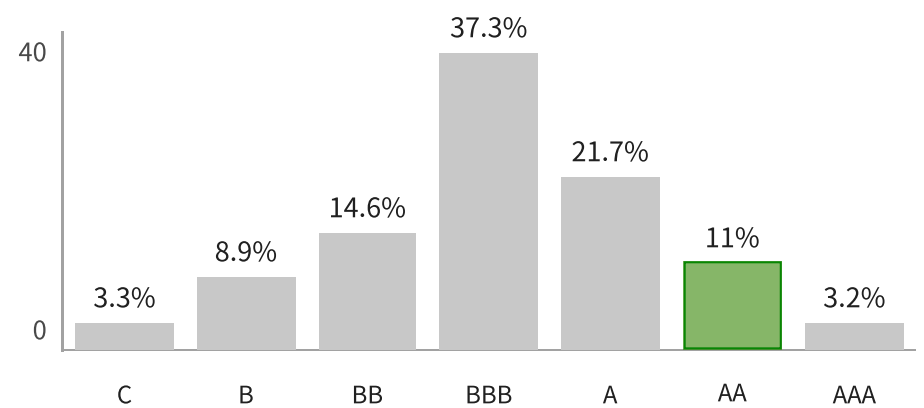
Score Comparison



	Score (out of 100 point)	Score Gap
● YJ LINK	84	-
▲ Benchmark Max.	100	-16
▽ Benchmark Avg.	55	29
▲ Benchmark Min.	0	84

The highest score in the Human Rights and Labor sector of YJ LINK's benchmark is 100, the average score is 55, and the lowest score is 0.

Rating Distribution



In the Human Rights and Labor sector, 11% of peer companies has got AA.

Indicators

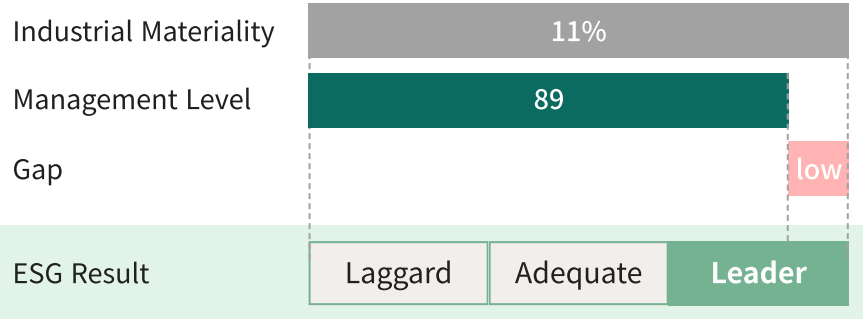
Indicators	Score	Summary
Human rights/labor standards and practices	89	⊕ Management of working status, Improvement of working environment, Human rights/labor standards and policies is managed at an excellent level
Workplace safety	97	⊕ Industrial accident, Safety and health policy, Disaster prevention activities is managed at an excellent level
Supply chain ESG	61	⊕ Supplier code of conduct is managed at an excellent level ⊕ ESG integration within supply chain management is managed at an good level ⊖ Supplier human rights/labor investigation has some insufficient aspects and need to be improved

♥ **Human Rights and Labor** 84 | AA Ratings

Human rights/labor standards and practices

Human rights/labor standards and practices are based on the principles of protection of workers' basic rights, including employment practices, working hours, wages and compensation, labor-management relations, and non-discrimination. Companies or organizations should establish policies based on international labor standards and labor laws, and continue internal monitoring and management to ensure that workers are granted fair rights.

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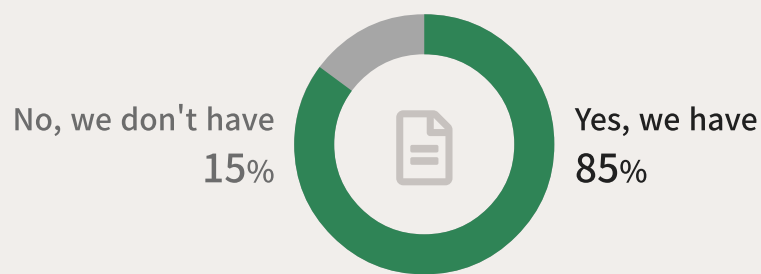


Key Figures

Human Rights and Labor Policies

As of 12-2023

Have human rights/labor standards and policies



85% of benchmark targets have Human Rights/Labor Standards and Policies.

Working Hours

Working Hours

Do not managing working hours



Well Managed and Need to Be Improved

Well Managed

- Guaranteed freedom of association through human rights/labor policy
- The human rights/labor policy specifies matters regarding working conditions such as wages and working hours
- Human rights/labor policy clearly stipulates the principle of non-harassment in the workplace
- The principle of non-discrimination and respect for diversity is clearly defined through the human rights/labor policy
- Has a formal human rights/labor policy
- The principle of prohibition of child labor and forced labor is stipulated through the human rights/labor policy
- The working hours of employees do not exceed 52 hours per week
- Prepares and issues labor contracts with all workers
- All workers are provided with payslips including pay details at the time of monthly payroll.
- Pays more than the legal minimum wage
- Through regular employee meetings or grievance handling/consultation programs, the working environment is identified and improvements are made.
- Established a system that can enhance work performance by linking performance and compensation based on clear performance goals.
- Introduced a system to support childcare and additional childcare more than what legally obligated to provide.
- No issues identified as negative media exposure issues related to human rights/labor standards and practices

Need to Be Improved

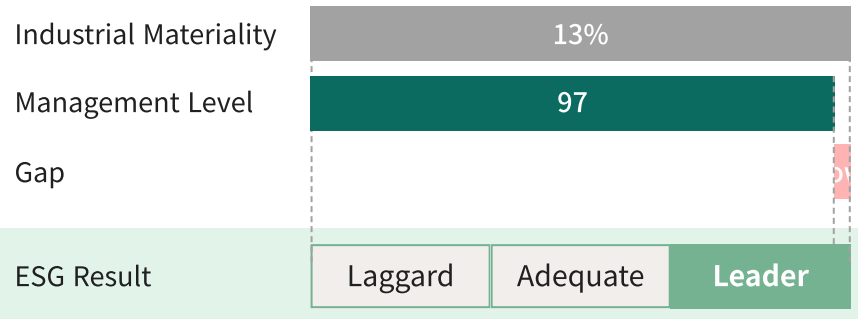
- Not managing working hours for all workers
- The employee stock ownership system and stock option system that can prevent the departure of excellent talent and motivate the creation of company performance are not being introduced.

Human Rights and Labor 84 | AA Ratings

Workplace safety

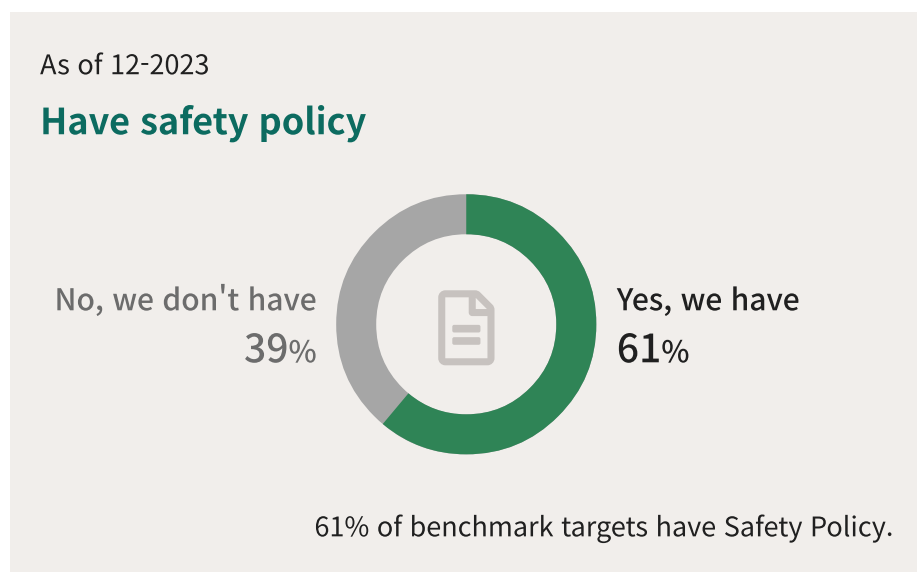
Workplace safety and disaster management are directly related to worker participation and productivity. Companies or organizations can minimize human capital loss and improve productivity by establishing a system to prevent serious accidents and managing occupational safety and health indicators.

97



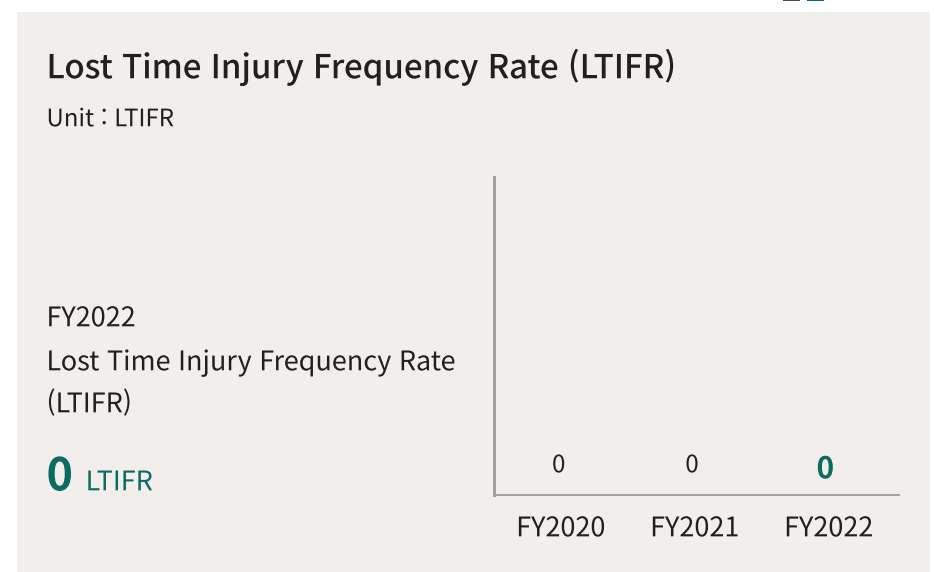
Key Figures

Safety Policy



Accident Rate

YJ LINK



Well Managed and Need to Be Improved

Well Managed

- We have policies for workplace safety and prevention of serious accidents, such as safety and health management regulations.
- Acquired ISO 45001 or equivalent official safety and health management system certification
- Licenses for safety and health facilities are obtained and managed
- Operating an official safety and health committee.
- Conducting workplace risk assessments on a regular basis
- Designated a health and safety management organization and a person in charge.
- Conducting safety and health education for all employees on a regular basis.
- Safety and health information is provided in a language that all workers can understand
- We are conducting regular emergency response drills such as fire safety drills.
- Contact information for emergency response personnel is posted in-house at all times
- Regular inspection of fire detection and suppression equipment, emergency escape routes, etc.
- Establish an emergency response system including emergency reporting, transmission, and evacuation plan
- Dormitories and restaurants are operated that meet professional qualifications such as permits and reports.
- Hygiene and safety facility of dormitories and cafeterias are managed
- Annual employee industrial accident information is managed

Need to Be Improved

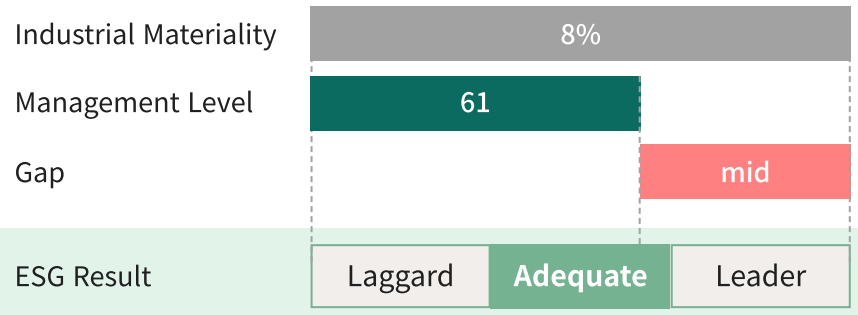
- Procedures and principles are not established to reduce the possibility of serious accidents

♥ Human Rights and Labor 84 | AA Ratings

Supply chain ESG

Companies and organizations need to identify and manage human rights and labor-related risks of suppliers and partners in the supply chain beyond their own scope. In particular, in the case of an industry that is linked to a complex supply chain leading to primary, secondary, and tertiary suppliers with a deep supply chain structure, or in industries that are highly dependent on suppliers and partners due to their business model structure, human rights/labor risks in the supply chain It is highly likely to be directly related to risk.

61

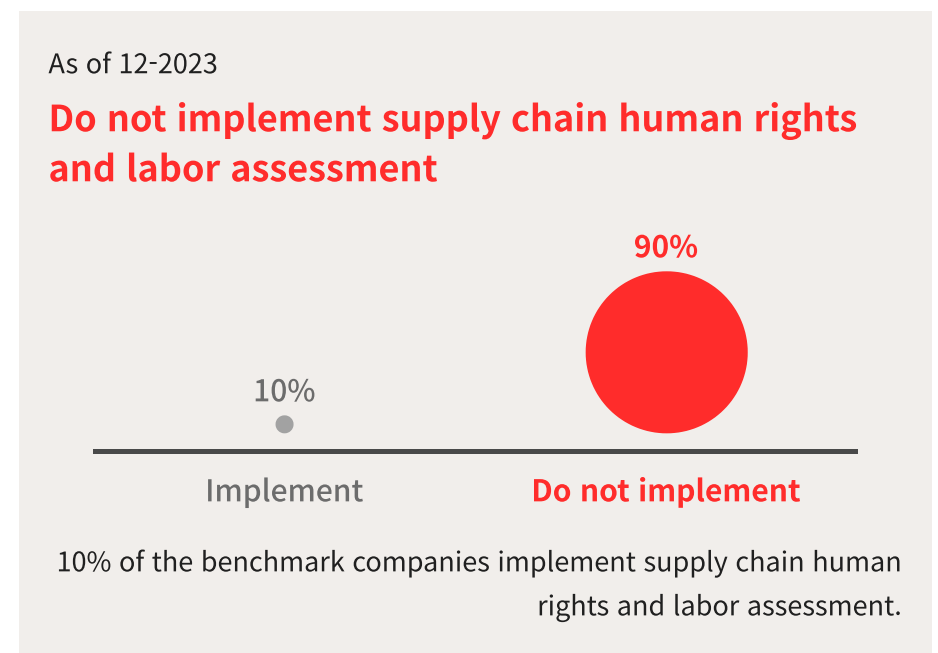


Key Figures

Supply Chain ESG Policies



Supply Chain Human Rights and Labor Assessment



Well Managed and Need to Be Improved

Well Managed

- Documented and retained basic regulations on human rights and labor to be complied with by business partners
- Via the supplier's human rights/labor regulations, the matters regarding the observance of working conditions are specified.
- Clearly stipulate the principle of non-discrimination and respect for diversity through supplier human rights/labor regulations
- Guaranteed freedom of association through the human rights/labor regulations of suppliers
- Clearly stipulate the principle of prohibition of child labor and forced labor through supplier human rights/labor regulations
- Safety and health management obligations are specified through the supplier's human rights/labor regulations
- No issues identified as negative media exposure issues related to supply chain human rights/labor

Need to Be Improved

- In order to manage human rights and labor-related risks in the supply chain, human rights and labor risk investigations of suppliers are not being conducted.
- ESG factors are not reflected in decision making with business partners

Ethics and Governance

Score	Sector Rating	Weights
82 /100	AAA	17 %

YJ LINK's score for the Ethics and Governance is 82. The score of YJ LINK has a difference of 48 points compared to the average of 34 points in the benchmark of peer group companies in Korea, and it is evaluated as an excellent level of management/control. The ethical management, esg management and information disclosure, governance were applied to the Ethics and Governance part evaluation.

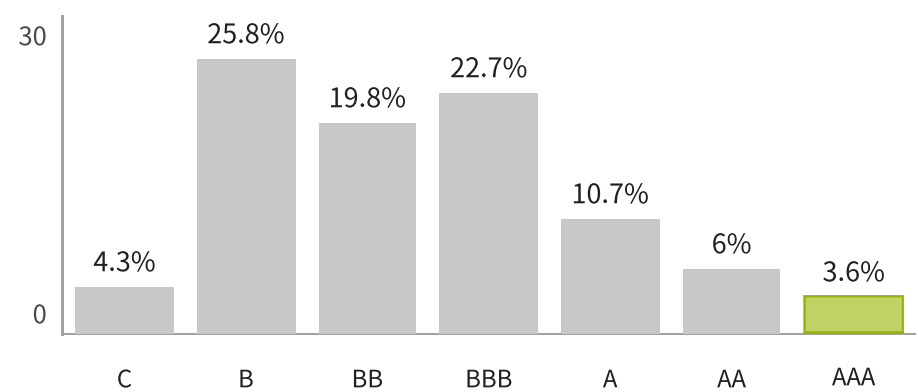
Score Comparison



	Score (out of 100 point)	Score Gap
YJ LINK	82	-
Benchmark Max.	100	-18
Benchmark Avg.	34	48
Benchmark Min.	0	82

The highest score in the Ethics and Governance sector of YJ LINK's benchmark is 100, the average score is 34, and the lowest score is 0.

Rating Distribution



In the Ethics and Governance sector, 3.6% of peer companies has got AAA.

Indicators

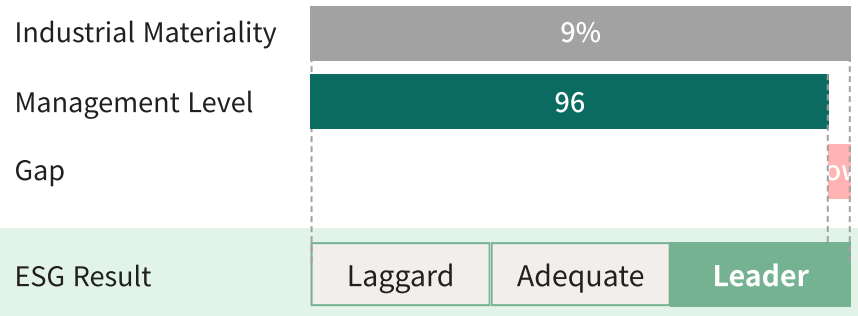
Indicators	Score	Summary
Ethical management	96	⊕ Ethics monitoring, Code of ethics is managed at an excellent level
ESG management and information disclosure	83	⊕ Disclosure of ESG Information, Willingness to promote ESG is managed at an excellent level
Governance	54	⊕ Audit independence, Shareholder rights protection is managed at an excellent level ⊖ Remuneration balance, Board independence and diversity has some insufficient aspects and need to be improved

Ethics and Governance 82 | AAA Ratings

Ethical management

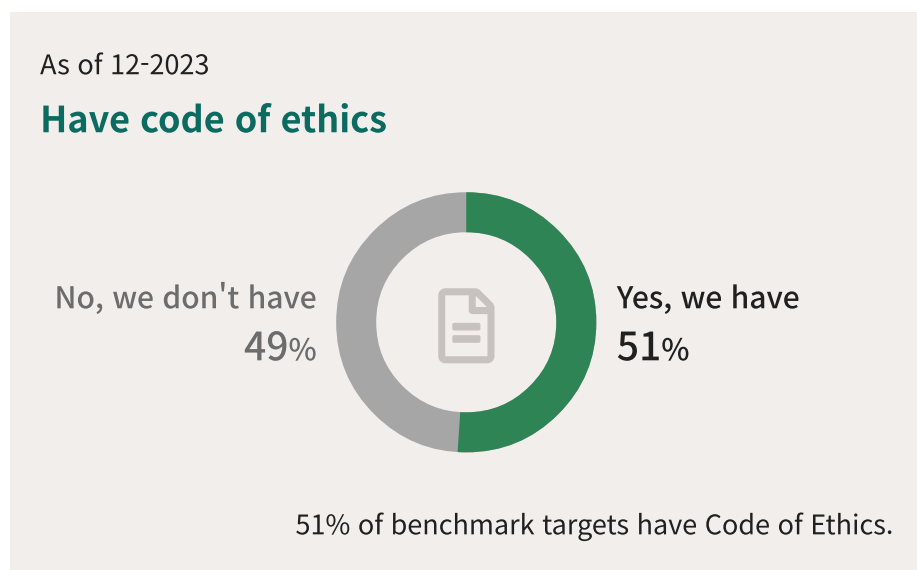
Companies and organizations can practice ethical management by setting up a code of conduct for internal members based on the code of ethics and operating and monitoring an ethics reporting channel. Anti-corruption, fair competition, and prevention of conflicts of interest are included in the scope of ethical management.

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Key Figures

Code of Ethics



Code of Ethics Implementation



Well Managed and Need to Be Improved

Well Managed

- Established ethical principles for the protection of technology assets and information.
- Established ethical principles to combat corruption and bribery.
- Established ethical principles to prevent conflicts of interest between individuals and organizations.
- Established ethical principles for fair market competition.
- Documented and stipulated measures such as investigation and disciplinary action in case of ethical violation
- Define and document the ethical principles that employees must comply with
- Implemented an employee ethics compliance pledge system
- The reporting channel is open to both insiders and outsiders of the company
- Established the principle of prohibition of unfair treatment and disadvantages for ethical whistleblowers
- Establish the principle of guaranteeing and protecting the anonymity of the ethical reporter and specify it in the reporting channel
- Information on the procedures for receiving and handling ethics reports is provided to external channels such as the ethics report channel.
- Operates an ethics reporting channel to report ethical violations
- The annual employee participation rate in ethics training is being managed.
- Conducts ethics training for employees.
- No issues identified as negative media exposure issues related to ethical management

Need to Be Improved

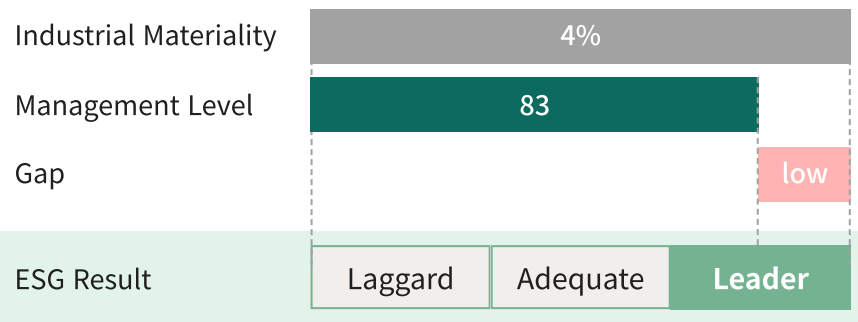
- Limited number of employees who promise to comply with ethics

Ethics and Governance 82 | AAA Ratings

ESG management and information disclosure

Businesses and organizations can meet stakeholders' demands for social responsibility by regularly reviewing non-financial performance and disclosing relevant information. In particular, disclosure of information based on international standards such as GRI Standards improves accessibility and comparability of ESG information, which has a positive effect on stakeholders' decision-making.

83

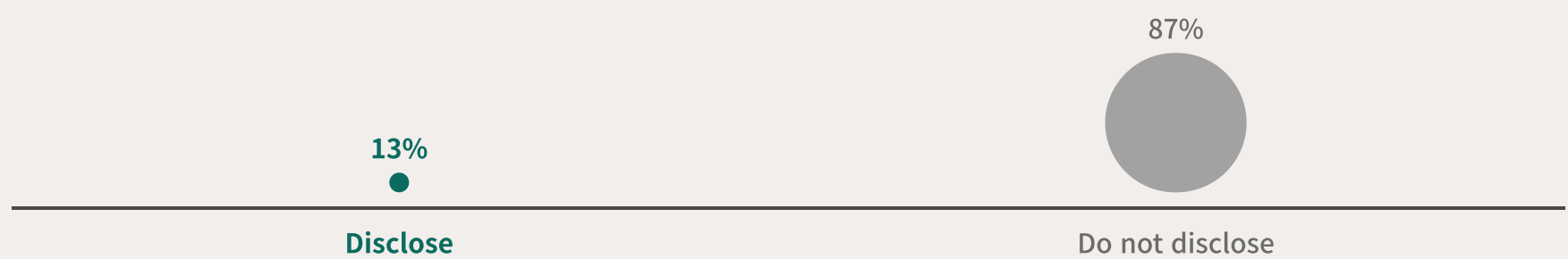


Key Figures

ESG Information Disclosure

As of 12-2023

Disclose esg information



13% of the benchmark companies disclose esg information.

Well Managed and Need to Be Improved

Well Managed

- ESG information is disclosed to the public through stakeholder communication channels such as website and sustainability report.
- We disclose at least 4 ESG-related matters among environment, human rights and labor, ethics, community activities, business partners, and governance.
- When ESG information is disclosed, international reporting standards such as GRI are applied.
- Received third-party verification of publicly available ESG information
- The CEO or the top decision maker officially expresses the will to promote ESG management through a statement, etc.
- Operates an ESG committee or meeting body under the supreme decision-making body
- Collecting expert opinions on changes in the company's internal/external ESG environment through advisory/meeting meetings, or receiving official ESG opinions from stakeholders
- Willing to promote the internalization of ESG management by actively utilizing the ESG evaluation results

Need to Be Improved

- Failure to conduct ESG risk and performance management, such as regularly discussing ESG-related risks and opportunities or receiving relevant performance reports from the highest decision-making body
- No support for strengthening ESG competency of employees
- ESG performance is not reflected in employee KPIs

Ethics and Governance 82 | AAA Ratings

Governance

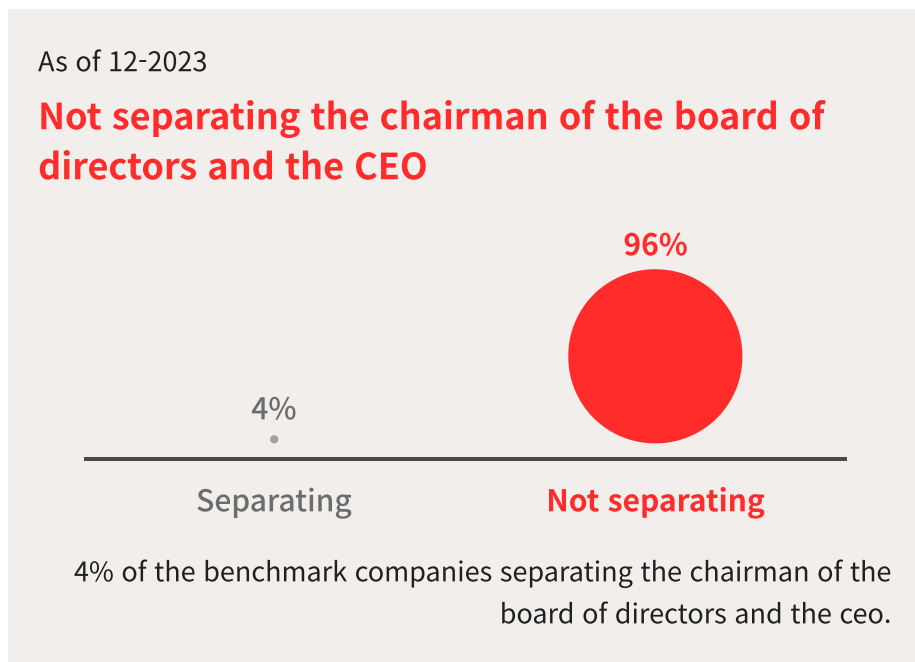
Companies and organizations must establish a sound governance structure to conduct transparent management activities. Forming a balanced Board of Directors is the basis for decision-making that can create economic and social values based on corporate growth.

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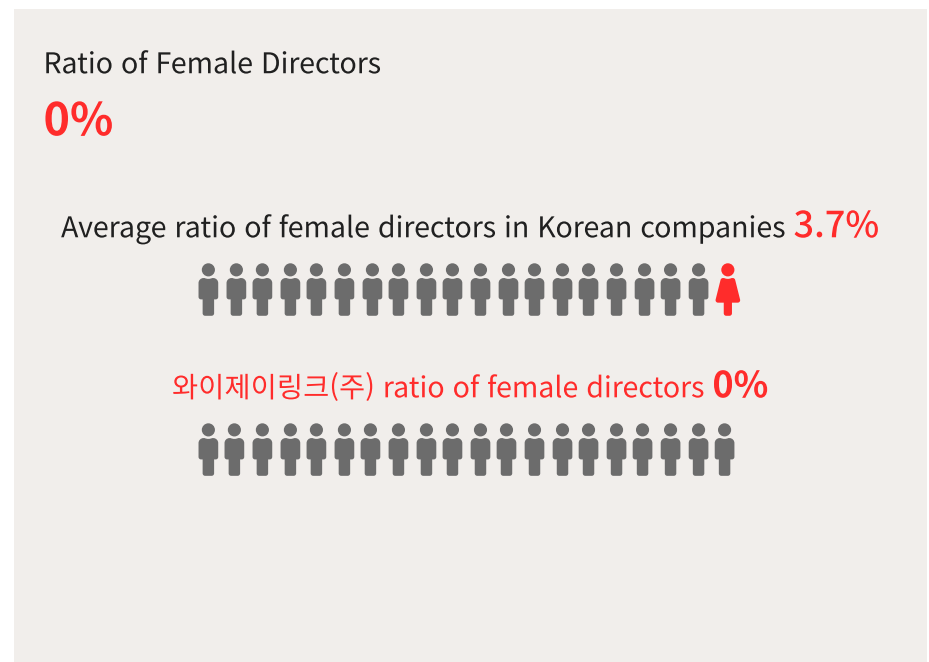
Industrial Materiality	4%
Management Level	54
Gap	mid
ESG Result	Laggard Adequate Leader

Key Figures

Board Independence



Board Independence



Well Managed and Need to Be Improved

Well Managed

- The requirements for the independence of the board of directors are disclosed to the public.
- The ratio of non-audit service expenses to audit service expenses paid to external auditors is less than 25%
- Organize and operate an audit committee or audit
- Have an internal audit department or a department to perform audits
- Have documents stipulating the CEO's remuneration
- Announce the convocation of convening a general meeting of shareholders following relevant laws and regulations
- No corporate governance investigation or legal sanctions in the past year
- No issues identified as negative media exposure issues related to governance

Need to Be Improved

- The CEO concurrently serves as the Chairman of the Board of Directors.
- No or less than 2/3 of the board members meet the independence requirements
- No female directors on the board of directors
- The board's diversity policy is not disclosed to the public
- There is no CEO performance evaluation system or linkage of performance to remuneration
- There is a difference of more than 8 times between the total CEO's total remuneration and the total employee's average remuneration, or the information is unknown
- The ratio of CEO's remuneration to the average remuneration of employees is not disclosed to the public.

Product and Service Responsibility

Score	Sector Rating	Weights
75 /100	-	23 %

YJ LINK's score for the Product and Service Responsibility is 75. As the Product and Service Responsibility sector evaluate industrial innovation indicators that reflect industrial characteristics and contexts, chemicals safety, renewable energy opportunities, defects and recalls, diversity and participation of professional manpower were applied.

Score Comparison



Rating Distribution

Product and service responsibility has no rating.

	Score (out of 100 point)	Score Gap
■ YJ LINK	75	-
▲ Benchmark Max.	-	-
▼ Benchmark Avg.	-	-
▲ Benchmark Min.	-	-

Ratings for product and service responsibility will be applied at a later date.

A comparison of benchmark scores for Product and Service Responsibility will be available starting with the assessment in 2022.

Indicators

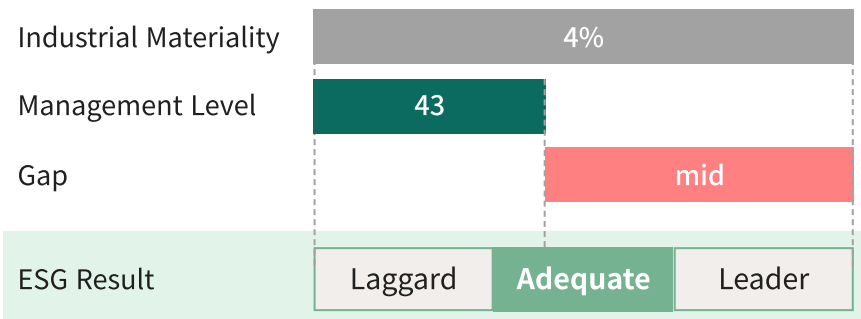
Indicators	Score	Summary
Chemicals safety	43	+ : Life Cycle Assessment is managed at an good level - : Chemicals management has some insufficient aspects and need to be improved
Renewable energy opportunities	86	+ : Renewable Energy Conversion Plan is managed at an excellent level + : Use of renewable energy is managed at an good level
Defects and recalls	85	+ : Defect monitoring and recall decision making, Product recall is managed at an excellent level + : Quality and defect management policy is managed at an good level
Diversity and participation of professional manpower	56	+ : Recruitment and employment retention is managed at an excellent level + : Diversity is managed at an good level - : Capacity building and participation of employee has some insufficient aspects and need to be improved

Product and Service Responsibility 75

Chemicals safety

The effects of chemicals on human health or the environment are directly related to workplace safety, consumer safety and regulatory risks. Companies and organizations must review the hazards in the handling, use, storage and transport of chemicals and minimize potential risks through strict management above and above the legal compliance level.

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Well Managed and Need to Be Improved

+ Well Managed

- A Material Safety Data Sheet (MSDS) is provided for the safety of workers in the process of using hazardous chemicals.
- Provide special training on chemical handling operations in addition to safety and health training for hazardous chemical handlers
- Conducting life-cycle evaluation of products and services
- Conducting LCA research on the product for more than 10% of sales
- No safety accidents or incidents related to chemical substances have occurred in the past year

- Need to Be Improved

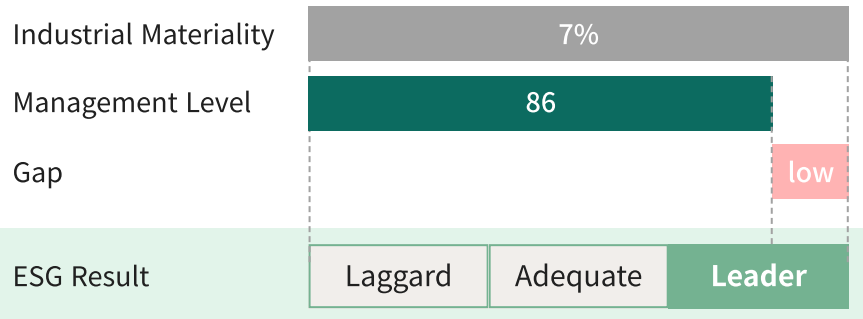
- Not regularly managing the handling of hazardous substances subject to international standards such as REACH and RoHS and domestic laws and regulations
- No evaluation and management of chemical/biological hazards when introducing new chemicals
- Not conducting regular work environment measurement for workplaces exposed to hazardous chemicals
- No work environment management, such as proper arrangement of work processes, sealing of emission sources, and installation of ventilation facilities
- Not conducting regular chemical risk assessments
- The factors affecting the environment, ecology, and human body reflected in the life cycle evaluation are limited

Product and Service Responsibility 75

Renewable energy opportunities

As the global focus of regulation and investment on climate change leads to the demand for renewable energy, innovation through the renewable energy transition has become an important opportunity for companies and organizations to perform in the future. Companies and organizations can respond to climate change through the transition to new and renewable energy, and can acquire practical value creation opportunities.

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Well Managed and Need to Be Improved

+ Well Managed

- Renewable energy is used in the production and distribution of products
- Established the goal of transition to new and renewable energy
- Disclosure of new and renewable energy conversion goals to the outside world

- Need to Be Improved

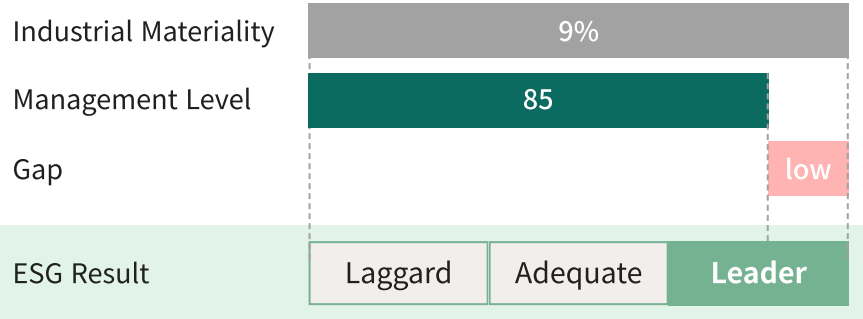
- Unable to present the ratio of new and renewable energy use among total energy use

Product and Service Responsibility 75

Defects and recalls

Product recalls not only cause costly loss for businesses and organizations, but also can lead to serious conflicts with stakeholders as a significant product liability issue. Companies and organizations need to ensure that they manage the design and manufacturing defects, product safety risks, etc., to avoid significant losses due to recalls.

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Well Managed and Need to Be Improved

+ Well Managed

- Have formal documentation defining product defect management processes
- Operates a channel for receiving consumer complaints related to product quality/defect
- Risk factors are identified through risk information collection or risk inspection on raw materials, parts, or finished products of the product.
- Have a formal decision-making process to determine voluntary recalls
- Operate a working organization or consultative body to discuss product quality and safety issues, and report related issues to the top management regularly
- No recalls (involuntary recalls) based on recommendations or orders within the last year

- Need to Be Improved

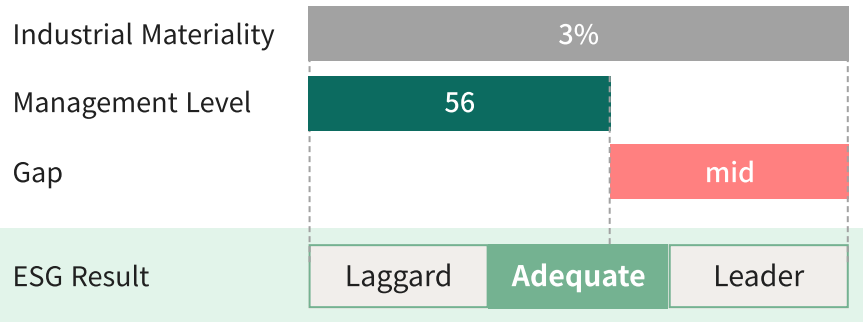
There is no element that can be presented as Need to Be Improved

Product and Service Responsibility 75

Diversity and participation of professional manpower

Attracting and retaining human capital, one of the most important capitals that make up companies and organizations, has a significant impact on a company's long-term growth. Creating a mutual corporate culture based on the diversity of members and preventing the departure of professional personnel based on employee satisfaction are important factors for a company to create long-term performance.

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Well Managed and Need to Be Improved

+ Well Managed

- Can present the number of male and female employees by position
- As an indicator of employee gender diversity, the number or ratio of men and women by position is disclosed to the public.
- The employee turnover rate has decreased or maintained over the past three years
- There has been continuous recruitment of new employees over the last three years
- Disclosure of employee turnover rate

- Need to Be Improved

- Do not managing data of education and training expenses per employee
- Do not employ disabled people beyond legal standards
- No investigation on employee participation (satisfaction)

Data Quality

Levels of data quality	Meaning
Lv1. Self Assessment	The assessment result is based solely on the answers provided by the company without any separate verification or validation process, relying on the reliability of the company's responses.
Lv2. On-desk Assessment	An independent third-party evaluator reviews the company's submitted responses for reliability and validity at a reasonable level before producing the results, in addition to the reliability of the company's responses, resulting from third-party evaluations.
Lv3. On-site Assessment	An independent third-party evaluator visits the company to conduct an in-depth verification process of the answers provided and submitted by the company, resulting in the most reliable assessment.

Rating Details

Ratings	Meaning
AAA	Excellent for managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Very high possibility of increasing stakeholders value depending on non-financial factors
AA	Fairly good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & High possibility of increasing stakeholders value depending on non-financial factors
A	Good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Middle possibility of increasing stakeholders value depending on non-financial factors
BBB	Good at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Low possibility of increasing stakeholders value depending on non-financial factors
BB	Lagged behind in managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Middle possibility of decreasing stakeholders value due to non-financial factors
B	Lagged behind in managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & High possibility of decreasing stakeholders value due to non-financial factors
C	Poor at managing/controlling opportunity or risk factors on ESG(Environment, Society, Governance) & Very high possibility of decreasing stakeholders value due to non-financial factors

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