



YOUNGONE

SUSTAINABILITY MANAGEMENT REPORT 2023

YOUNGONE

ABOUT THIS REPORT

Youngone Corporation is a global market-leading company.

Since its inception in 1974, Youngone Corporation has been committed to the manufacturing of technical products, broadening its scope of business to include the OEM export business for well-known overseas brands, the distribution of both domestic and international outdoor brands, and regional development projects in other countries. This has propelled us towards becoming a global company that contributes to national economic growth and societal development. We are guided by our missions, 'create more jobs through sustainable growth,' 'improve the quality of people's lives through environment-focused management,' and 'unleash love for humanity that enables people to live in harmony through giving back.' To bring these missions to life, we've shared our core values with our entire staff, a total of more than 90,000 employees, for implementation.

Overview

With the goal of transparently disclosing our financial and non-financial achievements to stakeholders, we have published ESG Milestone reports twice since 2021. In 2024, we published a report under a new name, Youngone Sustainability Management Report 2023. This is the inaugural sustainability report for Youngone and has different reporting principles and scopes compared to our previous ESG Milestone reports. In the coming years, we are committed to regularly sharing our ESG activities and progress with our stakeholders, thereby enhancing our communication with them.

Reporting Period

This report covers our sustainability activities and performance from January 1, 2023 through December 31, 2023. It also includes some key business operations from the first half of 2024. Additionally, the report provides three years' worth of data for certain indicators to illustrate trends in quantitative performance.

Reporting Principles and Framework

This report is in alignment with the Global Reporting Initiative (GRI) Standards 2021. As a member of the UN Global Compact (UNGC), we have integrated our activities to fulfill its 10 principles and the Sustainable Development Goals (SDGs) into this report. Furthermore, this report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In terms of financial performance, it complies with the Korean version of the International Financial Reporting Standards (K-IFRS).

Reporting Scopes

This report encompasses the ESG performance of Youngone Holdings and its primary domestic subsidiary, Youngone Corporation. The financial performance of Youngone Corporation includes its subsidiaries on a consolidated basis, while the non-financial performance encompasses the headquarters and local and overseas business sites of Youngone Corporation in Korea. Any performance data outside the reporting scope is noted accordingly. The environmental and social data in the ESG Data Book pertain solely to Youngone Corporation, which is responsible for product manufacturing. However, some of the social contribution performance data includes activities from Youngone Holdings, Youngone Corporation, and Youngone Outdoor. The governance section and the relevant data included in the ESG Data Book were prepared based on information from both Youngone Holdings and Youngone Corporation.

Data Assurance

To ensure the reliability and fairness of the content and the process involved in creating this report, the data has been verified by BSI, an independent verifier. The third-party assurance statement can be found in the Appendix section.

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Tel. 02-390-6114
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CEO MESSAGE



To our esteemed stakeholders,

Publishing our first sustainability report on this 50th anniversary makes our milestone even more significant and meaningful.

ESG management is not a new concept for Youngone. We began implementing ESG practices long before the term ‘ESG’ emerged. Our diverse activities are a testament to this commitment. The activities include transforming 1,250 acres of the KEPZ site in Bangladesh into an eco-friendly industrial complex which now hosts 137 flora and fauna species, and enhancing women’s rights by hiring a significant number of female workers in Bangladesh for the first time.

Youngone has expanded its production bases beyond Bangladesh, to other overseas countries, including El Salvador, Vietnam, Ethiopia, Uzbekistan. By creating more than 90,000 jobs all over the world, we have contributed to human well-being and economic growth. In addition to the diversification of our production facilities, we also have expanded our Corporate Social Responsibility (CSR) globally. As part of this, we distributed about 8 million items of winter clothes to people in need through World Vision. All these practices, sustained over half a century, embody ESG management, which fills us with immense pride.

Youngone has been accelerating the inclusion of ESG management into all aspects of our operations in a more systematic manner, guided by the goals of ‘create more jobs through sustainable growth; improve the quality of people’s lives through environment-focused management; and unleash love for humanity that enables people to live in harmony through giving back.’ To this end, we will install roof-top solar panels to reduce carbon emissions by 40% emitted from our production operations by 2030. Within this year, we will secure green recycling technologies to repurpose small fabric scraps into raw materials for other products, thereby minimizing waste generation, and increase the usage rate of eco-friendly fabric to 60% by 2025.

Going forward, our focus will be on the advancement of our vertically integrated system to lessen unnecessary product movement and subsequent carbon emissions.

With business operations spanning more than 10 countries worldwide, we have put efforts into achieving shared growth with local communities in the regions where we operate our facilities. The establishment of a Textile & Fashion Institute and Medical Complex at the KEPZ site in Bangladesh are the main projects we are processing this year. Through these initiatives, we will guide the journey towards enhanced educational and medical environments in Bangladesh while also contributing to the development of medical and textile technologies in the country.

The initial step on this journey involved identifying material issues such as climate change response, development of eco-friendly raw materials and products, and strengthening human rights management through a materiality assessment. We discovered that all of these issues are overarching, prompting us to request the entire company’s attention to them. In the years ahead, we will elevate our ESG management to ensure that all our actions align with ESG values. This report provides a clear picture of our ESG progress and outlines our plans for the future. I would sincerely appreciate your continued interest and support on this journey.

Thank you.

Youngone Corporation
Chairman & CEO **Sung Kihak**

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CEO MESSAGE

To our valued stakeholders,

Today, I am delighted to share our ESG vision and goals through our first sustainability report. Youngone’s growth has gone hand in hand with ESG values even before the concept of ESG was developed, fostering coexistence with the environment and local communities. Going forward, Youngone will be committed to achieving more systematic ESG management aligned with global standards.

The very nature of our business compels us to prioritize environmental sustainability within our ESG activities. One area where we continue to invest heavily is in eco-friendly facilities. We have installed rooftop solar panels across our global manufacturing facilities, significantly mitigating carbon emissions. Additionally, we employ water treatment facilities, such as Effluent Treatment Plant (ETP) and/or Membrane Bioreactor (MBR), to reuse water or to discharge purified wastewater. Furthermore, in recent years, we have scaled up our investments in fabric recycling manufacturing facilities so that scraps can be repurposed for new products, thereby reducing our environmental impact.

Unlike in the past when the apparel business was all about fast and efficient production, the industry is now focusing on reducing unnecessary and surplus clothing. Our answer lies in our spirit of ‘50 Years of Excellence.’ Over the past five decades, our products have been beloved by our customers for their outstanding quality, translating into longer lifespans compared to other products in the market. Likewise, we will continuously strive to be strategic partners for our customers based on our excellent quality, dedication to environmental values, and innovative technologies.

In addition to production, our focus extends to fueling the transition toward a circular economy. As part of these efforts, we have established a CVC (Corporate Venture Capital) to identify startups equipped with technologies related to the circular economy and engineering expertise. These startups are added to our investment list, thereby contributing to the creation of an ecosystem for a sustainable, circular economy.

Beyond achieving environmental sustainability, we will encourage mutual growth with local communities through continuous contributions including cultural restoration and industry-academia cooperation.

In the years ahead, we will share our on-going progress in ESG management with all of our valued stakeholders. Your continued support and interest in our journey towards full-fledged ESG management would be highly appreciated.

Thank you.

Youngone Holdings Co., Ltd.
Group Vice Chairman & CEO **Sung Rae Eun**



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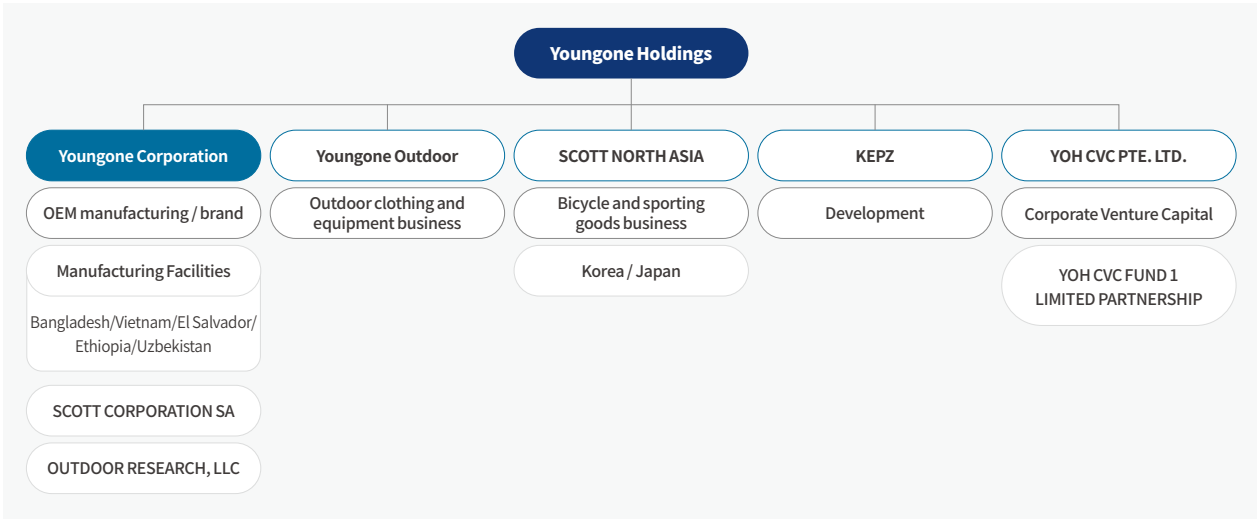
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About Us

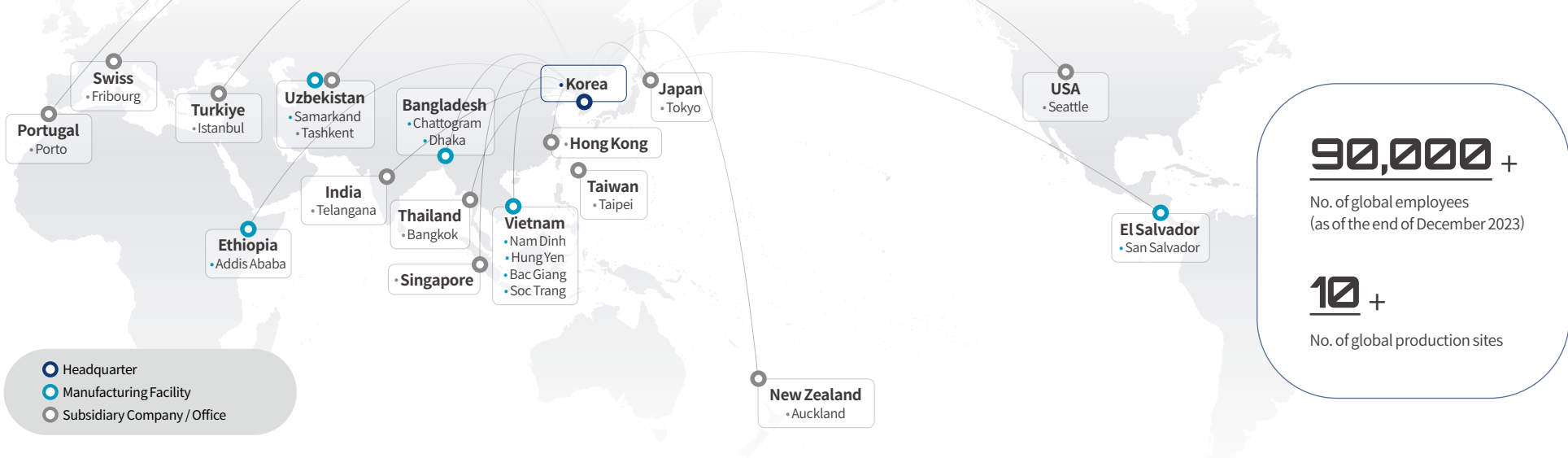
Company Overview

Company name	Youngone Corporation
HQ address	159, Mallijae-ro, Jung-gu, Seoul, Republic of Korea
Main businesses	OEM production and export of apparel, etc.
CEO	Sung Kihak
Date of foundation	July 1, 2009
No. of employees	303

Major Affiliates



Global Network



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Our Businesses

OEM

Apparel (Woven / Knit)

We have the expertise to improve the fabric's waterproofing, breathability, and warmth with our specialized sewing techniques beyond the inherent functions of the fabric. Our use of pattern technology and seamless sewing methods allows us to offer a diverse range of functional products. In addition, we are enhancing production efficiency by automating down injection and processes with various fillers and by employing 3D technology to streamline operations.

Since the development and production of Merino Wool knit products in 2006, we have supplied high-quality premium Merino Wool knit products to the outdoor sportswear industry. Currently, we are taking the lead in the outdoor sports wear market. We are also making investment into the advancement of next-generation technologies, focusing on hybrid products that combine Merino Circular Knit with outerwear, and we are committed to securing flat knit and seamless technologies.



Shoes

In 1996, we built our shoe factory at the Chattogram Export Zone in Bangladesh. Since then, we have provided an array of products including sports shoes, military boots, and safety boots to prominent global brands. Our safety boots, in particular, have garnered acclaim for their stable and superior quality, attributed to our automated production.

Besides holding the CSA certification, which is a Canadian quality standard, we maintain a competitive edge with our pricing due to tariff exemptions in key markets, such as Europe, Canada, Japan, and Korea. Driven by consistent research and investment efforts in automation, we are aiming at simplifying processes and standardizing work. Our comprehensive in-house production system for outsoles and knitted fabric enables us to swiftly adapt to the dynamic market demands, ensuring price competitiveness and reduced production lead time.



Goods

We specialize in producing premier bag brands based on our market-leading material and product development, collaborative design efforts, and production capabilities. We offer an extensive selection of product, enhanced by our expert processing skills sophisticated production management technology, state-of-the-art automation equipment, and specialized processing skills, including advanced functional material sewing, embroidery, printing, and seamless sewing techniques. We supply hiking, travel, casual, and business bags, as well as camping gear to our partner brands, helping them to dominate the global market with top quality and competitive pricing. Leveraging our know-how and unparalleled investment in world-class facilities, we are diversifying our business portfolio to encompass women's handbags, sleeping bags, and socks.



Brand Retail

In our quest for sustained growth in the global market, we have diversified our business scope by acquiring OUTDOOR RESEARCH, a U.S. outdoor brand with a rich history of more than 40 years, in 2014, and acquiring SCOTT, a Switzerland premium bicycle brand in 2015. OUTDOOR RESEARCH has a range of apparel and equipment that highlight its outdoor heritage, and SCOTT has been rolling out new products with a focus on e-bikes and mountain bikes (MTB), meeting evolving consumer needs and trends. It commits to product development and strategic investments to lead the trend in the premium bicycle segment.



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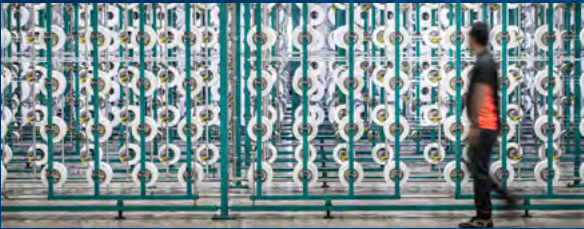
Website.

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Raw Material

Textile

We have batch processing facilities for textile production in Bangladesh and Vietnam, achieving cost reduction and expedited delivery through vertical integration. Our capabilities encompass weaving, dyeing, post-processing, lamination, and printing, with a focus on nylon and polyester product manufacturing. We have consistently invested in the manufacturing of eco-friendly products. Our textile production facilities in Bangladesh have become the first to be registered as a ‘bluesign system’ partner, and our key products obtained the bluesign certification. Along with the commercialization of eco-friendly water-repellent products, we have recently been expanding the production of products made of recycled materials.



Knit

We manufacture circular knitted products, including Single Jersey, Interlock, Fleece, as well as warp knitted products, such as Tricot and Mesh type fabrics. Our functional products are enhanced with features, such as wicking, water repellency, antibacterial, and antistatic properties, achieved through meticulous post-processing. We are also broadening our production of eco-friendly fibers utilizing recycled polyester yarn that is certified with Global Recycling Standard (GRS) while conducting research and development of eco-friendly water repellent and biodegradable fabrics. Our Bangladesh facilities boast vertically integrated production capabilities, encompassing knitting, dyeing, and post-processing. In 2018, we further expanded our warp knitting factory, bolstering our productivity and competitive edge by ensuring prompt fabric delivery.



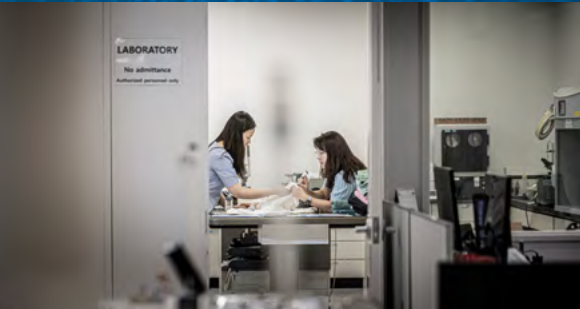
Filler

Our facilities in Vietnam and Bangladesh are equipped with both general and specialized padding lines as well as computerized quilting equipment. Our unparalleled high-quality products include; VX series that optimizes warmth, breathability, and moisture control for enhanced activity and comfort, Excelloft series with exceptional warmth and volume, ecoLoft series with high-functioning, eco-friendly products, Nature series that are made from natural materials, and our ball-type fillers emulating the movement of down. We have established a reputation for stable quality and price competitiveness through globally acknowledged technology. We also obtained certifications, such as bluesign, Oeko-Tex, and Global Recycling Standard (GRS).



R&D

We make strenuous efforts to cultivate outstanding R&D talent, attract top-tier manpower across various fields, and acquire the latest technology information on technical materials and apparel products. Our endeavors are further amplified by building a technical collaboration network with both local and international entities and forming a global cooperative framework joined by our overseas partners. We were the first in Korea to develop and produce specialized ski wear and mountain sports apparel. In addition, we proactively adopted innovative process technologies, such as non-sewing adhesion and collaborated with overseas equipment companies for R&D to develop equipment with significantly enhanced productivity. Moreover, by establishing our own fabric production facilities, we are not only developing and utilizing fabrics applied with new methods and technologies but also striving to create a sustainable clothing production system with the introduction of eco-friendly dyeing and water-repellent processing technologies. On top of that, we have successfully developed and adopted various synthetic insulation materials as alternatives to goose and duck down for the sake of animal protection. Recently, we unveiled an eco-fleece product using sustainable fabric derived from recycled plastic bottles. Moving forward, we will remain steadfast in our commitment to enhancing product quality and functionality through R&D activities. At the same time, we will continue to contribute to environmental protection and the sustainability of the apparel industry.



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Business Highlights

Sales	KRW 3,604,377,025,404
Operating profit	KRW 637,146,368,834
Net profit	KRW 533,070,681,256
Return on Equity (ROE)	17.03%
Earnings Per Share (EPS)	KRW 11,762
Total assets	KRW 5,297,123,640,656

YOUNGONE

Financial Performance Highlights

(On a consolidated basis in 2023)



OEM sector

61%



Brand retail and others sector

39%

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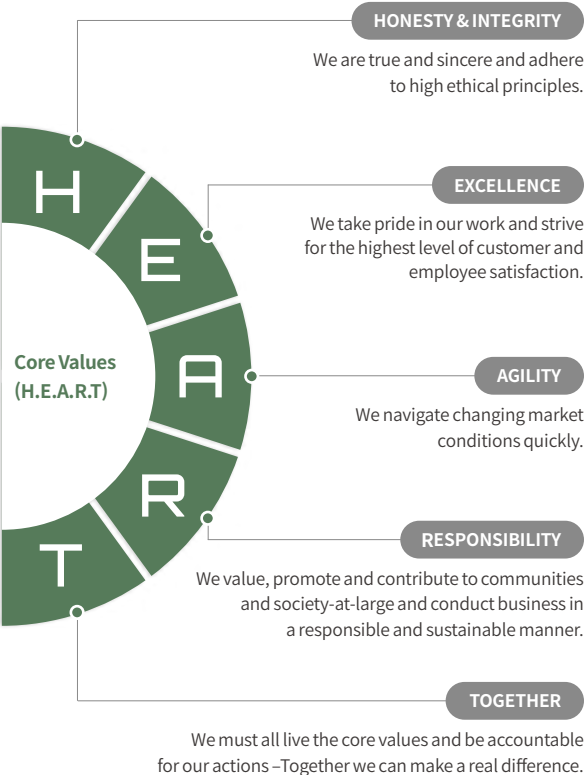
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ESG Management System

With a desire to communicate with a variety of stakeholders and shape a better world beyond constant profit-making, Youngone has pursued sustainability in economic, societal, and environmental aspects. This aspiration has guided us to establish our own vision and philosophy for ESG, which is based on our core values, 'H.E.A.R.T.' These values will steer us towards sustainable management and assist us in selecting material topics to transform into action.

Core Values(H.E.A.R.T)

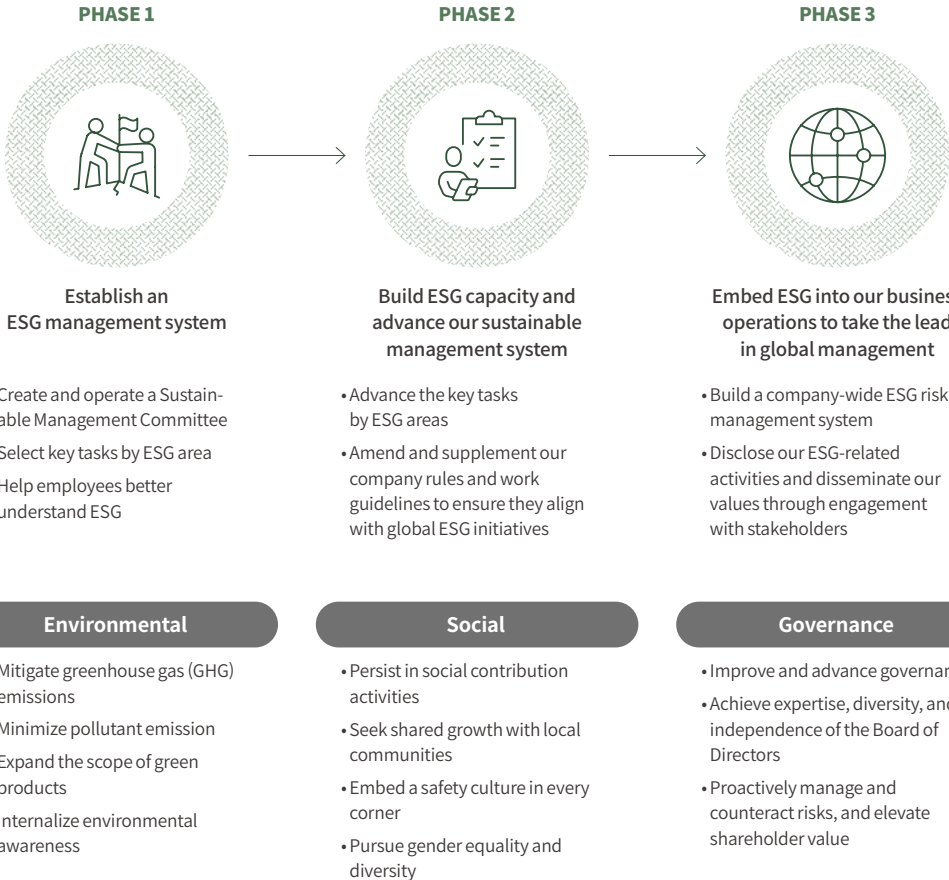


Vision and Philosophy

Three Directions

Key Tasks by Area

Driving Positive Sustainable Changes
Throughout Our Supply Chain, Focusing on Working Environment,
Environmental Sustainability and Community Engagement.



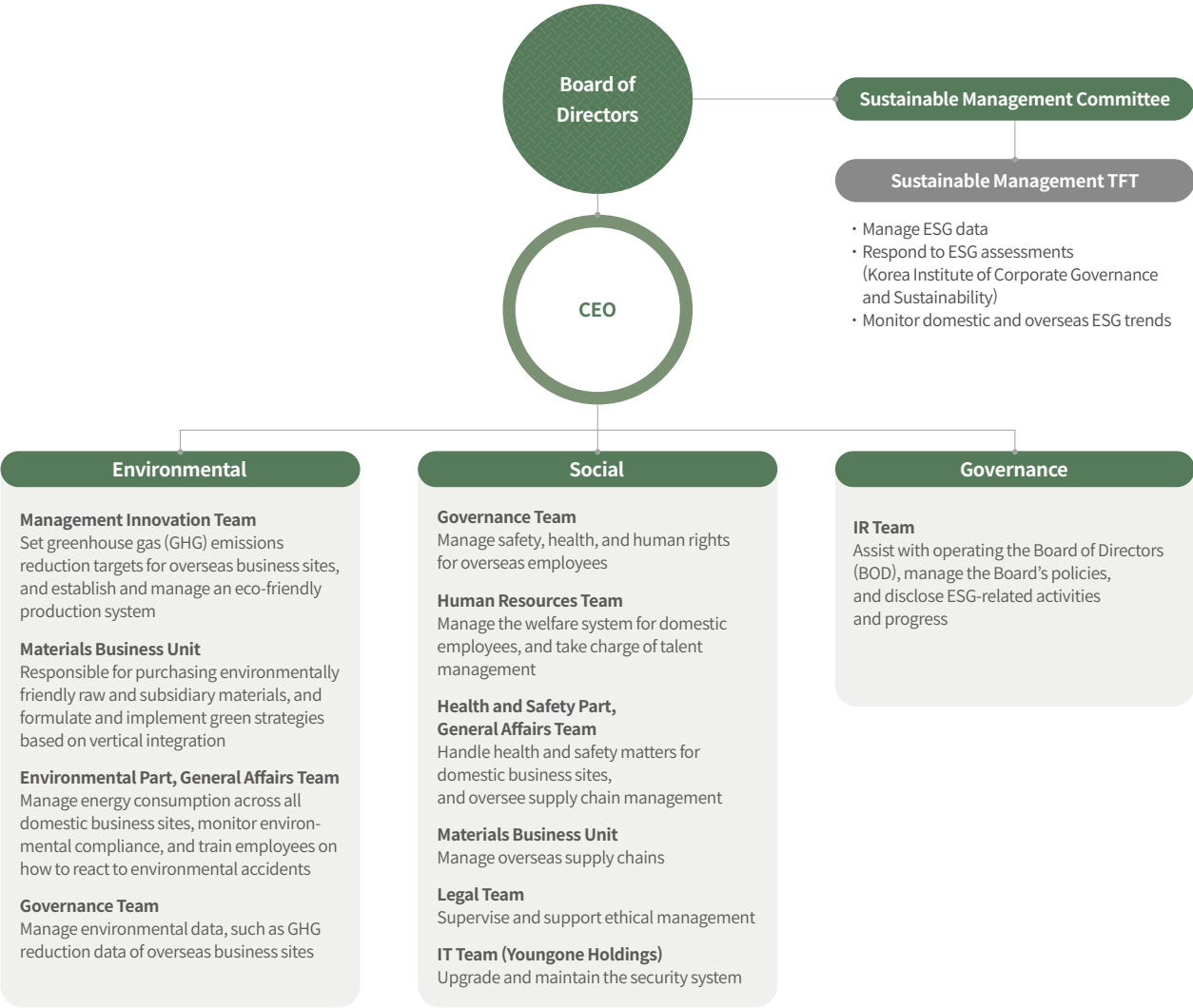
Governance for ESG Management

Youngone has proactively managed ESG-related risks, responding to the rapidly evolving market. With the objective of consistently delivering ESG management, we have established a governance structure for ESG. In March 2021, we formed a Sustainable Management Committee under the Board of Directors (BOD). This committee identifies a wide range of issues related to environmental, societal, and governance aspects, and reviews our directions and tasks in terms of ESG management.

The Sustainable Management Committee, which consists of five directors (three independent directors and two executive directors as of March 2024), is responsible for contemplating and making decisions on strategies, activities, performance, goals, and plans for sustainable management from a professional perspective. The committee has a working-level organization called the Sustainable Management TFT. The TFT is in charge of managing ESG data and responding to relevant assessments, and conducting regular monitoring. For the sake of close collaboration with other departments, we assign them roles and responsibilities for ESG, ensuring that the entire company is involved in our journey towards the activities and progress of sustainable management.



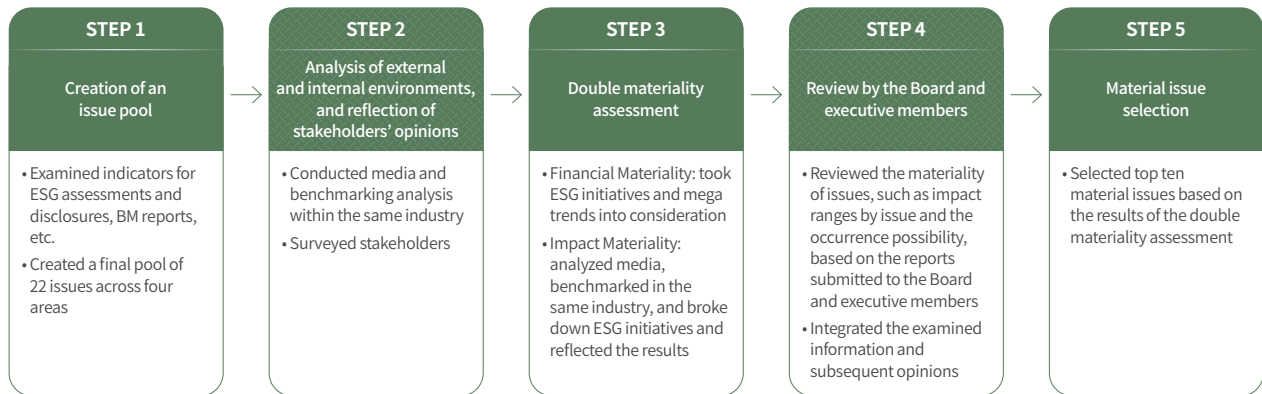
Governance for ESG Management



Material Topics

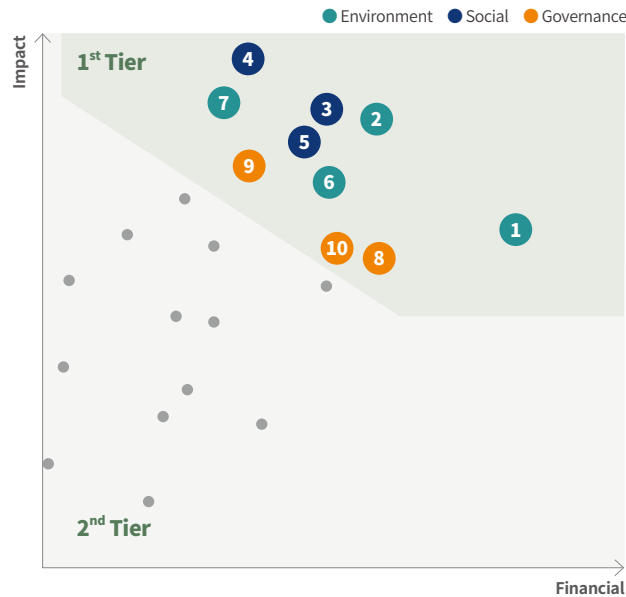
As Youngone Corporation published its first sustainability report and formulated its ESG strategies in 2023, it conducted a double materiality assessment. This assessment identified issues where our business operations could have environmental, societal, and financial impacts, allowing us to select material ones. The concept of double materiality considers both the impact our management has on society overall (external) and external environmental and societal factors that affect our finances. As part of this process, we evaluated both financial materiality and impact materiality, derived material issues from the evaluation, and integrated them into our ESG strategies.

Double Materiality Assessment Process








Double Materiality Assessment Results

Ranking	Material Issue	GRI	Page
①	Climate Action	305-1~7	29~31, 63
②	Development of Eco-friendly Raw Materials and Products	301-1~3	22~24, 32
③	Enhanced Human Rights Management	406-1	45, 64~65
④	Human Resource Management	401-1, 401-3, 404-1~2	40~44, 64
⑤	Occupational Health and Safety Management	403-1~7, 403-9	36~39, 65
⑥	Energy Management	302-1~4	29~31, 63
⑦	Waste Management	306-1~5	32~33, 63
⑧	Comprehensive Risk Management	N/A	18~20
⑨	Ethics and Compliance Management	205-2~3	60~61, 66
⑩	Strong ESG Leadership and System	N/A	11~12, 66








We have formulated measures to address ten selected material issues identified through the double materiality assessment. Additionally, we have established future plans and directions on the basis of our operations and progress related to these issues in 2023. In the years to come, we are committed to tracking the development and subsequent progress of these issues to ensure their improvement.

Our Approach to Managing Ten Material Issues




	Our Approach	2023 Achievements	Long Term Target
<div>Climate Action</div> <div></div>	To achieve the goal of ‘reducing GHG emissions by 40% by 2030,’ at our global business sites, we have developed strategies and action plans. These plans are now in action, contributing to our efforts in combating climate change.	<ul style="list-style-type: none">• Roof-top solar panel installation project launched<ul style="list-style-type: none">- Operated a larger scale of solar power generation facilities * 27MWp (end of 2022) → 38MWp (end of 2023)• Creation of the KEPZ eco-friendly industrial complex and constant activities to safeguard biodiversity	<ul style="list-style-type: none">• Reducing GHG emissions by 40% at global business sites (by 2030)• Establishing an integrated environmental management system (locally + globally)<ul style="list-style-type: none">- More domestic business sites (Manri-dong) to be ISO 14001 certified- Main overseas business sites to be ISO 14001-certified
<div>Development of Eco-friendly Raw Materials and Products</div> <div></div>	With the objective of developing eco-friendly raw materials and products, we have manufactured environmentally friendly poly bag packaging at our facilities in Bangladesh (YGA) and Vietnam (YNL). Additionally, we are expanding the production of resource-circulating products made from remnants. Starting with ECO FLEECE, we have applied materials made from recycled plastic to a wide range of products, including down products, padded products, jackets, and t-shirts.	<ul style="list-style-type: none">• Recycled materials accounted for 45% of the total materials used• Eco-friendly recycling production system being adopted• Eco-friendly products constituted 49%<ul style="list-style-type: none">- The North Face's local products (garments/shoes/accessories)	<ul style="list-style-type: none">• Eco-friendly portfolio and R&D to be expanded<ul style="list-style-type: none">- Proportion of recycled materials to be increased to 60% (by 2025)- Green materials to make up 57% of the North Face's local products (by 2025)- Recycling of plant scraps
<div>Enhanced Human Rights Management</div> <div></div>	With an aim to practice human rights management at our business sites in and outside Korea, we consistently implement training programs focused on anti-discrimination, sexual harassment prevention, and general human rights awareness every year. In 2023, we newly enacted a human rights management policy to enhance our commitment to human rights. We are also in the process of developing a mid-to-long-term roadmap for advancing human rights management.	<ul style="list-style-type: none">• Establishment of the Human Rights Declaration Charter• Human rights-related training at headquarters (Dec. 2023)• Training on Core values ‘H.E.A.R.T.’ (Dec. 2023)• Training on Workplace Code of Conduct (year-round)	<ul style="list-style-type: none">• Eliminating potential human rights risks and blind spots through human rights risk assessment on the regular basis
<div>Human Resource Management</div> <div></div>	We make multifaceted efforts in human resource management, which encompass talent acquisition, employees’ capacity building, and the promotion of diversity. Our commitment to fostering an inclusive workplace culture has resulted in a workforce composition with over 70% female representation.	<ul style="list-style-type: none">• The proportion of female executives at 50%• Training expenses per employee increased by KRW 110,000 year on year	<ul style="list-style-type: none">• Internalization of employee diversity, equity, and inclusion in recruitment and compensation
<div>Energy Management</div> <div></div>	We are scaling up our investment in new renewable energy by installing large-scale solar power generation facilities in Vietnam and Bangladesh, which are our principal manufacturing hubs.	<ul style="list-style-type: none">• Reduce the energy consumption in 2023 (54,182 GJ)	<ul style="list-style-type: none">• Expansion of solar power installations to a capacity of 100MWp at our global business sites by 2026• Transition from coal-fueled boilers to biomass boilers by 2024

Our Approach to Managing Ten Material Issues

	Our Approach	2023 Achievements	Long Term Target
<div>Waste Management</div> <div></div>	We are dedicated to reducing our environmental footprint by adhering to the waste management policies of each plant, in compliance with local laws and regulations. We track the waste produced in each process to devise effective reduction strategies and pursue the reuse and conversion of waste into energy.	<ul style="list-style-type: none">Waste generation: 15,615ton (overseas business sites)Reuse and recycling of plant scraps (overseas sites)	<ul style="list-style-type: none">Introduction and operation of green facilities capable of recycling plant scraps by 2025
<div>Occupational Health and Safety Management</div> <div></div>	We have put in place a health and safety management system that complies with occupational safety and health regulations. Through risk assessments, we identify and prevent potential safety hazards in advance.	<ul style="list-style-type: none">26 potential risks identified through the risk assessments and correction measures taken (domestic business sites)0% occupational accident rate recorded over the past three years (domestic business sites)	<ul style="list-style-type: none">Establishment of health and safety management system through ISO 45001 acquisitionInternalization of health and safety awareness culture among employeesIn-depth response to each stakeholder, including our employees as well as partner companies, through the dissemination of a safety culture
<div>Ethics and Compliance Management</div> <div></div>	We have instituted a Code of Ethics to guide the behavior of our employees. We also designated a compliance officer, appointed through the resolution of the Board of Directors, to oversee and report adherence to our compliance standards by our management and employees.	<ul style="list-style-type: none">Appointment of a new compliance officer (Nov. 2023)Training on ethics and complianceTraining on the prevention of unfair trades (May 2023)Training on Core values (Sep. 2023)	<ul style="list-style-type: none">Raising employees' awareness of compliance through regular training on related laws and casesEstablishment of a compliance organization to build a constant monitoring system
<div>Comprehensive Risk Management</div> <div></div>	We established a risk management system built on the Board of Directors and committees within the Board of Directors to identify risks by type that may occur throughout operations and manage them through a dedicated organization for each risk factor.	<ul style="list-style-type: none">Reports on ESG issues to the committee under the Board of DirectorsRenewed ISO 22301, Business Continuity Management System (BCMS)	<ul style="list-style-type: none">Establishment of an integrated anti-corruption management system<ul style="list-style-type: none">ISO 37001 certification (international standard for anti-corruption)Zero anti-corruption violationsEnhancing company-wide compliance awareness
<div>Strong ESG Leadership and System</div> <div></div>	We have reinforced our ESG leadership through the Sustainability Management Committee and the Sustainability Management Task Force. We are driving sustainable transformation by building a comprehensive ESG framework, including our ESG vision, strategy, objectives, and key tasks.	<ul style="list-style-type: none">Publication of our ESG Milestone Report (April 2023)Domestic ESG evaluation grade raised by 2 levels (B+)Establishment and execution of ESG strategic tasks (from 2023)<ul style="list-style-type: none">Perform a materiality assessment and disclose outcomes (Nov. 2023)Publication of our inaugural sustainability report (June 2024)	<ul style="list-style-type: none">Strengthening the dedicated / organizational system for ESG management (2024)Adherence to compulsory ESG information disclosure on mid- to long-term management strategies<ul style="list-style-type: none">Mandatory ESG information disclosure (2026)Enhancing internal and external engagement by disseminating ESG management endeavors<ul style="list-style-type: none">Broadening our involvement in global initiatives (2024)

Stakeholder Engagement

Youngone Corporation categorizes its key stakeholders into customers and client companies, employees, partner companies, shareholders and investors, local communities, and others (government agencies, research institutes, associations, NGOs, and media, etc.). We engage with each stakeholder segment through diverse communication channels to gather insights on pivotal matters and ESG management issues. Going forward, we will continuously communicate with all of our stakeholders about our progress, thereby creating sustainable value.

Stakeholder Group	Customers and client companies	Employees	Partner companies	Shareholders and investors	Local communities	Others (government agencies, research institutes, associations, NGOs, and media, etc.)
 Key issues	<ul style="list-style-type: none">• Providing high quality products and services• Safeguarding customer data• Improving customer satisfaction	<ul style="list-style-type: none">• Creating a safe work environment• Promoting work-life balance• Talent acquisition and nurturing• Welfare benefits• Fair evaluation and compensation	<ul style="list-style-type: none">• Managing supply chain sustainability• Shared growth with partner companies• Establishing and practicing fair trade	<ul style="list-style-type: none">• Increasing value for shareholders• Advancing governance transparency• Securing growth engines (business performance)• Addressing financial risks from climate change	<ul style="list-style-type: none">• Mutual growth with local communities• Social contribution activities	<ul style="list-style-type: none">• Practicing ethical management through the compliance with laws and regulations• Creating jobs• Contributing through tax payments• Committing to social responsibilities• Community engagement and contribution to community development
 Response activities	<ul style="list-style-type: none">• Compliance with buyer requirements and adherence to regulatory compliance• Properly responding to customer complaints and improving the issues• Establishing a robust customer information protection framework	<ul style="list-style-type: none">• Employee training• Fair performance evaluation, compensation, recruitment, etc.• Operating a welfare benefits system	<ul style="list-style-type: none">• Practicing fair trade devoid of unfair provision of entertainment culture• Enhancing transparency in transaction and contract processes, including the use of standard contracts	<ul style="list-style-type: none">• Ensuring transparent information sharing via public disclosures• Raising shareholder value	<ul style="list-style-type: none">• Community CSR activities• Industry-academia cooperation activities• Donating products, such as clothing• Supporting with development funds for universities, etc.	<ul style="list-style-type: none">• Expanding environmental investment• Faithfully fulfilling tax obligations
 Communication channels (frequency)	<ul style="list-style-type: none">• Buyer meeting (frequently)• Company homepage (available at all times)	<ul style="list-style-type: none">• Labor-Management Council meeting (quarterly)• Ethics reporting system (e-mail and post, available at all times)• Employee meeting (yearly)• In-house campaign (at all times)	<ul style="list-style-type: none">• System to report unethical behaviors (at all times)• Partner communication platform (online/offline)• Face-to-face meeting with partner companies, etc.	<ul style="list-style-type: none">• General shareholders' meeting (yearly)• IR activities and disclosures (frequently)• Homepage (frequently)• Securities company conference (frequently)	<ul style="list-style-type: none">• Homepage (frequently)• Offline CSR activities (occasionally)	<ul style="list-style-type: none">• Corporate Governance Report (once a year)• Media press releases (at all times)

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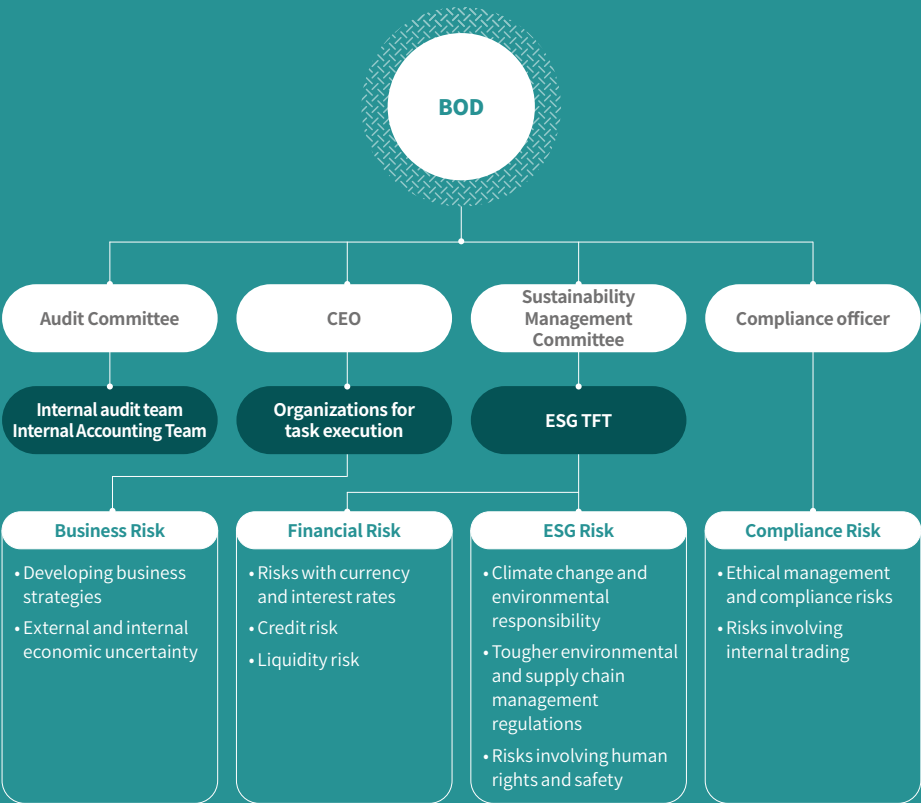
18	Governance for Risk Management
19	Business Continuity Plan (BCP)
20	Risk Management
21	YOUNGONE Value Chain

Risk Governance

Risk Management System

Youngone Corporation has put in place a system that enables rapid identification and management of risks through its Board of Directors (BOD) and committees within the board. The establishment of a Sustainability Management Committee allows us to oversee not only financial risks, including our financial structure and credit rating, but also non-financial risks such as ESG, reinforcing our sustainable management and internal controls. Moreover, the BOD and the Sustainability Management Committee, devise medium to long-term strategies for sustainable management, monitor the progress of the execution, and review key risk factors of the company to ensure ongoing enhancement and refinement.

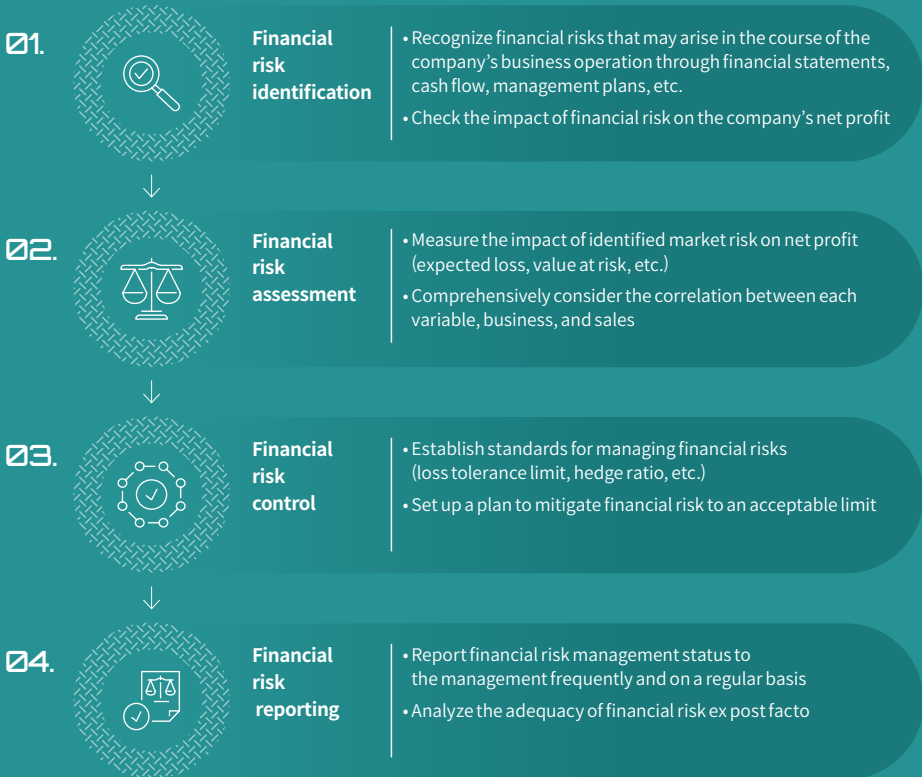
Risk Management Structure and Major Risk Areas



Risk Management Process

We have implemented a risk management process to mitigate potential adverse effects and ensure prompt responses to risks. Our Board of Directors, Audit Committee, CEO, and Sustainability Management Committee have dedicated support organizations responsible for internal audit, accounting, business risk, finance, and ESG risk management, respectively, and these organizations monitor and report on risk management activities. Furthermore, we systematically manage financial risks following the steps of risk identification, assessment, control, and reporting.

Financial Risk Management Process



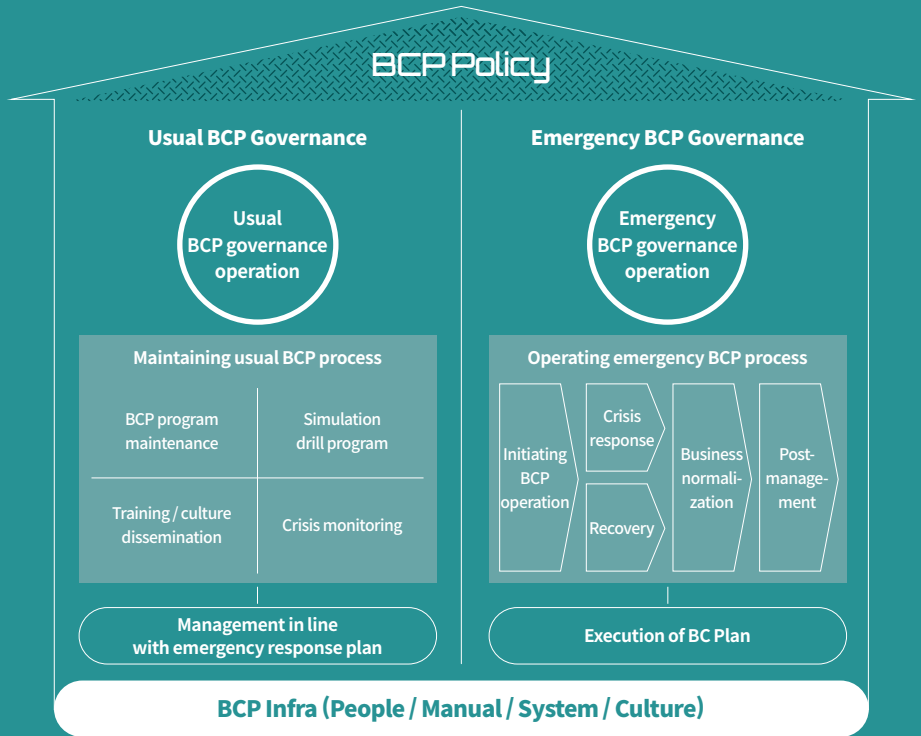
Business Continuity Plan (BCP)

Establishment of Business Continuity Plan (BCP)

There has been a noticeable increase in the frequency of wars, viruses, disasters, and other catastrophic events that could disrupt business operations recently, and the complexity and variety of potential damages are also escalating. As a company with production and sales corporations worldwide, we acknowledge that we may be exposed to various internal and external risks.

Therefore, we are proactive in ensuring the stability of our business by preparing to address these risks in a prompt manner. Accordingly, we established a business continuity management system designed to recover our essential functions in the event of a risk that halts business activities. Business continuity management refers to all the strategic activities necessary to resume critical company operations within a set timeframe during a crisis that impedes normal business operations.

BCP Governance and Process

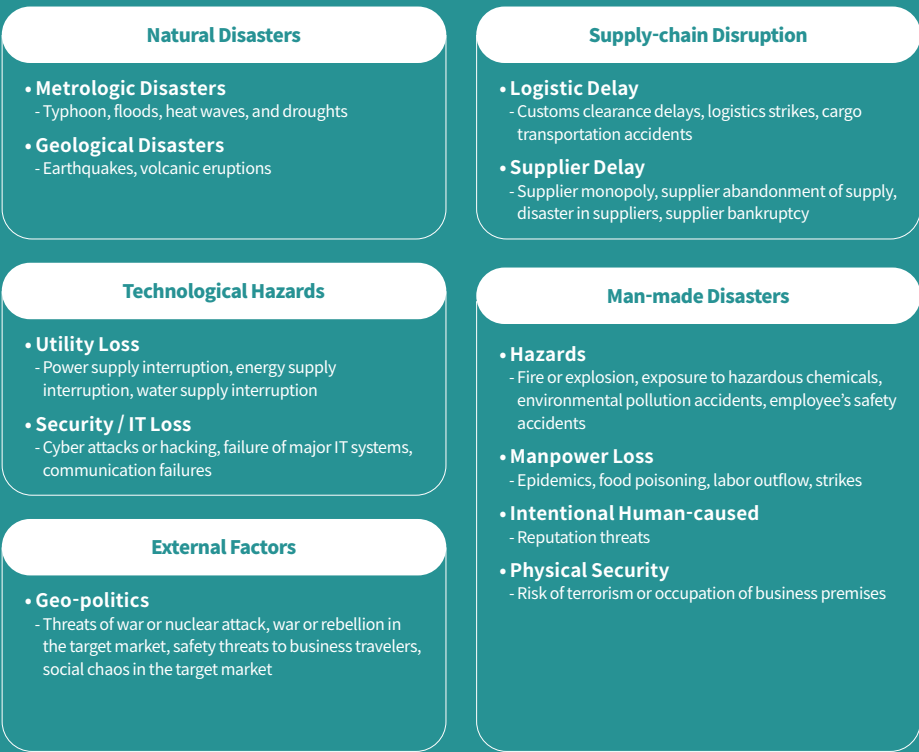


BIA-based Risk Response System

Youngone Corporation annually carries out a business impact analysis (BIA) and risk assessment to define and prioritize tasks for each department in order to ensure swift resumption of work in the event of an interruption of work derived from risks.

Through a risk diagnosis evaluated by our senior management and team leaders, we identified risks that could significantly affect our operations. We categorized major risks into five groups; natural disasters, supply chain disruption, technological hazards, man-made disasters, and external factors. We then broke down essential business functions into specific tasks and analyzed the impact of each risk on these tasks. By evaluating both the impact of potential risks and their likelihood, we determined the necessity and urgency of risk response, followed by setting up a robust response system.

Five BCP Categories



Risk Management

Major Risks Identified through BIA

Based on our risk assessment, we identified 4 high risk, 13 medium risk, and 14 low risk items in the 5 categories of business continuity plan (BCP) areas. The top 10 risks were selected as below. In order to ensure prompt action in the face of real risks, we have established a systematic risk response protocol through our BCP training program. This includes the allocation of backup infrastructure, IT resources, and personnel, as well as the formal documentation of strategies and procedures.

Top Risks Identified

Risk type	Priorities in 2023	Changes in rankings from last year
Logistics walkout	1	▲ 1
Typhoon/Flood	2	▲ 1
War	3	▲ 1
Earthquake	4	▲ 2
Supplier disasters	5	-
Epidemics	6	▼ 5
Fire/Explosion	7	-
Labor unrest	8	▲ 1
Customs delay	9	▼ 1
Power outage	10	-

BCMS Certification (ISO 22301)

Youngone Corporation established the world-first business continuity plan (BCP) in the apparel manufacturing sector in 2017. Additionally, we have achieved and continuously retain the ISO 22301 certification, which is the international standard for business continuity management systems, which validates our risk management proficiency.



Internalization of Risk Response

We aim to mitigate damage and maintain stable corporate governance in the event of risk occurrence by offering BCP awareness training to all our employees. The training covers the concept of BCP, current domestic and global trends, our BCP standing, and the approach to establishing a BCP framework. Additionally, we conduct simulation training tailored to each principal risk category aiming to validate and enhance our business continuity management and risk mitigation expertise, aiming to bolster our hands-on abilities. In November 2023, we carried out a disaster response drill, simulating a scenario where a 6.5 magnitude earthquake in the metropolitan area disrupts our core operations, including power outages. Our employees in charge of key operations working in the Seoul metropolitan offices moved to an alternate BCP site and were trained to expedite the resumption and normalization of work, and then moved to the alternative office in Daegu for business recovery. After reviewing our emergency response system for disasters in wide areas and conducting drills, we discussed improvement measures together with the responsible people for BCP in each department.

BCP Training Program Process

- Establishing Training Program Plan

↓

 - Set simulation training program goals
 - Set training location / number of attendees / schedule
- Designing Crisis Scenario

↓

 - Select simulation program topics
 - Make a concrete crisis scenario
- Program Development Retreat

↓

 - Discuss assigned tasks and items that need cooperation
 - Collect presentation materials and conduct hands-on training for people in charge
- Execution Training Program

↓

 - Interview the management in advance
 - Execute simulation training program, management Q&A / commentary
- Reporting Training Program Results

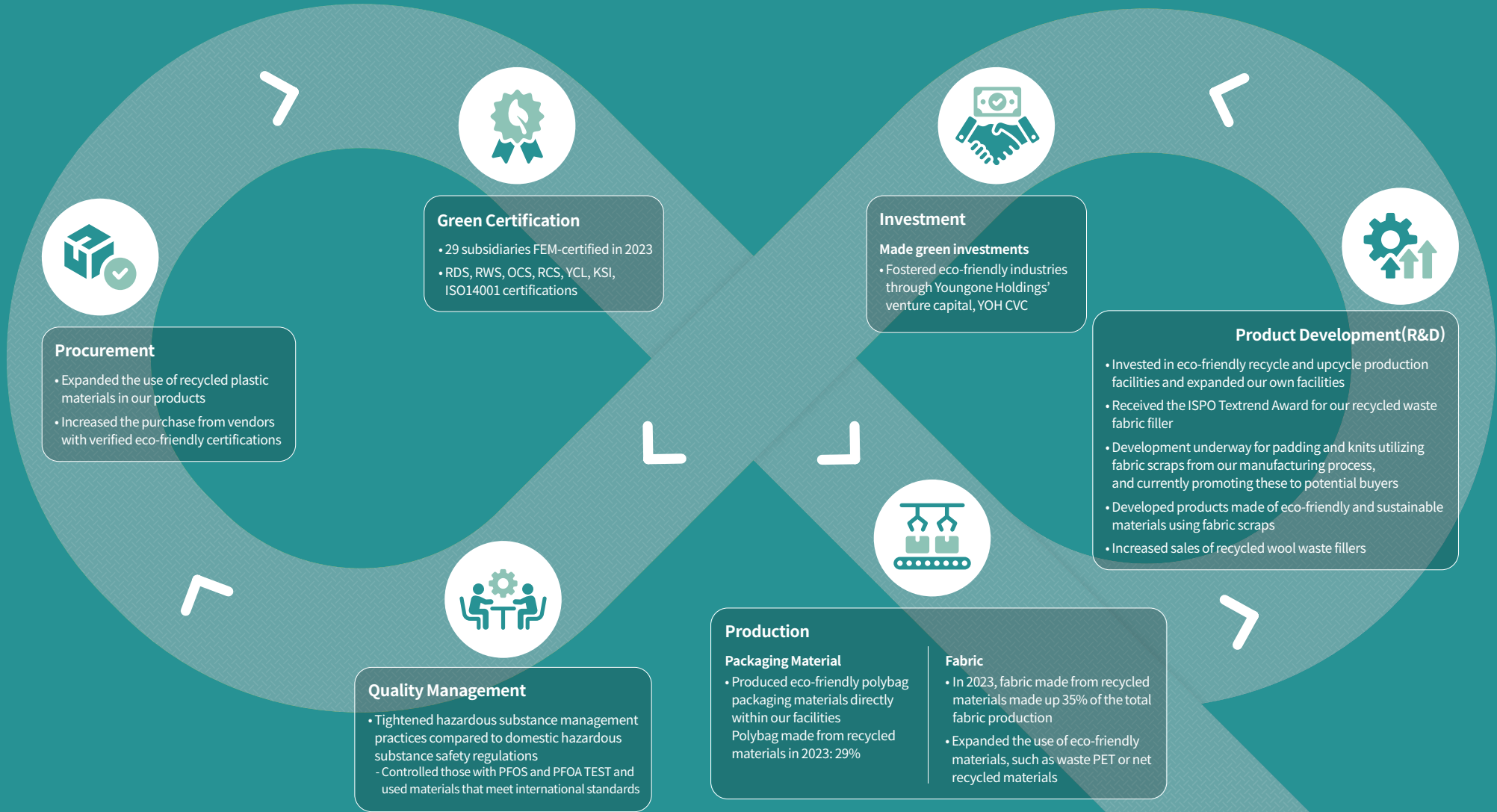
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 - Derive improvement points from simulation training program results
 - Establish and apply plans to reflect improvement tasks



YOUNGONE Value Chain

Youngone Corporation is dedicated to implementing sustainable management through environment-conscious procurement and investment across entire business value chain, coupled with steadfast dedication to maintain safe product quality.



We make multifaceted efforts to forge an eco-friendly value chain, actively reducing the environmental footprint of our business operations and creating a resource circulation system through the recycling and reuse of waste inevitably produced.

Recycle

Development of Recycled Raw Materials



Development and bulk production of various recycled products



Recycled woven, knit, and padding products, Global Recycled Standard (GRS) certification



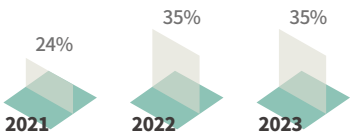
Brand launch of EcoLoft™ ZERO insulation



100% Recycled Polyester
(50% Fabric scrap + 50% Conventional rec.PET)



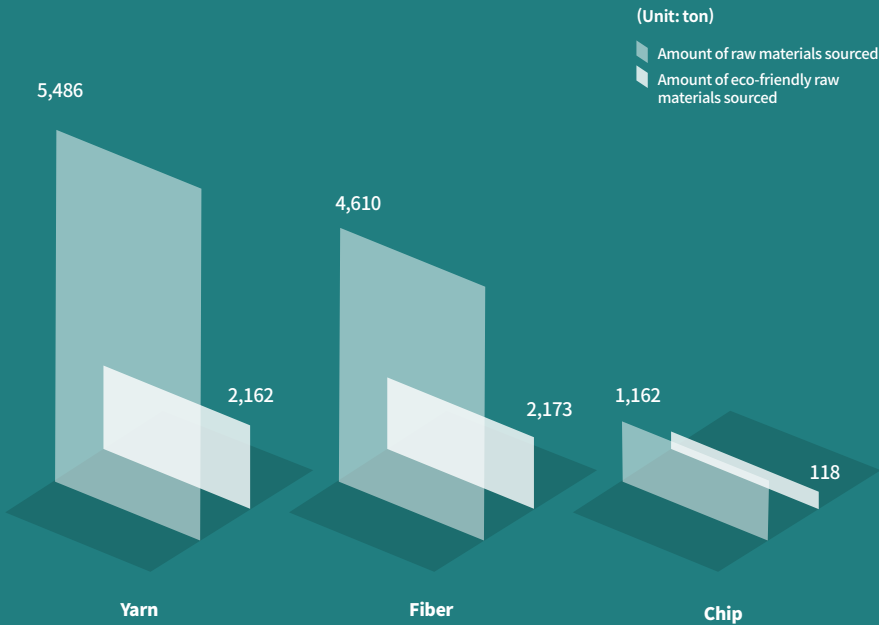
Increased development of recycled fabric products



Ratio of recycled products among all fabric products

The ratio of recycled products within our total fabric production has risen from 24% in 2019 to 35% in 2023, demonstrating a consistent annual growth.


Recycled materials used in 2023




* Amount of raw materials certified by third-party environmental standards (GRS-certified recycled yarn, fiber, and chip)

We make multifaceted efforts to forge an eco-friendly value chain, actively reducing the environmental footprint of our business operations and creating a resource circulation system through the recycling and reuse of waste inevitably produced.


Reuse Growing Use of Waste Materials




Development underway for padding and knits utilizing fabric scraps from our manufacturing process, and currently promoting these to potential buyers




Wool




Bio-Based fiber



ECOLoft Natural Recycled Wool



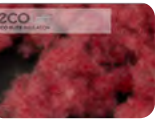


Compostable




ECOLoft Natural Recycled Wool insulated jacket





Receiving the ISPO Textrend Award for our recycled waste fabric filler




Receiving the ISPO Textrend Award




Increased sales of recycled wool waste fillers





Process for chemical fiber waste recycling



```
graph LR; A[Collecting PET, Nylon fabric scrap] --> B[Garnetting]; B --> C[Mixing & Carding]; C --> D[Lapping]; D --> E[Thermal bonding]; E --> F[100% Recycled Polyester]; F --> G[ECO Friendly Renewable Biodegradable];
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Wool fabric waste recycling process



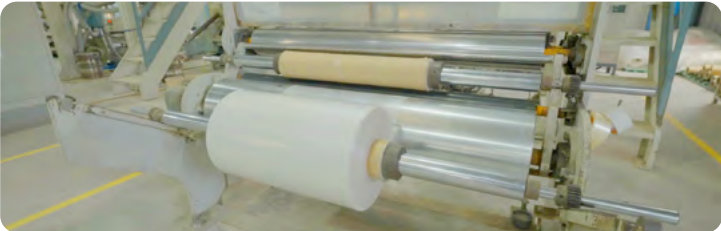
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graph LR; A[Fabric scrap] --> B[Garnett machine]; B --> C[Recycled fiber]; C --> D[Woolen carding machine]; D --> E[Sliver]; E --> F[Mule spinner]; F --> G[Woolen yarn];
```

We are streamlining our production processes through vertical integration, which not only lowers our environmental footprint but also raises our productivity. Besides, we are committed to reducing our environmental impact through the development of sustainable products and packaging solutions.

Reduce \ Minimized Environmental Impact from Operations



Development of Eco-friendly Polybags
As part of our efforts into vertical integration, our facilities at YGA in Bangladesh and YNL in Vietnam directly manufacture polybag packaging. Eco-friendly materials constitute 29% of the total polybag sales as of 2023.



Impact Story

Enhanced Competitive Edge in Products through Vertical Integration

Youngone Corporation collaborates with around 40 renowned international brands in the outdoor and sports sectors, fulfilling orders through our overseas production facilities in Bangladesh, Vietnam and beyond, utilizing the OEM approach. Our strategic investments in textile operations within these regions are aimed at reducing production lead times and raising efficiency. By adopting a vertical integration model, we seamlessly integrate and operate every phase of production, from raw material production to sales, thereby solidifying our competitive edge in the market.

We proactively mitigate the challenges like reduced factory operation rates, escalating costs of raw materials, and supply chain interruptions in the course of our operation, which can prevent profit decline. Additionally, sourcing raw materials directly at the production site can maximize both financial and non-financial outcomes by curtailing transportation expenses and reducing environmental impact.

Shortened delivery times, cut down on transportation times and costs,
and reduced carbon emissions by sourcing raw materials locally

Secured orders from buyers demanding shorter delivery times in response
to rapidly changing market trends, leading to increased sales

Boosted plant productivity by scheduling production during off-peak seasons,
thereby improving on-time delivery rates

Reduced container occupancy by approximately 90%
through local production of bulky fillers and their subsequent compression

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ENVIRONMENTAL

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Environmental Management System and Strategies

Our Environmental Management System

Youngone Corporation promotes sustainability through eco-friendly policies. We have set up an environmental management system across our operations, spearheading a range of activities aiming at environmental conservation. To ensure ongoing environmental protection, we instituted four key environmental management policies; reducing greenhouse gas (GHG) emissions, minimizing environmental impact, increasing eco-friendly products, and internalizing environmental awareness.

Environmental Management Strategy

4 Key Directions	Initiatives	Goals
Reducing GHG emissions	<ul style="list-style-type: none">* In 2023, we installed an additional 11MWp of solar power generation facilities* In 2023, we initiated afforestation project and planted 50,000 trees.* Transitioned 40% of boiler fuel from coal-fired to eco-friendly biomass	Reducing GHG by 40% by 2030 (compared with the level of 2019)
Minimizing environmental impact (pollutant)	<ul style="list-style-type: none">* Operated an Effluent Filtration Process (EFP) for sewage water purification* Developed YO CDI, a chemical substance management platform at raw material plants	Creating a circular economy by reducing waste disposal as well as energy and water consumption
Increasing eco-friendly products and investment	<ul style="list-style-type: none">* In 2023, we achieved a purchase rate of 45% recycled materials in fabric production* In 2023, we reached a rate of 29% eco-friendly polybags in our total production* Invested in companies specializing eco-friendly materials	Expanding our commitment to sustainability by actively investing and growing our portfolio in eco-friendly materials and products
Internalizing Environmental awareness	<ul style="list-style-type: none">* In 2023, 200 employees were provided environmental education* In 2023, we participated in the 'Earth Hour' campaign, turning off lights at main domestic business sites	Raising environmental awareness among all employees through continued education and active involvement in environmental campaigns

Environmental Management System

We have implemented a systematic environmental management system on the foundation of the ISO 14001 standards set by the International Organization for Standardization (ISO). ISO 14001 evaluates and recognizes company's environmental management system as aligning with international standards, and our business site in Bangladesh obtains this certification.



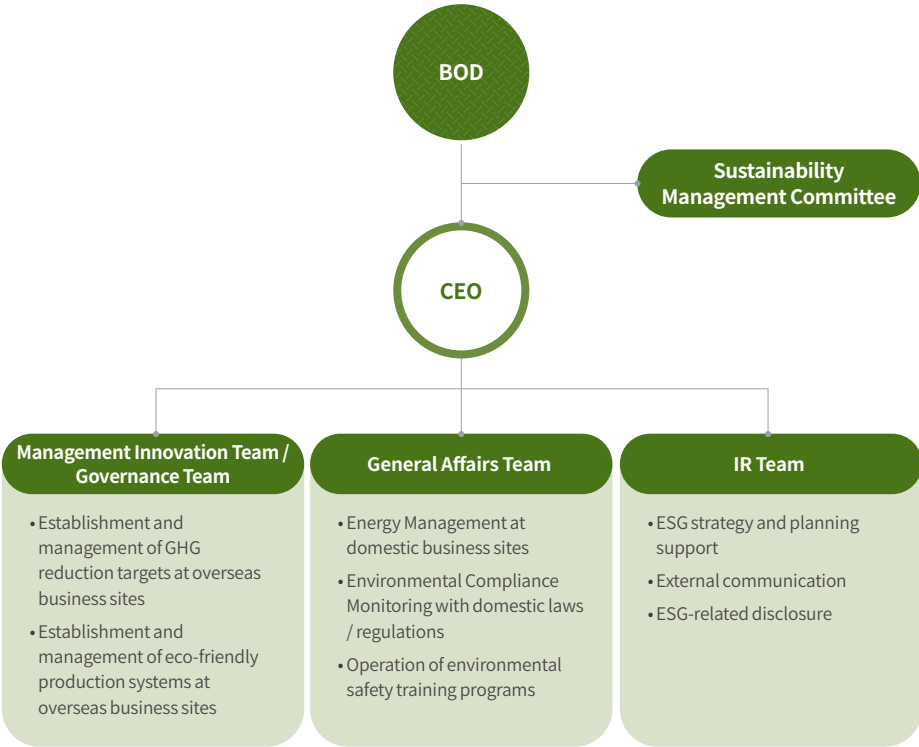
ISO 14001 certification: Youngone (CEPZ) Ltd. ISO 14001 certification (KSI)

Governance for Environmental Management System

With an aim to systematically and proactively address environmental management risks, we have a dedicated council that encompass both local and international operational teams. We have also established a robust governance for environmental management system, enabling key environmental matters to be deliberated upon by either the Board of Directors (BOD) or the Sustainability Management Committee, which is under the BOD.

We have also set up an eco-friendly management system in each country where we operate our businesses. We operate an Environmental Sustainability Council, led by top executives at these locations, to devise climate response strategies and monitor the progress of our task executions aimed at achieving our GHG reduction goals. The council also oversees activities to continuously improve our environmental management performance.

Organizational Structure for Environmental Management



Compliance with Environmental Laws and Regulations

We have maintained a record of zero violations against environmental laws and regulations over the past three years, as confirmed by regular audits. Furthermore, we established a comprehensive legal register that systematizes the names and provisions of laws related to environmental, health, and safety regulations. This enables us to consistently oversee and manage environmental compliance assessments, ensuring adherence to legal standards.

Violation Records of Environmental Laws

* Scope: domestic business sites

Category	No. of violations of environmental laws
2021	0
2022	0
2023	0

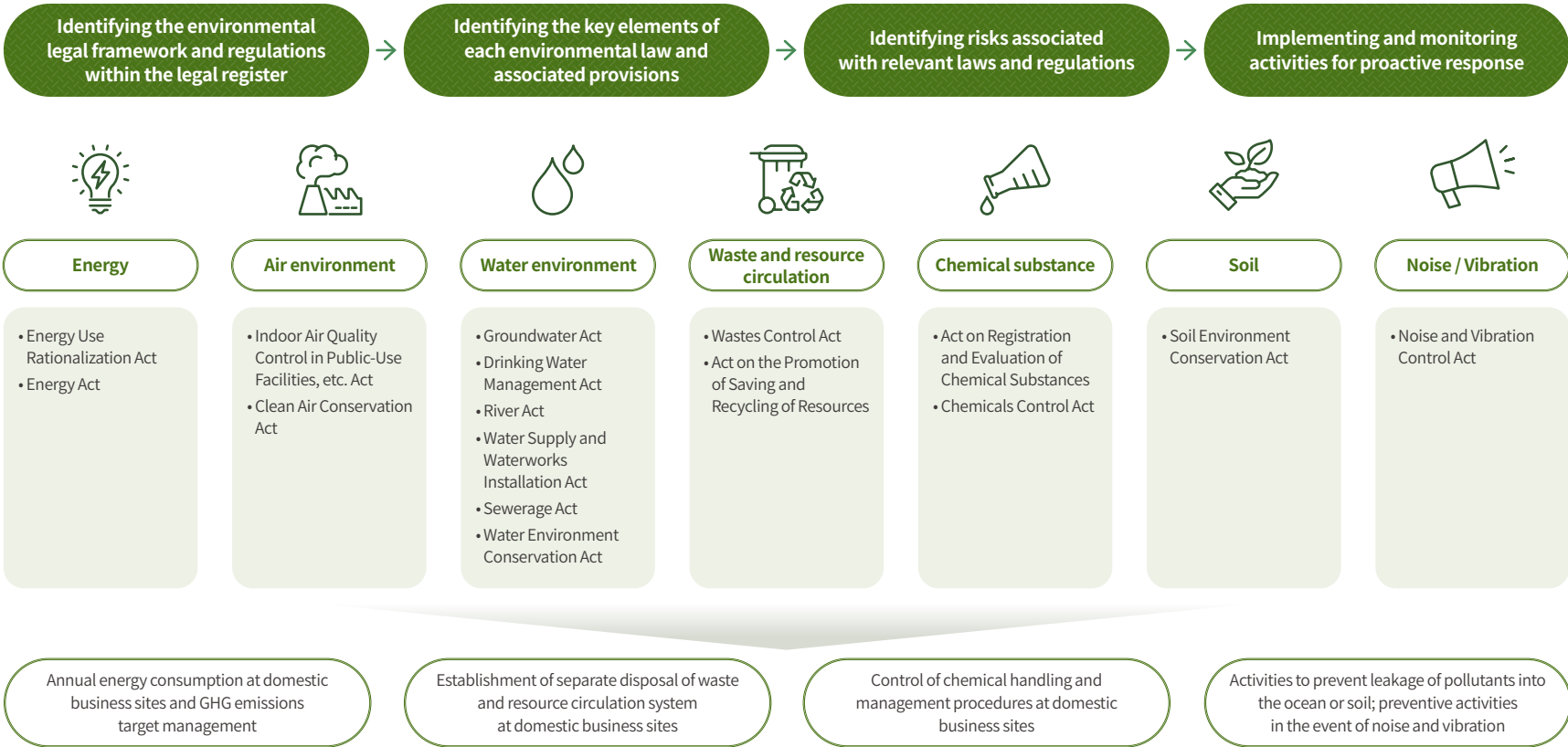
Response Strategies to Major Environmental Laws and Regulations

Our environmental law / regulation response strategy

Environmental areas

Relevant laws / regulations

Response activities

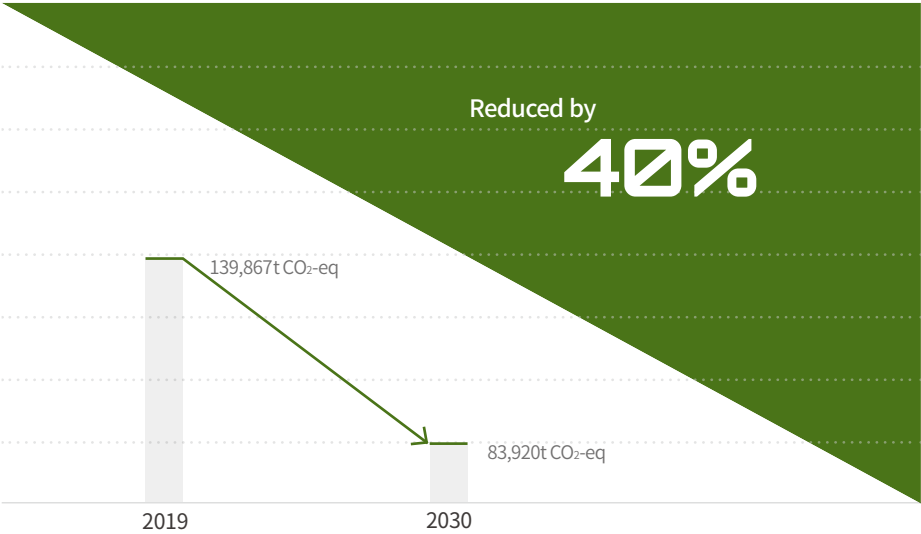


Climate Action

Target for 40% Reduction in GHG Emissions by 2030

Youngone Corporation acknowledges the critical responsibility and role of a company in responding to climate change. Accordingly, we have formulated and implemented concrete strategies and tasks with the objective of ‘reducing GHG emissions by 40% by 2030’ across our global operations. Specifically, we are executing major strategic initiatives focused on solar power generation and the transition to eco-friendly energy sources to foster carbon neutrality. As a representative example, we are making progress on a 100MWp solar power generation project, having achieved 38% of our goal as of 2023. Through the solar power installations, we aim to cut carbon emissions to 40% by 2030, compared with the current level of emissions. On top of that, we are transitioning from coal-based boilers to biomass boilers in our clothing manufacturing process in order to utilize more eco-friendly energy sources, and it is a key part of our initiative to reduce emissions.

Roadmap for Reducing Scope 1 and 2 Greenhouse Gas Emissions



Domestic Emissions Management

Our objective is to achieve a 7% annual reduction in energy consumption (Ton of Oil Equivalent) at our domestic business locations by 2030. Through the integration of energy conservation into our daily operations, we have successfully reduced GHG emissions and energy usage across our primary domestic and global manufacturing sites, resulting in a notable improvement compared to the previous year.

GHG Reductions at Our Business Sites

<div>GHG reduction target</div> <div>40% reduction by 2030</div>	<div>GHG reductions in 2023²⁾</div> <div>3,343 tCO₂e</div>
<div>Energy consumption reduction target</div> <div>Total energy consumption (Ton of Oil Equivalent) at domestic business sites 7% reduction by 2030</div>	<div>Energy consumption reductions in 2023³⁾</div> <div>54,182 GJ</div>

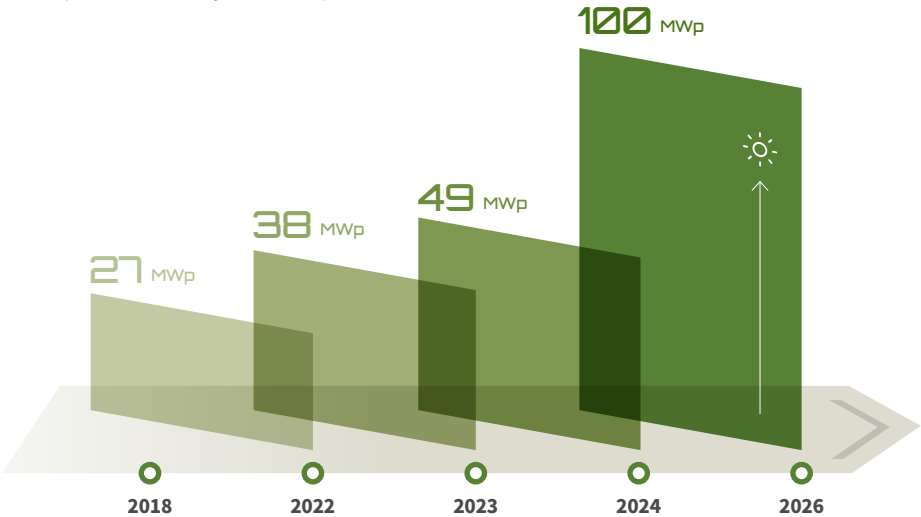
1) Based on the average consumption over the recent three years, from 2021 to 2023
2) Combined reductions from both domestic and overseas business sites, compared to the levels of 2022
3) Energy consumption reductions from overseas business sites, compared to the levels of 2022

Solar Power Project

We have successfully executed a solar power project, aiming at cutting down GHG emissions through the creation of an environmentally sustainable production system. The predominant source of electrical power for our main production sites, located in Vietnam and Bangladesh, used to be conventional thermal power stations. In light of this, we evaluated solar energy generation installations to minimize carbon output and reinforce stable power supply.

The project was initiated as a small-scale pilot project with a capacity of 216KW within KEPZ, Bangladesh, back in 2019. Starting from 2021, full-scale installation commenced and currently around 38MWp solar power generation facilities are in operation across our global business sites. The objective is to establish solar power panels with a cumulative capacity of 100MWp by 2026. As of 2023, we have completed 38% of our goal.

100MWp Solar Power Project Roadmap

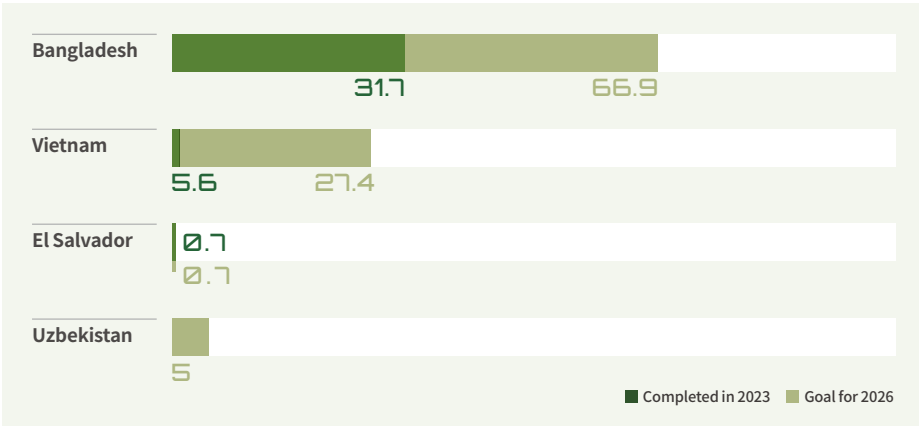


Investment Outcomes of Solar Power Generation Facilities

Category	Unit	2021	2022	2023
Investment	USD million	12.6	4.9	8.3
Power generation	MWh	18,067	28,867	36,238

Solar Panel Installation in Global Production Sites

(Unit: MWp)



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- Biodiversity

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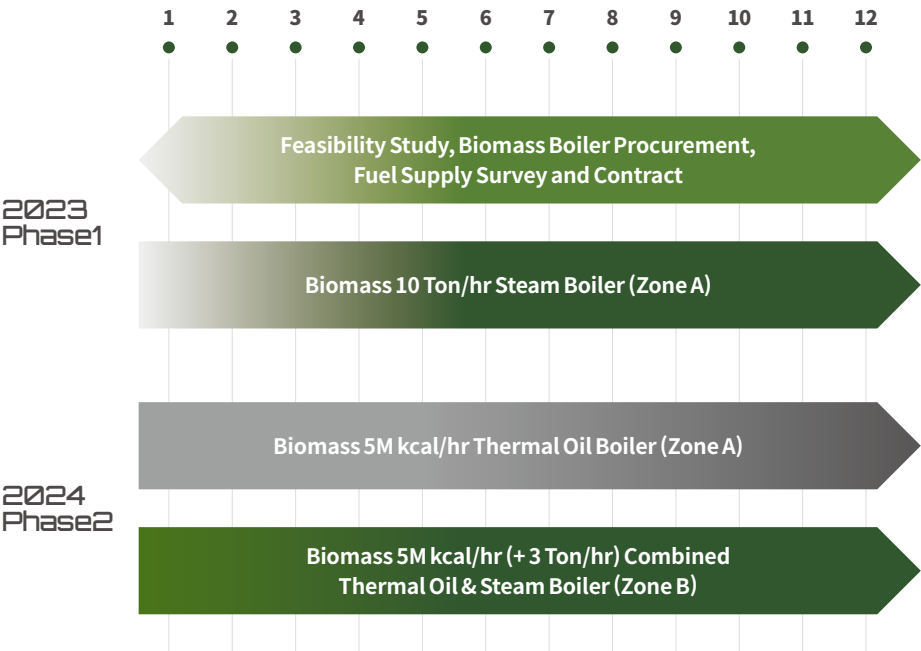
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Conversion to Green Fuels

Our dyeing and finishing stages within the fabric production cycle, which is one of our apparel manufacturing processes, requires a substantial caloric heat source. For that reason, we used to utilize LNG, LPG, and coal as boiler fuels historically. However, we are actively transitioning towards environmentally friendly boiler fuels to reduce our environmental impact.

At our site in Vietnam, we strive to curb GHG emissions by transitioning from traditional coal-fired boilers to those powered by biomass. In 2023, we undertook a feasibility study for boiler switch, signed agreements for the acquisition of biomass boilers and the procurement of fuel, and installed new boilers in Area A (9 plants). We plan to complete the pilot run of eco-friendly boilers in Area A and the setup of new boilers in Area B (3 plants) by 2024. On top of that, we adopted a real-time emissions monitoring system that adheres to more rigorous standards than the regulatory requirements for IP industrial complexes in Vietnam. It enables efficient boiler operations through preemptive identification and resolution of issues as they arise.

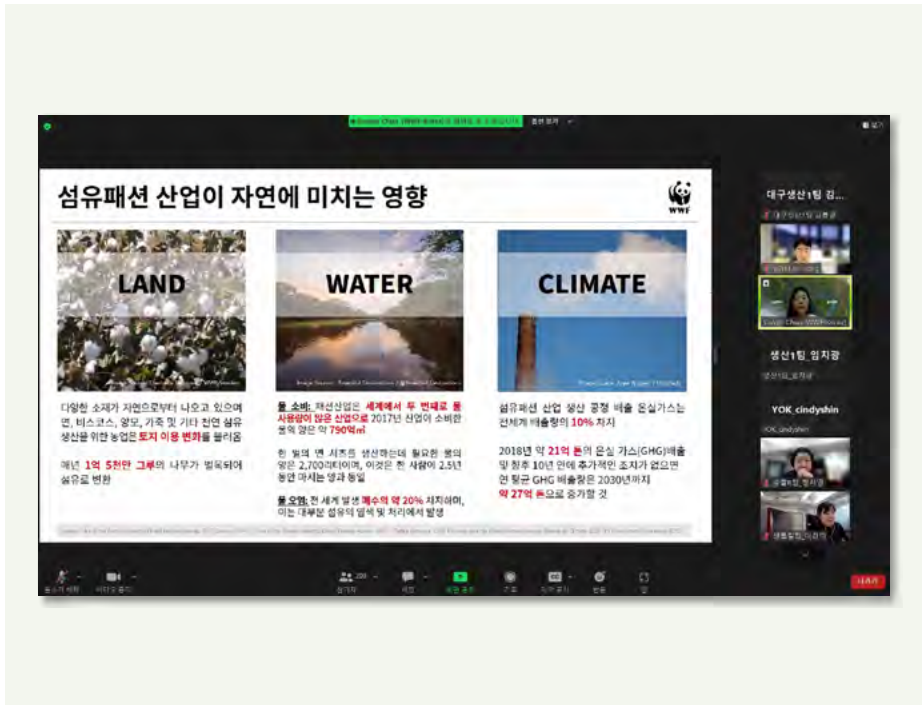
Roadmap for Transitioning to Green Fuels at YNL in Vietnam



Internalization of Environmental Management

On December 13, 2023, we provided an environmental education session for about 200 employees. The training and discussion session covered the World Wide Fund for Nature(WWF) initiatives aimed at preventing pollution derived from plastic as well as the need for individual’s sustainable practices in everyday life. This education successfully heightened the consciousness of environmental issues and underscored the critical role of both corporate and personal contributions in addressing the challenges, raising the awareness and internalizing the environmental management among employees.

Online Environmental Education for Employees



Resource Management

Waste Disposal Control

Recognizing the profound environmental impact of the apparel industry, Youngone Corporation diligently implements waste management practices that are customized to the characteristics of various raw materials. We have established a waste management policy in alignment with local laws, striving to minimize our environmental footprint by reducing waste across the entire value chain, ensuring proper waste disposal, and promoting recycling efforts.

We collaborate with waste treatment companies to devise strategies that curtail waste production. This involves assessing and quantifying both the phase of waste creation and the volume produced in each work process. We foster the transition to green energy by identifying recyclable waste and conducting research into alternative applications and management strategies for organic waste that cannot be recycled.

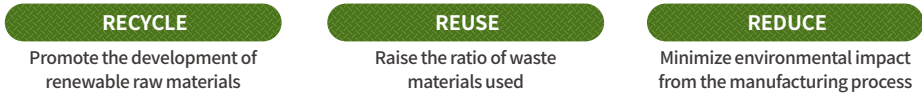
In matters of waste storage and disposal, we segregate general waste from hazardous waste. Tailored measures are implemented for handling and storing based on the unique attributes of each waste category to prevent any safety incidents. In addition, we are in partnership with specialized waste disposal companies to conduct proper waste management, including landfill or incineration, in compliance with the Wastes Control Act, thereby ensuring environmentally responsible disposal practices. In 2023, the total generation of domestic waste was about 34.27 tons. Of this, around 6.26 tons were recycled, constituting 18% of the total waste.

Waste Management Policy at Business Sites



3R (Recycle, Reuse, Reduce)

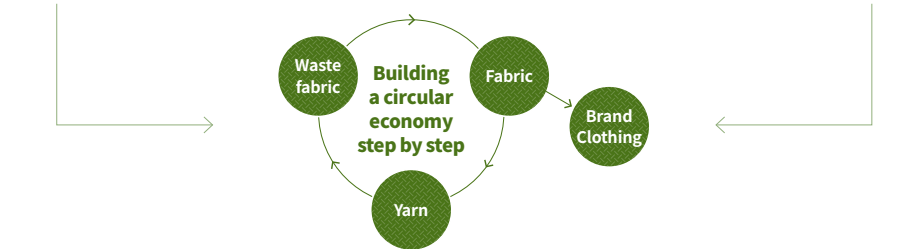
Youngone Corporation is committed to minimizing the environmental impact of its business operations through recycling and reusing waste to create a resource circulation system, thereby establishing an eco-friendly value chain through multifaceted efforts. Moreover, vertical integration allows us to consolidate and streamline our manufacturing processes, resulting in a reduced environmental footprint and improved product productivity. Additionally, we are striving to develop environmentally friendly products and packaging materials to minimize our environmental impact.



Development of Green Products through Waste Recycling

At our YNL factory in Vietnam, wool waste scrap from the sewing process is recycled and repurposed into Recycled Wool Fiber. This fiber is then used to manufacture eco-friendly knit padded products. We are also in the process of adopting an eco-friendly recycling manufacturing system to repurpose PET and nylon waste fabric into clothing. Our Bangladesh business site, KSI, has also begun producing filling materials for padded jackets using discarded PET and nylon fabric. In addition, in line with our roadmap to increase the ratio of recycled fabric, concrete actions are being implemented in full swing. In the coming years, we plan to make intensive investments in green facilities to recycle all waste generated during manufacturing. We will also develop environmentally friendly new materials to establish a circular economy through continuous efforts.

Eco-friendly Raw Materials and Product Development Goals



Water Resource Control Using Wastewater Treatment System

We recognize the potential environmental issues linked to water usage in the course of our production activities. To address this, we are implementing a systematic water resource management system tailored to each of our business locations. This system is designed to control water consumption and wastewater output with an aim to reduce water use and boost recycling, thereby mitigating the adverse effects of wastewater discharge.

One of our representative examples is the Effluent Treatment Plant (ETP) operated within the Dhaka Export Processing Zone (DEPZ) in Bangladesh and the Korean Export Processing Zone (KEPZ) in the Chattogram region, functioning autonomously. At KEPZ, in line with the expansion of our weaving and fabric production scale, we are also enhancing the capacity of our water treatment facilities. We have also added Active Carbon Filter (ACF), Ultra Filter (UF), and Reverse Osmosis (RO) systems to continuously advance our water purification processes. At our plant in Nam Dinh, Vietnam, we employ a system applying Membrane Bioreactors Filter (MBR) and RO technologies in order to purify and recycle both domestic and industrial wastewater discharged from our dyeing operations.

As of 2023, our Bangladesh site, SDF, reuse around 10 to 20% of its wastewater annually. Meanwhile, our Vietnam site, YNL, is repurposing 53% of its wastewater each year for toilet facilities. In our industrial Wastewater Treatment Plants (WWTP), we are minimizing water consumption by treating and recycling wastewater for use in our dyeing production processes.

Our manufacturing facilities in Bangladesh and Vietnam are equipped with advanced ETP that purifies wastewater using a combination of physical, biological, and chemical treatments. The wastewater from dyeing and printing operations on nylon and polyester fabrics, as well as from research operations, is either treated for release as clean water or repurposed as utility water on-site after removing suspended particulates.



ETP Water Treatment Facility in DEPZ, Bangladesh

The textile manufacturing facility within DEPZ, Bangladesh, processes approximately 60% of the sludge from the ETP (Effluent Treatment Plant) through LafargeHolcim Bangladesh's (LHBL) Sludge Co-processing-Geocycle Waste Treatment system for proper water treatment.

Rainwater Storage Facility

Our manufacturing sites in Bangladesh and Vietnam are equipped with rainwater storage facilities. These systems help reduce water consumption by repurposing the harvested rainwater for use in building utilities. A prime example of this is our plant located in the CEPZ, which can accommodate approximately 1,100 tons of rainwater.

Chemicals and Hazardous Chemical Substance Management

For the purpose of safe and efficient management of chemicals, Youngone Corporation has developed ‘YO CDI (Youngone Chemicals, Dyes Inventory).’ This inventory serves as a platform where all chemicals used across its plants are managed. The platform enables comprehensive management of chemical data, classification, and analysis of chemical substances that require separate management in accordance with relevant laws. It also monitors these substances in line with recent management standards, thereby contributing to enhanced management efficiency and stability. Since 2023, we have initiated the use of this platform in plants that handle raw materials and use a significant amount of chemicals. As of now, a total of 15 raw material plants and three apparel plants are utilizing this platform. We plan to extend the use of this platform to other manufacturing plants.

Biodiversity

Creating an Eco-friendly Korean Export Processing Zone (KEPZ)

The Korean Export Processing Zone (KEPZ) in Chattogram, Bangladesh, is a representative eco-friendly industrial complex that we have developed with investments for over 20 years since 1999. We transformed approximately 9,917,355 square meters of barren land into 4,958,678 square meters of green space through large-scale afforestation, planting over 2.7 million trees of 400 different kinds. This KEPZ encompasses 25 bodies of water, spanning around 1,983,471 square meters, capable of accommodating more than 500 million gallons of rainwater. The lakes and ponds within the KEPZ enrich its underground aquifer, enabling our plant to source its industrial water independently and also supply water to the residents of nearby villages for agricultural and daily use. The creation of the KEPZ, a part of our ‘Blue&Green’ project built on our environmental management policy, is the largest-scale project for rainwater storage in the private sector in Bangladesh. Our green project has attracted the attention of around 200 companies and organizations worldwide, including the International Union for Conservation of Nature and Natural Resources (IUCN), the World Free Trade Zone Agreement, and the World Bank.



Eco-friendly KEPZ Industrial Complex with Green Spaces Comprising 52% of the Total Area

Biodiversity Preservation

Youngone Corporation strives to safeguard the environment and ecosystems, which is evidenced by the establishment and full implementation of policies to protect the species that reside in the vicinity of our business sites. For the sake of biodiversity conservation, we aim to create a lake within the KEPZ industrial complex that can accommodate more than 600 million gallons of rainwater. We also plan to plant more than 100,000 trees and initiate multiple projects to protect over 500 species of flora and fauna. In 2023, we transformed an area of 4,958,677 square meters within the KEPZ complex into a green space, which represents 52% of the complex area. In collaboration with research teams from local universities, we assessed biodiversity and identified the species and their distribution affected by our business operations. Our investigation into species revealed that the KEPZ is home to around 159 species of birds, 9 species of reptiles, 7 species of amphibians, 11 species of mammals, and 100 species of butterflies and dragonflies. Among them, the Asian Elephant of Bangladesh, an endangered species, was found. We formed a specialized team to respond to endangered species, assuming the roles of identifying endangered species, their living boundaries, and movement routes. Based on this, appropriate measures were taken to ensure our business operations do not impact them. Furthermore, we planted an additional 50,000 trees as part of our efforts to preserve biodiversity.



KEPZ Botanical Garden Layout

Botanical Garden within the KEPZ

Youngone created a Botanical Garden that spans 40 acres within the KEPZ industrial complex in 2023 with the purpose of science, education, and preservation. This garden is a repository for a variety of plants and is managed by the combined efforts of various organizations including universities, research institutions, and governmental organizations. In 2023, we planted 209 species of trees in the garden and plan to plant an additional 400 species of trees, thereby standing at the forefront of broadening the scope of biodiversity.

GLOBAL COMPANY
LEADING THE MARKET,
YOUNGONE

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YOUNGONE

For more information about Youngone Corporation,
please visit our website or contact us using the details below.

Tel. 02-390-6114
Website. www.youngone.co.kr



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Building Safe Workplaces

Health and Safety Management System

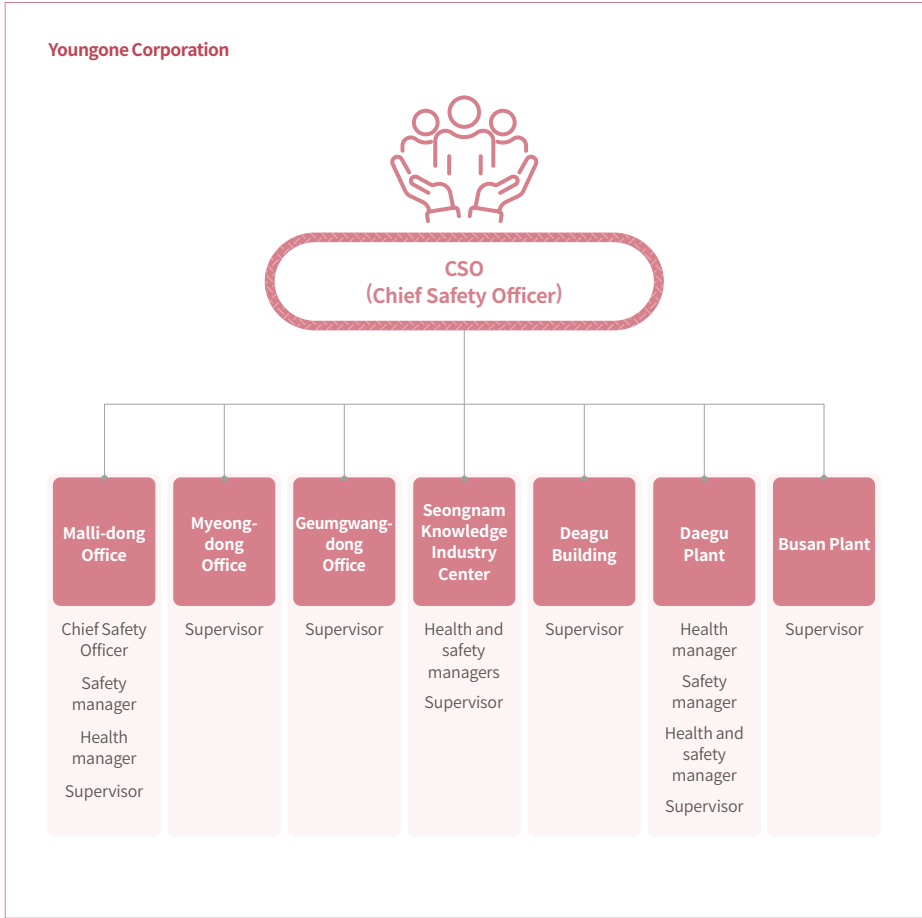
Youngone Corporation prioritizes the health and safety of all its employees by implementing an occupational health and safety management system, ensuring that employees adhere to relevant laws and standards outlined in our Health and Safety Policy. Furthermore, we have appointed a chief safety officer along with supervisors and health and safety managers at each business site for company-wide health and safety management.

Health and Safety Policy

Health and Safety Policy

1. The CEO prioritizes the ‘protection of employees’ lives’ and the ‘creation of safe workplaces’ in our business operations.
2. The CEO establishes a health and safety management system, allocating sufficient human and material resources for removing and controlling potential hazards at our business sites.
3. We define health and safety goals and implement concrete action plans to achieve them.
4. We formulate internal regulations in accordance with health and safety laws, faithfully adhering to them.
5. Through employee participation, we identify risk factors, address them, and share this knowledge through education.
6. We make sure that all employees are well cognizant of job-related risks, and train them on how to remove, replace, and control them.
7. We ensure that all suppliers and contractors comply with our health and safety policy and all related requirements.
8. All employees faithfully perform their duties and responsibilities with regard to health and safety activities.

Health and Safety Management System



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Strategic Tasks Defined for Safety Management

With the objective of reinforcing our safety management, we have established vision and goals for safety management, accompanied by concrete tasks at each stage. Our near-term goals, to be achieved by 2025, include raising employees’ awareness of health and safety defining key tasks to enhance health and safety within each sector, and implementing improvements. To put these goals into action, we have defined detailed targets for each task. These targets encompass strengthening health and safety training and campaigns, ensuring an adequate number of training staff at each business site, identifying areas of focus, and developing work processes for each task. Additionally, our efforts to achieve mid to long term goals will be made so that we can create a safe working environment for all.

Goals and Tasks for Safety Management

Vision

Embed a culture of prevention on occupational health and safety throughout the company



Goals

Reach ‘ZERO’ incidents of work-related diseases and critical accidents

Goals for 2025

Raise and promote health and safety awareness among all employees

Establish proactive and autonomous prevention policies for health and safety

Identify vulnerable points by stakeholder and devise countermeasures

Goals for 2027

Embed the culture of prevention on health and safety into every corner of the company

Ramp up autonomous health and safety activities

Build a health and safety management system (ISO45001 to be obtained)

Goals for 2030

Make responses tailored to each stakeholder

Instill Safety Management in All Our Employees

In 2022, we transitioned to online health and safety training, ensuring that all employees could receive and complete their training regardless of their working environment or business trips. Since then, we have consistently provided health and safety trainings, and conducted four training sessions, in 2023 with a 100% completion rate among all participants.

2023 Health and Safety Training Overview

Training	Training Period	No. of employees trained	Completion rate (%)
1st training on occupational safety and health	4/3 – 5/4	248	100
2nd training on occupational safety and health	7/3 – 8/14	252	100
3rd training on occupational safety and health	9/11 – 10/25	255	100
4th training on occupational safety and health	12/6 – 12/31	265	100
New employee orientation (first half)	9/11 – 10/25	30	100
New employee orientation (second half)	12/6 – 12/31	16	100
Regular training on health and safety for managers and supervisors	7/3 – 8/4	30	100
Workshop for supervisors	12/11	30	100

Whistleblowing Channel for Stakeholders and Suppliers

We operate a reporting channel(safety@youngone.com) on our official website where individuals can report health and safety matters, enabling us to consider external opinions. Additionally, we have established a system for reporting issues related to specific departments or submitting suggestions within our in-house integrated bulletin board. To enhance system utilization, we have informed both our suppliers and employees about this platform. Going forward, we will review the matters reported through the channel and the board, addressing them effectively and maintaining records of channel operations.



Shared Growth with Local Community

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Category	2021	2022	2023
No. of occupational accidents	0 cases	0 cases	0 cases
Occupational accident rate	0%	0%	0%

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graph TD; 01((01 Prepare in advance, including assessment target selection)) --> 02((02 Identify hazards and risks related to employees' job behaviors and procedures)); 02 --> 03((03 Evaluate hazard severity and determine the level of danger posed by identified hazards)); 03 --> 04((04 Draw up risk mitigation measures and put them into action)); 04 --> 05((05 Document risk assessment processes and outcomes)); 05 --> 06((06 Include remaining risks in employee education and standard safety work)); 06 --> 01;
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01 Prepare in advance, including assessment target selection

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Employee Health Management

To promote disease prevention and improve employee health, we have implemented a variety of initiatives. These include supporting employees with health screening based on employees’ work and age, offering diverse health improvement programs, and operating a wellness room to minimize health-related risks, including the potential for disease outbreaks. Regarding health checkups, we provide professional services through a health examination center every year. Specifically, employees whose jobs involve exposure to harmful factors benefit from specialized medical checkups. Additionally, we support employees in receiving abdominal examinations based on their age, and we offer reimbursement for female-related checkup expenses.

Given our global presence across multiple countries, we assist employees on overseas business trips and expatriates by ensuring they receive vaccinations appropriate to their specific locations. Furthermore, we provide insurance coverage for injuries to prevent diseases arising from the work environment

Employee Wellness Programs

Medical checkups		Offer health screening services every year for all employees by signing a business agreement with a health examination center
Specialized medical checkups		Provide specialized medical checkups for employees whose jobs involve exposure to harmful factors
Financial assistance program for cancer screenings		Offer reimbursement for female-related checkups and abdominal examinations based on age - Abdominal examinations: Employees aged 35 and above, Female-related checkups: Employees aged 30 and above
Assistance for vaccinations		Assist employees on overseas business trips and expatriates with vaccinations
Group insurance		Purchasing accident insurance for employees, including expatriates - Insurance coverage for injuries and diseases (outpatient treatment, hospitalization, drug prescription)
Health keeper (massage)		Operate massage programs
In-house physical sports training facilities		Operate in-house sports training facilities in Myeong-dong, Geumgwang-dong, and Manri-dong

Employee Wellness Room

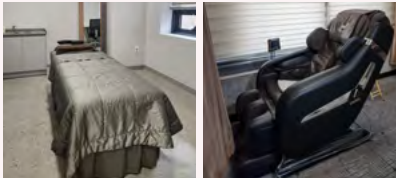
We operate a wellness room that provides a wide range of activities, including health consulting, aimed at enhancing the level of convenience. These activities include providing health counseling and guidance for those under post-operative management, as well as offering emergency aid and medical supplies. We also manage Automated External Defibrillators (AEDs). In addition, we conduct business site tours and provide instructions and inspections related to Material Safety Data Sheets (MSDS) as part of our commitment to safety management.

Wellness Room’s Key Activities

Health consulting	• Health counseling and guidance for those subject to post-operative management
Medical assistance	• Medical treatment for minor injuries • Medical treatment to prevent the deterioration of injuries or diseases • Management and administration of medical supplies
Emergency response	• Provision of first aid for employees in need • Installation and management of Automated External Defibrillators (AEDs)
Assistance for health and safety management	• Business site walk-around inspections, guidance and suggestions for measures to be taken • Guidance and advice for posting or putting Material Safety Data Sheet (MSDS) • Assistance, guidance and advice for risk assessments

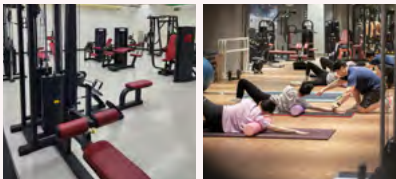
In-house health keepers

Offer a massage program designed to help employees recover from fatigue and enhance their well-being by hiring nationally certified masseuses with visual impairments



Exercise programs at in-house sports training facilities

Provide a variety of exercise programs at our on-site sports facility, including yoga sessions and personalized training options, such as Muscle Academy as well as group, and individual training sessions, to promote employee health



Women’s Health Support Program

Menstrual Hygiene
Management Program

The program provides educational sessions on the importance of feminine hygiene products to ensure the well-being of our female employees during menstruation. Furthermore, a dedicated booth is installed within our medical center, offering these products at affordable prices for convenience and accessibility. This program is conducted in collaboration with our buyers and Bangladeshi NGO, Phulki.

Training in progress for 7,698 female employees

528 female employees in average purchase and use sanitary products

Providing training for all female employees
through Training of Trainers (ToT) model

Women's Reproductive
Healthcare Program

With the support of MSI Vietnam, a local NGO, we participated in the Women’s Reproductive Healthcare Program with the aim to advance women’s health.



661 employees participated

Treatment support following the health check-up

Maker Wellbeing &
Integrated Early
Childhood Development
– IECD Holistic Parenting

Our engagement in the Maker Wellbeing mental health management program has highlighted parenting concerns among our female employees. To address this, we have participated in the Integrated Early Childhood Development (IECD) Holistic Parenting training hosted by Unicef in order to help equip working mothers with essential knowledge and skills to foster their children’s development.

Participation of 120 employees in the ‘Maker Wellbeing’ program

Education for 24 working mothers on contributing to infant
development with knowledge and skills

Medical Support for Employees and Their Families

Mamata Healthcare
Project

Mamata Healthcare Project offered medical benefits to our employees and their families in collaboration with Mamata, a Bangladeshi worker support organization.



A total of 36,598 Youngone employees and their families received
benefits through Mamata Healthcare Project.

630 training sessions were conducted to enhance infectious disease
awareness and hygiene practices, benefiting 16,337 individuals.

In-house medical clinic

Free medical clinics in 14 plants in Bangladesh, Vietnam, El Salvador, Ethiopia, and Uzbekistan



Over 3 million medication units dispensed to 1,058,894 recipients
(on a cumulative basis)

No. of on-site healthcare professionals, including doctors and nurses: 147

Pharmaceutical expenditure (2023): Approximately KRW 310,515,331

Free eye exam and
eyeglasses support
program

In collaboration with the VisionSpring Foundation and buyers, we established a program to ensure comprehensive vision care for CEPZ employees in Bangladesh by offering essential eye exams and supplying eyeglasses to those in need.



We manufactured and distributed eyeglasses to 4,788 beneficiaries
after conducting vision tests on 27,475 individuals.

We upgraded lighting to LED to protect the eyesight of our employees.

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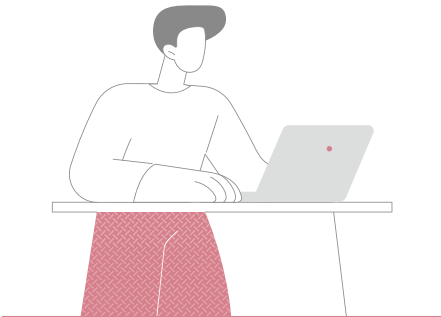
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Securing and Nurturing Talent

Talent Management

Youngone Corporation is committed to a fair and transparent talent acquisition process, ensuring the selection of exceptional candidates. We uphold a policy of non-discrimination regarding gender or age, as clearly stated in our employment regulations. Our recruitment strategy involves a thorough assessment of each candidate’s personal attributes, professional competencies, and linguistic abilities, aiming to identify individuals who align with our standards of excellence.

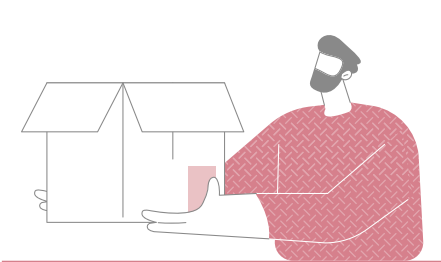
Talents We Seek



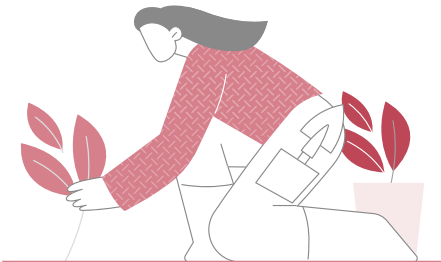
Individuals who exhibit unwavering honesty and conduct their duties with utmost sincerity



Individuals who have the agility to swiftly adapt to dynamic work environments



Individuals who take full responsibility for their roles, applying their skills diligently to attain exceptional results



Individuals who understand the significance of community service and environmental stewardship, embodying a spirit of sharing

Personnel System

Youngone Corporation has put in place a fair personnel system that allows employees to fully unlock their abilities and receive objective rewards for their performance. We embrace a performance-oriented work culture underpinned by an annual salary system, which adjusts compensation based on individual achievements and skills, ensuring equitable remuneration for all.

In addition, we are fostering a horizontal organization through a team-centric structure. Our corporate culture is designed to empower every employee to fully utilize their talents, facilitated by swift communication and efficient task execution, all anchored by the accountability of the designated person in charge.

Employee Diversity

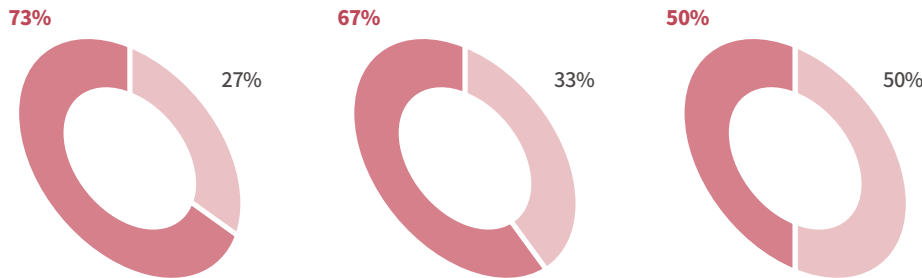
We hired two North Korean defectors to assist them in successfully settling down (as of the first half of 2024), and plan to ratchet up the employment of North Korean defectors. Furthermore, we offer priority consideration to individuals with disabilities and those recognized for national service in compliance with applicable laws. Our goal is to secure a diverse talent pool and create jobs for socially disadvantaged groups by actively seeking out and hiring people with disabilities for roles that align with their capabilities.

Women-friendly Company

We boast a high female employment rate with 70% female employees. The representation of women in managerial roles stands at 67%, while 50% of our executive positions are held by women. Besides, with a female-to-male wage ratio of 96%, we affirm our status as an equitable company, fostering a workplace free of gender bias.

Gender Ratio by Rank

- Male
- Female



Deputy General Manager and below

General Manager

Executive

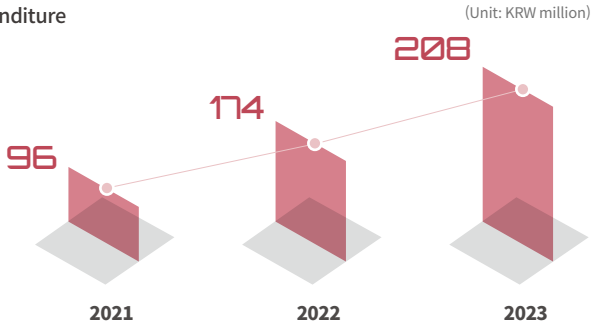
Employee Competency Development

Youngone Corporation supports ongoing education and personal development programs, enabling employees to achieve expertise in their respective roles and fields.

In 2023, we provided job and leadership training across various roles, alongside specialized 3D V-Stitcher training to bolster competencies in each department. We further support our employees’ growth by providing access to essential training programs via our cyber training center every month.

Reflecting our commitment to employee development, we significantly increased our investment in this area by approximately 116%, from KRW 96 million in 2021 to KRW 208 million in 2023. Moving forward, we will continue to amplify our investment in our employees’ professional growth, ensuring their ample opportunities for self-improvement and enhanced contribution to our organization.

Increases in Employee Training Expenditure



Employee Training in 2023

Category	Training Name	Target	Schedule	No. of employees participated
Training for leaders	Top Leadership Breakfast Meeting	Executives and team leaders	Once a month (max. 3 people)	6
	Leaders Forum	Team leaders (Senior managers to Directors)	Once a month (max. 4 people)	11
	Executive Leadership Consulting	Executives	6 months	6
	Tax expert training course	CFO	3 months	1
	Supervisor training (online + group)	Supervisors	Once a year	30
Training for the entire employees	Job training	All employees	Randomly	27
	Occupational safety and health training (online)	All employees	Once a quarter	250
	Legally mandatory training	All employees	Once a year	280
	Morning lecture	All employees	Randomly	200~300
	Youngone Cyber Training Center	All employees	Every month targeting all employees	236 (accumulated number in December)
Specially targeted job training	3D V-Stitcher training	Division of Export & Sales (Assistant to Director)	1 month	70

YOUNGONE IMPACT STORY

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A large group of people, mostly men in light blue shirts, posing on a green lawn. Many are making 'V' hand gestures. A few women in traditional Indian attire are in the front row.

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Work and Life Balance

Youngone Corporation places a high value on the work-life balance of our employees. We offer a comprehensive welfare benefits system, ensuring that all our employees can enjoy a healthy and fulfilling lifestyle. We not only offer regular health checkups and health-oriented programs but support in-house clubs and condo memberships to actively promote leisure and recreation among our employees.

Welfare Benefits System

	Operate health management programs		Support health checkups
	Operate in-house cafeterias (lunch / dinner provided)		Operate an in-house library
	Support various in-house clubs		Award employees with long-term service
	Give housing and household loans		Support children's tuition fees
	Support condominium memberships		Support congratulatory events and birthday coupons

Family-friendly Culture

We guarantee maternity and childcare leave in accordance with pertinent laws and regulations. On top of pre- and post-natal leave, for those with children aged 8 or younger, or in the second grade of elementary school or below, we provide up to one year of childcare leave for each child. We also advocate for the utilization of spousal maternity leave and family care leave. Moreover, we accommodate the needs of expectant mothers through reduced work hours and leave for prenatal appointments. Our commitment to a family-oriented workplace is further demonstrated by subsidizing transportation for pregnant employees, inviting employee families to concerts, and assisting with children's school entry expenses.

Support System to Create a Family-friendly Culture

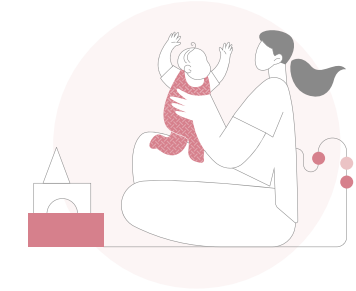


Support for employees' children

- Offer financial assistance with admission fees, providing KRW 2 million and KRW 1 million for university and high school enrolments respectively
- Gift outdoor apparel and bicycles

Support for leisure activities

- Invite employee families to concerts
- Offer condominium memberships



Maternal protection system

- Encourage to utilize spousal maternity leave and family care
- Restrict night and holiday work for pregnant employees
- Reduced work hours during pregnancy
- Provide parental leave after childbirth
- Offer pregnant employees with KRW 1 million for transportation expenses
- Provide between 90 to 120 days of leave before and after childbirth in addition to prenatal check-up leave
- Maintaining a lactation room for nursing mothers at Office in Malli-dong

Labor-Management Relations and Human Rights Management

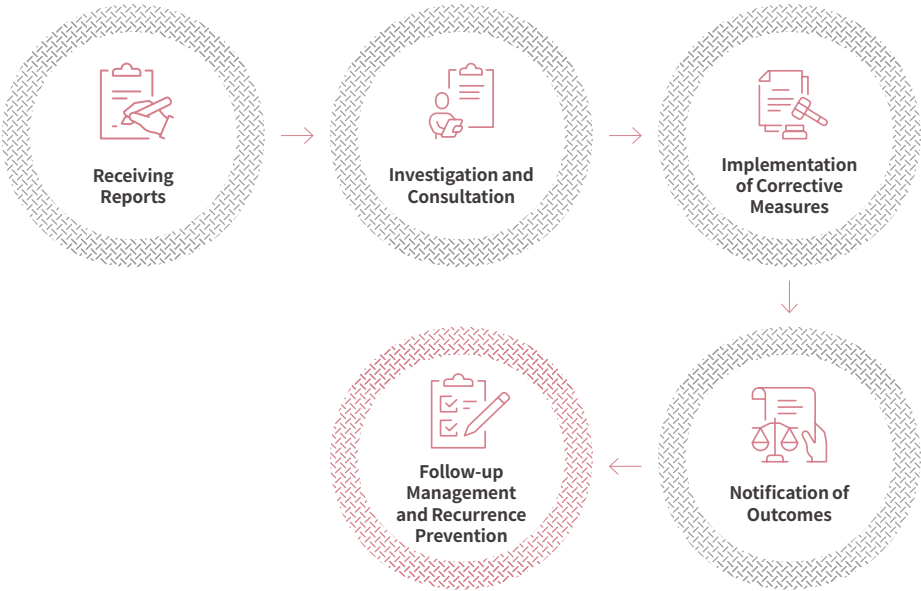
Communication between Labor and Management

Youngone Corporation convenes the Labor-Management Council meetings on a quarterly basis to identify and address human rights concerns. This council, composed of four employee members and four employer members, holds quarterly regular meetings to review management operations and pivotal labor-management topics. In 2023, four meetings were held, with a focus on enhancing the work environment, promoting the well-being of employees, and evaluating quarterly performances.

Whistle Blowing System

We operate an internal Whistle blowing system. Employees may whistle blow either verbally or in writing to a designated grievance-handling member. Following a consultation with the reporting employee, the member will provide a written response detailing the measures taken or the outcome within 10 days.

Grievance-handling Process



Culture of Respecting Human Rights

Youngone Corporation has instituted a Human Rights Charter to align with global human rights and labor standards as set forth by international bodies. This charter encompasses our members and extends to all our stakeholders, such as clients, shareholders, investors, partner companies, and the communities and environments we operate in. The charter is disclosed to all, both within our organization and publicly on our website.

Human Rights Charter

Youngone Corporation's Human Rights Charter

Mar. 22, 2024

1. Purpose

The Human Rights Charter serves as a fundamental policy directive for Youngone Corporation and all of its members in order to safeguard against any infringement of human rights concerning all stakeholders associated with Youngone Corporation and to effectively manage potential risks. Youngone Corporation and all its members have collective aspiration for sustained growth together with all stakeholders by declaring human rights management on the basis of the compliance with the Human Rights Charter.

The principles of this charter are rooted in internationally recognized standards and guidelines, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization's Constitution.

2. Scope of Application

This Human Rights Charter applies to the entire employees of all Youngone Corporation's domestic and overseas corporations. Every employee should not only uphold the provisions of this Charter to prevent any breaches of human rights within our organizations but also perform their duty on the foundation of this Charter when engaging with all stakeholders, including partner companies, local communities, and clients.

3. Core Principles

Article 1. Anti-discrimination

We do not tolerate discrimination or any form of bias related to gender, race, nationality, religion, skin color, sexual orientation, health, disability, age, marital or pregnancy status, class, socioeconomic background, political beliefs, or union membership status, and we respect and embrace diversity.

Article 2. Adherence to Employment Standards

We provide legal wages and benefits in accordance with local legislation, along with pay statements. We also strictly adhere to the statutory working hours prescribed by each country.

Article 3. Humane Treatment

We prohibit any form of inhumane treatment, including physical, sexual, psychological, or verbal abuse.

Article 4. Prohibition of Forced and Child Labor

We adhere to our principle against employing individuals under the age of 18. In jurisdictions where individuals between the ages of 16 and 18 are legally permitted to work, we ensure their protection in strict compliance with local laws. The use of forced labor in any form is strictly forbidden.

Article 5. Assurance of Association and Collective Bargaining Rights

We respect the right to freedom of association and collective bargaining.

Article 6. Commitment to Occupational Safety

We will provide a safe work environment and take proactive steps to shape our management framework and establish systematic procedures for its execution in order to implement our health and safety management policy.

Article 7. Environmental Responsibility

We make every efforts to reduce the environmental footprint resulting from the utilization and release of energy and natural resources as well as the processes of waste management.

Article 8. Protection of Personal Data

We do not request excessive information beyond what is necessary and strive to ensure the security of personal data collected in the course of business operation.

4. Implementation

We are committed to enforcing adherence to this Human Rights Charter among all employees under the supervision of the Sustainability Management Committee, established within the Board of Directors. Furthermore, we will maintain accessible channels for stakeholders affected by or vulnerable to human rights infringements to receive reports. Upon receipt of such reports, we will do our best to deliver swift remediation and safeguard against further harm by rigorously protecting the anonymity of the informant.

ESG PERFORMANCE

- ENVIRONMENTAL
- SOCIAL
 - Building Safe Workplaces
 - Securing and Nurturing Talent
 - Labor-Management Relations and Human Rights Management
 - Shared Growth with Partner Companies
 - Data Security
 - Shared Growth with Local Community

- GOVERNANCE
- DATA & POLICY

APPENDIX



For more information about Youngone Corporation,
please visit our website or contact us using the details below.

Tel. 02-390-6114
Website. www.youngone.co.kr

Shared Growth with Partner Companies

Supplier Ethics Pledge

Youngone Corporation fosters a culture of fair trade by incorporating ethical commitments (Ethics Pledge) into our agreements with partner companies. The pledge outlines the mutual terms and conditions that must be adhered to by both parties when entering into any trade or partnership contract.

Ethics Pledge

Ethics Pledge

In recognition of Youngone Corporation's steadfast commitment to ethical management, we hereby pledge our adherence to the following principles and practices that contribute to fostering a fair commercial environment and nurturing a culture of integrity and transparency within our corporate structure.

- All of our employees will never offer or accept any form of monetary gifts, valuable goods, or any kind of entertainment from or to any member of your company in the course of our dealings.*
- We commit to not engaging in any personal transactions with your company's employees, either directly or indirectly, without obtaining prior written consent from your company.*
- In the case we discover that any of our employees have provided monetary gifts or other valuables to individuals associated with your company, we will promptly inform your company.*
- In the event of an investigation into allegations of improper financial or valuable exchanges involving your company, we pledge full cooperation. This includes, but is not limited to, providing all requested documents, allowing access to records, and facilitating interviews with relevant personnel.*
- In the event that any of our employees are found to have engaged in the unfair exchange of money or valuables with members of your company, we will swiftly enact necessary measures, including retraining and appropriate disciplinary actions against the involved parties. Furthermore, we acknowledge that such conduct may result in the termination of our contract at your company's discretion, and we shall not contest this decision. In addition, we accept full responsibility for any damages resulting from these unethical exchanges. We will not only provide full compensation for the incurred damages but also agree to pay a contractual penalty amounting to tenfold the value of the unfair exchange.*

Procurement from Green and Social Enterprises

We prioritize the merchandise from green and social enterprises in procurement. In order to mitigate the environmental impact arising from our business activities. As of the end of December 2023, 32% of our corporate vehicles comprises low-emission models.

Fair Trade Certification

We have realized the value of fair trade with our customers through the production facilities that meet fair trade standards.

Fair Trade Certifications



Certification for
Broadpeak Soc Trang Company LTD



Certification for
Youngone Hung Yen Company LTD



Certification for
Youngone (CEP2) LTD



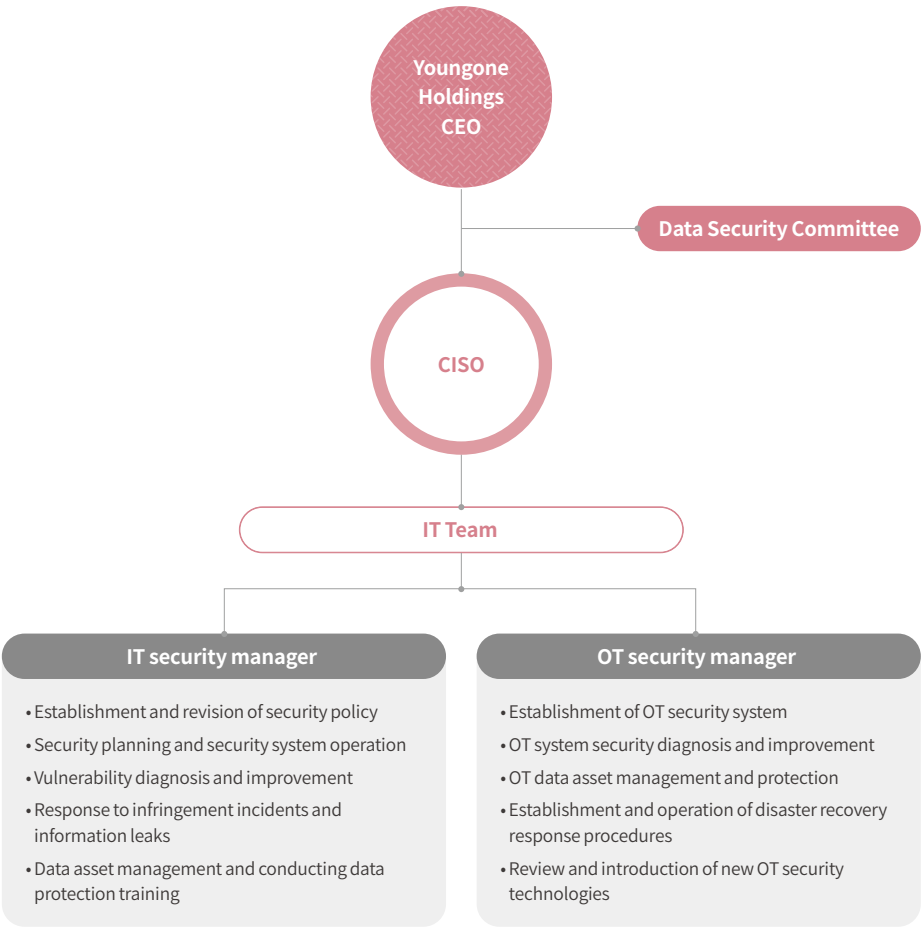
Certification for
Youngone Namdinh Company LTD

Data Security

Data Security Governance

In pursuit of systematic data security, we have designated a chief information security officer (CISO) who is responsible for implementing managerial, technical, and physical safeguards across both domestic and international business sites. We have also established a Data Security Committee within the Management Council to oversee, evaluate, and determine major security issues.

Data Security Organizational Chart



Data Security Policy

In response to the escalating landscape of cybersecurity threats, Youngone is implementing robust measures to safeguard our customers' order data and the company's proprietary information. To this end, we are undertaking a comprehensive restructuring of our regulations, guidelines, and operational procedures involving data security.

Our data security regulations serve as a directive for the highest standards of conduct for all employees in and outside Korea to follow while our practical guidelines and operational procedures provide clear direction during the execution of duties.

Data Security Regulations and Guidelines

Data Security Regulations and Guidelines

Article 1 [Purpose]

The purpose of these guidelines is to define the essential provisions for the effective enactment and oversight of the company's internal protocols.

Article 2 [Scope of Application]

These guidelines shall preside over the execution and administration of internal regulations, except where superseded by statutory laws, established policies, and other prevailing regulations.

Article 3 [Enactment and Amendment of Data Security Regulations]

- ① The department responsible for data security shall enhance and modify the security regulation framework in the timely manner to facilitate a proper response to the evolving internal and external business environment, thereby establishing standards for employee decision-making and conduct.
- ② The security regulations may be categorized into policies, guidelines, and procedures. These are subject to discrete enactment, aligning with the specific regulations applicable to each subsidiary and country.

Article 4 [Policy Approval and Dissemination]

Should the establishment, amendment, or abrogation of security policies and guidelines be requisite, the relevant specialist or data security manager shall be responsible for preparing the modifications, followed by announcement in adherence to established protocols.

Article 5 [Review and Revision]

- ① The validity of information security policies and guidelines shall be reviewed on a regular basis, at least once a year, and additional reviews may be conducted when necessary.
- ② The authority to revise and approve regulations is delineated as follows:
 1. Revisions exceeding half of the security regulations within a year: Board of Directors
 2. Revisions exceeding one-fifth of the security regulations within a year: CISO
 3. Revisions less than one-fifth of the security regulations within a year: data security manager
- ③ Compliance with policies, such as personal information security guidelines for the department handling personal information shall be reviewed, and compliance outcomes shall be reported to the person in charge of personal information management.
- ④ In the event that new data security requirements emerge, or the review of existing guidelines necessitates adjustments, or in instances where employees present suggestions for improvements, raise objections, report inconveniences, or identify issues, it is imperative that the data security guidelines be revised.

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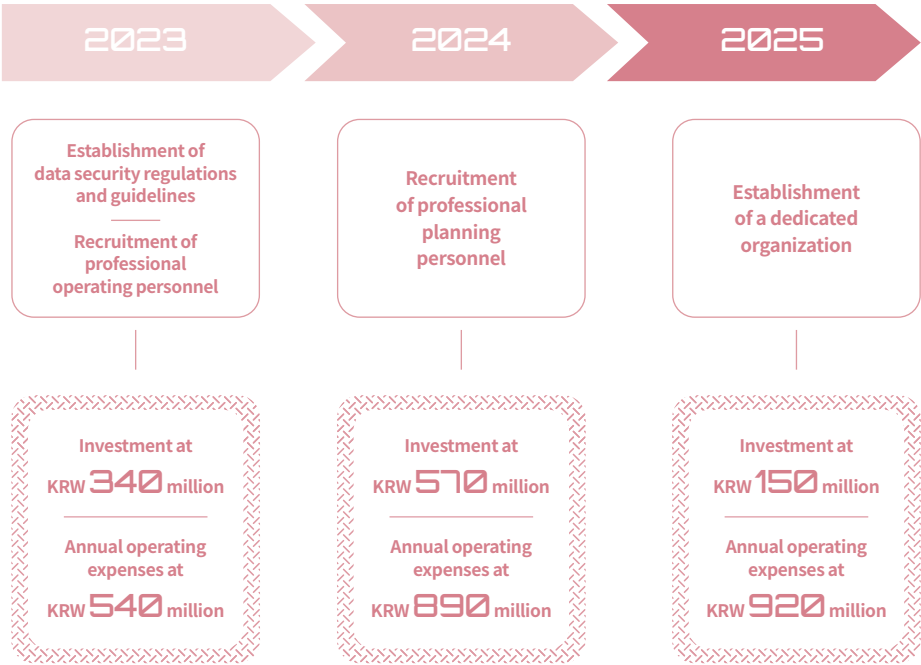
For more information about Youngone Corporation, please visit our website or contact us using the details below.

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Website. www.youngone.co.kr

Data Security Reinforcement

Youngone Corporation is an entity mandated to disclose data protection efforts. Our investment in data security constituted 7.6% (as of 2023) of the total investment amount. In February 2023, we completed a data security consulting to evaluate and enhance our information protection measures at the headquarters. Subsequent to this analysis, we derived 22 tasks across 12 categories, formulating a data security roadmap for implementation. We will carry out improvement initiatives step by step in line with the roadmap over the medium to long term, aimed at continuously advancing in multifaceted areas in the medium to long term. In March 2023, we augmented the security protocols for all employee PCs by deploying an account management (Active Directory) server, which enforces robust password requirements and activates a logout mechanism following unsuccessful authentication attempts.

Tasks for Robust Data Protection



Data Security Internalization

Youngone has put in place its prompt emergency protocols in the event of a security incident. Upon verification of the incident's details and outcomes, we establish preventative measures to avert future occurrences. In 2023, we posted notifications regarding data protection on our bulletin board twice, and sent out messages five times, thereby raising data protection awareness among our employees. In an effort to instill a culture of data security throughout the organization and raise awareness, we provide mandatory education on personal data privacy once a year. In 2023, we achieved a 100% completion rate for this education, with 295 employees educated.

Activities to disseminate the information on data security



Data Security Mock Training

In November 2023, as part of our data security initiatives, we executed a mock training for the relocation of our business operations with a hypothetical scenario involving a power outage due to a strong earthquake in the metropolitan area. Such drills advance our data security capabilities through the efforts to internalize data security awareness, thereby guaranteeing seamless operations and swift restoration of IT and data security infrastructures in the face of actual emergencies.









Reporting Channel for Personal Data Infringement	E-mail privacy@youngone.com	Address Youngone Holdings IT Team 159 Mallijae-ro, Jung-gu, Seoul, Korea
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Shared Growth with Local Community

Social Contribution Activities

Youngone Corporation has made ongoing social contribution endeavors for the shared growth with local communities while embodying the principles of ESG management. We believe that it is a corporate social responsibility to grow hand in hand with local communities. Therefore, we actively endorse and support a multitude of social contribution activities, both domestically and internationally.

Our Approach to Social Contribution

Vision	Company committed to promoting the health and happiness of local community members			
SDGs Target	 	  		
Strategies	Support for the vulnerable	Academic support	Support for sports and cultural activities	
Highlights	<ul style="list-style-type: none">- Lend in-kind support for protection facilities for the vulnerable- Provide relief funds for disasters	<ul style="list-style-type: none">- Provide assistance for academic institutions such as research centers, academic association and schools, and collaborate with academia- Support new scholars	<ul style="list-style-type: none">- Offer support for cultural and arts institutions- Assist the sports sector- Run projects designed to boost culture, arts, and sports	
Key Activities from 2023 to 2024	<ul style="list-style-type: none">- Provided outdoor products for protection facilities for residents in poverty, women, and teenagers (approximately KRW 2.6 billion)- Provided assistance for earthquake victims in Syria and Türkiye- Supported injured soldiers in Ukraine- Held job fairs, hired North Korean defectors, offered support for Yeomyung School, and assisted them in settling down	<ul style="list-style-type: none">- Supported the YOUNGONE Rising Scholar Award, hosted by the Korean Society of Clothing and Textiles- Provided assistance to academic institutions, such as the Institute for Global Economics- Sponsored the SNU Development Fund and the Yonsei University Development Fund	<ul style="list-style-type: none">- Sponsored the International Climbing and Mountaineering Federation (UIAA)- Assisted the Korean National Ballet, National Museum of Korea, and Korean Chamber Orchestra- Offered support for prodigies in the sports and cultural sectors, including offering scholarships and holding in-house concerts	

SNUSR (Seoul National University Social Responsibility)

Youngone Corporation has been an active participant in the SNUSR since 2011, aiming to support the development of global communities. In 2023, the group extended its social contribution efforts to Samarkand, Uzbekistan, where our manufacturing facilities are located. These activities provided students with opportunities to unlock their full potential and become valuable contributors to society.

Major Activities

- Medical service: Conducted general examinations and medical prescriptions for the elderly and children by Seoul National University Department of Medicine professors and students together with Youngone Corporation (local medical team)
- Educational sharing: Instruction of traditional Korean games, drawing renowned artworks, education on dental hygiene, and broad cultural enlightenment
- Cultural sharing: Children's songs, Taekwondo dance, children's musicals (traditional fairy tales from each country), and K-pop performances



Win-Win Program in Countries Where We Globally Operate

KEPZ Medical Complex Project

Youngone is developing a medical complex within KEPZ, encompassing both healthcare and educational facilities. The complex will feature a pilot hospital with 100 beds, a larger general hospital with 500 beds, and a nursing school. This project aims to enhance the poor medical infrastructure in Bangladesh, where our operations are based, fostering the adoption of advanced medical technologies. It stands as a model of active corporate social responsibility, contributing significantly to the advancement of local communities in the countries we globally operate.

Construction of Textile & Fashion Institute in KEPZ

Youngone is establishing a Textile & Fashion Institute within KEPZ. Our vision is to elevate this institute to global prominence by forging partnerships with premier textile and fashion academies worldwide. Through this project, we plan to not only bolster the vocational prowess of Youngone’s workforce in Bangladesh but also to play a pivotal role in advancing the nation’s textile and fashion industry. It exemplifies our commitment to shared growth with the global markets.



Youngone KEPZ Medical Complex groundbreaking ceremony held in December 2023


Industry-Academic Cooperation

Since 2008, Youngone has engaged in industry-academic collaborations with leading fashion and apparel departments at major universities in Seoul. Our goal is to unearth emerging talents and foster the development of cutting-edge outdoor products through practical-oriented partnerships between industry and academia. This cooperation allows companies to recruit outstanding talents and offers students with diverse pragmatic experience as well as employment opportunities in their desired fields, thereby establishing itself as a model for coexistence. Through various projects like these, Youngone Corporation has consistently provided support to outstanding students endowed with innovative ideas, fostering their growth into valuable contributors to the domestic apparel sector.

Industry-Academia Cooperation with Sookmyung Women’s University

Industry-Academia Cooperation
with Sookmyung Women’s University

Products from upcycling projects



Sponsorship and Donation to Communities

Youngone Corporation provides a variety of essential items, including apparel, to global communities affected by natural disasters and economic hardships. Leveraging our expertise and resources as a world-class global manufacturer of clothing and supplies, we are committed to our ongoing humanitarian efforts by producing and distributing emergency relief materials, such as clothing, blankets, and footwear. On top of that, we are active in contributing to the development of our local communities through donations in the areas of healthcare, education, athletics, and environmental conservation. In the year 2023, our contributions to local community initiatives have reached a total of about KRW 4 billion.

Our Major Contributions in 2023

Donation recipient	Amount	Content
World Vision, Red Cross, community welfare centers, etc.	KRW 2.53 billion	• In-kind donations, such as clothes
International Climbing and Mountaineering Federation (UIAA)	KRW 160 million	• Donations to the UIAA
Korea Foundation	KRW 160 million	• Assistance to boost Korean studies in overseas countries and cultural exchange
World Vision	KRW 100 million	• Contributions to earthquake victims in Syria and Türkiye
SAMcare (welfare foundation)	KRW 10 million	• Donations to Ukraine

* Only some of the cash and in-kind donations from domestic business sites are listed above.

GLOBAL COMPANY
LEADING THE MARKET,
YOUNGONE

OVERVIEW

ESG OF YOUNGONE

YOUNGONE IMPACT STORY

ESG PERFORMANCE

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GOVERNANCE

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Governance

Board Composition and Operation

Board Composition

As of March 2024, the Board of Directors of Youngone Holdings consists of five directors, which includes three executive directors and two independent directors. To ensure the independence and fairness of the Board, Youngone Holdings has established the Independent Director Recommendation Committee, the Sustainable Management Committee, and the Management Committee. Vice Chairman Sung Rae Eun concurrently assumes the role of Chairman of the Board given her profound understanding of management, expertise, and efficiency. The Board meetings of Youngone Holdings are of two types; regular meetings and temporary meetings. The regular meetings are convened once a quarter while temporary meetings are held as necessary. In 2023, a total of eight meetings were held, with 32 agenda items discussed and a 100% attendance rate.

Members of the Board

Position	Name	Gender	Profile	Tenure	Date of First Appointment	Independent Director Recommendation Committee	Sustainable Management Committee	Management Committee
Executive Directors	Sung Rae Eun (Chairman)	Female	• Vice Chairman & CEO, Youngone Holdings Co., Ltd. • Group Vice Chairman, Youngone Corporation	3 years	March 09, 2007	●	●	● (Chair)
	Kim Ju Won	Male	• Senior Managing Director of Strategy Team, Youngone Holdings Co., Ltd.	3 years	March 29, 2022		●	●
	Cho Jae Young	Male	• Director of Offline Sales, Youngone Outdoor Corporation • Executive Director, YMSA Co., Ltd.	3 years	March 31, 2021			●
Independent Directors	Jo In Young	Female	• Judge, Seoul Central District Court (Former) • Senior Judge, Daegu District Court (Former) • Associate Professor, Yonsei University Law School	3 years	March 29, 2022	● (Chair)	● (Chair)	
	Han Chol Soo	Male	• Secretary General, Fair Trade Commission (Former) • Outside Director, Kia Corporation (Former) • Senior Advisor, Yoon & Yang	3 years	March 29, 2022	●	●	

YOUNGONE HOLDINGS

Operations of Subcommittees Under the Board

In accordance with our Regulations for Board Operations, Youngone Holdings operates three subcommittees. The Independent Director Recommendation Committee is responsible for recommending eligible candidates who can contribute to balanced decision-making and management supervision. The Sustainable Management Committee, comprised of four directors including both independent and executive directors, plays a pivotal role in enhancing corporate reputation and shareholder value by defining strategic directions for ESG management from a holistic perspective. In 2023, key agenda items were discussed, including the financial risk management status in the financial sector and the 2023 ESG evaluation results and ESG key issue management plan in the non-financial sector. Additionally, through the Management Committee, which consists of executive directors, Youngone Holdings deliberates on and makes swift and informed decisions on matters among the key management issues, entrusted by the Board according to the Operating Regulations for the Management Committee.



Board Independence and Expertise

Regulations for Board Operations

Youngone Holdings has established regulations to govern Board operations. The objective is to emphasize the importance of the Board's roles and to ensure transparent and efficient operation. The Regulations for Board Operations are available on the company's website, providing all stakeholders with access to them.

Board Independence

In accordance with all relevant laws, such as Commercial Act, Youngone Holdings transparently discloses the required qualifications for independent directors, thereby strengthening the Board's independence. Furthermore, we prevent directors who have special interests in the Board's resolutions, as specified in the regulations, from exercising their votes to ensure independence. In addition, we prohibit directors from simultaneously holding positions in other companies within the same industry or conducting transactions with other companies without prior approval from the Board.

As part of the efforts to enhance Board's independence, Youngone Holdings has appointed independent directors as the Chairs of all subcommittees, with the exception of the Management Committee. Additionally, the Independent Director Recommendation Committee operates with the aim of ensuring the independence and fairness of the process for recommending and appointing independent directors. In accordance with internal regulations, the committee selects candidates that meet the requirements defined by relevant laws. After a thorough examination of their independence from the company and the largest shareholder, as well as their expertise, the committee recommends those who are in the best interests of both the shareholders and the company.

Training for Board Members






Date	Training target	Training institution	Training details
June 22, 2023	Independent director Jo In Young and Han Chol Soo	Korea Listed Companies Information	Job training for independent directors in a listed company

YOUNGONE HOLDINGS

Board Expertise and Diversity

Youngone Holdings' Board of Directors is comprised of five executive and independent directors, each equipped with various areas of expertise. Youngone Holdings ensures the appointment of professionals who possess diverse knowledge and extensive industry experience as directors to avoid overdependence on a specific job type. This approach enables us to enhance the competitiveness of the Board and to make informed resolutions based on various areas of expertise. Moreover, directors are provided with various educational programs, such as education on new business and ESG-related risks, to help them refine their professional skills.

Board Skills Matrix

 Management	Two directors who possess expertise in leadership skills required for organizational operations or have C-level experience			
 Finance / Investment (M&A)	One director who is a financial professional with expertise in investments such as M&A			
 Law / Policy	Two directors equipped with expertise in legal risk analysis, laws, or public policy			
 ESG	Two directors who possess professionalism in environmental, social, and governance risks			
 Key Businesses	Two industrial experts who specialize in industries such as OEM, fabric, apparel / fashion, or distribution			

Board Evaluation and Compensation

Board Evaluation

Youngone Holdings evaluates all aspects of its Board, including directors’ attendance rate, participation, contribution, and independence. For the objective and fair assessment of executive directors, various elements are taken into account. These include their business performance, such as sales and operating income, their achievements and contributions as management, and the external and internal business environment, as well as risk factors based on the company’s mid- to long-term goals.

Since 2022, Youngone Holdings has conducted Board assessments through a survey. Directors answer 20 items in four categories, including the Board’s roles, accountability, composition, and operation. Based on the responses, the company improves its Board operations.



YOUNGONE HOLDINGS

Board Remuneration

The remuneration limit for the Board of Directors of Youngone Holdings is approved at a general shareholders’ meeting. The status of director remuneration is transparently disclosed in its annual business reports. The remuneration for executive directors incorporates salary, performance-based pay, and retirement benefits. The salary is determined by their title, position, expertise, work, and contribution to the company while performance-based pay is defined by their business performance, achievements, and contributions as the Board directors, as well as the external and internal business environment. The remuneration for independent directors is defined by their responsibility in performing duties, risk level, and the remuneration level for independent directors at other companies.

Criteria for Payment in 2023

(Unit: KRW)

Category	Headcount	Total Board Remuneration	Per Capita Average Board Remuneration
Registered Directors (Independent directors and Audit Committee's members excluded)	3	4,900,000,000	1,633,000,000
Independent Directors (Audit Committee's members excluded)	2	88,000,000	44,000,000
Auditor	1	100,000,000	100,000,000

Board Composition and Operation

Board Composition

As of March 2024, the Board of Directors of Youngone Corporation is composed of a total of seven directors, including three executive directors and four independent directors. To ensure independence and fairness in Board operations, the company puts in place the Audit Committee, Independent Director Recommendation Committee, Sustainable Management Committee, and Management Committee. The Board of Directors is chaired by CEO Sung Kihak, who is qualified to lead the Board in a stable manner with his extensive experience across all business operations. The Board meetings of Youngone Corporation are of two types: regular and temporary. The regular meetings are held on a quarterly basis while temporary meetings are convened as necessary. In 2023, a total of ten meetings were held, addressing 34 agenda items, with an attendance rate of 98%.

Members of the Board

Position	Name	Gender	Area of Expertise	Profile	Tenure	Date of First Appointment	Audit Committee	Independent Director Recommendation Committee	Management Committee	Sustainable Management Committee
Executive Directors	Sung Kihak (Chairman)	Male	Business Management	· Chairman & CEO, Youngone Corporation · Chairman & CEO, Youngone Outdoor Corporation · (Former) Chairman, Korea Federation of Textile Industries (KOFOTI)	3 years	July 1, 2009				●
	Sung Rae Eun	Female	Business Management	· Vice Chairman & CEO, Youngone Holdings Co., Ltd. · Group Vice Chairman, Youngone Corporation · Chairman, Korea Fashion Industry Association (KFIA)	3 years	July 1, 2009		●	● (Chair)	
	Lee Min Suhk	Male	Business management	· President, Youngone Corporation · (Former) CEO, Trade Division, Hanwha Corporation · (Former) Member of Compliance Committee, Hanwha Corporation	3 years	March 29, 2022			●	●
Independent Directors	Chung Suh Yong	Male	Law & Environment	· Professor, International Studies at Korea University · President and Head of Center for Climate and Sustainable Development Law and Policy at Seoul International Law Academy (SILA) · Vice Chairman, Korean Society of Climate Change Research	3 years	May 11, 2021	●			● (Chair)
	Park Sung Wan	Female	Economy & Media	· CEO, Hankyungarte Co. · (Former) Director of Economic Research Institute of The Korea Economic Daily · (Former) Deputy Editor in Chief The Korea Economic Daily	3 years	March 29, 2022		● (Chair)		●
	Jeon Kyu An	Male	Finance & Accounting	· Professor, Department of Accounting, Soongsil University · Chair of Accounting Auditing Standards Committee, Korean Institute of Certified Public Accountants · Independent director & Audit Committee Chair, Able C&C · (Former) President, Korean Taxation Association	3 years	March 29, 2024	● (Chair)			●
	Park Kyung Woo	Male	Medicine & Management	· Professor Department of Internal Medicine, Cardiovascular Center, Seoul National University Hospital · Director of International Affairs Committee, Korean Society of Cardiology · (Former) President, Healthcare System Gangnam Center, Seoul National University Hospital	3 years	March 29, 2024	●	●		



Operations of Subcommittees Under the Board

In accordance with its Regulations for Board Operations, Youngone Corporation operates four subcommittees. The Audit Committee, an independent organization, is comprised of all independent directors, including the Audit Committee Chair. It takes on the role of conducting audits in accordance with relevant laws and the Articles of Association. The company adheres to laws specifying that independent directors should constitute the majority of the Independent Director Recommendation Committee, and the company deliberates on and resolves key issues through subcommittees which are composed of directors appointed for their experience and expertise. The Sustainable Management Committee is comprised of five executive and independent directors, as of March 2024. In 2023, key issues including the results of materiality assessment and risk management updates were reported to the Board.



Board Independence and Expertise

Regulations for Board Operations

With the objective of emphasizing the significance of the Board’s roles and ensuring transparent and efficient board operation, Youngone Corporation has formulated the Regulations for Board Operation. These regulations are disclosed in this report and on the company’s website for the benefit of external stakeholders.

Board Independence

In accordance with relevant laws, including the Commercial Act, Youngone Corporation discloses the qualifications for independent directors, thereby enhancing the Board’s independence. Moreover, the regulations clearly state that directors with special interests are not permitted to vote, aiming to ensure the Board’s independence. In addition, directors are prohibited from conducting transactions and holding director positions at other companies simultaneously without prior Board approval.

For the sake of independent decision-making, all subcommittees of Youngone Corporation, with the exception of the Management Committee, are chaired by independent directors. The company operates the Independent Director Recommendation Committee to ensure the independence and fairness of the director recommendation and appointment process.

Board Expertise and Diversity

Youngone Corporation’s Board of Directors is composed of seven executive and independent directors, each with different areas of expertise. The company appoints experts with diverse knowledge and industrial experience required for business management, ensuring that its Board does not overly depend on a specific job type. This approach enhances the Board’s competitiveness and enables it to make resolutions based on diverse expertise. Additionally, Youngone Corporation provides educational courses covering a wide range of issues, such as new business or ESG risks, to help its independent directors better understand the business.



Board Skills Matrix

<div><div></div><div>Management</div></div>	Four directors who possess expertise in leadership skills required for organizational operations or have C-level experience				
<div><div></div><div>Finance / Accounting</div></div>	One director who is a financial professional with expertise in financing and accounting				
<div><div></div><div>Law / Policy</div></div>	One director equipped with expertise in legal risk analysis, laws, or public policy				
<div><div></div><div>ESG</div></div>	Two directors who possess professionalism in environmental, social, and governance risks				
<div><div></div><div>Economy / Media</div></div>	One director who specializes in the fields of economy and media				



Board Compensation

Board Remuneration

The remuneration limit for the Board of Directors of Youngone Corporation is approved at a general shareholders’ meeting. The status of the remuneration paid is transparently disclosed in annual business reports. The remuneration for executive directors includes salary, performance-based pay, and retirement benefits. The salary is determined by their title, position, expertise, work, and contribution to the company. Performance-based pay is defined by their business performance, achievements, and contributions as management, as well as the external and internal business environment, according to the Regulations for Performance-based Pay for Executives. The remuneration for independent directors is defined by their responsibility in performing duties, risk level, and the remuneration level for independent directors at other companies, pursuant to its internal standards.

Criteria for Payment in 2023

(Unit: KRW)

Category	Headcount	Total Board Remuneration	Per Capita Average Board Remuneration
Executive Directors (Independent directors and Audit Committee's members excluded)	5	7,750,000,000	1,550,000,000
Independent Directors (Audit Committee's members excluded)	2	100,000,000	50,000,000
Audit Committee’s members	3	150,000,000	50,000,000

Shareholder Rights Protection

Dividend Policy

Shareholder Status

Pursuant to the Articles of Association, the total number of shares that Youngone Holdings can issue is 100,000,000, and its face value per share is KRW 500. The shares issued are all common shares, and voting rights are granted in an equitable manner according to the number of shares owned. As of December 2023, the total number of shares issued by Youngone Holdings was 13,635,592, of which 2,030,694 were treasury shares.

Share Issuance

Category	Number of Shares
Total number of shares issued	13,635,592
Number of shares without voting rights (treasury shares)	2,030,694
Number of shares with voting rights	11,604,898

Communication with Shareholders

Youngone Holdings ensures the timely disclosure of necessary information to shareholders in a transparent manner. Through IR meetings, the company provides its business information to shareholders and transparently discloses relevant data through mandatory disclosure. This disclosed data is also available on its website and other public disclosure systems, such as the DART Repository of Korea’s Corporate Filings or KIND Disclosure System.

YOUNGONE HOLDINGS

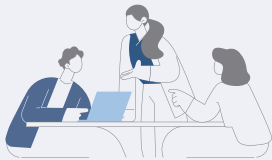
Dividend Payment

Since Yougnone Holdings has listed in 1988, the company has consistently paid year-end dividends. Furthermore, the company’s revised dividend policy has been approved by the Board in March 2023 as follows.

Youngone Holdings’ Mid to long term Dividend Policy

Youngone Holdings has been paying cash dividends every year to enhance shareholder value, and the principle is stable cash dividends based on the company’s continuous growth. In addition, from a long-term perspective, the company aims to enhance shareholder value through corporate growth and corporate value. In accordance with the Commercial Act and Articles of Incorporation, dividends are paid by a resolution of a General Meeting of Shareholders, and the level of dividends is determined after overall consideration of securing investment resources for the company’s sustainable growth, enhancing cash flow and shareholder value.

Accordingly, the company will maintain the dividend payout ratio on separate financial statements basis around 50% (excluding one-off non-recurring income) unless there is a drastic change in the business environment, such as a change in the business environment, and strive to raise the payout ratio step by step in the future. However, in case of significant dividend reduction or increase, the company will secure the flexibility of dividend policy by presenting the reason in advance.



Dividends Paid over the Recent Five Years

Category	2019	2020	2021	2022	2023
Dividend per share (KRW)	1,000	1,200	2,000	3,050	3,970 ¹⁾
Total dividends paid (KRW million)	11,605	13,926	23,210	35,395	46,071

1) The data for 2023 is the sum of the interim dividend of KRW 1,600 and the closing dividend of KRW 2,370.

Dividend Policy

Shareholder Status

In accordance with the Articles of Association, the total number of shares that Youngone Corporation can issue is 100,000,000, and its face value per share is KRW 500. The shares issued are all common shares, and voting rights are granted in an equitable manner according to the number of shares owned. As of December 2023, the total number of shares issued by Youngone Corporation was 44,311,468, of which 445,407 were treasury shares, accounting for about 1.01%.

Share Issuance

Category	Number of Shares
Total number of shares issued	44,311,468
Number of shares without voting rights (treasury shares)	445,407
Number of shares with voting rights	43,866,061

Communication with Shareholders

Youngone Corporation ensures the timely and transparent disclosure of necessary information to shareholders. Through IR meetings, the company provides its business information to shareholders and transparently discloses relevant data through mandatory disclosure. This disclosed data is also available on its website and other public disclosure systems, such as DART Repository of Korea’s Corporate Filings or KIND Disclosure System.



Dividend Policy

Since Youngone Corporation has listed in 2009, the company has consistently paid year-end dividends. Furthermore, the company’s dividend policy has been approved by the Board in August 2020 as follows.

Youngone Corporation’s
Mid to long term
Dividend Policy



Youngone Corporation has been paying cash dividends every year to enhance shareholder value, and the principle is stable cash dividends based on the company’s sustainable growth. In addition, from a long-term perspective, the company aim to enhance shareholder value through corporate growth and corporate value. In accordance with the Commercial Act and Articles of Incorporation, dividends are paid by a resolution of the Board of Directors, and the level of dividends is determined by overall consideration of securing investment resources for the company’s sustainable growth, cash flow, and enhancing shareholder value.

Accordingly, the company will maintain its dividend payout ratio on a consolidated basis at minimum 10% unless there is a drastic change in the business environment, and the company will strive to raise the payout ratio step by step in the future. However, the company will secure the flexibility of dividend policy by presenting the reason in advance in case of significant dividend reduction or increase.

Dividends Paid over the Recent Five Years

Category	2019	2020	2021	2022	2023
Dividend per share (KRW)	400	500	1,000	1,530	1,300
Total dividends paid (KRW million)	17,546	21,933	43,866	67,115	57,026

Ethics and Compliance Management

Ethical Management and Anti-Corruption

Code of Ethics

Youngone has established its Code of Ethics, which presents the ethical values that its employees should adhere to and guides them in their behaviors. For practical implementation, it requires employees to write their Ethics Pledge and provides them with relevant education

[Code of Ethics of Youngone Corporation and Youngone Holdings](#) 

Organization Dedicated to Ethical Management

Youngone Corporation ensures strict compliance with laws in order to promote fair and transparent business operations. It operates a dedicated organization to earn trust from customers and to make sound progress. This organization is responsible for receiving Ethics Pledges from employees, providing education on ethics, and managing relevant affairs in an organized manner. The Human Resources Team and the Legal Team collaborate to operate the Disciplinary Committee in accordance with policies that uphold transparent and rational business practices, and liability.

Activities for Ethical Management

Youngone Corporation has established an internal reporting system and a reporting center that allows employees to report any violations or misconduct directly to the Compliance Officer. The reporting center accepts reports in person or via email. Those responsible for receiving or addressing internal reports are required to keep the personal information of the whistleblower and the details of the report confidential. Youngone Corporation ensures that if the whistleblower reports violations or misconduct in which they themselves are involved, the circumstances are taken into consideration. All informants are protected from any adverse personnel actions as a result of their reports,

Ethics Education for Employees

The Human Resources Team organizes ‘Youngone Ethical Management Education’ programs for all employees every year. Youngone Corporation emphasizes its management spirit that upholds transparent, fair, and rational business conduct as the standards for behavior which its employees should follow, encouraging all its employees to complete ethical education.

The education programs cover themes such as the prohibition of conflict of interest, the prohibition of bribery and improper solicitation, and the prohibition of passing costs to partner companies or giving special benefits to suppliers. When it comes to anti-corruption and ethical management, Youngone Corporation collects signatures on the Ethics Pledge from all employees and all business partners, encourages them to put them into action, and strives to make ethical management permeate every corner of its corporate culture.

In addition, Youngone Corporation provides online educational services to enable its employees to receive appropriate ethical education, including statutory education, and also tracks their progress.

Ethics Education Programs Offered

Name	Educational Content	Period	No. of employees completing the program	Completion rate
Education on workplace sexual harassment	<ul style="list-style-type: none">• Concept of sexual harassment• Procedures for handling workplace sexual harassment• Prevention of sexual harassment in the workplace	December 2023	295 /295	100%
Education on Promoting Disability Awareness in the Workplace	<ul style="list-style-type: none">• Types of disabilities and desired etiquette for coworkers• Clauses on the ban on discrimination against the disabled and examples of discrimination cases• Korean policies for the employment of disabled persons and employment cases			
Education on the prevention of workplace bullying	<ul style="list-style-type: none">• Elements used for judgement to determine if it is workplace bullying• Laws pertaining to workplace bullying• Establishment of procedures in the workplace			
Education on the prevention of unfair trade	<ul style="list-style-type: none">• Overview of unfair trade and recent case studies• Explanation of the regulations on unfair trade	May 2023	26/27	96%
Education on core values (anti-corruption included)	<ul style="list-style-type: none">• Core values ‘H.E.A.R.T’• Global Code of Business Conduct and Ethics• Anti-Bribery and Anti-Corruption	September 2023	35/35	100%

* Ambassadors who received the core value education disseminate what they learned from it to other team members and employees.
** Participants who have completed the education on the prevention of unfair trade include executives, team leaders, and personnel in disclosure-related departments.

Compliance Control

Compliance Risk Management System

Youngone Corporation has established a dedicated organization with the aim of strengthening compliance management at both its local and international business sites. This organization is tasked with identifying and responding to legal risks.




In an effort to minimize the possibility of legal violations both domestically and internationally, and to enhance its compliance management system, Youngone Corporation has put a legal team in place. This team collaborates with external professionals in the field to proactively address potential legal risks. When employees from both domestic and international business sites report elements that could pose risks to the Legal Team, the team takes appropriate measures. These measures, which include suspension, improvement, correction, or sanction, are implemented in collaboration with the relevant parties, thereby ensuring an appropriate response.

Compliance System

Youngone Corporation provides efficient compliance management at all of its overseas subsidiaries worldwide. This means that the company strictly adheres to all laws, not only in its major markets such as the United States, Europe, Japan, and Korea, but also in locations where its manufacturing plants operate. With its high global standards of compliance, Youngone Corporation ensures transparent and fair compliance management.

Reporting Channels for Unethical Conduct

Youngone Corporation operates a reporting channel to receive reports of misconduct and unethical behaviors. These behaviors may include illegal solicitation of cash or gifts, requests for or provision of inappropriate favors, behaviors in breach of ethical management, and other human rights-related issues such as workplace bullying and sexual harassment.

<div>Reporting Channels for Unethical Behaviors</div> 	E-mail		Address	
	hotline@youngone.com		Audit Team, Youngone Corporation, 159 Mallijae-ro, Jung-gu, Seoul, Republic of Korea	

Compliance Control Standards

Compliance control standards refer to the policy adopted by companies with the objective of systematically understanding the relevant regulations that they should adhere to. These standards allow companies to examine their own compliance in order to prevent any violations in advance and respond to any type of legal risks in an organized manner. Youngone Holdings, which is the holding company, established and implemented its transparent and advanced compliance control standards after the formulation of a draft driven by the Legal Team in September 2023. This draft was reviewed by independent directors equipped with profound expertise in the legal field. In 2024, Youngone Corporation plans to establish its own compliance control standards.

With the establishment and formulation of these standards, Youngone Corporation will lead by example in more efficient and integral compliance management, accumulating best practices along the way.

Internal Accounting Control System

The proactive introduction of the internal accounting control system in 2019 has enabled the company to refine its regulations and work processes associated with preparing financial statements in accordance with the Best Practice Guideline for Internal Control over Financial Reporting and disclosure requirements. In 2020, a dedicated organization was formed, which led to the earnest adoption of the internal accounting management system in 2021.

In accordance with Article 8 of the Act on External Audit of Stock Companies, Article 9 of the Enforcement Rule of the same Act, and Article 6 of ‘Regulations on External Audit and Accounting,’ the company strives to improve the reliability in its financial statements. This is achieved by designing and operating a rational and effective internal accounting control system through the establishment of policies and procedures required for the design, operation, evaluation, and reporting of the system. Accordingly, CEO and the internal accounting control manager reported that the internal accounting control system was designed and operated effectively as of December 31, 2023, from a perspective of materiality based on the ‘conceptual framework for the design and operation of the internal accounting control system.’ Meanwhile, external auditors also conducted audits on the company’s internal accounting control system based on the same ‘conceptual framework.’

Review of Personal Information Handling Policies

Youngone Corporation reviews personal data handling policies once or twice a year to check for any revisions. It stipulates its internal policies to fulfill its duties and responsibilities as an entity responsible for data management in accordance with local and international laws regarding data privacy including the Personal Information Protection Act in Korea and the General Data Protection Regulation (GDPR) of Europe.

GLOBAL COMPANY
LEADING THE MARKET,
YOUNGONE

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YOUNGONE IMPACT STORY

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Website. www.youngone.co.kr



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ESG Data Book

Environmental Data

GHG Emissions¹⁾

Category			Unit	2021	2022	2023
Direct GHG emissions (Scope 1) ¹⁾	Domestic		tCO ₂ eq	550	508	549
	Overseas		tCO ₂ eq	77,869	84,936	81,552
Indirect GHG emissions (Scope 2)	Domestic	Region-based	tCO ₂ eq	2,393	2,346	2,310
		Market-based	tCO ₂ eq	2,393	2,346	2,310
	Overseas	Region-based	tCO ₂ eq	56,892	62,116	51,430
		Market-based	tCO ₂ eq	56,892	55,927	47,470
GHG emission intensity ²⁾			tCO ₂ eq/ KRW million	0.049	0.037	0.037

Energy Consumption

Category		Unit	2021	2022	2023
Domestic ³⁾		TJ	18.8	18.4	16.9
Overseas	Non-renewable energy	TJ	1,427.7	1,583.6	1,529.4
	Renewable energy	TJ	55.2	74.3	78.3
Energy intensity ⁴⁾		TJ/KRW million	0.0005	0.0004	0.0004

1) The calculation used methodology based on the GHG protocol and ISO, and the emission factor followed Scope1 UK DEFRA and Scope2 IEA

2) GHG intensity was calculated with sales.

3) The data was made based on the energy usage of the three business sites in Manri-dong, Geumgwang-dong, and Myeong-dong in Korea of the company, which was calculated with rental ratio of the sites, based on the environmental information disclosure standards. It is an aggregate of monthly usage data of electricity and city gas from Korea Electric Power Corporation and YESCO.

4) As sales are not generated in domestic business sites, the calculation was made with total energy usage and sales of overseas business sites.

Water

Category		Unit	2021	2022	2023
Water intake	Domestic	m ³	27,249	24,898	27,862
	Overseas	m ³	3,539,106	3,538,958	3,150,600
Water recycled	Overseas	m ³	590,245	741,034	746,187
Effluent discharged	Overseas	Ton	-	-	2,344,614

Scope of Environmental Data Reporting	• Domestic: Business sites in Manri-dong, Geumgwang-dong, and Myeong-dong • Overseas: Overseas plants and offices
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Waste Generation

Category			Unit	2021	2022	2023
Waste generated	Domestic	General waste	Ton	18.6	21.6	19.5
		Hazard waste	Ton	N/A	N/A	N/A
	Overseas	General waste	Ton	13,610	13,392	13,606
		Hazard waste	Ton	2,029	1,698	2,091
Waste treated	Overseas		Ton	12,479	15,087	15,615
Waste reduced	Domestic target		Ton	2% reduction year on year	2% reduction year on year	2% reduction year on year
	Reduction rate		%	-	-	10
Waste recycling rate			%	12.7	20.5	11.6

Raw Material

Category		Unit	2021	2022	2023
Major raw material procured	Yarn	Ton	6,378	6,507	5,486
	Fiber	Ton	4,450	5,300	4,610
	Chip	Ton	1,480	1,605	1,162
	Total	Ton	12,307	13,412	11,258
Eco-friendly raw material procured	GRS-certified recycled yarn	Ton	1,459	2,381	2,162
	GRS-certified recycled fiber	Ton	1,656	2,257	2,173
	GRS-certified recycled chip	Ton	106	127	118
	Total	Ton	3,220	4,765	4,454

Environmental Education

Category		Unit	2021	2022	2023
No. of employees who have received environmental education		Person	280	260	300
Environmental education completion rate		%	90	88	99

Eco-friendly Vehicle⁵⁾

Category		Unit	2021	2022	2023
No. of eco-friendly vehicles		Unit	3	4	8
Ratio of eco-friendly vehicles		%	20	22	32

5) HEV/PHEV/MHEV included

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Employee Status and Diversity

Category		Unit	2021	2022	2023	
No. employees by age	20s	Person	61	44	53	
	30s	Person	94	94	91	
	40s	Person	87	85	88	
	50s	Person	51	55	55	
	60s or above	Person	18	18	16	
No. employees by gender	Total	Person	311	296	303	
	Male	Person	98	96	95	
	Female	Person	213	200	208	
	Total	Person	311	296	303	
No. employees by title	Executive	Person	27	32	32	
	General Manager	Person	56	59	68	
	Deputy General Manager	Person	47	50	46	
	Manager	Person	47	43	41	
	Assistant Manager	Person	49	45	43	
	Staff	Person	85	65	68	
	Others	Person	-	2	5	
	Total	Person	311	296	303	
No. of employees by employment type	Full-time position	Male	Person	71	67	70
		Female	Person	175	178	176
		Total	Person	246	245	246
	Temporary position	Male	Person	27	29	25
		Female	Person	38	22	32
		Total	Person	65	51	57
No. of employees at manager or higher level	By gender	Male	Person	34	37	39
		Female	Person	49	54	61
		Total	Person	83	91	100
	Ratio of female managers		%	59	59	61

Employee Recruitment and Turnover Status

Category		Unit	2021	2022	2023
No. of new hires by age	20s	Person	24	18	31
	30s	Person	15	14	11
	40s	Person	7	4	6
	50s	Person	2	5	1
	60s or above	Person	1	-	-
	Total	Person	49	41	49
No. of new hires by gender	Male (Total)	Person	16	14	13
	Male (New hires)	Person	1	6	3
	Female (Total)	Person	33	27	36
	Female (New hires)	Person	20	19	28
	Ratio of female to male hires	%	67	66	73
No. of new hires by title	Executive	Person	1	2	2
	General Manager	Person	5	3	-
	Deputy General Manager	Person	1	2	-
	Manager	Person	5	4	4
	Assistant Manager	Person	6	3	9
	Staff	Person	31	26	32
	Specialized job (lawyer, etc.)	Person	-	1	2
Turnover and retention	Turnover rate	Person	44	52	43
	Average length of service of all employees ¹⁾	Person	6	12	5

1) The data includes the persons who left jobs due to the contract termination.

Basic Salary and Compensation for Employees¹⁾

Category		Unit	2021	2022	2023
Average salary of employees	Male	KRW million	64	69	86
	Female	KRW million	61	68	75

1) It is consistent with the standards of the company's Business Report and represents the total amount of monthly salary paid over the period from the start of the employment contract to the date of the report's preparation. The monthly salary is determined by dividing the total salary paid in a month by the number of employees working that month.

Labor-Management Relations and Collective Bargaining Agreements

Category	Unit	2021	2022	2023
No. of labor-management meetings held	Number	4	4	4
Ratio of Labor-Management Council composition	%	100	100	100

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Social Data

Employee Training

Category		Unit	2021	2022	2023
Training cost	Total training cost	KRW	96,314,000	174,871,000	209,484,000
	Average cost of training per person	KRW	309,691	590,780	691,366
Training hours	Male	Hour	23.5	47	40.5
	Female	Hour	31	40.5	43

Human Rights Grievance Handling

Category		Unit	2021	2022	2023
No. of business sites conducting human rights assessment		Number	-	-	11
No. of discrimination cases		Case	-	-	0
No. of discrimination cases handled with corrective actions		Case	-	-	0

Parental Leave

Category		Unit	2021	2022	2023
Employees who used parental leave ¹⁾	Male	Person	0	0	0
	Female	Person	12	13	8
	Total	Person	12	13	8
Employees who returned to work after parental leave ²⁾	Male	Person	0	0	0
	Female	Person	8	11	4
	Total	Person	8	11	4
Return rate ³⁾	Male	%	N/A	N/A	N/A
	Female	%	67	85	50
Employees who have worked for 12 months after returning to work	Male	Person	0	0	0
	Female	Person	5	4	-
	Total	Person	5	4	-
Retention rate	Male	%	N/A	N/A	N/A
	Female	%	75	33	-

- 1) Calculated based on the start date of the parental leave
2) Calculated including those who returned to work from the previous year who worked less than one year
3) Calculated the ratio of those who returned to work after the leave among those who took parental leave

Social Contribution

Category		Unit	2021	2022	2023
Financial and non-financial value of activities for shared growth with local communities (including social contribution investments)	Cash donation	KRW	589,467,000	2,036,931,000	1,374,162,130
	In kind donation	KRW	2,373,244,336	2,577,040,698	2,571,292,438
	Total amount of donation	KRW	2,962,711,336	4,613,971,698	3,945,454,568
Donations compared to sales		%	0.2	0.2	0.3

Occupational Health and Safety

Category		Unit	2021	2022	2023
Risk assessment related to occupational health and safety	Frequency	Number per year	3	4	5
	No. of occurrences	Case	0	0	0
Industrial accident rate ³⁾	Occurrence rate	%	0	0	0
Incidence of death related to work	Employees	No. of occurrences	0	0	0
		Occurrence rate	0	0	0
	Workers outside of organization	No. of occurrences	0	0	0
		Occurrence rate	0	0	0
Serious accident related to work	Employees	No. of occurrences	0	0	0
		Occurrence rate	0	0	0
	Workers outside of organization	No. of occurrences	0	0	0
		Occurrence rate	0	0	0
Occupational injury requiring records and preservation	No. of occurrences	Case	0	0	0
	Occurrence rate	Case	0	0	0
Occupational accident rate of suppliers	Data collection scope	%	0	0	0
	Lost Work Injury Frequency Rate (LTIFR)	No. of cases per million working hours	0	0	0

3) Based on the results of industrial accident rate inquiry according to our business site management number (Manri-dong business site)

Security / Cyber Security

Category		Unit	2021	2022	2023
Investment in information security	Total IT budget	KRW	3,491,578,385	3,736,643,725	3,418,151,268
	Amount of investment for data security	KRW	375,283,541	125,262,250	258,250,403
	Ratio of investments in data security to total IT budget	%	10.7	3.4	7.6
No. of data security violations or accidents related to customer's personal data		%	0	0	0
Total amount of fines due to information security violations or accidents	Number		0	0	0
	KRW		0	0	0
Complaints regarding infringement of customer privacy or personal information	No. of complaints from external parties that are substantiated by the agency	Number	0	0	0
	No. of complaints filed by regulatory agencies	Number	0	0	0

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Governance Data

Board of Directors (BOD) Composition

Category		Unit	2021	2022	2023
Board composition	Executive director	Male	Person	3	4
		Female	Person	2	1
	Independent director	Male	Person	5	4
		Female	Person	0	1
	No. of independent director exceeding legal minimum standards		Person	2	2
Gender diversity in the board	Male		Person	8	8
	Female		Person	2	2
	Ratio of female directors in the board		%	20	20
	No. of female registered directors who are not controlling shareholders or their relatives		Person	1	1
	Average term of directors		Year	3.0	2.9

Board of Directors (BOD) Operation

Category		Unit	2021	2022	2023
Board meeting	No. of meetings held		Number	6	5
	Average attendance rate		%	97	100
	Minimum notice term before a board meeting		Day	7	7
	Law		Person	1	1
Board expertise	Finance/Accounting		Person	4	3
	ESG		Person	1	1
	Finance/Economy		Person	2	3
	Management		Person	4	5
	No. of committee meetings held		Number	6	6
Audit Committee meeting	No. of committee meetings held		Number	6	7
Audit Committee expertise	No. of Audit Committee members who meet legal requirements		Person	2	2
External auditor	Non-audit service provision ratio		%	4	26
ESG-related agenda	No. of agenda items reviewed		Number	2	0
Supervision of environmental impact control	No. of environmental management issue reports		Number	2	0

Annual total Remuneration Ratio

Category	Unit	2021	2022	2023
Total yearly remuneration of the highest paid member (a)	KRW million	1,253	1,845	4,170
Total yearly remuneration growth rate of the highest paid member (b)	%	43	59	166
Median value of total yearly remuneration of all employees (c) ¹⁾	KRW million	68	76	81
Total yearly remuneration growth rate of all employees (d)	%	7	12	6
Ratio of the total yearly remuneration of the highest paid member to the median value of total yearly remuneration of all employees (a)/(c)	%	1,849	2,424	5,158
The annual total compensation increase rate of the highest-paid member and the median annual total compensation increase rate of all employees	%	21	36	86

1) When calculating the median pay of the remuneration made to all employees, the highest paid member is excluded

Board Remuneration

Category	Unit	2021	2022	2023
No. of members	Person	10	10	10
Total remuneration	KRW million	3,681	4,890	8,000
Average remuneration per person	KRW million	368	489	800

Ethics and Compliance Management

Category		Unit	2021	2022	2023
No. of ethics / compliance education programs provided		Number	-	1	1
No. of the recipients of education on ethics and compliance		Person	-	291	295
Education on the prevention of unfair trade	Domestic employees	Person	21/45	33	26
Code of Conduct (ethics / compliance, and relevant guidelines for employees, etc.)	New hires (internal employees)	Person	49	41	49
Ratio of employees trained on the Code of Conduct	New partners	Number	62	140	120
	Domestic employees	%	-	-	12
	Bangladesh CEPZ Subsidiary	%	-	-	80
	Bangladesh DEPZ Subsidiary	%	-	-	99
	Bangladesh KEPZ Subsidiary	%	-	-	98
	Vietnam Subsidiary	%	-	-	97
	Ethiopia Subsidiary	%	-	-	98

Whistleblowing Reporting

Category	Unit	2021	2022	2023
Misconduct (employees' violation of guidelines, etc.)	Case	-	-	0
Behaviors damaging the corporate culture (workplace bullying)	Case	-	-	0
Poor job performance	Case	-	-	0
Complaints	Case	-	-	1
Others	Case	-	-	1
Total	Case	-	-	2

Notification of and train on anti-corruption policies and procedures

Category	Unit	2021	2022	2023
No. of employees notified and trained	Person	-	-	35 ²⁾
Ratio of employees notified and trained	%	-	-	12

2) Anti-corruption training was provided for some key personnel to disseminate the content of education, and the training target is scheduled to be expanded from 2024.

Economic Data

Economic Value Creation and Distribution¹⁾

Category		Unit	2021	2022	2023
Economic value created	Net sales	KRW million	2,792,518	3,910,961	3,604,377
	Gross profit	KRW million	827,581	1,316,617	1,154,952
	Operating profit	KRW million	442,515	823,027	637,146
	Net profit before corporate tax	KRW million	451,252	881,756	681,633
	Net income	KRW million	334,303	743,155	533,071
Economic value distributed	Shareholder / Investor	Dividends of the fiscal year	KRW million	43,866	67,115
	Financial institution	Interest cost	KRW million	6,123	10,227
	Employee	Salary and retirement benefits	KRW million	168,386	200,473
		Welfare benefits	KRW million	13,245	15,466
	Local community	Donation	KRW million	3,804	4,957
	Government	Corporate tax	KRW million	116,949	138,601

1) Amount on a consolidated basis

Government Subsidies

Category	Unit	2021	2022	2023
Subsidies from the government	KRW million	-	-	-
Tax reliefs and deductions	KRW million	867	2,879	617

Types of Shares and Voting Rights

Category		Unit	2021	2022	2023
Types of Shares and Voting Rights	Preferred Stock	Share	-	-	-
	Common Shares - Voting Shares	Share	43,866,061	43,866,061	43,866,061
	Common Shares - Treasury Shares	Share	445,407	445,407	445,407
	Total	Share	44,311,468	44,311,468	44,311,468

Shareholder Status (Stock Ownership, Ownership Ratio)

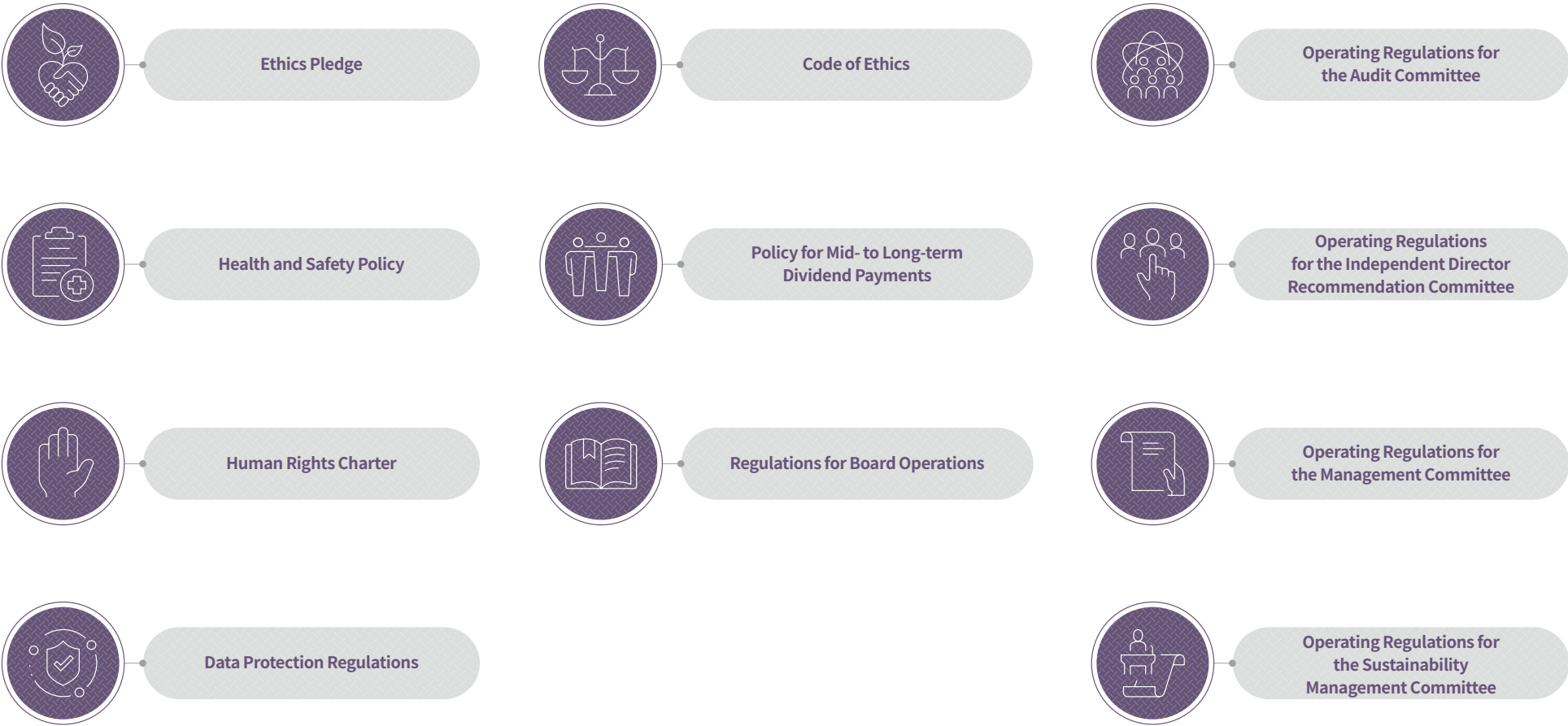
Category		Unit	2021	2022	2023
Shareholder Composition	Youngone Holdings	Share	22,386,320	22,386,320	22,386,320
	Youngone Corporation's Employee Welfare Fund	Share	80,000	80,000	80,000
	Affiliated persons, executives, etc	Share	15,106	15,106	15,106
	National Pension Service	Share	4,650,703	4,404,686	4,784,044
	Foreigners	Share	12,026,829	13,054,834	12,235,734
	Other domestic institutions	Share	3,329,780	2,829,921	2,867,587
	Other domestic individuals	Share	1,377,323	1,095,194	1,497,270
	Treasury stock with no voting power	Share	445,407	445,407	445,407
	Total	Share	44,311,468	44,311,468	44,311,468
Combined shares of the largest shareholder and affiliated persons		%	50.7	50.7	50.7
Combined shares of registered executives, excluding those of the largest shareholder and affiliated persons		%	-	-	-
Combined shares of affiliates		%	-	-	-

Approach to tax payment

Category	Unit	2021	2022	2023
Frequency of examinations of tax payment strategies	Time / year	1	1	1

ESG Policy

With the aim of embedding ESG management into our operations, we have established clear ESG policies and directions. These policies are disclosed in our sustainability report and on our website, providing stakeholders with better access to our diverse ESG-related activities, which allows stakeholders to understand the impact of our activities across various areas.



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For more information about Youngone Corporation,
please visit our website or contact us using the details below.

Tel. 02-390-6114
Website. www.youngone.co.kr

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Financial Performance

Consolidated Financial Statement

(Unit: KRW)

Description	As of December 31, 2023	As of December 31, 2022
Assets		
Current assets	3,346,930,108,724	2,821,445,719,291
Cash and cash equivalents	896,394,078,489	735,944,764,488
Short-term financial instruments	478,471,122,573	348,617,900,192
Accounts receivable	490,791,336,546	509,788,782,973
Derivative assets	8,039,634,600	31,098,251,240
Inventories	1,329,162,228,700	983,904,470,376
Other receivables	59,922,902,526	48,707,280,826
Other current assets	72,074,319,608	154,726,617,775
Current tax assets	12,074,485,682	8,657,651,421
Non-current assets	1,950,193,531,932	1,692,178,061,520
Long-term financial instruments	609,606,880	611,570,768
Financial assets measured at fair value through profit or loss	4,864,448,520	4,192,744,980
Financial assets measured at fair value through other comprehensive income	418,809,025,841	396,450,468,592
Investments in associates and joint ventures	51,012,249,852	46,948,290,294
Property, plant and equipment	810,535,582,490	712,901,101,241
Right-of-use assets	127,740,946,229	105,644,719,301
Intangible assets	194,637,975,570	178,823,035,915
Investment property	290,737,441,845	215,993,332,232
Other receivables	23,111,097,493	9,209,734,682
Other non-current assets	4,066,076,868	7,363,338,631
Deferred tax assets	24,069,080,344	14,039,724,884
Total assets	5,297,123,640,656	4,513,623,780,811

(Unit: KRW)

Description	As of December 31, 2023	As of December 31, 2022
Liabilities		
Current liabilities	1,123,291,101,204	822,686,884,772
Trade payables	455,556,425,886	340,193,168,804
Short-term borrowings	399,176,532,327	224,549,801,840
Current portion of long-term borrowings	70,491,752,580	28,815,168,430
Current portion of bonds	0	9,995,754,179
Derivative liabilities	1,010,074,888	3,443,949,811
Current tax liabilities	57,163,368,034	90,786,115,504
Other current provisions	27,162,328,081	26,032,109,179
Other payables	87,565,879,517	78,791,277,692
Other current liabilities	5,489,487,393	6,618,554,765
Other lease liabilities	19,675,252,498	13,460,984,568
Non-current liabilities	585,862,018,946	576,632,755,560
Long-term borrowings	77,487,641,820	133,243,897,850
Net defined benefit liabilities	71,462,646,242	42,838,710,656
Deferred tax liabilities	315,125,285,332	298,119,898,372
Other payables	8,225,000	0
Other non-current liabilities	3,105,027,160	2,463,048,254
Non-current lease liabilities	118,673,193,392	99,967,200,428
Total liabilities	1,709,153,120,150	1,399,319,640,332
Equity		
Equity attributable to owners of parent	3,246,664,286,850	2,814,524,326,075
Issued capital	22,155,734,000	22,155,734,000
Paid-in capital in excess of par value	453,267,231,054	453,267,231,054
Retained earnings	2,712,525,857,272	2,263,681,683,068
Other components of equity	58,715,464,524	75,419,677,953
Non-controlling interests	341,306,233,656	299,779,814,404
Total equity	3,587,970,520,506	3,114,304,140,479
Total liabilities and equity	5,297,123,640,656	4,513,623,780,811

Consolidated Income Statement

(Unit: KRW)

Description	15 th from January 1, 2023 to December 31, 2023	14 th from January 1, 2022 to December 31, 2022
Sales	3,604,377,025,404	3,910,960,903,824
Cost of sales	2,449,425,474,646	2,594,344,183,173
Gross profit	1,154,951,550,758	1,316,616,720,651
Selling and administrative expenses	517,805,181,924	493,589,463,605
Operating income	637,146,368,834	823,027,257,046
Other non-operating income	206,599,840,180	269,339,564,139
Other non-operating expenses	170,797,215,560	204,769,519,330
Finance income	37,467,672,307	13,518,385,924
Financial costs	31,086,770,543	20,183,299,100
Gain (loss) on disposal of securities	2,302,649,226	823,463,952
Net income before income tax expense	681,632,544,444	881,755,852,631
Income tax expense	148,561,863,188	138,600,813,503
Net income	533,070,681,256	743,155,039,128
Net income (loss) attributable to:		
Controlling interests	515,959,247,534	674,518,794,578
Non-controlling interests	17,111,433,722	68,636,244,550
Net income per share		
Basic earnings per common share	11,762	15,377

Consolidated Statement of Comprehensive Income

(Unit: KRW)

Description	15 th from January 1, 2023 to December 31, 2023	14 th from January 1, 2022 to December 31, 2022
Net income	533,070,681,256	743,155,039,128
Other comprehensive income for the period	7,710,772,100	-19,196,796,741
Items that are not reclassified to profit or loss		
Remeasurement of the net defined benefit liability	-6,050,740,151	10,934,416,325
Gain (loss) on financial investments measured at fair value through other comprehensive income	17,193,730,524	62,536,106,985
Changes in unrealized gain on valuation of equity method investments	-20,368,222	2,721,664
Items that may be reclassified to profit or loss		
Gain (loss) on foreign currency translation of foreign operations	5,083,271,545	-96,374,316,611
Changes in unrealized gain on valuation of equity method investments	726,780,604	-1,367,264,654
Gain (loss) on valuation of derivative instruments	-9,221,902,200	5,071,539,550
Total comprehensive income	540,781,453,356	723,958,242,387
Total comprehensive income attributable to:		
Controlling interests	499,255,034,104	639,443,331,433
Non-controlling interests	41,526,419,252	84,514,910,954

GRI Standards Index

GRI Standard	Disclosure	Indicators	Page	Remarks
General Disclosure				
GRI 2: General Disclosure 2021	2-1	Organizational details	6, 9	Refer to About this Report
	2-2	Entities included in the organization's sustainability reporting	-	Refer to About this Report
	2-3	Reporting period, frequency and contact point	-	Refer to About this Report
	2-4	Restatements of information	-	Refer to About this Report
	2-5	External assurance	80~81	
	2-6	Activities, value chain and other business relationships	7~8, 21~24	
	2-7	Employees	64	
	2-8	Workers who are not employees	-	Refer to page 182 of the business report from Youngone Corporation and page 179 of the business report from Youngone Holdings
	2-9	Governance structure and composition	52, 55	
	2-10	Nomination and selection of the highest governance body	53, 56	Refer to page 25-27 of the governance report from Youngone Corporation and Youngone Holdings
	2-11	Chair of the highest governance body	52, 55	
	2-12	Role of the highest governance body in overseeing the management of impacts	12, 53, 56	
	2-13	Delegation of responsibility for managing impacts	12, 55	
	2-14	Role of the highest governance body in sustainability reporting	12	
	2-15	Conflicts of interest	52, 55	Refer to page 27-28 of the governance report (detailed principle 5-1) from Youngone Corporation and Youngone Holdings
	2-16	Communication of critical concerns	52, 55	
	2-17	Collective knowledge of the highest governance body	53, 56	
	2-18	Evaluation of the performance of the highest governance body	54, 57	Refer to page 30 and 36 of the governance report from Youngone Corporation and page 22 of the governance report from Youngone Holdings
	2-19	Remuneration policies	54, 57	Refer to page 30 of the governance report from Youngone Corporation and Youngone Holdings
	2-20	Process to determine remuneration	54, 57	Refer to page 30 of the governance report from Youngone Corporation and Youngone Holdings
	2-21	Annual total compensation ratio	66	
	2-22	Statement on sustainable development strategy	4~5	
	2-23	Policy commitments	68	
	2-24	Embedding policy commitments	68	
	2-25	Processes to remediate negative impacts	45	
	2-26	Mechanisms seeking advice and raising concerns	61	
	2-27	Compliance with laws and regulations	-	Refer to page 186 of the governance report from Youngone Holdings

• [Statement of use] Youngone Corporation has disclosed its sustainability management activities for the period from January 1, 2023, to December 31, 2023, in accordance with GRI Standards.

• [GRI 1 used] GRI 1: Foundation 2021

• [Applicable GRI Sector Standard(s)]: As of the date of issuance, non-disclosed sectors: Textiles & Apparel, where Youngone Corporation and Youngone Holdings belong

GRI Standard	Disclosure	Indicators	Page	Remarks
GRI 2: General Disclosure 2021	2-28	Membership associations	82	
	2-29	Approach to stakeholder engagement	16	
	2-30	Collective bargaining agreements	64	
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	13	
	3-2	List of material topics	13	
	3-3	Management of material topics	14~15	
Comprehensive Risk Management				
GRI 205: Anti-corruption	3-3	Management of material topics	60~61	
	205-2	Communication and training about anti-corruption policies and procedures	61	
	205-3	Confirmed incidents of corruption and actions taken	66	
GRI 206 : Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Refer to page 186 of the governance report from Youngone Holdings
Development of Eco-friendly Raw Materials and Products				
GRI 301: Materials	3-3	Management of material topics	22~24, 32~33	
	301-1	Materials used by weight or volume	22	
Energy Management				
GRI 302: Energy	3-3	Management of material topics	29~31	
	302-1	Energy consumption within the organization	63	
	302-3	Energy intensity	63	
	302-4	Reduction of energy consumption	30	
Climate Action				
GRI 305: Emissions	3-3	Management of material topics	29~31	
	305-1	Direct (Scope 1) GHG emissions	63	
	305-2	Energy indirect (Scope 2) GHG emissions	63	
	305-4	GHG emissions intensity	63	
	305-5	Reduction of GHG emissions	30~31	

GRI Standard	Disclosure	Indicators	Page	Remarks
Waste Management				
GRI 306: Waste	3-3	Management of material topics	32	
	306-1	Waste generation and significant waste-related impacts	32	
	306-2	Management of significant waste-related impacts	32	
	306-3	Waste generated	63	
	306-4	Waste diverted from disposal	63	
	306-5	Waste directed to disposal	63	
Human Resource Management				
GRI 401 : Employment	3-3	Management of material topics	40~44	
	401-1	New employee hires and employee turnover	64	
	401-3	Parental leave	65	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	65	
	404-2	Programs for upgrading employee skills and transition assistance programs	42~43	
Occupational Health and Safety Management				
GRI 403: Occupational Health & Safety	3-3	Management of material topics	36~39	
	403-1	Occupational health and safety management system	36	
	403-2	Hazard identification, risk assessment, and incident investigation	38	
	403-3	Occupational health services	37~40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	37~40	
	403-5	Worker training on occupational health and safety	37	
	403-6	Promotion of worker health	38~40	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38~40	
	403-9	Work-related injuries	65	
Enhanced Human Rights Management				
GRI 406: Non-Discrimination	3-3	Management of material topics	45	
	406-1	Incidents of discrimination and corrective actions taken	65	

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GRI Standard	Disclosure	Indicators	Page	Remarks
Comprehensive Risk Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	18~20	No GRI Topic Standards subject to our material topics
Tightened Ethics and Compliance Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	11~12	No GRI Topic Standards subject to our material topics
Economic Disclosure				
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	67	
	201-4	Financial assistance received from government	67	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	49~50	
Environmental Performances				
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	33	
	303-3	Water withdrawal	63	
	303-4	Water discharge	63	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	34	
	304-2	Significant impacts of activities, products and services on biodiversity	34	
	304-3	Habitats protected or restored	34	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	34	
Social Performances				
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	64, 66	
	405-2	Ratio of basic salary and remuneration of women to men	64	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	65	

TCFD Index

Youngone Corporation analyzed the actual and potential financial implications of climate change, followed by establishing the company's strategic direction and a robust management system. With an aim to enhance stakeholder engagement, we disclose our climate change response in a transparent manner, adhering to the TCFD recommendations.

Recommendations	Our response	Page
Governance		
a) Describe the board's oversight of climate-related risks and opportunities	We have established the ESG Committee to reinforce the role and responsibility of the Board of Directors in ESG management. We are reporting on major issues related to environment and climate change to the board, and the final decision-making is made by the Board.	27
b) Describe management's role in assessing and managing climate-related risks and opportunities	We have put in place an ESG task force team under the CEO, and the CEO is tasked with evaluation and overseeing ESG initiatives, including setting and managing GHG reduction targets as the principal leader of ESG management.	27
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	-	-
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	-	-
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	-	-
b) Describe the organization's processes for managing climate-related risks	-	-
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	We monitor and manage key metrics, such as GHG emissions, energy consumption, and renewable energy consumption to identify and control risks and opportunities resulting from climate change.	29~30, 63
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	We report GHG emissions through our Sustainability Report. Scope 1: Domestic - 540tCO ₂ eq, Overseas - 81,552tCO ₂ eq Scope 2: Domestic – Region/Marget-based 2,310tCO ₂ eq, Overseas – Region-based 51,430tCO ₂ eq / Market-based 47,470tCO ₂ eq	63
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	We aim to cut down on carbon emissions by 40% by 2030, and we disclose our performance against the goal through our Sustainability Report.	29~31, 63

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UN SDGs

Youngone Corporation is committed to achieving the UN Sustainable Development Goals (SDGs) through its active involvement in the following ten goals. In doing so, we are fulfilling our societal and environmental responsibilities as a global corporation.

Goal		Key Activities	Page
<div><div>1</div><div>NO POVERTY</div><div></div></div>	No poverty	<ul style="list-style-type: none">• Carried out various social contribution activities relevant to our operations (industry-academia cooperation, donations, etc.)	49
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	Quality education	<ul style="list-style-type: none">• Provided diverse educational opportunities for all employees• Offered academic support for local plant employees	41~43
<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	Gender equality	<ul style="list-style-type: none">• Demonstrated high representation of female employees and directors• Provided leadership programs specifically for female leaders• Assisted female employees in Asia with university education	40, 43
<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div>	Clean water and sanitation	<ul style="list-style-type: none">• Minimized water consumption through effluent treatment and water reuse• Installed rainwater storage facilities	33
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	Clean energy for all	<ul style="list-style-type: none">• Expanded solar equipment installation across global production bases• Transitioned to green fuels	30~31

Goal	Key Activities		Page
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>Sustainable economic growth, full and productive employment and decent work</div>	<ul style="list-style-type: none">• Ensured fair and transparent talent management practices• Hired social minorities including North Korean refugees and offered them various benefit packages	41, 44	
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div>Responsible consumption and production</div>	<ul style="list-style-type: none">• Built a circular economy through waste recycling and eco-friendly product development• Developed environmentally friendly packaging materials	32	
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div>Climate action</div>	<ul style="list-style-type: none">• Acquired and maintained ISO 14001 certification to make sure eco-friendly management• Calculated and managed scope 1 and 2 emissions and declared our commitment towards net-zero	27~30, 63	
<div><div>15</div><div>LIFE ON LAND</div><div></div></div> <div>Life on land</div>	<ul style="list-style-type: none">• Mandated biodiversity assessments and implemented activities for the preservation• Collected marine waste and launched a campaign for products made of recycled materials	34	
<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div> <div>Peace, justice and strong institutions</div>	<ul style="list-style-type: none">• Enforced supplier compliance with the Ethics Pledge• Fair Trade Certified• Ensured ethical management and provided ethics education• Operated a reporting channel for unethical conducts	45~46, 60~61	

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UNGC

Since joining the UN Global Compact (UNGC) in 2019, we have adhered to the Ten Principles, thereby discharging our social accountability as a corporate citizen. In the years ahead, we will ensure our compliance with the Ten Principles and transparently disclose our related activities and progress.

Category	Principle	Key Activities	Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none">Enacted the Code of Ethics, implemented ethical managementProvided education on ethics for employeesOperated a reporting channel for unethical conducts to address human rights abuse	46, 60~61
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none">Conducted quarterly Labor-Management Council meetingsAssessed employee performance in a fair and unbiased manner regardless of age, race, and gender	41, 46
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none">Established a roadmap for net-zero and put it into actionScaled up investments in eco-friendly facilities for green product developmentDeveloped eco-friendly packaging materials and built a circular economy across all our operations	29~32
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none">Put in place a compliance systemEstablished a compliance risk management system and created a dedicated organization	60~61

ESG Initiatives

With a steadfast commitment to bring positive changes to the world beyond our company and the apparel industry, we have joined various sustainability initiatives.



UNGC
(UN Global Compact)

Youngone Corporation has been a member of UN Global Compact (UNGC) since 2019.

The UNGC is the world’s largest voluntary corporate citizenship initiative. It aims to encourage corporate entities to integrate the Ten Principles covering core values, human rights, labor, environment, and anti-corruption, into their business operations and strategies. This integration allows corporations to contribute to enhancing sustainability, raising awareness as responsible corporate citizens, and presenting feasible solutions to achieve these goals.

Every year, Youngone Corporation submits its Communication on Progress (CoP) report, which is grounded in the principles of human rights, labor, environment, and anti-corruption.



WWF
(World Wide Fund For Nature)

Youngone Corporation has been actively collaborating with the World Wide Fund for Nature (WWF) in environmental conservation activities.

WWF, being the world’s largest non-profit organization dedicated to environmental preservation, is supported globally by more than 6 million sponsors in 100 countries.

Since 2019, we have actively participated in the Earth Hour campaign hosted by WWF, aiming to decrease carbon emissions. We have received environmental education from the WWF on topics such as responsible plastic use and sustainable lifestyles. Based on this education, we have trained approximately 200 of our employees, thereby instilling in them the importance of environmental preservation.

INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of Youngone Corporation

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the Youngone Corporation 2023 Sustainability Management Report (hereinafter referred to as the “Report”). The Assurer is independent of the Youngone Corporation and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the Youngone Corporation report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the Youngone Corporation and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

Youngone Corporation 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 Youngone Corporation only.

The Assurer is responsible for providing Youngone Corporation management 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 Youngone Corporation. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than Youngone Corporation in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with Youngone Corporation includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the Report, Some data included half of 2024.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

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 and other report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Account-ability 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 Youngone Corporation.

[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]

201-1, 201-4, 203-1, 205-2, 205-3, 206-1, 301-1, 302-1, 302-3~4, 303-1, 303-3~4, 304-1~4, 305-1~2, 305-4~5, 306-1~5, 401-1, 401-3, 404-1~2, 403-1~7, 403-9, 405-1~2, 406-1, 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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the respon-sible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verify-ing the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this report against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Youngone Corporation Myeongdong office to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Youngone Corporation. 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 assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that Youngone Corporation's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

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). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

Youngone Corporation defined Customers and client companies, Employees, Partner companies, Shareholders/ Investors, Local communities and others(government agencies, research institutes, associations, NGOs, and media, etc.) as Key Stakeholder Group. In order to collect opinions by each stakeholder groups in the context of sustainability, the company operated the stakeholder engagement process. Youngone Corporation conducted a review of the stakeholder engagement process, while monitoring the status of improvement activities, in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Youngone Corporation disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Youngone Corporation implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. Youngone Corporation conducted global reporting standards/ESG assessment standards analysis, benchmarking and media analysis, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. Youngone Corporation derived 10 material issues through the relevant process, and disclosed GRI topic standards related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

Youngone Corporation operated a management process for key issues in the context of sustainability derived from the materiality assessment. The Youngone Corporation established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. Youngone Corporation disclosed the process including activities performance on material issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Youngone Corporation identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. The impact of each major issue was reviewed by the ESG governance system. Youngone Corporation analyzed major impacts based on the achievements of each important issue, and the sustainability goals, mid- to long-term plans, and strategic systems, established sustainability strategies and objectives based on the analysis results of major impacts.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance the sustainability management system by considering the major sustainability issues of the textile and apparel industry and the operational characteristics, upgrading the sustainability impact analysis process that reflects unique conversion coefficients in the materiality assessment.
- It may be helpful to advance the sustainability management system by specifying a management system for sustainability performance indicators such as the environmental and social KPIs and strengthening an internal control system to secure the reliability and consistency of the performance indicators.

GRI-reporting

Youngone Corporation provided us with their self declaration of compliance within GRI Standards. Based on our review, The Assurer confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by Youngone Corporation and the sector standard was not applied.

Issue Date: 05/06/2024

For and on behalf of BSI (Brithish Standards Institution):

BSI representative



Jungwoo Lee,
Lead Assurer



Seonghwan Lim,
Managing Director of BSI Korea



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Hold Statement Number: SRA 806608

Certificates, Awards and Memberships

KCGS Rating (Awarded by the Korea Institute of Corporate Governance and Sustainability) in 2023



Integrated Rating



Environmental



Social



Governance



Integrated Rating



Environmental



Social



Governance

Awards

Date of Award	Award Title	Presented By
Mar.19 2023	Excellent ESG fashion company in the eco-friendly manufacturing process sector (Youngone Corporation)	Sustainable Fashion Initiative
Sep. 15, 2022	Selected as one of the top 10 corporations on the Gender Equality Index (Youngone Corporation)	Women in INnovation
Nov. 11, 2021	Industrial Service Medal (Youngone Holdings)	ROK government
Dec. 29, 2018	Citation from the Prime Minister for an excellent response to the earthquake that occurred on November 15 (Youngone Corporation)	ROK government
Dec. 11, 2017	Citation from the Minister of Trade, Industry and Energy at the 10th Korea Fashion Awards (Youngone Corporation)	Korea Fashion Association

Membership Status



YOUNGONE