

# Sustainability Report 2023



# About this report

**Report Overview**  
DRB Holding publishes its first sustainability report in 2023 in an attempt to communicate with its various stakeholders. This report transparently discloses the extensive efforts and significant achievements made by DRB Holding in sustainable management practices. DRB Holding will continue to actively solicit opinions from stakeholders through sustainability reports, integrating their valuable feedback into our management processes.

**Report Standards**  
This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards, which are the international reporting guidelines for sustainability reports. We further embrace the disclosure recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB), tailoring our approach to industry-specific considerations. In addition, we incorporate the Ten Principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (UN SDGs) to address global challenges. The financial information within this report complies with Korean International Financial Reporting Standards (K-IFRS).

**Reporting Period**  
The report covers activities from January to December 2022, with significant data over three years from 2020 to 2022 for improved comparison. For information that may have a significant impact on stakeholders, it contains details prior to 2022 and by the first half of 2023.

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**Reporting Cycle**  
On a yearly basis

**Reporting Scope**  
The reporting scope includes data on DRB Holding’s headquarters, DRB Industrial and DRB Automotive among its consolidated subsidiaries, and overseas business sites (DRB Vietnam, DRB Qingdao and DRB Slovakia). Some data with different reporting scopes has separate indications.

**Reporting Assurance**  
This report has been validated by BSI Group Korea to enhance its reliability and quality. The assurance findings are provided on pages from 123 to 124 of this report.

**Additional Information**  
This report is written in both Korean and English and is available in PDF format on the DRB Holding website (www.drbworld.com). The interactive function in the PDF file enables redirection to relevant pages in the report.

**Interactive Guide**  
DRB Sustainability Report 2023 is published in an interactive PDF format which enables a user to move to relevant pages within the report.



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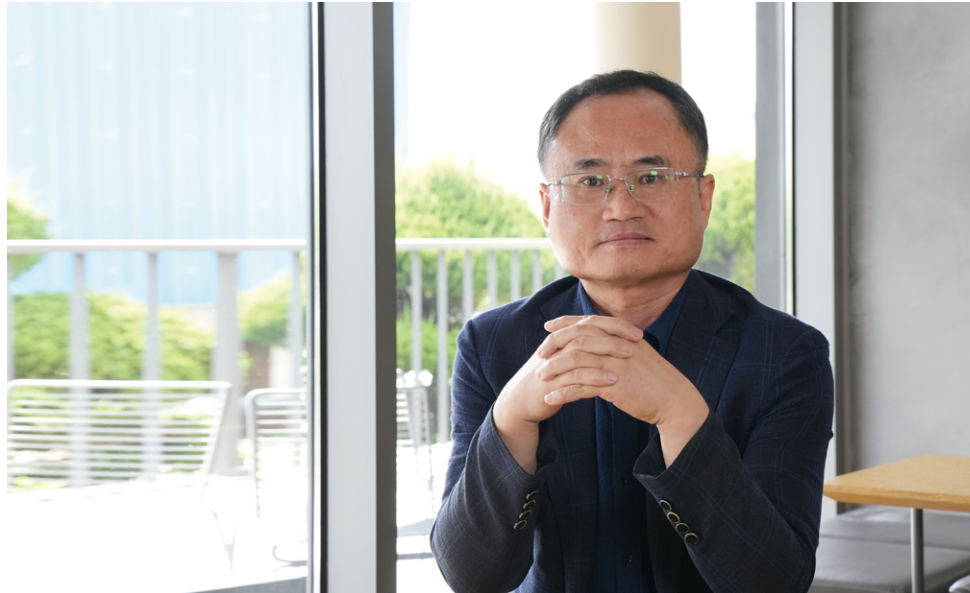
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# CEO Message



**Dear Valued Stakeholders,**

Thanks to your support, DRB has published its first sustainability report this year. We would like to offer our heartfelt appreciation. Since its inception in 1945, DRB has been the first Korean firm to successfully manufacture rubber belts at home. It has spent over 80 years developing goods that meet the demands of the times and providing innovative experiences to customers all around the world. We are now aiming to demonstrate our skills as a manufacturing-based innovative firm and to grow into a company that can contribute to the sustainable growth of humanity and the planet for the next 100 years.

DRB was successful in making 2022 an important milestone in the company's history by reexamining its function and working tirelessly rather than becoming complacent about prior accomplishments. Despite difficulties such as sharp inflation and interest rate rises, DRB saw the challenges as an opportunity for progress, and all of our executives and employees joined together to achieve tangible results in a variety of disciplines. Last year, our sales reached KRW 661.8 billion, up 20% from the previous year, and our operating profit recorded KRW 12.1 billion. Remarkably, in terms of ESG management, we have expedited the integration of ESG management by forming an ESG committee and an ESG team and redesigning our ESG governance structure. As a result of these efforts, DRB was named one of the 10 UNGC Network Korea's Global Compact LEAD companies and became the only mid-sized company to receive the Minister of Health and Welfare Award in the pilot project under the Health-Friendly Company Certification System.

Even as the challenging business climate of 2023 continues, DRB has a distinct spirit of challenge that propels it forward in pursuit of new opportunities. Based on this philosophy, we aspire to pursue the following business goals this year to increase the future value of the company while also completely fulfilling its environmental and social duties.

**First, DRB will secure future growth engines.**

DRB is working not just to secure future growth momentum in existing business areas but also to diversify its portfolio to achieve sustainable growth. We are working hard to enhance our competitiveness in a variety of sectors, including car components, robotics, and logistics automation, in addition to our traditional industry-grade materials like transmission belts and conveyor belts. DRB will grow into other fields ranging from agricultural and mining to future high-tech industries based on the experience and know-how of the core companies, solidifying the company's future worth.

**Second, DRB will achieve sustainable R&D innovation.**

R&D is critical to ensuring the company's future competitiveness. DRB aims to achieve sustainable technological innovation in response to changing times and consumer demands. To this end, DRB has developed mid- to long-term research projects and is creating novel materials that match high-performance, lightweight, and eco-friendliness trends, as well as convergence technologies such as mobility and robotics. DRB will go to great lengths to invest in R&D to make a positive impact on corporate progress, the environment, and society.

**Last, DRB will devote itself to strengthening ESG management.**

In 2022, we established an ESG management system and accelerated ESG internalization to lay the groundwork for ESG management. Based on the accomplishments, we intend to take specific steps in 2023 including responding to climate change, ensuring green management, developing a circular economy, expanding health-friendly management, and practicing corporate citizenship. In addition, DRB will define ethics and compliance management as core corporate precepts and foster a culture in which all executives and employees appreciate the importance of ethical values and actively apply them.

DRB will fully perform its responsibilities and roles as a corporate citizen that adds social and environmental value in addition to monetary value. We ask for your continued support and interest in our quest to make a leap forward for the satisfaction and sustainable growth of all stakeholders while remaining vigilant against negative impacts on humanity and the environment.

Thank you.

CEO of DRB Holding,

Ryu, Yeong Sik

Y. S. Ryu

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# About Company

DRB Way

The path of a trailblazer who is not afraid of the risk of failure

DRB has amassed a wealth of knowledge and know-how during its considerable 78-year history, providing all the basics for individuals to lead a safe and comfortable life and all the supplies required for enterprises to function smoothly and effectively. In 2022, we shifted our corporate governance structure to a pure holding company in order to continue taking on challenges based on our ‘pioneer spirit’ throughout the following 100 years. Based on this transformation, DRB seeks to establish and enforce business-specific management strategies in a more efficient manner by strengthening the fundamentals of core businesses, such as comprehensive rubber parts and industrial rubber products, and intensively fostering new growing businesses, such as automation and healthcare. We believe that such endeavor will improve the competitiveness of each business and enable us to take the lead in implementing sustainable management.



General status

(consolidated basis as of December 2022)

Company name	DRB Holding Co., Ltd. (abbreviated as DRB Holding)
Head office address	28, Gongdandong-ro 55beon-gil, Geumjeong-gu, Busan, Korea
Establishment date	September 30, 1945
Chairperson and CEO	Ryu, Yeong Sik
Number of employees	2,806 persons
Business area	Comprehensive rubber parts, industrial rubber products, automation, healthcare, etc.

Financial status

(consolidated basis as of December 2022)

Total assets		Total equity	
	KRW 945.2 billion		KRW 479.8 billion
Sales		Operating profit	
	KRW 661.8 billion		KRW 12.1 billion
Net profit for the current period		Credit rating	
	KRW 3.5 billion		BB+ (Nice Information Service)

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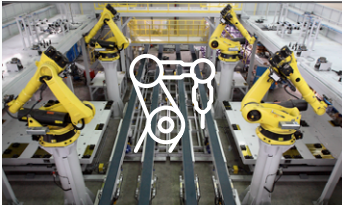







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Business area

DRB engages in various business areas, including i) industrial rubber products, such as rubber tracks and rubber pads used in the operation of construction and agricultural machinery, transmission belts widely used in power transmission, and conveyor belts that can maximize the efficiency of transport lines, ii) automotive rubber parts (vehicle sealing) that are used as an automotive sealing material to provide high emotional quality by minimizing noise and vibration, iii) comprehensive rubber parts that offer seismic isolation and vibration control systems and construction materials, iv) automation business that offers various automation solutions tailored to the characteristics of each industry, and a v) healthcare business that offers environmentally-friendly intravenous (IV) fluid line for drug adsorption prevention, etc. In order to protect the global environment and adapt to climate change, we will continue to make efforts to deliver products(eco-friendly) and services(energy savings) to customers through technological innovation in each business.

Category	Industrial rubber products	Comprehensive rubber parts	Automation	Healthcare
Main business areas	<b>Rubber track &amp; rubber pad</b> - Caterpillar tracks for construction and agricultural machinery 	<b>Vehicle sealing</b> - Sealing material for automobile waterproofing, soundproofing or dustproofing 	<b>Robot system</b> - Implementation of automation using industrial robots 	<b>Intravenous fluid set</b> - Intravenous fluid line for drug non-adsorption 
	<b>Power transmission belt</b> - Power transmission of mechanical equipment 	<b>Construction materials</b> - Rubber parts for railway, marine, engineering construction, etc. 	<b>Logistics automation</b> - Implementation of process automation such as loading and moving 	
	<b>Conveyor belt</b> - Efficient transport of cargo 	<b>Seismic isolation and vibration control</b> - Seismic isolation and vibration control systems for buildings 	<b>AMR</b> - Automated guided system 	
Related subsidiary	DRB Industrial	DRB Automotive	DRB Automation	DRB Healthcare



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Subsidiary information

DRB Industrial

Establishment date	October 2012
Business area	Industrial rubber products and comprehensive rubber parts
Number of employees	574 persons



DRB Automotive

Establishment date	May 2022
Business area	Comprehensive rubber parts
Number of employees	194 persons



DRB Automation

Establishment date	September 2001
Business area	Automation
Number of employees	86 persons



DRB Healthcare

Establishment date	December 2021
Business area	Healthcare
Number of employees	13 persons



DRB Vietnam

Establishment date	May 2006
Business area	Comprehensive rubber parts
Number of employees	615 persons



DRB Slovakia

Establishment date	December 2004
Business area	Comprehensive rubber parts
Number of employees	534 persons



DRB Qingdao

Establishment date	December 2001
Business area	Industrial rubber products and comprehensive rubber parts
Number of employees	497 persons



DRB Russia

Establishment date	April 2019
Business area	Comprehensive rubber parts
Number of employees	50 persons





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Global network

Since the 2000s, DRB has steadily extended its worldwide manufacturing and sales bases, transforming itself into a true global player. We will continue to seek a competitive advantage in the global market through localization strategies.



**Korea**

- DRB Holding Co., Ltd. (Established in September 1945)
- DRB Automotive Co., Ltd. (Established in May 2022)
- DRB Healthcare Co., Ltd. (Established in December 2021)
- DRB Industrial Co., Ltd. (Established in October 2012)
- DRB Automation Co., Ltd. (Established in September 2001)

**China**

- DRB Qingdao (Established in December 2001)<sup>1</sup>
- DRB Shanghai (Established in October 2007)

1. In 2023, DRB Qingdao merged with DRB Chongqing.

**USA**

- DRB America (Established in January 2004)
- DRB Georgia (Established in May 2020)

**Japan**

- DRB Japan (Established in May 2005)

**Vietnam**

- DRB Vietnam (Established in May 2006)
- DRB Hanoi (Established in March 2008)

**Indonesia**

- DRB Indonesia (Established in June 2014)

**Slovakia**

- DRB Slovakia (Established in December 2004)

**Russia**

- DRB Russia (Established in April 2019)

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# Major Achievements in Business Management



DRB Holding was chosen as a member of the ‘LEAD Group’ in 2023 by UNGC Korea in appreciation of its efforts toward sustainable management.



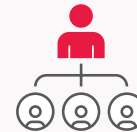
## Establishment of carbon neutrality goals for all business sites by 2050

- Ensuring data accuracy by performing third-party verification of greenhouse gas emissions both at domestic and overseas business sites
- Defining goals and renewable energy transition plans for carbon neutrality and implementation mechanisms



## Development of an organizational system for implementing environmental management

- Creating an environmental management committee to provide an integrated management system
- Carrying out climate change responses and pollutant reduction activities by setting up a working-level council for environmental management



## Organization of an ESG committee under the Board of Directors

- Arranging a framework for deliberating and decision-making on critical ESG agendas



## Enhancement of sustainable supply chain management

- Enacting the Code of Conduct for External Suppliers and policies for green procurement, conflict minerals, and mutual purchasing



## Spread of a culture of respect for health, family, and leisure

- DRB Holding won the award from the president of the Korea Health Promotion Institute (2021), and DRB Industrial won a commendation from the Minister of Health and Welfare (2021 and 2022).
- DRB Holding (2019 and 2022) and DRB Industrial (2019) acquired family-friendly company certification from the Ministry of Gender Equality and Family.
- DRB Holding (2017 and 2022) and DRB Industrial (2017 and 2022) acquired leisure-friendly company certification from the Ministry of Culture, Sports, and Tourism.



## Expansion of a compliance culture

- Providing compliance training in a variety of sectors, such as fair trade, subcontracting, ethics, anti-corruption, the environment, and labor.





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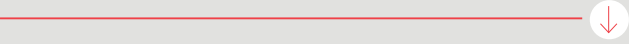
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# #01. Enhanced business competency for DT

Recently, ‘digital transformation’ has emerged as an essential management strategy for the survival and growth of businesses across all industries. Companies’ profitability decreased dramatically as a result of the worldwide supply chain disruption caused by the onset of the COVID-19 pandemic, and the importance of digital transformation became even greater. Digitalization may help enterprises minimize uncertainty and make faster decisions by identifying inventory, production, and demand forecasts in real time. Manufacturing companies can orchestrate production plans to meet demand and optimize inventories, preventing undersupply or overproduction arising from the global supply chain crisis. Furthermore, digitalization also provides opportunities to enhance a company’s competitiveness. Digital technology and information can improve the quality and productivity of products and services and increase customer satisfaction through better interaction with external suppliers. Automation of processes and real-time collection and analysis of data based on Internet of Things (IoT) technologies can help the employees make effective decisions. As a result, DRB is aggressively embracing the trend of digitalization across all business disciplines.





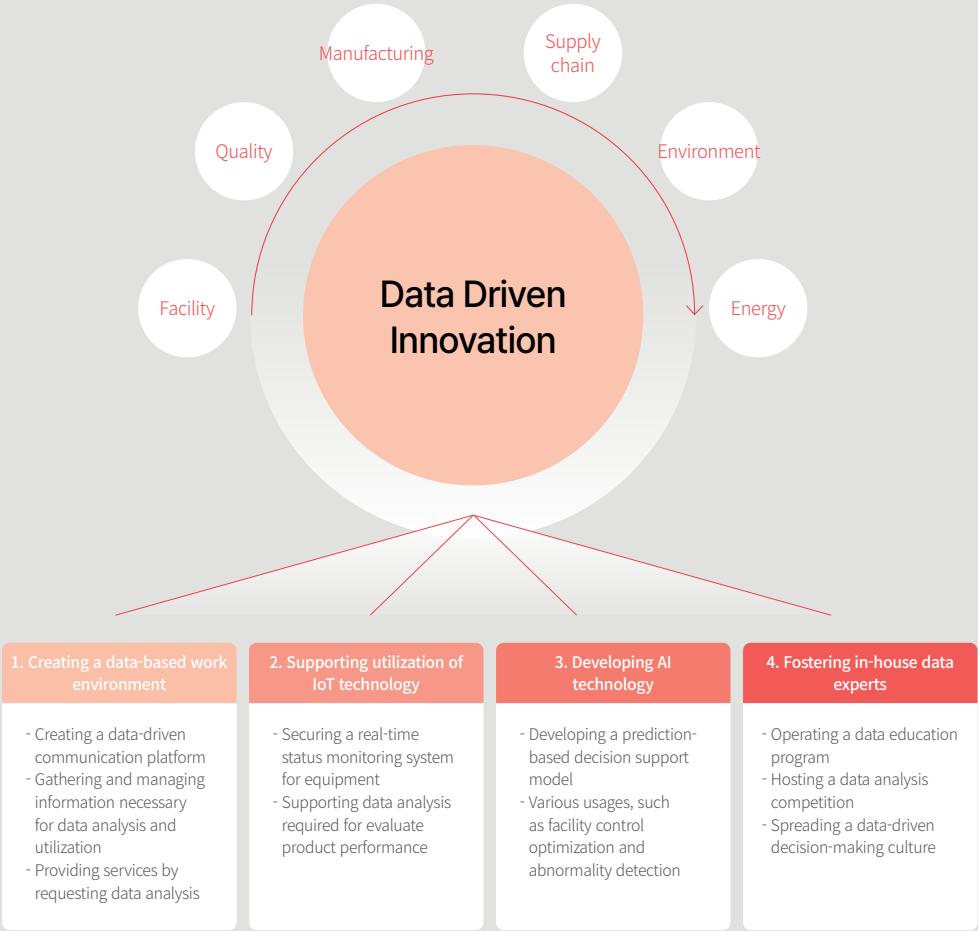
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### Making maximum advantage of data by constructing a data strategy center

DRB launched the Data Strategy Center in 2022 in order to efficiently exploit data and produce additional company value. The Data Strategy Center provides a work environment in which employees may interact effectively using data. DRB improves quality with IoT data collected from facilities and optimizes numerous operations by developing artificial intelligence technologies.

Major activities at the Data Strategy Center



### IoT-enabled assistance: upgrade of the control systems at a track test site

DRB Industrial has a track test site where testing is performed on a variety of conditions. Additionally, it accurately collects data through various IoT sensors attached to the test equipment and utilizes artificial intelligence technology to predict product conditions and evaluate performance. We also have a system in place to monitor this equipment in real time and respond immediately in case of any issues.



### Development of AI technologies for business

DRB aims to develop artificial intelligence technology that can be used in sales, purchasing, production, quality, and logistics within the business and utilize it for data analysis needed to evaluate product performance. DRB is working on the development of demand forecasting technology based on machine learning. Diverse external information, such as economic indicators as well as statistical techniques through sales performance, is integrated into the machine learning model to improve demand forecasting accuracy. Furthermore, DRB is developing artificial intelligence technology to optimize the manufacturing process. This technology will forecast product results based on operating conditions provided by the facility, with the ultimate goal of autonomously running the facility in line with product quality. In the quality sector, artificial intelligence models that identify irregularities or faults in goods have been created and are being used on manufacturing lines.



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### Enhancement of the efficiency of digital-centered management through data strategies

DRB is enhancing business enablement by establishing a DX strategy. We are transforming data into an asset by building a data integration platform to create an environment where data can be usefully utilized.

#### Operation of the integrated management system for DRB cloud data

DRB has built an integrated data management system to support informed decision-making based on data. The platform, which has introduced a field worker-centered data analysis system, improves users' accessibility and convenience by providing various visualizations. This allows ESG data to be systematically managed along with key management indicators such as management information, sales, profit and loss, finance, manufacturing, and logistics status for the company or individual corporations.

#### ESG data management

DRB uses an integrated data management system to systematically manage ESG data on an annual basis, covering greenhouse gas emissions, energy consumption, employment, education, the work-loss accident rate, the board of directors, and ethics. Because ESG status is displayed as visualization-based data, it can be confirmed at a glance.



DRB is also scheduled to optimize the ERP system, an enterprise resource management system, through continuous improvement work while transitioning to the next-generation ERP system aimed at upgrading business processes, such as the APS system for optimal production planning and scheduling and S&OP1 for balanced management of supply and demand. In addition, the optimization of the UI/UX in the digital environment is underway to increase user convenience and accessibility through numerous business support systems2 currently in use.

### Maximized manufacturing efficiency at the production site thanks to digital solutions

DRB is accelerating the automation and advancement of processes by converging various IT technologies such as AI, machine learning, vision, and robot automation. As part of these efforts, DRB has employed vision and AI-based automation in the extrusion cross-section inspection process of the manufacturing line for vehicle parts and the chamber inspection process of the IV tube manufacturing line in the healthcare business division. This has resulted in increased production and decreased defects and waste, enhancing manufacturing competitiveness.

1. Sales and Operation Plan

2. Includes the order management program at the DCM (Demand Chain Management) level, the PSM (Process Safety Management) external supplier management program, and HR at the People & Life system level.



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Spreading a data-driven decision-making culture

DRB has established a BI (business intelligence) system to facilitate data-based decision-making among its employees, and it is also working to develop agility, which is critical for the company's sustainable growth. Furthermore, DRB is devoted to nurturing professional data scientists who are capable of collecting, analyzing, and utilizing data on a platform, in addition to making a data science-based decision-making system. We are also pursuing smart work, which can speed up innovation by increasing the speed and ease of connection, communication, and collaboration between people, teams, and companies.

Developing in-house data specialists

Every year, DRB conducts in-house data expert training courses for employees to improve their basic data utilization skills and supports educational activities to strengthen employees' data utilization abilities, such as Bumblebee, JMP (statistical program), and data competitions. We operate a variety of educational programs to help our employees build fundamental skills in statistical foundations and analytical models, as well as to improve their practical job capabilities by employing in-house data. Moreover, we actively stimulate the discovery of new ideas and solutions through data competitions.

Basic education program for Python

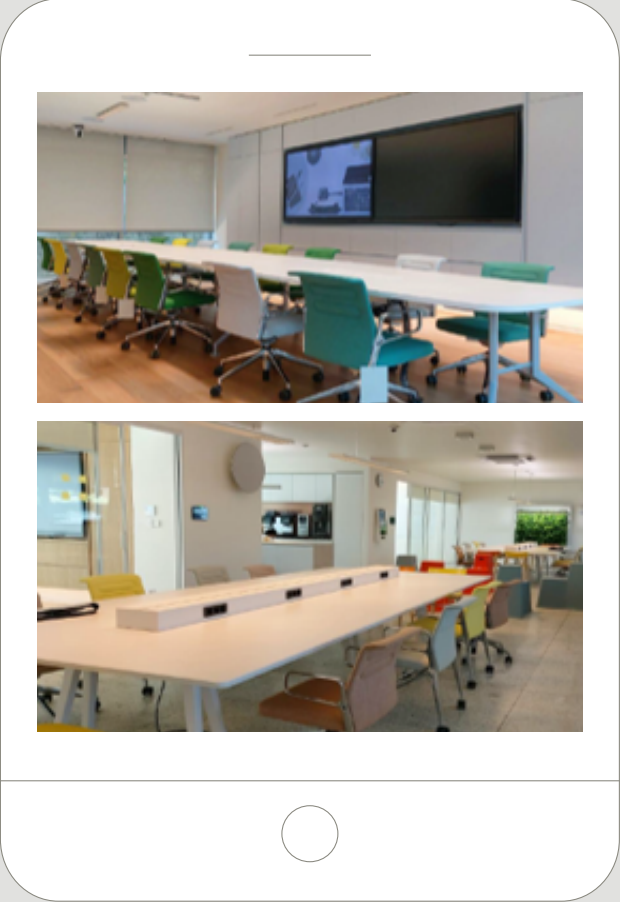
Use of in-house data

Holding a data competition

Establishment of a smart work system to create a data-based collaboration culture

Establishment of a smart work system to create a data-based collaboration culture

DRB has created an ICT office environment with real-time connectivity, a co-working space for smooth communication and collaboration, communication and education for smart work and digital transformation, and systems and policies to promote smart work. DRB has introduced collaboration tools for various purposes, such as Microsoft Teams, MIRO, and Notion, to make it easier for employees to engage in the digital transformation, and it operates a number of channels for their active use at work. Furthermore, we are gradually adopting office automation technologies to minimize rule-based repetitive tasks and IT infrastructure for a smart workplace.



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#02.

Organizational culture for sustainable growth

In today's world of high uncertainty and low growth, a company's survival and long-term success are defined by execution rather than strategy, and execution is ultimately determined by people and culture. DRB respects and embraces the integrity of each employee based on its healthy organizational culture and encourages its employees to enjoy valuable experiences not only at work but also in life in general.







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## People Inspiring the World\_Freedom and responsibility of employees

### Increased workplace flexibility and autonomy

DRB is increasing workplace flexibility and autonomy to ensure the freedom and responsibility of its employees.

**Flexible working environment** | In 2007, DRB introduced a new title system where employees call each other using ‘님’(Nim)<sup>1</sup> regardless of job titles, and in 2020, the rank system was simplified from 5 levels to 3 levels. To improve job productivity and engagement, we also eliminated the clothing code for office workers.

**Building trustworthy relationships** | To promote trust and teamwork among employees and boost engagement, various team-building events (culture camps, MBTI package trips, cultural stimulation programs for creative inspiration, etc.) are being implemented.

1. Nim is a Korean honorific term commonly used by subordinates when addressing superiors, but it is employed universally at DRB, irrespective of one’s position or age.



Free dress code



## Creating a healthy and stable working environment

DRB continues to implement health-friendly management to create a healthy workplace. Notably, we prioritize addressing our employees’ health and challenges in order to boost their job engagement.

<b>November 2022</b> Re-certified as a leisure friendly company	<b>December 2022</b> Re-certified as a family-friendly company	<b>December 2022</b> Certified as a health-friendly company Won a commendation from the Minister of Health and Welfare
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### Creating a family-friendly culture

DRB has introduced a variety of family-friendly systems, such as childcare leave, family care leave, and flexible work systems, at an early stage to assist employees in balancing work and family life and has continued to maintain them. In addition, we design and offer a variety of family-friendly programs using our social contribution platform, Campus D. As of 2022, we ran 15 family-friendly programs per year, with a total of 1,100 participants.

### Management of health and extensive life grievances

DRB carries out health management along with the diagnosis of the health management culture. For the physical health of our employees, we provide different personalized health management programs for employees and comprehensive health checkups to help them systematically manage their health. Additionally, for the mental health of our employees, we operate DRB Sangdam4u, an emotional management service that provides professional consultation in three areas (psychological and stress counseling, work life coaching, and sexual harassment or bullying reporting). In addition, if the company’s urgent action needs to be taken in response to a grievance, employees can submit it to the company’s Healthy Workplace Culture Center for assistance. In recognition of these efforts, DRB received a commendation from the Minister of Health and Welfare under the Health-Friendly Company Certification System on January 21, 2022.



Numerous family-friendly programs



Personalized health-enhancing programs



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# Sustainable Management System

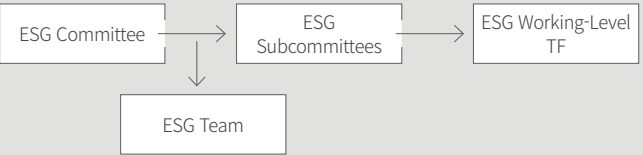
DRB continues to pursue innovation and develop industries in various fields spanning from rubber tracks and rubber pads for construction and agricultural machinery, industrial power belts, conveyor belts, civil engineering and construction materials, seismic isolation and vibration control systems, automobile parts, process automation, and healthcare, thereby contributing to improving the quality of life for humanity. Furthermore, DRB is implementing ESG management by developing key strategies based on its ESG vision.

### ESG vision and strategic system

DRB is committed to ESG management activities by measuring its corporate value using the concept of sustainability, which encompasses both the present and the future. We have created an ESG promotion system to execute ESG management in order to guarantee that our environmental and environmental duties are faithfully performed, as well as to create economic value by incorporating ESG awareness into our employees’ work and everyday lives. DRB executes ESG management by adhering to its vision that ‘All of our daily duties at DRB contribute to our future sustainable growth,’ securing more sustainable market opportunities, and managing integrated risks. DRB will go to great lengths to ensure that ESG management translates into particular and practical management performance.

### ESG promotion organization

DRB has organized an ESG committee, subcommittees, and a working-level task force under the Board of Directors to attain the ESG vision and key strategic tasks. In addition, we formed an ESG Team committed to developing precise ESG strategy responsibilities and ensuring that they are in line with the company’s management direction. Working-level TF and subcommittees report ESG achievements to management and the ESG Committee and explore strategies for internalizing ESG management.



ESG Committee: Composed of internal and external directors who make decisions on company-wide ESG direction and issues.  
ESG Subcommittee: Composed of division heads or executives in charge of key areas who work together to develop and implement ESG goals, share ESG challenges, and discuss solutions.  
ESG Working-Level TF: Responding to external ESG assessments and implementing measures for improvement  
ESG Team: Establishing ESG strategic tasks, responding to external assessments, and engaging with stakeholders

### ESG Vision

Daily Life of DRB Contributes to the Sustainable Growth in the Future

### ESG Purpose

Expand the Sustainable Market Opportunities and Enhance Risk Management Through ESG Governance

### ESG 5 Core Strategies and Goals

Response to climate change	Transition to the green industry	Developing a Circular Economy	Sound management	Corporate citizenship
Carbon neutrality and energy transition	Zero impact of hazardous substances on the environment and health	Management of air, water, resources, and waste (recycling and reuse)	Zero serious accidents	Enhancement of anti-corruption, ethical management, and social contributions

### ESG Management and Response System

Establishment of an ESG governance system	Setting ESG KPIs	Disclosure and responding to external assessments
<ul style="list-style-type: none"><li>Committees, councils, dedicated organizations, etc.</li><li>ESG data integrated management platform, etc.</li></ul>	<ul style="list-style-type: none"><li>ESG-linked KPIs such as quality, environment, safety, product, labor, service, etc.</li><li>Sales, risk (regulatory), productivity, technical development, etc.</li></ul>	<ul style="list-style-type: none"><li>Strategic ESG communication</li><li>Diversification (specialization) of ESG contents</li><li>Reinforcing the link between the company and its products and brand</li></ul>



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# Sustainable Management Activities

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# Environment

## Green Management

### Environmental management strategy

#### DRB’s vision for environmental management

DRB perceives the protection of the global environment and response to climate change as the main agenda of its management activities and is working to realize a sustainable, low-carbon, eco-friendly economy as a corporate citizen that mutually grows with society.

#### DRB’s missions for environmental management

DRB aspires to contribute to improving the quality of life for humanity and preserving the global environment by responding to climate change and protecting the global environment.

#### DRB’s goals for environmental management

DRB has developed four core strategies and goals for environmental management, and it is implementing environmental management actions based on them.

Response to climate change	Developing a circular economy	Leading the development of environmentally friendly materials	Water protection
<div>- Carbon neutral</div> <div>- 100% renewable energy</div>	<div>- Reducing waste landfills to zero</div> <div>- Reducing the use of natural raw materials to zero and expanding recycled raw materials</div> <div>- 100% recycling rate</div>	<div>- Zero use of harmful chemicals</div> <div>- Replacing materials with eco-friendly ones, developing green technologies, and obtaining certification</div>	<div>- 100% recycled water resources</div> <div>- Reduction in usage</div> <div>- Securing purification technology and infrastructure</div>

### DRB’s environmental management policy

Under the recognition that various environmental problems arise during corporate business activities, DRB has set the development of improvement measures as one of its main management tasks. In addition, we have established and declared a green management policy that stipulates our commitment to environmental management. If our environmental policy conflicts with local laws, we apply more stringent standards. In addition, in order to respond to the rapidly changing business environment and satisfy the diverse requirements for environmental management of all stakeholders, including major customers, we continuously update our environmental management policies and decisions and report them to the ESG Committee under the Board of Directors.

#### DRB’s Green Management Policy



DRB considers the protection of the global environment and response to climate change as the main agenda of its management activities and carries out the following to create a sustainable, low-carbon, eco-friendly economy as a corporate citizen that mutually grows with society:

1. DRB leads the response to climate change based on the green management strategic system and lays the groundwork for green management.
2. DRB recognizes the importance of protecting the global environment and minimizes greenhouse gas emissions from products and services while making efforts to protect water resources, preserve marine ecosystems, secure forests and biodiversity, reduce air pollution, limit hazardous substances and waste, and increase energy savings and recycling.
3. DRB adheres to international environmental initiatives, international standards (ISO), and environmental laws and regulations of major countries at home and abroad, establishes internal standards that are stricter than legislation, and further enhances them to global standards.
4. DRB provides differentiated value to customers by operating a system that is eco-friendly and lowers environmental strain throughout the whole business process.
5. DRB organizes a company-wide environmental management system and conducts regular inspections and diagnosis to offer a pleasant working environment and contribute to its continued growth.
6. DRB faithfully executes its corporate social duties by actively assisting its external suppliers and local communities in the execution of green management enhancement programs and transparently sharing pertinent information with its stakeholders.



# Environment

## Green Management

### Internalization of environmental management

#### Formation of the DRB environmental management organization

DRB has built an environmental management governance framework, which includes an environmental management committee, an environmental management organization, and environmental managers.

#### Environmental Management Committee

DRB regularly holds the Environmental Management Committee, which consists of environmental departments at domestic and overseas affiliates and all business sites, to address important environmental management issues, such as revising environmental management policies, responding to climate change, setting carbon neutrality goals, planning mid- to long-term environmental investment, determining key environmental management tasks, and making announcements of relevant outcomes. The results of the Environmental Management Committee meetings are reported to the CEO of each corporation and the ESG Committee within the Board of Directors, and key decisions regarding environmental management are made by resolution of the Board of Directors. In addition, through the Environmental Management Committee, we proactively explore ways to address risks by identifying environmental issues of various stakeholders from the business planning stage, and we manage related issues by unifying the reporting system with the Environmental Management Committee, which has decision-making authority at the C-Level, at the center.

#### Environmental management organization

DRB administers the Environment & Safety Team, a dedicated environmental management organization for each domestic and overseas affiliate and business site. The Environment & Safety Team, comprised of experts in various environmental fields such as water quality, air, chemicals, and waste, works with related departments to establish and operate an environmental management system as well as prepare to obtain permits for the installation and operation of environmental facilities. Furthermore, this team performs all environmental management activities organically, such as protecting and restoring environmental capital, managing pollutant emissions generated during business operations, identifying and improving environmental risks, sharing and disseminating environmental management, accepting and processing environmental-related grievances, and other external cooperation activities.

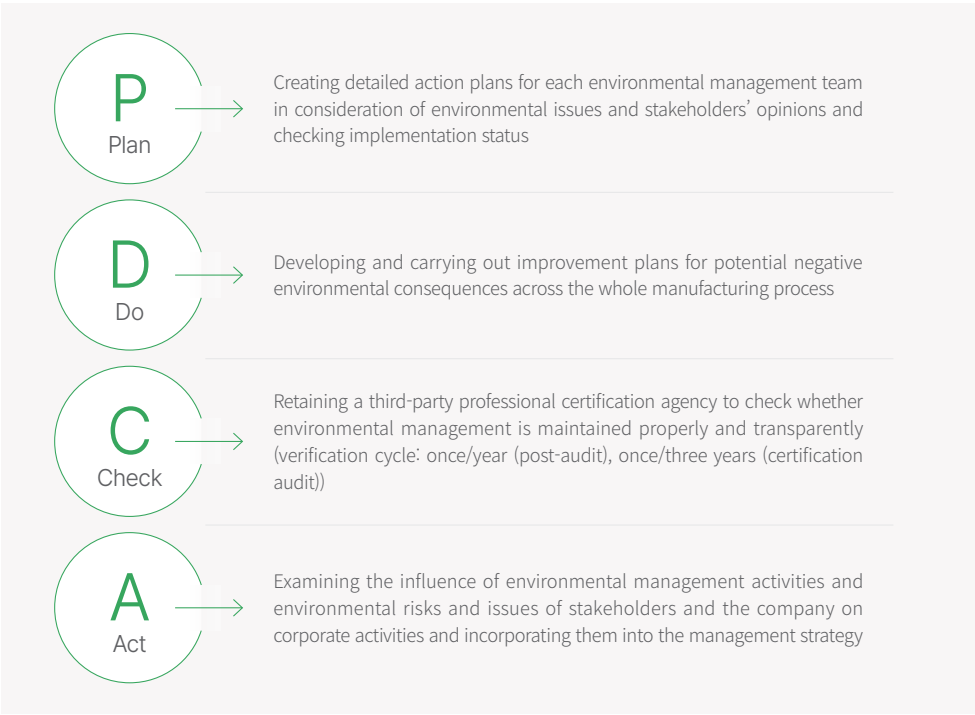
#### Strengthening environmental impact and risk management

DRB recognizes and works hard to reduce any environmental effects of all production processes, from raw material procurement to product completion. In addition, in order to prevent and remove major compliance risks related to the environmental domains, such as global environmental agreements, laws,

policies, and systems, we establish annual goals, monitor progress on an annual and semi-annual basis, and report the performance and results to the CEO and Board of Directors, respectively. In addition, we investigate the demands and challenges of internal and external stakeholders, such as employees, civil society, and customers, as well as significant environmental factors, make corrective plans, and execute them to enhance the environment.

#### Environmental management operation system (ISO 14001)

DRB is currently carrying out the following major activities as a process each year in accordance with the PDCA Cycle, which consists of four phases:



# Environment

## Green Management

In addition, DRB has acquired ISO 14001 (Environmental Management System) certification by securing an environmental management system that satisfies international standards. We are examining the status of environmental management and assessing performance against the certified system.

ISO 14001 certification status

Corporation name	Business site	Certification validity period	Scope of certification
DRB Industrial Co., Ltd.	Busan plant	December 11, 2021 - December 10, 2024	Design, development, and production of power transmission belts, conveyor belts, plant, rubber tracks, industrial rubber products, rubber products for civil engineering & construction and rubber products for rolling stock
DRB Automotive Co., Ltd.	Yongsan Plant	May 12, 2022 - May 11, 2025	Design, development, production and servicing of rubber products (weather strips) for automobile
Qingdao Dongil Rubber Belt Co.,Ltd.	Qingdao Plant	December 2, 2022 - December 3, 2025	Manufacture of adhesive tapes (vehicle V belts, cut edge V belts, rappel cloth belts for power transmission), rubber tracks, and related business activities
Dongil Rubber Belt Slovakia, s.r.o.	Slovakia Plant	January 20, 2021 - January 19, 2024	Manufacture of automotive rubber products (weather strips)
Dongil Rubber Belt Vietnam Co.,Ltd.	Vietnam Plant	March 26, 2022 - March 25, 2025	Manufacture and sales of rubber conveyor belts and rubber tracks for industrial machinery

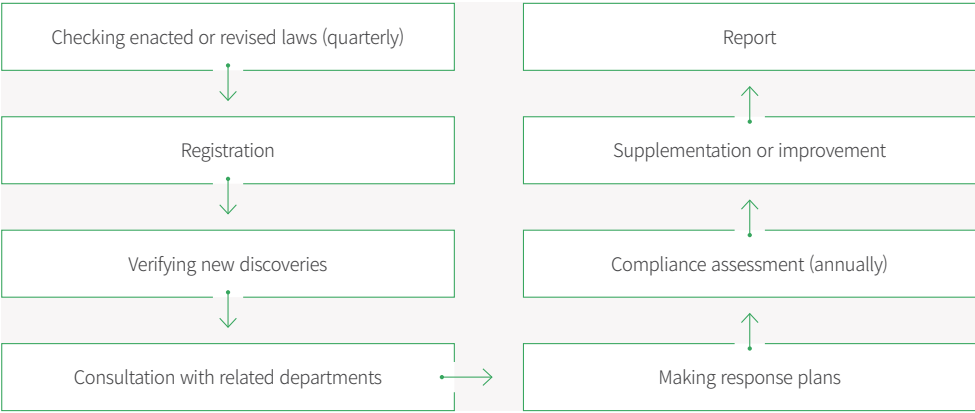
### Assessment over the entire processes

To reduce environmental effects, DRB assesses the full lifetime, from product manufacture and distribution to use and disposal, in accordance with the responsibility precept. During this assessment, the environmental strain on air, water, and soil and the management status of chemicals and waste are extensively studied, and the results are transparently disclosed. Based on the evaluation results, we are also putting forth our best efforts to produce more environmentally friendly products.

### Establishment of a compliance risk management framework

To ensure compliance with environmental laws, DRB has built an internal law and regulatory management process in which newly enacted and amended laws are studied and registered on a regular basis, and compliance evaluations are undertaken. When a new risk is detected, we work with relevant city departments ahead of time to develop and report a response plan and respond preemptively by taking supplementary or improvement measures for shortcomings.

DRB environmental compliance risk management process



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# Environment

## Green Management

### Strengthening communication with stakeholders

DRB works hard to detect and handle significant environmental issues by maintaining constant communication with stakeholders. We actively cooperate with audits and monitoring by various stakeholders, such as the government, local governments, and private organizations; minimize our environmental impact by applying internal standards that are stricter than legal standards; and transparently disclose our major environmental management achievements.

### Employees

DRB actively implements green management, with the goal of conserving the global environment and creating a healthy society for humanity as its top priority. DRB is engaged in a variety of preventative efforts to raise the level of environmental awareness among all employees and reduce environmental dangers. We also provide training programs to help people in charge of air pollution, water quality, waste, chemicals, soil management, energy reduction, and climate action improve their skills.

### Raising environmental awareness

DRB communicates regularly and provides education to its employees to enhance their understanding of environmental management. Specifically, we are offering special lectures on the climate crisis and the role of companies by inviting experts from related organizations, such as Greenpeace.



CAA completion ceremony

People in charge of climate change response and greenhouse gas emission management from DRB Holding and DRB Industrial attended an environmental working group meeting hosted by UNGC Korea to learn about changes in global environmental regulations and the best practices of domestic companies' response measures. DRB also took part in the 2022 Climate Ambition Accelerator (CAA) program. As a result, we familiarized our employees with the Net Zero Standard and GHG protocol, benchmarked best practices of SBTi participation by domestic and foreign companies, and obtained an opportunity to build step-by-step emissions management scenarios and an emissions management model across the value chain.

### Resource recycling campaign

DRB Holding, DRB Industrial, and DRB Automotive ran various campaigns such as making vases or pots out of waste (waste glass, waste wood, and waste scrap), succulent pots and soy candles out of coffee grounds (coffee grounds left over after extracting espresso from coffee beans), and no leftovers to promote the importance of resource recycling to our employees. In 2022, each department participated in a 'plogging challenge' to pick up trash around the business site in order to raise employee awareness of biodiversity and waste disposal. We also increased awareness among our staff by running a toilet water-saving campaign.



Plogging challenge



One-day class



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## Green Management

### External suppliers

To control supply chain environmental hazards, DRB executes education for external suppliers on waste management, chemical handling, energy reduction, and climate action. Furthermore, we help external suppliers enhance their environmental management capabilities and give external suppliers with great environmental management evaluation results an incentive throughout the procurement process.



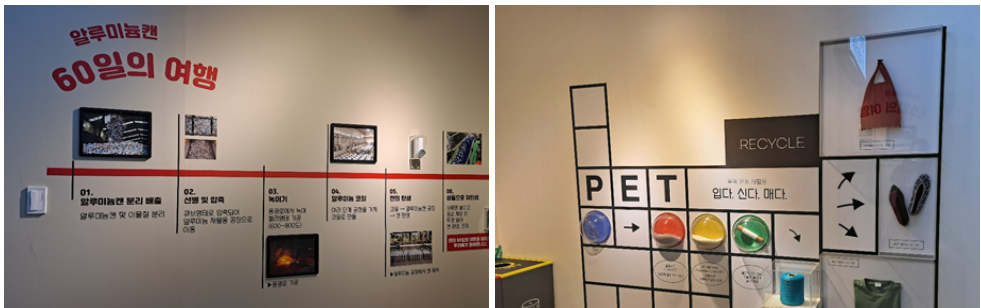
Environmental due diligence and training for external suppliers

### Government and civil society

DRB collaborates with the national government and civil society to preserve the environment of local communities and contribute to the promotion of sustainable business.

### Installation of a plastic-free environmental booth

DRB Holding and DRB Industrial signed an MOU with the Busan, Ulsan, and Gyeongnam headquarters of the Korea Environment Corporation for resource recycling and a sustainable environment in 2021 and is also actively driving the development and distribution of resource recycling education programs for future generations. To be specific, in 2021, we participated in a resource recycling education program for future generations, such as building a plastic-free environment booth at an elementary school in Busan. In this program, children earn points by putting discarded plastic in the booth, and the points they earn may later be used to purchase products. This experience gave children a favorable outlook on environmentally beneficial activities while also raising their awareness of separate waste collection and recycling.



DRB's environmental booth

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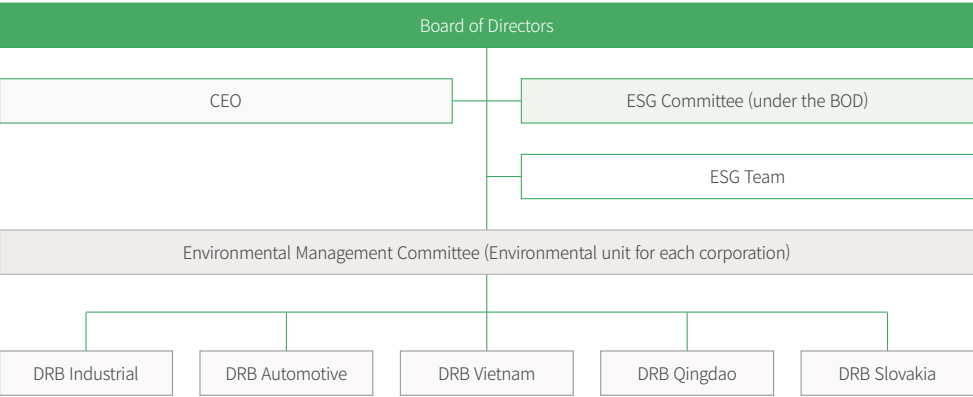
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## Response to Climate Change

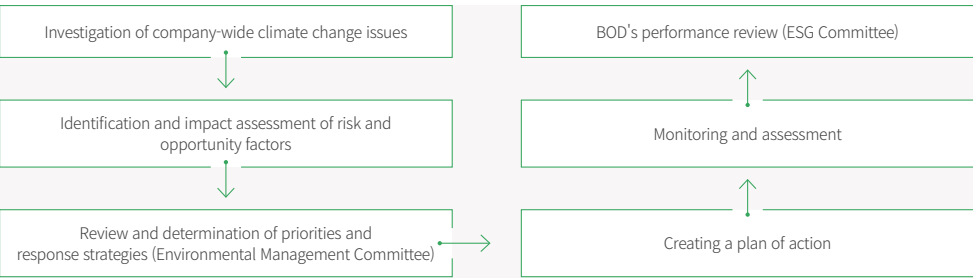
### Governance for the response to climate change

DRB acknowledges the urgency of reacting to climate change and is working tirelessly at the corporate level to find a strategic solution. We have formed an Environmental Management Committee and an ESG Working-Level Council to develop a comprehensive climate change response strategy and to examine our risk management system on a regular basis. Furthermore, a strategy to minimize greenhouse gas emissions is devised, and related actions are monitored on a regular basis, with the results reported to each corporation's CEO and the ESG Committee of the Board of Directors. Based on these findings, the Committee develops strategic methods and improvement plans, such as mid- to long-term plans and workplace carbon emission reductions. As such, DRB is looking for diverse approaches to successfully responding to climate change.

DRB's governance for the response to climate change



DRB's process of developing a climate change response plan



### Goals and strategies for responding to climate change

#### Goals of the climate change response

DRB has set a target of becoming carbon neutral for all domestic and international affiliates and business sites by 2050. In addition, we have declared our carbon neutrality goal and implementation strategy to all stakeholders, including domestic and foreign employees, customers, and external suppliers, in order to express our resolve to accomplish our goal. DRB Automotive, DRB Slovakia, and DRB Qingdao have also constructed air pollution control facilities and are developing and executing specialized renewable energy conversion plans in order to achieve carbon neutrality by 2045. Based on these efforts, DRB has devised a progressive reduction plan to cut workplace carbon emissions by 30% by 2025 compared to 2020 and 50% by 2040, with a 15% increase in the usage of renewable energy by 2030.

DRB's sector-specific plans for the response to climate change

	2023	2024	2025	2030	2040	2050
Operation	Declaring carbon neutrality (joining SBTi)	RE100 Ready for participation	SBTi Verification of target	SBTi, RE100 Managing goal attainment and reporting performance		Achieving carbon neutrality
Supply chain	Developing a supply chain management system, providing training and supporting	Assigning reduction goals to external suppliers	Managing the carbon reduction performance of external suppliers Promoting low-carbon raw material purchases			Achieving carbon neutrality
Product	LCA pilot operation	LCA expansion and internalization	LCA advancement (transition to low carbon, green products)			Achieving carbon neutrality

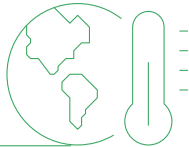
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## Response to Climate Change

### Climate change risk management

#### Climate change risk management system

DRB manages risks in a total of four stages, beginning with climate change risk assessments and ending with response and improvement. We review the results from regular risk analysis, incorporate them into our management strategy, and review the performance and improvement plans in connection with specific risk management activities.



#### DRB Climate change risk management process



### Scenarios of the responses to climate change



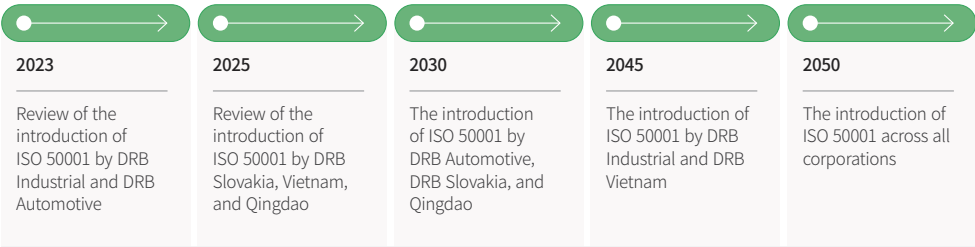
DRB clearly understands the need to reduce global temperature rise to 1.5°C and respond to climate change. In order to identify and evaluate the impact of climate change on the company's growth path, we intend to actively utilize the IPCC 1.5°C Special Report and 1.5°C Climate Change Response Scenario for risk and opportunity analysis.

IPCC 1.5°C Special Report

### Development of the energy management system

DRB intends to build an energy management system to efficiently control greenhouse emissions and energy. We are working to obtain ISO 50001 (Energy Management System) certification by first implementing scientific energy-saving and efficiency-improvement strategies at DRB Industrial and DRB Automotive. Based on this, we will work relentlessly to adapt to climate change and eventually realize our aim of improving sustainability.

#### DRB's roadmap for acquiring ISO 50001





# Environment

## Response to Climate Change

### GHG and energy management

#### GHG emission management

Since 2019, DRB Holding, DRB Industrial, DRB Vietnam, DRB Slovakia, and DRB Qingdao have monitored energy usage and greenhouse gas emissions by business site, facility, and instrument, and DRB Automotive has measured energy usage and greenhouse gas emissions since May 2022, when the corporate division was implemented. Furthermore, beginning in 2023, DRB intends to build its own monitoring system to more systematically control greenhouse gas emissions across the entire company. We plan to leverage this system to digitize emissions management at domestic and global business sites in the course of monitoring emissions more efficiently, checking progress, and making improvement plans for the goal of carbon neutrality.

GHG emssions intensity of DRB from 2020 to 2022



GHG emissions by DRB subsidiaries from 2020 to 2022



\* DRB Automotive was spun off from DRB Holding in 2022

#### Expanding the independent assurance statement on greenhouse gas emissions

Every year since 2021, DRB has carried out the project to determine the greenhouse gas emissions of its domestic and foreign affiliates and business sites. Starting in 2022, we have conducted third-party verification of Scope 1 and 2 greenhouse gas emissions to secure trustworthy data. Furthermore, from 2024, we intend to manage data on all emission sources (Scope 1, 2, and 3) in a comprehensive manner by designating important items relevant to DRB's domestic and international business sites from among the 15 categories of emissions items under Scope 3 (other indirect greenhouse gases emitted from the process of using company-produced goods and services, the process of providing goods and services for the company outside of its boundaries, etc.) and obtaining certification over those endeavors.

#### Strengthening efforts to reduce greenhouse gas emissions

##### Introduction of high-efficiency and eco-friendly facilities

DRB is working to increase energy efficiency through process improvements and the replacement of inefficient facilities with high-efficiency ones. Notably, we are minimizing our reliance on fossil fuels by recycling waste heat from the production process at both domestic and overseas business sites. As part of its energy-saving initiatives, DRB Industrial replaced its outdated air dryers. Furthermore, in 2021, we replaced all dryers in the compressor room during the course of the year, resulting in lower power costs in 2022.

#### Increasing the usage of alternative and renewable energy

DRB is expanding its solar power production facilities in order to increase the use of clean, renewable energy at its business sites at home and abroad. DRB Qingdao completed the building of solar power-generating facilities in 2022, and DRB Automotive and DRB Industrial are also developing plans to use renewable energy, including solar power generation, at their respective business locations. These approaches are intended to reduce power purchases while also reducing indirect greenhouse gas emissions (Scope 2).

#### Professional training in the management of greenhouse gas emissions

Starting in 2021, DRB Holding, DRB Industrial, and DRB Automotive will provide field managers with training on greenhouse gas emissions calculation techniques and reduction procedures in order to more effectively cut greenhouse gas emissions at their workplaces. In addition, we retained an external consulting firm to provide a variety of training programs that deliver expertise, such as other companies' reduction cases, reduction methodologies, feasibility reviews of internal reduction plans, calculation of carbon emissions by emission source, as well as practical information on GHG protocol and establishing guidelines and procedures for greenhouse gas reduction. We intend to expand this training program to persons in charge of climate change response at overseas corporate sites beginning in 2023.

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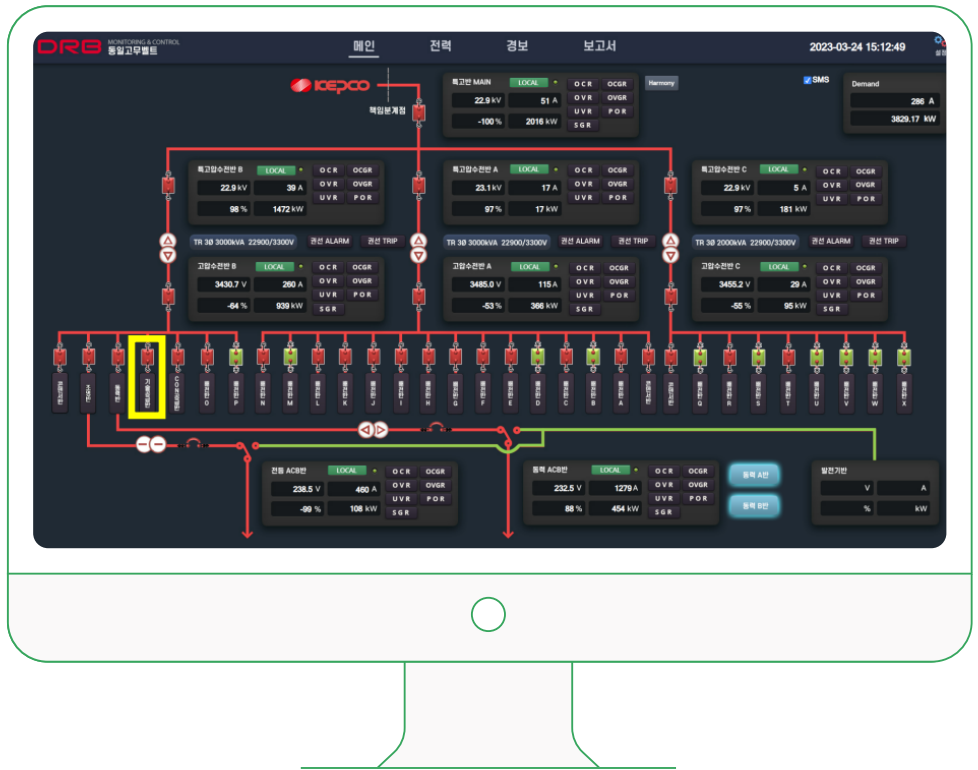
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Response to Climate Change

Construction of a smart factory

Building a smart factory is one of DRB's key environmental management strategies, and DRB is constantly improving its systems to reach this aim. Smart Factory enables real-time monitoring of energy usage in the context of climate change response, real-time connectivity of all production-related resources within the workplace, and data analysis to create an optimum production environment. Furthermore, by determining optimal operating conditions, we may not only boost manufacturing yield but also help reduce greenhouse gases by reducing energy consumption.

DRB Industrial energy management system



Global initiative

CoREi (RE100)

In 2022, DRB Holding and DRB Industrial joined Corporate Renewable Energy Initiative (CoREi). This initiative, which is also supported by UNGC Korea, the World Wildlife Fund, the Korea Sustainability Investing Forum, and the Korean Society for New and Renewable Energy, aims to strengthen corporate renewable energy capabilities and create a policy environment conducive to increased renewable energy procurement.

CoREi's major activities

Purpose	Main activities
Perception improvement and capability enhancement	<div>Raising awareness among corporate executives</div> <div>Organizing corporate seminars and study groups</div> <div>Developing a channel to share activities between companies</div> <div>Publishing guidelines related to the expansion of renewable energy</div>
Creation of a policy environment that encourages the purchase of renewable energy	<div>Communicating principles for renewable energy procurement</div> <div>Establishing communication channels between major stakeholders, such as companies and governments</div> <div>Hosting a forum on renewable energy procurement policy in collaboration with the National Assembly</div>
Assistance for the development of corporate renewable energy targets	<div>Holding individual meetings to aid in goal-setting</div>

SBTi



DRB Industrial plans to join the Science-Based Targets Initiative (SBTi) within 2023. SBTi is an initiative that verifies and certifies whether the company's greenhouse gas reduction goals in response to climate change are scientifically reasonable and sustainable. It enables businesses to undertake sustainable management and solve global climate challenges, thereby speeding up practical actions. DRB Industrial intends to join SBTi in reporting the status of 2050 carbon neutrality implementation and improvement tasks, as well as to disclose to all stakeholders, including customers, its science-based mid- to long-term greenhouse gas emission reduction and renewable energy conversion strategy.

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# Environment

## Resource Recycling and Management of Environmental Impact

### Atmospheric environment management Atmospheric environment management activities

DRB’s domestic and overseas affiliates and business sites are reducing air pollutants and greenhouse gas emissions by enhancing processing facilities and substituting clean fuels for conventional fuels. Furthermore, we regulate air pollutants and greenhouse gas emissions in accordance with internal standards that are more stringent than the legal standards of the country in which each corporation is located, and we are developing and executing plans to reduce air pollutants and greenhouse gas emissions. Furthermore, DRB measures and maintains the final exhaust gas concentration through a professional organization at least once a month. DRB Industrial and DRB Automotive examine air pollution emission and prevention facilities at least once a day, with the internal objective of reducing emissions by 5% per year. Problems (e.g. hood and duct damage, abnormal noise generation, blower belt abnormality, internal pressure abnormality of prevention facilities, etc.) discovered in the process are remedied, and pollutant treatment consumables (activated carbon, bag filters, demister filters, etc.) at each preventive facility are changed on a regular basis to maintain normal air pollution treatment efficiency. Furthermore, DRB performs a semi-annual self-inspection of all preventive facilities and continually checks whether the treatment and discharge of air pollutants are in accordance with regulatory norms.



Waste gas incineration equipment

### Achievements in atmospheric environment management activities

DRB increased the effectiveness of the pollutant treatment process in 2022 by replacing aging air pollution prevention facilities at domestic and overseas business sites. Furthermore, for business sites requiring production line expansion, an environmental impact assessment was performed prior to expansion to calculate the amount of air pollutants generated in advance, and additional air pollution prevention facilities were installed to prevent any environmental issues. DRB Industrial upgraded its waste gas incineration equipment (RTO) in 2021 to meet the tightened air pollution emission standards in 2021 and has been setting and monitoring internal standards that exceed the legal emission standards since 2022. In addition, starting in 2020, DRB has completely converted oil-based solvents used in the product manufacturing process to water-based solvents in order to reduce air pollutant emissions, as well as expanded environmental protection facilities such as odor reduction facilities (thermal storage combustion devices) and air pollution emission prevention facilities (dust collectors). DRB Automotive partially replaced the outdated equipment of the mixing process filtering dust collector in 2022. As a result, the dust collection and treatment efficiency of particulate pollutants such as carbon powder generated during production increased. The total amount of fine dust created was 0.8 tons less than the previous year (1.42 tons), and the fine dust concentration also decreased by 0.53 tons/Sm<sup>3</sup> from 2.23 mg/Sm<sup>3</sup> in 2021. In addition, DRB has developed and applied technology to replace oil-based solvents containing large amounts of volatile organic compounds (VOCs) used in existing manufacturing processes with water-based solvents without additional VOCs, successfully reducing total hydrocarbons (THC) by more than 90%. We are also actively supporting external suppliers to build prevention facilities for each air emission material in an effort for mutual growth and mutual development. While simultaneously decreasing air pollution emissions, DRB is also seeking to reduce odor, taking into account the unique characteristics of the rubber product manufacturing industry. DRB Automotive is partnering with Yangsan City Hall to install automatic odor measurement equipment at business site borders and key outlets in order to limit odor emission concentrations and comply with legal standards beginning in 2022.



# Environment

## Resource Recycling and Management of Environmental Impact

### Water resources management and wastewater treatment

#### Water quality management

DRB is protecting water and improving its quality by creating and executing specified actions such as reducing water use, 100% recycling, and securing wastewater purification technology and infrastructure. When new pollutants are discovered, we conduct cause analysis and risk assessment to establish an appropriate response system. In order to comply with legal regulations, we make sure to immediately report or obtain permission in the event of any change. In addition, DRB Industrial and DRB Automotive conduct regular monitoring of pollutants and resolve legal risks by immediately obtaining licenses or permits as soon as new pollutants are detected. DRB Industrial requests an external professional organization to measure wastewater, raw water, and discharged water semi-annually, water supply annually, and groundwater triennially, while DRB Automotive requests an external agency to measure wastewater raw water and discharged water twice a year. We have developed our own monitoring system to assess water quality.

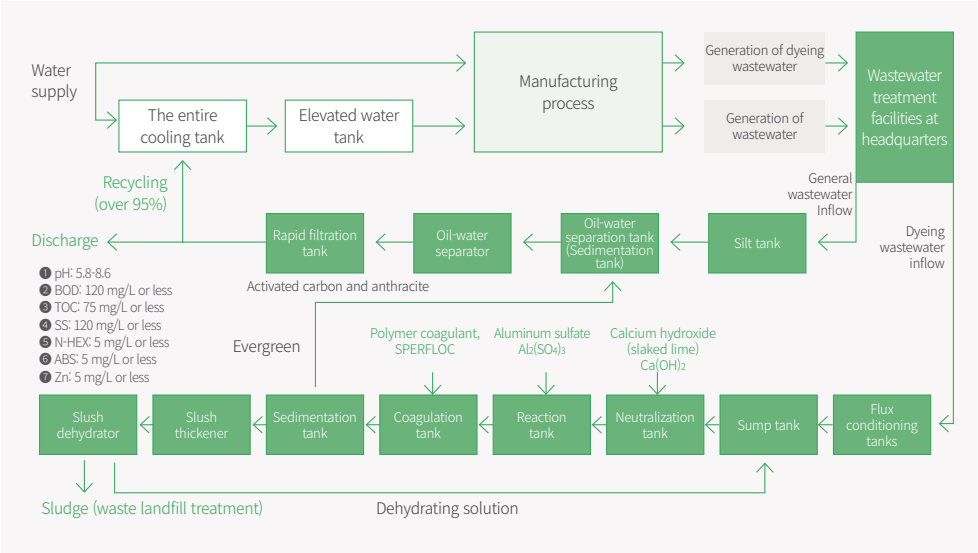
#### Water reuse

DRB works closely with manufacturing process-related departments to reduce excessive water consumption. DRB Industrial and DRB Qingdao have built water reuse facilities and operated processes to expand the use of recycled water, such as washing water, cleaning water, and firefighting water. In this process, the water used in the process is collected and reused to reduce water usage and boost the water recycling rate. DRB aims to gradually expand its water recycling corporation in the future with the aim of increasing the company-wide water recycling rate to 100%.

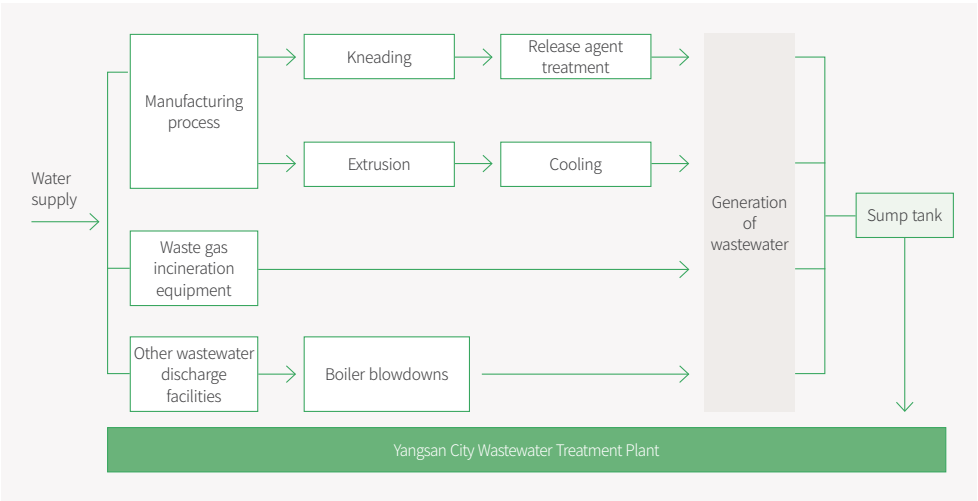
#### Wastewater management

DRB’s domestic business sites use water supply as their primary water source, and DRB Industrial recycles more than 95% of the wastewater generated from the production process after physically or chemically treating it through a wastewater treatment plant installed at the headquarters. DRB Automotive gathers wastewater in a water sump and sends it to Yangsan City’s wastewater treatment facility for treatment.

DRB Industrial’s wastewater treatment schematic diagram



DRB Automotive’s wastewater treatment schematic diagram



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## Resource Recycling and Management of Environmental Impact

### Reduction of soil pollution Soil environment management activities

DRB is working to prevent soil contamination at domestic and overseas affiliates and business sites. In particular, we continuously monitor the potential soil contamination risks during the manufacturing process to contribute to global environmental conservation and the protection of local ecosystems. DRB Industrial and DRB Automotive comply with the Soil Environment Conservation Act, regularly request a third-party professional agency on a regular basis to conduct soil contamination and leakage tests focusing on hazardous chemical storage at the workplace, and maintain the test findings for an extended period of time. Improvement plans are made for concerns identified through inspection results, and other findings are integrated into the environmental management goals for the next year. We regularly monitor the soil environment by examining leaks of waste oil, chemicals, and other variables that may cause soil contamination. DRB Industrial and DRB Automotive sites were found to be permissible for all test items, including benzene, toluene, and total petroleum hydrocarbons (TPH), in a soil contamination test in 2022.

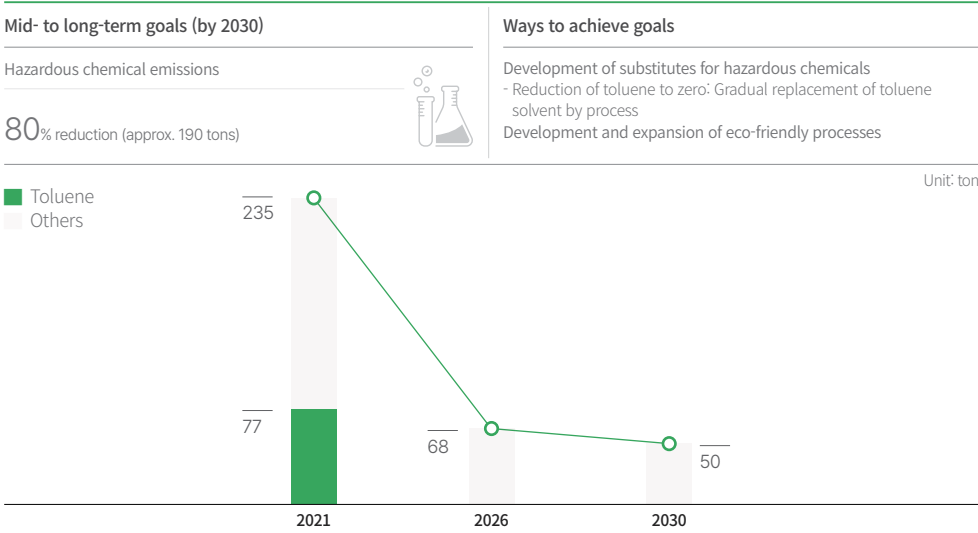
### Hazardous chemical reduction and conversion to eco-friendly raw materials

DRB abides by Korea’s Occupational Safety and Health Act and the Chemical Substances Control Act, as well as worldwide legislation, standards, and initiatives pertaining to hazardous chemicals. We proactively develop and apply alternative substances before regulations on hazardous substances banned at home and abroad take effect, and we prohibit the use of high-risk substances based on stricter standards than the ELV and REACH regulations of the European Union, which take initiative in regulating hazardous substances.

### Goal for hazardous chemical compound reduction

DRB has set a target of transitioning to a circular economy and green industry in all its domestic and overseas business sites, including affiliates, by 2022 in order to adapt to climate change and achieve eco-friendly management. DRB’s mid- to long-term goal for the circular economy is to enhance the use of recycled raw materials such as recycled carbon and recycled EPDM and further develop them in order to raise the usage of recycled raw materials to 13% by 2030. In particular, we aim to minimize the quantity of hazardous chemicals used in domestic and international affiliates and company locations by 80% by 2030 by performing research and development to eliminate the use of toluene and expand eco-friendly processes.

DRB’s mid- to long-term goals for hazardous chemicals



### Enhanced chemical management

DRB prevents accidents related to chemical substances by eliminating safety, environmental, and health hazards and risk factors related to chemical substances in advance throughout the entire process, from the introduction, use, sale, and disposal of chemical substances.

DRB’s hazardous chemical management

Management items
• Assuming the responsibility to provide material safety data sheets (MSDS) for chemicals and preparations containing chemicals when purchasing chemicals
• Conducting regular self-inspection activities for hazardous chemical substance storage and storage facilities once a month, in addition to the legal regular inspections required by the country where each business site is located
• Reporting risks and problems that may arise in the process of purchasing, storing, handling, and using hazardous chemicals through off-site impact assessment and risk management plans.
• Complying with the Chemical Substances Management Act’s hazardous chemical handling standards and managing a hazardous chemical handling facility that fulfills these criteria.
• Providing emergency response training at least once a year to improve emergency response capabilities
• Regularly performing chemical-related training, including hazardous chemical substance manager training and chemical safety training, for employees at least once a year

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## Resource Recycling and Management of Environmental Impact

### Conversion to environmentally beneficial raw materials

DRB is committed to environmental preservation and sustainable management, and it is pursuing innovative strategies to replace toluene, a representative hazardous chemical substance. Through active research, we have succeeded in developing the technology to replace the toluene used in the rubber molding process and rubber bonding fluid manufacturing process with eco-friendly materials. We aim to replace toluene with eco-friendly raw materials in all future processes.

### Strengthening the prevention of hazardous chemical accidents

DRB’s domestic and global business sites classify and store chemicals in designated storage locations at the time of their receipt and prepare a monthly usage management ledger to clearly describe usage. To respond to leaks and fire accidents, protective equipment boxes and fire extinguishers are furnished around the storage area, and a locking device is installed within the storage area to prevent unauthorized use by anyone other than relevant employees. DRB Industrial installed an ultrasonic level gauge and overfill prevention alarm device in the underground toluene storage tank to reduce workers’ exposure to toluene and avoid chemical mishaps caused by overcharging. In addition, detection and warning devices have been installed in hazardous chemical repository, storage, and utilization facilities, and containment bumps and catch basins have been placed to minimize damage in the event of a liquid chemical leak. In order to prepare for an emergency in which the human body (eyes, skin) is exposed to hazardous chemicals, DRB has installed emergency shower facilities in each process so that the victim can clean the afflicted region and take emergency measures before being transferred to the hospital.



The ultrasonic level gauge and overfill prevention alarm device installed in the toluene storage tank

### Education on chemical substances

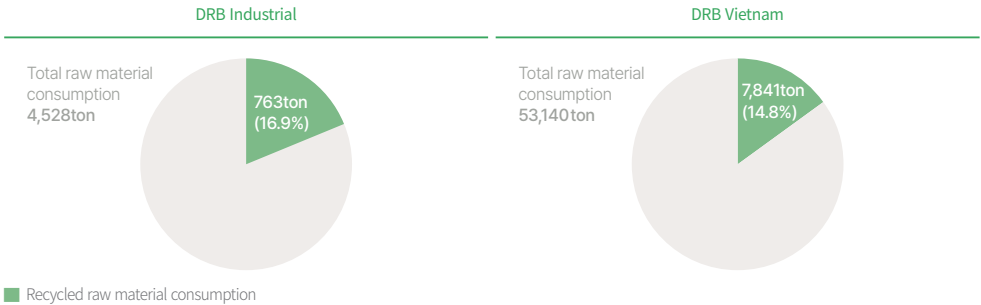
DRB provides safety training for chemical use departments, handling staff, and managers. Every year, DRB Industrial and DRB Automotive provide statutory hazardous chemical safety training, such as hazardous chemical safety training (courses for technical personnel managers and handling staff) and training for workers at workplaces handling hazardous chemical substances. Additionally, for the safety of workers, we provide guidance on how to wear protective gear.

### Use of raw and subsidiary materials

#### Expansion of use of recycled raw materials and subsidiary materials

To protect natural resources and minimize carbon emissions, DRB is doing research and process restructuring to migrate to sustainable raw materials. We strive to replace existing petrochemical-based raw materials with recycled raw materials, renewable raw materials, and innovative plant-based resources (rice bran-based silica, bio-oil, etc.) while minimizing new raw material acquisitions through effective raw material utilization management. At the same time, we are working on developing technology and processes to reduce the waste rate of the product itself. We specifically limit the amount of new emulsion input by preventing emulsion used during product manufacture from scattering and decreasing losses therefrom. Moreover, we reduce the quantity of raw materials required in numerous processes, from manufacturing to shipping, by replacing materials used for product storage with high-strength ones and increasing the frequency of reuses to reduce purchases. DRB Industrial and DRB Vietnam have steadily expanded their use of recycled raw materials since 2020. DRB Industrial, for example, replaced 16.9% (763 tons) of total raw material utilization in 2022, while DRB Vietnam replaced 14.8% (7,841 tons)<sup>1</sup>. As a result, the percentage of recycled raw material consumption increased by about 2% for DRB Industrial and about 2% for DRB Vietnam compared to the previous year (2021). DRB is pursuing product development and domestic procurement of raw materials through joint research with various entities, including other companies within the industry, academic circles, and research institutes, and it will lead the global rubber industry’s eco-friendly transformation and achieve carbon neutrality by increasing the sustainable raw material supply chain.

1. Based on power transmission belts



# Environment

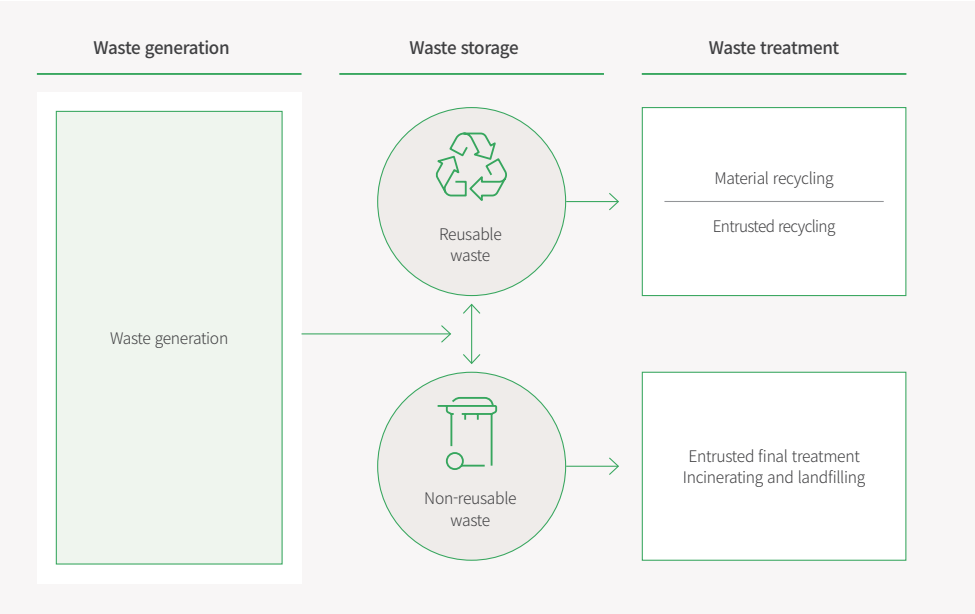
## Resource Recycling and Management of Environmental Impact

### Promoting waste management and recycling

#### Waste management systems and processes

DRB develops a monthly waste disposal plan for the year that outlines projected waste volumes to be created during the construction or expansion of facilities. We also conduct research and implement different waste-reduction strategies, such as enhancing processes, raw materials, and packaging materials. In addition, DRB refrains from landfilling or incinerating waste. We seek to increase recycling rates through contracts with specialized recycling providers, and we are relying on the Korea Environment Corporation's All-Baro system to satisfy our legal reporting obligations on waste disposal. Furthermore, DRB Industrial is studying and developing technology for sustainable resource recycling at its own research institute, such as eco-friendly raw material development and waste reuse, with the goal of increasing waste recycling rates and enhancing recycling processing in the raw material manufacturing process.

Disposal process for waste from the workplace



#### Waste management status

DRB is minimizing package waste and the purchase amount of new packaging materials by collecting and reusing packaging materials used in product shipments at domestic and overseas affiliates and all business sites. Furthermore, R&D is undertaken in the R&D Centers of DRB Industrial and DRB Automotive to enhance the recycling rate of raw and subsidiary materials generated throughout the manufacturing process, which is projected to provide tangible outcomes. DRB Industrial is steadily increasing its recycling rate by identifying and entrusting waste recycling to expert waste recycling firms (Landfill volume in 2021: 27.77 tons → Landfill volume in 2022: 12.24 tons). As a consequence, the total recycling rate in 2022 improved by 2% to 85.64% (1,272.09 tons), and the recycling rate of designated waste with serious environmental impact increased by 15% to 99.45% (21.74 tons). DRB Automotive is increasing the recycling rate of externally processed waste in accordance with the Framework Act on Resources Circulation and the resource circulation performance management system and is dedicated to reducing waste generated from the manufacturing process and increasing the recycled amount. As a consequence, we exceeded the target recycling rate of 85% in 2022, achieving a rate of roughly 98% (1,871.27 tons).





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# Sustainable Management Activities

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# Social

## Human Rights

### Human Rights Management

DRB was chosen as a member of the ‘LEAD Group’ in 2022 Korea Leaders Summit hosted by UNGC Korea. Each year, the UN Global Compact selects 10 leading ESG companies and organizations that have made significant efforts to achieve the Sustainable Development Goals (SDGs). DRB was designated as a leader firm as the sole mid-sized company for its contributions to creating a sustainable management culture and stabilizing ESG management. DRB will fulfill its corporate social responsibility in the future by actively participating in initiatives connected to the UNGC Ten principles and identifying sustainable agendas.

### Establishment of the human rights management policy

DRB aspires to fulfill its responsibilities in society based on its core values of ‘honesty, integrity, and trust.’ DRB has formulated the 2022 DRB Human Rights Management Policy by incorporating respect for human rights and human dignity, which are fundamental to humanity, as the foundation of its management activities.

#### DRB Human Rights Management Declaration



DRB values a responsible mindset toward society based on its core values of ‘honesty, integrity, and trust,’ and in this regard, we strive to implement respect for human rights and human dignity, which are basic human entitlements.

To this end, DRB supports the human rights principles enshrined in the ‘Universal Declaration of Human Rights (UDHR)’ and the ‘UN Guiding Principles on Business and Human Rights (UNGPR)’ and seeks to integrate the resultant ‘UN Global Compact Ten Principles’ into its Human Rights Management Policy.

DRB is working to apply its Human Rights Management Policy to all business sites and employees involved in its business activities across the world and to build and monitor an operational system for its implementation and management of potential human rights risks. Furthermore, we view risks that may result in major human rights abuses as an essential management issue for the company, and thus, we ensure that this policy is communicated to all stakeholders, including customers and external suppliers, who are affected by our management activities. As a company that fulfills its social responsibilities and pursues the happiness of all workers and stakeholders, DRB is contributing to the healthy development of society by adhering to national laws in all environments and respecting and safeguarding human rights.

 Human Rights Management Policy

### Establishment of anti-discrimination and harassment (diversity and inclusion) policies

DRB sets forth the obligation to prohibit discrimination and harassment in Articles 1 (Respect for Human Rights) and 2 (Respect for Diversity and Prohibition of Discrimination) of the Human Rights Management Policy, Article 17 (Personnel Management) of the Collective Agreement, Article 21 (Assignment, Transfer, and Promotion), and Article 77 (Education and Training) of the Employment Rules. Our Employment Rules’ Chapter 13 also addresses the prevention of harassment in the workplace. DRB respects its employees’ diverse backgrounds and values and does not unreasonably discriminate against them on grounds other than work, such as gender, race, ethnicity, nationality, religion, age, marital status, sexual orientation, gender identity, social status, disability, pregnancy, military service status, genetic information, political orientation, or conditions under local law, in order to provide equal opportunities to all. We also make every effort to follow international community agreements (such as ILO conventions 100 and 111). DRB also safeguards our employees against harassment based on inferiority in their status, relationships, etc. In this regard, harassment includes offensive verbal or physical behavior, such as sexual harassment, sexual abuse, violence, or verbal abuse. Furthermore, we track the ratio of cases settled to workplace harassment claims in order to internalize human rights management and policies.

### Stipulation of maternal right protection and work-family balance

DRB incorporates the value of women’s maternity protection and work-family balance into its management through Article 2 (Respect for Diversity and Prohibition of Discrimination) of its Human Rights Management Policy and operates a maternity protection program based on Chapter 5, Section 3 of the Employment Rules. Pregnant female workers are entitled to 90 days of maternity leave, with the duration being extended to 120 days if they are pregnant with more than one child at the same time. Furthermore, following giving birth, a mandatory leave of at least 45 days is provided (60 days if pregnant with more than one baby at the same time). In addition, under the childcare leave program, employees with children under the age of eight or in the second grade of elementary school (including adopted children) are eligible for up to one year of parental leave. There are additional systems in place for infertility treatment leave and menstrual leave, and female employees with infants under one year old can use paid breastfeeding time for 30 minutes twice a day upon application.

### Compliance with and participation in global initiatives

To this end, DRB supports the human rights principles enshrined in the ‘Universal Declaration of Human Rights (UDHR)’ and the ‘UN Guiding Principles on Business and Human Rights (UNGPR)’ and seeks to integrate the resultant ‘UN Global Compact Ten Principles’ into its Human Rights Management Policy. In addition, DRB Holding and DRB Industrial joined the United Nations Global Compact (UNGCR) in April 2021 and are stepping up their efforts to voluntarily adhere to the ten principles in four areas: human rights, labor, the environment, and anti-corruption. In addition, DRB strives to systematize human rights management by collaborating with UNICEF to establish core policies that are consistent with the 10 ‘Children’s Rights and Management Principles’.

# Social

## Human Rights

DRB was selected as an excellent company in the domestic human rights management sector at the 2022 Seminar on Enterprises and Human Rights hosted by the Ministry of Justice under the theme of ‘the role of enterprises in spreading the ESG discussions and domestic measures for implementation of human rights’ and shared the status of its global customer human rights due diligence and response and assessment for ESG in the supply chain. Furthermore, DRB presented its ESG human rights management strategies, policies, and implementation results, as well as best practices of children’s human rights management, at the ‘Child Rights and ESG Seminar,’ a child-friendly corporate forum hosted by the Korean Committee for UNICEF to commemorate the 10th anniversary of the Children’s Rights and Business Principles (CRBP).

### Establishment of an operating system for human rights impact assessment

DRB plans to continuously monitor relevant activities, including identifying the status of the application of human rights management policies at all business sites around the world and establishing an operating system to manage potential human rights risks. Furthermore, we aim to minimize human rights risks by addressing risks that may cause serious human rights violations as important management issues and sharing human rights management policies with all stakeholders, including customers and external suppliers, who are affected by DRB's management activities.

### Increasing education to raise awareness of human rights

DRB Holding, DRB Industrial, and DRB Automotive invited experts from the Korean Committee for UNICEF to increase employees’ awareness of children’s rights advocacy and strengthen the ESG working-level TF’s job competency, and conducted education on the UNICEF Korean Committee’s Children’s Rights and Business Principles (CRBP) for staff in charge of human rights in relevant departments. In November 2022, a total of 13 staff from the human rights-related departments of each corporation attended the education and learned the definition of a child-friendly company, the ten Children’s Rights and Business Issues for Companies, the three stages of implementing the child rights management principles (policy declaration, human rights due diligence, and relief), implementation indicators, and how to use the self-diagnosis checklist. In the future, we plan to revise our policies, procedures, and work manuals based on children’s rights and business principles and select indicators centered on related departments to determine KPIs.

#### Major educational programs on human rights management

Human rights education	Details
Education on the prevention of sexual harassment in the workplace	Elimination of sexual harassment and sexual violence, applicable regulations, etc.
Education on the prevention of workplace harassment	Definition of harassment and discrimination, applicable regulations, preventive measures, etc.
Education for the improvement of the awareness for the handicapped	Definitions and types of handicapped persons, applicable laws and institutional measures, etc.
Business and Child Labor	Education on UNICEF’s Children’s Rights and Business Principles

### Human rights survey and human rights management improvement plan for external suppliers

In 2022, DRB identified potential and actual human rights risks with its external suppliers and monitored and assisted their risk improvement activities. According to the survey, among human rights risk management items, external suppliers’ compliance rates in the areas of social goal management, information protection, health and safety, and labor were high, while compliance rates in the health and safety area were rather poor. To improve this status, we intend to strengthen the human rights management capabilities of external suppliers by presenting a guide on establishing responsible management goals for core social areas (labor, human rights, safety, health, etc.) and providing training for human rights personnel of external suppliers. Moreover, by diversifying human rights management survey methodologies and improving monitoring through questionnaires, we will continually detect and mitigate human rights concerns. Furthermore, in order to comply with ESG management and human rights implementation requirements, training and consulting necessary for developing an industrial accident and disease prevention management system and safety management system will also be offered.

### Human rights risk management in the supply chain

When DRB signs a contract with an external supplier, the supplier signs the ‘Code of Conduct for Social Responsibility of External Suppliers.’ Furthermore, we manage external suppliers’ human rights risks in accordance with Article 5 (Protection of Human Rights) of our Code of Conduct.

### Prohibition of child labor

DRB and all its external suppliers comply with applicable regulations regarding the employment of young people. When hiring minors, we follow appropriate procedures in accordance with domestic laws (the Labor Standards Act) and international conventions (ILO Nos. 138, 182, etc.), including those for ensuring educational opportunities and enhancing safety, and we constantly monitor compliance with laws and regulations. Furthermore, in order to address social issues such as child labor, human rights violations, environmental destruction, and the inflow of funds to conflict organizations during mineral mining in specific countries, such as conflict zones in Africa, Asia, and the Middle East, we examine issues from the timepoint of external supplier’s status check, striving to secure a responsible supply chain. We also review child labor status during the external supplier evaluation process.

### Prohibition of forced labor

DRB bans modern slavery in all supply chains in accordance with Article 3 of its Human Rights Management Policy (Prohibition of Forced Labor). We also require suppliers to prohibit forced labor against an individual’s free will through any types of mental and physical restraint, including slavery, human trafficking, and bonded labor, in accordance with domestic laws (Labor Standards Act), international laws (California Supply Chain Transparency Act, Uyghur Forced Labor Prevention Act, and Modern Slavery Act), and international conventions (ILO No. 29, etc.). In terms of employment contracts, we rigorously adhere to the Labor Standards Act, aim to complete fair and transparent labor contracts, and assist workers in fully understanding the contractual terms and conditions.

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Human Rights

Operation of human rights grievance handling channels and remedy procedures

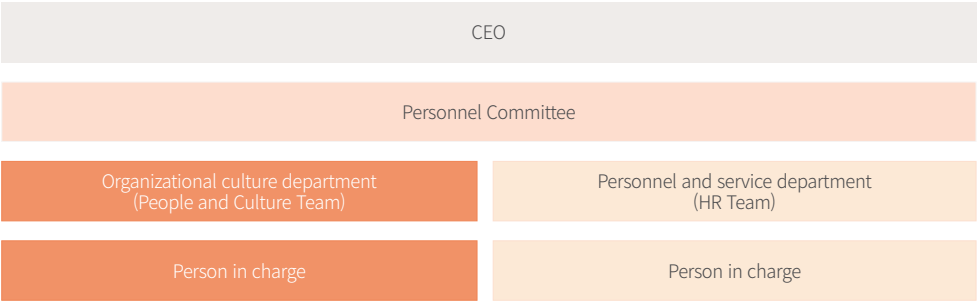
DRB runs DRB Sangdam4u as a grievance resolution channel, allowing employees to report any human rights-related issues that pose human rights risks in the workplace, such as psychological difficulties, sexual harassment, and bullying. Consultation and reporting are available by phone, mobile app, and dedicated website, as well as face-to-face consultation with a licensed counselor. In addition, the operation of the grievance channel is entrusted to a third-party professional organization, ensuring the reporter’s identity and the details of the report are kept confidential. In the event of significant human rights reports, we conduct internal investigations and take appropriate action, such as disciplinary action, in direct collaboration with external labor attorneys.

Major services of DRB Sangdam4u



In preparation for human rights violations, DRB has established an organization (DRB Healthy Workplace Culture Center), reporting channels, and a remedy procedure operation mechanism to safeguard and provide relief to victims. When we receive a complaint on human rights abuses, we verify the facts using our handling processes and, if necessary, we execute extra legal verification procedures with the assistance of relevant agencies. In addition, a personnel committee meeting is held to decide on and implement disciplinary action in accordance with our internal disciplinary procedures. During the investigation process, we take care to guarantee that the identity of the reporter or victim is not revealed and that no personnel disadvantage develops as a result of the report. When workplace harassment is reported, we strengthen preventive measures to ensure that such instances do not reoccur.

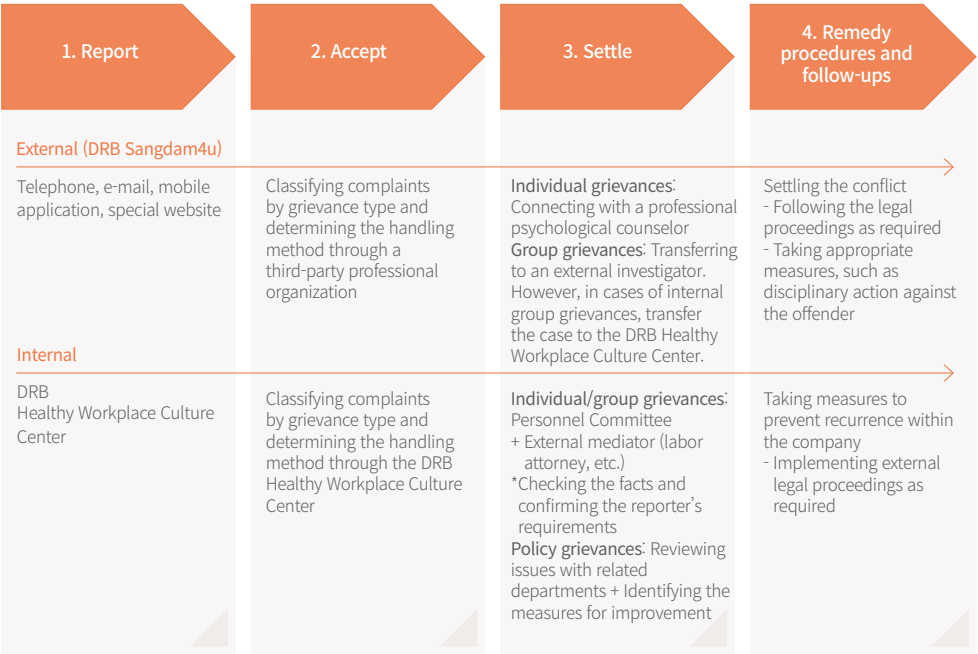
DRB Healthy Workplace Culture Center organizational structure



\* In the event of a group grievance (sexual harassment or harassment in the workplace), one extra employee from the personnel and service department should be appointed.

\* The case handling team must include at least one female employee.

Operational process for reporting, acceptance and remedy



\* In principle, reports of grievances should be made by the employee (person concerned) who has experienced the grievance. However, if the person concerned has given prior consent, a third party may report on his or her behalf.



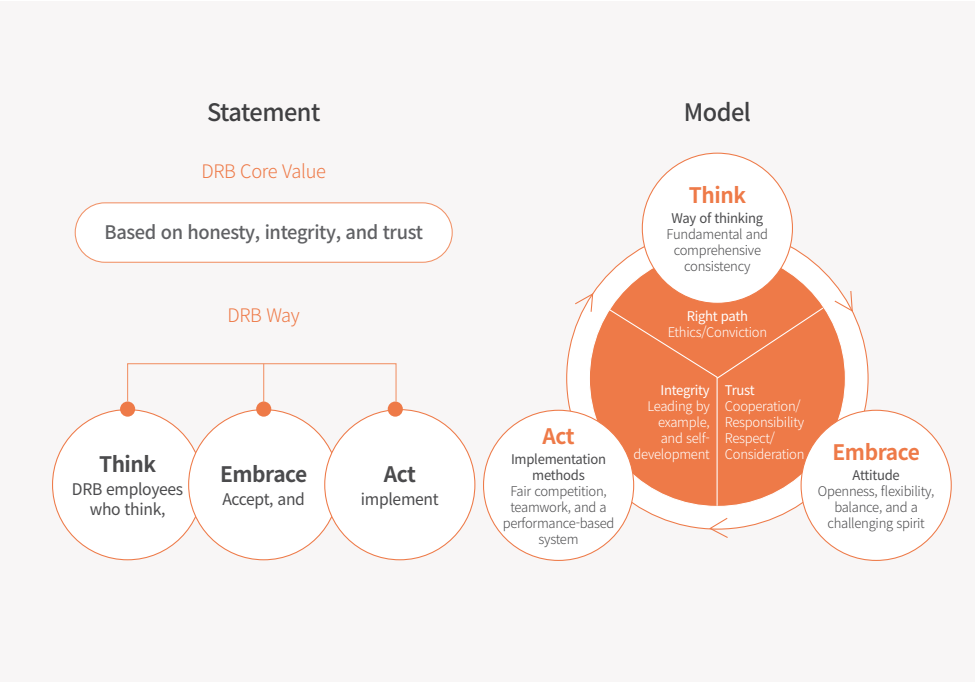
# Society

## Employees

**Talent strategy**

DRB aims for mutual growth with its employees. We are continuously upgrading our personnel system, including operating a self-directed promotion system to strengthen the self-motivation of our employees. In terms of talent development, beyond building a self-directed learning system, DRB will continue to construct a ‘workplace and learning ecosystem tailored to learners.’ In order to realize its core values of ‘honesty’, ‘integrity’, and ‘trust’, DRB highlights ‘driving change’, ‘growing together’, and ‘sense of responsibility’ as essential capabilities and ideal talents’ qualifications. DRB also respects the diversity of talent and does not discriminate against applicants based on gender, age, religion, social status, region of origin, school, marriage, pregnancy, childbirth, or military service status throughout the entire personnel process, including hiring, promotion, and job assignment.

DRB’s core values



DRB’s ideal talent



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## Employees

### Personnel management

#### Talent recruitment

DRB operates the entire recruitment process, from talent recruitment to confirmation of employment, in a fair and transparent manner. Since October 2020, we have adopted AI competency testing in the employment process for all corporations in Korea as well as an objective data-driven competency verification process. Furthermore, based on specific recruiting criteria that match the aim of each recruitment step, we examine not only the applicant's work competencies but also their appropriateness for DRB's core values and organizational culture.



### Evaluation and rewards

DRB's evaluation system, which values collaboration and growth, focuses on providing employees with opportunities for 'growth' through positive and progressive feedback rather than a simple evaluation of performance. Evaluation is conducted in the form of performance evaluation and competency evaluation based on coaching and feedback, and the results of the comprehensive evaluation at the end of each year are determined based on these two evaluations. DRB's remuneration is offered based on fairness and competitiveness and fairly represents the outcomes of individual employees' talents and job performance evaluations.

### Performance evaluation

DRB's performance evaluation is based on a semi-annual target agreement and performance inspection, and each step is complemented by coaching and feedback via interviews. DRB's leaders and team members discuss each other's aims and expectations, and the leader truly works as a facilitator who promotes and supports team members in reaching their goals.

#### DRB performance evaluation cycle



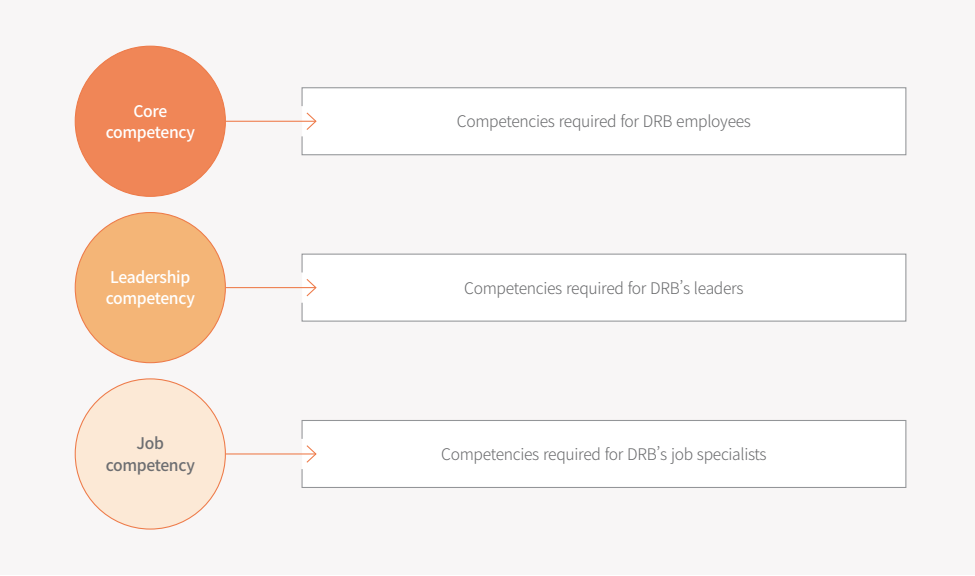
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## Employees

### Competency evaluation

DRB’s competency system is divided into core competencies required for all employees, leadership competencies required for position holders, and job competencies based on job characteristics. Competency evaluations are conducted once a year at a separate time from performance evaluations. In addition, DRB also places emphasis on delivering competency feedback by position holders to develop the common and job competencies of its employees.

### Elements of DRB’s competency evaluation



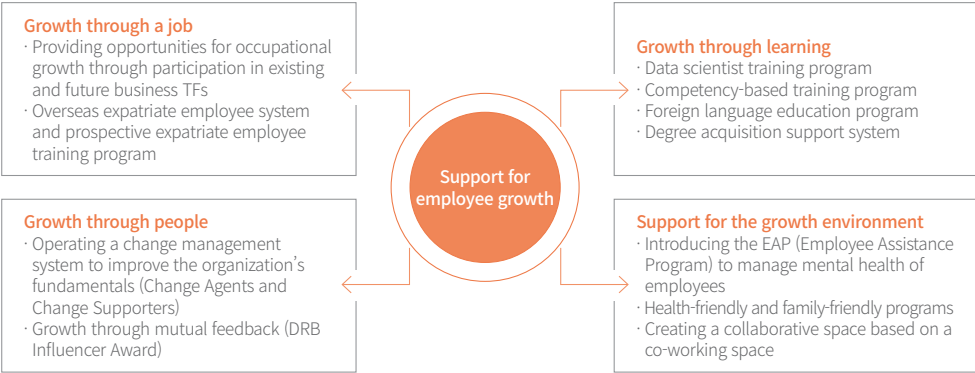
### Talent development

DRB aims to help individuals and organizations grow together through self-directed learning. To this end, we operate a variety of talent development programs to strengthen the core competencies, leadership competencies, and job competencies of our employees based on our company-wide training system.

### DRB’s company-wide educational system

Category	DRB core competency	Leadership competency	Job competency
Executive			
G3/T3	Basic course for new hires (regular/occasional) Job OJT DRB WAY Compliance Global competency	Leadership by hierarchy Promotion course New team leader onboarding Leadership course (Team leader/executive)	Basic job course Advanced job course Prospective expatriate employee course DT (Digital Transformation) Course In-house trainer development course
G2/T2			
G1/T1			

### Support for the growth of DRB employees



# Society

## Employees

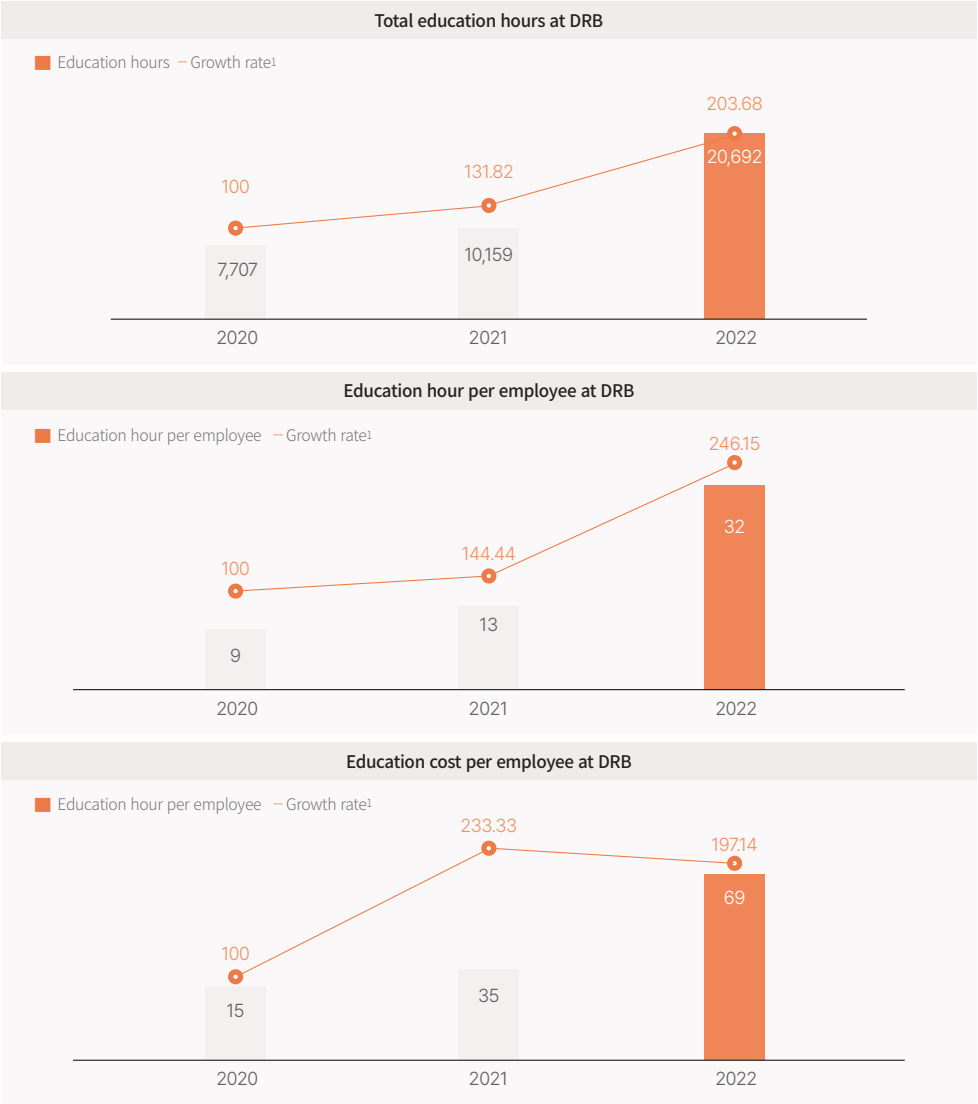
Over the last three years, from 2020 to 2022, DRB consistently saw an increase in total education hours, education hour per employee, and education cost per employee<sup>1</sup>. Total training hours grew from 7,707 hours in 2020 to 10,159 hours in 2021, then more than doubled to 20,692 hours in 2022 after the end of the COVID-19 pandemic. In line with the rise in overall training hours, we increased training hours per individual from 9 hours in 2020 to 13 hours in 2021, and then doubled to 32 hours in 2022. Education costs per employee also increased from KRW 150,000 in 2020 to KRW 350,000 in 2021 and KRW 690,000 in 2022. DRB is dedicated to developing human resources in order to prepare for market shifts and environmental adaptations as a result of the end of the COVID-19 pandemic. We also propose to examine previous education and training outcomes and incorporate the findings into a 2023 education and training plan for more advanced training courses.

1. Relevant corporations in 2020 and 2021: DRB Holding and DRB Industrial  
 Relevant corporations in 2022: DRB Holding, DRB Industrial, and DRB Automotive

DRB’s education hours and costs in 2022

Total education hours	Education hour per employee	Education cost per employee
20,692 hours	32 hours	69 thousand

DRB’s education hours and costs by year



1. 'Growth rate' is the growth percentage compared to the previous year



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Enhancement of core competencies

DRB established a program in 2022 to foster communication between generations and organizations in order to strengthen the employees’ common capabilities and provide an opportunity to understand mutual diversity. In order to strengthen global capabilities, we provide an online language education platform that all employees may freely access, and it is actively used not only by our domestic employees but also by those working overseas who want to study Korean. We are also designing an onboarding system with introductory courses to assist new hires in becoming acquainted with the organization. DRB Industrial and DRB Automotive also offered the ‘Second Act of Life Design Education Course’ to their manufacturing workers subject to the peak wage system. For those who planned to retire, a life planning education program was provided to prepare for retirement and a happy old age, enhancing the chance for future retirees to relieve psychological anxiety and build the ability to adjust to a new environment.

Improving leadership capabilities

In 2022, DRB further strengthened its leadership training system. Executives were given special lessons on change management and improving performance management capabilities. Furthermore, for position holders, a diagnosis based on 16 types of leader behavioral capacities was undertaken, along with opportunities for each individual to discover microlearning and desired action tasks based on the results. We also delivered a leadership course for newly promoted employees to help them appropriately recognize their roles in their new rank and develop the necessary skills.

Strengthening job competencies

In 2022, DRB launched ‘Project Bumblebee’ to expedite digital transformation. The course was designed to foster data scientists by assigning participants problem-solving projects based on Python, data processing, artificial intelligence, and other technologies. Furthermore, participants in the separately operated data analysis capacity-building course (SAS JMP) improved their ability to analyze and improve business issues using big data.

Developing ESG capabilities

DRB conducted ‘ESG leadership training’ for DRB Holding, DRB Industrial, and DRB Automotive. We aimed to assist in the formation of ESG objectives and strategies for each corporation and establishing energy management goals and operating systems, with an emphasis on ESG strategies and disclosures and ISO 50001 training programs. Furthermore, job training was provided in the ISO 50001 training program for 13 employees in charge of the 2022 UNGC CoREi program and those in charge of preparing for CDP/SBTi certification so that field staff could establish energy management goals and implement an operating system by covering topics such as energy management goals, systematization of action plans, monitoring and measurement analysis, calibration strategy, and management review.

Grievance handling

DRB has contact systems in place to gather and handle complaints and suggestions of employees.

DRB grievance handling process

Report/acceptance		Process			Result	
Occurrence of complaints	Receipt of complaints	Individual/policy/group grievance consulting <sup>1</sup>	Internal action or formal procedures	Fact investigation and mediation	Reporting investigation result	Monitoring and follow-up

1. Verifying the reporter's requirements and providing professional consulting if required

Labor-management cooperation

DRB guarantees the freedom of association and collective bargaining of its employees in accordance with Article 33 of the Constitution and the basic labor rights. In addition, our Code of Conduct stipulates that our employees have the freedom of association and to have their interests represented by elected representatives. DRB Holding, DRB Industrial, and DRB Automotive are striving to consolidate a mutually beneficial labor-management culture based on participation, cooperation, mutual respect, and consideration. DRB conducts collective bargaining every year to ensure workers' basic rights such as the right to organize, the right to collective bargaining, and the right to collective action, thereby improving technical workers’ wages and working conditions. Each quarter, DRB hosts a labor-management council involving labor and management representatives to build the cooperative connection between employers and workers, promote worker welfare, and support the company’s healthy development. The council consists of eight employers and worker employees each, and the worker members formally submit labor-management council agenda items on a quarterly basis. The proposed agenda is finalized through consultation between the employer and employees and then announced to all for execution throughout the company.

 Employees Code of Conduct

Welfare

DRB operates a variety of welfare benefits systems, including time flexibility and material and emotional support, to promote work engagement and improve the quality of life of its employees, helping them achieve balance between work and family.

DRB’s welfare system

Work	Commuter bus, in-house restaurant, lounges, etc.
Health	Health checkups, group accident insurance, an in-house gym, counseling services (psychological counseling and coaching), etc.
Refresh	Financial assistance for summer vacation and holidays, support for club activities, corporate discounts on hotels and plane tickets, leisure-friendly programs, etc.
Family	Maternity leave and childcare leave, assistance for entrusted care expenses and children's tuition, congratulation and condolence money, family-friendly programs, etc.

# Society

## Health and Safety

DRB has established a health and safety management system to provide a secure and pleasant environment for all stakeholders, including employees, external suppliers, and customers. We are strengthening our health and safety organization to effectively manage health and safety hazards and risk factors, while also making efforts to implement safe management, such as ensuring fundamental safety at our workplaces, establishing a systematic management system, and fostering a distinct safety culture. In addition, DRB goes above and beyond complying with the relevant laws and stakeholders’ requirements of the country where its business is located to operate a health and safety management system in accordance with its own stricter standards.

### Establishment of the health and safety management policy

DRB gives top priority to the safety of its employees under the belief that their health defines the competitiveness of the company. Accordingly, we established and announced a health and safety management policy based on the management philosophy of respect for people.

#### DRB’s Health and Safety Management Policy



DRB develops a health and safety management system based on the management philosophy of respect for people, offers a safe and pleasant workplace for all stakeholders, including executives and employees, external suppliers, and customers, and engages in numerous health-related activities.

1. DRB builds and implements a health and safety management system in collaboration with its employees to produce an accident-free and pleasant working environment, and it routinely inspects and continually enhances the health and safety activity process and implementation status.
2. DRB strictly complies with all domestic and international laws, regulations, and agreements pertaining to health and safety and does not proceed with work where workers' health and safety are not assured.
3. DRB regularly inspects health and safety factors such as the handling of hazardous chemicals and workplace noise and vibration and thoroughly prepares to respond immediately in the event of an emergency.
4. DRB continuously conducts education and training for effective health and safety management, as well as communicating with stakeholders, in order to promote overall reliability.
5. DRB prioritizes the health of all stakeholders, including customers, executives and employees, and external suppliers, and conducts health management through a people-centered corporate culture.

### DRB’s Health and safety management organizational system

DRB has formed a systematic health and safety management organization to implement its policies and vision regarding health and safety management. Communication and decisions are made based on a structured process, and the information is shared with all employees. Furthermore, in response to rising industrial safety risks and enhanced legal regulations, we regularly inspect the status of health and safety management to ensure that our health and safety management system is embedded in our employees’ safety awareness.

#### Occupational Health and safety Committee

DRB Holding, DRB Industrial, and DRB Automotive each have an Occupational Health and safety Committee, which holds meetings quarterly and is chaired by the health and safety manager (CEO). Employees’ health and safety management requirements are collected on a regular basis through this system, and improvements are brought about through communication and information exchange. Major issues are submitted to the ESG Committee within the Board of Directors for final decisions. We also monitor whether the final decision is systematically executed through a specialized health and safety management organization for each domestic and overseas affiliate and business site.

#### Dedicated organization for health and safety management

For health and safety management, DRB’s domestic and overseas affiliates and business sites designate a health and safety department and a health and safety manager. They carry out all activities related to health and safety management, such as establishing and operating a health and safety management system, preparing for permits and approvals for the installation and operation of health and safety facilities, and managing industrial accidents that occur during business operations.

### Health and safety management system

DRB’s four corporations, DRB Automotive, DRB Industrial, DRB Qingdao, and DRB Slovakia, acquired ISO 45001 (Health and safety Management System) certification based on a health and safety management system that satisfies worldwide standards. Every year, a professional certifying organization performs a post-examination, which assesses the entire content of health and safety management, and we implement improvement measures based on the results. DRB Vietnam plans to obtain ISO 45001 certification in 2023.

# Society

## Health and Safety

### Goals of health and safety management

DRB is stepping up its efforts to reduce internal risks and entirely prevent serious accidents from occurring in order to achieve an accident-free workplace. We build a preventive system by increasing our employees’ safety awareness and guaranteeing process stability. Furthermore, DRB carries out health management with a sense of responsibility for its employees’ health. We will continue to develop a health-friendly workplace with no workers suffering from occupational illnesses by implementing a health management-friendly program based on the construction of a health management system and consulting via periodic exams and job transitions suited to each employee.

DRB’s goals and strategies for safety management.

Harmonizing DRB business and safety and strengthening the ability to execute safety management				
DRB Safety management goals	‘Zero’ serious accident	Enhancing safety awareness	‘Zero’ violation of safety regulations	Developing preventive systems
DRB Safety management strategy	Development of the safety management system	Internalization of safety management	Improving safety management communication	Transforming the safety management business

DRB’s goals and strategies for health management.

Together, DRB becomes healthier.			
DRB Health management goals	Securing sustainable management by preventing disease among employees	Consolidation of the voluntary health management culture through the expansion	Securing systematic health solutions through smart health management
DRB Health management strategy	Establishment of a health management system	Enhancing tailored health care	Securing smart health management

### Health and safety management activities

#### Strengthening the capacity of employees to respond to health and safety

DRB develops health and safety policies, continually trains all employees to follow them, and operates an emergency response system to guarantee that swift action is taken in the case of an accident. Moreover, we perform emergency preparedness training and education based on scenarios for various types of disasters, such as various occupational accidents, fires, environmental accidents, and natural disasters, in order to increase our employees’ emergency response capabilities.

In addition, personalized training is offered to internal employees by class and job function to help them build their safety competencies. In particular, for those in charge of chemical handling, we provide pre-training on the Material Safety Data Sheet (MSDS), which includes information on the hazards and risks of chemicals handled by workers.

Furthermore, DRB Industrial and DRB Automotive offer statutory safety training to their workers and those from external suppliers each year in order to enhance their safety awareness and reduce safety risks. At the same time, we provide separate training on handling hazardous substances to workers of external suppliers.



Emergency preparation training

# Society

## Health and Safety

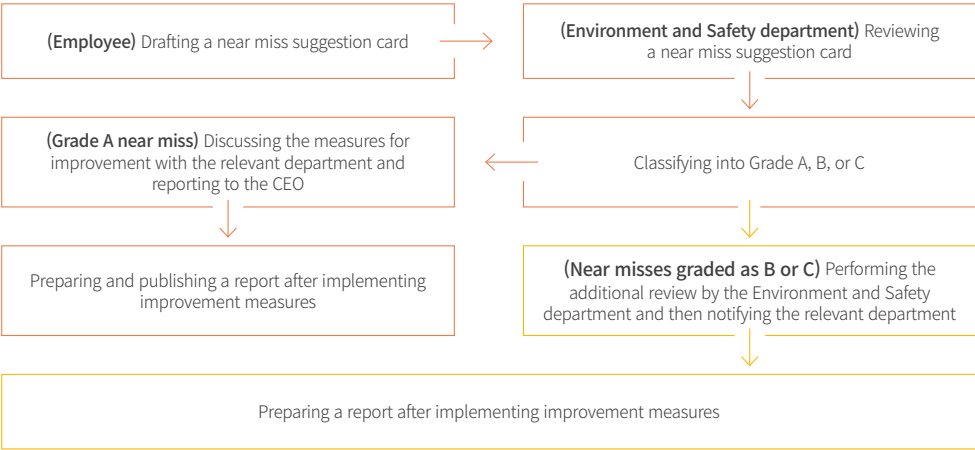
### Accident response process

DRB has built its own accident response procedure to prepare for probable workplace disasters (human-caused accidents, fires, leaks, etc.) and performs emergency response training on a regular basis. Accidents are handled immediately, and the extent of damage is minimized within this framework. To avoid accidents, we make certain that all employees identify and control any dangerous circumstances or behaviors that might result in damage to machinery, equipment, or workers. Furthermore, our company’s near misses are graded A, B, and C to be systemically monitored and prevented in advance, and employees who propose near misses are rewarded to promote proposals.

Accident response process



### Near miss response process



### Grading near misses

Grade	Standards
A	- Matters that are difficult to improve at the department level or affect the entire workplace - Cases where the absence of safety measures may directly lead to a serious disaster or environmental accident
B	- Matters to be improved internally by field workers (Managers) or to be addressed at the department level
C	- Cases where the issues can be addressed by the field workers (Chief Master or Master) and the relevant workers take action on their own

### Implementation of risk assessment

DRB improves the safety of facilities in operation by conducting risk assessments and removes root causes of risk factors through inspections. DRB Industrial and DRB Automotive perform risk assessments involving all department personnel at least once a year. For safety management, required changes discovered through risk assessment are implemented horizontally to all departments.



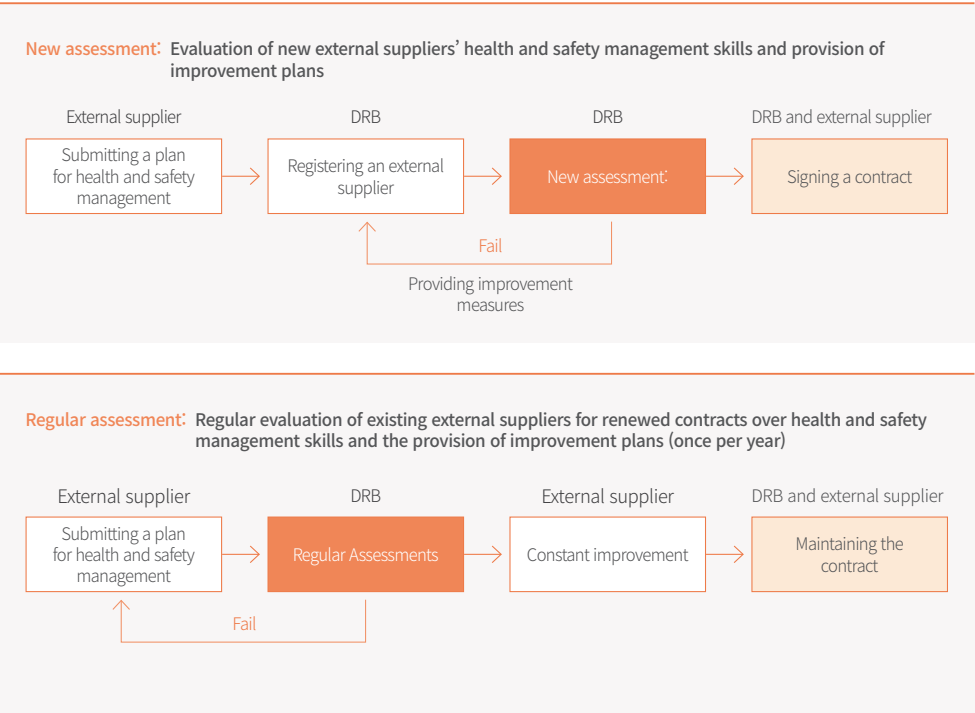
Society

Health and Safety

Building up the health and safety management of external suppliers

DRB aspires to enhance the health and safety levels of external suppliers and achieve mutual growth in the health and safety sectors. DRB Industrial and DRB Automotive comply with industrial accident prevention measures when subcontracting business in accordance with the Occupational Safety and Health Act and regularly hold the Health and Safety Council for in-house external suppliers to improve the voluntary safety management abilities of external suppliers working in-house. The Health and Safety Council discusses safety management issues and improvement directions through inspections while also routinely monitoring the progress of improvement measures.

Inspection and evaluation of external suppliers’ health and safety management capabilities



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## Health and Safety

### Expansion of the health and safety culture

In 2022, with the aim of fostering safety awareness among employees against serious accidents, DRB Holding, DRB Industrial, and DRB Automotive organized a serious accident prevention slogan contest to select exceptional works and stimulate active engagement from employees by giving incentives to winners. The winning slogan for company-wide serious accident prevention was displayed at the workplace’s entrance to disseminate safety consciousness. Furthermore, during lunch hours, we showed various industrial accident prevention videos to provide information on major occupational accident instances and help employees better understand occupational accidents.

Winning slogan for preventing serious accidents

**Safety! It is more crucial to act than to think.**

**Shared safety awareness ensures company prosperity and family happiness.**

Winning slogan for preventing fire

**Fire outbreak due to indifference, fire prevention thanks to interest**

**Today's fire takes my duties out of my days.**

### Chemical management

DRB Industrial and DRB Automotive have formal processes in place, such as manuals, procedures, and guidelines covering the purchase and handling of chemicals, screening, and management of employees with health issues. In the event of an addition or change of chemical substances, the health and safety manager records the information in the complete chemical substance enumeration, an internal management document. The enumeration includes the findings of a review of substances subject to statutory regulations regarding health and safety, and it serves as a basis for the placement of the MSDS in the workplace or the attachment of hazard warning signs. Furthermore, DRB categorizes the hazardous compounds handled by personnel and measurement substances in the workplace for each process and provides this information to measurement and inspection organizations.

### Management of industrial accidents

DRB has sought to eliminate internal safety risk factors while simultaneously executing health and safety activities for DRB’s external suppliers. We will continue to work with external providers to strengthen our health and safety management skills. Furthermore, we will address risk issues identified during on-site inspections and execute changes and investments through external supplier safety management reviews. DRB Industrial and DRB Automotive hire specialized agencies to examine the degree of exposure to physical and chemical risks such as chemicals and noise in the workplace. Measurement results are posted on the work bulletin board or communicated to employees through regular health and safety training sessions. In addition, DRB Industrial prevents possible accidents by replacing outdated high-voltage switchboards for stable power supply at the workplace and efficient management of power facilities, and it minimizes damage from accidents by preparing measures to respond quickly in the event of an accident. In addition, we plan to establish a web-based smart power monitoring system to computerize power-related data and increase the efficiency of power distribution and management through the response to power demand (peak) based on statistical analysis. DRB Automotive has installed an automatic CO<sub>2</sub> extinguishing system for the extrusion vulcanization process within its mass production plant. For the coating process, a manual CO<sub>2</sub> fire extinguishing device is equipped to enable effective early extinguishing in the event of a fire. By means of these initiatives., DRB is averting serious accidents such as burns from massive flames and suffocation from poisonous fumes.

Society

Health and Safety

Health management efforts

Endeavors to improve the working environment

DRB is putting forth different efforts to maintain the health of its employees and create a clean working environment to ensure that workers can comfortably work at domestic or overseas working sites. In addition, in accordance with regulations on wearing and managing safety protection gear, personal safety equipment is given to relevant staff, along with instructions on the obligation to wear it properly. For each work process, safety protective devices including safety helmets, gas masks, dust protection masks, earplugs, earmuffs, face masks, safety glasses, and heat-resistant gloves are offered, along with explicit instructions on the areas where they must be worn.

To alleviate the discomfort of wearing safety equipment at work sites, DRB Industrial and DRB Automotive are improving the equipment's performance and convenience and providing a program for hearing preservation. Additionally, we have created and adhered to health standards, such as our Confined Space Health Work Program.

Support for the management of health

Health check-ups

DRB implements health management by offering personalized health examinations and various health promotion activities to prevent disease and manage the health of its employees. DRB employees receive general and special health checkups every year and a comprehensive health checkup every two years.

DRB Industrial and DRB Automotive assess and make improvements to the working conditions of field workers who are exposed to hazardous substances due to the nature of work in manufacturing activities once a half year. Furthermore, taking into account the attributes of every target harmful element and the findings of the inspection, we advise that workers undergo further, routine special health examinations. After the health checkup, we manage employees with health problems and those who need to be closely monitored, in accordance with the advice of the examining hospital’s occupational medicine specialists. Apart from adhering to legal requirements, we also consider the opinions of individual employees and offer support where needed.

In addition, DRB Holding, DRB Industrial, and DRB Automotive are cognizant of the significance of workers’ mental health and are surveying workers about their working stress as part of routine medical examinations.

Health management program

DRB Industrial and DRB Automotive offer internal health support programs. Prior to program implementation, a survey on program preferences is conducted among employees, and these results are reflected when selecting a program. Meanwhile, after the support program ends, we collect feedback through employee evaluations and strive to deliver a higher-quality program. Additionally, we operate health support programs for musculoskeletal pain relief, body fat loss, walking, sleep health, a low-salt diet, and anti-smoking, along with a health management office. We are further enhancing our customized health management services through the development of the DB on employees’ health management, performance management, and assistance for self-care. In order to avoid issues brought on by depression and work-related stress, we also provide the “Sangdam4u” program, which is a professional counseling service.



Body fat loss program



Sleep health promotion program



Anti-smoking program

Health-friendly company certification



DRB is seeking to provide a health-friendly work culture and environment. DRB Holding won the award from the president of the Korea Health Promotion Institute (2021), and DRB Industrial received a commendation from the Minister of Health and Welfare at the Health-Friendly Company Certification Performance Contest on December 21, 2022, for the second consecutive year since 2021. This demonstrates that DRB is an exemplary company that prioritizes the health of its employees and certifies its endeavors to provide a work environment and organizational culture that are conducive to health and to assisting employees in managing their own health.

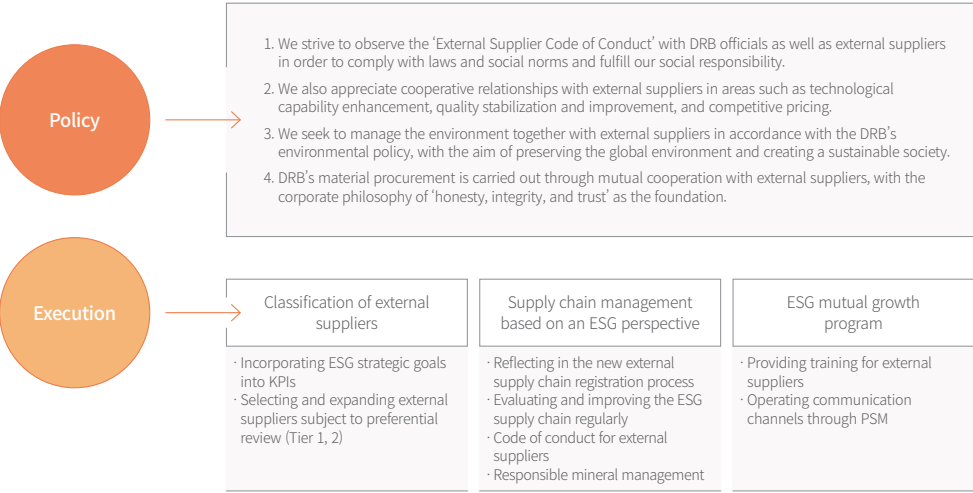
# Society

## Supply chain management

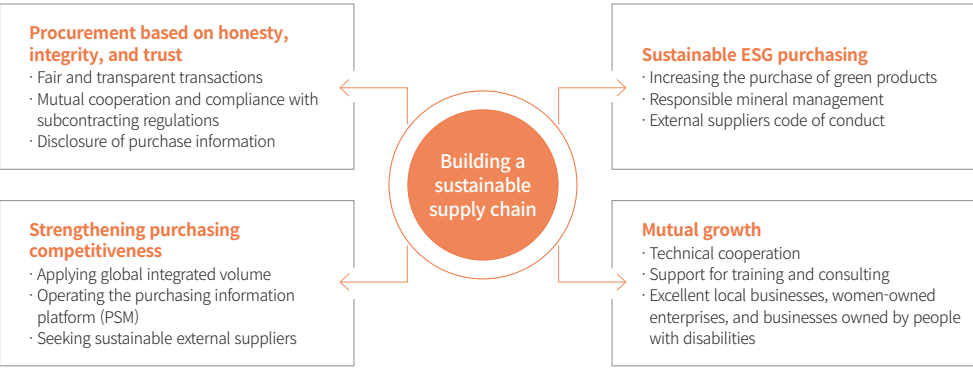
### DRB’s sustainable supply chain management system

DRB is dedicated to managing supply chain ESG with the vision that ‘sustainable purchases contribute to DRB’s sustainability and future growth.’

#### DRB’s sustainable procurement policy and action plan



#### Sustainable supply chain management



### Sustainable supply chain management process

From the time of investigating the external supplier’s status, DRB evaluates various ESG-oriented items, such as compliance with environmental laws and regulations, use of eco-friendly and renewable raw materials, discrimination based on gender, religion, disability, age, or place of origin in terms of labor practices, and use of conflict minerals. We also incorporate ESG-related items into the assessment for initial registration as an external supplier for raw and subsidiary materials. DRB performs a preliminary assessment for external suppliers based on 12 questions in three categories: i) human rights, labor, and ethical management; ii) safety, health, environment, and greenhouse gases; and iii) sustainable procurement, emergency response, and vendor management. In addition, we actively operate a regular post-ESG evaluation process in the areas of environment, health and safety, labor and human rights, ethical management, information protection, and sustainable procurement to manage the ESG of external suppliers. Based on this commitment, DRB regularly analyzes supply chain environmental risks and demands that external suppliers perform adjustments. Professional consulting and training on susceptible areas are also provided to strengthen the environmental management competency of external suppliers. If an external supplier subject to post-ESG evaluation receives a grade 1, it is exempt from the evaluation for determining enterprises subject to ESG evaluation for the following year and gets a priority in the course of developing new and alternative raw materials. Furthermore, we provide a variety of programs to help external suppliers enhance their competitiveness and handle potential risks.





# Society

## Supply chain management

### Implementation of the supply chain ESG evaluation

DRB is working best to manage supply chain ESG, and beginning in 2022, we have materialized responsible supply chain management to achieve mutual growth while minimizing the ESG risks of external suppliers. DRB conducted an ESG self-diagnosis assessment for 45 domestic raw material manufacturers in early 2023 in order to identify and improve supply chain risks. As a result of the evaluation, among DRB Industrial's 34 external suppliers, 22 received grade 1 (71–100 points), 6 received grade 2 (51–70 points), and 6 received grade 3 (0–50 points). In the case of DRB Automotive, 14 of the 20 target firms obtained a grade 1 (71–100 points), four received a grade 2 (51–70 points), and two received a grade 3 (0–50 points). Among these, external suppliers classified as high-risk groups were subject to on-site inspection consisting of three stages: interview, on-site inspection, and consulting. In addition, we analyzed vulnerable areas, conducted interviews on major issues, and performed on-site inspections in representative areas related to the environment, industry, safety, and human rights based on self-assessment results. We looked specifically at significant environmental concerns such as the availability of environmental policies and environmental management systems like ISO 14001, as well as energy usage, greenhouse gas emissions measurement and management, water management, and air pollutant management. To address the identified issues, information on ESG-related training and government assistance was shared with the relevant external suppliers.

#### ESG self-diagnosis results

Assessment target	Grade 1 (71 to 100 points)	Grade 2 (51 to 70 points)	Grade 3 (0 to 50 points)	Remark
45	29	9	7	DRB Industrial 34 / DRB Automotive 20, with 9 overlapping external suppliers.

#### External supplier ESG pre-assessment items

Human rights, labor, and ethical management	Does the company have a policy on labor practices or human rights issues?
	Does the company have an implementation document that includes training, actions, etc. regarding labor practices and human rights issues?
	Does the company have a policy prohibiting all forms of unethical behavior, including bribery, graft, and unfair internal trading?
	Does the company operate a communication channel for reporting unethical behavior and addressing grievances?
Safety, health, environment, and greenhouse gases	Does the company have an environmental and safety policy?
	Is there a designated person in charge of environment and safety, and are inspections of the working environment and safety equipment planned and implemented on a regular basis?
	Are air and water pollutants and waste properly disposed of?
	Are activities to reduce energy use or greenhouse gas emissions being carried out?
Sustainable procurement, emergency response, and external supplier management	Does the company have a purchasing policy on sustainable procurement?
	Are the criteria for selecting and assessing external suppliers defined, and do they include items for sustainable procurement?
	Are external providers evaluated using the selection and assessment criteria and asked to make improvements?
	Are emergency response scenarios prepared, and are training and education programs planned and executed?

#### External supplier ESG post-assessment items

Environment	Whether the company has an environmental policy (regulation) to follow during procurement, design and manufacturing, and distribution and sales Whether the company is certified to an international environmental management system standard, such as ISO 14001, or its equivalent Whether the company measures and manages energy consumption, greenhouse gas emissions, etc. Whether the company measures and manages air pollutant emissions Whether the company measures and manages general or designated waste emissions Whether the company manages information on chemicals received, used, or released into the workplace (e.g., response to the Act on Registration and Evaluation of Chemical Substances and the Chemical Substances Control Act) Whether the company tracks and manages the presence of hazardous substances in raw and subsidiary materials, intermediate materials, products, etc. (REACH management)
Health and safety	Whether the company has established health and safety management regulations or has prepared and maintained related manuals Whether the company has obtained international or national health and safety management standards and certifications, such as ISO 45001 Whether the company has designated a health and safety director or manager to manage the health and safety system Whether the company has established and implemented a plan for periodic inspections of the work environment and safety equipment Whether the company has and regularly renews permits, reports, qualifications, etc. for facility operations required by laws and regulations Whether the company has provided health and safety training to its employees in the last year
Labor and human rights	Whether the company has employment rules in accordance with the Labor Standards Act or a human rights charter that aims to promote the human rights of employees and remedy human rights violations Whether the company includes prohibitions against discrimination in its employment rules or human rights charter (such as gender, race and nationality, disability, age, pregnancy, and childbirth) Whether the company pays its employees at least the legal minimum wage Whether the company complies with legal working hours in each country Whether the company operates a human rights or labor-related grievance system (system, channel, etc.)
Ethical management	Whether the company has policies (regulations) prohibiting all forms of unethical behavior such as bribery and graft, unfair internal transactions, etc. Whether the company has reporting channels for corruption, conflict of interest behavior, etc.
Information protection	Whether the company has policies (regulations) on the security of trade secrets, protection of non-public information, and protection of personal information
Sustainable procurement	Whether the company has an environmentally and socially responsible procurement policy (regulation) Whether the company tracks and manages the inclusion of conflict minerals in its raw and subsidiary materials, intermediates, products, etc. Whether the company has established criteria for selecting and evaluating external suppliers and whether the criteria include items for sustainable procurement Whether the company evaluates its external suppliers according to the selection and evaluation criteria and asks for improvements Whether the company has prepared emergency response scenarios and whether training and education are planned and implemented

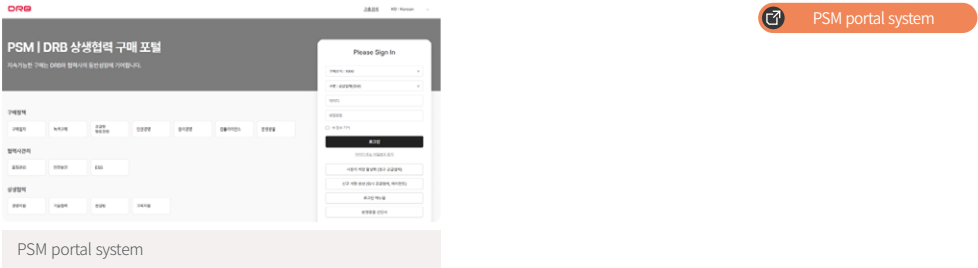
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## Supply chain management

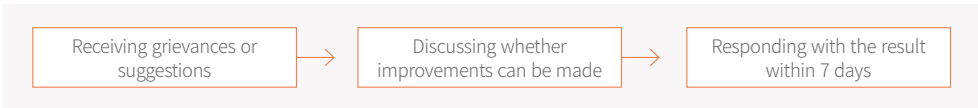
### Operation of the external supplier management channel

Following the outbreak of COVID-19, DRB faced significant hurdles as procurement concerns such as national lockdowns and ship shortages arose, creating an emergency situation in raw material procurement. To address these challenges, DRB has developed a comprehensive emergency response procedure and linked it with PSM in order to successfully manage procurement concerns in partnership with external suppliers. In particular, in order to ensure a stable supply of materials and swift response in the event of an emergency, DRB creates emergency and response scenarios. In an emergency, the following procedures are performed: prevention work, acceptance of the situation, initial report, situation notification, impact assessment, notification to the relevant team and search for a response plan, summary and sharing, resolving the issue and exploring additional response measures, implementation, and follow-ups. Emergency cases are subdivided into natural disasters (controllable or non-controllable), international situations, internal errors, external supplier issues, domestic transportation, and overseas transportation, and response plans are established and implemented for each case.

DRB launched the PSM (Purchasing & Supply Management) portal system in 2021 for efficient communication with internal and external stakeholders and it is leveraging this channel with a principal communication channel. The system provides information such as bids, purchase orders, inventory status, purchase specifications, etc., and in the event of procurement-related emergencies in six categories, such as natural disasters and transportation issues, we communicate with external suppliers via the system’s emergency response menu. PSM has a system in place to deal with complaints from external suppliers as well as to prevent and monitor unfair trade practices. If external suppliers have complaints or suggestions, they can express them through the PSM grievance channel. When an agenda item is received, we communicate with internal stakeholders as needed and try to respond with improvements within 7 days.



#### Communication (grievance handling) channel process



### Enhancement of sustainable supply chain management

DRB pursues fair trade from the signing of a contract to performance in order to respect the basics and principles of fair trade. We have established a code of conduct for external suppliers’ social responsibility to encourage all of our external suppliers to comply with major domestic and international environmental conventions and laws and to use eco-friendly and recycled products. At the time of making the first contract, external suppliers for raw and subsidiary materials are required to pledge to comply with the code of conduct.

### Compliance with the External Supplier Code of Conduct

External suppliers of DRB undertake to follow the 'External Supplier Code of Conduct' in order to maintain fair and transparent trading relationships when supplying the subject of the contract (services, goods, or services).

1. Measures to secure and supply stable quality

- Identify changes in demand through smooth communication and information exchange.
- Set up procedures to ensure quality, check processes, and be sure to follow prior approval procedures if changes to 4M are required.

2. Measures for compliance with ethical management

- Build business relationships based on honesty, integrity, and trust, and prohibit providing false information about stakeholders.
- Ban bribes, money, entertainment, or gifts that violate relevant laws and regulations.

3. Measures for legal compliance

- To achieve environmental management, comply with environmental laws, and promote the use of eco-friendly and recycled products.
- Adhere to appropriate rules and regulations for the health and safety of executives and workers; check for risk factors that may arise in everyday life; and adopt improvement measures for identified risk factors.
- Strive to establish a pleasant and stable working environment for executives and workers by conforming to applicable labor rules and regulations, such as the Labor Standards Act and other labor-related legislation.

4. Information Protection and Confidentiality

- Use stakeholder information obtained in the course of work only for business purposes, and never leak it outside.
- Establish and implement policies to protect internal intellectual property rights and information.

5. Human rights protection

- Observe applicable laws and regulations to safeguard the human rights of executives and employees, and prepare and enforce operating guidelines.
- Keep the identity of the informants for public interest strictly confidential and ensure that the informant suffers no disadvantages.

6. Conflict Minerals

- Do not use minerals mined in conflict areas.
- Submit a certificate of origin if necessary.
- \* Conflict minerals: Four types of minerals—tin, tantalum, tungsten, and gold—are produced in 10 countries in African conflict areas, including the Democratic Republic of the Congo.
- \* Conflict areas: Democratic Republic of the Congo, Congo, South Sudan, Rwanda, Burundi, Uganda, Zambia, Angola, Tanzania, and Central Africa

# Society

## Supply chain management

### Promotion of green purchasing activities

DRB has systemized responsible supply chain management since 2022 in order to promote mutual growth while limiting the ESG risks of external suppliers. DRB has adopted a green purchasing policy for 2022 and is encouraging the purchase of environmentally certified products at the company level to boost supply chain management in line with ESG perspectives. Thus, we take into account eco-friendliness and purchase green products throughout the entire process, including supply, transportation, and unloading, and prioritize the purchase of eco-friendly materials when initiating new development work.

DRB’s Green Procurement Policy

1. DRB purchases green products based on the corporate philosophy of honesty, integrity, and trust.

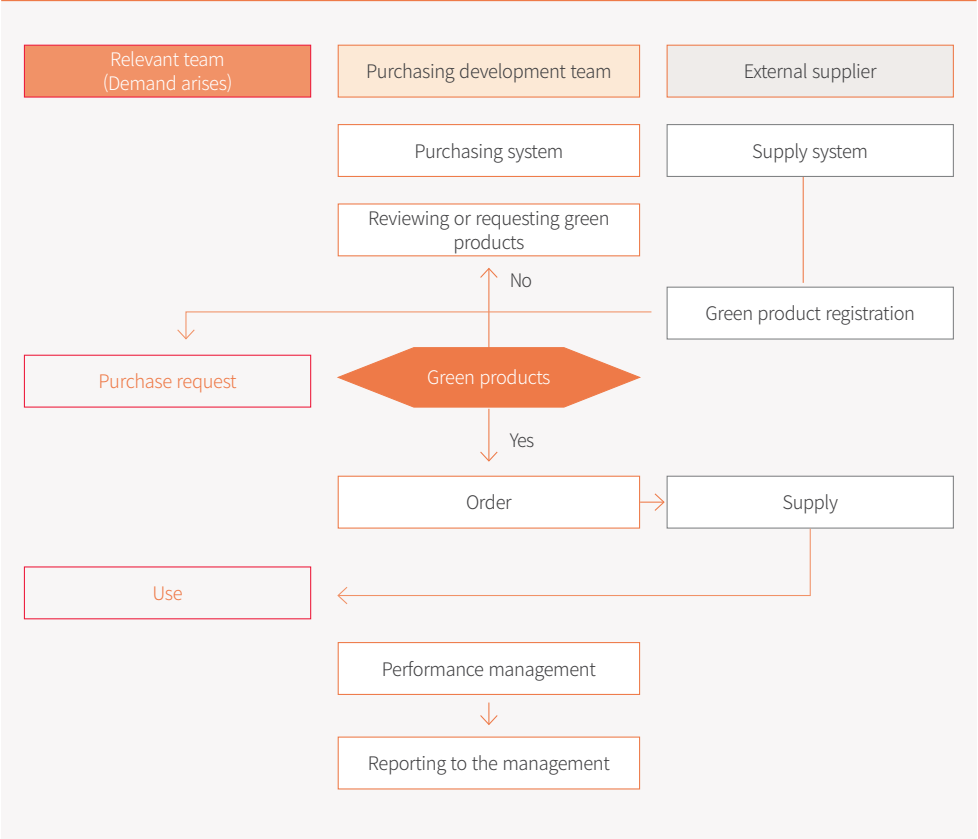
2. For green purchasing, DRB examines eco-friendliness throughout the entire process, including supply, transportation, and unloading, and prioritizes the purchase of eco-friendly products when available.

3. DRB actively recommends green purchasing products to enhance environmental management and gives priority to green products when purchasing subsidiary materials and consumables.

4. DRB continuously monitors green purchasing performance, discovers eco-friendly products, and continuously performs improvement activities to reduce environmental impact and expand them across the company for sustainable growth.

5. DRB takes the initiative in green purchasing activities such as exploring and introducing eco-friendly materials for sustainable environmental development.

Green purchasing process



# Society

## Supply chain management

### Responsible mineral sourcing

As a global company, DRB strives to reflect on the future of humanity and the environment and fulfill its responsibilities. By declaring its intention for responsible mineral sourcing, DRB is taking part in addressing social issues such as human rights violations, environmental destruction, and the inflow of funds to conflict organizations during mineral mining in specific countries, such as conflict zones in Africa, Asia, and the Middle East. We also examine relevant issues from the external supplier’s status check, striving to secure a responsible supply chain.

Conflict Mineral Policy

### Promotion of mutual growth

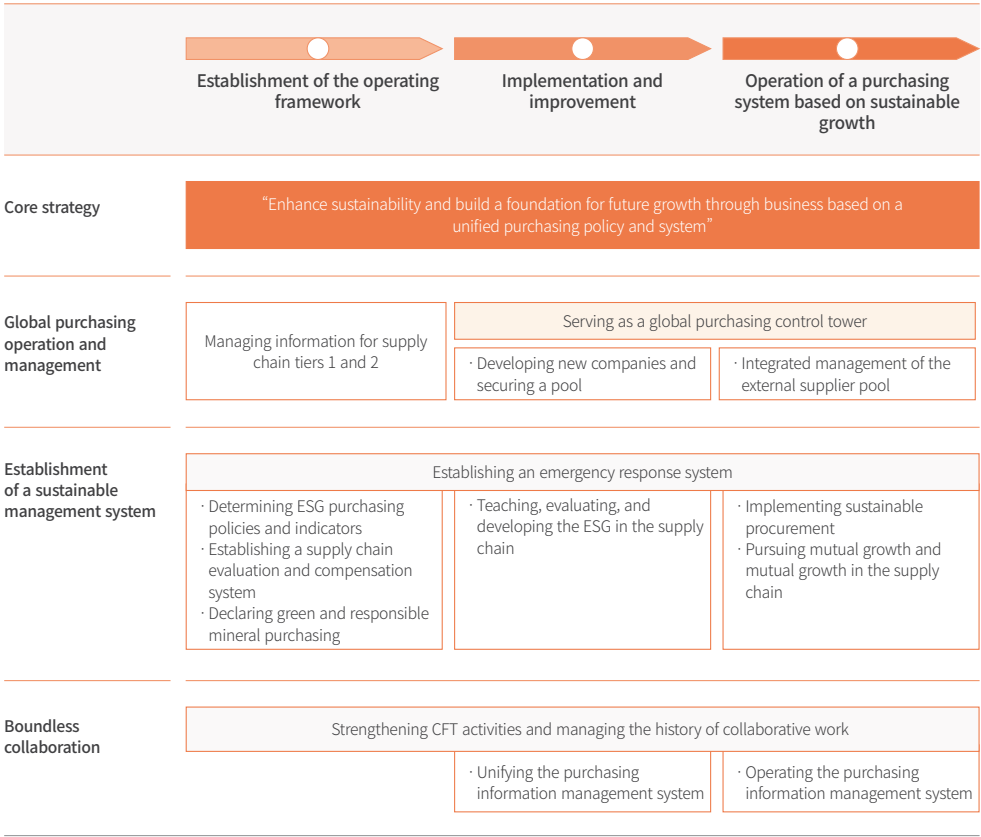
When selecting external suppliers, DRB prioritizes transactions with excellent local companies, female-owned businesses, and enterprises owned or operated by people with disabilities. Furthermore, we contribute to society by satisfying our social duties for environment protection and natural resource conservation through green purchasing. DRB will gradually expand the volume of green purchasing, implement eco-friendly management, and drive sustainable growth.

Mutual Growth Policy

### Upgrade of the supply chain management

DRB intends to enhance sustainability and build a foundation for future growth through business based on a unified purchasing policy and system. With operation and management of global purchasing, establishment of a sustainable management system, and borderless collaboration as three core pillars, we intend to advance the supply chain in stages, in the order of establishing, executing, and improving the operating system, and then moving on to operating a purchasing system based on sustainable growth.

DRB’s roadmap for building a sustainable supply chain



As part of its efforts to strengthen the ESG management of external suppliers, DRB plans to provide face-to-face training on ESG management to external suppliers of DRB Industrial and DRB Automotive in the future and to undertake ESG evaluation of external suppliers following the training. Visit evaluations will also be conducted for 10 companies assessed as high-risk according to the 2022 survey results. Furthermore, in 2024, DRB will unify the assessment system, which is presently separated between regular external supplier evaluation and ESG evaluation, into an integrated supply chain evaluation. The external supplier assessment targets for first registration will also shift from raw subsidiary material external suppliers to trade agencies for increased ESG-related item inspection.








# Society

## Contribution to Local Communities

### Social contribution strategy

DRB works to fulfill its corporate social responsibilities and grow together with its employees, families, and everyone around the world under the vision of ‘Better Together, Better Tomorrow.’ We realize that as corporate citizens, we have an essential role to play in creating a sustainable society by safeguarding the global environment, coexisting and mutually growing with local communities, cultivating global talent, and seeking happiness for future generations. Thus, we are taking part in the collective efforts of global citizens for the UN SDGs. DRB goes beyond simple donations and charity-centered activities to seek social contribution activities that benefit both the local and international communities and promote sustainable development. We contribute to the improvement of local residents’ quality of life by carrying out specialized social contribution activities tailored to the characteristics of the region and taking the lead in customized social contribution activities centered on consumers through our social contribution platform, Campus D, and network.

### DRB’s core social contribution values and implementation strategies

 <div>Coexistence with the local community</div>	 <div>Protecting the earth’s environment</div>	 <div>Nurturing talent</div>	 <div>Safeguarding human rights and promoting health</div>	 <div>Expanding communication and engagement</div>
Increasing locally customized assistance	Creating a carbon-neutral society and preserving the ecological environment	Nurturing talent	Resolving social issues	Spreading a voluntary sharing culture

Implementation tasks and goals				
<ul style="list-style-type: none"><li>· Support for economic revitalization (free rental of business space)</li><li>· Support for culture and the arts (free performances, support for artists, etc.)</li><li>· Support for disasters and emergencies (donations, provision of supplies, etc.)</li></ul>	<ul style="list-style-type: none"><li>· Marine and river ecology conservation activities (trash picking)</li><li>· Support for the recycling (plastic-free) campaign</li><li>· Support for climate change response activities</li></ul>	<ul style="list-style-type: none"><li>· Support for nurturing creative talent</li><li>· Support for nurturing scientific talent</li><li>· Support for nurturing technical talent</li><li>· Support for nurturing global talent</li></ul>	<ul style="list-style-type: none"><li>· (Human rights) Support for the socially vulnerable (elderly, disabled, etc.)</li><li>· (Health) Providing health checkups for construction workers and farmers</li><li>· (Safety) Support for seismic disaster response and youth educational projects</li></ul>	<ul style="list-style-type: none"><li>· Employees’ participation in volunteer work</li><li>· Support for promoting volunteer activity networks</li><li>· Support for volunteers’ capacity building</li><li>· Providing space for volunteer activities</li></ul>

### DRB’s Social Contribution Charter

#### Social Contribution Charter



DRB recognizes the critical role of a corporate citizen in creating a sustainable society through eco-friendliness, coexistence, and mutual growth with the local community, nurturing global talent, and enhancing the happiness of future generations, and participates in global efforts to achieve the goals of the UN SDGs (Sustainable Development Goals).

1. Active social contribution	DRB regards social contribution (corporate citizenship) activities as a fundamental part of company management and strives to fulfill its social duties as a corporate citizen.
2. Earth and environmental protection	DRB aspires for the safety of sustainable citizens and global environmental protection.
3. Contribution to communities	DRB capitalizes on its distinct professional capabilities to perform specialized social contribution activities that are adapted to local characteristics and contribute to the improvement of local citizens’ quality of life.
4. Talent development	DRB helps to build a healthy society and fertilize the minds of its employees by offering nondiscriminatory learning opportunities and making efforts for future generations.
5. Demand-oriented contribution	Based on its social contribution platform and network, DRB leads the way in consumer-centered and tailored social contribution initiatives.
6. Promise for continuous effort	DRB implements social contribution activities in a way that is continuous and conducive to growth, rather than one-time and charitable activities.

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## Contribution to Local Communities

### Social contribution governance (DRB social contribution organization) DRB's dedicated social contribution department

To facilitate the seamless operation of important initiatives, DRB Holding has developed a specific department for social contribution. This unit plans and operates social contribution projects and manages their achievement. In addition, DRB maintains the social contribution platform, Campus D, and implements sustainable social contribution projects in conjunction with diverse members of civil society.

### Social contribution platform: Campus D

Campus D is a welfare center built to provide welfare and education for our employees and local residents in commemoration of the 50th anniversary of DRB Industrial's founding in 1995. It was transformed into a social contribution platform in 2017 to celebrate the 100th birthday of our founding president, Gochon Kim Do Geun. This platform is presently in use in both Seoul and Busan, and it is assisting the growth of local communities. It is mainly used as an educational and cultural area to help the development of kids, teenagers, and the youth. Campus D encourages the creative and educational activities of all citizens by offering public spaces of various concepts, such as performance halls, forum halls, and practice rooms. DRB is forming social contribution relationships with young entrepreneurs, social businesses, NGOs, culture and arts groups, etc. by allowing them to move into or live in the area or by cooperating with and fostering their growth.



Campus D Seoul



Campus D Busan

### Goals of social contributions

DRB will leverage the social contribution platform to not only revitalize the social contribution ecosystem but also to address global social concerns.

1 Introduction stage 2022-2025	2 Development stage 2025-2030	3 Consolidation stage 2030-continued
<b>Organization of social contribution</b> <ol style="list-style-type: none"> <li><b>1. Establishment of a social contribution system</b> <ul style="list-style-type: none"> <li>- Building a dedicated organization for social contribution</li> <li>- Forming and operating a social contribution committee (forging an operational system and forming internal and external bodies)</li> <li>- Developing social contribution indicators and systems</li> </ul> </li> <li><b>2. Advancement of the social contribution platform</b> <ul style="list-style-type: none"> <li>- Improving and expanding the website for social contribution</li> <li>- Broadening the operation of the social contribution platform (expanding partnerships, etc.)</li> <li>- Discovering and operating cooperative programs</li> </ul> </li> </ol>	<b>Advancement of strategic social contribution</b> <ol style="list-style-type: none"> <li><b>1. Development of strategic projects for social contribution</b> <ul style="list-style-type: none"> <li>- Supporting the operation of strategic social contribution activities for environment, human rights, mutual growth with local communities, global talent nurturing, etc.</li> </ul> </li> <li><b>2. Advancement of social contribution operations</b> <ul style="list-style-type: none"> <li>- Constructing a company-wide social contribution management system</li> <li>- Providing and managing company-wide social contribution training (at least once a year)</li> </ul> </li> <li><b>3. Advancement of the system for employees' volunteer activities</b> <ul style="list-style-type: none"> <li>- Introducing and operating a volunteer service incentive system (more than 80% of employees participate at least once a year)</li> </ul> </li> </ol>	<b>Global social contribution</b> <ol style="list-style-type: none"> <li><b>1. Creation of a global social contribution system</b> <ul style="list-style-type: none"> <li>- Organizing a social contribution committee for overseas corporations</li> <li>- Setting up and running a management system</li> </ul> </li> <li><b>2. Educating global experts</b> <ul style="list-style-type: none"> <li>- Training and hiring professional personnel</li> <li>- Building a global specialized education system</li> </ul> </li> <li><b>3. Development of DRB's specialized initiatives</b> <ul style="list-style-type: none"> <li>- Constructing a social contribution platform for overseas corporations</li> <li>- Entering into local partnerships</li> </ul> </li> </ol>
Social contribution activities		

# Society

## Contribution to Local Communities

### Major social contribution activities

Main area of the DRB’s social contribution

Category	Activities
Support for nurturing talent	DRB seeks to contribute to nurturing human resources in local communities. <ul style="list-style-type: none"> <li>· Officially sponsoring &lt;UnivExpo Busan, an expo on off-campus activities of college students</li> <li>· Making a designated donation to the Geumjeong Ladder of Hope Movement (a support project aimed at improving the educational environment of elementary, middle, and high schools within the region)</li> </ul>
Support for the vulnerable group	DRB extends a warm helping hand to our neighbors in need. <ul style="list-style-type: none"> <li>· Collecting rice and clothing with love</li> <li>· Sponsoring local welfare facilities and organizations (Hope House in Geumjeong, Geumjeong Community Welfare Center, Geumjeong Volunteer Center, Neighborhood Sharing Association)</li> </ul>
Operation of a social contribution platform	DRB seeks fundamental social transformation and development by building the abilities of citizens. <ul style="list-style-type: none"> <li>· Developing global citizenship education content and partnering with related organizations</li> <li>· Assisting local culture and arts organizations (individuals) and citizen culture and arts activities</li> <li>· Providing office space and networking assistance to young startups</li> </ul>
Global social contribution	DRB encourages local residents’ self-sufficiency and growth at its overseas business sites. <ul style="list-style-type: none"> <li>· DRB Qingdao: Running the Dongil Culture Center and cultivating one-on-one sisterhood ties with vulnerable children</li> <li>· DRB Slovakia: Organizing a youth soccer competition</li> <li>· DRB Vietnam: Providing scholarships to middle and high school students</li> </ul>

DRB recognizes the significance of the problem of local communities aging, hollowing out, and becoming slums and is striving to remedy it in partnership with other institutions. We are committed to increasing the well-being of individuals throughout their entire life cycles, from children and youth to the elderly, by delivering quality educational services and other support programs in numerous disciplines such as creative science, culture, and arts education. DRB also signed an MOU with Save the Children to publicize its commitment to guarantee children’s rights. To promote a holistic view of children that perceives them as whole persons rather than mere possessions of their parents, DRB is taking the lead in continuously raising awareness through the ‘Drawing, 100 Words of Wounds’ exhibition, which encourages the dialogue and understanding of children’s perspectives. Furthermore, DRB undertakes urban regeneration initiatives and leases free office space in an effort to provide chances for startup enterprises and young people, stimulate entrepreneurship, and contribute to regional rejuvenation. Moreover, DRB has steadily supported the challenges and passion of college students by sponsoring <UnivExpo Busan>, the largest college life expo in Busan, since its inception.

Furthermore, DRB provides education to prepare middle-aged people for the second act of life and opportunities to enjoy culture and the arts to improve their quality of life, while encouraging the lifelong learning of the elderly by increasing their accessibility to education, culture and arts and assisting them in bridging the generation gap through programs such as Smart Senior School.

DRB is establishing ties and actively working with governments, public institutions, non-profit organizations, international organizations, and social entrepreneurs in all fields in order to improve the performance and efficiency of social contribution efforts. In October 2022, DRB took part in the ‘Inconvenient Concert’, an event organized by Busan Environmental Corporation and sponsored by Busan City and Gangseo-gu Office to raise citizens’ environmental awareness and encourage participation in eco-friendly activities. DRB also ran a pop-up booth for brand goods exhibition to showcase artwork that interpreted the brand ‘STAR’ created in the 1960s with a modern sensibility, campnic goods using the artwork and an upcycled pen case, etc. made of its waste materials. As of 2022, we contributed to the development of the local community through cooperation with a total of 91 organizations<sup>1</sup>.

DRB’s partners for social contribution



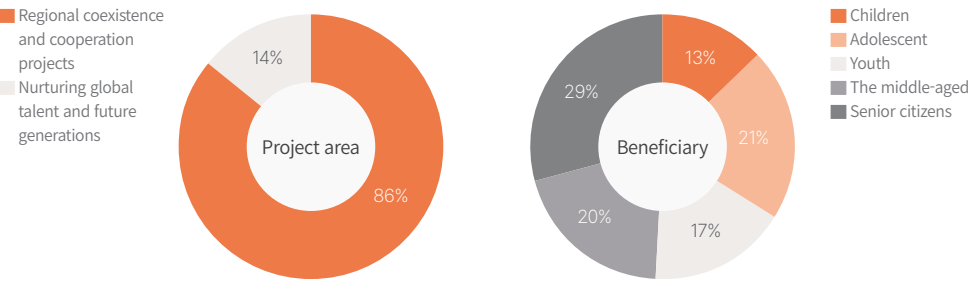
1. Institutions and organizations that have entered into a business agreement related to social contribution with DRB Holding or DRB Industrial and that have moved in or are residing at the DRB social contribution facility (Campus D Busan) (excluding the organizations cooperating with overseas affiliates)

# Society

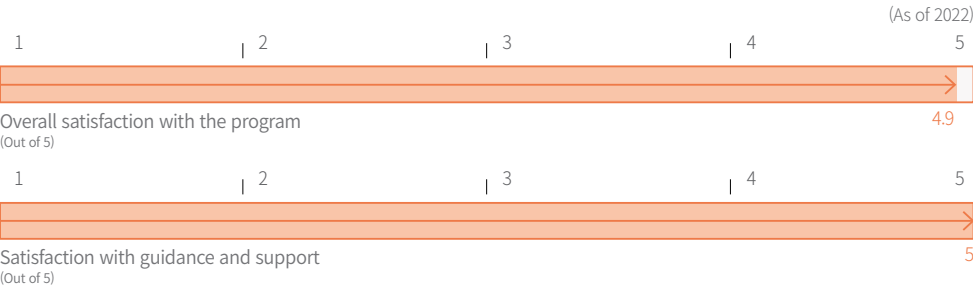
## Contribution to Local Communities

DRB evaluates the social contribution project budget, beneficiaries, and overall business field to more effectively manage the performance of social contribution projects. We have verified that we operated a total of 14 social contribution projects in 2022, and projects related to regional coexistence and cooperation account for 86% of all activities. There were a total of 684 beneficiaries of social contribution projects, with the elderly constituting the largest group at 200, or 29% of the total. DRB also conducted a satisfaction survey to improve the quality of social contribution programs. 40% of all beneficiaries participated in the survey, and overall satisfaction with the program recorded a high score of 4.9 out of 5. DRB will continue to create its own special social contribution program by expanding survey participation and incorporating important feedback from program participants.

DRB's major achievements in social contribution



Survey findings on satisfaction with social contribution programs



\*Survey participation rate 40% (Participated by 252 out of 644)

## Expanding social contribution

DRB seeks to continuously tackle community problems by forming social impact partnerships and thereby contributing to society. In addition, we will expand our employee volunteer base and work to address local problems through local councils while carrying out activities to implement ESG management.

DRB's social contribution roadmap





# Society

## Information Security and Technology

### Information security organization

To avoid external leakage and unauthorized infiltration of information assets, DRB has built and operated a company-wide information security system. In terms of security organization, security managers are appointed for each function and team, with the Chief Information Security Officer (CISO) at the helm. They communicate diverse security issues to individual team members and ensure efficient security management.

DRB’s information security organization chart

Holding company (DRB Holding)	Subsidiary (DRB Industrial)
↓	↓
Chief Information Security Officer (CISO)	Security manager (management, physical, and technical)
Chief Privacy Officer (CPO)	Security manager within a team

### Strengthening the security system

#### Administrative security, physical security, and technical security

DRB manages security work by categorizing it as administrative security, which is responsible for defining and enforcing security policies; physical security, which is responsible for access and document security; and technological security, which is responsible for email and Internet security. For administrative security, we form and operate a security organization based on the company’s security policy and carry out security incident prevention activities such as management regulation legislation, security education, security inspection, and promotional activities. When it comes to physical security, an external visitor who intends to enter restricted locations defined by security management regulations is subject to a preliminary security level review committee in order to monitor and manage their access. In this regard, we have established a system that allows only visitors with prior approval to enter, and we are expanding this system to our headquarters and affiliated companies. In terms of document security, we manage each confidential document by assigning a management number and conducting regular checks. Technical security includes email security, mobile device security, and internet security. We give business email addresses to all employees to maintain email security. If an email attachment includes sensitive or essential information, we require our employees to password-protect or encrypt the document before sending it. Through this method, we can prevent hacking, malware, and attempts to steal transaction funds. We have introduced a multi-faceted email security system to reinforce security. Additionally, we separately ask our employees to refrain from checking, receiving, or sending work-related emails outside the company or in public places. DRB also encourages email user alertness through malicious email simulation training and provides training on the required responses when receiving suspicious emails. In the case of mobile devices

and Internet security, we control the storage of company information on personal mobile devices and apply technology to limit the connection medium between devices to block all unauthorized access. All Internet access must use the company's security system, which has been authorized in line with the company's security policy. In order to prevent information leakage through access to FTP sites and web hard sites, we have set associated restrictions to permit site access only when it is essential for work.

### Software and hardware management system

DRB complies with intellectual property rights, installs only genuine software, and prohibits the use of illegal software. We prohibit the arbitrary installation and use of unauthorized software that may behave like viruses or malware and require the installation and updates of company security programs. Additionally, in principle, bringing in and using personal computer equipment (laptops, tablet PCs, external storage devices, etc.) into the company is prohibited, and an exception can be made for specific business purposes with the approval of the CEO. In the case of disposing of information devices, we instruct the information to be completely deleted through the Low Level Format specified by the company.

### Privacy policy

DRB visualizes the details of the privacy policy in the form of infographics so that customers and other stakeholders can clearly understand the privacy policy. It helps us give guidance to help intuitively understand the purpose of collecting personal information, how it is used, and how it is destroyed. Furthermore, we continuously monitor the status of amendments to applicable legislations, such as the Personal Information Protection Act, and regularly verify and revise our privacy policy to ensure that it conforms with the law and continues to safeguard personal information proactively.

### Enhancing security training

DRB regularly plans and implements security pledges, security training, security checks, and security promotion activities to increase security awareness among its employees. Furthermore, to avoid external leaking of trade secrets, we assign a secret level to documents generated based on their importance and ensure that documents are decrypted and approved when exported externally. Personal information protection guidelines have been established and implemented to protect personal information, and personal information protection training is conducted annually to ensure that all workers understand the significance of personal information protection.

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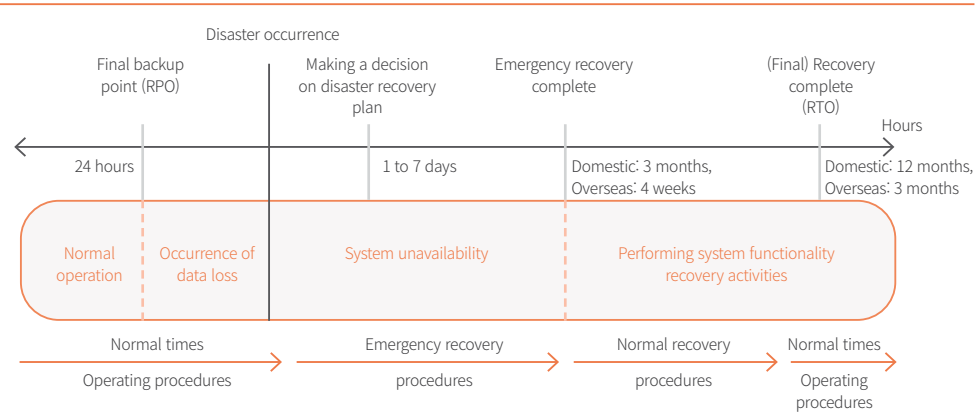
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Information Security and Technology

Disaster recovery management

DRB has developed and enforced policies and emergency response processes to protect information and data in the event of natural catastrophes or other unavoidable mishaps. We determine the extent of comprehensive loss by evaluating tangible damage (quantitative), such as productivity, financial indicators, additional costs, and income, and intangible damage (qualitative), such as business relationships, as a result of a disaster-related interruption of business activities. In addition, information system disasters (risks) are classified from a total of 4 levels (interest) to 1 level (serious or alert), depending on the degree of urgency. If a relevant disaster occurs, it must be reported to the information security manager immediately or within 10 minutes in accordance with company regulations. In the event of an information system failure, we endeavor to restore normal operation as quickly as possible by implementing emergency and normal recovery. In the case of overseas manufacturing corporations, the corporation's disaster recovery center is incorporated and administered in the headquarters data center for simplicity of management and disaster response capabilities.

DRB's information system disaster (risk) recovery process



DRB's composition of operational organizations for disaster recovery and their roles

Category	Activity details		Responsible department
Management organization	Emergency response team	- The highest consultative body on emergency measures - Identifying disaster status - Making a decision to switch to disaster recovery systems - Verifying service restart/data center recovery	Team leader
	System recovery team	- Identifying the cause of the disaster and the expected recovery time - Preparing and implement the conversion of the disaster recovery system - Identifying damage to the data center and developing a recovery plan - Monitoring the system after the conversion	PI team
Technical organization	Network recovery team	- Converting and monitoring the communication network - Identifying damage to the data center and developing a recovery plan	PI team
	Business recovery team	- Checking whether the disaster recovery system is normal or not - Identifying and reporting possible or impossible tasks - Checking lost data and application operations - Responding to exception situations	PI and relevant team
Support organization	Support department	- Performing the systematic public announcements and promotional activities - Procuring and approving emergency supplies and necessary resources - Securing necessary personnel related to recovery and making personnel	Business Administration Division
	External supplier	- Providing resources and technical support necessary for system maintenance and recovery	External supplier

# Society

## Information Security and Technology

### Information protection management system

In compliance with the information security management framework, DRB performs regular and occasional information security operation inspections. Through these activities, we are making every effort to preemptively identify and respond to various security-related risks that may arise, including cybersecurity, system security, and document security. As a result of the 2022 information security operation inspection, it was revealed that the security level setting of documents was unreasonable in each department's security inspection, and corrective action was taken on site. Furthermore, we also found that access to relevant documents has not been updated to reflect the new personnel allocation, together with certain departments' omission to adjust the existing privileges, and sought rectification.

### Measurement and evaluation of information security system service level

DRB measures and evaluates the reliable service level of IT system operations to use the company's resources as efficiently as possible and provide quick and accurate decision-making information via the information system.

DRB information protection system evaluation indicators

Category	Indicator name
Availability management	1. Server equipment operation rate
	2. Security equipment operation rate
	3. Storage utilization rate
	4. Network equipment operation rate
	5. VM operation rate
	6. Hyper-V operation rate
Failure management	1. Average monthly downtime per device
	2. Average monthly downtime per work
	3. Failure cause identification rate
	4. Number of cases exceeding the maximum allowable failover time
	5. Number of duplicate failures
	6. Number of security breach incidents
	7. Total number of failures

DRB information protection system evaluation indicators

Category	Indicator name
Operation management	1. Intrusion detection rate
	2. Application rate of the firewall blocking policy
	3. Security violation
	4. Backup success rate
	5. Compliance rate of the target change request time
	6. Change operation success rate
	7. Compliance rate with change procedures
	8. Regular preventive inspection implementation rate
	9. Service desk satisfaction
	10. Service desk response rate

Information protection service evaluation indicators

Category	Indicator name
Availability management	1. Groupware operation rate
	2. File Server operation rate
	3. ERP operation rate
	4. MES (POP) operation rate
	5. PLM operation rate
Failure management	1. Groupware average monthly downtime
	2. File server average monthly downtime
	3. SAP average monthly downtime
	4. MES (POP) average monthly downtime
	5. PLM average monthly downtime

# Society

## Information Security and Technology

### Information leak response system

DRB has built an integrated log storage to efficiently manage logs generated from security equipment such as numerous servers, communication equipment, and firewalls. In 2022, we invested in expanding log storage processing capabilities to respond to the continually rising log volume caused by the growth of the service and server scale. As a result, log storage performance has been enhanced, allowing huge numbers of data to be gathered, processed, and stored with confidence. In addition, we operate a system that prevents breaches through 24/7 security control and responds quickly when anomalies are detected. In 2022, we invested in expanding log storage processing capabilities to respond to the continually rising log volume caused by the growth of the service and server scale. As a result, log storage performance has been enhanced, allowing huge numbers of data to be gathered, processed, and stored with confidence.

### Education and investment in information security

DRB draws up an information security training plan every year and conducts systematic information security training for new employees and existing employees. We also run information protection campaigns through various channels, such as e-mail and bulletin boards. After the training, all participants are asked to prepare an information protection pledge and a pledge to take responsibility for negligence in security incidents to raise awareness and maintain security awareness at all times. In 2022, we presented instances of security incidents that occurred in Korea to 15 team security officers in an information security training session and warned the participants to be cautious about such issues. In 2023, we plan to provide in-depth security training to major external suppliers (facilities, raw and subsidiary materials, agencies, etc.), covering industrial technology leak instances and associated precedents.

As the Korea Internet and Security Agency mandated information security disclosure in 2022, companies that meet certain sales requirements are required to disclose the status of information security investments, personnel, and activities of the previous year in order to protect Internet users and stimulate companies' information security investments. As a result, in 2023, DRB started to disclose information on the state of information protection.

### Strategy to strengthen information security

DRB is working to improve each field in phases to obtain Personal Information and Information Security Management System (ISMS-P) certification. The main goals of administrative security are to avoid security accidents by strengthening security awareness among employees and to prevent the leak of internal trade secrets by building a security management process and improving confidential document management. Accordingly, we plan to establish a management system foundation, manage risks, maintain the management system, and examine and enhance the management system. In terms of physical security, we will seek to protect our facilities and information assets from outside threats by enhancing the external visitor approval process, devising protected area control measures, and prohibiting the entry of external equipment. In order to acquire certification, we intends to supplement deficiencies in each item, including policy, organizational asset management, personal security, outsider security, and physical security. Moreover, in the realm of personal information protection, we aim to enhance requirements in relation to protective measures when collecting, retaining, using, providing, and destroying personal information and protecting the rights of information subjects.





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# Sustainable Management Activities

# Governance

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# Governance

## Board of Directors

### Composition of the BOD

As of the end of December 2022, DRB Holding’s board of directors consists of five directors in accordance with the Commercial Act and its Articles of Incorporation. Our non-executive directors, who account for the majority of the total number of directors, have extensive experience and expertise in a variety of sectors, including management, law, and policy, and our non-executive directors are appointed from among financial and accounting specialists.

Committee members (As of: December 31, 2022)						
Name	Category	Gender (International age)	Field of expertise	Date of the initial appointment	Expected expiration date of the directorship	Major experiences
Ryu, Young Sik	Executive director	Male (56)	Business management	March 25, 2020	March 22, 2026	CEO of DRB Holding
Park, Jin Soo	Non-executive director (Chairperson)	Male (57)	Business management	March 25, 2020	March 22, 2026	Professor at Seoul National University
Park, In Sook	Non-executive director	Female (74)	Law and policy	March 24, 2022	March 23, 2025	Member of the National Assembly
Son, Dong Woon	Non-executive director	Male (61)	Policy	March 25, 2020	March 22, 2026	Professor at Pukyong National University
Yoo, Hee Chan	Non-executive director	Male (61)	Finance and accounting	March 24, 2022	March 23, 2025	Certified public accountant

BOD organizational chart



### Committees under the BOD

DRB Holding has three committees under the Board of Directors (Non-executive Director Candidate Recommendation and Compensation Committee, Audit Committee, and ESG Committee). To ensure the independence and transparency of the committees, non-executive directors make up the majority of each committee. The ESG Committee defines core ESG policies and strategies, as well as mid- to long-term ESG goals.

Committee members				
Name	Position	Non-executive Director Candidate Recommendation and Compensation Committee	Audit Committee	ESG Committee
Ryu, Young Sik	Executive director	-	-	Member
Park, Jin Soo	Non-executive director	Chairperson	Member	-
Son, Dong Woon	Non-executive director	Member	-	Chairperson
Park, In Sook	Non-executive director	-	Chairperson	Member
Yoo, Hee Chan	Non-executive director	Member	Member	-

Activities of the ESG Committee in 2022

Meeting rounds	Date	Agenda description
1	2022. 05. 19	Appointment of ESG Committee Chairperson
		Report on the ESG Committee’s operation plan (draft)
2	2022. 08. 09	Review of the enactment (draft) of the Corporate Governance Charter
		Report of ESG evaluation results in the first half of 2022
		Report on the submission of the UNGC CoP (implementation plan)
		Report on the plan for the homepage improvements, etc.
3	2022. 11. 08	Report on 2022 ESG management performance and major achievements
		Reporting of ESG stakeholder issues and major topics

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# Governance

## Board of Directors

### BOD operational system

#### Independence and transparency of the BOD

Aiming for the higher independence and transparency of its board of directors, DRB Holding has resolved the amendment to the Articles of Incorporation at the regular general meeting of shareholders on March 24, 2021, separating the Chairperson of the Board of Directors and the CEO. Furthermore, we establish independence requirements in our Corporate Governance Charter and appoint independent directors who do not have significant stakes in the firm in compliance with applicable legislation, including the Commercial Act, to safeguard the independence of non-executive directors. Additionally, the BOD is granted the authority to appoint and dismiss the CEO under applicable laws and regulations to guarantee that its duty of checking management is effectively carried out. In addition, we ensure that the majority of the board of directors is made up of non-executive directors with verified independence to prevent the board’s duty of checking management from being debilitated due to collusion with management during the operation process. As of the end of December 2022, DRB’s Board of Directors has a total of 5 members, including 1 executive director, 3 non-executive directors, and 1 non-executive director. Furthermore, we have formed committees and internal support organizations within the Board of Directors to enable effective and prudent discussion and decision-making on each agenda item.

#### Expertise and diversity of the BOD

DRB Holding reflects the ‘diversity principle’ in the composition of the Board of Directors to ensure that the board does not represent specific interests or is biased toward specific backgrounds or occupations. To this end, we first appointed directors and formed a board of directors without discrimination based on gender or age. We enhance the efficiency of the BOD by appointing external professionals in diverse sectors such as management, law, policy, finance, and accounting as outside and non-executive directors, while also ensuring the role of keeping management in check. Additionally, at the 10th regular shareholders’ meeting, a female non-executive director was appointed for the first time, bolstering gender diversity on the board of directors.

#### Appointment and term of the BOD

DRB Holding appoints directors by resolution of shareholders at the general shareholders’ meeting in accordance with Article 382 of the Commercial Act. Executive directors are selected from among candidates nominated by the Board of Directors, and non-executive directors are determined from among candidates recommended by the Non-executive Director Candidate Recommendation Committee in accordance with Article 542-8 of the Commercial Act. The same provision requires that non-executive directors make up the majority of the Non-executive Director Candidate Recommendation Committee. Therefore, DRB Holding forms the Outside Director Candidate Recommendation Committee with two non-executive directors and one non-executive director to satisfy applicable regulations and recommend non-executive director candidates

according to impartial procedures. Directors are appointed for three years and can be re-appointed at a general shareholders’ meeting after the expiration of their directorships. However, according to the Commercial Act, the tenure of non-executive directors cannot exceed 6 years (9 years if the service period in affiliates are included).

#### Director’s remuneration

DRB directors are paid within the limits approved by the general shareholders’ meeting pursuant to Article 388 of the Commercial Act and the Articles of Incorporation.

### BOD operational activities

#### Operations and responsibilities of the BOD

The meetings of DRB Holding’s board of directors are divided into ordinary meetings that are held once a quarter and extraordinary meetings that are held as necessary. We have established board regulations for its efficient operation, and minutes are prepared and maintained for each meeting. We have convened a total of six BOD sessions and except as otherwise provided by applicable laws and regulations, resolutions at the Board of Directors are made with the attendance of a majority of directors and the approval of a majority of directors present.

BOD operations in 2022

Meeting rounds	Agenda description		Approval status	Ordinary/extraordinary	Date	Participants/Entire members
	Category	Details				
1st	Matters subject to resolution	Securing of a loan	Approved	Ordinary	January 12, 2022	3/3
2nd	Matters subject to resolution	Approval of the separate financial statements	Approved	Ordinary	February 8, 2022	3/3
	Matters subject to resolution	Approval of extensions of borrowings, etc.	Approved	Ordinary	February 8, 2022	3/3
	Matters subject to resolution	Approval of the extension of the payment guarantee for the subsidiary’s borrowings, etc.	Approved	Ordinary	February 8, 2022	3/3
	Matters subject to resolution	Approval of the receipt of a loan for the corporation in Russia	Approved	Ordinary	February 8, 2022	3/3
	Matters subject to reporting	Report on the operational status of the internal accounting management system in 2021	-	Ordinary	February 8, 2022	-
3rd	Matters subject to resolution	Approval of the planned dividend for 2021	Approved	Ordinary	February 22, 2022	3/3
	Matters subject to resolution	Approval of consolidated financial statements	Approved	Ordinary	February 22, 2022	3/3
	Matters subject to resolution	Convening the 56th regular general meeting of shareholders and approving the agenda	Approved	Ordinary	February 22, 2022	3/3
	Matters subject to reporting	Report on the evaluation of the operation of the internal accounting management system	-	Ordinary	February 22, 2022	-

## Board of Directors

### BOD operational activities

BOD operations in 2022

Meeting rounds	Agenda description		Approval status	Ordinary/extraordinary	Date	Participants/Entire members
	Category	Details				
4th	Matters subject to resolution	Enactment of the Board of Directors Operational Regulations	Approved	Ordinary	April 26, 2022	5/5
	Matters subject to resolution	Approval of committee members within the board of directors and its operational regulations	Approved	Ordinary	April 26, 2022	5/5
	Matters subject to resolution	Approval of the transfer of engineering business	Approved	Ordinary	April 26, 2022	5/5
	Matters subject to resolution	Approval of an extension of the due date of borrowings for the corporation in Russia	Approved	Ordinary	April 26, 2022	5/5
	Matters subject to resolution	Approval of payment guarantee for new borrowing for DRB Automation	Approved	Ordinary	April 26, 2022	5/5
	Matters subject to reporting	Report on financial statements for the first quarter of 2022	-	Ordinary	April 26, 2022	-
5th	Matters subject to resolution	Approval of the Corporate Governance Charter	Approved	Ordinary	August 9, 2022	5/5
	Matters subject to resolution	Approval of extensions of borrowings, etc.	Approved	Ordinary	August 9, 2022	5/5
	Matters subject to resolution	Approval of the extension of the payment guarantee for the subsidiary's borrowings, etc.	Approved	Ordinary	August 9, 2022	5/5
	Matters subject to reporting	Report on financial statements for the second quarter of 2022	-	Ordinary	August 9, 2022	-
6th	Matters subject to resolution	Approval of extensions of borrowings, etc.	Approved	Ordinary	November 8, 2022	5/5
	Matters subject to resolution	Approval of the extension of the payment guarantee for the subsidiary's borrowings, etc.	Approved	Ordinary	November 8, 2022	5/5
	Matters subject to resolution	Approval of the receipt of a loan for DRB Slovakia	Approved	Ordinary	November 8, 2022	5/5
	Matters subject to reporting	Report on financial statements for the third quarter of 2022	-	Ordinary	November 8, 2022	-
	Matters subject to reporting	Report on merger plan with Chinese corporation (Qingdao/Chongqing)	-	Ordinary	November 8, 2022	-

# Governance

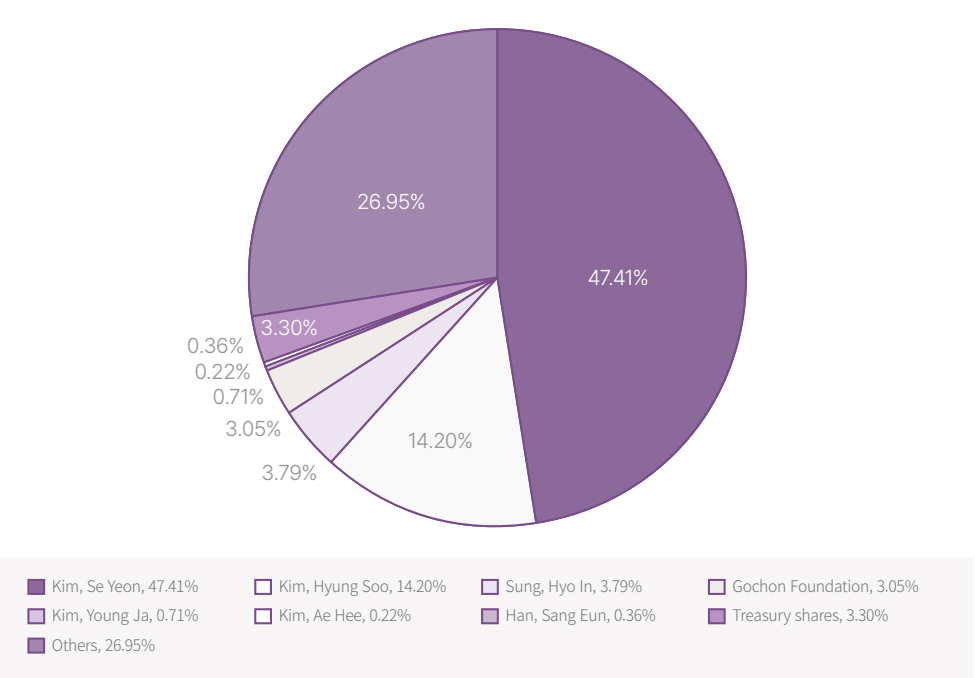
## Shareholders

### Shareholder management

#### Shareholder composition and stock holding status

Including the shares held by the largest shareholder and related parties, DRB Holding holds 69.75% of the total shares. DRB Holding has 30,000,000 shares available for issuance, and a total of 19,930,000 shares have been issued. Currently, DRB Holding has 657,636 treasury shares. DRB Holding has only issued common stocks without class stocks, so therefore all shareholders have equal rights under the one-share, one-vote basis.

#### Shareholder status





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## Shareholders

### Protection of shareholders’ rights

DRB Holding holds a regular general shareholders’ meeting within three months after the end of each business year. In accordance with applicable laws, general information regarding the general shareholders’ meeting, such as the date and time, location, and agenda, is generally announced on DART, an electronic disclosure system, two weeks before the meeting, and the notice of convocation is sent to major shareholders holding more than 1% of the total number of issued shares with voting rights. We have worked since 2016 to promote the engagement of shareholders who have difficulty attending general shareholders’ meetings in person and protect their voting rights by introducing an electronic voting system. Additionally, the results of the general shareholders’ meeting gained from these various methods are made available on DART. From 2021 to 2023, DRB Holding held a general shareholders’ meeting outside of the prime shareholder meeting season. We will continue to fully participate in the voluntary compliance program to disperse general shareholders’ meetings and schedule general shareholders’ meetings outside of the peak season to ensure that shareholders actively and more easily participate in the general shareholders’ meetings.



### Shareholder return policy

The increase of shareholder value is DRB Holding’s basic tenet. We determine dividends within the range of dividend-available earnings, taking into account corporate investment for sustainable growth, financial structure, and management environment. We primarily pay cash dividends and intend to expand dividends to return profits to shareholders based on dividend payout ratios and performance. To promote shareholder value and stabilize dividends, DRB Holding paid a dividend of KRW 40/share (common stock) in 2022, an increase of more than 30% over the previous year. Furthermore, we have paid dividends 29 times in a row since 1994 with the aim of guaranteeing that shareholders’ rights to receive an acceptable level of dividends are honored.



# Governance

## Ethical management

### Ethical management

DRB perceives ethical management as an essential element for mutually sustainable development with all stakeholders and is making multifaceted efforts to put it into practice. In 2016, we declared a code of ethics and asked all employees to use it as a standard for making desirable decisions and actions. Since 2020, each employee has produced a written pledge in person to practice the code of ethics every year, reinforcing their commitment to its implementation. Furthermore, we created an ethics charter and code of conduct in 2023 to further consolidate the company’s ethical management principles and dedication to applying them.

DRB’s Ethics Charter

1. We comply with all applicable rules and regulations in all areas of DRB’s operation and endeavor to foster a transparent and healthy company culture through ethical business performance.

2. We bear in mind that the development of our customers leads to our own, and we are devoted to attaining customer satisfaction by offering trustworthy goods and services to our customers.

3. We respect the free market economic order and pursue mutual advancement via legitimate competition and fair trade.

4. We actively participate in social contribution activities to discharge our responsibilities as employees of the country and local communities.

### Operation of the ethical management system

DRB Industrial has a four-stage ethical management strategy in place to successfully implement ethical management.

- ① Prevention: Preventing problems ahead of time

② Detection: Monitoring and detecting

③ Investigation: Auditing and diagnosing

④ Response: Preventative measures



### ① Prevention: avoiding problems ahead of time

#### A pledge to observe the code of ethics

DRB distributes the ‘written pledge to observe the code of ethics’ to its employees at the beginning of each year to encourage them to fully understand the Code of Ethics and Code of Conduct and to actively participate in its ideal ethical management activities.

Code of Ethics

#### Ethical education

Every year, DRB provides ethical education for all of its employees, emphasizing the importance of ethical management to its employees in order to develop their understanding of ethical management while internalizing a sense of ethics.

### ② Detection: monitoring and discovering

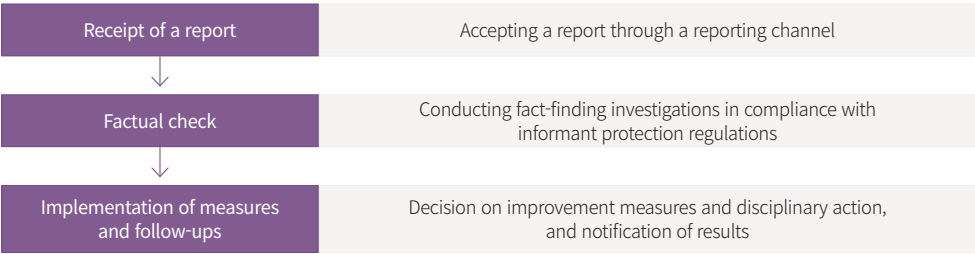
Surveys on a sense of ethics

DRB has performed ethics surveys for its suppliers since 2016 to identify risks that may arise during business activities early and prevent recurrence. Since 2021, we have been actively raising our ethical awareness by broadening the survey targets to include our internal employees.

#### Reporting channel

DRB has operated a reporting channel since 2021 to consolidate its transparent management and create a fair business environment. The reporting channel is administered in compliance with applicable regulations to safeguard informants and allows all stakeholders to report without fear, either under their real name or anonymously.

Cyber Audit Office



# Governance

## Ethical management

### ③ Investigation: Auditing and diagnosing

**Internal audit**  
 DRB audits its entire company's operations across all of its business sites and subsidiaries. Compliance with regulations, adequacy and efficiency of work processing, unethical practices, etc. are subject to regular or occasional audits, and the audit results are reported to the CEO and audit committee.

**Internal control**  
 DRB performs internal control activities every year to protect corporate assets and prevent potential malpractice risks. We analyze quantitative and qualitative risk information for major business processes, define elements to be controlled, and conduct internal control evaluations on a quarterly basis.

Company-wide control system	
Work process	Control items
Environment control	- Responsibility for morality and ethical values - Responsibility for supervising the internal accounting management system (bolstering expertise, independence, the responsibility for supervising, etc. of the board of directors and audit committee) - Defining the organizational structure, authorities, and responsibilities - Maintaining qualifications (making policies and practical procedures, and selecting, training, and maintaining personnel) - Increasing internal control responsibilities (making performance evaluation and compensation policies)
Risk assessment	- Setting specific objectives (complying with accounting standards and substantially incorporating them into corporate activities) - Identifying and analyzing risks - Assessing the risk of malpractice - Identifying and analyzing significant changes
Control activities	- Selecting and developing control activities - Selecting and developing general information technology control mechanisms - Implementing control activities through policies and procedures (making the operational regulations for the internal accounting management system)
Information and communication	- Utilizing relevant information (identifying and assessing information needs) - Internal and external communication
Monitoring	- Continuous monitoring and independent evaluation - Evaluating vulnerability and improvement activities

### ④ Response: measures for improvement

Inappropriate acts detected during internal audit and internal control are either corrected immediately or rigorously reviewed for improvement on a regular basis in accordance with the corrective action plan established to prevent the risk from recurring. For unjustifiable acts that require disciplinary action, we convene the personnel committee and take sanctions in accordance with the ‘zero tolerance principle.’

**The past and future of ethical management**  
 DRB laid the groundwork for ethical management by announcing a code of ethics in 2016 and establishing audit work regulations in 2017. Since then, we have continued to conduct ethical management and internal audit work with a focus on enhancing practical ethical awareness.



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# Governance

## Compliance

### Compliance management strategy

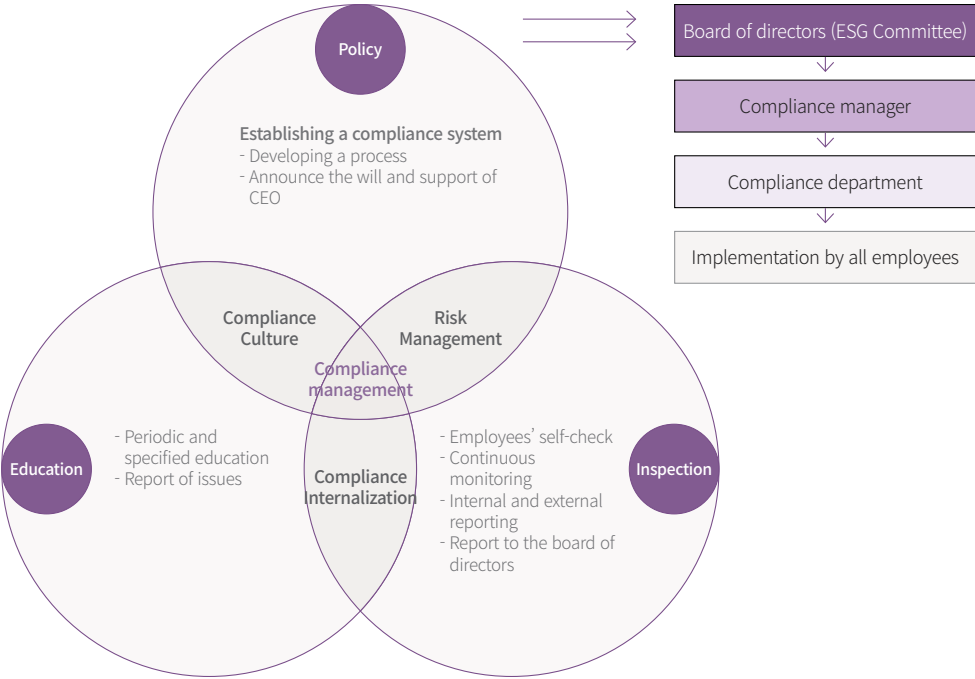
DRB has engaged in a variety of compliance actions in order to develop a compliance management system and stabilize a compliance culture for a sustainable future. Based on the firm will of the management, we have built and operated an internal compliance system to comply with fair trade laws. We provide our employees with clear standards of behavior for complying with fair trade orders and build an organized process to assure their application, preventing legal violations in advance and supplementing them through constant inspection operations.

Target year	Tasks	Highlights
2023	Developing a compliance system	<b>Policy</b> <ul style="list-style-type: none"> <li>- Engaging in actions that demonstrate our dedication to self-compliance and management</li> <li>- Developing company-wide compliance policies (creating a Code of Conduct and enacting or revising appropriate bylaws)</li> </ul> <b>Organization and system</b> <ul style="list-style-type: none"> <li>- Appointing a compliance manager and person in charge</li> <li>- Establishing related systems (risk-specific manuals, sanctions, and incentives)</li> <li>- Executing a process that will externally validate our compliance system</li> </ul> <b>Advancing the compliance culture</b> <ul style="list-style-type: none"> <li>- Forming a council to prepare annual reports</li> <li>- Strengthening participant-tailored training</li> </ul>
2025	Stabilizing the compliance system	<ul style="list-style-type: none"> <li>- Compliance program certification</li> <li>- ISO 37301 certification</li> <li>- Concurrently managing the compliance program and ISO 37301 certification</li> </ul> <b>Upgrading and continuously checking existing policies, organizations, systems, and cultural establishment activities</b>

### Compliance activities

#### Establishment and operation of the compliance system

In 2021, DRB undertook compliance due diligence and enhanced governance based on the results, demonstrating a strong commitment to compliance management. In 2022, the Legal & Compliance Team was established and formed a consultative body with the management and relevant departments to establish a specific compliance management policy to be implemented by DRB Industrial and all other group companies. To ensure that these policies are implemented effectively, DRB has made efforts at the organizational level, such as designating a compliance manager and organizing a compliance department. As a result, a framework has been secured where the compliance policy embedded with the professionalism can be organically implemented through relevant organizations. These systems are integrated into the work process and guarantee that applicable policies are followed. Through these efforts, we have established an effectively operated compliance system and we are constantly enhancing it through systems (policies), education, and inspection activities.





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## Compliance

### Application of standard subcontract agreements

DRB applies and complies with the standard subcontract agreement publicly notified by the Fair Trade Commission to its contracts. Notably, we strictly adhere to the subcontracting law and manage contracts by incorporating relevant provisions for guaranteeing the material and intellectual property rights of our external suppliers into our contracts. These regulations cover the prohibition of coercion to provide technical data, the deposit of technical data, the implementation and guarantee of intellectual property rights, etc. stipulated in the standard subcontract.

### Operation of a compliance checklist, a prior consultation system, and internal reporting

In transactions with external suppliers, DRB operates a compliance checklist, a prior consultation system, and an internal reporting channel to monitor and control unlawful matters and unfair trade practices. To be specific, we examine the compliance status of our transactions through self-examination of the compliance checklist and prior consultation with respect to the delivery of a written contract prior to a transaction and the prohibition of unfair subcontract pricing, coercion to purchase goods, unfair economic demands, and forced unfair transaction conditions. Following the completion of the transaction, compliance with the transaction is enforced by a whistle-blowing mechanism for the whole transaction, including delayed payment, unfair reductions in subcontracting costs, and legal violations relating to the demand for technical data. As a result of operating the prior consultation system and internal reporting channel, we averted violations of laws and regulations, detected and corrected potential violations early, and confirmed that potential risks stemming from unfair transactions were effectively eliminated in advance.

### Strengthening internal monitoring, inspection, and supplementation activities

DRB supplements and improves issues through continuous inspections along with regular internal monitoring to ensure ethical management and compliance. We regularly check our own checklist for compliance with fair trade laws and regulations, such as the Fair Transactions in Subcontracting Act and the Fair Agency Transactions Act, and undertake on-site inspections and consultations to prevent and improve compliance violations. In addition, we also have a whistleblower protection scheme in place to promote internal and external reporting. Furthermore, in accordance with internal audit regulations, the compliance department assists in the examination and improvement of processes to prevent compliance violation issues discovered during audit activities from recurring in the future. We also punish law-violators through a disciplinary system.

### External cooperation

DRB is participating in the Business Integrity Society hosted by the UN Global Compact Network Korea and the Korea Sustainability Investing Forum, and in March 2022, it pledged to improve ESG competency and create an anti-corruption corporate culture.



Business Integrity Society

### Upgrade of the compliance system

Based on the results of an external law firm's due diligence and awareness survey results on its employees, DRB analyzes the gap between the external requirements for compliance management and its existing position and builds a step-by-step compliance procedure to narrow it. Above all, we intend to establish company-wide ethics and compliance management rules and examine them on a regular basis in order to clearly communicate the management's intentions to our employees. We also intend to establish a compliance system in each field in stages and enact and amend related company regulations with the aim of creating an environment in which ethics and compliance management are naturally achieved within the actual work process. In terms of external transactions, we have built a compliance risk management system by introducing self-check activities and a prior consultation system, and we plan to further refine them so that business activities that conform to ethics and compliance management can continue in the future. Furthermore, we will perform self-inspection, seek advice from external special agencies, and raise awareness to ensure that our compliance management culture can be integrated through ongoing employee training, organizational system restructuring, and cultural dissemination.

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## Risk Management

### Integrated risk management Strengthening risk management

DRB views risk management to be an integral component of corporate governance and aims to build an active risk management culture. Furthermore, we are constantly improving our risk management processes with the aim of maintaining the soundness and stability of our corporate operations. DRB handles the risk agenda at the board of directors' ESG Committee, where it examines the conditions and measures to address major risks. Furthermore, the CEO is designated as the person in charge of risk management, and heads of departments in charge of compliance, finance, support, production, technology, and research are included in the risk management system to manage financial and non-financial risks across the company.



### Management of major risks by type

DRB has classified various risks into environmental risks based on a broad perspective to respond to mid- to long-term risks, financial risks such as sales, exchange rates, liquidity, and interest rates, business risks such as strategy, competitors, customers, and technological changes, and operational risks such as employees, processes, infrastructure, and security, with further grouping of the last two risk types into a non-financial risks. Based on this classification, we establish a response strategy to proactively identify and manage company-wide integrated risks.

#### Financial risk

Category	Risk details	Management activities
Market	Foreign exchange risk	• Management of foreign exchange risk for functional currencies <sup>1</sup>
Credit	Inability of the customer or counterparty to perform contractual obligations	• Establishing and managing credit limits for suppliers with trade receivables in accordance with internal receivable management regulations • Managing fund collection plans such as credit checks and collateral for investments and loans
Liquidity	Unexpected deterioration in liquidity	• Maintaining an adequate level of deposits by periodically predicting future cash flows • Entering into agreements with financial institutions for the investment of emergency funds

1. Managing exchange rate fluctuation risk for US, European, and Japanese currencies

#### Non-financial risk: Business continuity







Category	Risk details	Management activities
Supply chain	Delay in product delivery due to failure to secure raw material supply and production continuity	• Establishing and training a response system for each supply continuity emergency scenario • Regularly evaluating the quality and environment of external raw and subsidiary material external suppliers based on IATF 16949, ISO 9001, and ISO 14001 • Establishing a procurement emergency response manual • Providing consultation and regularly evaluating to strengthen external suppliers' ESG management capabilities • Managing unfair trade risks in the supply chain and addressing external supplier grievances through PSM Reviewing orders and operating BAC (Bid Approval Committee)
Disaster and safety	Disasters such as earthquakes, fires, or occupational accidents in the workplace	• A special organization for company-wide safety risk management • Setting up an emergency response organization for disasters and occupational accidents, preparing manuals for each scenario, and defining recovery targets • Conducting regular public-private joint training based on accident scenarios (fires, explosions, etc.) in the workplace.
Environment	Imposition of legal sanctions and fines according to environmental regulations	• Operating a dedicated environmental risk management organization • Regularly diagnosing and preventing potential risks through environmental impact assessment • Renewing and self-checking ISO 14001 certification • Conducting regular response training for each environmental accident scenario, such as chemical and wastewater spills

# Governance

## Risk Management

### Integrated risk management

Non-financial risk: Operation

Category		Risk details	Management activities
Climate change		Regulatory risks related to emissions; transition to business related to physical risks	<ul style="list-style-type: none"><li>• Operating a dedicated climate change risk management organization, monitoring related laws, and setting and enforcing reduction targets</li><li>• Monitoring greenhouse gas emissions at the workplace</li><li>• Determining business direction and investment using internal carbon pricing</li></ul>
Quality control		Risks resulting from changes to 4M, risks affecting continued supply or delivery	<ul style="list-style-type: none"><li>• Evaluating the impact of 4M changes and monitoring quality levels</li><li>• Managing non-conforming products according to the treatment process</li><li>• Establishing and training quality control risk in emergency scenarios</li></ul>
Human rights		Human rights violations, human resource management	<ul style="list-style-type: none"><li>• Carrying out periodic human rights impact assessments and implementing improvement measures.</li><li>• Establishing and disseminating human rights policies and guidelines</li><li>• Providing training and operating a reporting system on human rights protection, anti-discrimination, etc.</li></ul>
Information security		External cyberterrorism, internal data leakage, and information loss	<ul style="list-style-type: none"><li>• Operating a dedicated security organization and establishing security regulations and operating standards</li><li>• Knowledge management through the document centralization system (ECM)</li><li>• Providing regular training on in-house security guides, security training for security personnel in each department, and company-wide security training</li></ul>
Law and ethics		Unfavorable contract conclusion, lawsuits, unfair transactions, and corruption	<ul style="list-style-type: none"><li>• Avoiding legal risks by adhering to contract review regulations and the use of standard contracts, and raising awareness by disseminating litigation cases</li><li>• Developing knowledge through practical training in foreign exchange, patents, contract management, etc.</li><li>• Providing anti-corruption and ethics education, including the Improper Solicitation and Graft Act, Fair Transactions in Subcontracting Act, and Monopoly Regulation and Fair Trade Act</li></ul>
Brand and reputation		Compromising the corporate image due to misinformation, negative communication, etc.	<ul style="list-style-type: none"><li>• Providing PR risk response training to new hires, promoted employees, and newly appointed team leaders</li><li>• Raising awareness through behavioral principles, action processes, and case studies for public relations personnel</li><li>• Implementing brand marketing and communicating with stakeholders through various channels</li></ul>

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# Financial Data

## Summary of Consolidated Financial Information

Category	Period No. 57	Period No. 56	Period No. 55
	As of December 2022	As of December 2021	As of December 2020
[Current Assets]	475,692,074	384,837,852	360,352,120
Cash and Cash Equivalents	143,643,614	107,263,427	119,930,896
Trade Receivables	146,658,474	128,277,650	91,500,033
Other Receivables	24,576,720	15,503,510	52,485,825
Inventories	142,723,633	110,920,541	78,607,515
Securities Measured at Fair Value through Profit or Loss	-	10,200,912	10,012,695
Other Current Assets	18,089,633	12,671,812	7,815,156
[Non-Current Assets]	469,546,421	447,118,710	416,082,643
Investment Assets	17,994,055	19,227,080	5,922,032
Other Receivables	13,159,888	11,803,864	9,329,197
Investment into Affiliated Companies	-	-	1,674,869
Tangible Assets	397,591,091	392,898,062	370,927,859
Intangible Assets	4,690,957	4,170,381	6,768,418
Investment Property	15,975,851	16,097,907	16,219,962
Other Current Assets, etc.	12,358,812	2,392,465	4,960,602
Defined Benefit Assets	7,775,767	528,951	279,704
[Total Assets]	945,238,495	831,956,562	776,434,763
[Current Liabilities]	400,359,407	311,773,257	240,636,807
[Non-Current Liabilities]	65,110,403	44,627,553	72,182,674

(Unit: KRW thousand)

Category	Period No. 57	Period No. 56	Period No. 55
	As of December 2022	As of December 2021	As of December 2020
[Total Liabilities]	465,469,810	356,400,810	312,819,481
Capital Share	9,965,000	9,965,000	9,965,000
Capital Surplus	35,234,324	35,196,190	35,191,354
Other Equity	(96,390,340)	(96,390,340)	(97,546,812)
Other Accumulated Comprehensive Income	(3,157,412)	(1,032,494)	(16,803,730)
Retained Earning	419,962,651	416,821,449	422,004,916
Non-Controlling Interest	114,154,462	110,995,947	110,804,554
[Total Equity]	479,768,685	475,555,752	463,615,282
Valuation Method for Subsidiary Investment Shares	Cost method	Cost method	Cost method
Valuation Method for Affiliated Company or Joint Venture Investment Shares	-	Equity method	Equity method

Category	Period No. 57	Period No. 56	Period No. 55
	(January 1, 2022 ~ December 31, 2022)	(January 1, 2021 ~ December 31, 2021)	(January 1, 2020 ~ December 31, 2020)
Revenue	661,814,016	551,337,200	496,638,329
Operating Profit	12,110,321	577,562	21,049,960
Net profit for the current period	3,536,815	(2,796,740)	6,267,806
Total Operating Net Profit	3,536,815	(2,796,740)	6,267,806
Controlling Interest	1,534,701	(4,054,340)	2,328,502
Non-Controlling Interest	2,002,114	1,257,600	3,939,304
Other Comprehensive Income	1,837,456	15,013,075	(1,508,652)
Total Comprehensive Income	5,374,271	12,216,335	4,759,154
Earnings per Share			
Basic and Diluted Earnings per Share	80	(210)	121
Number of companies included in the consolidation	18	18	16

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## Summary of Separate Financial Information

Category	Period No. 57	Period No. 56	Period No. 55
	As of December 2022	As of December 2021	As of December 2020
Current Assets	32,562,864	76,827,163	110,293,737
Cash and Cash Equivalents	10,096,287	30,420,925	31,262,908
Trade Receivables	6,074,331	19,945,337	17,308,078
Other Receivables	16,268,830	6,793,187	44,784,230
Inventories	-	9,165,758	6,568,123
Securities Measured at Fair Value through Profit or Loss	-	10,200,912	10,012,695
Other Current Assets	123,416	301,044	357,703
[Non-Current Assets]	229,776,862	227,968,096	218,239,130
Investment Assets	2,476,728	3,203,431	1,435,389
Other Receivables	4,454,595	2,030,095	3,044,523
Investments in Affiliated Companies and Subsidiaries	216,921,798	161,793,778	148,339,618
Tangible Assets	5,874,543	57,732,674	56,856,996
Intangible Assets	49,198	283,573	468,954
Other Non-Current Assets	-	2,394,431	7,845,308
Defined Benefit Assets	-	530,114	530,114
[Total Assets]	262,339,726	304,795,259	328,532,867
[Current Liabilities]	60,900,929	94,420,201	91,354,805
[Non-Current Liabilities]	4,785,436	8,267,731	18,588,287

(Unit: KRW thousand)

Category	Period No. 57	Period No. 56	Period No. 55
	As of December 2022	As of December 2021	As of December 2020
[Total Liabilities]	65,686,365	102,687,932	109,943,092
Capital Share	9,965,000	9,965,000	9,965,000
Capital Surplus	35,221,847	35,183,713	35,183,713
Other Equity	(103,241,255)	(103,241,255)	(103,241,255)
Other Accumulated Comprehensive Income	36,475	532,242	(80,376)
Retained Earning	254,671,294	259,667,627	276,762,693
[Total Equity]	196,653,361	202,107,327	218,589,775
Valuation Method for Subsidiary Investment Shares	Cost method	Cost method	Cost method
Valuation Method for Affiliated Company or Joint Venture Investment Shares	-	Equity method	Equity method

Category	Period No. 57	Period No. 56	Period No. 55
	(January 1, 2022 ~ December 31, 2022)	(January 1, 2021 ~ December 31, 2021)	(January 1, 2020 ~ December 31, 2020)
Operating Income (Revenue)	40,847,596	96,481,589	109,531,846
Operating Profit	(513,250)	434,682	5,220,840
Net profit for the current period	(4,904,649)	(16,434,011)	1,622,010
Other Comprehensive Income	(9,279)	915,181	157,015
Total Comprehensive Income	(4,913,928)	(15,518,830)	1,779,025
Earnings per Share			
Basic Earnings Per Share	(254)	(853)	84
Diluted Earnings Per Share	(254)	(853)	84

Non-Financial Data | Domestic business site

Environmental Data

Greenhouse gas

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total emissions (Scope 1+2)	tCO <sub>2</sub> eq	7,187.43	7,532.05	111.13	11,642.44	12,756.27	12,810.25	-	-	7,935.37
- Direct emissions (Scope 1)	tCO <sub>2</sub> eq	1,084.44	1,191.26	6.83	5,748.26	6,465.65	6,398.01	-	-	1,238.63
- Indirect emissions (Scope 2)	tCO <sub>2</sub> eq	6,102.99	6,340.79	104.3	5,894.18	6,290.63	6,412.24	-	-	6,696.75
Intensity	tCO <sub>2</sub> eq/KRW billion	66.04	78.65	2.76	48.8	46.78	33.51	-	-	120.23

Energy

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total energy consumption	GJ	148,240	155,340	2,320	228,643.18	252,006.69	258,651.19	-	-	163,760
Direct energy consumption	GJ	20,710	22,840	140	105,476.39	120,555.56	124,658.95	-	-	23,820
- LNG	GJ	18,890	21,060	140	102,055.46	116,852.03	121,311.33	-	-	22,160
- Gasoline	GJ	230	210	0	178.93	69.52	67.13	-	-	140
- Diesel	GJ	1,510	1,450	0	3,212.06	3,567.38	2,186.24	-	-	1,480
- Kerosene	GJ	80	120	0	29.95	66.63	118.5	-	-	40
- LPG	GJ	0	0	0	0	0	975.74	-	-	0
Indirect energy consumption	GJ	127,530	132,500	2,180	123,166.79	131,451.13	133,992.24	-	-	139,940
- Electricity	GJ	127,530	132,500	2,180	123,166.79	131,451.13	133,992.24	-	-	139,940
Intensity	GJ/KRW billion	2,534.18	3,005.85	111.91	958.31	924.15	676.53	-	-	2,481.21

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Raw materials

	Unit	DRB Holding			DRB Industrial <sup>1</sup>			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total raw material consumption	ton	9,241	8,822	0	3,846	3,771	4,528	-	-	9,286.74
Percentage of recycled raw materials used	ton(%)	0(0)	0(0)	0(0)	571(14.8)	559(14.8)	763(16.9)	-	-	0(0)

1. Based on raw materials used for transmission belts

Waste

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022 <sup>1</sup>	2020	2021	2022	2020	2021	2022
Total discharge amount	ton	1,776.94	1,919.55	0	1,448.87	1,604.57	1,485.35	-	-	1,922.1
- General waste	ton	1,710.05	1,845.09	0	1,410.31	1,538.33	1,463.49	-	-	1,818.11
- Designated waste	ton	66.89	74.46	0	38.56	66.24	21.86	-	-	103.99
Intensity	ton/KRW billion	16.33	20.05	0	6.07	5.88	3.89	-	-	29.12
Total disposal amount	ton	98.06	30.29	0	192.57	260.94	213.26	-	-	50.83
- Incineration	ton	90	20.94	0	181.53	229.37	201.02	-	-	38.63
- Landfill	ton	8.06	9.35	0	11.04	27.77	12.24	-	-	12.2
- Others	ton	0	0	0	0	3.8	0	-	-	0
- Total recycled amount	ton	1,678.88	1,889.26	0	1,256.3	1,343.63	1,272.09	-	-	1,871.27
- General waste	ton	1,631.46	1,835.74	0	1,219	1,287.52	1,250.35	-	-	1,805.91
- Designated waste	ton	47.42	53.52	0	37.3	56.11	21.74	-	-	65.36
Recycled rate	%	94.48	98.42	0	86.71	83.74	85.64	-	-	97.36
Rate of designated waste recycled	%	70.89	71.88	0	96.73	84.71	99.45	-	-	62.85

1. In 2022, the discharge, treatment, and recycling of DRB Holding's waste were entrusted to DRB Industrial.



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Waste

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022 <sup>1</sup>	2020	2021	2022	2020	2021	2022
Total water withdrawal	ton	34,568	35,125	0	80,001	95,979	92,632	-	-	32,101
- Water supply	ton	34,568	35,125	0	79,015 <sup>2</sup>	95,979	92,632	-	-	32,101
Intensity	ton/KRW billion	317.66	366.8	0	335.3	351.97	242.29	-	-	486.36
Wastewater discharge amount	ton	11,916	13,553	0	3,866	785	0	-	-	10,110
Recycled amount	ton	0	0	0	182,404	239,661	256,240	-	-	0
Recycling rate <sup>3</sup>	%	0	0	0	69.51	71.4	73.45	-	-	0

1. In 2022, the withdrawal, use, discharge, and recycling of DRB Holding's waste were entrusted to DRB Industrial.

2. DRB Industrial: Groundwater consumption is determined by the difference between total water intake and constant water volume (the groundwater well was closed in March 2020).

3. DRB Industrial: Recycling rate is computed based on the water intake

Pollutant

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Air pollutant emissions	Nitrogen oxides (NOx) emissions	ton	0	0	-	2.92	2.27	2.84	-	-	0
	Nitrogen oxides (NOx) emission concentration	ppm	0	0	-	36	39	36.9	-	-	0
	Nitrogen oxides (NOx) emission intensity	ton/KRW billion	0	0	-	0.012	0.008	0.007	-	-	0
	Sulfur oxides (SOx) emissions	ton	0	0	-	0	0	0	-	-	0.57
	Sulfur oxides (SOx) emission concentration	ppm	0	0	-	0	0	0	-	-	1.3
	Sulfur oxides (SOx) emission intensity	ton/KRW billion	0	0	-	0	0	0	-	-	0.01
	Particulate matter (PM10) emissions	ton	2.5	1.42	-	0.9	0.41	0.63	-	-	0.62
	Particulate matter (PM10) emission concentration	mg/Sm³	3.68	2.23	-	15.2	4.3	5.2	-	-	1.7
	Particulate matter (PM10) emission intensity	ton/KRW billion	0.02	0.01	-	0.004	0.002	0.002	-	-	0.01
Water pollutant emissions	COD emissions	ton	-	0.42	-	0.02	0.01	0	-	-	0.59
	COD emission intensity	ton/KRW billion	-	0.004	-	0.0001	0.00002	0	-	-	0.01
	BOD emission	ton	-	1.07	-	0.03	0.01	0	-	-	0.61
	BOD emission intensity	ton/KRW billion	-	0.01	-	0.00012	0.00002	0	-	-	0.01
	SS emissions	ton	-	0.1	-	0.015	0.003	0	-	-	0.02
	SS emission intensity	ton/KRW billion	-	0	-	0.00006	0.00001	0	-	-	0.0002

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Hazardous chemicals

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total usage	ton	115	115	0	273.85	234.65	203.68	-	-	118
Major hazardous chemical leaks	Cases	0	0	0	0	0	0	-	-	0

Violation of environmental laws

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Violations	Cases	1	0	0	0	0	0	-	-	0
Fines and penalties	KRW million	0.6	0	0	0	0	0	-	-	0

Environmental certification

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
ISO 14001	%	50	50	0	100	100	100	-	-	100

Investments and costs in the environment

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Environmental investment	KRW 100 million	0	3.1	0	-	-	-	-	-	1.54
Operational costs for environmental facilities	KRW 100 million	0.78	0.63	0	-	-	-	-	-	1.04

Eco-friendly products

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total eco-friendly product sales <sup>1</sup>	KRW 100 million	0	0	0	0.42	2.14	13.51	-	-	0

1. DRB Industrial: Based on energy-saving conveyor belt sales

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## Social Data

### Labor-management relations

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of union members <sup>1</sup>	Persons	130	118	0	390	374	393	-	-	115
Union membership rate	%	42.7	41.5	0	71.2	68	68.4	-	-	59.3
Collective agreement application rate	%	100	100	100	100	100	100	-	-	100
Number of labor-management council meetings held	Sessions	4	4	0	4	4	4	-	-	4

1. Limited to full-time employees among production workers

### Employees

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
By employment type	Total number of employees	Persons	304	280	81	547	550	574	-	-	194
	Full-time	Persons(%)	297(97.7)	278(99.3)	79(97.5)	542(99.1)	517(94)	550(95.8)	-	-	188(96.9)
	Non-regular	Persons(%)	7(2.3)	2(0.7)	2(2.5)	5(0.9)	33(6)	24(4.2)	-	-	6(3.1)
	Dispatched or subcontracted	Persons	16	16	0	34	34	34			16
	Social insurance subscription rate	%	93	96.4	90.1	88.4	88	86.9	-	-	93.2
By age	Under 18 years old	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	-	-	0
	18 years old or older and under 30 years old	Persons(%)	26(8.6)	16(5.7)	9(11.1)	28(5.1)	42(7.6)	30(5.2)	-	-	5(2.6)
	30 years old or older and under 50 years old	Persons(%)	193(63.5)	198(70.7)	59(72.8)	274(50.1)	274(49.8)	301(52.4)	-	-	124(63.9)
	50 years old or older	Persons(%)	85(28)	66(23.6)	13(16.1)	245(44.8)	234(42.6)	243(42.3)	-	-	65(33.5)

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Employee diversity

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Female	Total female employees	Persons(%)	34(11.2)	30(10.7)	20(24.7)	38(7)	39(7.1)	51(8.9)	-	-	9(4.6)
	- Female management personnel	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	-	-	0(0)
	- Senior-level manager (executive)	Persons(%)	1(6.7)	0(0)	1(10)	0(0)	0(0)	2(20)	-	-	0(0)
	- Lower-level manager	Persons(%)	0(0)	1(5.9)	2(20)	0(0)	0(0)	0(0)	-	-	0(0)
	- Sales generating department	Persons(%)	8(22.9)	7(22.6)	0(0)	12(17.9)	13(21.7)	15(23.1)	-	-	4(22.2)
	- STEM department	Persons(%)	4(8)	3(6.8)	2(12.5)	7(14.6)	7(14.3)	8(15.1)	-	-	1(6.3)
Minority	People with disabilities	Persons(%)	9(3)	5(1.8)	0(0)	14(2.6)	13(2.4)	13(2.3)	-	-	6(3.1)
	National veterans	Persons(%)	10(3.3)	6(2.1)	0(0)	13(2.4)	13(2.4)	12(2.1)	-	-	6(3.1)
Nationality	Korean	Persons(%)	304(100)	280(100)	81(100)	547(100)	550(100)	574(100)	-	-	194(100)
	Foreigner	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	-	-	0(0)

Recruitment

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
New employment	Total	Persons	14	9	13	9	52	40	-	-	9
	- New hires	Persons(%)	3(21.4)	3(33.3)	7(53.9)	2(22.2)	43(82.7)	28(70)	-	-	6(66.7)
	- Experienced	Persons(%)	11(78.6)	6(66.7)	6(46.2)	7(77.8)	9(17.3)	12(30)	-	-	3(33.3)
Employment type	Full-time	Persons	11	7	10	8	11	14	-	-	2
	Non-regular	Persons	3	2	3	1	41	26	-	-	7
Gender	Male	Persons	9	7	8	7	51	31	-	-	8
	Female	Persons	5	2	5	2	1	9	-	-	1
Age	Under 30 years old	Persons	6	3	8	4	33	16	-	-	3
	30 years old or older and under 50 years old	Persons	6	5	4	5	17	20	-	-	4
	50 years old or older	Persons	2	1	1	0	2	4	-	-	2

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Turnover and retention

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Turnover	Total number of turnover employees <sup>1</sup>	Persons(%)	49(16.1)	27(9.6)	5(6.1)	33(6)	46(8.4)	46(8)	-	-	4(2.1)
	- Voluntary turnover	Persons(%)	10(3.3)	16(5.7)	3(3.7)	5(0.9)	10(1.8)	14(2.4)	-	-	2(1)
	- Involuntary turnover	Persons(%)	39(12.8)	11(3.9)	2(2.5)	28(5.1)	36(6.5)	32(5.6)	-	-	2(1)
Years of service <sup>2</sup>	Average years of service	Years	12.8	13.3	10.6	19.4	18.3	18.6	-	-	16.8
	- Male	Years	13.3	13.8	11.2	19.7	18.6	19	-	-	17.1
	- Female	Years	8.8	9.7	8.7	14.1	14.4	14.2	-	-	8.9

1. DRB Holding: Excluding the spin-off of DRB Automotive in May 2022

2. DRB Holding: Based on the employees after the split-off in 2022

Education

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total education hours		Hours	3,760	4,239	4,473	3,947	5,920	11,986	-	-	4,233
Education hours per employee		Hours	12	15	55	7	11	21	-	-	22
Education costs per employee <sup>1</sup>		KRW thousand	187	400	1,911	115	307	132	-	-	28

1. DRB Holding's training costs include those of DRB Industrial, DRB Automotive, DRB Automation, DRB International, and DRB Healthcare.

Remuneration

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Wage <sup>1</sup>	Hourly base wage to minimum wage ratio	%	108	113.5	158	105	113	115	-	-	122
Equal wage	Female to male wage ratio	%	71.7	75.9	70.6	70.3	80.3	74.5	-	-	64.8
CEO to worker wage ratio	Based on medians	%	242.9	363.3	364.5	308.6	346.9	366.7	-	-	356.6

1. DRB Holding: Based on the employees after the split-off in 2022



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Welfare

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Welfare	Welfare benefit	KRW 100 million	31.9	29.6	17.1	54.4	56	61.8	-	-	13.6
	Welfare expenses to sales ratio	%	2.92	3.06	4.19	2.28	2.05	1.62	-	-	2.05
Number of employees taking childcare leave <sup>1</sup>	Male	Persons	3	4	0	4	2	3	-	-	5
	Female	Persons	1	1	1	1	2	2	-	-	1
Returning after childcare leave	Total number	Persons(%)	0(0)	1(20)	0(0)	1(20)	3(75)	4(80)	-	-	3(60)
	- Male	Persons(%)	0(0)	0(0)	0(0)	1(25)	2(100)	2(66.7)	-	-	3(60)
	- Female	Persons(%)	0(0)	1(100)	0(0)	0(0)	1(50)	2(100)	-	-	0(0)
Working for more than 12 months after returning to work	Total number	Persons(%)	0(0)	1(100)	0(0)	1(100)	3(100)	1(25)	-	-	2(66.7)
	- Male	Persons(%)	0(0)	0(0)	0(0)	1(100)	2(100)	0(0)	-	-	2(66.7)
	- Female	Persons(%)	0(0)	1(100)	0(0)	0(0)	1(100)	1(50)	-	-	0(0)

1. DRB Holding: Based on the employees after the split-off in 2022

Grievance handling

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of grievances processed		Cases	3	0	0	1	1	0	-	-	0
Rate of grievances processed		%	66.6	0	0	100	100	0	-	-	0

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Industrial accidents

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Employees	Total working hours	Hours	642,631	589,608	158,163	1,176,658	1,208,545	1,298,583	-	-	411,540
	Regular workers	Persons	304	195	81	547	550	574	-	-	194
	Lost-time injuries (LTI)	Cases	0	1	0	3	4	3	-	-	1
	Lost-time injuries frequency rate (LTIFR)	Number of cases per million working hours	0	1.69	0	2.55	2.48	2.31	-	-	2.42
	Number of victims of accidents	Persons	0	1	0	3	4	3	-	-	1
	Industrial accident rate	%	0	0.51	0	0.85	0.73	0.54	-	-	0.51
	Severity rate	Number of cases per thousand working hours	0	0.08	0	0.31	0.32	0.40	-	-	0.001
	Absence rate	%	0	0.1	0	0.27	0.29	0.38	-	-	0.001
	Number of cases of occupational illness <sup>1</sup>	Cases	0	0	0	3	1	2	-	-	0
	Occupational illness frequency rate (OIFR)	Number of cases per million working hours	0	0	0	2.55	0.83	1.54	-	-	0
	Work-related death	Persons	0	0	0	0	0	0	-	-	0
	Number of accidents related to process safety	Cases	0	1	0	0	2	1	-	-	1
Suppliers	Total working hours	Hours	279,300	298,100	0	65,894	80,162	80,162	-	-	257,164
	Regular workers	Persons	114	123	0	25	34	34	-	-	111
	Work-related death	Persons	0	0	0	0	0	0	-	-	0
	Lost-time injuries (LTI)	Cases	0	0	0	0	0	0	-	-	0
	Lost-time injuries frequency rate (LTIFR)	Number of cases per million working hours	0	0	0	0	0	0	-	-	0

1. DRB Industrial: Occupational illnesses, such as musculoskeletal diseases

Violation of health and safety laws

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Violations		Cases	0	0	0	0	1	0	-	-	3

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Health and safety certification

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
ISO 45001 application rate	%	50	50	0	100	100	100	-	-	100

Health and safety education

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants	Persons	0	0	65	547	555	574	-	-	160
Total education hours	Hours	0	0	1,399	13,128	13,320	11,480	-	-	4,292
Education hours per employee	Hours	0	0	17	24	24	24	-	-	22
Participation rate	%	0	0	80.25	100	100	100	-	-	82.5

Occupational health and safety management

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Occupational accident prevention and management	Holding the Occupational Health and Safety Committee	Sessions	3	4	4	4	4	4	-	-	3
Health support	Physical health management support	Y/N	Y	Y	Y	Y	Y	Y	-	-	Y
	- General health checkup participants	Persons	304	280	92	519	530	542	-	-	114
	- Comprehensive health checkup participants	Persons	159	125	43	257	261	276	-	-	96
	- Special health checkup participants	Persons	85	85	0	353	348	356	-	-	80
	- Health promotion program participants	Persons	0	20	12	40	79	277	-	-	57
	- Health consulting participants	Persons	119	112	21	359	232	326	-	-	115
	Mental health management support	Y/N	Y	Y	Y	Y	Y	Y	-	-	Y

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Human rights-related report

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Report	Cases	0	0	0	0	0	1	-	-	0
Handling	Cases	0	0	0	0	0	1	-	-	0

Human rights-related violation

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total violations	Cases	0	0	0	0	0	0	-	-	0
- Violation of child labor regulations	Cases	0	0	0	0	0	0	-	-	0
- Violation of forced labor regulations	Cases	0	0	0	0	0	0	-	-	0

Human rights education

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants <sup>1</sup>	Persons	592	758	226	1,042	1,599	1,284	-	-	449
Total education hours	Hours	592	706	226	1,042	1,405	1,284	-	-	449
Education hours per employee <sup>2</sup>	Hours	1.9	2.5	2.8	1.9	2.5	2.2	-	-	2.3
Participation rate	%	97	88	91	95	96	96	-	-	96
Number of education sessions provided	Sessions	4	7	6	4	7	6	-	-	6

1. Including duplicate participants

2. Total education hours/total number of employees (number of target employees)

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Supplier management

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of suppliers	Total number of suppliers <sup>1</sup>	Numbers	51	50	0	104	95	96	-	-	52
	Newly registered suppliers <sup>2</sup>	Numbers	3	5	0	3	4	0	-	-	0
Supplier grievance handling process <sup>3</sup>	Acceptance	Cases	-	0	0	0	0	0	-	-	0
	Handling	Cases	-	0	0	0	0	0	-	-	0
Suppliers with high risks	suppliers subject to management <sup>4</sup>	Companies(%)	0(0)	3(2)	0(0)	0(0)	3(3.2)	0(0)	-	-	0(0)
	Companies that submitted improvement plans	Companies(%)	0(0)	3(100)	0(0)	0(0)	3(100)	0(0)	-	-	0(0)
	Companies suspended for transactions	Companies(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	-	-	0(0)
Supply chain ESG evaluation	Companies subject to regular evaluations <sup>5</sup>	Numbers	0	2	0	0	2	34	-	-	20
	Evaluated companies <sup>6</sup>	Companies(%)	0(0)	2(100)	0(0)	0(0)	2(100)	34(100)	-	-	20(100)
	- New suppliers	Companies(%)	0(0)	2(100)	0(0)	0(0)	2(100)	-	-	-	0
	- Existing suppliers	Companies(%)	0(0)	0(0)	0(0)	0(0)	0(0)	34(100)	-	-	20(100)
	On-site inspection	Cases	0	0	0	0	0	5	-	-	5
	Detection of negative environmental or social impacts	Cases	0	0	0	0	0	0	-	-	0
Mutual purchase <sup>7</sup>	Purchase amount of eco-friendly products and services	KRW 100 million	0	0	0	0	0	0.016	-	-	0.005

1. Based on the companies that actually supplied materials to manufacturers or sales agencies

2. Based on the initial evaluation of external suppliers

3. Based on the PSM communication channel registration date (opened in 2021)

4. If the external supplier evaluation grade is 2 or lower

5. Raw materials \* Manufacturer \* Located in Korea

6. Number of companies that received an initial or regular evaluation in the relevant year

7. Mutual purchasing refers to purchasing from excellent local businesses, women-owned enterprises, and businesses owned by people with disabilities, and green products mean products that minimize the input of energy and resources and the generation of greenhouse gases and pollutants.



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Investment in local communities

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Investment cost	Total social contribution amount	KRW 100 million	1.16	1.03	1.08	1.2	1.07	1.51	-	-	0
	- Donation in cash	KRW 100 million	0.92	0.7	0.8	1	0.93	1.12	-	-	0
	- Donation in kind	KRW 100 million	0	0	0	0.06	0.06	0.06	-	-	0
	- Operational costs for social contribution	KRW 100 million	0.24	0.33	0.28	0.14	0.08	0.33	-	-	0
Policy contributions	Political contributions	KRW 100 million	0	0	0	0	0	0	-	-	0
	Major association fees and contributions	KRW 100 million	0.27	0.28	0.21	0.38	0.39	0.46	-	-	0

Employees’ volunteer work

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total participation hours		Hours	0	0	158	0	0	188	-	-	0
Volunteer hours per employee		Hours	0	0	1.95	0	0	0.32	-	-	0

Information leak

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of information leaks		Cases	0	0	0	0	0	0	-	-	0
Total number of information security violations		Cases	0	0	0	0	0	0	-	-	0
Personally identifiable information leaks		Cases	0	0	0	0	0	0	-	-	0
Violation of customer information protection laws		Cases	0	0	0	0	0	0	-	-	0
Amount of fine for information protection violation		KRW thousand	0	0	0	0	0	0	-	-	0

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Information protection training

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants	Persons	0	0	10	15	15	15	-	-	-
Total education hours	Hours	0	0	10	15	15	15	-	-	-
Education hours per employee	Hours	0	0	1	1	1	1	-	-	-

Information protection certification

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
ISO 27001 certification rate	%	0	0	0	0	0	0	-	-	-

Investment in information protection

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Rate of investment in information protection <sup>1</sup>	%	9.6	8.9	8.6	0	0	0	-	-	-

1. DRB Industrial is provided with shared services including information technology and information protection services from DRB Holding, its holding company.

\* DRB Holding’s PI Team and Data Solution Team provide information technology and information protection services to all group companies.

Customer complaints

	Unit	DRB Holding			DRB Industrial			DRB Automotive		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Acceptance of VOC complaints	Cases	-	-	-	52	41	76	-	-	-
Handling of VOC complaints	Cases	-	-	-	52	41	76	-	-	-

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Composition of the BOD

		Unit	DRB Holding			DRB Industrial		
			2020	2021	2022	2020	2021	2022
Independence	Percentage of non-executive directors	%	67	67	60	67	67	60
	Limitations on the number of positions	Numbers	1	1	1	1	1	1
Diversity	Existence of a diversity policy for the BOD	Y/N	Y	Y	Y	Y	Y	Y
	Female director	Persons(%)	0(0)	0(0)	1(20)	0(0)	0(0)	1(20)
Expertise	Directors with industrial experience	Persons(%)	2(67)	2(67)	2(40)	3(100)	3(100)	2(40)
	Financial expert	Persons(%)	0(0)	0(0)	1(20)	0(0)	0(0)	1(20)
	Risk expert	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
	ESG expert	Persons(%)	1(33)	1(33)	2(40)	0(0)	0(0)	2(40)
Efficiency	Annual term of non-executive directors	Years	0.8	1.8	2.1	5.3	3.3	1.1
	Participation rate	%	100	100	100	93	100	100

Operations and responsibilities of the BOD

		Unit	DRB Holding			DRB Industrial		
			2020	2021	2022	2020	2021	2022
Convocation		Sessions	4	5	6	6	6	6
Reporting and resolution	Reported agenda	Items	0	0	6	0	0	5
	Resolved agenda	Items	10	15	19	10	12	17
	Opinions for each agenda item	Items	10	15	19	10	12	17
	- Support	Items	10	15	19	10	12	17
	- Opposition	Items	0	0	0	0	0	0
	- Revision	Items	0	0	0	0	0	0
	- Abstention	Items	0	0	0	0	0	0
Training for directors		Items	0	0	3	0	0	3

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### Committees under the BOD

		Unit	DRB Holding			DRB Industrial		
			2020	2021	2022	2020	2021	2022
Non-executive Director Candidate Recommendation and Compensation Committee	Percentage of non-executive directors	%	0	0	67	0	0	67
	Convocation	Sessions	0	0	1	0	0	1
	Participation rate	%	0	0	100	0	0	100
	Resolved agenda	Items	0	0	1	0	0	1
Auditing Committee	Percentage of non-executive directors	%	0	0	67	0	0	67
	Financial expert	Persons	0	0	1	0	0	1
	Convocation	Sessions	0	0	3	0	0	3
	Participation rate	%	0	0	100	0	0	100
	Resolved agenda	Items	0	0	3	0	0	3
	- Opposing or revised opinions	Items	0	0	0	0	0	0
ESG Committee	Convocation	Sessions	0	0	3	0	0	3
	Approval of ESG-related agenda	Items	0	0	1	0	0	1

### BOD’s remuneration

		Unit	DRB Holding			DRB Industrial		
			2020	2021	2022	2020	2021	2022
Remuneration	Actual payment rate compared to the remuneration limit	%	29.6	25.6	34.5	32.6	30.7	40.1
Stock	Directors’ and CEO’s stock holdings	%	0	0	0	0	0	0
	Controlling shareholders’ stock holdings	%	69.75	69.75	69.75	69.78	69.78	69.78

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### Enhancing shareholders’ rights

	Unit	DRB Holding			DRB Industrial		
		2020	2021	2022	2020	2021	2022
Electronic voting system	Y/N	Y	Y	Y	Y	Y	Y
Board of Directors’ approval of financial statements and decision on dividends	Y/N	Y	Y	Y	Y	Y	Y
Solicitation of proxy voting rights for all shareholders	Y/N	Y	Y	Y	Y	Y	Y
Advance notice of the agenda	Y/N	Y	Y	Y	Y	Y	Y

### Commitment to ethical management

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Ethical education <sup>1</sup>	Number of participants	Persons	147	141	66	117	128	521	-	-	155
	Total education hours	Hours	147	141	66	117	128	521	-	-	155
	Education hours per employee	Hours	0.5	0.5	0.8	0.2	0.2	0.9	-	-	0.8
	Participation rate	%	48.3	50.4	81.5	21.4	23.3	90.8	-	-	79.9
Compliance education	Number of participants <sup>2</sup>	Persons	-	856	461	-	1,126	2,496	-	-	878
	Total education hours	Hours	-	1,173	713	-	2,057	3,959	-	-	1,271
	Education hours per employee <sup>3</sup>	Hours	-	3.06	8.80	-	7.03	6.9	-	-	6.55
	Participation rate	%	-	93.93	100.00	-	97.64	81.18	-	-	91.75
Signing the Code of Ethics	Signing the internal code of ethics <sup>4</sup>	Persons(%)	175(57.6)	149(53.2)	161(58.5)	137(25)	140(25.5)	157(27.4)	-	-	-
	Signing the Code of Conduct for External Suppliers <sup>5</sup>	%	-	100	-	0	100	100	-	-	100

1. Ethics education was provided for office workers in 2020 and 2021 and has been expanded to include production workers since 2022. Long-term business travelers, overseas business travelers, and sick leavers are excluded.  
2. Including duplicate participants  
3. Total education hours/total number of employees (number of target employees)  
4. Since the code of ethics is signed at the beginning of the year, the value of DRB Holding in 2022 is based on the combined value of DRB Automotive before the spin-off.  
5. Based on domestic raw material manufacturers Since it was first enacted in 2021, it has been signed by all external supplier, and when a new external supplier was added, it was required to sign the code of conduct.



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Reports and measures related to ethical management

		Unit	DRB Holding			DRB Industrial			DRB Automotive		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Code of Conduct	Percentage of employees complying with the code of conduct	%	100	100	100	100	100	100	-	-	100
Anti-corruption	Report	Cases	0	0	0	0	0	0	-	-	0
	Occurrence	Cases	0	0	0	0	0	0	-	-	0
	Handling	Cases	0	0	0	0	0	0	-	-	0
Code of Ethics	Violations	Cases	1	0	0	0	0	0	-	-	1
	Handling	Cases	1	0	0	0	0	0	-	-	1
Legal violation	Unfair trade acts such as anti-competitive practices, monopolies, etc.	Cases	0	1	1	0	0	0	-	-	0
	Violation concerning product and service information and labeling	Cases	0	0	0	0	0	0	-	-	0
	Violation concerning internal transactions	Cases	0	0	0	0	0	0	-	-	0
	Violation concerning subcontracting transactions	Cases	0	0	0	0	0	0	-	-	0
	Litigations due to the violation of laws or regulations	Cases	0	0	0	0	0	0	-	-	0

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Greenhouse gas										
	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total emissions (Scope 1+2)	tCO <sub>2</sub> eq	14,539.67	18,436.77	23,585.50	3,158.12	3,270.86	2,722.24	19,370.19	23,557.58	23,781.73
- Direct emissions (Scope 1)	tCO <sub>2</sub> eq	365.66	449.85	675.32	608.44	680.28	626.35	4,874.24	5,437.04	5,348.89
- Indirect emissions (Scope 2)	tCO <sub>2</sub> eq	13,994.01	17,986.92	22,910.18	2,549.68	2,590.58	2,095.89	14,495.95	18,120.54	18,432.84
Intensity	tCO <sub>2</sub> eq/KRW billion	173.17	154.31	125.25	46.61	44.65	41.2	287.99	237	180.92

Energy										
	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total energy consumption	GJ	279,435.64	359,930.74	496,115.45	121,671.5	124,725.18	101,976.76	267,683.6	321,707.43	323,852.11
Direct energy consumption	GJ	132,291.64	170,802.1	255,219.77	11,455.37	12,897.43	11,753.79	94,726.74	105,504.11	103,922.64
- LNG	GJ	-	-	-	10,199.95	11,736.45	10,320.7	93,138.78	103,276.8	101,857.67
- Gasoline	GJ	874.87	1,087.1	638.14	593.7	592.42	858.14	1,066.93	835.99	767
- Diesel	GJ	981.49	985.65	2,462.96	661.72	568.55	569.23	521.03	1,391.32	1,297.97
- LPG	GJ	-	-	-	-	-	5.72	-	-	-
- Sawdust firewood (wood)	GJ	130,435.28	168,729.35	252,118.67	-	-	-	-	-	-
Indirect energy consumption	GJ	147,144	189,128.64	240,895.68	110,216.13	111,827.75	90,222.97	172,956.86	216,203.32	219,929.47
- Electricity	GJ	147,144	189,128.64	240,895.68	110,216.13	111,827.75	90,222.97	172,956.86	216,203.32	219,929.47
Intensity	GJ/KRW billion	3,328.2	3,012.48	2,634.85	1,795.62	1,702.5	1,543.23	3,979.83	3,236.49	2,463.69

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Raw materials

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total raw material consumption	ton	29,141	42,123	53,140	5,644.37	6,920.02	6,018.42	11,147.91	14,576.74	17,087.43
Percentage of recycled raw materials used <sup>1</sup>	ton(%)	4,334(14.9)	5,242(12.4)	7,841(14.8)	-	-	-	-	-	-

1. DRB Vietnam: Based on the purchase volume of natural rubber, carbon, and ZnO

Waste

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total discharge amount	ton	55.65	69.85	70.99	1,531.38	1,486.61	1,274.46	2,071.95	1,655.02	1,527.81
- General waste	ton	55.65	69.85	70.99	1,341.07	1,259.7	1,141.4	2,054.27	1,617.7	1,486.03
- Designated waste	ton	0	0	0	190.31	226.91	133.06	17.68	37.32	41.78
Intensity	ton/KRW billion	0.66	0.58	0.38	22.63	20.33	19.39	30.8	16.65	11.62
Total disposal amount	ton	55.65	69.85	70.99	169.91	117.16	51.1	543.58	539.12	390.31
- Incineration	ton	55.65	69.85	70.99	0	0	0	543.58	539.12	390.31
- Landfill	ton	0	0	0	169.91	117.16	51.1	0	0	0
- Total recycled amount	ton	0	0	0	296.02	292.89	151.61	1,536.63	1,078.17	1,095.35
- General waste	ton	0	0	0	296.02	292.89	151.61	1,536.63	1,078.17	1,095.35
Recycled rate	%	0	0	0	19.33	19.7	11.9	74.16	65.15	71.69

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Waste

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total water intake <sup>1</sup>	ton	70.18	139.12	158.24	101,155	113,757	70,927	112,154	119,272	93,696
- Water supply	ton	70.18	139.12	158.24	101,155	113,757	70,927	79,720	77,427	85,911
- Groundwater <sup>2</sup>	ton	0	0	0	0	0	0	26,457	36,825	2,061
Intensity	ton/KRW billion	0.84	1.16	0.84	1,494.61	1,360.35	1,079.23	1,667.24	1,199.83	714.81
Wastewater discharge amount	ton	-	-	-	-	-	-	0	0	36,000

1. DRB Qingdao: In the case of water intake, it is calculated by combining the data from the Chongqing and Qingdao plants.

2. DRB Qingdao: Qingdao Plant used to consume groundwater, but closed the well in March 2022.

Pollutant

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Air pollutant emissions <sup>1</sup>	Nitrogen oxides (NOx) emissions	ton	-	146.2	574.2	0	0	0	0.78	1.24	1.56
	Nitrogen oxides (NOx) emission concentration	ppm	-	-	-	0	0	0	32	36	42
	Nitrogen oxides (NOx) emission intensity	ton/KRW billion	-	1.224	3.049	0	0	0	0.00006	0.00005	0.00007
	Particulate matter (PM10) emissions	ton	-	285.57	663.1	1.2	1.27	1.16	7.15	7.43	3.96
	Particulate matter (PM10) emission concentration	mg/Sm <sup>3</sup>	-	-	-	0	0	0	6.3	5.5	6.3
	Particulate matter (PM10) emission intensity	ton/KRW billion	-	2.39	3.522	0.02	0.02	0.02	0.12	0.09	0.04
Water pollutant emissions <sup>1</sup>	COD emissions	ton	-	0.114	0.006	-	-	-	-	-	0.51
	COD emission intensity	ton/KRW billion	-	0.00095	0.00003	-	-	-	-	-	0.0075
	BOD emission	ton	-	0.0054	0.003	-	-	-	-	-	0.12
	BOD emission intensity	ton/KRW billion	-	0.00005	0.00002	-	-	-	-	-	0.0018
	SS emissions	ton	-	0.0065	0.0057	-	-	-	-	-	0.33
	SS emission intensity	ton/KRW billion	-	0.00005	0.00003	-	-	-	-	-	0.0031

1. DRB Qingdao: Based on the Qingdao Plant

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Hazardous chemicals

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total usage <sup>1</sup>	ton	-	-	-	0	0	0	17.68	37.32	41.78
Major hazardous chemical leaks	Cases	0	0	0	0	0	0	0	0	0

1. DRB Qingdao: Based on the Qingdao Plant

Violation of environmental laws

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Violations	Cases	0	0	0	0	0	0	0	0	0
Fines and penalties	KRW million	0	0	0	0	0	0	0	0	0

Environmental certification

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
ISO 14001	%	100	100	100	100	100	100	100	100	100

Investments and costs in the environment

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Environmental investment	KRW 100 million	18.45	426.54	493	0	0	0	0	0	0
Operational costs for environmental facilities <sup>1</sup>	KRW 100 million	-	-	-	0	0	0	129,620	112,774	152,517

1. DRB Qingdao: Based on the Qingdao Plant



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Labor-management relations

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of union members	Persons	453	516	609	-	-	-	408	382	396
Union membership rate	%	94.6	91.5	99	-	-	-	75.3	78.4	79.7
Collective agreement application rate	%	100	100	100	100	100	100	100	100	100
Number of labor-management council meetings held	Cases	4	3	1	5	4	4	-	-	-

Employees

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
By employment type	Total number of employees	Persons	479	564	615	635	592	534	542	487	497
	Full-time	Persons(%)	479(100)	564(100)	615(100)	519(81.7)	512(86.5)	493(92.3)	528	474	482
	Non-regular	Persons(%)	0(0)	0(0)	0(0)	116(18.3)	80(13.5)	41(7.7)	14(2.6)	13(2.7)	15(3)
	Dispatched or subcontracted	Persons	19	19	19	26	26	26	31	32	26
	Social insurance subscription rate <sup>1</sup>	%	95.6	94.2	98.7	-	-	-	97.4	97.3	97
By age	Under 18 years old	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
	18 years old or older and under 30 years old	Persons(%)	245(51.1)	278(49.3)	304(49.4)	83(13.1)	81(13.7)	71(13.3)	93(17.2)	47(9.7)	38(7.7)
	30 years old or older and under 50 years old	Persons(%)	231(48.2)	283(50.2)	308(50.1)	353(55.6)	335(56.6)	297(55.6)	444(81.9)	433(88.9)	447(89.9)
	50 years old or older	Persons(%)	3(0.6)	3(0.5)	3(0.5)	199(31.3)	176(29.7)	166(31.1)	5(0.9)	7(1.4)	12(2.4)

1. DRB Vietnam: Subscription rates for the three major insurances  
DRB Slovakia: Subscription rates for the three major insurances  
DRB Qingdao: Subscription rates for the five major insurances

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Employee diversity

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Female	Total female employees	Persons(%)	25(5.2)	24(4.3)	27(4.4)	392(61.7)	363(61.3)	334(62.6)	138(25.5)	114(23.4)	135(27.2)
	- Lower-level manager	Persons(%)	3(12)	3(12.5)	3(11.1)	8(2)	7(1.9)	9(2.7)	0(0)	1(0.9)	2(1.5)
	- Sales generating department	Persons(%)	1(4)	1(4.2)	1(3.7)	2(0.5)	1(0.3)	1(0.3)	2(1.4)	2(1.8)	2(1.5)
	- STEM department	Persons(%)	0(0)	0(0)	0(0)	1(0.3)	1(0.3)	0(0)	21(15.2)	17(14.9)	18(13.3)
Minority	People with disabilities	Persons(%)	0(0)	0(0)	0(0)	34(5.4)	33(5.6)	29(5.4)	5(0.9)	6(1.2)	6(1.2)
	National veterans	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Nationality	Korean	Persons(%)	4(0.8)	4(0.7)	4(0.7)	2(0.3)	2(0.3)	1(0.2)	0(0)	0(0)	0(0)
	Chinese	Persons(%)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	542(100)	487(100)	497(100)
	Vietnamese	Persons(%)	475(99.2)	560(99.3)	611(99.3)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
	Others	Persons(%)	0(0)	0(0)	0(0)	633(99.7)	590(99.7)	533(99.8)	0(0)	0(0)	0(0)

Recruitment

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
New employment	Total	Persons	210	312	306	42	37	21	104	132	63
	- New hires	Persons(%)	207(98.6)	306(98.1)	295(96.4)	5(11.9)	5(13.5)	2(9.5)	2(1.9)	1(0.8)	1(1.6)
	- Experienced	Persons(%)	3(1.4)	6(1.9)	11(3.6)	37(88.1)	32(86.5)	19(90.5)	102(98.1)	131(99.2)	62(98.4)
Employment type	Full-time	Persons	210	312	306	1	1	1	90	125	56
	Non-regular	Persons	0	0	0	41	36	20	14	7	7
Gender	Male	Persons	203	312	301	28	25	11	84	89	45
	Female	Persons	7	0	5	14	12	10	20	43	18
Age	Under 30 years old	Persons	159	201	212	16	19	9	25	24	13
	30 years old or older and under 50 years old	Persons	51	111	94	20	15	9	79	107	48
	50 years old or older	Persons	0	0	0	6	3	3	0	1	2

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Turnover and retention

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Turnover	Total number of turnover employees	Persons(%)	108(22.6)	227(40.3)	255(41.5)	90(14.2)	86(14.5)	88(16.5)	184(33.9)	122(25.1)	45(9.1)
	- Voluntary turnover	Persons(%)	108(22.6)	227(40.3)	255(41.5)	85(13.4)	85(14.4)	84(15.7)	183(33.8)	122(25.1)	44(8.9)
	- Involuntary turnover	Persons(%)	0(0)	0(0)	0(0)	5(0.8)	1(0.2)	4(0.7)	1(0.2)	0(0)	1(0.2)
Years of service	Average years of service	Years	4.3	4.1	4.3	3.1	4.6	6.1	6.5	6.5	6.3
	- Male	Years	4.1	3.9	4.2	4.2	3.7	4.5	6.6	6.3	6.3
	- Female	Years	6.7	7.9	7.8	4.8	4.9	4.3	6.3	6.7	6.3

Education

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total education hours		Hours	6,620	2,548	7,824	287.5	509.3	720	971.8	2,802.9	2,219.2
Education hours per employee		Hours	13.8	4.5	12.7	0.75	1	1.5	1.8	5.8	4.5
Education costs per employee		KRW thousand	32	14.4	39.7	3.9	8.1	9.7	29.2	73.2	64

Remuneration

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Wage	Hourly base wage to minimum wage ratio	%	171	117	211	114.3	106.4	110.4	100.3	100	104.2
Equal wage	Female to male wage ratio	%	183	220	188	78.82	83.14	78.4	78.5	72.4	74.3
CEO to worker wage ratio		%	781	766	953	603.2	499.3	483.4	560.6	510.4	634.8

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		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Welfare	Welfare benefit	KRW 100 million	8.5	19.8	14.6	18.4	20.8	18.9	4.7	4.2	4.1
	Welfare expenses to sales ratio	%	1.01	1.66	0.78	2.72	2.85	2.88	0.7	0.4	0.3
Number of employees taking childcare leave <sup>1</sup>	Male	Persons	29	20	25	1	4	1	2	3	3
	Female	Persons	0	1	0	5	11	6	4	2	4
Returning after childcare leave <sup>1</sup>	Total number	Persons(%)	29(100)	21(100)	25(100)	6(100)	15(100)	7(100)	6(100)	4(80)	6(85.7)
	- Male	Persons(%)	29(100)	20(100)	25(100)	1(100)	4(100)	1(100)	2(100)	3(100)	3(100)
	- Female	Persons(%)	-	1(100)	-	5(100)	11(100)	6(100)	4(100)	1(50)	3(75)
Working for more than 12 months after returning to work <sup>1</sup>	Total number	Persons(%)	29(100)	21(100)	25(100)	4(66.7)	13(86.7)	5(71.4)	6(100)	4(80)	6(85.7)
	- Male	Persons(%)	29(100)	20(100)	25(100)	1(100)	3(75)	1(100)	2(100)	3(100)	3(100)
	- Female	Persons(%)	0	1(100)	0	3(60)	10(90.9)	4(66.7)	4(100)	1(50)	3(75)

1. DRB Vietnam: In the case of Vietnam, unlike maternity leave, there are no distinct laws for the childcare leave system in Vietnam, so data is calculated based on maternity leave.  
- A female employee is granted 6 months of leave before or after childbirth; however, when multiple babies are delivered at once (e.g., twins), 1 additional month of leave is granted per child from the second child.  
- A male employee is granted 5 business days of leave when his wife gives birth; however, if his wife gives birth by cesarean section or gives birth to a child under 32 weeks, the leave period is extended to 7 business days. If the wife gives birth to twins or more by cesarean section, the period is extended to 14 business days.

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of grievances accepted and settled		Cases	-	-	-	0	0	0	0	1	5
Rate of grievances settled after acceptance		%	-	-	-	0	0	0	0	100	100

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Industrial accidents

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Employees	Total working hours	Hours	1,090,835	1,502,589	1,880,871	952,922	966,273	883,533	1,079,664	970,104	990,024
	Regular workers	Persons	479	564	615	635	592	534	528	474	482
	Lost-time injuries (LTI)	Cases	29	48	70	1	7	2	8	5	6
	Lost-time injuries frequency rate (LTIFR)	Number of cases per million working hours	26.59	31.94	37.22	1.05	7.24	2.26	7.41	5.15	6.06
	Number of victims of accidents	Persons	11	6	9	1	7	2	8	5	6
	Industrial accident rate	%	2.3	1.06	1.46	0.16	1.18	0.37	1.52	1.05	1.24
	Severity rate	Number of cases per thousand working hours	0.11	0.09	0.16	0.05	0.46	0.05	2.53	1.8	2.67
	Absence rate	%	0.01	0.01	0.01	17.92	17.65	16.8	0.25	0.18	0.27
	Number of cases of occupational illness	Cases	0	0	0	0	0	0	0	0	0
	Occupational illness frequency rate (OIFR)	Number of cases per million working hours	0	0	0	0	0	0	0	0	0
	Work-related death	Persons	0	0	0	0	0	0	0	0	0
	Number of accidents related to process safety	Cases	28	48	61	11	14	14	3	2	3
Suppliers	Work-related death	Persons	-	-	-	0	0	0	0	0	0
	Lost-time injuries (LTI)	Cases	-	-	-	0	0	0	0	0	1
	Lost-time injuries frequency rate (LTIFR)	Number of cases per million working hours	-	-	-	0	0	0	0	0	0.99

Violation of health and safety laws

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Violations		Cases	0	0	0	0	0	0	0	0	0



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Health and safety certification

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
ISO 45001 application rate	%	0	0	0	100	100	100	100	100	100

Health and safety education

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants	Persons	479	564	615	17	42	31	532	484	492
Total education hours	Hours	3,832	4,512	4,920	17	42	31	11,944	14,160	14,368
Education hours per employee	Hours	8	8	8	0.27	0.71	0.58	22	29.1	28.9
Participation rate	%	100	100	100	8.82	70.1	39.14	98.2	99.4	99

Occupational health and safety management

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Occupational accident prevention and management	Holding the Occupational Health and Safety Committee	Sessions	0	0	0	1	2	1	0	0	1
Health support	Physical health management support	Y/N	Y	Y	Y	Y	Y	Y	Y	Y	Y
	- General health checkup participants	Persons	366	528	577	395	354	400	42	140	49
	- Comprehensive health checkup participants	Persons	-	-	-	0	0	0	0	0	0
	- Special health checkup participants	Persons	-	-	-	98	95	77	216	246	260
	Mental health management support	Y/N	-	-	-	N	N	N	N	Y	Y

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Human rights-related report

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Report	Cases	0	0	0	0	0	0	0	0	0
Handling	Cases	0	0	0	0	0	0	0	0	0

Human rights-related violation

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total violations	Cases	0	0	0	0	0	0	0	0	0
- Violation of child labor regulations	Cases	0	0	0	0	0	0	0	0	0
- Violation of forced labor regulations	Cases	0	0	0	0	0	0	0	0	0

Human rights education

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants	Persons	0	0	0	0	0	0	0	0	12
Total education hours	Hours	0	0	0	0	0	0	0	0	12
Education hours per employee	Hours	0	0	0	0	0	0	0	0	0.02
Participation rate	%	0	0	0	0	0	0	0	0	0.02
Number of education sessions provided	Sessions	0	0	0	0	0	0	0	0	1

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Supplier management

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of suppliers	Total number of suppliers	Numbers	197	217	234	70	70	70	478	511	534
	Newly registered suppliers	Numbers	17	20	17	0	0	0	37	33	23
Mutual purchase <sup>1</sup>	Purchase amount of eco-friendly products and services	KRW 100 million	0	0	0	1.9	1.3	0.5	-	-	-

1. Mutual purchasing refers to purchasing from excellent local businesses, women-owned enterprises, and businesses owned by people with disabilities, and green products mean products that minimize the input of energy and resources and the generation of greenhouse gases and pollutants.

Investment in local communities

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Investment cost	Total social contribution amount	KRW 100 million	0	0	0	0.05	0.12	0.04	0.04	0.04	0.04
	- Donation in cash	KRW 100 million	0	0	0	0.05	0.12	0.04	0.04	0.04	0.04

Employees’ volunteer work

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Total participation hours		Hours	0	0	0	0	0	136	0	0	0
Volunteer hours per employee		Hours	0	0	0	0	0	0.25	0	0	0

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Information leak

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of information leaks	Cases	0	0	0	0	0	0	0	0	0
Total number of information security violations	Cases	0	0	0	0	0	0	0	0	0
Personally identifiable information leaks	Cases	0	0	0	0	0	0	0	0	0
Violation of customer information protection laws	Cases	0	0	0	0	0	0	0	0	0
Amount of fine for information protection violation	KRW thousand	0	0	0	0	0	0	0	0	0

Information protection training

	Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of participants <sup>1</sup>	Persons	-	-	-	0	0	0	101	90	93
Total education hours	Hours	-	-	-	0	0	0	101	90	93
Education hours per employee	Hours	-	-	-	0	0	0	0.19	0.18	0.19

1. DRB Qingdao: Based on office workers (managerial positions)

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Commitment to ethical management

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Ethical education	Number of participants	Persons	0	0	0	0	0	0	101	90	93
	Total education hours	Hours	0	0	0	0	0	0	101	90	93
	Education hours per employee	Hours	0	0	0	0	0	0	0.19	0.19	0.19
	Participation rate	%	0	0	0	0	0	0	18.63	18.48	18.71
Signing the Code of Ethics	Signing the internal code of ethics <sup>1</sup>	Persons(%)	479(100)	564(100)	615(100)	635(100)	592(100)	534(100)	101(18.6)	90(18.5)	93(18.7)
	Signing the Code of Conduct for External Suppliers	%	-	-	-	0	0	0	0	0	0

1. DRB Qingdao: Based on office workers (managerial positions)

Reports and measures related to ethical management

		Unit	DRB Vietnam			DRB Slovakia			DRB Qingdao		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
Code of Conduct	Percentage of employees complying with the code of conduct	%	100	100	100	100	100	100	100	100	100
Anti-corruption	Report	Cases	0	0	0	0	0	0	0	0	0
	Occurrence	Cases	0	0	0	0	0	0	0	0	0
	Settle <sup>1</sup>	Cases	0	0	0	0	0	0	0	0	0
Code of Ethics <sup>2</sup>	Violations	Cases	0	0	0	0	0	0	0	0	0
	Settle <sup>1</sup>	Cases	0	0	0	0	0	0	0	0	0
Legal violation <sup>3</sup>	Unfair trade acts such as anti-competitive practices, monopolies, etc.	Cases	0	0	0	0	0	0	0	0	0
	Violation concerning product and service information and labeling	Cases	0	0	0	0	0	0	0	0	0
	Violation concerning internal transactions	Cases	0	0	0	0	0	0	0	0	0
	Violation concerning subcontracting transactions	Cases	0	0	0	0	0	0	0	0	0
	Litigations due to the violation of laws or regulations	Cases	0	0	0	0	0	0	0	0	0

1. A reduction in salary or a severer punishment  
2. Based on the decision by the Personnel Committee  
3. Based on the administrative disposition



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# Double Materiality Assessment

DRB conducted a double materiality assessment in line with international sustainability standards such as GRI Standards and SASB to identify important sustainability issues that affect its corporate activities and reported the results. Double materiality refers to going beyond the existing materiality assessment, which focuses on environmental and social concerns from the standpoint of an investor, to examine all external consequences through a company’s business operations as well when choosing sustainability topics.

Therefore, for the purpose of identifying the mutual impacts among the environment, society, and corporate management activities, DRB preemptively capitalized on the dual materiality assessment methodology to select key sustainability topics from the first publication of the ESG report. Through this approach, we aim to link the topic with our ESG strategy and reflect it in our management activities and decision-making process. DRB’s double materiality assessment is separated into economic, social, and environmental impact assessments in terms of impact materiality and corporate value and financial impact assessments in terms of financial materiality.

Impact Materiality	Financial Materiality
Assessing the materiality of a company’s economic, environmental, and social impacts from an inside-out perspective by applying the GRI method	Assessing materiality with respect to corporate value and financial impact from an outside-in perspective by following the SASB guidelines

## Double Materiality Assessment Process

Step 1. Selecting topics	Step 2. Identifying the impacts of topics	Step 3. Setting priorities through a double materiality assessment	Step 4. Prioritizing
<ul style="list-style-type: none"><li>• Reviewing material topics for 2022 (major peer groups at home and abroad)</li><li>• Reviewing GRI, SASB, MSCI topics</li><li>• Analyzing internal and external management materials</li></ul>	<ul style="list-style-type: none"><li>• Domestic/Global regulations and guidelines</li><li>• Checking controversy issues in the industry over the last three years</li><li>• Reviewing the level of risk or opportunity perception of the investment group</li><li>• Identifying the scope and timing of impacts</li></ul>	<div>1) Impact materiality assessment (economic, social and environmental impacts)*</div> <ul style="list-style-type: none"><li>• Likelihood of occurrence</li><li>• Severity of impact<ul style="list-style-type: none"><li>-Size: magnitude of an impact (materiality)</li><li>-Scope: scope of an impact (value chain and environment, community, etc.)</li><li>-Resilience: possibility of recovery after the occurrence of an impact (separating the assessment of the impact on business from the assessment of the impact on environmental society)</li></ul></li></ul> <div>* 5-point scale impact assessment</div> <div>2) Financial materiality assessment*</div> <ul style="list-style-type: none"><li>• Direct and measurable financial impacts and risks</li><li>• Legal regulations or government policies related to the topic</li><li>• Impact of high-level sustainability expectations and performance requests on financial performance</li><li>• Impact of stakeholder perceptions and social trends on financial performance</li><li>• Impact of innovation opportunities to provide new competitive advantages on financial performance</li></ul> <div>* 5-point scale impact assessment</div>	<ul style="list-style-type: none"><li>• Topic grouping and DRB’s internal review</li><li>• Discussion with key stakeholders</li></ul>

## Double materiality assessment results

According to the results of DRB’s double materiality assessment, a total of 17 topics were finally decided, of which supply chain management, ethics and compliance, and climate change response were selected as the most important topics

Topic	Page	Topic	Page
① Supply chain management	51~55	⑩ Waste	35
② Ethics and compliance	69~72	⑪ Talent recruitment and capacity building	40~44
③ Response to climate change	27~30	⑫ Water and waste water	32
④ Diversity and equal opportunity	40~44	⑬ Occupational health and safety	45~50
⑤ Development of eco-friendly products	31~35	⑭ Innovation and clean technology (digitization)	12~15
⑥ Energy management	29~30	⑮ Governance	65~68
⑦ Product safety and quality	33~34	⑯ Improving corporate culture (organizational culture)	37~39
⑧ Greenhouse gas emissions	29	⑰ Local community	56~59
⑨ Chemical management	45~49		

# GRI Index

Statement of Use	DRB has prepared the ‘2023 DRB Holding Sustainability Report’, which covers its ESG achievements from January 1, 2022, to December 31, 2022, in accordance with GRI Standards. This report contains information prior to 2022 and by the first half of 2023 as well.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of November 2023, when DRB’s report was published, there are no applicable GRI sector standards.

## Universal Standard

Topic	No.	Disclosure	Page
GRI 2 : General Disclosures 2021			
The organization and its reporting practices	2-1	Organization details	05~07
	2-2	Entitles included in the organization’s sustainability reporting	02
	2-3	Reporting period, frequency and contact point	02
	2-4	Restatements of information	Not applicable due to a first report
	2-5	External assurance	123~124
Activities and workers	2-6	Activities, value chain and other business relationship	05~07
	2-7	Employees	82, 100
	2-8	Workers who are not employees	82, 100
Governance	2-9	Governance Structure and composition	65~67
	2-10	Nomination and selection of the highest governance body	66
	2-11	Chair of the highest governance body	65~66
	2-12	Role of the highest governance body in overseeing the management of impacts	65
	2-13	Delegation of responsibility for managing impacts	66~67
	2-14	Role of the highest governance body in sustainability reporting	65
	2-15	Conflicts of interest	66
	2-16	Communication of critical concerns	66~67
	2-17	Collective knowledge of the highest governance body	65, 92
	2-18	Evaluation of the performance of the highest governance body	Information unavailable due to non-application of performance evaluation
	2-19	Remuneration policies	66, 68, AR 274~275
	2-20	Process to determine remuneration	66, AR 261
	2-21	Annual total compensation ratio	84, 102

Topic	No.	Disclosure	Page
GRI 2 : General Disclosures 2021			
Strategy, policies and practices	2-22	Statement on sustainable development strategy	04
	2-23	Policy commitments	37, 69
	2-24	Embedding policy commitments	37~39, 51~55
	2-25	Processes to remediate negative impacts	73~74
	2-26	Mechanisms for seeking advice and raising concerns	69~70, 95, 109
	2-27	Compliance with laws and regulations	71~72
	2-28	Membership associations	121
Stakeholder engagement	2-29	Approach to stakeholder engagement	110
	2-30	Collective bargaining agreements	82, 100
GRI 3: Material Topics 2021			
Disclosures on material topics	3-1	Process to determine material topics	110
	3-2	List of material topics	110

## Topic Standard

Topic	No.	Disclosure	Page
Supply chain management	3-3	Management of material topics	51~55
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	89
	308-2	Negative environmental impacts in the supply chain and actions taken	52
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	89
	414-2	Negative social impacts in the supply chain and actions taken	52
Ethics and compliance	3-3	Management of material topics	69~72, 94~95, 109
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	69~70
	205-2	Communication and training about anti-corruption policies and procedures	94, 109
	205-3	Confirmed incidents of corruption and actions taken	95, 109
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	95, 109
Response to climate change	3-3	Management of material topics	27~30
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	113~114

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Topic	No.	Disclosure	Page
Diversity and equal opportunity	3-3	Management of material topics	40~44, 65, 83~84, 101~102
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	65, 83, 101
	405-2	Ratio of basic salary and remuneration of women to men	84, 102
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	39, 88, 106
Development of eco-friendly products	3-3	Management of material topics	31~35, 81
Non-GRI			
Energy management	3-3	Management of material topics	28~30
GRI 302: Energy	302-1	Energy consumption within the organization	78, 96
	302-3	Energy intensity	78, 96
Product safety and quality	3-3	Management of material topics	24, 33~34, 69~70, 95, 109
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	95, 109
Greenhouse gas emissions	3-3	Management of material topics	27~29, 31, 78, 96
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	78, 96
	305-2	Energy indirect (Scope 2) GHG emissions	78, 96
	305-4	GHG emissions intensity	78, 96
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	80, 98
Chemical management	3-3	Management of material topics	33~34, 81, 99
Non-GRI			
Waste	3-3	Management of material topics	36
GRI 306: Waste	306-2	Management of significant waste related impacts	36
	306-3	Waste generated	79, 97
	306-4	Waste diverted from disposal	79, 97
	306-5	Waste directed to disposal	79, 97
Talent recruitment and capacity building	3-3	Management of material topics	40~44, 83~85, 101~103
GRI 401: Employment	401-1	New employee hires and employee turnover	83~84, 101~102
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	85, 103
	401-3	Parental leave	85, 103
GRI 404: Training and Education	404-1	Average hours of training per year per employee	43, 84, 102
	404-2	Programs for upgrading employee skills and transition assistance programs	44

Topic	No.	Disclosure	Page
Water and waste water	3-3	Management of material topics	32, 35
GRI 303: Water and Effluents	303-2	Management of water discharge related impacts	32, 80, 98
	303-3	Water withdrawal	80, 98
	303-4	Water discharge	80, 98
Occupational health and safety	3-3	Management of material topics	45~50, 86~87, 104~105
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	45~46
	403-2	Hazard identification, risk assessment, and incident investigation	47~49
	403-3	Occupational health services	47~49
	403-4	Worker participation, consultation, and communication on occupational health and safety	45, 50, 87, 105
	403-5	Worker training on occupational health and safety	46, 87, 105
	403-6	Promotion of worker health	50, 87, 105
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47~48
	403-8	Workers covered by an occupational health and safety management system	82, 100
	403-9	Work-related injuries	86, 104
	403-10	Work-related ill health	86, 104
Innovation and clean technology (digitization)	3-3	Management of material topics	12~15
Non-GRI			
Governance	3-3	Management of material topics	65~67
Non-GRI			
Improving corporate culture (organizational culture)	3-3	Management of material topics	37~39
Non-GRI			
Local community	3-3	Management of material topics	56~59, 90, 107
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	56~57, 90, 107
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development Programs	56~59, 90, 107

# TCFD

Many nations resolved to set greenhouse gas emission reduction targets and make global efforts to combat global warming in the 2015 Paris Agreement. In response to the increasing global interest in and demands for climate change, the Financial Stability Board (FSB), a consultative body of finance ministers and central bank governors of G20 countries, took the initiative in establishing the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015, which now has over 1,500 institutions from 37 countries as members. DRB has addressed the pertinent issues in its report in line with the TCFD’s recommendation, which states that enterprises should identify climate change-related risks and opportunities and disclose the resulting financial impacts.

TCFD recommendations	DRB status	Connection with CDP
Governance – The organization’s governance around climate-related risks and opportunities		
a) Describe the board’s oversight of climate-related risks and opportunities	DRB organized an ESG Committee under the board of directors in April 2022, and it establishes corporate ESG goals and policies and reviews and analyzes key issues based on its ESG vision and core strategic tasks in order to contribute to global sustainability as a global rubber manufacturing company. The committee consists of two non-executive directors and one executive director who work together to manage the company’s environment, society, and governance sectors in a strategic and methodical manner. A specialized ESG organization, subcommittees, and working-level TFs are formed within the committee to strengthen DRB’s distinctive ESG management based on experience. The ESG Committee is responsible for reviewing ESG goals, policies, non-financial issues, and risk factors related to the environment and society, as well as reviewing communications related to evaluation results. Through this, DRB hopes to achieve its vision: ‘All of our daily duties at DRB contribute to our future sustainable growth.’ In addition, during this process, the ESG Committee is frequently convened by the chairperson as needed and controls ESG management by receiving reports on ESG-related risk policies, activity plans, and implementation degree.	CDP_C1.1b
b) Describe management’ role in assessing and managing climate-related risks and opportunities	DRB’s management has organized a working group under the ESG Committee to identify and manage climate change-related risks and opportunities. With the ESG Committee at its core, a specialized ESG organization, subcommittees, and working-level task forces were established. The Committee sets the directions for the company’s entire ESG management, encompassing matters related to climate change. The ESG subcommittee, which is comprised of leaders and executives from each ESG focus area centered around an ESG Team, establishes detailed ESG plans and activities in line with DRB’s vision and goals and the direction of the ESG committee, and shares related issues and solutions. Additionally, in keeping with its status as a global manufacturer of rubber products, DRB is carrying out various ESG assessments. The ESG Working-Level TF was formed with the goal of becoming an ESG leader through the implementation of identified improvement tasks.	CDP_C1.2, C1.2a
Strategy – The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning		
a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term	DRB Automotive has a management strategy that has reflected climate change risks and opportunities and intends to establish a climate transition plan within the next two years. Furthermore, DRB understands the gravity of responding to climate change as part of ESG management and is investing a considerable amount of time in establishing internal processes. The reliability of the data is inspected by the annual verification of greenhouse gas emissions every year, along with the examination of the level of implementation for 2050 carbon neutrality. Each related department appoints a person in charge to operate a task force, and in 2023, an environmental committee was established for consistent and aggressive climate change activities. By the end of 2023, we plan to establish our own targets in line with the 1.5°C scenario and incorporate them into our management strategy.	CDP_C2.1, C2.2b, C2.3, C2.3a, C2.4, C2.4a
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning		CDP_C2.5, C2.6, C3.1, C3.1c
c) Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario		CDP_C3.1a, C3.1d

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# TCFD

TCFD recommendations	DRB status	Connection with CDP
Risk Management - The methods and processes used by the organization to identify, assess, and manage climate-related risks		
a) Describe the organization’s processes for identifying and assessing climate-related risks	DRB analyzes and reviews major environmental and social risks, including climate change, at the company level and integrates them into management strategy. DRB has formed the ESG Committee under the Board of Directors to strategically and systematically manage its environmental, social, and governance sectors. In the context of ESG management, the committee establishes and reviews its sustainable management strategies and directions and monitors the level of implementation. Based on the findings, ESG-focused organizations and subcommittees examine and review important risks and challenges in order to develop specific ESG strategy tasks.  In this regard, DRB formulates a company-wide sustainability management policy and works hard to adhere to it in partnership with each corporation. In the process, it performs risk assessments for business sites and external suppliers at least once a year, as well as separate environmental and social assessments when contracting with new external suppliers.	CDP_C2.2b, C2.2c
b) Describe the organization’s processes for managing climate-related risks		CDP_C2.2c, C2.2d
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management		CDP_C2.2
Metrics and Targets - The metrics and targets used to assess and manage climate-related risks and opportunities		
a) Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process	Since 2023, DRB has disclosed and monitored corporate-specific ESG data, such as greenhouse gas emissions, energy consumption, waste emissions, air and water pollutant emissions, and water recycling.	CDP_C4.2
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	DRB discloses the greenhouse gas emissions of each corporation1 through its annual sustainability report (page 78, 96) and its website.	CDP_C6.1, C6.3, C6.5
c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	DRB is committed to attaining carbon neutrality by 2050 by continuously reducing its greenhouse gas emissions. DRB is also investing in the renewable energy sector, aiming for the transition to renewable energy in its entire manufacturing process through the purchase of renewable energy and the expansion of solar installations. We also set separate ESG KPIs to serve as guidelines for actively tackling risks and opportunities related to climate change. Specifically, their goals include ESG-related topics like quality, environment, safety, and products, as well as items such as sales, risk (regulation), productivity, and the development of new technologies and materials.	CDP_C4.1, C4.1a, C4.1b

1. DRB does not separately calculate Scope 3.

# SASB

The Sustainability Accounting Standards Board (SASB) is a non-profit organization that establishes standards for non-financial reporting. The SASB defines relevant sustainability topics by industry and recommends that companies report on those topics on a continuous basis in order to interact with investors and stakeholders. Accordingly, DRB Holding reports the major information in accordance with the standards for the industrial machinery & goods, and chemicals industry.

Industrial Machinery & Goods

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metrics	Unit of Measure	Page and details
Energy Management	RT-IG-130a.1.	(1) Total energy consumed	GJ	1,346,675.51
		(2) Percentage grid electricity	%	61.42
		(3) Percentage renewable	%	0
Workforce Health & Safety	RT-IG-320a.1.	(1) Total recordable incident rate (TRIR)	%	DRB Holding currently uses LTIFR as an indicator to manage its workers’ health and safety. Detailed data about our health and safety is set out on page 86, 104 of the report.
		(2) Fatality rate	%	0
		(3) Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	%	DRB Industrial pre-identified 732 risk cases in 2022, but the actual number of work-loss accidents was proven to be two. We are making numerous efforts, such as risk assessment and safety management training, to reduce accidents and build a safe workplace.
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1.	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons/1,000 ton-miles	
	RT-IG-410a.2.	Sales-weighted fuel efficiency for nonroad equipment	Gallons/Hour	
	RT-IG-410a.3.	Sales-weighted fuel efficiency for stationary generators	Watts/Gallon	
	RT-IG-410a.4.	Sales-weighted emissions of (1) Nitrogen oxides (NOx) for: (a) marine diesel engines (b) locomotive diesel engines (c) on-road medium- and heavy-duty engines (d) other non-road diesel engines	Grams/Kilowatt hour	Not managed
		Sales-weighted emissions of (2) particulate matter (PM) for: (a) marine diesel engines (b) locomotive diesel engines (c) on-road medium- and heavy-duty engines (d) other non-road diesel engines	Grams/Kilowatt hour	
Materials Sourcing	RT-IG-440a.1.	Description of the management of risks associated with the use of critical materials	N/A	DRB Holding has constructed a quality management infrastructure to reduce risks to the greatest possible extent during the process of using raw materials and subsidiary materials and producing products. We are equipped with an integrated management system that registers, improves, and shares problems that arise throughout the entire process from development to production, sales, and after-sales service.
Remanufacturing Design & Services	RT-IG-440b.1.	Revenue from remanufactured products and remanufacturing services	KRW	DRB Holding does not have separate sales from remanufactured products and services.



Chemicals

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metrics	Unit of Measure	Page and details
Greenhouse Gas Emissions	RT-CH-110a.1	(1) Gross global Scope 1 emissions	tCO <sub>2</sub> eq	14,294.03
		Global Scope 1 emissions percentage covered under emissions limiting regulations	%	100
	RT-CH-110a.2	(2) Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	27~29p
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O)	ton	DRB has constantly monitored NOx emissions and done our best to minimize the emissions. Detailed data about our NOx emissions is set out on page 80, 98 of the report.
		(2) SOx	ton	Only DRB Automotive, a subsidiary of DRB Holding, has SOx emissions of 0.57 tons.
		(3) Volatile organic compounds (VOCs)	ton	Not managed
		(4) Hazardous air pollutants (HAPs)	ton	The data is prepared based on the 'Chemical Emission Survey' reported to the government in accordance with the Chemical Substances Control Act. Emissions of HAP chemicals that do not meet reporting standards were not calculated.
Energy Management	RT-CH-130a.1	(1) Total energy consumed	GJ	1,346,675.51
		(2) Percentage grid electricity	%	61.42
		(3) Percentage renewable	%	0
		(4) Total self-generated energy	GJ	Not managed
Water Management	RT-CH-140a.1	(1) Total water withdrawn; percentage of each in regions with High or Extremely High Baseline Water Stress	m <sup>3</sup> , %	As water withdrawal from stressed areas is now insignificant, we plan to implement stressed area management at all business sites in the future.
		(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	m <sup>3</sup> , %	As water withdrawal from stressed areas is now insignificant, we plan to implement stressed area management at all business sites in the future.
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Numbers	There were no breaches of water quality permits, norms, or regulations as of 2022.
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	32p Since the Republic of Korea is classified as a water-stressed country according to Population Action International (PAI), DRB is aiming to minimize and recycle water.
Hazardous Waste Management	RT-CH-150a.1	(1) Amount of hazardous waste generated	ton	0
		(2) Percentage recycled of hazardous waste	%	0
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	N/A	DRB Holding regards social contribution activities as a fundamental part of company management and strives to fulfill its social duties as a corporate citizen. We continue to actively interact with citizens in a variety of ways via its social contribution platform, Campus D.

# SASB

Chemicals

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metrics	Unit of Measure	Page and details
Workforce Health & Safety	RT-CH-320a.1	(a-1) Total recordable incident rate (TRIR) for direct employees	%	DRB currently uses LTIFR as an indicator to manage its workers' health and safety. Detailed data about our health and safety is set out on page 86, 104 of the report.
		(a-2) Fatality rate for direct employees	%	0
		(b-1) Total recordable incident rate (TRIR) for contract employees	%	DRB currently uses LTIFR as an indicator to manage its workers' health and safety. Detailed data about our health and safety is set out on page 86, 104 of the report.
		(b-2) Fatality rate for contract employees	%	0
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	N/A	DRB is making several attempts to minimize exposure to risks during the work process. Please see page 48 for more details.
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	KRW million	Not managed
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	Not managed
		(2) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances that have undergone a hazard assessment	%	
	RT-CH-410b.2	(1) Discussion of strategy to manage chemicals of concern	N/A	33~34p
		(2) Discussion of strategy to develop alternatives with reduced human and/or environmental impact	N/A	DRB Holding is dedicated to researching and improving processes for the transition to sustainable raw materials in order to preserve natural resources and mitigate environmental impacts. Please see page 34 for more details.
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	This item is not currently being managed, but DRB intends to consider biodiversity and incorporate it into its operations.
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	N/A	DRB Holding keeps a close eye on significant domestic and international policies and laws. We examine and promptly implement rules and legislation affecting its business and products.
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	(1) Process safety incidents count (PSIC)	Cases	Number of process safety incidents: 0 At DRB Holding, there are no Tier 1 process safety incidents specified in SASB, such as fires, explosions, and water leaks in chemical processes.
		(2) Process safety total incident rate (PSTIR)	%	0
		(3) Process safety incident severity rate (PSISR)	%	0
	RT-CH-540a.2	Number of transport incidents	Cases	0

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UNGC

DRB joined the United Nations Global Compact (UNGC) in April 2021 and is stepping up its efforts to voluntarily adhere to the Ten principles in four areas: human rights, labor, the environment, and anti-corruption. DRB will keep working to raise the bar for environmental protection and human rights.

UNGC’s Ten principles		DRB’s systems and policies	Related activities
Human Rights	<div><div>Principle 1</div><div>Businesses should support and respect the protection of internationally proclaimed human rights; and</div><div>Principle 2</div><div>Make sure they are not complicit in human rights abuses.</div></div>	<div>· <a href="#">DRB’s Human Rights Management Principles</a></div> <div>Articles 1 (Respect for Human Rights)</div> <div>· <a href="#">DRB Code of Ethics</a></div> <div>Article 1-2: Reporting of and response to violation of the Code of Ethics</div>	DRB Holding joined the UNGC on April 15, 2021, and abides by the UN SDGs, the Ten Principles and international labor rules such as those of the ILO and OECD.
Labor	<div><div>Principle 3</div><div>Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining;</div><div>Principle 4</div><div>The elimination of all forms of forced and compulsory labor;</div><div>Principle 5</div><div>The effective abolition of child labor; and</div><div>Principle 6</div><div>The elimination of discrimination in respect to employment and occupation.</div></div>	<div>· <a href="#">DRB’s Human Rights Management Principles</a></div> <div>2. Respect for diversity and non-discrimination</div> <div>3. Prohibition of forced labor</div> <div>4. Prohibition of child labor</div> <div>5. Guarantee of freedom for collective bargaining</div>	DRB Holding ensures collective bargaining and freedom of association through its own human rights management standards. The forced labor prohibition provision in its Human Rights Management Principles bans workers from engaging in forced labor, and child labor has been prohibited since 2021 to safeguard children’s rights in compliance with UNICEF’s guidelines, Child Rights and Business Principles. In addition, DRB’s human rights management principles and anti-discrimination provisions in the employment rules prohibit any discrimination based on race, religion, disability, gender, education, age, physical condition, country of origin, region of origin, political opinion, etc. in employment and work and respect diversity.
Environment	<div><div>Principle 7</div><div>Businesses are asked to support a precautionary approach to environmental challenges;</div><div>Principle 8</div><div>Undertake initiatives to promote greater environmental responsibility; and</div><div>Principle 9</div><div>Encourage the development and diffusion of environmentally friendly technologies.</div></div>	<div>· <a href="#">DRB’s Green Management Policy</a></div> <div>Articles 5 (Management/Will)</div> <div>Articles 6 (Mutual growth/Disclosure)</div> <div>· <a href="#">DRB Code of Ethics</a></div> <div>Chapter 4 Article 3 Environmental protection</div>	DRB Holding offers training to strengthen the capabilities of personnel in areas such as air, water quality, waste, chemicals, soil management, energy reduction, and climate action to prevent and mitigate environmental risks. We also perform training and promotional activities targeting external suppliers on waste management, chemical handling, energy reduction, and climate action. The demands and issues of internal and external stakeholders, as well as factors that have a significant impact on the environment, are reported to the highest decision-maker within the company, and corrective and improvement plans are devised and implemented. We signed a Memorandum of Understanding (MOU) with the Korea Environment Corporation in 2021 for resource recycling and a sustainable environment, and it is actively participating in the creation and distribution of resource recycling education programs for future generations. Furthermore, eco-friendly products and technology are being created as part of environmental management operations.
Anti-corruption	<div><div>Principle 10</div><div>Businesses should work against corruption in all its forms, including extortion and bribery.</div></div>	<div>· <a href="#">DRB Code of Ethics</a></div> <div>Chapter 2. Code of Ethics for Members</div>	On the basis of the operating regulations on legal management and compliance, internal accounting management, and the Cyber Audit Office, DRB Holding has secured a process for all stakeholders to submit concerns about anti-corruption and human rights breaches, and an employee grievance handling mechanism as well as the Cyber Audit Office are being operated. Furthermore, since March 25, 2022, DRB Holding has participated in the Business Integrity Society hosted by the UN Global Compact Network Korea and the Korea Sustainability Investing Forum, and it has also pledged to improve ESG competency and create an anti-corruption corporate culture.

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# UN SDGs

The UN Sustainable Development Goals (SDGs), adopted by the UN General Assembly in September 2015, aim for the international community to build a sustainable society through social development, environmental protection, and inclusive economic growth from 2016 to 2030. As a member of global civil society, DRB Holding appreciates the significance of achieving the UN SDGs for sustainable human development. As a result, we are examining the positive and negative consequences of management efforts with a focus on the SDGs that are highly relevant to DRB's business operations, and we are attempting to uncover and fully harness business possibilities that can contribute to the achievement of goals.

Major SDGs			Target	DRB's contributions
	3. Ensure healthy lives and promote well-being for all at all ages	3.4	Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	<ul style="list-style-type: none"><li>- Running a health care center and health support programs for musculoskeletal diseases, obesity, anti-smoking, etc.</li><li>- Offering 'Sangdam4u', a professional service to reduce job stress</li><li>- Implementing a 'hearing preservation program' at work sites vulnerable to noise</li></ul>
		3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	
		3.9	Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	
	4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4	Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"><li>- Improving employees' job competency through DT training such as Project Bumblebee and SAS JMP</li><li>- Offering the 'ESG leadership training' for DRB Holding, DRB Industrial, and DRB Automotive</li><li>- Training DRB Holding's personnel in areas such as air, water quality, waste, chemicals, soil management, energy reduction, and climate action to strengthen their capabilities</li></ul>
		4.5	Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	
		4.7	Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	
	5. Achieve gender equality and empower all women and girls	5.1	End all forms of discrimination against all women and girls everywhere	<ul style="list-style-type: none"><li>- Stipulating the prohibition of discrimination by establishing DRB Holding's human rights management principles</li></ul>
		5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life	
	6. Ensure access to water and sanitation for all	6.3	Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	<ul style="list-style-type: none"><li>- DRB Automotive's systemized semi-annual self-monitoring for water quality and environment management through an external agency and continuous measurement of all water pollutants in accordance with the Water Environment Conservation Act</li><li>- DRB Holding's construction and operation of water reuse facilities and processes to expand the use of recycled water as washing water, cleaning water, and firefighting water, etc.</li></ul>
		6.4	Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	
	7. Ensure access to affordable, reliable, sustainable and modern energy	7.2	Increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"><li>- DRB Qingdao's construction of solar power generation facilities in 2022</li><li>- DRB Industrial's development of an 'energy saving conveyor belt' that reduces rolling resistance and energy loss by applying high-performance rubber materials to the conveyor belt, and obtaining green technology certification</li></ul>
		7.3	Double the global rate of improvement in energy efficiency	
		7.a	Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	
	8. Promote inclusive and sustainable economic growth, employment and decent work for all	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	<ul style="list-style-type: none"><li>- DRB Industrial's development of a rubber compound using recycled carbon and recycled rubber</li><li>- DRB Holding and DRB Industrial's establishment of the recruitment plan for severely handicapped people and their employment in 2022</li><li>- DRB Holding's designation as an excellent company in the 2021 health-friendly management pilot project hosted by the Ministry of Health and Welfare and DRB Industrial's winning a commendation from the Minister of Health and Welfare at the Health-Friendly Company Certification Performance Contest for two consecutive years, starting in 2021</li><li>- DRB Holding's acquisition of the leisure-freindly company certification from the Ministry of Culture, Sports, and Tourism in 2019 and 2022</li></ul>
		8.4	Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	
		8.5	Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
		8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	
		8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	

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UN SDGs

Major SDGs	Target	DRB's contributions
<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>12. Ensure sustainable consumption and production patterns</div></div>	<div>12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</div> <div>12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse</div> <div>12.8 Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</div>	<div>- Creating and implementing the DRB green purchasing policy</div> <div>- DRB Industrial and DRB Automotive's establishment of a plan to reduce the use and emissions of air pollutants, water pollutants, hazardous chemicals, and waste emissions by 5% compared to the previous year and setting a goal of achieving a recycling rate of 85% for the amount of waste generated in the relevant year</div> <div>- DRB Automotive's outperformance exceeding the target recycling rate of 85% in 2022, by the achieving a recycling rate of approximately 98%</div> <div>- DRB Automotive's development and application of a technology to replace oil-based solvents containing large amounts of volatile organic compounds (VOCs) with water-based solvents in its Yangsan Plant, successfully reducing total hydrocarbons (THC) by more than 90%</div> <div>- DRB's incorporation of ESG items into the assessment for initial registration as an external supplier related to raw materials and operating a regular post-ESG evaluation process</div> <div>- DRB Holding and DRB Industrial's publication of the first sustainability reports in 2023 for transparent communication with their stakeholders</div>
<div><div>13 CLIMATE ACTION</div><div>13. Take urgent action to combat climate change and its impacts</div></div>	<div>13.2 Integrate climate change measures into national policies, strategies and planning</div> <div>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</div>	<div>- DRB Holding and DRB Industrial's declaration of 2050 Carbon Neutrality Goal</div> <div>- DRB Holding and DRB Industrial's plan to carry out activities to cut carbon emissions based on science-based targets (SBT)</div> <div>- DRB Holding's acquisition of ISO 14001 (environmental management system) certification for domestic and overseas business sites</div>
<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>16. Promote just, peaceful and inclusive societies</div></div>	<div>16.5 Substantially reduce corruption and bribery in all their forms</div> <div>16.6 Develop effective, accountable and transparent institutions at all levels</div> <div>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</div>	<div>- DRB Holding's formation of the ESG committee to discuss major decisions related to sustainable management</div> <div>- DRB Holding's establishment of an audit committee composed only of its non-executive directors to prevent corruption and enhance audit independence</div> <div>- Conducting an annual ethical management survey to regularly solicit the opinions on anti-corruption issues from employees and stakeholders</div> <div>- Promoting ethical awareness by posting theCode of Ethics and practice guidelines for all employees to see through DRB's in-house groupware every year</div>
<div><div>17 PARTNERSHIPS FOR THE GOALS</div><div>17. Revitalize the global partnership for sustainable development</div></div>	<div>17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</div> <div>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</div>	<div>- DRB Holding, DRB Industrial, and DRB Automotive's education of personnel in human rights-related departments on the UNICEF Korean Committee's Children's Rights Management Principles (CRBP) once a year</div> <div>- DRB Holding's being the only mid-size company to be selected as a member of the 'LEAD Group' in the 2022 Korea Leaders Summit hosted by UNGC Korea</div>

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# Associations and Organizations

DRB has reinforced a partnership with domestic and foreign associations to address major issues in environmental and social areas in industrial rubber products, comprehensive rubber products, automation and healthcare businesses.

DRB Holding		
Number		Associations
1		The Rubber Society of Korea
2		Korea Industrial Technology Association
3		East Gyeongnam Safety and Health Committee
4		East Gyeongnam Environmental Engineers Association
5		Geumjeong Association
6		Architectural Institute of Korea
7		Korea Specialty Contractors Association Busan Metropolitan Branch
8		Busan Chamber of Commerce & Industry
9		UN Global Compact
10		Korea Specialty Contractors Association
11		Korea Certification & Testing Institute
12		Korea Construction Engineers Association
13		Korean Structural Engineers Association
14		Korea Industrial Technology Association
15		Korea Fire Safety Institute
16		Korea Fire Safety Institute Gyeongsangnamdo Branch
17		Korea Automobile & Mobility Association
18		Korea Electric Engineers Association
19		The Korean Society of Railway
20		Hyundai Kia Automotive Suppliers Association

DRB Industrial		
Number		Associations
1		Korea Industrial Safety Association Busan Branch
2		Social Responsibility & Management Quality Institute
3		Korea Testing & Research Institute
4		Korea Certification & Testing Institute
5		KEF Busan Employees Federation
6		Korean Standards Association
7		Korean Nursing Association
8		Construction Association of Korea
9		Korea Mech. Const. Contractors Association
10		Korea Industrial Safety Association
11		Southeastern PSM Consultation Association
12		Volvo Construction Equipment Suppliers Association
13		East Busan Safety Committee
14		Busan Chamber of Commerce & Industry
15		Korea Environment Conservation Institute Busan Branch
16		UN Global Compact
17		Korea Construction Engineers Association
18		Korea Fire Safety Institute
19		Korea Electric Engineers Association
20		Korea Environment Conservation Institute



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# Greenhouse Gas Emissions Verification Statement

## DRB Holding Verification Statement

Verification No : KQA-T2317  
Company : DRB Holding Co.,Ltd.  
Representative : Ryu Yeong Sik  
Business Registration No : 621-81-01635  
Address : 28, Gongdandong-ro 55beon-gil, Geumjeong-gu, Busan, Republic of Korea



KQA confirms that the verification result of GHG emissions and energy consumption reports of above company is proper.

**Verification Standard** : Guidelines on the verification for the operation of emission trading scheme  
**Verification Scope** : 2022 GHG emissions and energy consumption reports  
**Assurance level** : Reasonable assurance

※ GHG emissions

Year	법인명	GHG Emission (tCO <sub>2</sub> eq)		
		Scope1	Scope2	Total
2022	DRB Holding Co.,Ltd.	6.826	104.299	111
	DRB International Co.,Ltd.	15.929	83.821	100
	DRB Qingdao	5,348.889	18,432.839	23,782
	DRB Slovakia	626.346	2,095.890	2,722
	DRB Russia	570.863	154.573	725
	DRB Vietnam	675.320	22,910.183	23,586

※Remark : The sum of each cell may differ from the total because each cell is rounded.

Verification Term : 01 Mar 2023 ~ 31 Apr 2023  
Date of issue : 10 Oct 2023

(GHG ㉔ Energy verification body 「2011-3rd」 accredited by the ministry of environment.)

※ The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2FL, Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Korea Quality Assurance



## DRB Industrial Verification Statement

Verification No : KQA-T2319  
Company : DRB Industrial Co., Ltd.  
Representative : Lee Yun Hwan  
Business Registration No : 621-81-97752  
Address : 28, Gongdandong-ro 55beon-gil, Geumjeong-gu, Busan, Republic of Korea



KQA confirms that the verification result of GHG emissions and energy consumption reports of above company is proper.

**Verification Standard** : Guidelines on the verification for the operation of emission trading scheme  
**Verification Scope** : 2022 GHG emissions and energy consumption reports  
**Assurance level** : Reasonable assurance

※ GHG emissions

Year	Company	GHG Emission (tCO <sub>2</sub> eq)		
		Scope1	Scope2	Total
2022	DRB Industrial Co.,Ltd.	6,398.013	6,412.235	12,810.248
	DRB Unionbeltinno	5.507	64.493	69.999
	DRB Healthcare Co.,Ltd.	0	437.398	437.398

※Remark : The sum of each cell may differ from the total because each cell is rounded.

Verification Term : 01 Apr 2023 ~ 31 May 2023  
Date of issue : 10 Oct 2023

(GHG Energy verification body 「2011-3rd」 accredited by the ministry of environment.)

※ The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2FL, Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Korea Quality Assurance



## DRB Automotive Verification Statement

Verification No : KQA-T2318  
Company : DRB Automotive Co., Ltd.  
Representative : Ryu Yeong Sik  
Business Registration No : 165-88-02787  
Address : 39, Sanmakgongdanbuk 2-gil, Yangsan-si, Gyeongsangnam-do, Republic of Korea



KQA confirms that the verification result of GHG emissions and energy consumption reports of above company is proper.

**Verification Standard** : Guidelines on the verification for the operation of emission trading scheme  
**Verification Scope** : 2022 GHG emissions and energy consumption reports  
**Assurance level** : Reasonable assurance

※ GHG emissions

Year	GHG Emission (tCO <sub>2</sub> eq)		
	Scope1	Scope2	Total
2022	1,238.626	6,696.747	7,935

※Remark : The sum of each cell may differ from the total because each cell is rounded.

Verification Term : 01 Mar 2023 ~ 30 Apr 2023  
Date of issue : 10 Oct 2023

(GHG Energy verification body 「2011-3rd」 accredited by the ministry of environment.)

※ The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2FL, Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Korea Quality Assurance



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# Independent Assurance Statement

To: The Stakeholders of DRB Holding Co., Ltd.

### Introduction and Objectives of Work

BSI Group Korea (hereinafter “the Assurer”) was requested to verify DRB Holding Sustainability Report 2023 (hereinafter “the Report”). This assurance statement applies only to the relevant information included in the scope of the assurance. DRB Holding is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide DRB Holding Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of DRB Holding.

### Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018 and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report. Type 2 was limitedly verified against the topic standards below, based on the data and information provided by the reporting organization.

- GRI Topic Standards: 201-2, 205-1~3, 203-1, 302-1, 302-3, 303-2~4, 305-1~2, 305-4, 305-7, 306-2~5, 308-1~2, 401-1~3, 403-1~10, 404-1~2, 405-1~2, 406-1, 413-1, 414-1~2, 417-2

### Scope

- The scope of assurance applied to the Report is as follows;
- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
  - Major assesstion included in the report, such as sustainability management policies and strategies, goals, projects, and performance, and the report contents related to material issues determined as a result of materiality assessment.
  - Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information in Appendix
- Index items related to other international standards and initiatives other than the GRI
- Other related additional information such as the website, business annual report.

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

### Limitation

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

### Assurance Opinion

- On the basis of our methodology and the activities described above, it is our opinion that
- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
  - The report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
  - The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

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AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

Materiality: Identification and reporting of material sustainability topics

Responsiveness: Responding to material sustainability topics and related impacts

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

Key areas for ongoing development

DRB Holding operated communication channels for each stakeholder group for engagement. DRB Holding reflected key issues drawn through stakeholder channels in sustainability management decisions and disclosed the process in the Report.

DRB Holding established the strategy related to sustainability management and established the process to derive reporting issues. DRB Holding identified financial and social/environmental impacts and derived 17 material issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

DRB Holding established the management process for material issues determined by the materiality assessment, implemented a response plan for each topic to appropriately respond to the derived material topics that reflects the expectations of stakeholders. DRB Holding disclosed the process including policy, indicator, activity and response performance on key reporting issues in the Report.

DRB Holding established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. DRB Holding used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

• Take into consider responsibilities and role as a holding company, it may be effective to establish a key ESG vision and mid- to long-term strategy within the group to specify holding company's sustainability goals and strategies.

Statement of independence and competence

Evaluation against GRI ‘In Accordance’ Criteria

[Universal Standards]

[Topic Standards]

The Assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with DRB Holding. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group’s assurance standard methodology.

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by DRB Holding, the sector standard was not applied.

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

201-2, 205-1~3, 203-1, 302-1, 302-3, 303-2~4, 305-1~2, 305-4, 305-7, 306-2~5, 308-1~2, 401-1~3, 403-1~10, 404-1~2, 405-1~2, 406-1, 413-1, 414-1~2, 417-2

21 Dec 2023

S. H. Lim / BSI Group Korea, Managing Director

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# Sustainable Management Policy Book


Sustainable Management Policy

DRB pursues sustainable corporate growth by developing economic and environmental soundness and fulfilling social responsibilities.

 Sustainable Management Policy


Human Rights Management Principles

DRB complies with global human rights conventions, which encompass the expansion of diversity, prohibition of discrimination, and protection of children’s rights, and aims to protect the human rights of its employees, customers, and all stakeholders.

 Human Rights Management Principles


Health and Safety Management Policy

DRB is seeking to create a health-friendly society and spread a safe workplace culture.

 Health and Safety Management Policy


Declaration of Responsible Mineral Sourcing

DRB strictly prohibits the use of minerals from conflict areas in all supply chains, not only by the company but also by its external suppliers.

 Declaration of Responsible Mineral Sourcing


Green Management Policy

DRB is working to improve products and services to minimize environmental damage caused by corporate management and activities and to transform itself into an eco-friendly and low-carbon company.

 Green Management Policy


Green Procurement Policy

DRB prevents waste of resources and environmental pollution and contributes to reducing greenhouse gases by promoting the purchase of green products.

 Green Procurement Policy


Ethics Charter and Code of Ethics

DRB recognizes that not only the performance of economic and legal responsibilities but also the performance of ethical responsibilities constitute its basic corporate duties, and it adheres to corporate ethics by taking a proactive stance, avoiding anti-corruption and unfair transactions, and implementing management that follows the right paths.

 Ethics Charter and Code of Ethics


Mutual Growth Policy

DRB is constructing a sustainable supply chain through mutual growth with external suppliers.

 Mutual Growth Policy

Social contribution charter

DRB is actively engaging in social contribution activities to fulfill its role as a corporate citizen, including regional revitalization, talent development, environmental protection, support for the vulnerable group, and support for culture and the arts.

 Social Contribution Charter

DRB