NOROO SUSTAINABILITY REPORT

2023

2023 노루홀딩스 지속가능경영보고서

NOROO Holdings

NOROO Holdings

Arcplace A,142, Teheran-ro, Gangnam-gu, Seoul, Republic of Korea

www.noroohholdings.com

Overview

NOROO Holdings is pleased to publish the third sustainability report to share and communicate vision of the company and achievements related to sustainable growth and value creation with various stakeholders. This report comprehensively covers both financial and non-financial performance, focusing on issues identified through a materiality assessment, and will be published annually.

Reporting Guidance

This report has been prepared with reference to global standards and in consultation with external experts.
Financial Performance K-IFRS Consolidated Standards
Non-Financial Performance GRI, TCFD, SASB, ESRS, ISO26000 and etc.

Reporting Period

The reporting period for this report spans from 1 January 2023 to 31 December 2023.
Significant matters occurring after the reporting period have been included up to the first half of 2024.

Scope of the Report

Financial performance has been reported on a consolidated basis, while non-financial performance focuses on domestic business sites(Anyang, Poseung, Chilseo, Hwaseong, Cheonan, Ansan, Pohang, and Anseong). Environmental and social performance is centered on key affiliates, and governance reporting primarily focuses on NOROO Holdings, the parent company.

Point of Contact & Report download

For any inquiries regarding this report, please contact us at the details below.
Responsible Department: Compliance & Communication Office
Tel. +82-2-2191-9625 **E-mail** ethics@noroo.com **NOROO Holding Homepage** https://www.norooholdings.com/

Report Participants(affiliated company name)

Publication/Editing: **NOROO Holdings** Raegun Bang, Daehee Lee
Data/Review: **NOROO Holdings** Hyunwoo Kim, Taejoon Khang, Heebon Khang, Heejung Park, Jongwoo Son, Seokchan Jeong, Ilchul Chang, Nakhoon Choi
NOROO Paint Jaesoo Ko, Sanghoon Kwak, Daeyoung Kim, Eunji Kim, Jong take Kim, Sungho Park, In Park, Jiheon Park, Taehyun Park, Chaejung Shin, Namchul Ji, Hanyong Jo, Changhoon Jang, Oh-jung Choi, Yongsoon Choi, Yongjin Choi, Taehyun Choi, Seungyong Ha, Hyungsik Hwang
NOROO Automotive Coatings Jiheon Kwon, Sungwoo Kim, Jongman Kim, Youngmin Moon, Jina Seo, Yongchae Lee, Jinhyung Lee, Wondo Lee, Changbok Lee, Hyungjin Jung, Woonki Hong, Taki Hwang
NOROO Coil-coating Byunghoon Khang, Jaehong Park, Sangho Lee, Sookyeol Lee
NOROO Chemical Si-yeon Kim, Yoonhyung Kim, Jongbok Kim, Hanjoo Kim, Joohan Oh, Kyungmin Lee, HongKyu Choi
NOROO Loginet Jian Kim, Jaeho Kim, Seung hyun Choi
THE KIBAN Seungjin Lee, Hyeongtae Jo, Yoonsik Jeong
Advisory/Support: **Korea Standards Association** - Materiality Assessment, Third-Party Verification
NOROO Holdings-Brand Strategy Team / **Re Communication** -Template Design

CONTENTS

An Era of Change, Creating New Value NOROO!

Dear Respected Stakeholders of NOROO
The global economy continues to face growing uncertainty, with external crises persisting. Additionally, the "emerging norm" of high interest rates, exchange rates, and inflation has heightened management risks, posing significant challenges for many businesses. However, NOROO remains steadfast in the face of crises, building upon its deeply rooted entrepreneurial spirit and embracing continuous challenges to ensure stable growth and prepare for the future.
In the chemical business sector, we are further enhancing our market leadership, which has been steadily expanded, solidifying our position as a market leader. The agricultural business sector is actively expanding its market presence by increasing revenue and securing financial soundness. In addition, the bio sector is striving to establish itself as a new growth engine for the group through successful commercialization.

Pioneering Future Technologies in New Business sectors

We are living in an era defined by a "Reset moment," where digital technology is revolutionizing and redefining everything. Generative AI technologies, epitomized by Chat-GPT, are disrupting traditional business ecosystems. In this rapidly evolving technological era, only companies that secure future technologies will be able to thrive and survive.
Enhancing future competitiveness, chemical business sector of NOROO is expanding its specialty portfolio and strengthening cross-industry collaborations through open innovation to prepare for core technologies of the future. By doing so, we aim to broaden the development of customized products, lead market trends, and generate market-driven R&D outcomes, thereby further solidifying our market leadership. The agricultural business sector is also enhancing its competitiveness by strengthening research capabilities to expand the development of new varieties and launch market-leading products. Additionally, we are focusing company-wide efforts on accelerating the establishment of the business by increasing the production of products utilizing our core proprietary technologies.
Possessing core technologies and exceptional R&D capabilities is an indispensable competitive edge for NOROO, enabling us to achieve sustainable management even in the face of adversity. Efforts such as the construction of the Anyang Second Research Institute to secure future core technologies represent significant strides toward shaping a new future for NOROO.

Enhancing Proactive Risk Management

The global credit rating agency, Moody's, has forecasted that the credit ratings of major Korean companies will increasingly diverge based on their crisis management capabilities. Amid challenges such as a prolonged period of high interest rates leading to a downturn in the construction industry, population decline and aging due to low birth rates, and concerns over household debt insolvency, domestic economic stagnation is anticipated. In response, NOROO is strengthening its proactive risk management measure.
We proactively address potential risks, including those related to procurement, SCM, safety, human rights, and partner insolvencies, while enhancing market forecasting accuracy to strengthen market leadership despite uncertainties. Additionally, by advancing the group financial management system, we are focusing on centralized credit management and reducing working capital to secure liquidity, improve profitability, and maintain financial stability, ensuring the safe management of resources for future growth.

ESG Management

Recently, global companies have been fiercely competing to dominate related industries in line with emerging trends such as "Environmental Management" and "ESG Management".
The implementation of related regulations is imminent, necessitating concrete mid- to long-term strategies to address key issues such as carbon neutrality in response to climate change, the strengthening of corporate human rights management and social responsibility, and the establishment of transparent governance structures. In response, we must rebalance our organizational operating system to align with these demands, actively pursue eco-friendly process improvements, and develop related technologies. This will enable us to concretely integrate ESG management principles into all aspects of our business activities. We will establish a future-oriented business model that prioritizes ESG certifications, waste reduction, and the development of carbon mitigation technologies. Through operational innovation, including the integration of smart factories, we seek to convert challenges into strategic opportunities and accelerate sustainable growth. Furthermore, at the group level, we will advance ESG management and eco-friendly brand strategies while enhancing human resource management strategies to support sustainable management.

Dear respected Stakeholders of NOROO,
This year, we are surrounded by unprecedented levels of uncertainty. However, no obstacle can hinder our dreams and aspirations. With passion and a spirit of challenge, we will boldly innovate and push boundaries to shape NOROO's bright future, achieving stable growth and progress in 2024. We invite you to continue supporting NOROO on its journey toward the future, and we sincerely ask for your encouragement and backing. Thank you.

NOROO Holdings co. ltd.

Chairman Young Jae Han 한영재

Vice-Chairman Yong Ki Kim

Part I.

NOROO PROFILE

NOROO holding companies and affiliates

NOROO Holdings co. ltd.

As a holding company, we establish and implement operational strategies to ensure the sustainable growth of the group.

- Establishment of the group vision and strategic direction
- Strategy and target alignment
- Implementing responsible management
- Maximizing synergy through efficient allocation of management resources
- New Business development and set up overseas strategic network

NOROO Holdings is structured into an investment division, which focuses on identifying and nurturing future growth engines, and a business division encompassing chemical, agricultural, distribution, consulting, and design operations.

Investment Division

Investment through various methods, including funds and equity participation, based on assessments of sustainability.

Business Areas

Chemical

Manufacturing and sales of coatings, resins, and related products for a wide range of industries, including architecture, home appliances, PCM, heavy-duty, automotive, woodworking, marine, and plastics.

NOROO Paint & Coatings · NOROO Coil Coatings · NOROO Automotive Coatings
NOROO Chemicals · NOROO NANPAO Paints & Coatings (Vietnam)
NOROO Paint (Shanghai) · NOROO Paint (Thailand) Co., Ltd.
NOROO BEE Automotive Coatings India · NOROO VINA

*For overseas companies, only factories and management rights are indicated

Agricultural Business

We are laying the foundation for the future food industry through the distribution, processing, sales of agricultural products, and seed cultivation.

THE KIBAN

Distribution

We operate logistics business which ensures the swift and accurate delivery of manufactured products to customers, as well as a retail business offering color services and products tailored to consumers and their lifestyles.

NOROO Loginet

Consulting·Design

Consulting and design business of NOROO, which began in 1987 as a color research lab, provides business development and support services through the integration of color and design.

NSDS NOROO SEOUL DESIGN STUDIO
Colorful Intelligence by NOROO
COLOR DESIGN LAB

NOROO Overview

The group consists of the holding company, NOROO Holdings, and its subsidiaries, including NOROO Paint and others. While sharing NOROO's value system, each company operates under a director-centric model of responsible management. As of December 31, 2023, the key companies within NOROO are as follows: (Sales and operating profit are based on consolidated figures for 2023, while figures without consolidation targets are based on individual standards.)

NOROO Holdings*

NOROO Holdings

Main Business Holding Company
Address 351 Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
2023 Revenue 1,214.6 billion KRW
Operating Income 67.4 billion KRW

NOROO Paint & Coatings*

NOROO Paint & Coatings

Main Business Manufacturing and sales of architectural & industrial paint & coatings
Address 351 Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
2023 Revenue 780.5 billion KRW
Operating Income 41.9 billion KRW

NOROO Automotive Coatings**

NOROO Automotive Coatings

Main Business Manufacturing and sales of automotive paint & coatings
Address 28 Jangangongdan 7-gil, Jangan-myeon, Hwaseong-si, Gyeonggi-do, Korea
2023 Revenue 379.3 billion KRW
Operating Income 30.8 billion KRW

NOROO Coil Coatings**

NOROO Coil Coatings

Main Business Manufacturing and sales of PCM
Address 54 Jangheung-ro 39 gil, Nam-gu, Pohang-si, Gyeongsangbuk-do, Korea
2023 Revenue 134 billion KRW
Operating Income 11.3 billion KRW

NOROO Chemicals**

NOROO Chemical

Main Business Manufacturing and sales of resin and paint
Address 7 Chumdan-ro 285 gil, Danwon-gu, Ansan-si, Kyunggi-do, Korea
2023 Revenue 136.5 billion KRW
Operating Income 1.4 billion KRW

NOROO Loginet**

NOROO Loginet

Main Business Logistics
Address 351 Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
2023 Revenue 75.1 billion KRW
Operating Income 1.7 billion KRW

THE KIBAN**

The Kiban

Main Business Seed and crop cultivation and research
Address 10, Samgogae 1-gil, Samjuk-myeon, Anseong-si, Gyeonggi-do, Korea
2023 Revenue 20.3 billion KRW
Operating Income 3.6 billion KRW

*Listed Company, **Unlisted Company

Revenue and Share by Business Segment

Business		Sales (Hundred million KRW)	Portion (%)	Key Subsidiaries
Chemical	Architectural & Industrial Paint & Coatings	7,961.6	65.5	NOROO Paint, NOROO Chemical
	Automotive Paint & Coatings	4,401.9	36.2	NOROO Automotive Coatings
	PCM Paint & Coatings	2,173.9	17.9	NOROO Coil Coating, NOROO Paint
Agricultural	Seeds, Greenhouse Facility	284.7	2.3	The KIBAN
Others	Holding Company, Logistics and etc.	852.2	7.0	NOROO Holdings(Singapore) NOROO Loginet
Consolidation Adjustments (Accounting)		(3,528.1)	(28.9)	
TTL		12,146.2	100.0	

※ The sales figures for each business segment include internal transactions between business entities

NOROO Network

Korea (Factory)

Anyang	Hwasung
Ansan	Chunan
Ansung	Pohang
Poseung	Chilseo

USA
NOROO IC Co. Ltd.
Hawaii Smart Agro and Trading, Inc.- .
NOROO Automotive Coatings America, Inc.

Mexico
NOROO Automotive Coatings Mexico
(S. DE R.L. DE C.V.)

Brazil
NOROO BEE CHEMICAL BRASIL LTDA

Czech
NOROO Automotive Coatings Czech s.r.o

Italy
Noroo Milan Design Studio (NMDS), S. R. L.

Türkiye
NOROO Kayalar Paint Co., Ltd.

India
NOROO BEE AUTOMOTIVE COATINGS
INDIA PRIVATE LIMITED.
SHEENLAC-NOROO Coatings India Pvt., Ltd.

Singapore
NOROO HOLDINGS SINGAPORE PTE. LTD.

Indonesia
PT NOROO AUTOMOTIVE PAINT INDONESIA

Malaysia
NOROO Kossan Paint Sdn. Bhd.

UAE
NOROO FZCO

Japan
NOROO Paint & Coatings (Japan) Branch

China
NOROO Holdings (H.K.) Co.,Ltd.
NOROO Paint (Shanghai) Co.,Ltd.
NOROO Trading (Shanghai) Co.,Ltd.
NAC (SHANGHAI) Co., Ltd
NOROO BEE Chemical Beijing Co., Ltd.
NOROO BEE Chemical Yancheng Co., Ltd.
NOROO HUALUN Advanced Materials Co., Ltd.

Thailand
NOROO PAINT (THAILAND) COMPANY LIMITED.
The Kiban (Thailand) Co.,Ltd

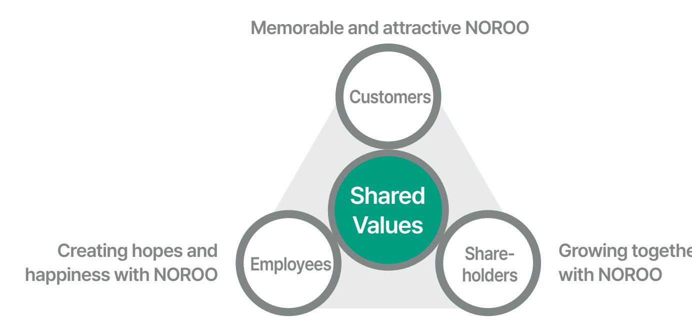
Vietnam
NOROO Vina Co., Ltd.
NOROO-NANPAO PAINT&COATINGS Co., Ltd.

LAOS
The Kiban Lao Sole Co., Ltd.

Sustainable Growth Value System

Since its establishment in 1945, NOROO has been guided by its founding spirit, "For my homeland" embedding various social values into its business practices to contribute to the growth and development of the nation. Even in challenging circumstances, NOROO has steadily upheld its commitment to creating quality careers. Moving forward, NOROO will remain dedicated to its core principles, practicing honest and fair ethical management as it continues to evolve into a global company.

Value System	NOROO WAY	Reinterpretation
Sustainable Growth		
Mission – The essence of a Business	Founder's spirit: For My homeland Management Philosophy: Blazing a new trail into the future	**Objective** · The Resilient NOROO (Creating Job Opportunities), an 'Epic Journey'
Vision – The Aspirations of company	Corporate Vision: Bright Color, Smart World Memorable and attractive NOROO	**Outlook** · Global Company · Strong Organization with employees Committed to the Basics · Integrity and Fairness in Ethical Management
Core Value – Principles for Conduct and Decisions	**Code of Conducts**: Always fulfill our Commitments / Work economically and avoid waste / Respect others' diversity / Initiate and lead change / Go through with Persistence and Consistency **BUSINESS STRATEGIES**: Concentrarion / Core Competence / New Biz Development / Globalization **Balance & Efficiency**	**Talent Profile** · NOROO People Who Fearlessly Embrace Challenges · NOROO People Who Value Themselves, Act with Purpose, and Take Responsibility for Their Roles **Leadership** · Recognizing the Diversity and Contributions of Employees · Serves as an Information Hub Within the Organization · Drives Change, Executes Quick Decisions, and Embraces Accountability



Organization for Supporting Sustainable Growth

NOROO operates a structured system comprising the 'Board of Directors', a 'Group Council', and a 'Working Group' to drive sustainable growth. Facilitating the consistent and effective execution of sustainability initiatives across varying business environments, organizational sizes, and operational conditions, NOROO follows the principles of mutual growth and collaboration. This involves identifying actionable tasks at both the group and business unit levels, conducting performance evaluations, and implementing continuous improvement measures.

Board of Directors (ESG Committee)

Board of Directors(BOD)
NOROO is holding BOD meetings on a regular/irregular basis. Regular meetings are held quarterly, and other meetings are held when agenda items arise. As the highest decision-making body, we have a role and responsibility for the company's financial/non-financial sustainability.

ESG Committee
ESG committee is held when a motion for resolution is delegated by the board of directors. The committee's activities regarding resolutions are reported to the board of directors.

Group council

Executive Meeting
Held on a monthly basis, the council is tasked with building a comprehensive ESG management system and proactively addressing emerging risks and opportunities. It has a role and responsibility in the prior review and implementation of board of directors' reports/resolutions.

Working group

QES(Quality, Environment Safety management system) Integration committee
This is a meeting of the Environmental Safety/ESQM departments to exchange information on current issues such as safety, health, quality, and prevention of major accidents, discuss policies, and responses to external evaluations.

HR Committee
Meeting of the HR departments of each company to discuss policies and systems for personnel, labor, and human rights issues of each company.

(Group-level) ESG Meeting
This is a meeting of the ESG management promotion departments from the chemical and agriculture business companies, as well as the group-level units.

Chemical Business Factory Council
This is an ESG operations council at the factory level for chemical business companies. It focuses on exploring ways to minimize carbon emissions at production sites and preparing responses to external regulations, such as carbon border taxes.

ITGC
This is a meeting of the respective departments from each company to review the group's IT and information security policies and investments.

Others
Under its philosophy of responsible management, NOROO has spun off numerous affiliates. However, given the limitations of individual companies in addressing rapid changes in the external business environment, issues requiring collective action are addressed through councils composed of operational representatives from affiliates. This approach increase efficiency of utilizing of personnel and resources.

ESG Evaluation Grade

NOROO consists of the publicly listed companies NOROO Holdings and NOROO Paint, as well as unlisted affiliates. The listed companies are assigned ESG ratings by evaluation agencies such as the Korea ESG Standards Institute and Sustinvest. Meanwhile, the unlisted affiliates are either undergoing ESG evaluations from their clients or preparing to address audits in line with the growing emphasis on sustainable supply chain management.

Evaluation by 'KCGS'(KOREA INSTITUTE OF CORPORATE GOVERNANCE AND SUSTAINABILITY)

	Overall Rating	Environment(E)	Social(S)	Governance(G)
NOROO Holdings	A	A	A+	B+
NOROO Paint	B+	A	A+	B

※ Grade Classification : S / A+ / A / B+ / B / C / D

Evaluation by 'Sustinvest'(a private institution) / NOROO Holdings, NOROO Paint

1st Half	2nd Half
A	A

※ Grade Classification: AA / A / BB / B / C / D / E
(AA 'Excellence', A 'Very Good', BB 'Good' , B 'Fair')

Evaluation by 'Ecovadis' / NOROO Automotive Coatings

2022	2023
BRONZE	BRONZE

※ Grade Classification: Platinum / Gold / Silver / Bronze

Evaluation of the customer's supply chain
(Partners, NOROO Paint, NOROO Automotive Coatings, NOROO Coil Coating, NOROO Chemical).
There are increasing cases of receiving second and third-party evaluations from domestic large corporations/export companies and overseas customers.

ESG Materiality Evaluation

NOROO identified a pool of issues based on global guidelines such as the GRI Standards. Through interviews and prioritization surveys involving 213 internal and external stakeholders, as well as in-depth assessments by external experts, key material issues were selected.

Overview of Materiality Assessment

In accordance with the GRI Standards, Noroo Holdings conducted a materiality assessment to identify key ESG issues through a systematic process that included compiling a pool of potential material topics, prioritizing them based on relevance and impact, and validating the final selection. These identified issues are utilized in the planning of the Sustainability Management Report.

Materiality Assessment Process

	Material Issue Pool Composition	Material Issue Prioritization	Validation
Overview	• Issue Pool Derivation through Media Analysis, Industry Peer Issues and Global Standards Analysis	• Prioritizing Issues by conducting bilateral materiality evaluation through Impact materiality & financial materiality	• Final Material Issue Selection through Review by the Organization's Management, Sustainability Management Departments, and Experts
Main Activity	• Deriving the Issue Pool List by Reviewing Benchmark Companies' Material Issues and International Standard Issues Based on GRI Standard Topics → 75 issues added to the pool list • Deriving the Material Issue Pool through Relevance assessment and Preliminary Validation: - Media Analysis - Benchmark Companies' Material Issues - International Standards/ Guidelines (GRI, MSCI, SASB, KCGS) Material Issues → 19 Material Issues Identified (added to the pool list)	**Impact Materiality** The degree of external positive and negative impacts on society, the environment, and individuals caused by corporate management activities (Outward Impact: Company → Society) - Assessment of the scale, scope, likelihood, and resilience of environmental and social impacts. • Surveys for Impact Materiality Assessment with Internal and External Stakeholders - Stakeholders: Customers, Shareholders and Investors, Employees, etc. **Financial Materiality** The degree of internal positive and negative impacts on the company's financial condition caused by external factors (Inward Impact: Society → Company). - Assessment of Financial impact magnitude/Likelihood of occurrence • Survey on Financial Impact Conducted by Experts (Consulting Team) - Financial Assessment Reflecting the Weighted Responses from Employees (ESG/Finance/Accounting Departments, General Employees), External Stakeholders, and Experts	• The management reviews the derived material issues and grants final approval. • As a result of the organization's review, "Respect for Human Rights" was added as a material issue

Identification of Material Issue Pool

Relevance analysis (international standards, benchmarking, media analysis) had been conducted, resulting in a total of 19 material issues being identified for the issue pool

International standards

- GRI Sustainability Topics for Sectors
- MSCI ESG Industry Materiality Map
- SASB Relevant Issues
- Evaluation by KCGS (Korea Corporate Governance Service)

Industry Peer Review / Benchmarking

- Lotte Fine Chemical sustainability report
- KCC sustainability report(2022/2023)
- Hyundai Engineering & Construction sustainability report(2023)
- Hyundai Motor Company sustainability report(2023)
- KIA sustainability report(2023)
- AkzoNobel(Netherlands) annual report(2022)
- NIPPON paint holdings(JAPAN), integrated report(2023)
- SHERWIN-WILLIAMS sustainability report(2022)
- PPG ESG report(2023)

Media(Domestic)

From 2021 to the end of 2023, a total of 1,395 valid articles were extracted and analyzed from news coverage related to Noroo Holdings, Noroo Paint, and their affiliates.

Materiality Assessment Issues

1. Establishing Sound Corporate governance
2. ESG Leadership and System establishment
3. Financial and Non-Financial Risk management
4. Respect for Human Rights
5. Ethical and Compliance Management
6. Climate Change Risks and Opportunities
7. Greenhouse Gas Reduction
8. Energy Management
9. Water Resource Management
10. Air Pollutant Management
11. Waste Management and Circular Economy
12. SCM sustainability assessment
13. Providing a Quality Work Environment
14. Employee Health and Safety Management
15. Diversity and Equal Opportunity
16. Community Engagement and Development
17. Customer Health and Safety Management
18. Data Privacy Protection
19. Enhancing Product Quality and Safety

Issues Differentiating Noroo Paint (company)

Stakeholder Survey Analysis

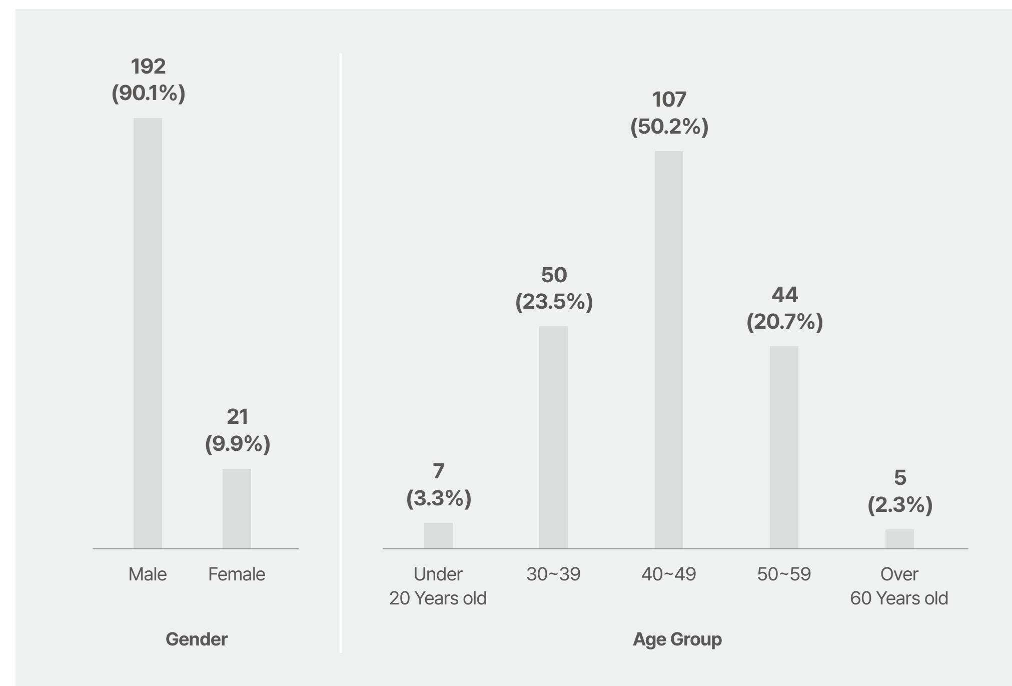
To determine the priority of 19 issues, a survey was conducted to evaluate the impact of the issues on key stakeholders, including Noroo Holdings executives, employees, partners, and customers.

Status of stakeholder survey participation

Period	4 Mar. 2024 ~ 13 Mar 2024 (10 Days)
Survey Method	• On-line Survey
Key Survey Questions	• General questions: Stakeholder type, gender, age group • Impact of each issue on the environment and society Impact on the financial status of Noroo Holdings
Participate in the Survey	Number of survey respondents : A total of 213 people

Category	Stakeholders	Number of participants	%
Internal stakeholders 165 (78%)	Employees (ESG, Financial, Accounting Dept.)	21	10
	Employees (Other Depts)	144	68
External stakeholders 48 (22%)	Similar industry	39	18
	Affiliate	2	1
	ESG Experts	2	1
	Customers	3	1
	Research institutions (associations, universities, research institutes)	1	0.5
	Community	1	0.5

General Status of All Respondents



Selection of Material Issue Pool

Based on the stakeholder survey results, six issues out of the 19 in the materiality issue pool were identified as exceeding the threshold for impact and financial materiality (3.35). Additionally, "Respect for Human Rights," identified during the validation stage, was selected as a key material issue for NOROO Holdings. These issues will be incorporated into the planning of the Sustainability Report.

Key Issues in 2023

A total of seven material issues were identified, including six top issues derived from the materiality assessment results, with the addition of "Respect for Human Rights."

Major issues of the previous year	Important Issues of NOROO Holdings
1. Waste Management	1. Establishing a sound governance structure (new)
2. Development of eco-friendly products	2. Establishment of ESG leadership and system (new)
3. Raw materials	3. Climate Change Risks and Opportunities (New)
4. Development and production of sustainable technologies/products	4. Employee health and safety management (continued)
5. Air Pollutant Management	5. Community Engagement and Development (continued)
6. Greenhouse gas emissions	6. Product quality and safety enhancement (continued)
7. Energy Efficiency Management	7. Respect for Human Rights (Additional Validation Issue, New)
8. Water Resources Management	
9. Community Environmental Impact	
10. Industrial Safety and Health	

Issues	Materiality	Approach	Key Performance Indicators (KPIs)
Building a sound governance structure	There is a national and social consensus on improving corporate governance for sustainable management, and related systems and regulations are being established.	We are setting priorities by referring to domestic and international governance guidelines and making improvements step by step.	• NOROO Holdings, NOROO Paint Board of Directors Evaluation (BSM) • NOROO Paint Compliance Support Personnel Appointment and Compliance Control Standards Establishment
Establishing ESG leadership and systems	As ESG disclosure, assessment, and supply chain due diligence become mandatory at the government/customer level, internalizing ESG management within companies is becoming a business requirement.	We are operating a working council centered on the dedicated department and group TFT and are improving support for decision-making by the management/board of directors.	• Operation of NOROO Holdings ESG Committee • Operation of NOROO Paint and NOROO Automotive Coatings ESG Management Promotion Office • Establishment of Chemical Business Factory Council
Climate Change Risks and Opportunities	Global climate disasters caused by excessive greenhouse gas emissions are increasing, and carbon taxes are being introduced in earnest.	We are working to reduce greenhouse gas emissions by conserving energy, generating renewable energy (solar energy), and discovering/using eco-friendly materials.	• NOROO Paint, NOROO Automotive Coatings Renewable Energy(Solar Power) Construction/Generation • NOROO Chemical FEMS Operation
Respect for human rights	Human rights are universally accepted values, and the importance of human rights management is increasing as they are becoming globalized through regulations such as the EU CSDDD (Supply Chain Due Diligence).	Every year, we publish a human rights impact assessment report to identify the human rights policy and status of the organization's operations and report it to the management/ board of directors. We also raise awareness and share our achievements through education.	• Writing a warrior human rights impact assessment report. • Implementing warrior human rights management education
Enhance product quality and safety	A significant proportion of the raw materials for paint and resin products are chemical substances, and they are used in all industrial products and industries, so they have a significant impact on humans.	We aim to prevent any risks to our customers (people) by thoroughly managing hazardous and dangerous substances.	• Chemical business company ISO14001 certification • Chemical business company MSDS preparation
Community Engagement and Development	As civic awareness increases, active complaints about bad smells, noise, etc. are increasing, and accidents such as fires and explosions result in significant non-monetary compensation in addition to monetary losses.	We are increasing mutual understanding through communication and contribution with the local community. We are also thoroughly preparing for contingencies through our own and government agency joint training.	• Operation of communication channels for local communities • Chemical business company disaster scenario writing/training • Implementation of safety environment training for all employees
Employee Health and Safety Management	Strengthening regulations such as the Serious Disaster Punishment Act and increasing social demands have led to a situation where we must pay attention to the safety and health of not only employees but also members of partner companies	We aim to achieve zero major disasters and major industrial accidents, and we are doing our best to maintain a safe workplace by confirming compliance with industrial safety and health laws and providing education when evaluating our partners.	• Warrior ISO9001 certification, NOROO Paint ISO45001 new certification • Chemical business company PSM operation • Company safety and health manager appointment and council operation

※ The key performance indicators (KPIs) for each subsidiary can be referenced through their respective sustainability reports or websites. For additional information, inquiries can be made directly. Data will be disclosed following a review of its confidentiality and sensitivity, in accordance with disclosure decision procedures and prioritized accordingly.)

Stakeholder Engagement

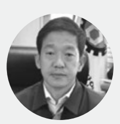
Stakeholder Engagement Activities

NOROO Holdings is enhancing its sustainability through active engagement and communication with stakeholders. In April 2022, the company assessed its level of ISO 26000 implementation (in collaboration with the Korea Standards Association), examining the social responsibilities of its group companies. NOROO Holdings collects stakeholder feedback through materiality assessments, meetings, and Q&A sessions. Looking ahead, the company aims to further institutionalize stakeholder engagement by diversifying communication channels and systematically expanding participation through structured initiatives.

Category	Stakeholder	Objective	Activity	Channel	Period
Internal	Employee	• Job security • Work-life balance • Health and safety • Self-development • Satisfaction	• Operation of code of ethics, employment rules • Condolences, scholarships, housing loans, education support • Health checkups and group accident insurance support • Operation of communication channels (NOROO Way, ESG, ethics) • Summer/foundation vacation and commemorative gifts	• Standard Document System • Portal (Complaint Handling, Bulletin Board) • Labor-Management Council • Personnel System, Survey • Ethical Management Site	As needed As needed Quarterly As needed As needed
External	Shareholders Investors	• Protecting shareholder rights • Increasing corporate value • Improving governance structure	• Holding of general shareholders' meeting • Payment of dividends (17 consecutive years) • Establishment/operation of ESG committee, operation of corporate governance charter	• Sustainability Management Report, Dialogue • Business Report, Exchange Disclosure • Corporate Governance Report	Yearly Yearly Yearly
	Credit rating agency ESG rating agency	• Information Disclosure • Improving Soundness	• Update and manage company information • Respond to exchange reporting/disclosure obligations • Conduct Q&A and meetings	• Website, Public Reports • Business Reports, Other Disclosures • Participation in Feedback and Response	On-demand Periodic On-demand
	Subsidiary company	• Governance Presentation • Ethical Management • Sustainable Management	• Presenting Group Vision and Strategy • Security, Legal, Compliance • NOROO Way, ESG	• Executive Board Meeting • Shared Service • Group Working Council	Periodic On-demand On-demand
	Community	• Support for culture and arts	• Donation delivery, social contribution activities	• Department in charge	On-demand
	Government/ Agency	• Compliance Management • Information Disclosure	• Corporate tax payment • Exchange report/disclosure	• Department in charge • Department in charge	Periodic On-demand

Stakeholder Interviews

NOROO Holdings conducts interviews, surveys, and other initiatives to facilitate communication with a diverse range of stakeholder.



Employees

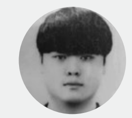
Mr. Hong Soon Cheol, Leader of the NOROO Paint Labor Union

Employee satisfaction is a vital foundation for sustainable corporate growth. NOROO Holdings seeks to achieve mutual development through ongoing dialogue between labor and management, underpinned by a deep respect for the intrinsic value of labor.

The employees of NOROO Paint take great pride in their company and dedicate themselves to its development and sustainable growth. While employees in other companies often express dissatisfaction with welfare, working conditions, and wages, the concerns of NOROO Paint's employees largely arise from work-related aspects.

NOROO Paint operates an evaluation-based incentive system to ensure fair compensation and enhances employee satisfaction through various welfare programs, such as tuition assistance, creating an environment that allows employees to focus on their work.

I believe that employee satisfaction directly contributes to the company's performance. I hope NOROO Paint will continue to foster a work environment that improves employee satisfaction through smooth communication between labor and management, and to strengthen efforts to enhance treatment, including its evaluation system.



Customer

Mr. Roh Hyunrae, President of 'Daewon Paint Distribution Center', South Korea

Promoting eco-friendly management activities and fostering harmony with the local community will help NOROO Paint grow into a more trusted company.

NOROO Paint is an environmentally conscious company actively developing biomass-based paints, energy-saving coatings, and biodegradable plastic containers. As a leading company in the paint industry, offering a diverse range of high-quality products, it bears the responsibility to implement accountable ESG management practices.

Given the nature of the industry, there is a perception that the paint sector is harmful to the environment. Thus, I believe that advancing eco-friendly management activities is crucial. I hope NOROO Paint will continue its efforts to minimize environmental impact and develop sustainable products.

Since NOROO Paint is located close to residential areas, strengthening ties with the local community will enhance its corporate image and brand value. Initiatives such as volunteering in industry-related activities and supporting vulnerable groups will foster deeper connections with the community and help NOROO Paint grow into a company that earns even greater trust.

Partner Company

Mr. Ji-Soo Jeong, Director of Seongju 'Chamsarang', the agrochemical Distributor, South Korea

NOROO Holdings' subsidiary, The KIBAN, is a company that develops high-quality and reliable products. I look forward to seeing more excellent products through continuous variety research.

In the agricultural sector, the quality of products determines the annual income of farmers, making the supply of high-quality and safe seeds essential. The KIBAN has been consistently developing high-yield, high-quality products, improving quality through variety research, and providing reliable products that contribute to farmers' income. Both farmers and distributors have high expectations for the products The KIBAN will offer in the future.

Regarding the trial products, satisfaction has been high across all aspects, including selection, quality, and packaging. Additionally, the prompt sharing of progress in case of issues during production or distribution has been commendable. However, I hope for even more meticulous management of product distribution to ensure that partner companies can sell with confidence.

I support ongoing efforts of The KIBAN in variety research and its commitment to delivering high-quality products.

Partner Company

Mr. Jaesung Kim, Professional at DIT

To fulfill its social responsibilities and achieve sustainable growth, it is essential for NOROO Holdings to pursue mutual growth with its partners.

DIT provides various IT services to NOROO Holdings and its affiliated companies. Recently, the company has been collaborating with NOROO Holdings to transition from the existing ERP system to a next-generation ERP system, aiming to manage essential business data more efficiently. The clear guidance provided by NOROO Holdings and the quick communication facilitating smooth progress have been highly satisfactory.
I believe that to uphold its social responsibilities and ensure continued growth, NOROO Holdings must build trust and pursue mutual growth through support for its partners. Initiatives such as offering training programs and rewarding outstanding partners can help enhance the competitiveness of its collaborators and create a foundation for shared progress.
I support NOROO Holdings' growth and look forward to maintaining a long-term partnership built on trust and mutual success.

Investor

Mr. Sangmin Lee, Head of 'Man-an Korea Federation of Community Credit Cooperatives', South Korea

By establishing sound corporate governance, I hope NOROO Holdings continues to build trust and confidence among shareholders and investors, while solidifying its ESG management framework to become a company that prioritizes both the environment and society.

NOROO Paint is a company that seeks growth through continuous technological development while actively cooperating in local community development projects, making it a community-friendly enterprise.
Given its network of affiliates and related companies, ensuring transparency in financial and governance structures is crucial. If the management and all employees recognize the necessity and importance of ESG management and establish a practical ESG framework, NOROO Paint can enhance its corporate value and build trust with stakeholders, in line with the growing global emphasis on ESG practices.
Additionally, it is essential to improve product quality and safety, expand safety facilities, and conduct safety training to prevent accidents in the workplace.
I hope NOROO Paint establishes sound governance, earning the trust of shareholders and investors, while making a positive impact on the environment and society.

Government Agency

Mr. Seunghan Shin, Principal Researcher at the Korea Institute of Industrial Technology

NOROO Paint is a company with a long history and a significant market share in the domestic paint industry. I hope it continues to create a safe working environment to prevent accidents.

Building on its rich history and tradition, NOROO Paint holds a strong position in the domestic paint market and excels in the development of eco-friendly products. As consumer preferences for environmentally safe products grow, alongside increasing concerns over global warming, there is rising demand for products that minimize environmental pollution and reduce carbon emissions. NOROO Paint has been actively addressing these needs by developing energy-efficient coatings and achieving USDA certification for white bio-based paints using biomass, a first in Korea. These efforts to reduce carbon emissions and minimize environmental impact are commendable.
For NOROO Paint to achieve even greater growth, creating a safe working environment is equally important. As many workers use NOROO Paint's products in their operations, it is essential to conduct regular safety training, enhance protective equipment, and improve working conditions.
By prioritizing these efforts, NOROO Paint can strengthen its ESG management and pursue sustainable development. I fully support NOROO Paint's journey toward sustainable growth

Local Community

Mr. Kwangmin Kim, Chairman of the Anyang Bakdal 2-dong Residents' Autonomy Committee

I hope NOROO Paint considers a system to collect and recycle discarded paint cans to prevent them from being left on the streets.

NOROO Paint is a remarkable company that quickly understands customer needs and introduces products with diverse colors and functionalities, supported by its advanced technology. Additionally, through social contribution activities with organizations like the Seoul Senior Welfare Center and Hallym University Sacred Heart Hospital, it fulfills its social responsibilities and pursues sustainable development.
Walking through older residential neighborhoods, it's common to see walls being repaired with NOROO Paint. However, discarded paint cans after such repairs often mar the scenery. To maintain its positive corporate image and realize sustainable management, I believe NOROO Paint should explore solutions for collecting and recycling or reusing paint cans generated on-site.
I hope NOROO Paint pays attention to the issue of discarded paint cans and takes proactive steps to create cleaner streets, further enhancing its contributions to the community.

PART II.

SUSTAINABLE MANAGEMENT

- **Environment**
  Safety, Environmental, and Quality Management Policy / Compliance with Key Regulations / Climate Change Response / Development of Sustainable Technologies and Products / Air Pollution Emission Management / Energy Efficiency Management / Raw Material Usage / Environmental Quality Certifications Held / Water Resource Management / Environmental Impact on Local Communities / Employee Health Care Program / Mini Interview

- **Social**
  Human Rights Management / Occupational Safety and Health Management / Social Contribution and Cultural Investment / Labor union & Management Harmony Activities / Occupational Safety and Health Activities / Mini Interview

- **Governance**
  Establishing Sound Corporate Governance / Corporate Governance Report / Board of Directors(BOD) / Audit / Ethical Management / Financial and Non-Financial Risk Management / Mini Interview

Environment

Safety, Environmental, and Quality Management Policy

Group Policy

In response to the ESG management trend, the strengthening of regulations such as the Serious Accident Punishment Act, and requests from client companies regarding supply chain management, NOROO revised its "Green Management Policy," established in 2010, into the "Safety, Environmental, and Quality Management Policy" in March 2022. Based on this policy, NOROO has established safety and health education programs as well as safety and health management systems, which are operated by each company within the group.

Safety • Environment • Quality Management Policy

Noroo Paint Co., Ltd. practices ESG management that considers the environment and society together through safety/environment/quality management and pursues sustainable growth to secure global leadership.

1. Promoting systematic discovery/improvement activities of hazardous risk factors and prevent major accidents through voluntary participation of all executives and employees.
2. Actively respond to climate change by reducing energy usage and greenhouse gas emissions.
3. Establish and comply with internal company standards that comply with domestic and foreign laws and international agreements and minimize risks.
4. Providing the best products and services that can improve the quality of life for everyone.
5. Operating an efficient safety, environment, and quality management system through continuous improvement, and all executives and employees do their best to implement the management.
6. Prioritizing to achieve ‘zero accidents, zero disasters, and zero defects’ through full participation of all employees.
7. Maintain and support a collaborative community with our partners.

Compliance with Key Regulations

Group Policy

Establishment of a Compliance System

With the strengthening of ESG regulations related to human rights, the environment, and other areas both domestically and internationally, legal compliance risks across all aspects of management are increasing. In December 2023, NOROO Holdings established a legal team, appointed a risk management officer, and conducted board-level reporting. Additionally, NOROO Paint appointed a compliance officer and enacted compliance control standards. Moving forward, we will enhance ethical management, expand support for compliance education, and actively implement preventive measures to mitigate risks across the NOROO.

Climate Change Response

Group Policy

Governance

• Board of Directors

The Board of Directors and the ESG Committee oversee and manage various environmental issues, including greenhouse gas emissions regulations and the adverse impacts of climate crises.

• Executives and Dedicated Teams

The Ethics Management Office, which reports directly to the CEO of the holding company, along with the ESG Management Promotion Offices and related departments in each business company, are driving climate change response initiatives. To enhance operational efficiency and address site-specific needs, NOROO Holdings has formed the Chemical Business Factory Council within its chemical business sector, enabling targeted initiatives at the field level.

• Performance-Linked Compensation

Performance is evaluated and rewarded by incorporating climate-related goals into the BSC (Balanced Scorecard) objectives for individuals and organizations.

Strategy

Category		Issue	Period	Financial Effect	Risk	Opportunity	Response Plan
Transition Risk	Policy /Regulations	• EU CBAM/Corporate Sustainability Due Diligence Directive etc. • 2030-50 NDC Operation • RE100 Expansion	Long-term	High	• Regulatory response costs occur. • Fines (environmental charges) occur in case of violation.	• Securing competitive advantage by utilizing trade barriers. • Securing opportunities to develop new customers/markets.	• Renewable energy generation/use (solar, wind, etc.) • Investment in low-carbon/high-efficiency facilities
	Market	• Strengthening the evaluation of the client's partner (carbon reduction) • Increasing the preference of consumers for eco-friendly products	Mid-term	High	• Trading halted. • Sales decline	• Increased trading volume (incentive effect)	• Establishment and implementation of greenhouse gas emission management strategy • LCA, PCF calculation
	Technology	• Increasing demand for low-carbon technology/product certification	Long-term	Moderate	• Increased investment costs	• Reducing greenhouse gas emissions	• Establishment of a roadmap for developing eco-friendly technologies/products
	Reputation	• Increased demand for public disclosure/evaluation	Short-term	Moderate	• Stock price decline • Customer loss	• Increased investment opportunities • Increased brand image	• Transparent disclosure • Preemptive evaluation response
Physical Risk (Climate /Accidents)	Acute	• Typhoons, floods, earthquakes, etc.	Short-term	Moderate	• Factory operation halted due to equipment damage. • Production reduction due to disruption in raw material supply.	• Maintaining business by minimizing damage and recovering early in times of crisis	• Establishment of emergency response manual and training • Subscription to disaster insurance
	Chronic	• Abnormal climate such as global warming and changes in precipitation	Long-term	Moderate	• Increased cooling costs • Disruption of water supply	• Avoiding risk through upfront investment	• Establishing review procedures for factory relocation and facility investment

Metrics and Goals

• Metrics

To manage the performance of climate change response activities, we measure and disclose greenhouse gas emissions (Scope 1 and 2) and energy usage. In 2023, for the first time, we began considering a shift in our management perspective from site-level to product-level greenhouse gas emissions through LCA (Life Cycle Assessment).

• Goals

Considering external regulations and the national greenhouse gas reduction targets, we are preparing a mid- to long-term roadmap for carbon reduction.

Energy and Greenhouse Gas Management

Although NOROO does not fall under the criteria for designated energy management companies, since 2021, we have independently started aggregating and managing energy and greenhouse gas data based on IPCC and Ministry of Environment guidelines. NOROO is gradually reducing energy consumption and greenhouse gas emissions by prioritizing efforts according to the scale and facilities of each site.
In the long term, we aim to contribute to carbon neutrality by participating in global initiatives such as RE100.
Key initiatives include:
- Replacing aging streetlights with solar-powered electric streetlights
- Phased replacement of fluorescent lights with LED lights at company facilities
- Ansan Factory, November 2021 FEMS Installation

Installation of Solar Power Facilities [NOROO Paint, NOROO Automotive Coatings]

NOROO Paint and NOROO Automotive Coatings were selected for the Ministry of Trade, Industry, and Energy’s "Solar Building Support Program" in 2023. As part of the program, solar power facilities were installed on the roofs and parking lots of three factory sites, generating 815 GJ of energy for self-consumption. This initiative achieved a reduction in greenhouse gas emissions by 104 tCO_2eq.
- January 2023: Poseung Plant (Capacity: 177.21 kW)
- December 2023: Hwaseong Plant (Capacity: 90 kW), Chilseo Plant (Capacity: 63 kW)

Solar Power Facility Installation at Poseung Plant: Left - Factory Roof, Right - Parking Lot Roof

Solar Power Facility Installation at Hwaseong Plant: Left - Welfare Building Roof, Right - Security Office Roof

Development of Sustainable Technologies and Products

Group Policy

Development of Bio-Based Products [NOROO Paint]

NOROO Paint has long been a pioneer in the development of white bio-based coatings using plant and other biological resources. In 2021, the company became the first in Korea to receive USDA certification, granted by the U.S. Department of Agriculture for products utilizing bio-based raw materials. By leading the chemical industry in the use of bio-based materials, NOROO Paint actively participates in the circular economy.

Application of Bio-Degradable Plastic Containers [NOROO Paint]

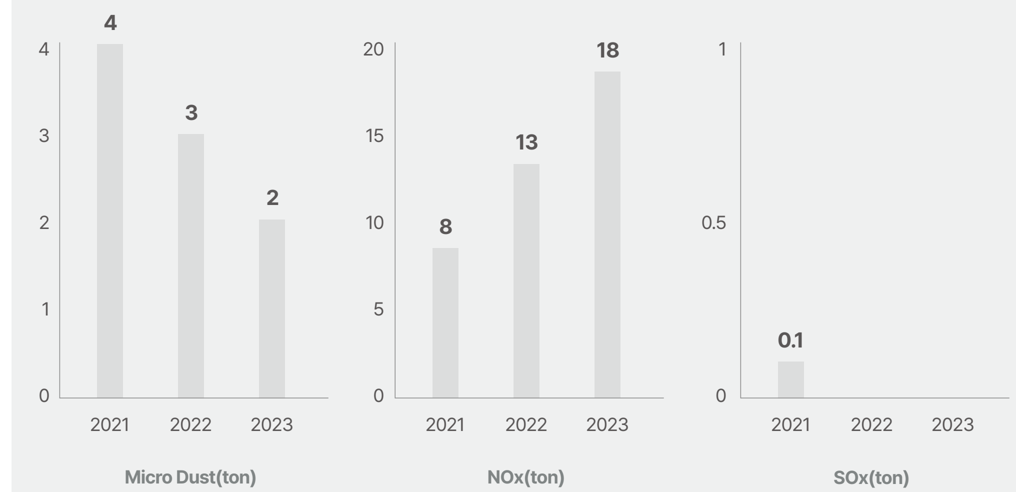
NOROO Paint has developed plastic containers containing d2w, an oxo-biodegradable material, and plans to begin using them for select products starting in the second half of 2023. Traditional plastic containers do not biodegrade when incinerated, fragmenting instead into microplastics that harm the environment. In contrast, d2w reacts to bacteria, oxygen, UV rays, and heat in soil and marine environments, breaking down over time (within five years). The resulting material is then fully biodegraded by microorganisms, converting into carbon dioxide, water, and biomass, positioning it as a viable sustainable solution.

Air Pollution Emission Management

Group Policy

NOROO measures and reports the concentrations and emissions of NOx, SOx, and particulate matter, as required by law, for each factory.

Emission data (Yearly)



※ Aggregate business sites (factories): Anyang, Chilseo, Poseung, Pohang, Hwaseong, Cheonan, Ansan

Energy Efficiency Management

Group Policy

FEMS (Factory Energy Management System) [NOROO Chemical]

The Ansan Plant was selected for the Korea Energy Agency's "Smart Energy Industrial Complex FEMS Support Project" and has been implementing it since 2021. The first Energy Management System Performance Report was submitted in December 2022. Based on the model performance evaluation, the second-year results (to be submitted in December 2023) include a reduction of 227 MWh in electricity consumption, resulting in a greenhouse gas reduction of 104 tCO_2eq.

Raw Material Usage

Group Policy

Given the nature of the chemical business, NOROO aims to minimize carbon emissions. Recognizing the environmental impact inherent in the chemical industry, NOROO Holdings is dedicated to reducing carbon emissions. The group is advancing toward mid- to long-term carbon neutrality through continuous technological innovation and sustained investment.

Target	Task	KPI
Minimize carbon emissions	Reduce raw material usage	Reduce production defect rate
	Increasing the use of eco-friendly raw materials	Expanding sales of eco-friendly products and ensuring economic feasibility
Carbon neutral	Technology Development	Increase production yield
	Investment in facilities	Building a smart factory

Raw Material Usage (Yearly)

Category	2021	2022	2023
Chemical Business* (ton)	289,457	260,110	277,446

*(Categories) Resins, Pigments, Solvents, Additives, Others
*(Facilities) Anyang, Chilseo, Poseung, Pohang, Hwaseong, Cheonan, Ansan

Environmental Quality Certifications Held

NOROO Paint, NOROO Automotive Coatings, NOROO Coil Coating, NOROO Chemical

NOROO has established a systematic framework through global certifications related to quality and environmental management.

certification	Workplace (factory unit)
ISO9001 (Quality Management)	Anyang, Poseung, Chilseo, Ansan, Pohang
ISO14001 (Environmental Management)	Anyang, Poseung, Chilseo, Cheonan, Ansan, Hwaseong
ISO45001 (Safety and health management)	Anyang
IATF16949 (Automobile Quality Management)	Cheonan, Hwaseong

Water Resource Management

NOROO Paint, NOROO Automotive Coatings, NOROO Coil Coating, NOROO Chemical, The KIBAN

As a group focused on the chemical business, NOROO has identified water pollution as a key environmental risk and has taken proactive measures to manage it effectively. Recognizing water scarcity caused by climate change as another significant risk, the group is exploring future response measures. Water resources are essential not only for business operations but also for human survival, and NOROO remains committed to their careful management.
NOROO ensures proper wastewater disposal through final sewage treatment plants or via outsourcing to industrial complexes or specialized service providers.

Wastewater treatment method	Business Site
Sewage treatment plant (measuring and inspecting wastewater volume)	Anyang, Hwaseong
Consignment company (public corporation or specialized company)	Poseung, Chilseo, Pohang, Cheonan, Ansan, Anseong

In addition, each business unit has established water quality management regulations and internal standards that go beyond statutory requirements, ensuring stricter environmental compliance. For example, the legal limit for suspended solids (S.S) is 120, while the internal standard is set at 96 or below.

Environmental Impact on Local Communities

NOROO Paint, NOROO Chemical, The KIBAN

NOROO strives to minimize environmental impacts at each of its business sites.

Business Site (Factory Unit)	Activity
Anyang	Anyang river cleaning and endangered frog habitat protection activities (at least once a year)
Hwaseong	Newly signed agreement on 'one company per one river cleaning and protection' in 'Hwaseong wetland' to save the habitat of the endangered golden frog
Ansan	Garbage cleaning in industrial complex (March-November / 2 hours)
Ansung	Donate research harvest produce to the community instead of landfill (September, December / nearby nursery)

Employee Health Care Program

Group Policy

NOROO provides health check-ups and group accident insurance for its employees. In particular, comprehensive health screenings, including upper and lower gastrointestinal endoscopies under sedation, are offered annually to employees aged 35 and above. Group accident insurance coverage is extended to include spouses as well.

MINI INTERVIEW

NOROO must align with public-private collaboration in our great journey toward carbon neutrality.

Sungwoo Kim, Vice President,
Head of ESG Management Promotion Office, NOROO Automotive Coatings

What does the ESG Management Promotion Office at NOROO Automotive Coatings do?
We plan and implement ESG management across the company in line with the group's ESG policies. With increasing expectations for ESG evaluations and disclosures from our clients, we have been expanding our initiatives each year. These include establishing and operating renewable energy solar power facilities and protecting endangered species habitats in the Hwaseong Wetlands to promote biodiversity.

With the rise in ESG regulations, what do you think is the most urgent task?
Developing a mid- to long-term carbon neutrality plan and actively leveraging government support programs are critical. Under the Nationally Determined Contribution (NDC), South Korea aims to reduce greenhouse gas emissions by 40% compared to 2018 levels by 2030 and achieve carbon neutrality by 2050.
At the same time, global trends like the expansion of RE100 declarations, the implementation of the EU's CBAM, and the Corporate Sustainability Due Diligence Directive(CSDDD) are driving increased carbon reduction demands from major clients. Meeting these requirements demands substantial time and investment, making it crucial to monitor and utilize government policies and support measures.

What are your future plans?
Our company's management is closely monitoring shifts in the business environment and client trends to ensure timely decision-making on carbon neutrality. While we are utilizing government support programs like solar power facility installation and supply chain due diligence consulting to prepare for upcoming regulations, these regulations are becoming increasingly complex and demanding.
Despite the challenges, NOROO possesses a history of resilience and determination, overcoming countless obstacles with a fearless spirit of continuous innovation. By harnessing our collective strength through the group's task forces and councils, we will solidify our carbon reduction roadmap. Additionally, we will enhance public-private collaboration by leveraging government support programs as stepping stones

Fifth from the left: Sungwoo Kim, Vice President, Head of ESG Management Promotion Office, NOROO Automotive Coatings, participating in biodiversity activities

Social

Human Rights Management
Group Policy

Human Rights Policy

NOROO operates management items, related regulations, and procedures based on its 11 human rights policy

Human Rights Policy	Management Items	Related regulations/procedures: Group Standard	Related regulations/procedures: Standards by affiliated company and subsidiaries
1. Establishing a human rights management system	(1) Declaration of Policy on Respect for Human Rights	Top Management Message, Code of Ethics	Top management message
	(2) Regularly conducting human rights impact assessments	Human Rights Impact Assessment Guidelines	Human Rights Impact Assessment Report (once a year)
	(3) Efforts to institutionalize human rights management	Human Rights Impact Assessment Report / ESG Committee Report	Human Rights Impact Assessment Report to Management/Board of Directors
	(4) Human Rights Management Performance Management Procedures		
	(5) Regular sharing of human rights management performance	Explanation of values/ethics education	Regular reports to management
	(6) Establishing relief procedures	Ethical Management Speak Up, Email Channel Operation	Operation of reward and punishment regulations, grievance handling regulations, and internal/external reporting channels
2. Non-discrimination In employment	(7) Non-discrimination in employment	Code of Ethics, Compliance Guide	Service regulations
	(8) Non-discrimination in employment between men and women		
	(9) Non-discrimination against irregular workers		
	(10) Non-discrimination against foreigners		
3. Guaranteeing freedom of association and collective bargaining	(11) Freedom of association and collective bargaining		Service regulations, labor-management council regulations, collective agreements
	(12) Prohibition of disadvantageous treatment for union activities		
	(13) Guarantee of collective bargaining, faithful implementation		
4. Prohibition of forced labor	(14) Prohibition of forced labor		Service regulations
	(15) Prohibition on storage of personal documents unrelated to work		
	(16) Measures to prohibit forced labor at partner companies		
5. Prohibition of child labor	(17) Prohibition on employment of minors (under 15 years of age)	Compliance Guide	Recruitment regulations and separate guidelines
	(18) Protection of minors (under 18 years old)		
6. Industrial Safety Assurance	(19) Workplace Safety		Occupational Safety and Health Management Regulations
	(20) Protection of pregnant women and disabled people		Service regulations
	(21) Providing essential equipment, conducting training, etc.		Occupational Safety and Health Management Regulations/ Occupational Safety and Health Education and Training Regulations
	(22) Support for industrial accident victims		Occupational Safety and Health Management Regulations
7. Responsible Supply Chain Management	(23) Prevention of human rights violations by partner companies, etc.	Code of Ethics, Compliance Guide	Partner Management Regulations
	(24) Human Rights Protection Monitoring		
	(25) Preventing human rights violations by employees of partner companies		
8. Protection of human rights of local residents	(26) Respect and protection of human rights of local residents		Community communication/ contribution activities (complaints, donations, etc.)
	(27) Prohibition of use of Physical force		
	(28) Protection of residents' intellectual property rights		
9. Protection of Environmental Rights	(29) Establishment and maintenance of environmental management system	Safety, Environment, and Quality Management Policy	ISO 9001, 14001, 45001
	(30) Disclosure of environmental information	Compliance Guide	Public disclosure on the company website
	(31) Preventive approach to environmental issues		Environmental Non-conformity Management Regulations, QES Impact Assessment Regulations
	(32) Establish an emergency plan		Emergency Measures Regulations
10. Protection of Consumer Rights	(33) Compliance with customer protection laws and regulations		Customer Satisfaction Management Regulations
	(34) Response procedures in case of accident (recall, etc.)		Emergency Measures Regulations, Complaints Handling Regulations
	(35) Customer Privacy		Security regulations
11. Protection of Employee Rights	(36) Maternal protection	Code of Ethics, Compliance Guide	Service regulations
	(37) Sexual harassment and sexual violence prevention and relief measures		
	(38) Prevention of bullying and harassment in the workplace		
	(39) Work-family balance and the right to rest	Compliance Guide	
	(40) Privacy and Bias Prevention		Service regulations, security regulations

Human Rights Impact Assessment [NOROO Holdings, NOROO Paint, NOROO Automotive Coatings, NOROO Coil Coating, NOROO Chemical, NOROO Loginet, The KIBAN]

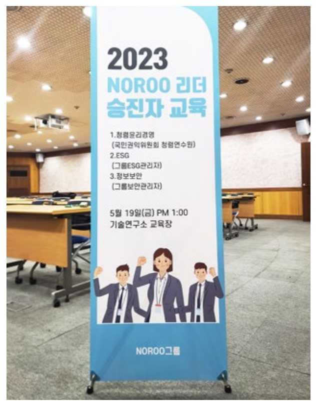
Since 2022, NOROO has conducted human rights impact assessments using the National Human Rights Commission of Korea's Human Rights Management Guidelines and Checklist. In 2023, evaluation results indicated a steady improvement over the previous year, reflecting continued progress in human rights practices. Moving forward, annual evaluations will continue to identify and address issues at each company, enhancing the overall level of human rights management.

* Human rights impact assessment participants are selected through pre-interviews and surveys, with plans to gradually expand the scope based on priorities.
** Since 2022, NOROO has conducted organizational diagnoses in accordance with government guidelines, targeting groups such as promotees and new hires (within one year). Moving forward, the company plans to enhance the level of human rights management by expanding the assessment scope, incorporating business evaluations, and strengthening interview processes annually.

2022~2025	2026~2029	2030 ~
• Conducting human rights impact assessments - Organizational evaluation for domestic executives and employees - Regular reporting to management and board of directors	• Expansion of human rights impact assessment - Targeting external stakeholders, major business evaluation - Establishment of policies for each overseas corporation	• Publication of human rights report - Reflecting connection criteria and global initiatives

Human Rights Education [Group Policy]

NOROO conducts annual training programs for all employees, focusing on sexual harassment prevention, improving awareness of disabilities, and preventing workplace harassment. Additionally, in-house instructors are appointed to provide annual training on professional ethics and case-based discussions for new hires and promotions. In 2023, NOROO introduced specialized training on ethical and anti-corruption management with support from the Anti-Corruption and Civil Rights Commission.



At National Human Rights Anti-Corruption & Civil Rights Commission of Korea: 'Integrity Training Institute Integrity Ethics Management Professional Training Course' (Visit Training)

Employee Assistance Program (EAP) [NOROO Paint, NOROO Chemical]

To address psychological issues caused by various stress factors and support efficient work performance, NOROO introduced the Employee Assistance Program (EAP) in 2023 for NOROO Paint and in 2024 for NOROO Chemical. NOROO plans to explore further measures to enhance psychological stability for its employees based on the program's results.

Apply for consultation	Consultation in progress	In case of emergency	Assessment
① 'Happy Mint' Call Center ② 'Happy Mink' PC ③ 'Happy Mint' Mobile ※ Reservation System (Advance Booking System)	① Psychological Test ② Psychological counseling - Face to face,Phone,Video 'Talk Talk'(Chatting APP.)	① Crisis Management ② Extension of consultation ③ Hospital recommendation	① Satisfaction Survey ② Effectiveness Evaluation

24-hour Hot Line I 1644-4473	How to access the service
• 24-hour emergency telephone consultation dedicated counselor assignment • Immediate connection to a cooperative medical institution in case of crisis	• Apply directly through the dedicated website ('Happy Mint') • Select desired consultation date, consultation center, and counselor • Simultaneous operation of mobile APP, phone reception possible through call-center

Occupational Safety and Health Management

Group Policy

NOROO believes that a safe working environment and the health of each employee are essential for sustainable business operations. To this end, the group complies with legal obligations while fostering an organizational culture that emphasizes the importance of safety and health. During the COVID-19 pandemic, NOROO demonstrated seamless coordination by jointly securing masks, sanitizers, and self-diagnosis kits, as well as implementing remote work policies.

Social Contribution and Cultural Investment

Group Policy

NOROO actively engages in various social contribution and cultural arts sponsorship activities, which have been recognized with multiple awards.

Community Social Contribution Activities

Each business company within NOROO participates in regional community sharing activities, such as "salary rounding" initiatives. NOROO's initiatives encompass providing paint to enhance housing environments in underserved areas, contributing to urban regeneration efforts through material support, and extending donations to support socially vulnerable populations.

Activities include Supporting painting for the refurbishment of underdeveloped neighborhoods, Providing paint and materials for urban regeneration projects, Delivering donations to underprivileged neighbors, Creating shelters for disabled individuals and supporting adaptive sports(new initiatives from 2023)

On June 26, 2024, NOROO will launch its disabled sports team, the NOROO Table Tennis Team.

Cultural Arts Sponsorship [NOROO Holdings, NOROO Paint]

Cultural arts play a vital role in uplifting humanity's spirit, fostering societal empathy, and exploring new possibilities for the future. NOROO has supported various cultural and artistic organizations with annual donations amounting to approximately 100 million KRW and contributed 150 million KRW in 2022.

Supported Organizations Include The Ham shin-ik Symphony Orchestra, BESTO Opera Company, Korea Festival Ensemble, Korean Mecenat Association, Small theater groups and others

June 15, 2023
Award: Silver Tower Order of Industrial Service Merit
Presented by: Ministry of Trade, Industry, and Energy & Korea Chamber of Commerce and Industry
Recipient: Sung-Kuk Cho, CEO of NOROO Paint

May 10, 2023
Award: Win-Win Business Leader Award
Presented by: Ansan Chamber of Commerce and Industry
Recipient: Myung-Hee Choi, CEO of NOROO Chemical

August 30, 2023
Award: ESG Sharing Enterprise Award
Presented by: Anyang City, Anyang Sharing Movement Headquarters, and Community Chest of Korea (Love's Fruit)
Recipient: NOROO Paint

November 9, 2023
Award: New Certification as an Outstanding Organization for Cultural and Artistic Sponsorship
Presented by: Ministry of Culture, Sports and Tourism
Recipient: NOROO Paint

Biodiversity Protection [NOROO Paint, NOROO Automotive Coatings]

The ESG Task Force (TFT), in collaboration with each company's ESG Management Promotion Office, identifies endangered species near factory sites and engages in habitat conservation activities to protect biodiversity. These efforts are carried out regularly each year, encouraging employee participation and promoting diverse initiatives tailored to local community needs.

Habitat Conservation Activity for the Endangered Narrow-Mouthed Frog in Ganchon Wetlands, Anyang

Endangered Golden Frog Habitat Conservation Activities in Hwaseong Bibong Wetland, Kyunggi-do, South Korea

Labor union & Management Harmony Activities

Group Policy

NOROO Holdings has established and operates a Labor-Management Council composed of three representatives from management and three employee-elected representatives. This council discusses key employment terms and conditions. Additionally, each business company has its own labor-management council or labor union, with more than 95% of eligible employees across companies being union members.

In accordance with Article 35 of the Labor Union Act, working and employment conditions are extended to similar workers within the same workplace. Collective agreements apply to all employees of the respective company unless specified otherwise.

Occupational Safety and Health Activities

NOROO Paint, NOROO Automotive Coatings, NOROO Chemical

NOROO complies with all legal obligations related to workplace safety and health. The group is committed to progressively enhancing safety and health management levels at each business site by considering business scale and regulatory developments.

Activity	Business Site
Operation of the Industrial Safety and Health Committee (quarterly)	Anyang, Chilseo, Poseung, Ansan, Hwaseong, Cheonan, Pohang
Operation of the contractor council (monthly)	Anyang, Chilseo, Poseung, Ansan, Hwaseong, Cheonan, Pohang
Legal Education*	Anyang, Chilseo, Poseung, Ansan, Hwaseong, Cheonan, Pohang
Operation of Occupational Safety and Health Management System (Kosha-MS) (applies to all employees)	Anyang, Chilseo, Poseung

* Regular safety and health (6 hours per quarter), manager/supervisor (more than 16 hours per year), safety and health manager (more than 6 hours per year), employment/work change/special (when occurring)

** For more detailed information, please refer to each company's Sustainability Report and official website.

Response to Occupational Health and Safety Risks

NOROO Holdings

In September 2023, a fine of KRW 3.31 million was imposed due to missing warning labels and failure to conduct mandatory special training. Immediate corrective actions were taken. We will continue to make every effort to prevent the recurrence of such incidents.

※ For details on risk response activities by affiliate, please refer to each company's Sustainability Report or official website.

MINI INTERVIEW

Sustainable management begins with communication between employees and external stakeholders.

Tae-Hyung Kim,
Executive Vice President,
Head of ESG Management Promotion Office, NOROO Paint

What does the ESG Management Promotion Office in NOROO Paint do?

In alignment with the group's ESG policies, we guide the company's management activities and the direction of the Chemical Business BG. In response to growing external regulations and evolving customer expectations surrounding ESG, we have recently strengthened our engagement in consortiums and working group councils, actively contributing to collaborative discussions and policy development. Our focus includes compliance with mandatory exchange disclosures, ESG evaluations for listed companies, customer sustainability assessments of suppliers, and responding to supply chain due diligence.

What is the most challenging aspect of your work in the ESG Management Promotion Office?

ESG management involves coordinating the diverse perspectives and responsibilities of employees to unify the company's capabilities in promoting sustainable management. This requires addressing the varied demands of external organizations with different interests. The core of this work is communication—managing relationships and data across individuals, departments, and internal and external entities, from start to finish. Through effective communication, we can prioritize limited resources and time, diagnose organizational risks, and establish a foundation for strategic direction.

What are your plans for improving communication?

As the ESG Management Promotion Office, we aim to solidify our role as a coordinator for communication between employees and stakeholders. The first step is aligning expectations through education. Beyond group-level training for new hires and promotees, NOROO Paint has offered external training to all employees since last year to stay ahead of the rapidly evolving ESG trends. The next step is improving communication processes by enhancing the reliability of ESG data. With growing ESG evaluation and disclosure regulations, more company data is being submitted externally or made public, emphasizing the importance of generating accurate data and mutual verification between departments. The development of next-generation ERP systems is part of our effort to ensure data reliability. The ESG Management Promotion Office will continue to explore and implement diverse solutions that align external expectations with internal capabilities, striving to meet both effectively.


Fifth from the right, front row, Kim Tae-Hyung, Executive Director of NOROO Paint ESG Management Promotion Office, communicating with employees

Governance

Establishing Sound Corporate Governance

NOROO Holdings Co., Ltd. is committed to forming sound corporate governance based on ethical management. The company continuously establishes and revises its Articles of Incorporation, Corporate Governance Charter, Board of Directors Operating Regulations, Audit Regulations, Internal Accounting Management Regulations, and Disclosure Information Management Regulations. These related policies are disclosed through the company's website and public announcements.

Corporate Governance Report

Since 2022, NOROO Holdings has voluntarily disclosed its corporate governance report in accordance with the disclosure regulations of the Korea Exchange (KRX) Main Market. The report is published once annually, and further details on governance beyond the scope of the report can be accessed through the disclosure materials on the Korea Exchange's website.

KRX Corporate Governance Disclosure -
https://kind.krx.co.kr/corpgeneral/companyGovernance.do?method=loadInitPage

Board of Directors(BOD)

BOD Composition

NOROO Holdings operates its Board of Directors as the highest decision-making body. The board comprises three internal directors and two independent directors. To enhance operational efficiency, the CEO concurrently serves as the Chairperson of the Board. As a holding company, NOROO Holdings sets the direction for the group's governance and business portfolio while making investment decisions tailored to each company. Underpinned by strategic growth initiatives and focused investments, each business entity is building a solid foundation for long-term sustainability through accountable and ethical management.

As of the end of June 2024

Category	Name	Gender	Title	Commissioned date[1]	Expected expiration date[2]	Area of expertise	Main career
Internal Directors (3)	Young Jae Han	Male	Chairman of the Board CEO Chairman	25 Feb 1983	28 Mar 2027	Management General	- (US) Boston University School of Business - Former CEO of NOROO Paint Co., Ltd.
	Yong Ki Kim	Male	Chairman of the Board Vice Chairman of the Board	25 Mar 2016	24 Mar 2025	Management General	- Yonsei University, Department of Business Administration - Former CEO of NOROO Paint Co., Ltd.
	Won Seok Han	Male	Executive Director	24 Mar 2017	23 Mar 2026	Management General	- (US) Centenary University, Department of Business Administration - (US) NOROO Holdings, Business Strategy Division Manager
Outside Director (2)	Joon young Kwon	Male	-	21 Mar 2019	23 Mar 2025	Management General	- (US) Harvard University, Master of Urban Development - Lotte AMC Co., Ltd. Advisor
	Eung Sang Yoo	Male	-	20 Mar 2020	28 Mar 2026	Management General	- (ENGLAND)London University Cass Business School Master of Finance - YJA Investment CEO

1) In case of re-election, the date of initial election shall be recorded (the date of the first shareholders' meeting at which the director was elected shall be recorded)

2) According to Article 27 of the Articles of Incorporation, the term of office of a director shall be within 3 years, but if the term of office expires before the regular shareholders' meeting for the final settlement period, the term of office shall be extended until the end of the meeting.

Board of Directors Activities

The Board of Directors of NOROO Holdings Co., Ltd. holds regular and special board meetings in accordance with the Articles of Incorporation, Corporate Governance Charter, and Board of Directors Operation Regulations to make major decisions and prepare minutes.

#	Agenda: Category	Agenda: Subject	Approved / Not Approved	Regular /Temp.	Open Date	Agenda Notice date	Atten-dance/ Quota
1		2022 Management Performance Bonus Payment Decision and 1 other matter	Approved	Temp.	2023-01-09	2023-01-04	3/5
2	Financial	Extension of contract period for treasury stock specific money trust (2 cases) and 1 case	Approved	Temp.	2023-02-22	2023-02-20	5/5
3		Regarding the provision of payment guarantee for operating capital loan by The KIBAN Hana Bank Co., Ltd.	Approved	Temp.	2023-03-06	2023-03-02	5/5
4	Manage-ment	Regarding the establishment of the ESG Committee	Approved	Temp.	2023-03-06	2023-03-02	5/5
5		Convening the 77th regular shareholders' meeting	Approved	Regular	2023-03-09	2023-03-02	4/5
6		Regarding the decision on executive compensation for 2023	Approved	Temp.	2023-03-24	2023-03-16	5/5
7		Provision of loan funds to agricultural corporation The KIBAN Co., Ltd.	Approved	Temp.	2023-04-03	2023-03-31	4/5
8		Provision of payment guarantee for Shinhan Bank's operating capital loan by The KIBAN Co., Ltd. and 2 other cases	Approved	Temp.	2023-04-13	2023-04-07	5/5
9		Report on the first quarter financial results for 2023	Approved	Regular	2023-05-08	2023-05-03	5/5
10		Extension of maturity of Kookmin Bank corporate general operating funds and 2 other cases	Approved	Temp.	2023-05-15	2023-05-10	4/5
11	Financial	Extension of maturity of Industrial Bank operating capital loan and 1 other case	Approved	Temp.	2023-06-12	2023-06-07	5/5
12		Regarding the report on the financial results for the second quarter of 2023	Approved	Regular	2023-08-07	2023-07-31	5/5
13		Extension of Woori Bank current account loan contract period and 1 other case	Approved	Temp.	2023-09-11	2023-09-06	5/5
14		Extension of the contract period for the company's own stock-specific money trust	Approved	Temp.	2023-10-23	2023-10-18	5/5
15		Regarding the report on the third quarter financial results for 2023	Approved	Regular	2023-11-06	2023-11-02	5/5
16		Shinhan Bank loan limit contract period extension and 1 other case	Approved	Temp.	2023-11-27	2023-11-23	5/5
17		Provision of loan funds to agricultural corporation The KIBAN Co., Ltd.	Approved	Temp.	2023-11-29	2023-11-27	4/5

Director Evaluation and Compensation

NOROO Holdings Co., Ltd. comprehensively considers inflation rates, performance, etc., evaluates director activities based on internal standards, and then pays compensation (salary, bonus) by resolution of the board of directors. In addition, the Board Skills Matrix (BSM) has been introduced for board evaluations since 2023. Opinions are collected and approved on the total compensation amount through the general shareholders' meeting every year, and the total compensation amount paid in 2023 is 46% of the amount approved by the general shareholders' meeting.

(BSM) Company basic evaluation → Self-evaluation by each director → Comprehensive evaluation of the board of directors

(As of Dec. 2023)

Category	Name	Expertise: Leader-ship	Mgt/ Acct	Risk Mgt	M&A/ Investment	MKT'G /Brands	ESG	Main career and senior background	Committees within Board of Directors: ESG Committee
Inside Director	Young-Jae Han(CEO, Chairman of the Board)	●	●	●		●	●	▪ Boston University Business School, former CEO of Noroo Paint ▪ Gold Tower Order of Industrial Service Merit, Mecenat of the Year ▪ Increased corporate value with extensive experience and insight as the group's CEO Outstanding ability	
	Yong-ki Kim (CEO, Chairman of the Board)	●	●	●		●	●	▪ Yonsei University Business Administration Department, former CEO of Noroo Paint, former CEO of Korea Land Trust ▪ 1st Korea CEO Leadership Award Innovation Management Category ▪ Based on operational experience as a group business general manager and management change response capabilities ▪ Business reorganization and portfolio improvement	●

Inside Director	Won-seok Han	●	●	●		●		• Graduated from the Department of Business Administration at the Centenary University of the Americas, currently the CEO of DIT, currently the CEO of The Kiban • Contributes to sustainable growth by establishing group business management strategies and promoting the discovery of new businesses, and establishes a management system that differentiates the value of brands, etc.	
Outside Director	Eun-sang YOO (Chairman of ESG Committee)	●	●		●		●	• Master of Finance, Cass Business School, University of London, UK, Bachelor of Economics, Seoul National University • Current CEO of YJA Investment, former Vice President/CEO of Q Capital Partners • As an investment and M&A expert, contributing to improving management judgment based on corporate valuation evaluation, M&A experience, and funding capabilities	●
	Jun-young Kwon	●		●	●			• Master's degree in urban development from Harvard University, USA • Current advisor to Lotte AMC, former CEO of Lotte AMC, former CEO of Korea Investment Management • As an investment management and asset investment expert, contributes to investment risk management based on feasibility analysis and investment management capabilities for new businesses	●

Professionalism Evaluation Criteria

Category	Explication
Leadership	Possess experience and expertise in running an organization (strategic direction, human resource management, growth opportunities and business risks, etc.)
Management/Accounting	Possess financial and accounting expertise for the management and supervision of the company (financial statement reporting process, capital allocation, etc.)
Risk	Experience and expertise in operating a company-wide risk pre-diagnosis and management process
M&A/Investment	Possess expertise in the organization's investment activities (e.g. growth for decision-making and integration of acquisitions and mergers)
Marketing/Brand	Experience and expertise in managing the organization's reputation (increasing market share, expanding brand awareness, improving image, etc.)
ESG	Experience and expertise in environmentally friendly management socially responsible management, and governance improvement

Payment(Unit: million won)

Category	Number of Personnel	Total Payment	Average Payment per person
Internal Directors	3	2,684	895
Outside Directors	2	72	36
Auditor	1	178	178
Total	6	2,933	489

※ Compensation calculation criteria: (quantitative indicators) sales, profit and loss, etc.
+ (non-quantitative indicators) leadership, expertise, ethical management, and other contributions to the company

Director Training
Quarterly training sessions for outside directors on ESG news, trends, and implications were initiated in the second quarter of 2023. Moving forward, training topics will be expanded to cover various areas for directors.

Directors and Officers (D&O) Liability Insurance
NOROO Holdings Co., Ltd. has subscribed to D&O liability insurance, renewing it annually to protect the interests of the company and its shareholders while supporting confident decision-making by its executives.

Appointment of Independent Outside Directors with Diversity
NOROO Holdings appoints independent outside directors who meet the following criteria for independence and diversity:

Independence Criteria
- Not an executive of the company or its affiliates within the past three years.
- No immediate family members who served as executives of the company or its affiliates within the past three years.
- Not a partner or employee of the company's external auditor within the past three years.
- Not an employee or executive of an entity with a significant advisory or technical collaboration contract with the company.
- No conflicts of interest related to matters determined by the Board of Directors.

Diversity Criteria
- Expertise
· Essential Expertise: Industry, economics, management (organizational operations), law, accounting, and environment.
· Detailed Expertise: Global, risk management, business administration, sustainable management, investment, and industry.
· Understanding of Duties: Comprehension of the role of an outside director.

- Diversity
· Nationality: Candidates from various national backgrounds to build advanced global governance.
· Age: Candidates from age groups capable of responding flexibly to changes in the business environment and enhancing board efficiency.
· Gender: Candidates who adhere to principles of gender equality.
· Other: Candidates without biases regarding race, religion, ethnicity, etc.

Appointment of Directors with Independence and Qualifications
Noroo Holdings Co., Ltd. assesses the independence and qualifications of its directors on an annual basis, to enhance the integrity of its internal control framework, including the internal accounting management system. The evaluation results are reported to the General Meeting of Shareholders and the Board of Directors.

Evaluation Items
- Relationship with the largest shareholder, changes in primary occupation and detailed career history, transaction history with the company over the past three years, record of any tax delinquencies, and disqualifications under applicable laws.

Audit

NOROO Holdings Co., Ltd. appoints one full-time auditor who performs audit duties based on the Articles of Incorporation, Corporate Governance Charter, and Audit Regulations. The auditor may utilize professional personnel from internal departments or seek external expertise at the company's expense. The auditor also attends key meetings, such as group councils, to review matters and information that significantly impact the company's management.

Personal Information			Academics & Career	Remarks
Title	Category	Name		
Auditor	Full-time	Jongwoo Son	- Graduated from Yonsei University (Department of Business Administration) - LG U+ Planning Director(VP) - (Current) Standing Auditor, NOROO Holdings Co., Ltd.	25 Mar 2022 Re-elected at the regular shareholders' meeting (3-year term)

Ethical Management

As businesses grow and develop, they must take on greater societal responsibilities and roles. NOROO is not only committed to fulfilling these social obligations but also to enhancing corporate value by fostering a strong ethical culture. In 2016, NOROO established its Code of Ethics and created the Ethics Management Office to promote ethical practices across the group. To raise awareness of ethical management, NOROO provides employees with tools such as self-assessment checklists, surveys, pledges, training programs, and communication/reporting channels related to professional ethics. These initiatives serve to further embed ethical principles across the Group's operational practices, reinforcing a culture of integrity and responsible management.

NOROO Ethical Management

Noroo has introduced ethical management to realize the shared values presented through the NOROO Way and to manage organizational implementation. In the first stage of promotion, we will manage the four areas of legal affairs, security, policy/procedure, and organizational culture as the axes, and gradually establish an ethical management system for all business areas to achieve efficient and sound operation of the organization. Noroo Group's ethical management is a strategy that all executives and employees will establish together to realize sustainable management in the new business environment.

NOROO Way

- Ethical code education and dissemination
- Activation of organizational culture
- Expansion of communication channels

- NOROO Way Management
- Group standard direction presentation
- Establishment of compliance foundation

- Domestic and international contract review
- Legal advice service
- Legal risk management

- Management/Physical/ Technical Security Management
- Security Education
- Security Risk Management

Code of Ethics

NOROO established its Code of Ethics in 2016 to practice ethical management in collaboration with its employees. In May 2022, the scope of the code was expanded to include employees of partner companies. Moving forward, NOROO plans to apply the Code of Ethics to the selection and evaluation of partner companies, as well as to foster mutual growth and cooperation. The full text of the Code of Ethics is available for download on the company's website.

Growing Together with NOROO	- Environmental protection and sustainable growth - Community contribution - Human rights protection - Legal compliance - Fair competition
An Attractive and Trusted NOROO	- Product responsibility - Accurate financial records and transparent information disclosure - Win-win partnerships with suppliers - External communications - Prevention of bribery and corruption - Strengthening sound corporate governance
Creating Dreams and Happiness with NOROO	- Guaranteeing labor rights - Maintaining a safe working environment and employee health - Respect for diversity - Mutual respect and communication - Prohibition of personnel solicitation - Asset protection and conflict of interest management - Ensuring political neutrality - Preventing unfair trade practices - Compliance with information security - Protection of intellectual property and trade secrets - Prohibition of harassment and violence

Communication and Reporting Channels

Active reporting through swift and secure communication channels is essential for establishing and maintaining a culture of ethical management. NOROO operates various channels to enable reporting from both internal and external sources.

Internal Reporting:	e-mail
Ethics management portal within the company intranet Complaint-handling systems specific to each company Reporting to the ethics management department	ethics@noroo.com

Financial and Non-Financial Risk Management

NOROO Holdings Co., Ltd. has established a comprehensive risk management system to proactively identify and address internal and external risk factors, respond promptly to incidents as they arise, and establish preventive mechanisms to avoid recurrence. Until 2020, the focus was primarily on financial risk management. However, since 2021, in alignment with ESG management practices, non-financial risks have also been regularly included as agenda items for board (committee) review, reporting, and approval.

BOD

Year	Agenda	Remarks
2022	Introduction of electronic voting system	BOD Approval
	ESG Materiality 2022 Evaluation Results	Report to BOD
2023	Establishment of ESG Committee	BOD Approval
	ESG Committee Activity Report	Report to BOD
2024	2024 ESG Promotion and ESG Committee Operation Plan	Report to BOD
	Board of Directors Evaluation Plan and 2023 Evaluation Results (BSM)	Report to BOD

ESG Committee

#	Date	Attendance/ Quata	Agenda		Remarks
			Category	Subject	
1	2023.03.31	3/3	Resolution Issue	Appointment of ESG Committee Chairperson	Approval
2	2023.04.13	3/3	Report Issue	2023 ESG Promotion Plan	Report
3	2023.05.24	3/3		Corporate Governance Report	
4	2023.08.11	3/3		1. Materiality assessment results and risk management activities 2. 2022 Sustainability Management Report	
5	2023.12.28	3/3		Risk Management Plan (Risk Management Officer)	
6	2024.05.30	3/3		1. Corporate Governance Report 2. Materiality Assessment Results Report 3. Human Rights Impact Assessment Report	

Additionally, to centralize the previously dispersed risk management functions and enable risk oversight at the board level, a risk management officer has been appointed. The progress of key risk management initiatives is regularly reported to the executive team and the Board of Directors.

Risk Management Process

Awareness, task derivation and goal setting
- Identification considering the characteristics of each organization
- Establishment of key risk tasks and goals

→

Risk Management and Monitoring
- Carry out key risk tasks and conduct continuous monitoring

→

Risk Outcome Reporting and Improvement Activities
- Regular inspection and reporting, Timely response when issues arise

Risk Management Organization

Board of Directors(BOD) (ESG Committee)
- Risk Management Operations
- Risk Review, Supervision and Policy Development

Risk Management Officer (Concurrent Position, CFO)
- Assist and report to the management team, board of directors(committees)
- Corporate risk officer, policy management

Financial Risk | Non-financial risks | Potential Risks

※ Internal control and audit are performed separately by a full-time auditor.

Each department defines its key risks in advance and continuously manages and reports these risks through appropriate mitigation activities.

Type		Main contents	Responsible organization	Countermeasure Strategy
Financial risk	Management environment	· Risk of loss due to interest rate, exchange rate · Oil price fluctuations, and trade disputes	- Financial Management Team	· Financial/commodity market monitoring, reporting and currency risk hedging transactions
	Cash flow	· Risk of loss due to lack of operating funds and limited financing		· Liquidity monitoring and regular reporting
	Subsidiary company	· Risk of dividend reduction due to intensifying market competition		· Subsidiary performance monitoring and reporting
Non-financial risk	Compliance	· Risk of loss due to inadequate internal procedures and systems	- Legal Team - Ethics Management Office - Internal Accounting Management TFT	· Check compliance with the compliance control standards · Operation of ethics standards, education/pledge collection · Operation of internal accounting management system
	Human rights	· Legal issues and risk of damage to the company's image due to workplace bullying, discrimination, etc.	- Ethics Management Office	· Operating internal reporting channels · Conducting human rights impact assessments/training
	Major disaster	· Risk of management disruption due to management vacancy and personnel loss	- HR Team	· Workplace safety and health inspection and reporting
	Information Protection	· Risk of loss due to internal information leaks and hacking attacks	- Ethics Management Office	· Training, mock training, third-party pre-inspection
Potential risk	Climate Change /Carbon Neutrality	· Risk of increased corporate burden due to legalization of regulations/ systems · Risk of damage to corporate assets due to occurrence of stranded assets	- Ethics Management Office - Financial Management Team	· Regulatory/system monitoring and reporting · Business environment trend analysis and reporting

MINI INTERVIEW

Supporting accurate ESG decision-making and implementation requires a strong focus on details.

Daehee Lee,
Deputy Manager of Compliance & Communication office,
NOROO Holdings (Facilitator of ESG Working Council)

What does the ESG Working Council do?

The ESG Working Council is a task force dedicated to realizing NOROO's philosophy and vision for sustainable growth as defined by its decision-making bodies: the Board of Directors (ESG Committee) and the Group Council (Executive Meeting). The council formulates and implements ESG strategies and initiatives, monitors developments in external regulations and policies, and evaluates associated risks and opportunities for the company. It reports these findings to the decision-making bodies, facilitates the implementation of decisions, and coordinates the interests of related departments to support ESG management across the NOROO.

What is the most challenging aspect of operating the ESG Working Council?

The ever-evolving domestic and international laws, disclosures, and evaluations related to ESG management, coupled with increasing demands for supply chain assessments and audits from clients, become more intricate each year. Bridging the gap between these requirements and the capabilities of working council members from various departments within each affiliate is a significant challenge, given time and cost constraints. However, leveraging the operational experience of the council's predecessor, the NOROO Way Restart Council, and the dedication and effort of its leaders, we have managed to overcome these challenges. With the keen interest and support of top management, we are steadily building an ESG operating framework tailored to NOROO. I believe that with continued executive backing, we can effectively navigate external changes and collaborate with internal departments to succeed.

What are the future plans for the ESG Working Council?

Our goal is to equip NOROO employees with a unified ESG management system capable of meeting external stakeholder demands while establishing a solid foundation for sustainable growth. The key to achieving this lies in focusing on details. Proper decision-making and successful implementation require meticulous operational support. This remains a key priority as ESG evaluations and disclosures increasingly demand enhanced data reliability and third-party verification. The ESG Working Council will prioritize establishing robust foundations for data generation, management, documentation, and verification, ensuring NOROO is well-prepared for the growing complexities of ESG management.

Fourth from the left: Daehee Lee, Deputy Manager, participating in ESG Working Council activities at the Hwaseong Plant

PART III.

FACT BOOK

- GRI Contents Index
- Financial performance
- Non-financial performance
- Award & List of membership organizations / association
- Main Affiliates Status
- Third-Party Assurance Statement

GRI Contents Index

Topic	Index	Agenda	Page	Material Issue
GRI 1 : Foundation 2021 NOROO Holdings has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.				
GRI 2 : General Disclosure 2021				
Organization and reporting practices	2-1	Organization details	8~10	
	2-2	Entities included in the organization's sustainability reporting	2, 8~10	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	58	
	2-5	External assurance	60~61	
Activities and workers	2-6	Activities, value chain and other business relationships	8~10	
	2-7	Employees	54~56	
	2-8	Workers who are not employees	Insufficient Information	
Governance	2-9	Governance structure and composition	38~39	I-1
	2-10	Nomination and selection of the highest governance body	39~41	I-1
	2-11	Chair of the highest governance body	39	I-1
	2-12	The role of the highest governance body in overseeing the management of impacts	12, 38, 43	I-1
	2-13	Delegation of responsibility for managing impacts	12	I-1
	2-14	The role of the highest governance body in sustainability reporting	12	I-2
	2-15	Conflict of interest	2023 Corporate Governance Report 12~13, 24~26	I-1
	2-16	Communication of critical concerns	42~43	I-1
	2-17	Collective knowledge of the highest governance body	40	I-1
	2-18	Evaluation of the performance of the highest governance body	39~40	I-1
	2-19	Remuneration policy	39~40	I-1
	2-20	Process to determine remuneration	39~40	I-1
	2-21	Annual Total Compensation Ratio	Company Confidential	I-1
Strategy, Policy and Practice	2-22	Statement on the Sustainable Development Strategy	4~5	
	2-23	Policy commitments	26~28, 32~33	
	2-24	Embedding policy commitments	32~34	
	2-25	Processes to remediate negative impacts	33, 43	
	2-26	Mechanisms for seeking advice and raising concerns	43	
	2-27	Compliance with laws and regulations (compliance)	Reference #1	
	2-28	Membership Associations	58	
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	20~23	
	2-30	Collective bargaining agreements	36	

Major Issue Numbering Index

I-1	Establishing a sound governance structure (new)
I-2	Establishment od ESG leadership and system (new)
I-3	Climate change risks and opportunities (new)
I-4	Employee health and safety management (continued)
I-5	Community engagement and development (continued)
I-6	Product quality and safety enhancement (continued)
I-7	Respect for human rights (New)

Topic	Index	Agenda	Page	Material Issue
GRI 3 : Material Topics 2021				
Material Topics	3-1	Process to determine material topics		
	3-2	List of material topics		
Topic Standards-Economic Disclosures (GRI 200)				
Economic performance	3-3	Management of major topics	16~19	
	201-1	Direct economic value generated and distributed	28	
	201-2	Financial implications and other risks and opportunities due to climate change	28	I-3
Energy/Emissions	302-1	Energy consumption within the organization	46	
	302-3	Energy intensity	46	
	303-2	Management of water discharge-related impacts	26	
	303-4	Water discharge	48	
	303-5	Water consumption	46	
	305-1	Direct (Scope 1) GHG emissions	46	
	305-2	Energy indirect (Scope 2) GHG emissions	46	
	305-4	GHG emissions intensity	46	
	305-5	Reduction of GHG emissions	46	
Emissions/Waste Topic Standards Social Disclosures (GRI 400)	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	24	
	306-3	Waste generated	47	
	306-4	Waste diverted from disposal	47	~~I-7~~
	306-5	Waste directed to disposal	47	~~I-7~~
	401-1	New employee hires and employee turnover		
	401-3	Parental leave		
	3-3	Management of material topics	16~17	
	403-1	Occupational health and safety management system	21, 25	I-5
	403-4	Worker participation, consultation and communication on occupational health and safety	31	I-5
	403-5	Worker training on occupational health and safety	22	I-5
Employment Occupational Health and Safety Topic Standards-Social Disclosures (GRI 400)	403-6	Promotion of Worker Health	26	I-5
	403-8	Workers covered by an occupational health and safety management system		I-5
	3-3			
	413-1	Operations with local community engagement, impact assessments, and development programs		I-4
	3-3	Management of material topics		I-6
Occupational Health and Safety Local Communities	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		I-6
	3-3	Management of material topics		I-7
	Organization-specific indicators	Mid- to long-term objectives of human rights management		I-7

*There is GRI Topic Standards related to this material topic

#1: Refer to the 2023 Business Report "XI. Other Matters Necessary for Investor Protection 3. Matters Related to Sanctions, etc."

Financial performance

Consolidated Income Statement (Unit: million won)

	2021	2022	2023
Revenue	950,092	1,031,735	1,214,617
Cost of goods sales	763,190	823,685	923,480
Selling and administrative expenses	160,281	178,427	223,701
Operating profit	26,622	29,623	67,436
Other income	4,287	4,190	2,071
Other expenses	5,015	3,756	3,584
Financial income	9,312	16,029	17,082
Financial costs	9,558	18,393	16,541
Equity method income	7,586	6,835	2,465
Equity method loss	7,566	7,263	2
Profit from disposal of investment assets of related companies	668	15,136	0
Reversal of impairment loss on investment assets of related companies	374	0	0
Net income before income tax expense	26,710	42,400	68,927
Corporate tax expense	16,072	8,531	15,361
Net income	10,708	33,391	51,679

* Rounding to the second decimal place, reflecting changes due to the liquidation of a subsidiary('Colormate') in 2021~2022
**For the list of corporations included in the consolidated financial statements, refer to the 2023 Business Report "XII Detailed Table_1. Status of Subsidiaries Subject to Consolidation"

Consolidated financial statements (Unit: million won)

Asset	2021	2022	2023
Current assets	495,133	583,742	595,113
Cash and cash equivalents	127,485	114,807	114,298
Accounts Receivable	199,159	234,475	222,960
Accounts receivable and other receivables	50,487	68,049	73,527
Inventory Assets	111,099	155,761	144,601
Current income tax assets	125	102	224
Other current assets	5,756	7,722	8,349
Other current financial assets	13	2,160	635
Return Product Recovery Right	479	666	520
Non-current assets held for sale	530	0	0-
Non-current assets	560,404	588,247	593,711
Other long-term receivables	10,494	12,585	17,167
Investment assets in related companies and joint ventures	78,561	35,281	37,027
Tangible assets	421,505	450,479	444,997
Usage rights asset	4,070	4,649	4,495
Investment Property	5,550	7,921	10,521
Intangible assets	20,839	43,186	41,301
Deferred corporate tax assets	4,503	4,982	6,890
Other non-current assets	3,372	8,137	7,537
Other non-current financial assets	11,510	21,027	23,777
Total Assets	1,055,537	1,171,989	1,188,824

Liabilities	2021	2022	2023
Current liabilities	308,286	367,016	351,624
Accounts Payable	148,801	173,957	166,061
Accrued Accounts Payable and Other Payable Debts	36,311	43,793	57,625
Current borrowings and bonds	103,450	125,058	100,495
Current income tax liabilities	9,287	8,375	12,697
Other current liabilities	6,817	10,828	10,307
Other current financial liabilities	3	0	0
Current Lease Liabilities	2,137	2,454	2,459
Refund Debt	1,481	2,551	1,979
Non-current liabilities	163,714	144,148	143,408
Other long-term debts	421	721	1,000
Long-term borrowings and bonds	98,106	78,659	76,092
Other non-current financial liabilities	88	0	0
Net defined benefit liability	20,945	19,059	20,641

Other long-term employee liabilities	5,252	6,297	7,090
Recovery reserve liabilities	0	101	134
Deferred corporate tax liabilities	37,062	37,289	36,322
Lease debt	1,840	2,022	1,961
Other non-current liabilities	0	0	169
Total Debt	472,000	511,164	495,032
Capital	2021	2022	2023
Ownership stake of the controlling company	368,107	393,771	413,617
Capital	8,500	8,529	8,529
Capital surplus	71,789	72,712	72,712
Other capital items	(19,407)	(19,436)	(19,436)
Accumulated other comprehensive income	(1,072)	1,515	2,641
Retained earnings	308,297	330,451	349,171
Non-controlling interest	215,430	267,054	280,174
Total capital	583,537	660,825	693,792
Total Debt and Equity	1,055,537	1,171,989	1,188,824

※ Rounded to two decimal places
※ Refer to the list of consolidated entities in the "XII Detailed Table_1. Status of Consolidated Subsidiaries" of the 2022 Annual Report.

Non-financial performance

Energy Usage

Energy(GJ)	2021	2022	2023
LNG	169,900	166,455	172,091
Kerosene	4,970	2,343	3,236
Diesel	4,064	3,482	3,870
By-product fuel oil	419	327	42
Electrical power	378,194	372,494	379,908
Total	557,547	545,101	559,148

※ Aggregate business sites (factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Amount of Greenhouse gas emissions

Greenhouse gas (tCO2eq.)	2021	2022	2023
Scope1 (LNG, kerosene, diesel, by-product fuel oil)	9,254	8,857	9,210
Scope2 (electrical energy)	18,099	17,826	18,181
Total	27,353	26,683	27,391

※ Aggregate business sites (factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Energy and greenhouse gas emissions unit calculation (Unit: /Per Million KRW)

	2021	2022	2023
Energy (GJ)	0.49	0.49	0.46
Greenhouse gas (tCO2eq.)	0.024	0.024	0.023

Energy & Greenhouse Gas/Sales, Aggregated Business Places (Factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Water usage (ton)

	2021	2022	2023
Chemical business	248,113	255,459	268,860
Agricultural and Life Sciences Business	1,502	1,241	1,305
Total	249,615	256,700	270,165

※ Aggregate business sites (factories): (Chemical) Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan
(Agricultural and Life Sciences) Anseong

Calculating water usage per unit (tons/1 million Krean won)

	2021	2022	2023
Chemical business	0.22	0.23	0.23
Agricultural and Life Sciences Business	0.09	0.06	0.06
Total	0.22	0.23	0.22

※ Water usage/sales, aggregated business locations (factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Water Recycling (ton)

	2021	2022	2023
Chemical business	1,783	2,793	2,890
Agricultural and Life Sciences Business	-	-	-
Total	1,783	2,793	2,890

※ Aggregate business sites (factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Wastewater volume (ton)

	2021	2022	2023
Chemical business	28,968	29,933	31,403
Agricultural and Life Sciences Business	70	64	44
Total	29,038	29,997	31,447

※ Aggregate business locations (factories): Anyang, Hwaseong, Anseong / Other factories are outsourced to industrial complexes or external specialist companies

Waste generation and disposal (ton)

	2021	2022	2023
General waste	2,083	2,099	2,244
Designated waste	5,866	5,865	7,614
Waste generation	7,949	7,964	9,858
Incineration/Landfill	1,656	1,646	2,188
Recycle	5,527	5,684	6,696
Others	358	131	76
Waste disposal volume	7,542	7,460	8,959

※ Aggregate business sites (factories): Anyang, Poseung, Chilseo, Hwaseong, Ansan, Pohang, Cheonan, Anseong

Current status of employees

Category	Gender	2021		2022		2023		Remarks
		Number of Personnel	%	Number of Personnel	%	Number of Personnel	%	
New Employees	Male	11	100	9	90	8	80	
	Female	0	0	1	10	2	20	
Job changer /Retirees	Male	5	71	7	88	3	75	
	Female	2	29	1	13	1	25	
Involuntary retirees	Male	0	0	1	100	0	0	
	Female	0	0	10	0	0	0	
Contract type**	Workers without a fixed term	0	0	0	0	0	0	
	Temporary workers(including executives)	13	22	11	18	10	16	
	General employee (Full-time)	47	78	51	82	52	84	
	Part-time employees	0	0	0	0	0	0	
Sub total		60	100	62	100	62	100	
Position	Executives	10	17	10	16	9	15	
	Management	4	7	5	8	5	8	Team leader or higher
	General employee (Full-time)	46	77	47	76	48	77	
Sub total		60	100	62	100	62	100	
Age	Under 20 years old	1	2	2	3	4	6	
	30~39	22	37	18	29	19	31	
	40~49	25	42	30	48	28	45	
	50 years old and higher	12	20	12	19	11	18	
Sub total		60	100	62	100	62	100	
Gender	Male	50	83	53	85	52	84	
	Female	10	17	9	15	10	16	
Grand total		60	100	62	100	62	100	

※ Based on NOROO Holdings
※ There are no non-guaranteed hours employees
※ There are three non-executive, non-staff workers (e.g., security, cleaning, and other outsourced services).

Category	Gender	2021		2022		2023		Remarks
		Number of Personnel	%	Number of Personnel	%	Number of Personnel	%	
New Employees	Male	141	89	150	79	174	87	
	Female	17	11	40	21	26	13	
Job changer /Retirees	Male	153	89	154	82	140	86	
	Female	19	11	34	18	23	14	
Involuntary retirees	Male	33	89	22	92	32	94	
	Female	4	11	2	8	2	6	
Contract type**	Workers without a fixed term	24	1	19	1	21	1	
	Temporary workers(including executives)	102	6	85	5	80	5	
	General employee (Full-time)	1,542	92	1,533	93	1,529	94	
	Part-time employees	3	0	4	0	4	0	
Total		1,671	100	1,641	100	1,634	100	
Rank	Executives	47	3	43	3	44	3	
	Management level	160	10	163	10	164	10	Team leader or higher
	Employee	1,464	88	1,435	87	1,426	87	
Total		1,671	100	1,641	100	1,634	100	
Age	Under 20 years old	167	10	191	12	190	12	
	30~39	618	37	548	33	535	33	
	40~49	580	35	601	37	579	35	
	50 years old and higher	306	18	301	18	330	20	
Total		1,671	100	1,641	100	1,634	100	
Gender	Male	1,494	89	1,460	89	1,456	89	
	Female	177	11	181	11	178	11	
Total		1,671	100	1,641	100	1,634	100	

※ NOROO Holdings, NOROO Paint, NOROO Automotive Coatings, NOROO Coil Coating, NOROO Chemical, Color Mate, NOROO Loginet, KIBAN Tech, The Kiban / Based on domestic business establishments
※ There are no non-guaranteed hours employees
※ There are three non-executive, non-staff workers (e.g., security, cleaning, and other outsourced services).

Women's Leadership

Category			2021 Number of Personnel	2021 %	2022 Number of Personnel	2022 %	2023 Number of Personnel	2023 %	Remarks
Women Leader-ship	Position	Women among all workers	10	17	9	15	10	16	
		Manager level employees among all workers	38	63	39	63	40	65	Above the level of manager
		Women among all executives	4	11	4	10	4	10	
	Contract type	Women among contract workers	-	-	-	-	-	-	
		Women among regular employees	10	18	9	15	10	17	
Others		High school graduate talented employees	1	2	1	2	2	3	
		Employees under Veteran Benefits Program (Initiative by Korea Gov't)	-	-	-	-	-	-	
		Employees with Disabilities	-	-	-	-	-	-	

※ Based on Noroo Holdings

Category			2021 Number of Personnel	2021 %	2022 Number of Personnel	2022 %	2023 Number of Personnel	2023 %	Remarks
Women Leader-ship	Position	Women among all workers	177	11	181	11	174	11	
		Manager level employees among all workers	763	46	846	52	930	57	Above the level of manager
		Women among all executives	36	5	40	5	48	5	
	Contract type	Women among contract workers	26	33	24	36	20	28	
		Women among regular employees	148	9	173	11	157	10	
Others		High school graduate talented employees	296	18	308	19	298	18	
		Employees under Veteran Benefits Program (Initiative by Korea Gov't)	11	1	11	1	11	1	
		Employees with Disabilities	24	1	17	1	19	1	

※ NOROO Holdings, NOROO Paint, Noru Automotive Coatings, NOROO Coil Coating, NOROO Chemical, Colormate, NOROO Loginet, Kiban Tech, The Kiban (Based on domestic business site affiliation)

Parental leave

Type	Gender	2021	2022	2023	Remarks
Number of users	Male	1	-	-	
	Female	1	1	1	
Number of reinstated personnel	Male	1	-	-	
	Female	-	-	-	
Return rate	Male	100%	-	-	
	Female	0%	0%	0%	
After reinstatement 12 months maintenance personnel	Male	1	-	-	Including those who have not yet arrived in 12 months as of the end of 23 years
	Female	-	-	-	
Among the reinstated employees, the rate of employment for 12 months or more	Male	100%	-	-	
	Female	-	-	-	

※ Based on Noroo Holdings

Type	Gender	2021	2022	2023	Remarks
Number of users	Male	3	5	7	
	Female	7	12	10	
Number of reinstated personnel	Male	3	2	6	
	Female	9	4	7	
Return rate	Male	100%	40%	86%	
	Female	129%	33%	70%	
After reinstatement 12 months maintenance personnel	Male	1	2	7	Including those who have not yet arrived in 12 months as of the end of 23 years
	Female	6	5	6	
Among the reinstated employees, the rate of employment for 12 months or more	Male	33%	100%	117%	
	Female	67%	125%	86%	

※ NOROO Holdings, NOROO Paint, Noru Automotive Coatings, NOROO Coil Coating, NOROO Chemical, Colormate, NOROO Loginet, Kiban Tech, The Kiban (Based on domestic business site affiliation)

NOROO Way, Human Rights, Security, and Professional Ethics Training

Type (Number of People)	2021	2022	2023
On-line	225	235	178
Off-line	-	-	38
TTL	225	235	216

※ NOROO Holdings, NOROO Paint, Noru Automotive Coatings, NOROO Coil Coating, NOROO Chemical, Colormate, NOROO Loginet, Kiban Tech, The Kiban (Based on domestic business site affiliation)

Award & List of membership organizations/ association

Award List

Year	Award	Awarding organization	Award-winning company
2023	50th Commerce and Industry Day Silver Tower Industrial Medal	Ministry of Trade, Industry and Energy, Korea Chamber of Commerce and Industry	NOROO Paint
	33rd Ansan Chamber of Commerce and Industry Award, Mutual Growth Entrepreneur Award	Ansan Chamber of Commerce and Industry	NOROO Chemical
2022	48th National Quality Management Competition Gold Tower Industrial Medal	Ministry of Trade, Industry and Energy	NOROO Holdings
	Obtained ESG comprehensive A grade	KCGS Sustinvest	NOROO Holdings NOROO Paint
	Selected as the best institution (Overall 'Grade A')	National Human Resources Development Consortium	NOROO Paint
	Firefighters' Day Outstanding Fire Safety Manager Award	Gyeonggi-do	NOROO Automotive Coatings
	Agricultural Machinery International Workshop Grand Prize Winner	Ministry of Agriculture, Food and Rural Affairs	The KIBAN
	Awarded the Export Tower Award for $3 Million in Overseas Exports	Korea International Trade Association (KITA)	The KIBAN
2021	Obtained ESG comprehensive A grade	KCGS	NOROO Holdings NOROO Paint
	Selection of 10 representative climate change response technologies, Minister's Award	Ministry of Science and ICT	NOROO Paint
	Prime Minister's Government Award for Crime Prevention	Department of Justice	NOROO Paint
2020	Establishment of Law and Order and Minister of Justice Award	Department of Justice	NOROO Paint
	Red dot design award (Brand & Communication part)	Red dot design Award(Germany)	NOROO Holdings
	54th Exemplary Taxpayer Day Award	National Tax Service(NTS)	NOROO Paint

Status of membership organizations

Company	Major affiliated organizations & association
NOROO Holdings	Seoul Chamber of Commerce and Industry, Anyang Chamber of Commerce and Industry, Korea International Trade Association, Korea Mecenat Association, Korea Standards Association, Korea Listed Companies Association, Seoul Bar Association
NOROO Paint & Coatings	Gyeonggi Business Federation, Korea Industrial Safety Association, Korean Nurses Association, Gyeonggi Nurses Association, Anyang Gwacheon Chamber of Commerce and Industry, Central Economic HR Education Center, Poseung Industrial Complex Volunteer Fire Brigade, Korea Standards Association, Korea Fire Safety Institute, Korea Human Resources Management Association, Korea Color Book Society, Korea Painting Certification Technology Association, Korea Society of Industrial Chemistry, Korea Paint Ink Industry Cooperative, Korea Electrical Engineers Association
NOROO Coil Coatings	Environmental Conservation Association, Korea Fire Safety Institute Council, Steel Industry Fire Safety Management Association, Pohang City Sustainable Development Council, Gyeongbuk Eastern Safety Management Council, Daegu Gyeongbuk PSM Safety Management Council, Pohang Southern Fire Administration Advisory Committee
NOROO Automotive Coatings	Korea Industrial Safety Association, Korea Standards Association, Korea Environmental Technology Association, Korea Environmental Conservation Association, Korea Chemical Substances Management Association
NOROO chemical	Ansan City Resource Recycling Council, Chemical Substance Handling Business Representative Council, Chemical Plant Safety Management Council, Korea Chemical Substance Management Association, Korea Electrical Engineers Association, Korea Standards Association, Environmental Preservation Association, Korea Fire Safety Association
NOROO Loginet	International Logistics Association, Gyeonggi-do Cargo Trucking Business Association Chamber of Commerce
The Kiban	Korea Seed Association, Korea Export Association, Korea International Trade Association, APSA

Main Affiliates Status

As of 31 December 2023

Company	Date of Establishment	CEO	Asset (Bil. KRW)	Equity Ownership
NOROO Holdings Co., Ltd.	01 Nov 1945	Youngjae Han Yongki Kim	11,888	Majority Shareholder 46.36%, Minor Shareholder 30.18%
NOROO Paint & Coatings Co., Ltd.	01 Jun 2006	Sungkook Jo	6,686	NOROO Holdings Co., Ltd. 51.76%, Minor Shareholder 44.66%
NOROO Coil Coatings Co., Ltd.	27 Dec 1999	Sungkook Jo	797	NOROO Paint & Coatings Co., Ltd 100%
NOROO Automotive Coatings Co., Ltd.	14 Dec 1995	Jongwoo Kim	2,579	NOROO Holdings Co., Ltd. 50.47%, Nippon Paint Auto. 49.53%
NOROO chemical Co., Ltd.	21 Jul 1989	Myunghee Choi	846	NOROO Holdings Co., Ltd. 100%
NOROO Loginet Co., Ltd.	02 Jul 1991	Sumin Lee	168	NOROO Holdings Co., Ltd. 100%
The Kiban Co., Ltd.	23 Jul 2015	Won-seok Han	495	NOROO Holdings Co., Ltd. 97.03%

※ Asset Amount on a Consolidated Basis (Individual basis if there is no consolidation entity)

Third-Party Assurance Statement

To the Management and Stakeholders of NOROO Holdings

Preface

The Korea Standards Association (hereinafter referred to as the "Assurer") was requested by Noroo Holdings (hereinafter referred to as the "Company") to conduct an independent assurance of the "Noroo Holdings Sustainability Report 2023" (hereinafter referred to as the "Report"). The Assurer reviewed the validity of the data included in the Report and has provided an independent assurance opinion. All statements and performance results presented in this Report are the sole responsibility of the Company.

Independence

As an independent assurance body, the Assurer has no involvement in Noroo Holdings' business operations other than providing third-party assurance for the Report. The Assurer maintains complete independence and does not engage in any relationships that could compromise its objectivity or are of a commercial nature.

Assurance Standard: AA1000AS v3

Level and Type of Assurance: Moderate Level, Type 2

Note: Moderate level assurance is based on a limited scope of collected evidence and therefore provides a lower level of confidence compared to high-level assurance.

Scope of Assurance

This assurance focused on the company's sustainability policies, objectives, initiatives, standards, and performance during the reporting period. It included the verification of environmental and social data, as well as financial data related to broader economic performance. Assurance on stakeholder engagement was limited to a review of the materiality assessment process.

- Compliance with the four principles of AA1000AP (AccountAbility Principles) 2018
- Conformity with the GRI Standards 2021

Topic Standards

201-1,201-2, 302-1, 302-3, 302-4, 303-2, 303-4, 303-5, 305-1, 305-2, 305-4, 305-5, 305-7, 306-3, 306-4, 306-5, 401-1, 401-3, 403-1, 403-4, 403-5, 403-6, 403-8, 413-1, 416-2

- Organization-specific Indicator: Mid- to Long-term Goals for Human Rights Management

Assurance Methodology

The Assurer used the following methods to collect information, data, and evidence relevant to the scope of assurance:

• Review of the stakeholder engagement and materiality assessment process by sustainability experts
• Verification of environmental disclosure data by environmental specialists
• Examination of internal documents and source materials related to other relevant performance indicators

Limitations of Assurance

The assurance was conducted within a limited scope, based on the assumption that the data and information provided by the company were complete and sufficient. The verification involved data inquiries, analysis, and a limited form of sampling.

Assurance Results and Opinion

Within the defined scope of assurance, the Assurer reviewed the draft content of the Report and provided feedback, based on which revisions were made. As a result, no material errors or misstatements were identified that would raise concerns about the credibility of the information. The Assurer hereby presents the following opinion on the "NOROO Holdings Sustainability Report 2023."

• **The Four Principles of AA1000AP (AccountAbility Principles) 2018**

Inclusivity

- Has the company engaged stakeholders in the strategic pursuit of sustainability?

It was confirmed that the company recognizes the importance of stakeholder participation in driving sustainability and is making efforts to establish a structured engagement process. The company has identified key stakeholder groups—including employees, labor unions, customers (both corporate and individual), shareholders and investors, business partners, and local communities/NGOs—and maintains dedicated communication channels for each group. Through these channels, the company collects and reflects a wide range of stakeholder perspectives.

Materiality

- Has the company included material information in the report to support stakeholders' informed decision-making?

It is assessed that the company has not omitted or excluded any information considered important to stakeholders. Additionally, it was confirmed that the company conducted a materiality assessment based on key issues identified through internal and external environmental analysis, and disclosed the results accordingly in the report.

Responsiveness

- Has the company appropriately responded to stakeholder needs and concerns?

It was confirmed that the company has made efforts to reflect stakeholder feedback in the report and address their needs and concerns. No evidence was found indicating that the company's responses to key stakeholder issues were inappropriately reported.

Impact

- Has the company appropriately monitored its impact on stakeholders?

It was confirmed that the company monitors and identifies the impact of its business activities on stakeholders. Furthermore, these impacts are appropriately reflected in the report.

Reliability and Quality of Specific Sustainability Information

- Has the company collected and disclosed specific sustainability information through reliable processes?

The Assurer conducted a reliability assessment on the sustainability performance data subject to Type 2 assurance. Interviews were held with the relevant personnel, and it was concluded that the performance data disclosed in the report were collected and reported through credible processes and documentation. No evidence was found indicating that the specific sustainability information was inaccurately reported.

Kang Myung-soo,
President of the Korea Standards Association,
August 2024

AA1000
Licensed Report
000-70/V3-NV6J7

The Korea Standards Association (KSA) is a special statutory organization established in 1962 under the Industrial Standardization Act of Korea. As a knowledge-based service institution, it promotes and disseminates industrial standardization, quality management, sustainable management, and KS·ISO certifications to businesses. In particular, KSA contributes to the sustainable development of society by serving as the national liaison body for ISO 26000, an AA1000 assurance provider, the operator of the Korea Sustainability Index (KSI), and a verification body for the Greenhouse Gas and Energy Target Management System.