

WON FASHION, ONE IMPACT

SHINWON SUSTAINABILITY REPORT 2025



About this Report

Since publishing its inaugural Sustainability Report in 2024, ShinWon has released a second edition to reinforce ongoing engagement with stakeholders and ensure transparent information disclosure. The 2025 report presents ShinWon's ESG strategies and performance, backed by consistent and reliable data to enhance the integrity of its reporting. ShinWon remains committed to advancing ESG practices, fulfilling its corporate social responsibilities, and creating long-term sustainable value.

Reporting Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the internationally recognized framework for sustainability reporting. It adheres to the four principles of the AA1000 Accountability Principles Standard (AA1000AP)—Inclusivity, Materiality, Responsiveness, and Impact. Additionally, the report incorporates key global indicators related to corporate social responsibility, including the UN Sustainable Development Goals (UN SDGs), the Task Force on Climate-Related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) metrics. Financial information has been presented on a consolidated basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). Non-financial data are disclosed according to ShinWon's internal disclosure system, based on the fiscal year ending December 31, 2024.

Reporting Period

The primary reporting period for this report is from January 1 to December 31, 2024. To identify non-financial performance trends and changes, the report includes quantitative data from a three-year period (2022–2024). Selected qualitative performance indicators reflect activities conducted through the first half of 2025.

- Publication Date: June 2025
- Reporting Cycle: Annually

Reporting Scope

ShinWon consists of two main business segments: an export division that produces knit and sweater products on an OEM/ODM basis, and a fashion division that manages domestic fashion brands. All non-financial quantitative ESG performance indicators included in this report are presented on a consolidated basis, including ShinWon, its subsidiaries (Shinwon GLS and overseas entities), in accordance with the group's consolidated financial statements. Items that require clarification regarding reporting boundaries are indicated with separate footnotes. For qualitative achievements, the report includes activities undertaken by ShinWon's domestic headquarters as well as global business sites.

Third-Party Assurance

This report has been independently assured by BSI Group Korea Ltd., applying the AA1000 Assurance Standard (AA1000AS), Type 1 Moderate level. Details of the assurer's qualifications and independence are available in the assurance statement on pages 130–131. Greenhouse gas (GHG) emissions for Scope 1 and 2 were separately verified by DNV Business Assurance Korea Ltd. under the assurance principles and requirements of ISO 14064-3:2019, with limited assurance. Further information regarding GHG verification can be found on page 129.

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Design A Lifestyle Beyond Fashion

INTRODUCTION

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CEO Message



June 28, 2025

JJ Park
CEO, ShinWon Co., Ltd.

Dear valued stakeholders who support and cherish ShinWon,

It is with great pleasure that we present ShinWon's second Sustainability Report, sharing our continued progress and achievements in ESG management. At ShinWon, we are committed to pioneering the future of sustainable fashion—a vision deeply rooted in the collective conviction of all our employees. Since our founding in 1973, ShinWon has grown into a leading force in the global fashion industry, guided by our principles of Trust, Integrity, and Innovation.

In 2024, ShinWon joined the UN Global Compact (UNGC) and established a company-wide ESG strategy framework, laying the foundation for integrating ESG principles into our corporate culture. We have actively pursued our social responsibilities, resulting in meaningful progress across environmental, social, and governance dimensions. Through this report, we aim to share our performance and outline future goals and plans.

Sustainable Fashion Leadership

In the environmental domain, we continue striving to reduce greenhouse gas emissions, expand our use of renewable energy, and develop eco-friendly products. These efforts help minimize our environmental footprint and position ShinWon as a leader in building a sustainable fashion ecosystem.

Mutual Growth with Stakeholders

In terms of social responsibility, we focus on fair trade with partners and cultivating a culture of diversity and inclusion. We pursue social value through community engagement and consistently supporting employee welfare and growth. These initiatives reflect our commitment to ShinWon's core values and our dedication to making a positive impact across society.

Responsible Governance

Within governance, we are enhancing the roles and functions of our Board of Directors to improve transparency in all decision-making processes. This is an essential element for promoting sustainable growth, ensuring sound management based on trust. Guided by our vision, "Won Fashion, One Impact," ShinWon will continue to create social value through sustainable management, fostering strong relationships with all stakeholders as we grow together. We remain deeply grateful for your unwavering support. Thank you.

Company Overview

About ShinWon

Since its founding in 1973, ShinWon has spearheaded the advancement of Korea’s fashion industry through continuous innovation and a pioneering spirit, shaping new fashion and cultural trends. Drawing on decades of experience and expertise, the company has maintained steady growth and established itself as a globally competitive fashion enterprise.

Core Business Areas

In the global export division, ShinWon operates 10 overseas corporations across 4 countries—including Guatemala, Nicaragua, Indonesia, and Vietnam—drawing on over 50 years of experience to produce and export a diverse range of knitwear and sweater products worldwide. Domestically, ShinWon maintains a solid market presence through five fashion brands—BESTI BELLI, SI, SIEG, FAHRENHEIT and markm—which cater to a wide range of consumer segments. Additionally, ShinWon’s subsidiary, Shinwon Global Co., Ltd., has enabled the introduction of high-end international brands such as CANALI and GCDS to Korea, thereby enhancing the diversity and premium positioning of the company’s brand portfolio.

Corporate Philosophy

ShinWon is guided by its core principles: Trust-Driven Management, Integrity-Based Management, and Pioneering Leadership. Through sustainable fashion, the company strives to deliver meaningful value to customers’ lives while pursuing a harmonious future for society and the environment, fulfilling its role as a responsible corporate citizen.



Trust-Driven Management

ShinWon is committed to trust-based management.



Integrity-Based Management

ShinWon enhances corporate transparency through fair and principled practices.



Pioneering Leadership

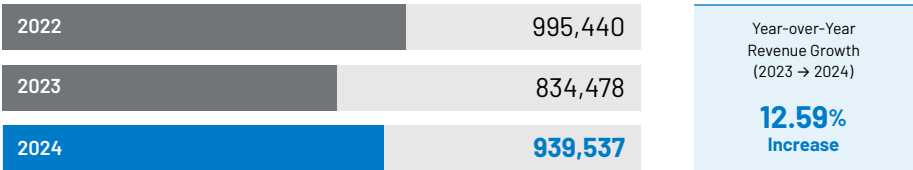
ShinWon pursues pioneering leadership through innovation.

Company Name	ShinWon Co., Ltd.	Establishment Date	1973
CEO	Jung-Joo Park	Headquarters	328 Dongmak-ro, Mapo-gu, Seoul
Business Areas	Textile manufacturing, apparel sales, import/export		
Largest Shareholder	T&M Communications (25,005,753 shares / 24.35% ownership)		
Employees	785	Subsidiary/Branch Office	Domestic: 7 subsidiaries
Revenue	KRW 939,537 million		Overseas: 25 subsidiaries / 2 branch offices
Operating Profit	KRW 25,318 million		
Credit Rating	BBB- (Corporate Bond, rated by Korea Investors Service as of April 17, 2024)		

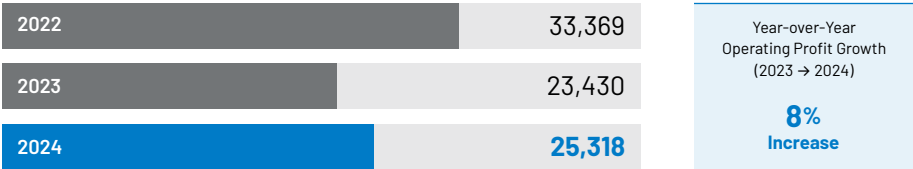
Key Financial Performance

(Unit: KRW million)

Revenue



Operating Profit



2024 Revenue by Business Segment

(Unit: KRW million)

Fashion Division	Export Division
180,151	759,385

51 Years of Our Journey



51 Years of Trust, A Vision for the Next Century

Since its inception as ShinWon Trading Co., Ltd. in 1973, ShinWon has played a pivotal role in advancing Korea's apparel export industry for over five decades—driven by continuous innovation and a steadfast commitment to quality. Looking ahead, we aim to become a leading global apparel and fashion export company by championing environmental protection, fulfilling our social responsibilities, and upholding ethical management to build a more sustainable future.

Founding & Early Years 1973~1988

- 1973. 09** Established as ShinWon Trading Co., Ltd.
- 1976. 02** Awarded the 'Overseas Market Pioneer Prize'
- 1981. 12** Received the 'Stone Tower Industrial Medal'
- 1985. 11** Received the 'Bronze Tower Industrial Medal'
- 1986. 11** Achieved 'USD 100 Million Export Tower'
- 1987. 11** Received the 'Gold Tower Industrial Medal'
- 1988. 08** Company went public

Growth & Expansion 1989~1998

- 1990. 08** Launched women's fashion brands BESTI BELL and SI
- 1990. 09** Changed company name to ShinWon Co., Ltd.
- 1991. 09** Established local subsidiary PT Shinwon Ebenezer in Indonesia
- 1993. 07** Established Shinwon Qingdao Co., Ltd in China
- 1994. 06** Received Korea Management Grand Prize (KMA)
- 1994. 11** Named one of Forbes' "Top 100 Emerging Companies"
- 1995. 02** Launched men's fashion brand SIEG
- 1995. 08** Launched women's fashion brand VIKI
- 1997. 02** Built Gwangju Logistics Center
- 1997. 06** Established Shinwon Guatemala S.A.

Foundation for Sustainable Growth 1999~2020

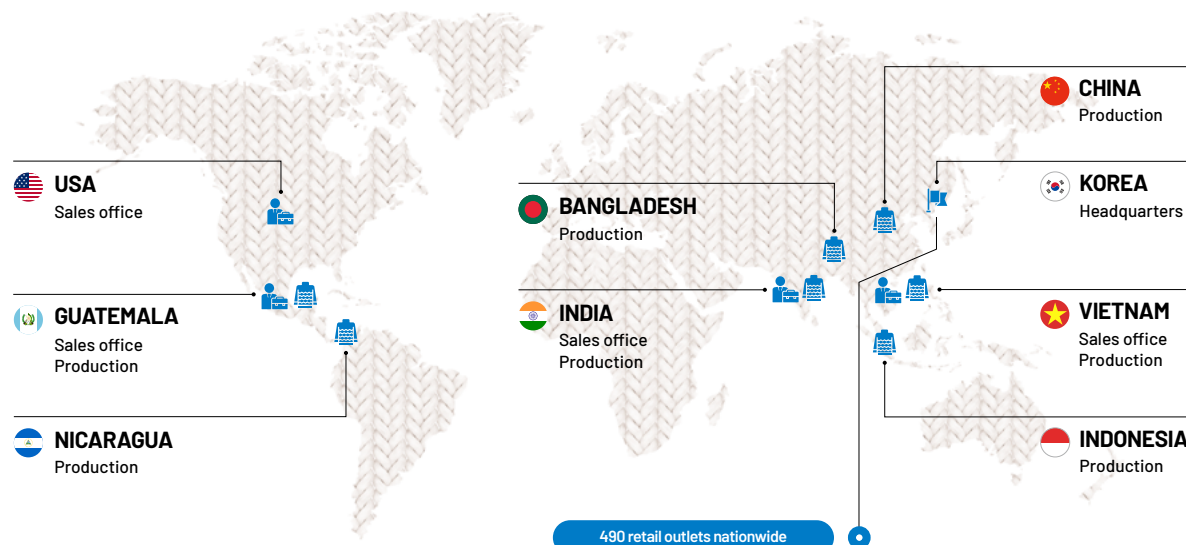
- 2002. 02** Established Shinwon Ebenezer Vietnam Co., Ltd
- 2006. 05** Established Shinwon Shanghai Co., Ltd.
- 2008. 01** Launched men's brands SIEG, FAHRENHEIT
- 2009. 08** Founded Shinwon Global Co., Ltd.
- 2009. 09** Established second Vietnamese factory, Shinwon Ebenezer Hanoi Co., Ltd
- 2011. 04** Established PT Shinwon Indonesia
- 2011. 04** Acquired exclusive domestic rights for the U.S. premium denim brand SIWY
- 2011. 08** Launched brands ISABEY and Vanhart di Albazar
- 2015. 05** Established U.S. sales subsidiary in Bentonville, Arkansas
- 2016. 04** Formed joint venture with Chinese retail conglomerate Golden Eagle Group
- 2019. 03** Launched street casual brand markm
- 2020. 08** Established Bentonville office (USA)
- 2020. 09** Launched online platform "SHOWINDOW"

Global Advancement 2021~

- 2021. 05** Established Fashion Stitch Noah, S.A. in Nicaragua
- 2021. 06** Established PT Fashion Stitch Joshua in Indonesia
- 2021. 08** Established Ebenezer Managua, S.A. in Nicaragua
- 2022. 04** Operated the DE&I Committee
- 2022. 12** Joined board of RISE, women's rights improvement organization
- 2023. 06** Established Shinwon Central America, S.A. in Guatemala
- 2023. 08** Acquired exclusive rights for GCDS (Italian highend street brand) in Korea
- 2023. 09** Established Shinwon Ebenezer India Private Limited
- 2024. 03** Joined RISE as a supplier member
- 2024. 04** Established Fashion Stitch Guatemala, S.A.
- 2024. 05** Founded Shinwon Ebenezer New York Inc.
- 2024. 09** Established Omega Tex S.A. in Guatemala
- 2025. 01** Established Modas Blue S.A. in Guatemala
- 2025. 02** Established local office in Hanoi, Shinwon Hanoi Co., Ltd

Global Network

ShinWon has established a global network across 10 countries, including Asia, the Americas, and Europe. Through responsible apparel exports, the company continues to pursue sustainable growth.



Domestic Business Sites	Main Business Activities
Shinwon GLS Co., Ltd	Leasing and Logistics
Shinwon Global Co., Ltd.	Authorized Reseller
SW Shenggena Corporation	Production Management
Goinggreen Company	Investment Management

Brand	Number of Stores
SIEG	90
FAHRENHEIT	113
BESTI BELLI	145
SI	129
markm	12

(As of December 31, 2024)

CANALI

GCDS

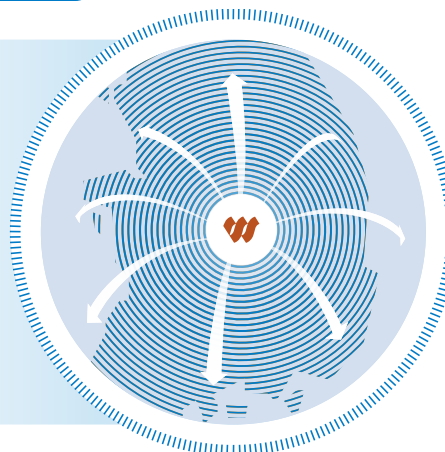
FAHRENHEIT

markm™

BESTI BELLI

SIEG

SI



Status of Overseas Subsidiaries in 2025

Country	Subsidiary Name
Vietnam	- Shinwon Ebenezer Vietnam Co., Ltd - Shinwon Ebenezer Hanoi Co., Ltd - Shinwon Ebenezer Ho Chi Minh Co., Ltd - Shinwon Hanoi Co., Ltd
Indonesia	- PT Shinwon Ebenezer - PT Shinwon Indonesia - PT Fashion Stitch Joshua
Guatemala	- Shinwon Guatemala S.A. - Fashion Stitch Guatemala, S.A. - Goinggreen Guatemala, S.A. - Omega Tex, S.A. - Daniel Tex, S.A. - Shinwon Central America, S.A. - STCA, S.A. - Modas Blue, S.A.
Nicaragua	- Fashion Stitch Noah, S.A. - Ebenezer Nicaragua, S.A. - Ebenezer Managua, S.A.
United States	- Shinwon Ebenezer USA Inc. - Shinwon Ebenezer New York Inc.
China	- Shanghai Shinwon Ebenezer Co., Ltd - Golden Eagle & Shinwon Trading Co., Ltd - Nanjing Golden Eagle & Shinwon Trading Co., Ltd
Italy	Sa Milano Srl
Hong Kong	Shinwon Ebenezer HK Co., Ltd
India	Shinwon Ebenezer India Private Limited



Where business excellence meets brand integrity

BUSINESS PERFORMANCE

Our Brands

Key Fashion Brands Overview

SIEG

[ONLINE SHOP](#)
[STORE](#)
[COLLECTION](#)



SIEG embraces the concept of “Refined Contemporary,” offering menswear with modern silhouettes and premium quality. The brand presents business and casual wear with its signature minimalist and contemporary design language, delivering both functionality and style. Recognizing evolving consumer trends and its responsibility toward sustainable fashion, SIEG incorporates ESG values across its brand operations—promoting eco-friendly materials and ethical production practices. To expand its high-end collections and newly launched womenswear line, SIEG is preparing to open its flagship store, SIEG SEOCHON HAUS, designed to deliver a differentiated brand experience. Through continuous innovation and elevated brand storytelling, SIEG strives to reinforce its competitive edge.

SIEG Brand Strategy

As SIEG marks its 30th anniversary, the brand is undergoing a strategic transformation into a contemporary fashion label. This includes a full renewal of its brand identity (BI) and retail interior design, coupled with the launch of more sophisticated collections. The brand renewal aims to elevate SIEG’s youthful and casual heritage into a more refined aesthetic, enhancing its premium sensibility while creating retail spaces where customers can engage with the brand in a deeper, more relaxed environment. This initiative represents a pivotal moment for reinforcing SIEG’s distinct character and driving future growth through an elevated brand experience.

SIEG Store Interior Renewal



Our Brands

Key Fashion Brands Overview

BESTI BELLI



ONLINE SHOP



STORE



COLLECTION



Inspired by its name meaning “most beautiful” in Italian, BESTI BELLI has established a strong presence in Korea's womenswear market since its launch in 1990. Rooted in elegance and comfort, the brand offers timeless styles with minimalist silhouettes infused with modern sophistication. Its refined aesthetic resonates across generations, maintaining a consistent brand identity.

BESTI BELLI Brand Strategy

In response to evolving lifestyles and value-driven consumption among women, BESTI BELLI is transitioning into a contemporary fashion brand that balances graceful elegance with practicality. The brand is expanding customer touchpoints by offering versatile styling, including hybrid looks and everyday wear beyond its traditional formal image. This strategic transformation involves a full-scale renewal of brand identity and product planning—empowering customers to express their personal style and identity through BESTI BELLI. ESG principles are actively reflected across its operations, from eco-conscious materials to responsible production practices aimed at reducing overproduction. These efforts represent the brand's genuine commitment to sustainability and its promise to customers. Going forward, BESTI BELLI aims to become a leading womenswear brand where refined beauty and conscious consumption coexist, while guiding the future direction of sustainable fashion.

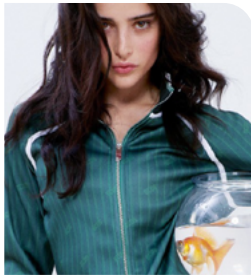
BESTI BELLI Store Interior



Our Brands

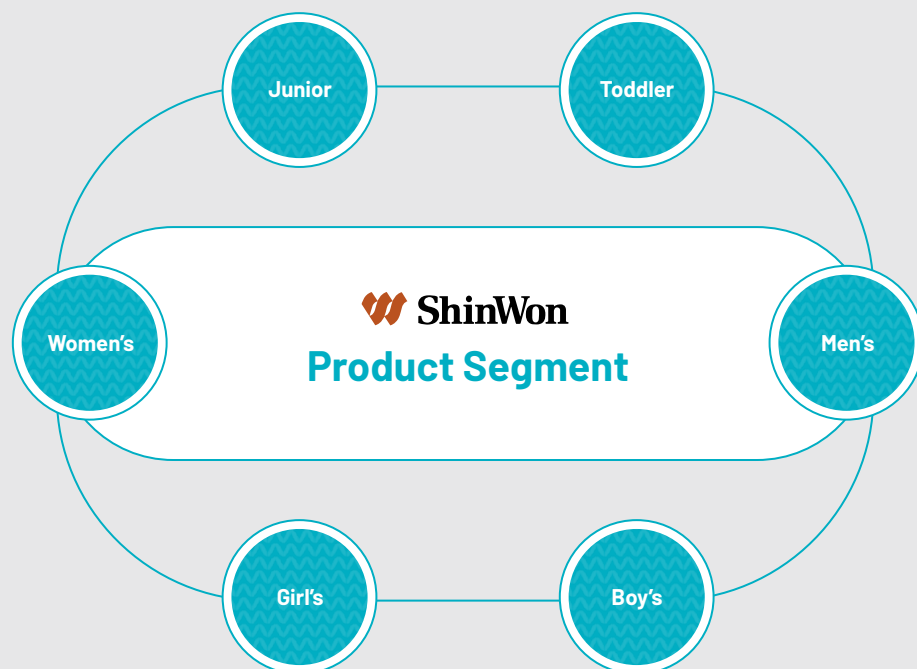
ShinWon operates a diverse portfolio of fashion brands that reflect various lifestyles and consumer needs, including menswear labels such as SIEG and FAHRENHEIT, womenswear brands like BESTI BELLI, SI, VIKI, and ISABEY, as well as the street casual brand markm. In addition, the company has enhanced its premium positioning and brand differentiation by introducing global luxury brands such as CANALI and GCDS to the Korean market.

Fashion Brand Portfolio

FAHRENHEIT  Poetic Harmony FAHRENHEIT is a menswear brand that embodies flexible styling, seamlessly moving between on-duty and off-duty looks. Designed to reflect the rhythms of everyday life, its pieces feature precision tailoring, delicate color palettes, and refined details. Through an intelligent interpretation of minimalism, FAHRENHEIT offers timeless styles crafted to deliver lasting value.	SI  Modern Sensibility for Every Generation Launched in 1990, SI—named after the Italian word for “Yes”—is a fashion brand that celebrates the confidence and individuality of modern women. Reflecting generational diversity and changing trends, SI delivers stylish expressions tailored to contemporary lifestyles. With a versatile lineup for women in their 20s–40s, the brand offers comfortable yet sophisticated minimalist looks that combine elegance with everyday ease.	viki  Lovely Casual VIKI is a romantic casual brand infused with charming sensibility and a unique flair. Through thoughtful details and signature design elements, the brand adds a sweet yet distinctive touch to everyday styling—offering wearable looks that blend femininity, individuality, and playful elegance.	ISABEY  Elegant Harmony ISABEY offers elegant styling rooted in refined simplicity, blending clean design with a graceful sensibility. With sophisticated silhouettes and soft color palettes, the brand presents everyday looks that seamlessly transition from casual to business settings. Aiming to empower women who value the balance between work and life, ISABEY proposes a modern interpretation of classic fashion—one that reflects poise, confidence, and effortless charm.	markm™  casualwear that Marks the Moment With the slogan “Mark the Moment,” markm is a daily casual brand designed to accompany the meaningful moments in everyday life. Blending practical design with a sporty sensibility, the brand promotes a free-spirited lifestyle through a wide array of products—from apparel to bags and accessories. Grounded in quality fundamentals and consistent product performance, markm continues to expand its lineup with thoughtful style and an urban attitude.	CANALI  Italian Luxury Men's Lifestyle Founded in Italy in 1934, CANALI has become a symbol of Italian luxury and refined elegance for nearly a century. As a menswear lifestyle brand, it blends cultural heritage with sophisticated style, rooted in masterful craftsmanship and artisanal techniques. Committed to the values of Made in Italy, CANALI delivers exceptional comfort and quality through timeless tailoring—sharing the essence of Italian excellence with discerning customers around the world.	GCDS  Italian High-End Streetwear Founded in Milan in 2015 by brothers Giuliano and Giordano Calza, GCDS is a high-end streetwear brand known for its bold creativity and artisanal spirit. The brand delivers distinctive collections that fuse vivid colors, diverse materials, and craftsmanship—capturing the essence of Italian design with a rebellious edge. With a strong global following, GCDS continues to push boundaries in luxury street fashion, earning cult status among fashion-forward audiences worldwide.
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Export Division

ShinWon is recognized as Korea's leading ODM/OEM specialist, exporting a wide range of apparel—including knitwear, activewear, sweaters, and outerwear for men, women, and children—to over 40 countries worldwide. The company has established production bases in key regions such as Guatemala, Nicaragua, Vietnam, Indonesia, India, and Bangladesh, continuously enhancing its capabilities to meet buyers' expectations in terms of quality and on-time delivery. Each business unit maintains stable partnerships with long-term buyers, with production proceeding after sample development and final approval. ShinWon is simultaneously expanding production lines and leveraging workforce expertise to secure new buyers and enhance production volume. By analyzing fashion trends in key markets such as the U.S. and U.K., and managing real-time orders through sales offices in the U.S., Guatemala, and Vietnam, ShinWon can minimize lead times while offering personalized style solutions and maintaining a stable supply system.



Knit



Activewear



Outdoor



Sweater

Brand Progress

SIEG

2024 Key Highlights

- 10% increase in market share within the men's fashion segment
- Strengthened customer engagement through campaign-driven touchpoints

Sustainable Product Development

SIEG is expanding its sustainable product lineup, with plans to apply eco-friendly materials starting from the 2025 S/S season. Select staple items have already incorporated recycled polyester fabric certified by REPREEVE¹⁾, increasing the brand's offering of environmentally conscious apparel. From the 2025 F/W season, SIEG also plans to introduce down products certified by RDS²⁾, ensuring animal welfare-based sourcing and ethical standards. From material selection to certification labeling, the brand is making active efforts to realize eco-conscious values and build customer trust by providing accompanying images and details of sustainability certifications on its products.

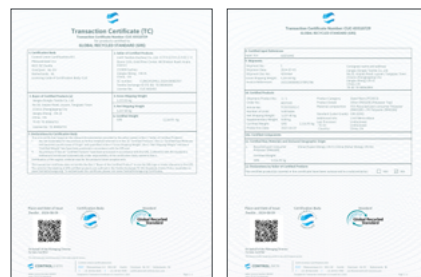
1) REPREEVE Certification: Polyester yarn made from recycled plastic, recognized under the GRS (Global Recycled Standard).

2) RDS Certification: Responsible Down Standard; an international certification ensuring animal welfare throughout the supply chain of down materials.

SIEG's Eco-Friendly Certification



REPREEVE® Certified Logo



GRS Certificate

BESTI BELLI

2024 Key Highlights

- Expanded distribution network and increased sales volume
- Growth in VIP customer base and higher membership sales contribution

Launch of Eco-Friendly Product Line

Beginning with the 2025 S/S season, BESTI BELLI is introducing a new line of eco-conscious products that reflect the brand's commitment to environmental protection. This collection centers around the use of sustainable materials, including:

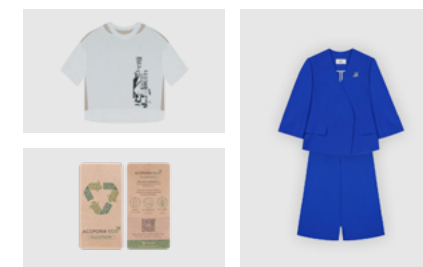
Recycled Polyester Products

Made using recycled PET bottles, these items reduce landfill waste and conserve petroleum resources. This material will primarily be applied to jumper styles.

Organic Material T-Shirts

Made using organically sourced fabrics produced without chemical fertilizers or genetic modification, these eco-friendly items minimize environmental impact. BESTI BELLI continues to expand this line with a growing range of organic material-based designs.

BESTI BELLI Eco-Conscious Collection



BESTI BELLI Sustainability Commitment



GOTS(Global Organic Textile Standards) Certification Mark



GRS(Global Recycled Standards) Certification Mark

Export Division – Business Strategy



Knit Division

ShinWon's knit division operates across smart factories in Asia and Central America, leveraging Industry 4.0-based production systems to enhance supply chain transparency and product quality. Through a vertically integrated strategy, the company efficiently manages all production stages and responds swiftly to market changes via its global sales offices. Ongoing R&D investments are driving digital design innovation—including 2D/3D styling, VR simulations, and AI-powered trend analysis—while diversified sourcing strengthens production flexibility and risk management.



Sweater Division

With over 50 years of operational expertise, ShinWon's sweater division manufactures in Bangladesh and Indonesia, utilizing eco-friendly 3D knitting technology to deliver diverse designs with short lead times. Backed by a competitive cost structure and stable sourcing capabilities, the division maintains its core strengths while expanding its buyer portfolio. In 2024, Cambodia was added as a new sourcing base, further enhancing production capacity, product variety, and market accessibility.



End-to-End Production System

ShinWon has established a fully integrated end-to-end production system that strengthens both supply chain efficiency and quality control. From market intelligence and fabric development to sewing, finishing, and shipping, all stages are centrally managed to ensure fast delivery and consistent quality. To reinforce sustainable manufacturing, the company operates garment dyeing facilities and has introduced eco-friendly washing systems and natural dye materials—reducing water and energy consumption while building a responsible production foundation.



Diversified Customer Base & Product Lineup

By diversifying its product offerings for a wide range of customer segments, ShinWon responds swiftly and flexibly to rapidly changing market demands. This approach enables the company to continuously deliver innovative products and services tailored to client needs.



Smart Factory & ERP Development

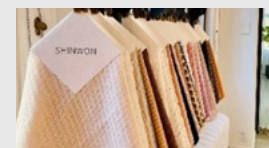
ShinWon has implemented smart factory systems across all production sites and developed its own ERP (Enterprise Resource Planning) system to enhance operational precision and efficiency. This integration allows for centralized management of key business processes—including production, inventory, logistics, and workforce—boosting overall agility and accuracy.



Localization Strategy

To strengthen real-time communication with global clients, ShinWon has built a localized service network. Design and sales offices in New York, Bentonville, Hanoi, and Central America provide market-specific solutions.

In particular, the planning team at the Bentonville office conducts real-time demand analysis and product planning for the North American market. This regionally embedded approach enhances responsiveness and reinforces brand trust through customer-centric operations.



New York Office



Guatemala Office

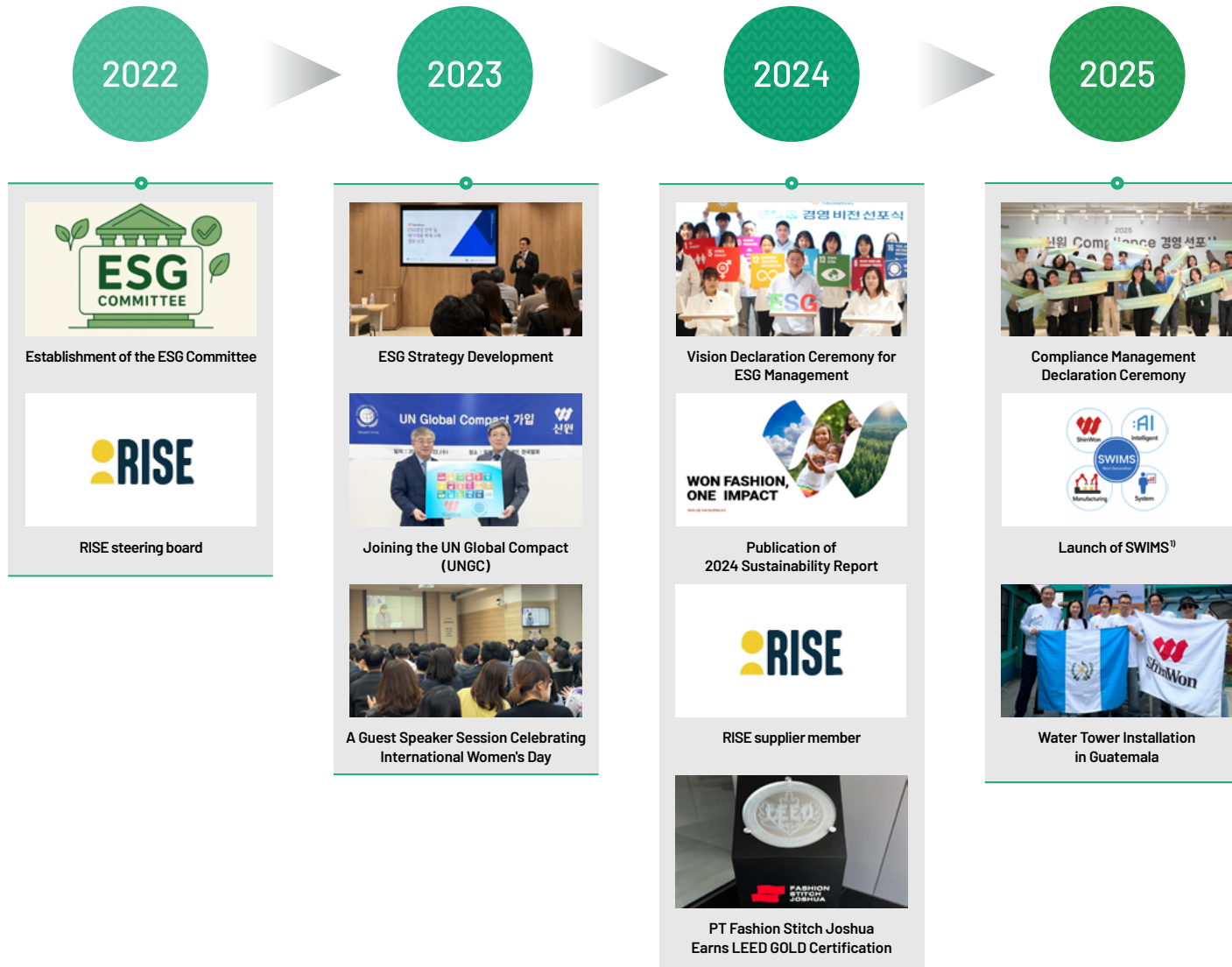
A Sustainable Future Where Business And Society Coexist

ESG MANAGEMENT

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ESG Highlight



ESG Recognition & Awards



2024 ESG Ratings Upgraded Across All Areas (K-ESG Institute)



Selected as "Who's Sustainable" by SFI (Sustainable Fashion Initiative)

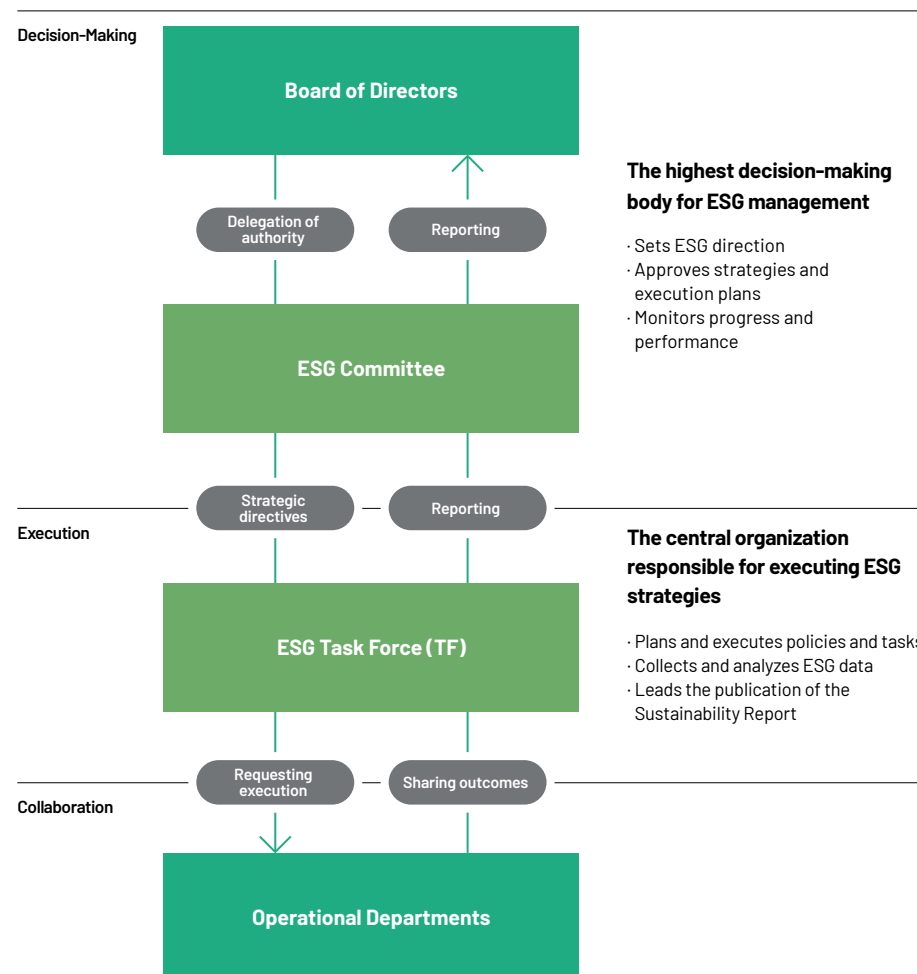
1) ShinWon Intelligent Manufacturing System: ShinWon's next-generation smart production system

ESG Governance

ESG Governance Structure

Recognizing the growing importance of sustainable management in a rapidly changing business environment, ShinWon established its ESG Committee in March 2022 through a shareholders' resolution. As the company's highest decision-making body for ESG, the committee—comprising key executives—sets strategic directions, defines implementation frameworks, and monitors performance across all ESG initiatives. To strengthen execution, ShinWon operates a dedicated ESG Task Force (TF) composed of core functional departments. This task force serves as the operational hub for ESG activities, overseeing project planning, execution, and performance management. Additionally, it leads the publication of the Sustainability Report, responds to ESG-related issues, and manages key metrics and data. Each ESG initiative is assigned to designated personnel across the three pillars—Environmental (E), Social (S), and Governance (G)—who collaborate with relevant departments. Through this integrated structure, the task force ensures effective execution and continuous improvement, thereby enabling ShinWon to build a robust and responsive ESG management system.

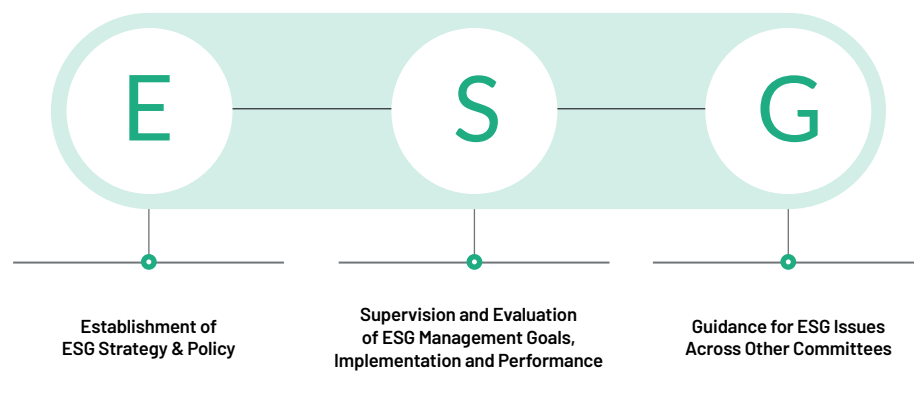
ShinWon ESG Governance Flowchart



ESG Governance

ESG Committee

The ESG Committee serves as ShinWon's core decision-making body for establishing and executing ESG strategies. It defines the company-wide direction for ESG management, deliberates on key agenda items, and makes key decisions. The committee reports ESG strategies and goals to the Board of Directors, while systematically overseeing implementation to ensure transparency and accountability. The committee comprises six directors—including two independent members to enhance objectivity—and is chaired by CEO Jung Joo Park, whose extensive experience in export, production, and sales provides practical insight and strategic leadership. Under his guidance, the committee contributes meaningfully to long-term planning, risk mitigation, and execution capabilities. The committee sets ESG goals and key initiatives, reviews non-financial risk responses, and establishes performance indicators to be implemented across relevant departments. It also regularly monitors the progress of each initiative, ensuring that ESG activities are integrated into core business processes rather than remaining symbolic. By aligning major ESG tasks with company-wide decision-making, the committee strengthens ShinWon's responsiveness to non-financial issues and supports the company's long-term sustainability. Moving forward, the ESG Committee will continue to evolve as a strategic platform, enhancing both agility and execution in ESG governance.



2024 ESG Committee Operational Performance

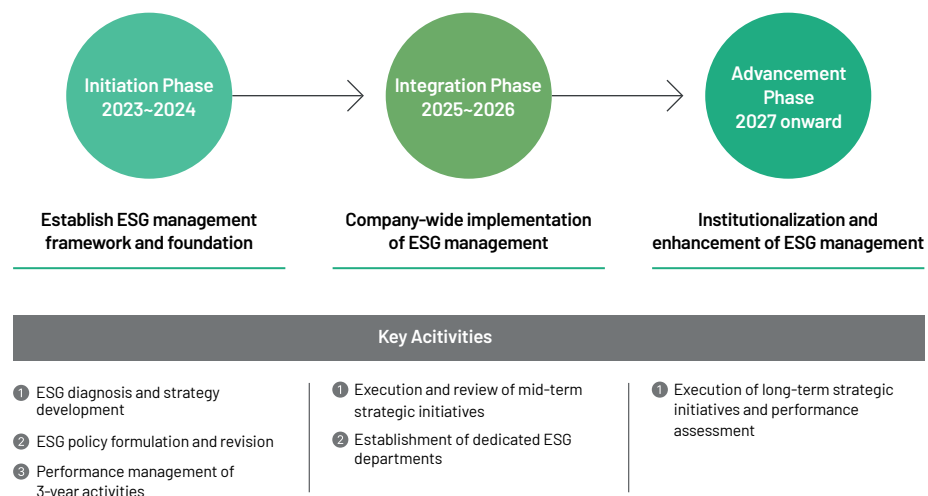
Date	Agenda	Resolution	Attendance
Jan 24, 2024	ESG Strategy Consulting Outcome Report	Approved	100%
	2023 ESG Rating & 2024 Goal Report	Approved	100%
	Annual ESG Training Plan Report	Approved	100%
	GHG Reduction Plan & Target Report	Approved	100%
Feb 05, 2024	CSO Appointment Report	Approved	100%
Mar 07, 2024	2024 ESG Management Vision Declaration Ceremony Report	Approved	100%
Apr 03, 2024	2024 1st Regular Committee Meeting	Approved	100%
	Committee Chair Appointment	Approved	100%
May 07, 2024	Occupational Safety & Health Plan	Approved	100%
	Ethical Management Roadmap Report	Approved	100%
Jun 10, 2024	Key Risk Management Plan Report	Approved	100%
	Company-wide Carbon Emissions & Energy Usage Report	Approved	100%
Jun 24, 2024	2024 2nd Regular Committee Meeting	Approved	100%
	2024 Sustainability Report Presentation	Approved	100%
Jul 17, 2024	2024 H1 Board Evaluation	Approved	100%
	H2 Executive ESG Training Review	Approved	100%
Aug 27, 2024	Pre-Report on Human Rights Impact Assessment	Approved	100%
	Supply Chain Due Diligence Report	Approved	100%
	ESG Enhancement Plan for Supply Chain	Approved	100%
Sep 09, 2024	Board Regulation Revision	Approved	100%
	Compliance Standards & Compliance Officer Appointment	Approved	100%
Oct 28, 2024	2024 3rd Regular Committee Meeting	Approved	100%
	KCGS ESG Evaluation Results Report	Approved	100%
Dec 02, 2024	Company-wide Carbon Reduction Roadmap Report	Approved	100%
	SBTi Approval Report	Approved	100%
	2024 Environmental Investment Report	Approved	100%
	2024 4th Regular Committee Meeting	Approved	100%
Dec 27, 2024	2025 ESG Activity Plan Report	Approved	100%
	2025 Investment Plan Report	Approved	100%

ESG Vision House

ESG Strategic Framework

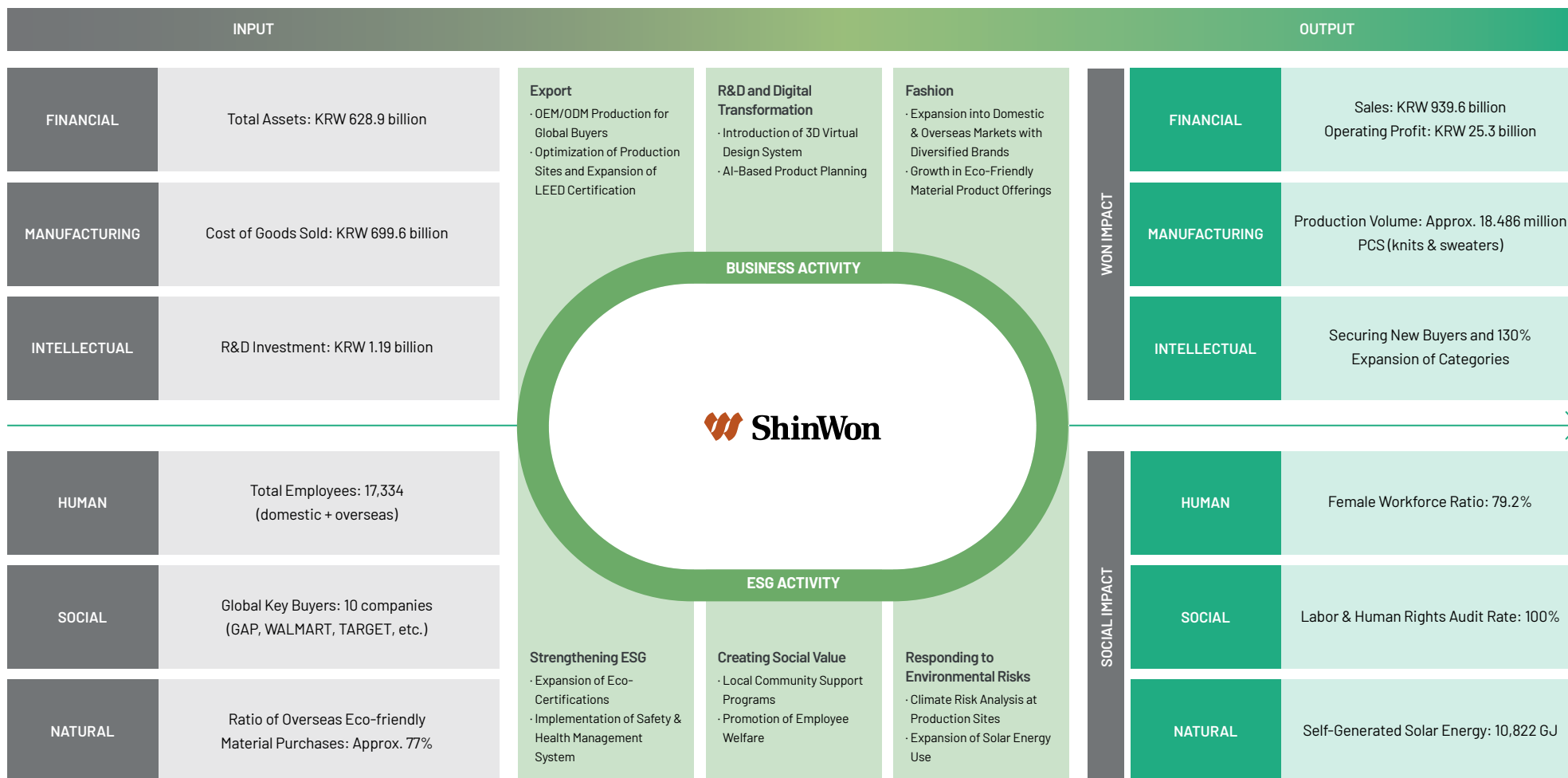
ShinWon believes that corporate activities must generate positive environmental and social impacts to achieve shared growth with all stakeholders. Based on this conviction, the company began full-scale ESG management in 2022. While past efforts focused primarily on financial performance, ShinWon now takes a long-term perspective—actively identifying and systematically managing key ESG issues to ensure corporate sustainability. In 2023, ShinWon established a new ESG vision: “Won Fashion, One Impact.” This vision reflects the company’s commitment to building a distinctive ESG strategy and continuously elevating the level of ESG management. To realize this vision, ShinWon has defined eleven strategic imperatives, each with short-term (within one year), mid-term (one to five years), and long-term (beyond five years) goals. These initiatives are being embedded across the organization to facilitate ESG integration. Importantly, ShinWon’s eleven strategic imperatives are aligned with the United Nations Sustainable Development Goals (SDGs), enabling the company to contribute to global sustainability while fulfilling its corporate social responsibilities.

ShinWon ESG Roadmap



Social Impact, Won Impact

As a global fashion manufacturer and brand company, ShinWon creates both social and economic value through export-based OEM/ODM operations and its own fashion brands. Leveraging its international production network, use of sustainable materials, eco-friendly garment dyeing and washing processes, and digital design innovation, ShinWon strengthens climate change response and stakeholder trust. The company remains committed to sustainable growth and responsible management into the future.



Social Impact Activity



Social Contribution Framework for a Bright and Happy Society

ShinWon is committed to creating a healthy and joyful world by sharing trust and hope under the core value of “Beautiful Giving for a Bright and Happy Society.” The company’s social contribution efforts go beyond pursuing corporate profit—they aim to foster genuine growth and development in partnership with local communities. ShinWon actively contributes to social progress and the public interest by offering practical and effective solutions to societal challenges. In alignment with the United Nations Sustainable Development Goals (SDGs), the company generates social value across diverse areas such as education, healthcare, and environmental protection, thereby promoting sustainable development within communities and fulfilling its corporate social responsibilities. To achieve this, ShinWon collaborates closely with stakeholders and responds proactively to the evolving needs of local communities. The company also continues to strengthen social partnerships and enhance its expertise in developing more responsible and sustainable social contribution activities. Looking ahead, ShinWon will remain at the forefront of social progress and prosperity, upholding the value of giving and leading efforts to build a brighter and happier society.

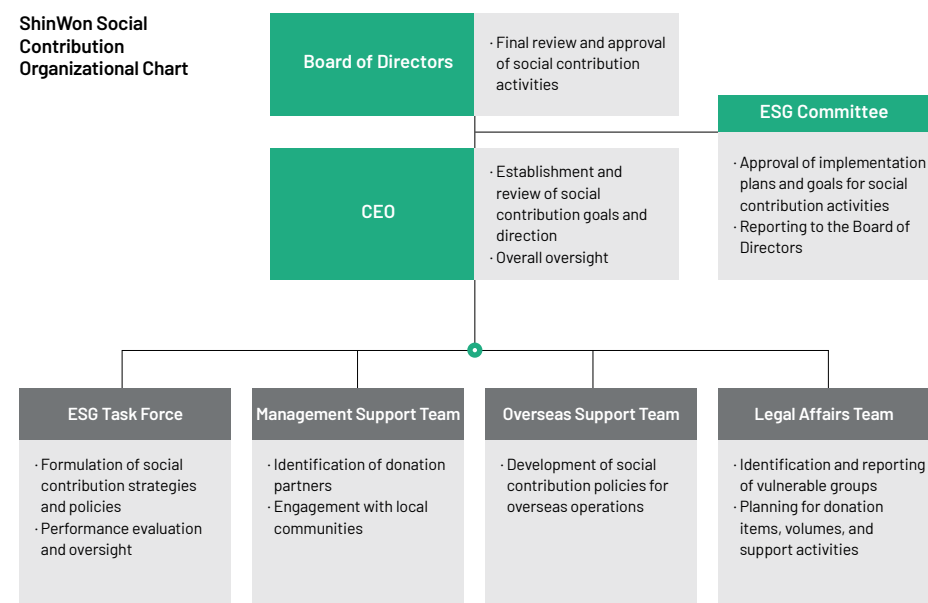
ShinWon Social Contribution Framework



Community-Based Social Contribution Strategy

Guided by the vision of “ShinWon, Walking Together with Our Neighbors,” the company operates a dedicated social contribution team under senior executive leadership to ensure systematic and impactful CSR activities. This team develops company-wide social contribution strategies, implements diverse community-based programs, and actively engages in donations—both monetary and in-kind—through nonprofit organizations. In collaboration with the ESG Committee, headquarters, and business sites, ShinWon selects local beneficiaries and establishes detailed plans for donation volumes and support activities. Based on these plans, the company secures donation items and delivers them to communities according to scheduled timelines, ensuring consistent and meaningful social contribution efforts. Moving forward, ShinWon will continue to engage in responsible management by fostering ongoing communication and promoting mutual growth with all members of society.

ShinWon Social Contribution Organizational Chart



Social Impact Activity

ShinWon Social Contribution Roadmap



Social Contribution Using Apparel Products

- Develop brand-linked CSR strategies
- Expand existing clothing donation programs
- Plan upcycled and eco-friendly products
- Develop products focused on environmental and social value
- Launch campaigns linked to sustainable fashion
- Expand global social contribution efforts
- Operate global social contribution projects
- Maximize value of upcycled and eco-friendly fashion
- Broaden target groups and countries for support

Community-Based Sharing Activities

- Conduct community needs assessments and identify partners
- Pilot employee and family participation programs
- Implement support projects for vulnerable groups
- Launch full-scale community contribution programs
- Collaborate with social welfare institutions
- Expand employee and family volunteer activities
- Establish issue-solving contribution programs
- Create long-term contribution funds

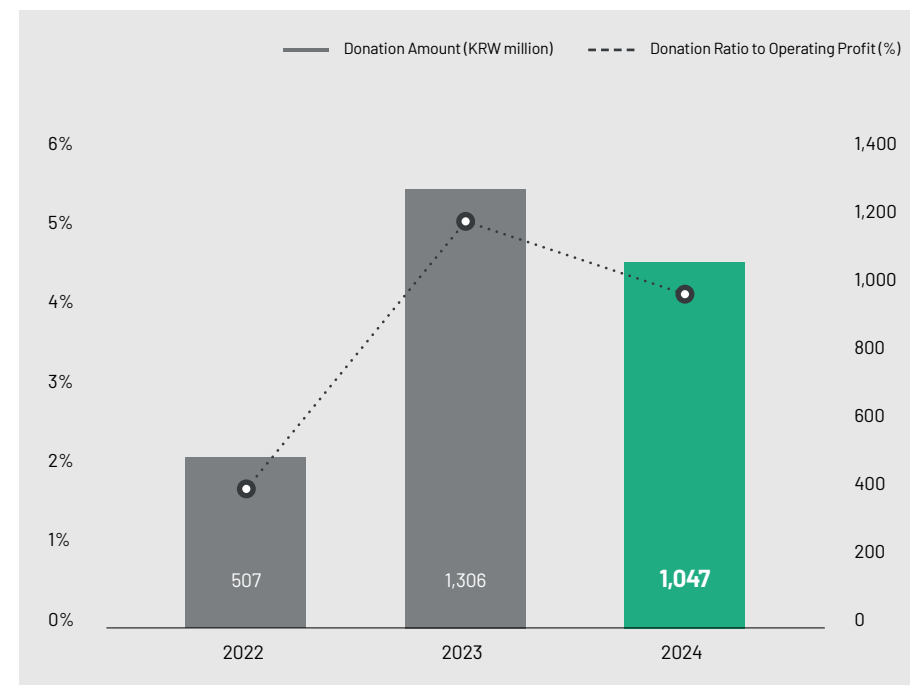
Building Partnerships with Institutions & Organizations

- Initiate collaboration discussions with NGOs and public institutions
- Establish internal CSR guidelines
- Conduct CSR projects in partnership with government and public agencies
- Expand collaboration with global NGOs and corporations
- Develop reporting systems aligned with ESG management
- Monitor and report social contribution performance
- Obtain domestic and international ESG/CSR certifications
- Strengthen cooperation with governments and international organizations

Corporate Citizenship in Action

To enhance the effectiveness of its social contribution efforts, ShinWon has been conducting ongoing donation activities in collaboration with external organizations, including government agencies and private institutions. Since 2021, the company has provided approximately KRW 3 billion in cash and product donations to approximately 30 organizations, delivering tangible value to those in need. In 2024 alone, ShinWon made donations totaling approximately KRW 1 billion—equivalent to 4.1% of its annual operating profit—demonstrating the company's strong commitment to embedding social responsibility as a core value in its business management.

Annual Donation



Social Impact Activity



ShinWon Ebenezer Choir – Voice of Love

Founded in 1994, the ShinWon Ebenezer Choir is Korea's premier professional sacred choir composed of top vocalists. Through musical ministry and corporate social responsibility, the choir carries out diverse activities to support vulnerable and marginalized communities around the world.

2024 Activity Highlights

Date	Event
Mar 09, 2024	The Kukmin Daily Breakfast Prayer Meeting
May 24, 2024	The Kukmin Daily Vision Club
Jul 07, 2024	Myungsung Church Anniversary Sunday
Sep 23, 2024	ShinWon 51st Anniversary Celebration



Used Clothing Donation Campaign with OTCAN

Since 2021, ShinWon has been conducting the customer-participation donation campaign "Give & TAKE" in partnership with OTCAN, a nonprofit organization. This initiative delivers the value of sharing to low-income communities both domestically and internationally, while promoting resource circulation and sustainable consumption.

Donation

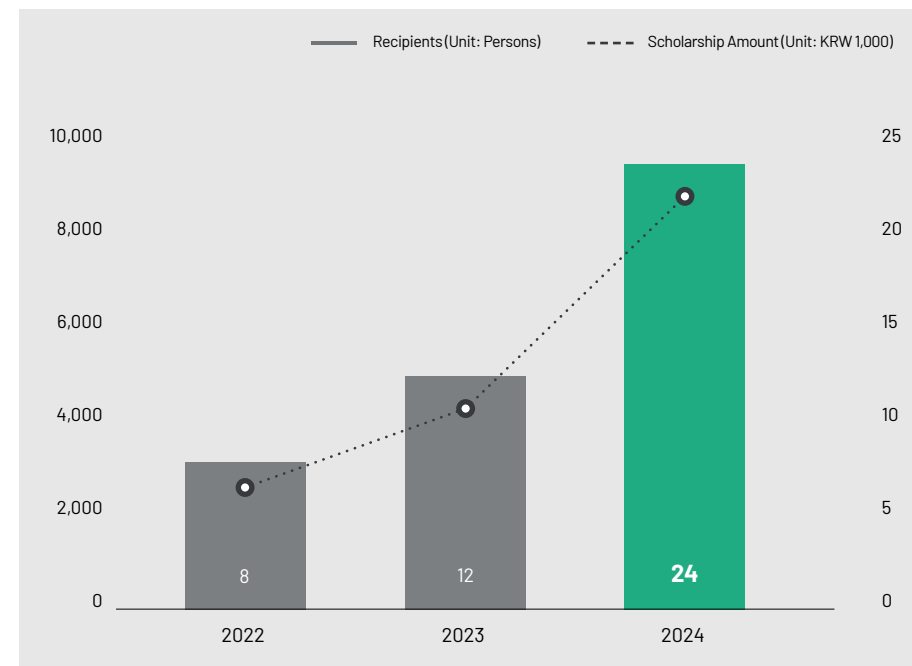
2022	2023	2024	2025 (Ongoing)
2,092 PCS	3,378 PCS	4,134 PCS	1,654 PCS
120 BOX	199 BOX	224 BOX	132 BOX



ShinWon Cultural Foundation – Dreaming a Society Happier Together

Established in 1994, the ShinWon Cultural Foundation has consistently implemented a wide range of public interest initiatives. Each year, the foundation provides scholarships to high school students facing financial hardship, helping young people pursue their dreams and aspirations. Over the past 30 years, ShinWon has steadily maintained its scholarship program, supporting approximately 2,000 students as of 2024. Through these efforts, the foundation contributes to the development of talented individuals and promotes equal access to educational opportunities.

Yearly Scholarship Status of the ShinWon Cultural Foundation



Social Impact Activity

Realizing Inclusive Education and Welfare for Vulnerable Children

Mid-Autumn Sharing Event for Vulnerable and Children with disabilities

Shinwon Ebenezer Hanoi Co., Ltd visited the Traditional Medicine Hospital in Vinh Phuc Province to host a Mid-Autumn sharing event for vulnerable and Children with disabilities receiving treatment. The company provided daily necessities and gift sets, offering heartfelt messages of comfort and encouragement. Through this initiative, ShinWon continues its sustained support for children in the local community, demonstrating its social responsibility through solidarity with the local society.

ShinWon Scholarship Program

Shinwon Ebenezer Hanoi Co., Ltd provided ShinWon Scholarships to students in Thai Nguyen Province who were facing financial hardship, contributing to expanded educational opportunities and regional development. In this program, eighteen academically outstanding students from low-income families each received a scholarship of 6,000,000 VND along with a gift set of daily essentials. Scholarship recipients also included children of ShinWon employees who have served the company for over one year. ShinWon plans to continue supporting talent development and community growth through education.

Empowering Learning Through Donation – Supporting Children with Disabilities

On June 1st, in celebration of Vietnam's Children's Day, Shinwon Ebenezer Hanoi Co., Ltd partnered with two educational centers for children with disabilities in Thai Nguyen Province to host a Fair Trade donation event. Scholarships and gifts were provided to children with limited access to education, creating meaningful learning opportunities. The event also featured performances by the beneficiaries, fostering emotional connections and strengthening bonds between ShinWon employees and the local community.

80,000,000 VND Donated



Mid-Autumn Sharing for vulnerable and disabled children in Vinh Phuc

6,000,000 VND Per Student Donated



Scholarship Event in Thai Nguyen

Expanding Access to Education and Providing Learning Opportunities



Scholarships and gifts for children with disabilities in Thai Nguyen

Social Impact Activity

Cultural and Infrastructure Initiatives for Shared Prosperity with Communities

Corporate Sports Festival for Community Engagement

Shinwon Ebenezer Hanoi Co., Ltd hosts the annual ShinWon Sports Festival, a large-scale company-wide event supported by Fair Trade premium funds. In 2024, the festival welcomed approximately 7,000 participants, including employees and their families, creating a meaningful space for communication, bonding, and community spirit. More than just a leisure activity, the event reinvests Fair Trade premiums into employee welfare, strengthens organizational culture, and enhances ties with the local community—serving as an exemplary ESG practice.



2024 ShinWon Sports Festival

Infrastructure Development for Clean Water Access

ShinWon's Guatemala subsidiary collaborated with the Planet Water Foundation and Columbia Sportswear to install a water tower with a purification system at El Patrocinio Elementary School, addressing the region's poor water infrastructure. Alongside the installation, hygiene and water conservation education were provided to students and teachers, fostering sustainable habits and improving access to safe drinking water. This initiative goes beyond infrastructure by empowering the local community through awareness and education. ShinWon will continue engaging in social contribution activities that build strong ties with communities around its global operations.



Water Tower Project

Managing Negative Community Impact

ShinWon conducts annual materiality assessments to identify both positive and negative social and environmental impacts from its business operations. Through this process, the company can proactively identify potential that may affect local communities. Once identified, ShinWon implements targeted countermeasures to mitigate these negative impacts.

Risk Identification	· Potential river pollution and health hazards for workers due to chemical leaks during dyeing and washing processes · Possible soil and air pollution from landfill or incineration of discarded clothing and dye-related waste
Mitigation Measures	· Strengthening hazardous chemical management standards to prevent leaks during dyeing processes · Conducting emergency response training and education for partner companies · Operating a recycling campaign in collaboration with the NGO OTCAN to reduce textile waste
Effectiveness Evaluation	· In 2024, the OTCAN campaign resulted in the donation of 4,134 garments, effectively reducing the environmental burden from landfill and incineration

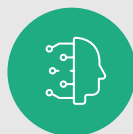
Won Impact Activity

ShinWon's R&D goes beyond product development to support customer value creation, respond swiftly to market changes, and drive innovation for a sustainable future. By actively integrating advanced technologies such as AI analytics, 3D virtual design, and eco-friendly material development, ShinWon enables faster and more agile decision-making, creates new business models, and delivers differentiated customer experiences. The company will continue to shape industry paradigms and strengthen its competitiveness in future markets through technology-driven innovation.



Providing Market Intelligence That Leads the Industry

ShinWon combines designer-led trend analysis with AI-powered comparative analytics to offer more structured and strategic design directions during client meetings. Rather than simply collecting trends, the company delivers advanced insights by merging design expertise with market data—making a meaningful contribution to buyers' product planning and strategy development.



AI and Digital Transformation Initiatives

ShinWon is gradually implementing AI-based design analysis and recommendation systems, validating process efficiency and accuracy through pilot operations. The company is also building digital collaboration platforms and real-time communication systems to improve design quality, accelerate market responsiveness, and boost internal productivity.



Customer-Centric Recycled Yarn Program

ShinWon's R&D team clearly categorizes recycled materials during fabric trend research and provides various certified recycled products upon buyer request. The Team observes the changes of market demand in recycling and provides new recycled fabrics by introducing lower-impact process. The team continuously communicates with suppliers to maintain the quality and competitive price.



Advancing 3D Virtual Design

ShinWon has elevated its 3D virtual design technology beyond basic visualization to convey brand stories and product concepts in a multidimensional way. This innovation significantly shortens the sample production and review process, enhances communication speed with buyers, and enables faster and more accurate decision-making and market responsiveness.



Expanding the Eco-Friendly

Since 2020, ShinWon's graphic design team has been exploring sustainable approaches to create environmentally conscious graphics. By working closely with fabric and style teams, as well as partner vendors, we strive to minimize environmental impact through thoughtful design.



ShinWon Virtual Showroom

Won Impact Activity

The global fashion industry is rapidly adopting data-driven management systems and sustainability-focused decision-making structures based on digital technologies. These systems have become key tools for realizing ESG management by enhancing supply chain transparency, reducing greenhouse gas emissions, and improving resource efficiency.

Smart Factories

Digital transformation in the textile and fashion industry serves as a core foundation for creating sustainable value and building responsible production systems. To effectively respond to the sophisticated demands of global buyers, ShinWon is actively introducing automated equipment in key processes such as dyeing and sewing. Based on digital manufacturing innovation, the company is pursuing the implementation of Digital Twin technology as a medium-to-long-term goal. Furthermore, ShinWon is expanding the application of its Smart Factory system (SWIMS) across all overseas production sites, accelerating technology-based sustainable management and the establishment of a responsible supply chain.

Smart Factory Process & Expected Outcomes



Establishing a BI-Based Smart Management System

ShinWon is building a smart management system by adopting a Business Intelligence (BI) platform in response to digital transformation trends in the global fashion industry. This system enables the integrated management and utilization of internal business data. By linking internal data with external consumer trends, search data, and seasonal demand patterns, the company can forecast demand with greater accuracy. As a result, data-driven decision-making has been significantly improved across product planning, production, and distribution. Additionally, ShinWon has developed an integrated dashboard system that provides a real-time overview of key indicators across departments, enabling the company to respond proactively and flexibly to rapidly changing market conditions.

Key Features of ShinWon's BI System

- ✓ Integrated analysis of internal data (e.g., inventory, sales, stock) and external consumer trends
- ✓ Accurate data accumulation across all business activities—from product planning to production and distribution
- ✓ Efficient data management through real-time monitoring

Digital Transformation of Work Processes

To enhance operational efficiency and reduce resource consumption, ShinWon is actively promoting company-wide document digitization. By transitioning everyday work processes to digital formats, the company has eliminated inefficiencies in document creation and sharing, while improving information accessibility. Reporting and approval procedures have also been streamlined, resulting in faster task execution and improved collaboration. Reduced paper usage has led to lower resource consumption. These changes contribute not only to more streamlined internal processes but also to the creation of a more flexible and sustainable work environment by minimizing unnecessary physical resource use.

Digital Transformation Initiatives at ShinWon Headquarters

- ✓ Minimizing printed materials
- ✓ Reducing handwritten records
- ✓ Expanding electronic approval systems



Integrated Dashboard Implementation

Stakeholder Engagement

ShinWon defines employees, customers, partners, local communities, shareholders and investors, and government entities as its key stakeholders. Through dedicated communication channels with each group, the company identifies stakeholder concerns and systematically addresses key issues. Feedback collected through these channels is incorporated into management planning, contributing to the delivery of tangible value and the formation of trust-based relationships. In particular, ShinWon continuously monitors ESG-related issues and applies improvements through platforms such as "Chambit Voice" and the customer bulletin board on the official website.

Category	 Employees	 Customers	 Partners	 Local Community	 Shareholders & Investors	 Government
Definition	Core personnel driving ShinWon's success and growth by implementing corporate vision and values.	Consumers of ShinWon products and services, promoting sustainable consumption through trust and satisfaction.	Entities collaborating with ShinWon in production and supply, improving quality and operational efficiency based on trust.	Residents, local governments, and community organizations around ShinWon's business sites, seeking welfare improvement.	Individuals and institutions who support ShinWon's financial performance and long-term growth, with trust built through transparent governance and consistent value creation.	National and regional authorities that regulate, guide, and support ShinWon's operations, fostering compliance and public trust through policy alignment.
Communication Channels	- labor-management council - grievance channels - safety & health responses - suggestion boards	- customer service center - SNS and online channels - media reports - company website	- Chambit Voice - internal transaction review committee - company website	community councils	- general shareholder meetings - financial reports - IR - transaction disclosures	- financial reports - IR - website
Key Interests	- work-life balance - welfare enhancement - employee engagement and communication - capability development - grievance handling - inclusive protection and non-discrimination - equal opportunity and fair assessment	- product quality and safety - customer satisfaction - personal data protection - eco-friendly product offerings	- fair transactions - safety assurance - transparent partner selection criteria	- environmental protection - safety and health of local residents - community development initiatives	- financial performance - governance transparency - business outlook - ESG risk management	- tax compliance - regulatory observance - compliance with environmental regulations - climate change response
Response Measures	- enhancing mutual understanding through expanding communication channels - employee rights protection - establishing a system of fair assessment and compensation - capacity development through training - expanding welfare programs	- listening to customer feedback and addressing complaints - incorporating customer suggestions - responding to inquiries - delivering safe and responsible products	- sustainable supply chain management - fostering fair trade culture - creating values for mutual growth - supporting green buying	- social contribution efforts - exploring collaborative development strategies with local community - implementing pollution reduction initiatives (e.g., waste and water use minimization)	- practicing ethical business conduct - implementing anti-corruption measures - maximizing business performance - enhancing shareholder value - providing transparent corporate information	- ensuring regulatory compliance - fulfilling tax obligations with integrity
Economic Value Distribution	salary & welfare expenses: KRW 173,557 million	sales revenue: KRW 939,537 million	procurement volume: KRW 516,301million	local community donations: KRW 1,090 million	- cash dividends: KRW 5,261 million - share cancellation: KRW 3,609 million	corporate Tax: KRW 163 million

Double Materiality Assessment

Double Materiality Assessment – Process & Outcomes

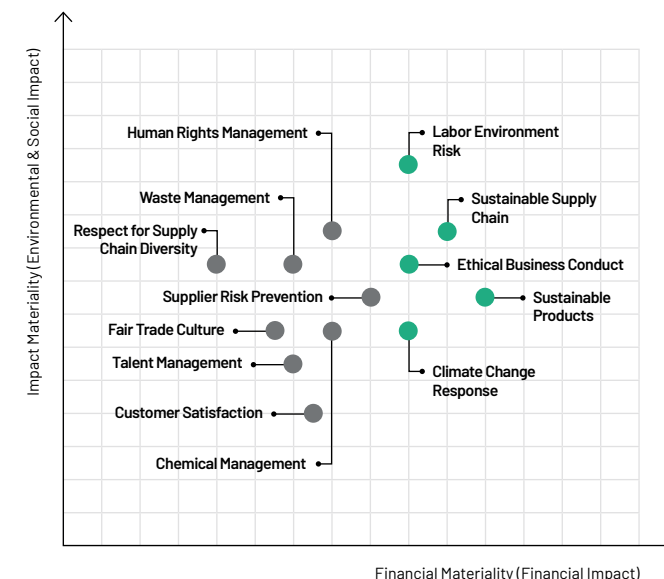
In 2024, ShinWon conducted a comprehensive Double Materiality Assessment to systematically identify key ESG issues. This evaluation focused on analyzing both the impact of corporate activities on society and the environment (impact materiality) and the influence of external sustainability issues on the company's financial condition (financial materiality). By applying rigorous implementation guidance of the European Sustainability Reporting Standards (ESRS) developed by EFRAG, ShinWon established an assessment framework fully aligned with global disclosure standards. The identified material issues strategically reflected in strategic decision-making and the advancement of ShinWon's sustainability management strategy. Comprehensive company-wide ESG priorities were precisely defined, and core management items were precisely defined for each business segment, considering the unique characteristics of ShinWon's export and fashion operations and its value chain. ShinWon will continue to continuously enhance its materiality assessment framework and link identified issues to strategy for substantial improvement.

Double Materiality Assessment Process

Step 1. Identification of Sustainability Issue Pool	
Issue Pool Development	· Derived 93 sustainability topics based on ESRS standards.
Business Relevance & Prioritization	· Incorporated global ESG frameworks (e.g., MSCI, SASB). · Analyzed ShinWon's value chain (Upstream / Operations / Downstream). · Benchmarked material issues from industry peers. · Reviewed ShinWon's historical reporting issue pool (2024).
Step 2. Identification of Risk, Opportunity, and Impact Factors	
Financial Materiality Factors	· Assessed financial risks and opportunities for each issue.
Impact Materiality Factors	· Analyzed positive and negative societal and environmental impacts.
22 Financial IROs Identified 23 Impact IROs Identified	
Step 3. Evaluation of Key IROs ¹⁾	
Financial Materiality Evaluation	· Internal stakeholders (working-level staff) assessed financial relevance and impact.
Impact Materiality Evaluation	· External ESG experts were engaged to evaluate each issue based on its societal and environmental impact.
5 Key Material Isses Derived	
Step 4. Selection of Material Issues	
Material Issue Prioritization	· Selected the highest-scoring IRO within each sub-topic group.
Review by Highest Decision-Making Body	· The ESG Committee under the Board of Directors reviewed the assessment results and approved the selected issues as strategic management priorities.

1)IRO refers to financial effects (Risk, Opportunity) and societal/environmental impact.

ShinWon Double Materiality Assessment Matrix



No.	Material Issue	Previous Year's Issue	ESRS Topic
1	Climate Change Response	Climate Change Response	Climate Change, Energy
2	Sustainable Products	Eco-Friendly Products	Circular Economy
3	Labor Environment Change Risk	Working Conditions & Welfare	Products
4	Sustainable Supply Chain	New ²⁾	Workers in the Supply Chain
5	Ethical Management	Ethics & Compliance	Business Conduct

2) Originally identified as a material issue for the export division in 2023, this topic was selected as a core material issue in 2024.

Management of Material Issues

ShinWon recognizes sustainability topics that exceed the threshold score in its double materiality assessment as material issues. If a topic meets the threshold in either impact materiality (social/ environmental impact) or financial materiality (financial impact), it is selected as a final material issue. ShinWon systematically manages these core issues by linking them to its business strategy and continuously promotes actionable initiatives to address risks and create opportunities.

Financial Impact

Domain	Topic	Position in Value Chain	Risk & Opportunity Factors	Impact on ShinWon's Business	Linkage to ShinWon's Strategic Tasks
Environmental	Climate Change Response	Operations	- Global warming and seasonal ambiguity - Increased frequency and intensity of extreme weather	- Inventory surplus and turnover decline due to demand forecast failure > Inventory valuation loss, reduced profitability, increased working capital burden	Strategic Task 2. Bolster climate change response capabilities
	Sustainable Products	Operations Downstream	- Rising demand for sustainable materials from global buyers - Price volatility and supply instability of eco-friendly raw materials	- Increased production costs leading to reduced price competitiveness and margin pressure > Potential decline in operating profit margin	Strategic Task 3. Expand eco-friendly product
Social	Labor Environment Change Risk	Operations	- Strengthened labor hour regulations and compliance standards - Minimum wage hikes and expanded social insurance	- Rising fixed labor costs > Increased manufacturing costs and reduced production efficiency	Strategic Task 6. Provide a thriving work environment
	Sustainable Supply Chain	Upstream	- Heightened expectations for sustainable supply chain management - Stricter ESG audit standards from global buyers	- Risk of transaction suspension if audits are not fulfilled > Revenue loss risk and increased internal costs for audit response and corrective actions	Strategic Task 8. Ensure sustainable supply chain management
Governance	Ethical Management	Cross-cutting	- Strengthened anti-corruption and ethics standards from global buyers - Enhanced national anti-corruption regulations	- Transaction suspension, litigation costs, and reputational damage in case of violations > Potential revenue decline and direct financial loss	Strategic Task 11. Reinforce execution for anti-corruption and integrity

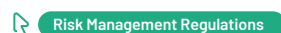
Social & Environmental Impact

Domain	Topic	Position in Value Chain	Corporate Activities Impacting Society/Environment	Resulting External Impact	
Social	Labor Environment Change Risk	Operations	- Operation of company-wide occupational health and safety system - Identification and prevention of workplace hazards - Expansion of safety training and facility investment	- Ensuring physical safety of workers and preventing industrial accidents - Improving job stability and employee satisfaction	Strategic Task 7. Bolster health and safety management across all operations

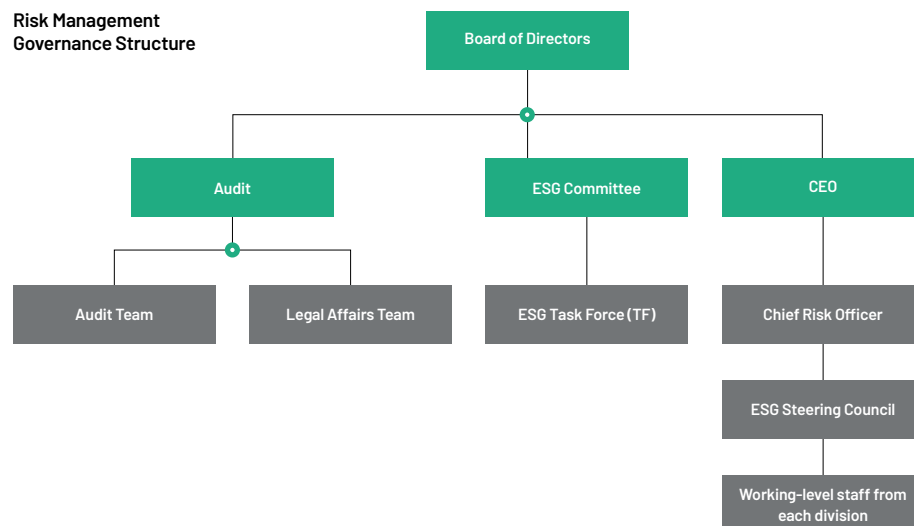
Risk Management Framework

Risk Management Governance

ShinWon operates an comprehensive integrated risk management system to systematically identify and respond to potential risks across its business operations. Through strategic close collaboration among the Board of Directors, business units, Business Administration Team ESG Task Force (TF), and the ESG Committee, the company has established a robust governance structure for managing both financial and non-financial risks. To strengthen company-wide response capabilities, ShinWon supports effective execution through the ESG Steering Council, and has designated the Chairperson of the ESG Steering Council (Executive in charge of Strategic Planning) as the Chief Risk Officer, who regularly reports key risk-related matters to the Board. By operating a dedicated working-level structure led by specialized internal teams, ShinWon enhances organizational efficiency and proactively strengthens its risk response capabilities. In addition, the company has solidified its risk management foundation by comprehensive ESG Risk Management Regulations.



Risk Management Governance Structure



Roles & Responsibilities by Entity

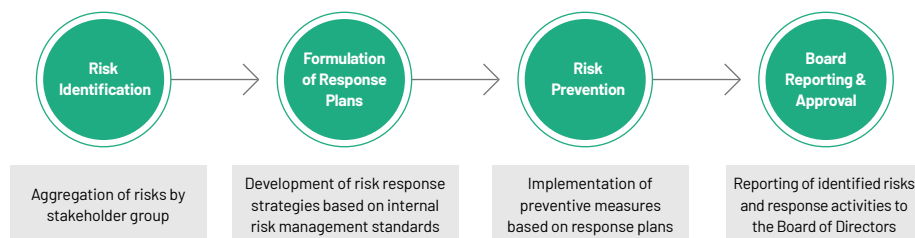
Entity	Key Responsibilities
Board of Directors	- Oversees company-wide risk response. - Reviews risk factors and makes proactive decisions. - Establishes direction and policies for risk management.
ESG Committee	- Oversees ESG issues and non-financial risk response. - Holds delegated authority for related risks and operates at least twice annually.
CEO	- Supervises risk management operations. - Sets risk management goals and monitors implementation. - Holds final decision-making authority on key risk matters.
Chief Risk Officer	- Leads risk management as Chair of the ESG Steering Council. - Reports major risk management activities to the CEO and Board.
ESG Steering Council	- Drives ESG-related activities and operational response across the company. - Supports ESG Committee and executes tasks across divisions.
Audit	- Oversees and supervises financial risks. - Operates regularly (at least quarterly) with delegated authority.
Audit Team	- Conducts periodic and ad hoc audits for risk management. - Evaluates internal controls related to accounting and finance; reports audit results.
Legal Affairs Team	- Manages legal risks and supports compliance. - Monitors regulatory changes and shares updates internally.

Risk Management Framework

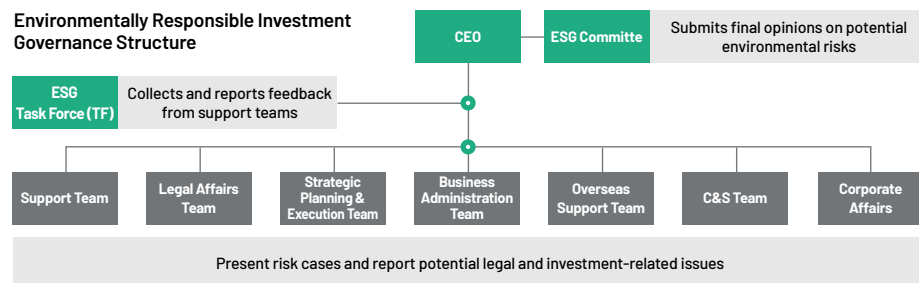
Internalization of Risk Management Framework

ShinWon analyzes acceptable levels of risk based on clearly predefined risk tolerance thresholds. The company identifies both financial and non-financial risks across its operations and conducts systematic regular reviews to minimize their impact on business activities. Through annual materiality assessments, ShinWon selects core enterprise risks and formulates strategic response plans under a responsible management framework. Each division proactively addresses risks by thoroughly analyzing their likelihood and potential impact. For risks that may significantly affect business operations or financial performance, ShinWon establishes comprehensive detailed response plans based on analytical results and strengthens robust preventive and mitigation measures to avoid potential losses or operational constraints. In addition, rigorous internal audits are conducted in accordance with internal guidelines to assess risk factors and management processes, ensuring the effectiveness of the company-wide risk management system and the soundness of internal controls. ShinWon also provides targeted regular risk management training for board members and annual ethics training for all employees to foster a strong culture of risk awareness and response across the organization.

Risk Management Process

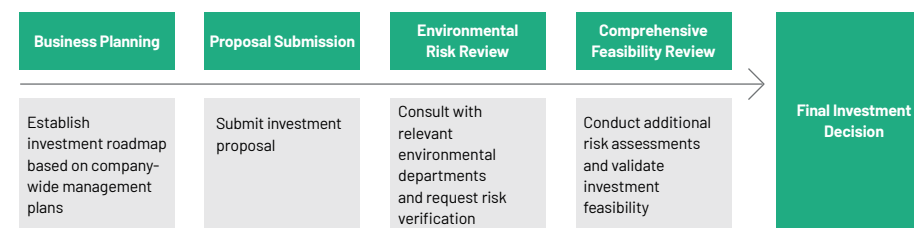


Environmentally Responsible Investment Governance Structure



Formalization of Environmentally Responsible Investment Process

To fulfill its environmental and social responsibilities, ShinWon has been actively investing in eco-friendly facilities tailored to the conditions of each business site. Since December 2023, the company has strengthened its pre-investment environmental risk assessment process, ensuring that potential environmental risks are analyzed and assessed in advance during investment decision-making. Environmental impact has been prioritized as a key decision-making criterion during feasibility reviews, and the environmental risk review process has been formalized as part of ShinWon's standard investment procedures.



Strengthening Carbon-Neutral Investment Review

Starting in March 2025, ShinWon will incorporate climate-related risk review into the environmental assessment phase of its key investment decision process. This integration will enable the company to systematically evaluate climate risk factors when determining whether to approve investment proposals submitted for deliberation. With this enhanced process, ShinWon has become more proactive in pursuing investments related to renewable energy conversion, energy-efficient equipment upgrades, and compliance with the emissions trading scheme. The ESG Committee continues to actively engage in climate-related discussions, ensuring that investment decisions reflect the company's commitment to climate action.

Environmental Review for New Investments

In March 2024, ShinWon established a new overseas production subsidiary, Fashion Stitch Guatemala, S.A. and conducted a comprehensive environmental impact assessment during the investment planning phase. The assessment covered potential effects on air and water quality, noise pollution, and waste generation. It also included a detailed review of water usage, resource preservation strategies, and biodiversity impacts on the surrounding ecosystem. Additionally, ShinWon assessed the energy consumption and estimated carbon emissions of the new subsidiary's operations, and developed an actionable plan to mitigate those emissions.

Risk Management Activities

Operating under a complex business structure that combines both export and domestic operations centered on global production bases, ShinWon is exposed to a wide range of risks. To safeguard corporate sustainability, the company proactively identifies and comprehensively manages key risks that could undermine its long-term viability. In particular, considering the unique characteristics of the fashion industry and the complexity of global supply chains, ShinWon has identified 11 key risks encompassing both financial and non-financial dimensions. The company has established internal management standards and conducts systematic response activities to address these risks effectively.

11 Key Risks

No	Risk Type	Description
1	Funding & Credit Risk	Unstable financing due to rising interest rates, credit rating changes, and deteriorating financial structure
2	Foreign Exchange Risk	Impact on import/export pricing and potential increase in FX losses due to exchange rate volatility
3	Liquidity Risk	Delays in securing short-term funds, disruption of investment plans, and potential spread of supply chain risks
4	Market Risk	Decline in profitability due to global economic slowdown, weakened consumer sentiment, and surging raw material costs
5	Environmental Risk	Regulatory penalties and reputational damage from carbon emission regulations, stricter eco-certification standards, and environmental law violations
6	Compliance Risk	Sanctions and business disruptions due to non-compliance with anti-corruption, fair trade, and labor regulations across jurisdictions
7	Health & Safety Risk	Legal and operational risks from industrial accidents and workplace safety incidents
8	Quality Risk	Increased costs and loss of buyer trust due to rising defect rates and product quality issues
9	Human Resources Risk	Organizational instability caused by talent attrition, failure to secure top talent, and intergenerational conflicts
10	Supply Chain Risk	Procurement delays and delivery disruptions due to geopolitical instability, natural disasters, and ESG-related risks
11	Information Security Risk	Legal and reputational losses from cyberattacks and personal data breaches threatening digital infrastructure

Financial Risk Management

ShinWon is exposed to a range of financial risks—including funding and credit, foreign exchange, liquidity, and market risks—which arise from the nature of its business operations, requiring systematic management to maintain financial sustainability. The company has established a company-wide financial risk management policy and works closely with departments across its consolidated entities to continuously identify, assess, and mitigate these risks. Financial ratios are monitored on a monthly basis to ensure a healthy capital structure, and corrective actions are taken promptly when necessary to strengthen financial stability.

Status of Financial Risk Management

Risk Type	Potential Impact on ShinWon		Response Measures
	Positive	Negative	
Funding & Credit Risk	Stable capital structure	Credit downgrade due to rising debt ratio; financial burden from interest rate fluctuations	Asset-liability ratio management Tax-related risk response
Foreign Exchange Risk	Enhanced cost competitiveness through foreign currency management	Profit volatility due to exchange rate fluctuations	Operation of hedging strategies, including FX insurance
Liquidity Risk	Secured investment capacity to strengthen competitiveness	Delayed purchases and difficulty in debt fulfillment in case of cash shortages	Forecasting and continuous monitoring of cash flows
Market Risk	Expansion of new businesses and purchasing strategies	Revenue decline due to raw material price volatility and profitability contraction	Market trend monitoring Supply chain diversification and distribution channel expansion

Risk Management Activities

Non-Financial Risk Management

ShinWon defines compliance, health and safety, product quality, environment, human resources, supply chain, and information security as core non-financial risks and manages them through a structured approach. To implement its ESG management strategy, the company has established comprehensive ESG Risk Management Guidelines, which enable employees to respond systematically to various ESG-related risks. These guidelines include standards for identifying and reviewing environmental risks and opportunities, as well as criteria for respecting the rights of key stakeholders—including employees, suppliers, consumers, local communities, and shareholders. By minimizing uncertainty caused by these risks, ShinWon enhances its management stability.

Status of Non-Financial Risk Management

Risk Type	Potential Impact on ShinWon		Response Measures
	Positive	Negative	
Environmental Risk	Promotes eco-friendly management and regulatory readiness	Investment burden for GHG reduction, increased environmental management costs	Raw and auxiliary material usage control GHG emissions monitoring and standard operation
Compliance Risk	Enhances trust through transparent management	reputational damage from regulatory violations	Code of ethics pledge and internal training
Health & Safety Risk	Provides safe working environment and improves employee satisfaction	Industrial accidents causing human and financial losses	CEO-led safety management, Safety training for all employees
Quality Risk	Builds product trust and encourages repeat purchases	Customer complaints and cost increase due to product defects	Strengthened inspection during production and refined quality standards
Human Resources Risk	Strengthens internal cohesion and supports growth within organization	Talent attrition and workforce shortages hindering growth	Organizational culture improvement campaigns
Supply Chain Risk	Builds stable partnerships with suppliers	Delivery delays and potential fair trade violations	Enhanced supplier communication and management systems
Information Security Risk	Builds customer trust through personal data protection	Legal and social liabilities from data breaches	Internal data protection policies and company-wide announcements

Emerging Risk Management

Amid rapidly shifting global dynamics, the World Economic Forum (WEF) publishes the Global Risks Report each year, which analyzes key risks that could negatively affect the global economy, environment, and society. ShinWon continuously monitors external factors of change to identify and prepare for emerging risks that may not have an immediate impact but could pose potential threats to future business operations. Furthermore, the company proactively identifies risks with high likelihood and develops management systems to mitigate their impact.

Status of Emerging Risk Management

Risk Type	Definition	Impact	Mitigation Measures
Extreme Weather Events	Due to climate change, extreme weather events such as torrential rain, heatwaves, and floods are becoming increasingly frequent, exposing production facilities in climate-vulnerable regions to direct damage.	Operational disruptions, facility damage, and logistics delays at production sites may lead to delayed deliveries, order cancellations, and increased recovery costs. These risks also carry the possibility of declining buyer trust and reduced long-term partnerships.	ShinWon analyzes climate risks at key production locations and proactively assesses the likelihood of operational shutdowns and the scope of recovery requirements in high-risk areas. The company strengthens its response capabilities through order diversification, disaster recovery frameworks, and insurance coverage.
Geoeconomic Confrontation	Intensifying U.S.-China tensions and the rise of protectionist trade policies are destabilizing global trade dynamics, increasing the need for exporters to reinforce their risk response strategies.	Reduced orders from U.S.-based buyers and the imposition of tariffs may weaken price competitiveness and profitability, potentially leading to a decline in new orders.	ShinWon is promoting market diversification strategies and enhancing its analysis of free trade agreements (FTAs) and supply chain risks. To prepare for potential export/import restrictions, the company operates a regular monitoring system and has reinforced the personnel responsible for managing related risks.

Every Thread Tells A Sustainable Story

ESG IMPACT BOOK

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Strategic Task 1.

Develop measures to minimize environmental impact

Won Story

Acknowledging the increased global focus on environmental responsibility in business, we have expanded and enhanced our environmental management framework from five to seven policies. These policies aim to systematically minimize environmental impact across the entire product lifecycle, from manufacturing to disposal. Furthermore, we actively identify biodiversity risks to protect ecosystems and proactively manage environmental risks in the regions of our overseas operations. This approach strengthens our risk management system, enabling us to prevent environmental accidents and adapt to evolving global regulations.

2024 Highlight

Acknowledging environmental conservation as an essential task for a sustainable future, we established and implemented environmental management policies to put this commitment into practice. Through this revision, we expanded and upgraded the five existing policies to seven to manage the environmental impact of the entire process, from production to disposal, and to proactively respond to global environmental issues and stakeholder expectations. We are also achieving eco-friendly values and actively fulfilling corporate social responsibilities by improving resource efficiency, reducing pollutants, complying with regulations, and strengthening communication with stakeholders.

ShinWon's Environmental Management Policy

1	Set and manage environmental goals and detailed targets for systematic improvement of the environment.
2	Conduct environmental impact assessments throughout the entire product life cycle to minimize environmental impacts.
3	Make every effort to utilize resources and develop technologies in an eco-friendly way by considering environmental conservation throughout the entire process, from production to sales, customer service, and final disposal.
4	Conduct regular environmental audits of business sites to pursue continuous environmental improvement.
5	Faithfully disclose environmental information.
6	Comply with domestic and international environmental laws, regulations, and other requirements.
7	Provide opportunities for environmental education and awareness enhancement for employees, and actively support and encourage participation from employees and their families in environmental conservation activities.

Governance

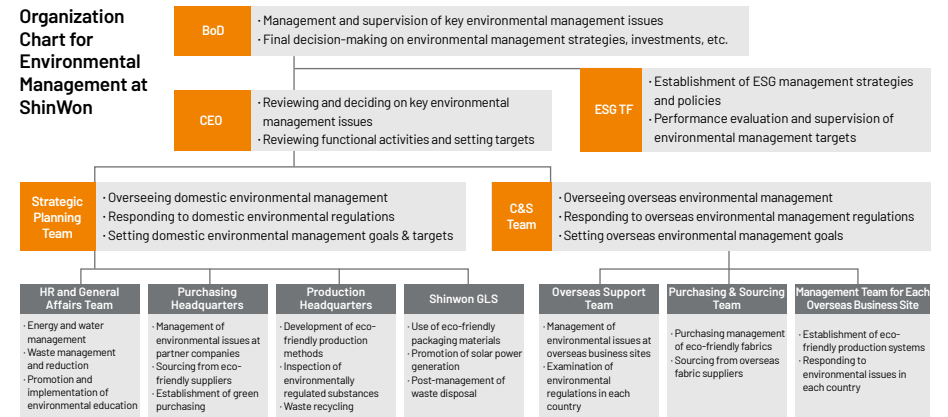
Environmental Management System

Environmental Management Governance

We have established an ESG (Environmental, Social, and Governance) Committee under the Board of Directors, led by the CEO, serving as the highest management and supervisory body overseeing key environmental issues such as climate change response and waste management. Supporting this, the ESG Task Force (TF) develops environmental strategies and policies, coordinates with relevant departments, and drives implementation efforts including legal compliance and environmental impact reduction. Progress and results are reported regularly during CEO-chaired monthly meetings, facilitating continuous assessment and improvement of our environmental management effectiveness and execution capabilities.



Organization Chart for Environmental Management at ShinWon



Environmental Risk Management System

Recognizing the importance of environmental management, we implement sustainable practices through our systematic environmental management system. Notably, our overseas business sites¹⁾ have obtained ISO 14001 certification, the international standard for environmental management systems set by the International Organization for Standardization (ISO). This certification enables us to effectively prevent environmental risks and minimize our environmental impact by promoting the efficient use of resources and energy.



ISO 14001

1) ShinWon Ebenezer Vietnam Co., Ltd.,
Shinwon Ebenezer Hanoi Co., Ltd, PT Shinwon Indonesia



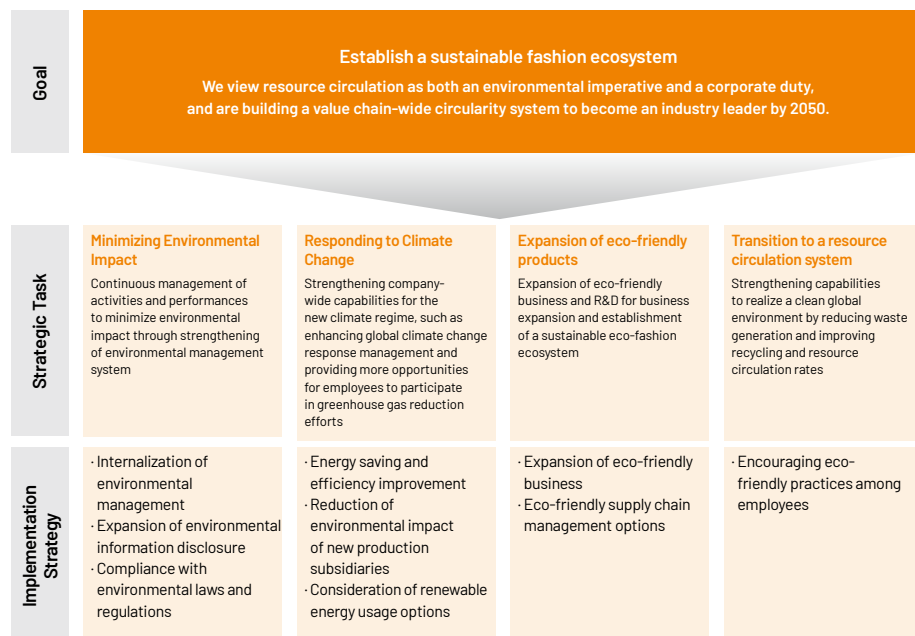
Strategy

Establishment of Environmental Management Strategy

Environmental Strategy Framework

We have established the creation of an eco-friendly fashion ecosystem as our primary environmental management goal and are engaging in systematic activities based on four strategic objectives to achieve this goal. Looking forward, we plan to enhance the development of eco-friendly technologies, while continuously identifying tasks for improvement to reduce environmental impacts throughout our business operations and promote resource conservation. We specifically recognize resource circulation as a fundamental environmental management responsibility within the fashion industry. We aspire to achieve top-tier status in industry resource circulation by 2050, through the integration of a comprehensive resource circulation system across our entire corporate value chain.

Environmental Management Implementation Strategy



Identifying Environmental Risks and Opportunities

Environmental Issue	Opportunities	Risks	Financial Impacts	Response Measures
Renewable Energy	Reducing electricity costs	Failure to comply with global buyers' renewable energy requirements may result in suspension of transactions and delays in new orders	- Investment costs for renewable energy facilities - Loss of order opportunities, decline in sales	Review additional introduction of solar panels at logistics centers and overseas manufacturing subsidiaries
Resource Circulation/Waste	Inventory upcycling-based product development	- Increased pressure to deplete inventory due to the expansion of recycling compared to landfilling or incineration - Increased costs, damage to reputation, and violation of environmental regulations due to improper waste management	Increase in recycling process costs compared to conventional activities (landfilling, incineration)	- Reduce greenhouse gas emissions through inventory upcycling - Improve resource circulation by achieving raw material recycling targets to reduce waste generation
Water Resource	Building an efficient water management system	- Increased water pollution and restoration costs - Increased concerns among stakeholders, such as local communities, and damage to reputation - Exposure to government regulation risks due to insufficient water supply	- Water pollution occurrence and restoration costs - Failure to secure a stable water supply due to global rainfall imbalance and worsening water shortages, resulting in a decline in sales due to disruption in business operations	- Periodically report to C-level management on water resource management strategies and water pollution to enable them to review the current status - Implement water saving campaigns and install water saving devices
Pollutants	Minimization of operating costs and regulatory compliance costs through pollutant control technology and process improvements	- Causing environmental diseases due to pollutants - Causing negative impacts on the environment and society, such as ecological impact	Costs incurred due to non-compliance with emission regulations	- Establish chemical substance management policies - Introduce and operate monitoring equipment for facilities handling hazardous chemicals - Establish emergency response systems - Implement projects to develop alternative substances to hazardous chemicals in collaboration with partner companies

Eco-friendly Investment Activities

We are actively investing in eco-friendly initiatives, particularly at our international locations, demonstrating our strong commitment to reducing the environmental impact of our operations. These efforts form a vital foundation for our sustainable growth and reflect our dedication to environmental protection. Looking ahead, we plan to expand eco-friendly facilities and pursue responsible investments to contribute meaningfully to global environmental goals.

Eco-friendly Investment Activities at Our Overseas Business Sites

Key Activity	Expected Benefits
Installation of rainwater storage tanks	Reducing water waste and promoting resource sharing with local communities through the efficient use of rainwater resources
Installation of solar panels	Adoption of renewable energy equipment to reduce carbon emissions and energy costs (Completed the installation at subsidiaries in Nicaragua, Guatemala, and Indonesia)
Operation of electric vehicle charging stations	Establishing power charging infrastructure and expanding all business sites to promote eco-friendly transportation (Under operation at PT Fashion Stitch Joshua, a subsidiary in Indonesia)

Employee Participation in Environmental Management

Recognizing the importance of environmental management, we are fostering a culture that encourages voluntary employee participation in environmental protection. Each year, we provide practical, action-oriented training at our overseas offices on topics such as energy saving, chemical management, waste disposal, and water efficiency. Starting in 2025, this training will be expanded to include employees in South Korea, ensuring that our environmental commitment is shared company-wide. In 2024, we introduced an administrative streamlining system that reduced A4 paper usage, and through managing our company cafeteria, we have decreased disposable container use, contributing to plastic waste reduction.

Details of Environmental Training

Category		Total Number of Participants	Total Hours Completed	Training Description
Climate Change Response	Dec 09, 2024	353	530 hours	Impact of climate change
				Pollutants causing climate change
				Climate change risks and response measures by industry

Environmental Management Activities by Overseas Subsidiaries

All overseas subsidiaries set and annually track resource reduction targets based on the Higg Index to monitor their progress. The Indonesian subsidiary has earned LEED Gold certification for its green building, while the Guatemalan and Nicaraguan subsidiaries have transitioned to renewable energy by installing solar power systems. The Vietnamese subsidiary has effectively implemented water conservation through the operation of a wastewater recycling system. We remain committed to practical environmental management driven by the voluntary participation of our employees, embedding resource conservation and environmental protection into daily life as we strive for responsible stewardship of the global environment.

Pollutant Management and Reduction Activities

At ShinWon, we operate a comprehensive management system across all business sites, including overseas production facilities, to minimize environmental impact from pollutants. We consistently monitor chemical use through daily inspection checklists to prevent pollutant generation and discharge. Our overseas subsidiaries conduct regular air and water pollution inspections, strictly controlling harmful emissions in compliance with local environmental regulations. To ensure chemical safety, we provide Material Safety Data Sheets (MSDS) and enforce standards such as the Restricted Substances List (RSL) and the Manufacturing Restricted Substances List (MRSL) to minimize harmful chemical use. We also periodically assess and explore safer alternatives for hazardous chemicals. Moving forward, we remain committed to strengthening our environmental responsibility through regulatory compliance and the implementation of eco-friendly solutions.

- 1) MSDS(Material Safety Data Sheet): A document containing information on the composition and safe handling of chemical substances.
 2) RSL(Restricted Substances List): A list of hazardous chemical substances whose use in finished products is restricted.
 3) MRSL(Manufacturing Restricted Substances List): A list of hazardous chemical substances whose use is restricted in the manufacturing process.

Management Measures by Environmental Impact Factor

Air Pollution	· Conduct air pollution inspections regularly and comply with each country's air pollutant emission standards and regulations
Water Pollution	· Conduct water pollution inspections regularly and comply with each country's water pollutant discharge standards and regulations · Establish a wastewater recycling system and implement water conservation measures
Hazardous Chemicals	· Operate a scheme to use a daily inspection checklist for chemical substance usage · Provide and post the MSDS, and apply the RSL/MRSL standards to minimize the use of hazardous chemicals · Periodically investigate and review the feasibility of switching to alternative substances
Waste	· Reduce daily waste by reducing the use of disposable containers and A4 papers · Set resource usage reduction targets based on the Higg Index and manage implementation

Important Biodiversity Areas and Impact Management

We applied the Locate-Evaluate-Assess-Prepare framework of the Task Force on Nature-related Financial Disclosures to analyze dependencies on natural capital and the impact of business activities at seven major overseas subsidiaries located in Vietnam, Indonesia, Guatemala, and Nicaragua. Through this analysis, we systematically identified high-risk areas and key risk factors. As a result, we have established response strategies for biodiversity protection and risk mitigation, and we plan to continuously strengthen our biodiversity management system.

Biodiversity Assessment

LOCATE

Identification of Nature-related Interfaces

· Assessment Boundaries: Seven overseas subsidiaries (located in four countries: Vietnam, Indonesia, Guatemala, and Nicaragua)

· Assessment Results: No subsidiaries were identified as “Very High,” but three subsidiaries were rated as “High” (one in Indonesia and two in Guatemala)

Very low

Low

Medium

High

Very High

Category	Shinwon Ebenezer Vietnam Co., Ltd	Shinwon Ebenezer Hanoi Co., Ltd	PT Shinwon Indonesia	PT Fashion Stitch Joshua	Shinwon Guatemala S.A.	Daniel Tex, S.A.	Fashion Stitch Noah, S.A.
	Production	Production	Production	Production	Production	Production	Production
	Low	Low	High	Medium	Medium	High	High

Summary results of identifying ecologically sensitive areas

Overseas Subsidiary	No. of Endangered species (IUCN Red List) ¹⁾	No. of Protected Areas (PA) ²⁾	KBA ³⁾
Shinwon Ebenezer Vietnam Co., Ltd	161	6	2
Shinwon Ebenezer Hanoi Co., Ltd	156	5	2
PT Shinwon Indonesia	473	10	4
PT Fashion Stitch Joshua	445	4	3
Shinwon Guatemala S.A.	144	53	3
Daniel Tex, S.A.	170	56	3
Fashion Stitch Noah, S.A.	165	13	6

1) Compiled based on data on species classified as CR, EN, VU, or NT on the IUCN Red List (the International Union for Conservation of Nature (IUCN) Red List of Threatened Species) that are likely to be found within a 50 km radius of the subsidiary site.

2) Compiled based on information on protected areas (national, Ramsar, MAB) located within a 50 km radius of the subsidiary site.

3) KBAs (key biodiversity areas) are based on the standardized criteria, including Important Bird and Biodiversity Areas, Alliance for Zero Extinction sites, and other areas, and are compiled based on data within a 50 km radius.

EVALUATE

Assessment of Nature-related Dependencies and Impacts

· Evaluation method: Identification of key dependencies and influencing factors in the OEM/ODM apparel manufacturing industry using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool

· Evaluation results: High dependency on water resources (supply, purification, flood mitigation, etc.) and high business impact from pollutant emissions and waste were found.

ENCORE

Dependency and influence factor analysis (OEM/ODM apparel manufacturing)

→

Identification of factors at the medium or higher level

→

Analysis of key dependencies and influencing factors

Causes of key dependencies

Water supply

Water purification function

Flood mitigation function

Storm mitigation function

Key influencing factors

Wastewater

Solid waste

Non-GHG emissions

Water pollution

→

Categorization of key dependencies and influencing factors

Areas requiring management

Water resources (surface water, water use)

Pollutants (water and air pollution)

Waste (wastewater, solid waste)

ASSESS Assessment of Nature-related Risks and Opportunities	· Assessment method: Assess external natural capital risks for each subsidiary and identify high-risk factors using the WWF¹⁾ Risk Filter. · Assessment results: Due to the nature of OEM/ODM, dependence on natural capital supply is high, and medium to high risks were identified based on each subsidiary's location factors (natural disasters and biodiversity pressures). Water resources (surface water, water use) Pollutants (water and air pollution) Waste(wastewater) → Risks Physical Risks Reputational Risks → Water resource availability, forest's productivity and distance to markets, availability of flora and fauna, landslides Wildfires, tropical cyclones, air quality, changes in land/ freshwater/marine use, pollution Protected/conservation areas, resource scarcity (food, water, air), labor/human rights, media surveillance → - Two of the three subsidiaries are at high risk of wildfires and landslides - There may be constraints on securing water resources and natural raw materials necessary for the manufacturing process - Highly dependent on biological resources contained in textile-based products - Industrial activities in the areas where the subsidiaries are located may lead to a decline in water quality, soil quality, and biodiversity - Some high points, such as Indonesia, are located in areas where deforestation is rapidly progressing - Labor exploitation and environmental pollution issues are repeatedly reported for OEM fashion manufacturing countries (Indonesia, Guatemala) - It has been reported that many social issues exist in Indonesia and Guatemala where ShinWon's overseas manufacturing subsidiaries are located: e.g., poor working conditions, a lack of human rights protection, and a lack of discussions with local communities
Prepare Respond and Report	Biodiversity Assessment Results Water Resource - Major overseas production bases (Vietnam, Indonesia, Guatemala, Nicaragua) inevitably use water resources and generate domestic wastewater. The WWF Risk Filter assessment identified the water resource availability risk as “High” at some subsidiaries. - Due to the location characteristics of the subsidiaries, there is a possibility of biodiversity pressure from wastewater leakage and water system pollution during rainfall, which could indirectly affect the vegetation in nearby rivers and farmland. Pollutants - Although the use of chemicals is limited, there is a risk of soil and water pollution in the event of a spill during storage, transportation, or disposal. - The subsidiary sites are connected to ecologically sensitive areas (wetlands, rivers, etc.) in the vicinity, and the possibility of damaging local biodiversity and spreading pollutants in the water system cannot be ruled out. Waste Management - Improper disposal of non-hazardous and hazardous waste generated during production activities poses a constant risk of soil and water pollution. - Some subsidiary sites are areas with high biodiversity pressure factors (land use change, pollutant spread, etc.) based on the WWF Risk Filter assessment, and inadequate waste management could indirectly affect these areas. Mitigation Measures Water Resources Common to All Subsidiaries Monthly monitoring of water consumption and wastewater treatment volume Setting a baseline year and target for water consumption reduction Individual Subsidiaries Operation of wastewater treatment systems Operation of on-site wastewater treatment systems Operation of rainwater harvesting systems Installation of 30 low-flow aerators Pollutants Common to All Subsidiaries Preparation and organization of a list of chemical substances used at subsidiaries Operation of dedicated storage facilities (chemical storage) equipped with secondary containment structures Compliance with MRSL/RSL standards Waste Common to All Subsidiaries Separate storage of non-hazardous and hazardous waste and monthly monitoring of waste generation Collecting and disposing hazardous waste through legally certified external specialist companies

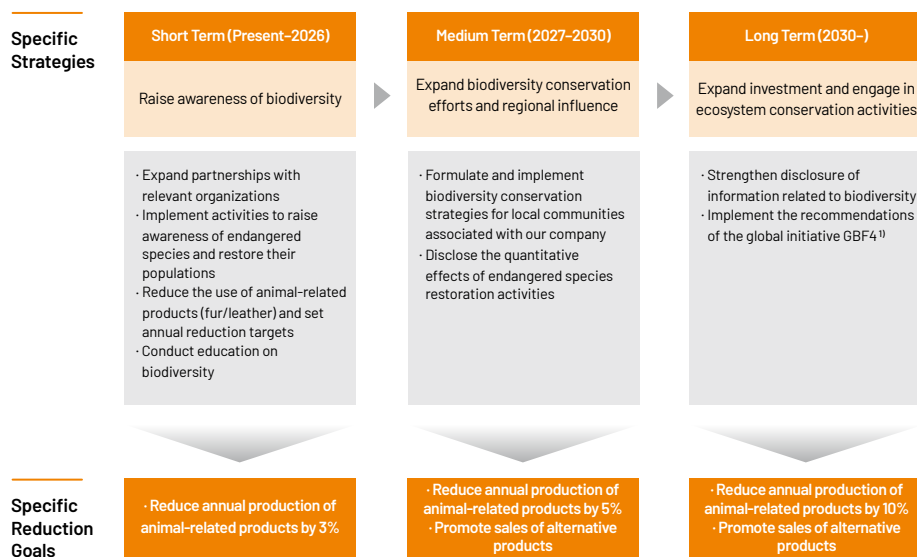
1) World Wide Fund For Nature

Strategy

Biodiversity Conservation Activities

In collaboration with San Vicente Pacaya City Hall and Guatemala's National Forest Institute, Shinwon Guatemala S.A. is leading a community-involved forest restoration project in environmental management. Fifty-seven local employees voluntarily planted 400 pine and cypress trees—species vital for early forest restoration due to their roles in preventing soil erosion, regulating microclimates, and providing habitats for diverse wildlife. These fast-growing trees support natural regeneration by creating niche ecosystems for birds, insects, and small mammals, enhancing ecological diversity and bolstering community resilience. Participants received snacks and commemorative T-shirts, and engaged in educational activities, including visits to the municipal landfill and training at an animal shelter, to better understand pollution issues and the importance of respecting life. Shinwon Guatemala S.A. plans to continue region-specific ecosystem restoration initiatives, reinforcing its commitment to biodiversity conservation and sustainable collaboration with local communities.

Biodiversity Management Roadmap



1) GBF4: the four objectives of the Kunming-Montreal Global Biodiversity Framework

Response to Environmental Accidents and Regulations

We have established a company-wide monitoring system to ensure compliance with environmental laws and regulations, preventing potential risks such as environmental accidents and regulatory violations. Further, we establish and implement proactive strategies to respond to changes in environmental regulations in each country while continuously strengthening our company-wide compliance management and environmental risk response capabilities.

Environmental Compliance System at ShinWon



Risk Management

Strengthening Environmental Regulatory Compliance and Preventive Measures

We strictly comply with environmental laws and regulations and have established response systems in accordance with each law. Moreover, we transparently disclose information about environmental regulation violations to the public and continuously implement preventive measures to prevent recurrence. Thanks to these efforts, we are faithfully fulfilling our environmental legal obligations and have had no violations of environmental laws for three consecutive years, from 2022 to 2024.

1	Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis	At ShinWon, we calculate and aggregate greenhouse gas emissions for each business site, striving to reduce emissions by limiting the use of fossil fuels. In 2024, we received approval from the Science Based Targets Initiative (SBTi) for our greenhouse gas reduction targets and plan to continue managing their implementation.
2	Wastes Control Act	We have set reduction targets for each waste source and have established measures to reduce waste generation and improve waste management. Based on thorough waste separation and expanded recycling, we practice resource circulation and environmental protection.
3	Framework Act on Resources Circulation	We contribute to the development of a circular economy by producing eco-friendly products, making green purchases, extending product lifespans through enhanced after-sales service, and focusing on minimizing waste and increasing recycling efforts.
4	Chemical Substances Control Act	We regulate the use of hazardous chemicals in accordance with internal standards and continue to make improvement efforts to minimize usage.
5	Clean Air Conservation Act	We actively cooperate with government policies to reduce emissions of substances that cause fine dust (e.g., nitrogen oxides, sulfur oxides, and dust). Further, we continue to invest in eco-friendly infrastructure, such as pollution reduction equipment and solar power facilities, while reducing fossil fuel usage.
6	Water Environment Conservation Act	We have established a system to proactively identify and efficiently manage water resource risks. We continuously strive to conserve water resources by operating wastewater treatment facilities to reduce water usage and properly treat wastewater.

Response to Environmental Accidents and Regulations at Overseas Subsidiaries

We have appointed personnel responsible for environmental compliance in each country to effectively manage environmental risks at each subsidiary and operate a system that identifies trends in the revision and enactment of laws and regulations in advance. We regularly monitor major environmental laws and regulations, promptly sharing changes with relevant departments to continuously strengthen our proactive risk response capabilities. Based on these efforts, our Vietnam subsidiary successfully obtained an integrated environmental permit in 2024 and is minimizing operational risks by adhering to regulations. To prevent environmental accidents, we conduct regular inspections and identify potential risk factors. Moreover, we have established emergency response systems and processes to enable swift action in the event of an accident. We have dedicated accident response teams at each subsidiary to ensure effective emergency responses. In the event of an accident, we disclose information transparently and analyze the causes to develop measures to prevent recurrence. We are committed to adhering to environmental regulations in each country and continuously enhancing our environmental risk prevention and response capabilities to ensure safe and eco-friendly business operations.



Strategic Task 2.

Bolster climate change response capabilities (TCFD Report)

Won Story

Recognizing the significant financial and non-financial impacts of climate change on our apparel manufacturing and global supply chain operations, we have established greenhouse gas emission reduction targets aligned with both our business activities and global carbon reduction goals. In December 2024, these targets were officially approved by the Science Based Targets initiative (SBTi). Guided by these science-based targets, we are implementing comprehensive strategies, including enhancing energy efficiency at production sites, expanding the use of low-carbon materials, and reducing carbon emissions throughout the supply chain. We are also executing a systematic mid-to long-term roadmap to achieve our net-zero objectives. To respond effectively to evolving global environmental regulations and stakeholder expectations, we are strengthening our climate change response framework in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Additionally, we are enhancing ESG risk management across the supply chain and improving transparency in greenhouse gas reduction performance monitoring and disclosure. Through embracing science-based reduction targets and positioning climate action as a key competitive advantage, we are committed to driving the transition to a carbon-neutral society while laying the foundation for sustainable growth.

2024 Highlight

Approval of SBTi-based Carbon Neutrality Targets



Category	Target (Baseline Year: 2022)
Near-Term (2030)	· Scope 1 & 2: 42% reduction · Scope 3: 42% reduction
Net-Zero (2050)	· Scope 1 & 2: 100% reduction · Scope 3: 90% reduction

Governance

Internal Organization for Climate Change Response

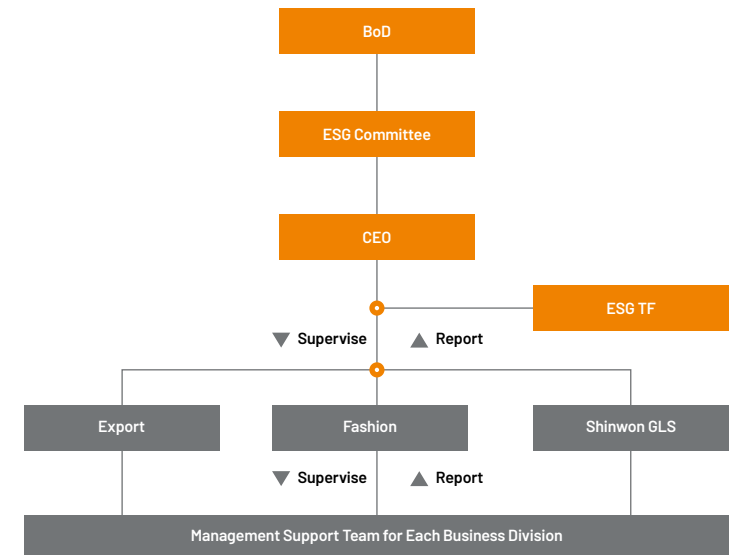
Recognizing both the financial and non-financial impacts of climate change on our business, we have established a comprehensive governance framework to systematically manage these effects. This framework enables us to identify and assess climate-related risks and opportunities by thoroughly considering the unique characteristics of our core businesses, such as exports and fashion, alongside prevailing market conditions. Our risk management department continuously monitors these factors and develops appropriate response strategies. The Management Support Team consolidates and oversees climate-related issues across business divisions, while the ESG Task Force conducts comprehensive reviews before finalizing response strategies. When necessary, these strategies and implementation plans are escalated to the ESG Committee, which then elevates them to the Board of Directors for final approval at the highest decision-making level. Through this well-structured governance framework, we are committed to enhancing our climate change response capabilities, reducing risks, creating opportunities, and ultimately increasing corporate value.

Organizational Chart for Climate Change Response

Decision-making

Business Division

Operational Level & Lead Departments



Governance

Board of Directors

The ESG Committee under the Board of Directors plays a pivotal role in reviewing and approving ESG strategies, policies, operational plans, and major accomplishments, particularly in areas such as climate change response, thereby guiding the company's direction toward sustainable management. The Committee focuses on critical climate-related matters, including greenhouse gas reduction, energy transition, and climate risk management. These issues are discussed and approved by the Board of Directors, facilitating strategic decision-making at the executive level. The ESG Committee systematically monitors key performance indicators—including total greenhouse gas emissions, emissions intensity, and renewable energy usage rates—and regularly reviews progress toward mid- to long-term reduction targets and key initiatives. This ongoing process helps identify actionable reduction measures and practical improvements, continuously strengthening the company's climate change response capabilities. In 2024, the ESG Committee reviewed the Net-Zero Implementation Plan, which was subsequently approved by the Board of Directors and publicly disclosed to enhance transparent stakeholder communication. In the same year, the SBTi's approval progress was reported to the ESG Committee, and the climate change response strategy was integrated into the corporate management plan. Through this strategic governance framework, we systematically advance key ESG priorities—including climate risk management, greenhouse gas reduction, and energy transition—ensuring compliance with regulations and global standards while driving meaningful change to increase corporate value and establish a foundation for sustainable growth.

Management Team

At ShinWon, the management team is continuously enhancing our climate change response capabilities by implementing a comprehensive net-zero roadmap and expanding eco-friendly initiatives. Our management team oversees company-wide activities, including establishing climate strategies, preparing detailed implementation plans, and monitoring performance metrics. Regular reviews of carbon emissions management and reduction progress are conducted across all business sectors. Environmental management goals are integrated into the performance evaluation criteria for key executives to promote accountability, strengthen their execution capabilities, and drive measurable outcomes aligned with sustainable management. When pursuing new business opportunities, environmental considerations are prioritized. Our management team actively leads efforts to adopt carbon reduction technologies and facilitate the transition to eco-friendly processes. To safeguard the company's reputation, strict measures aligned with internal regulations have been established to prevent unethical environmental practices among employees, thereby reinforcing compliance management and ethical responsibility.

ESG Committee's Activities to Respond to Climate Change

Date	Description
Jan 24, 2024	Reporting on greenhouse gas reduction plans and targets
Jun 10, 2024	Reporting on company-wide carbon emissions and energy consumption
Dec 02, 2024	Reporting on the company-wide carbon emission reduction roadmap
	Reporting on SBTi approval

Operational Level and Lead Departments

We have established a collaborative framework centered around the ESG Task Force to ensure comprehensive management and communication of climate change response initiatives across all business divisions. The Management Support Team and Environment Department develop tailored strategic tasks that reflect each division's characteristics and the evolving business environment. They regularly review progress and share results to continuously enhance the company's climate change response capabilities. For managing greenhouse gas emissions, we systematically and consistently measure and monitor data across Scope 1, Scope 2, and Scope 3 emissions throughout our entire supply chain. This enables accurate analysis of actual emissions and provides a solid foundation for achieving our science-based targets (SBTi). To foster employee accountability in climate action, key items such as greenhouse gas emissions management and best practice identification for ESG initiatives are incorporated into performance evaluations linked to our compensation system. This operational framework forms the core foundation for strengthening the execution of company-wide climate strategies while driving improved performance at the operational level.

Strategy

Climate Change Response Strategy

Identifying Climate Change Risks and Opportunities

Based on the IFRS S2 recommendations and TCFD guidelines, we identified nine climate change-related risks and opportunities. We assessed the impact of these risks and opportunities on business operations and strategies qualitatively, and we analyzed their potential financial impact quantitatively. Moving forward, we plan to improve our risk response system to systematically manage and strategically assess their impact on financial statements. This will involve analyzing the quantitative impact of climate change on key financial items, such as profit and loss, assets, liabilities, capital, and capital raising. It will also entail identifying the timing of risk occurrences and the type of impact at each point in time in advance.

Climate Change-related Risks and Opportunities

Category		Description	Response Strategy	Financial Impact
Transition Risks	Policies, Laws, and Regulations	Carbon emission regulations	Monitoring regulatory trends in major production countries	Increased costs for regulatory compliance, contract-related risk in case of violation
	Technology	Increased need to introduce low-carbon production technologies	Transition to digital processes, introduction of high-efficiency equipment	Increased initial investment costs, expected long-term cost savings
	Market	Stronger buyer demand for renewable energy use and eco-friendly procurement	Expansion of REC purchases, establishment of eco-friendly certification and GHG reporting systems	Ensuring sustainable purchase orders, increased certification and operating costs
	Reputation	Damage to brand image and investor confidence if climate action is inadequate	Strengthening ESG information disclosure and stakeholder communication	ESG rating management, securing investor trust
Physical Risks	Acute	Disruption to production base operations due to typhoons, heavy rain, and flooding	Preparing disaster response manuals and monitoring high-risk areas	Loss of sales due to production delays and delivery delays
	Chronic	Long-term effects of climate change, such as extreme heat	Diversifying supply chains and strengthening procurement strategies in high-risk areas	Increased raw material costs, possibility of procurement delays
Opportunities	Products and Services	Expansion of demand for eco-friendly fashion	Expanding sustainable materials and launching products with carbon footprint labels	Increased sales, possibility of premium strategy
	Market Accessibility	Expansion of buyer preferences for suppliers with excellent ESG performance	Enhancing ESG evaluation responses and internalizing disclosure systems	Securing new customers and expanding funding opportunities
	Reputation Enhancement	Enhancement of brand value through climate action	Publishing sustainability reports	Enhancing brand loyalty and increasing investor interest

Strategy

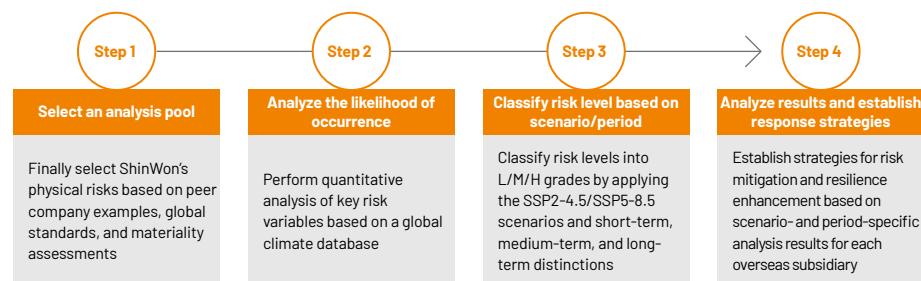
Transition Risks

We are continuously enhancing our strategic framework to address market-driven transition risks, including stricter eco-friendly procurement standards from global fashion brands, renewable energy mandates, and expanded ESG disclosure requirements. In response to major buyers' demands for greenhouse gas reduction, we have established Scope 1 and 2 reduction plans, approved by the Science Based Targets initiative (SBTi). We are also strengthening our foundation for a low-carbon transition through the purchase of renewable energy certificates (RECs) and implementing eco-friendly certifications. Additionally, we closely monitor carbon regulation trends in key production countries and regularly review mid- to long-term response strategies. By proactively adapting to policy and market changes, we aim to mitigate financial burdens and risks associated with purchase orders. Looking ahead, we plan to analyze the impact of transition risks on our business and financial plans using climate scenario analyses and evaluate the resilience of our corporate strategies.

Physical Risks

We identified extreme heat, typhoons, and floods as major risks and conducted a quantitative analysis of seven overseas manufacturing subsidiaries using the SSP2-4.5 and SSP5-8.5 climate scenarios from IPCC AR6. The analysis was structured into short-, medium-, and long-term periods based on business and asset operation cycles. We compared the likelihood of physical risks in each location. Extreme heat was identified as the most significant risk across all subsidiaries, expected to intensify to a high-risk level in the medium to long term under SSP5-8.5. For our Vietnam facilities, where typhoon-related risks are high, we have implemented proactive measures such as employee training and facility inspections, including pavement and drainage repairs, to prevent damage. These efforts have enhanced our disaster response capacity and strengthened our preventive risk management system. We plan to develop tailored strategies for high-risk areas, factoring in impacts on production such as worsening working conditions and increased cooling costs. These findings will inform future climate action plans and asset loss forecasting.

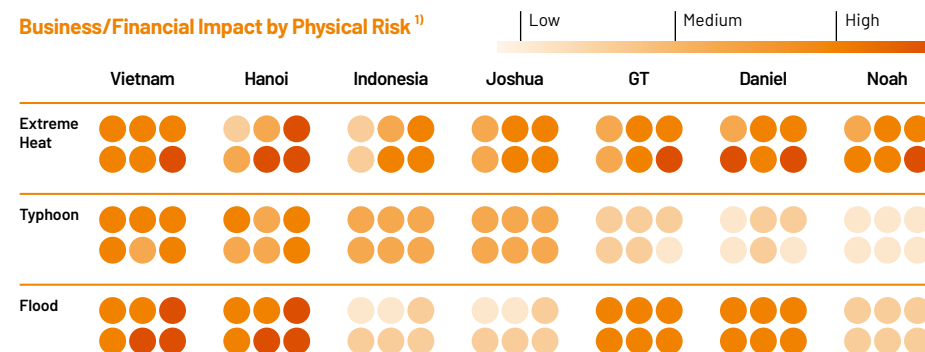
Analysis Process



Period-based Analysis Criteria

Category	Period	Description
Short term	2025-2030	A period during which the business structure based on manufacturing subsidiaries (whether already in operation or previously invested in), product lines, and buyers remains unchanged.
Medium term	2031-2040	A period during which strategic business restructuring is implemented, such as the expansion of new purchase orders received, changes in buyer demands, and the reorganization of manufacturing subsidiaries.
Long term	2041-2050	A period in which the depreciation of existing assets is completed, the need for alternative investments increases, and structural transformation is required to maintain a competitive advantage in the global value chain.

Business/Financial Impact by Physical Risk ¹⁾



1) The six circles for each subsidiary represent the level of risk according to climate scenarios (rows) and periods (columns).
Top: SSP2-4.5 scenario; Bottom: SSP5-8.5 scenario; Left to right: short term, medium term, long term

Risk Type	Business and Financial Impacts
Extreme Heat	Deterioration of working conditions and decline in productivity due to prolonged abnormal temperatures - Decline in process efficiency due to work limitations and increased rest periods - Increased costs for response infrastructure such as cooling equipment and heat insulation materials - Possibility of sudden labor shortages due to worker health issues
Flood	Flooding of production facilities and operational shutdowns due to heavy rainfall - Direct asset damage, such as damage to raw and auxiliary materials and equipment failure - Delays in production schedules leading to missed delivery deadlines and reduced reliability of receiving purchase orders - Additional costs incurred for recovery, maintenance, and alternative production
Typhoon	Equipment damage and shutdowns caused by strong winds and heavy rain - Possible damage to external structures and transportation infrastructure - Delays in export schedules due to delays in air and sea transportation - Increased fixed costs and cost increases due to emergency logistics adjustments

Strategy

Greenhouse Gas Reduction Activities

We continuously implement effective management measures to reduce greenhouse gas emissions at our production sites around the world, including in Vietnam, Indonesia, Guatemala, Nicaragua, and South Korea. As part of this endeavor, we have established energy efficiency improvements and renewable energy expansion as core strategies and have set greenhouse gas reduction targets for all our business sites, managing them systematically. Since 2014, we have regularly monitored energy consumption and greenhouse gas emissions (Scope 1 and 2) at our overseas subsidiaries using the Higg Facility Environmental Module (Higg FEM). We have ensured third-party verification agencies validate the reliability and transparency of this data. Consequently, we have set energy consumption and greenhouse gas reduction targets for each subsidiary and have established and are implementing specific action plans to achieve these targets. Key implementation measures include acquiring greenhouse gas emission reductions through the purchase of Renewable Energy Certificates (RECs) and the installation of solar power generation equipment. In 2024, we received approval from the Science Based Targets initiative (SBTi) for our participation in global carbon neutrality initiatives. We have established a mid-to-long-term reduction roadmap with the goal of reducing Scope 1, 2, and 3 emissions by 42% by 2030, using 2022 as the baseline year, and achieving net-zero emissions by 2050. We are systematically implementing this roadmap. Going forward, we will continue to refine customized implementation strategies tailored to each subsidiary's characteristics and contribute to sustainable growth and the achievement of global environmental goals by addressing climate change risks and reducing greenhouse gas emissions.

Scope 1, 2, and 3 Reduction Implementation Measures

Scope 1 & 2	Scope 3
 Expansion of REC purchases	 Eco-friendly logistics and transportation (Phased transition to low-carbon vehicles)
 Switching to eco-friendly fuels to reduce fossil fuel use (e.g., electric boilers)	 Expanding purchases of low-carbon products and raw materials

Obtaining LEED Gold Certification

ShinWon's PT Fashion Stitch Joshua, a major manufacturing subsidiary located in the Kuningan region of Indonesia, was awarded a LEED Gold certificate—an eco-friendly building certification—from the U.S. Green Building Council (USGBC) in April 2024. PT Fashion Stitch Joshua was built using eco-friendly design principles that maximize energy efficiency and serve a key role as our Indonesian production hub, operating alongside the existing factory in the Subang region. This enables us to reduce greenhouse gas emissions from our production activities and strengthen our eco-friendly manufacturing competitiveness. We plan to continue expanding our eco-friendly infrastructure at our global production bases, starting with this LEED certification. Going forward, we will maintain strict certification standards and systematically achieve our Scope 1 and 2 emission reduction goals through eco-friendly facility operations.



PT Fashion Stitch Joshua:
LEED Gold Certification

Measures to Strengthen LEED Certification

Category	Measures	Description
1	Energy performance optimization	Maximizing efficiency by minimizing energy consumption in buildings
2	Renewable energy production	Promoting renewable energy production through solar panels and other sources
3	Advanced energy metering	Reducing operating costs through accurate measurement and management of data
4	Indoor and outdoor water consumption reduction	Introducing methods to reduce water consumption and improve efficiency in processes
5	Rainwater management	Building a sustainable rainwater utilization system based on rainwater collection and reuse
6	Building innovation	Maintaining and strengthening LEED certification by adopting innovative approaches in the field of sustainable architecture

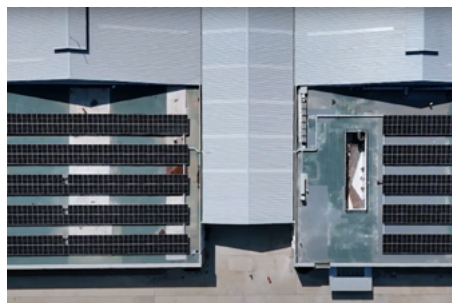
Strategy

Expanding the Transition to Renewable Energy at Overseas Subsidiaries

We have been continuously promoting the establishment of eco-friendly infrastructure at our sites worldwide by installing solar panels and electric vehicle charging stations. Self-generation through solar power equipment has led to an approximate 67% reduction in annual electricity consumption. As of the first half of 2024, installations have been completed at our subsidiaries in Guatemala, Indonesia, and Nicaragua, thereby improving energy efficiency and reducing greenhouse gas emissions. Our plan is to continue expanding the use of renewable energy to reduce carbon emissions at our facilities. We will achieve our Scope 2 reduction targets and strengthen our ability to respond to climate change by transitioning our global production bases toward greater eco-friendliness.



Electric vehicle charging station



Solar panels

Annual self-generation rate

Fashion Stitch Noah, S.A.
49%
Daniel Tex, S.A.
68%
Shinwon Guatemala S.A.
70%



Solar panel power generation monitoring screen

Risk management

Climate Change Risk Management System

At ShinWon, we recognize that climate change risks are not only financial but also critical strategic and operational management issues. Consequently, we systematically identify, evaluate, and manage climate risks using a company-wide integrated risk management system. The ESG Committee under the Board of Directors, along with the ESG Task Force and each business division's risk management teams, play a central role in operating the risk management process and comprehensively addressing environmental risks, including climate change, within a company-wide integrated system. Currently, we manage eleven classified risk items, with a particular focus on climate change-related risks through the "environmental risk" category. The ESG Task Force identifies and evaluates climate risks annually. Potential transition risks (e.g., policy, technology, and market changes) and physical risks (e.g., extreme weather, extreme heat, and flooding) that may occur in each business division and production site are collected and reviewed comprehensively from a company-wide perspective. The ESG Task Force analyzes the business impact and likelihood of occurrence of the identified risks and reports to the ESG Committee, and the Board of Directors as needed to develop strategic response measures. Additionally, we link key climate issues, such as greenhouse gas emissions, energy consumption, and supply chain risks, to quantitative indicators and use them for practical risk assessment purposes. Moreover, we regularly assess and transparently disclose Scope 1 and 2 emissions. In the future, we plan to expand our Scope 3 emissions management system and establish an integrated risk analysis system that encompasses risks across the entire supply chain. Our climate change risk management system is integrated with key management processes, including financial planning, investment review, and production strategy, ensuring that climate risks are reflected in actual management practices.

Risk and Opportunity Management Process

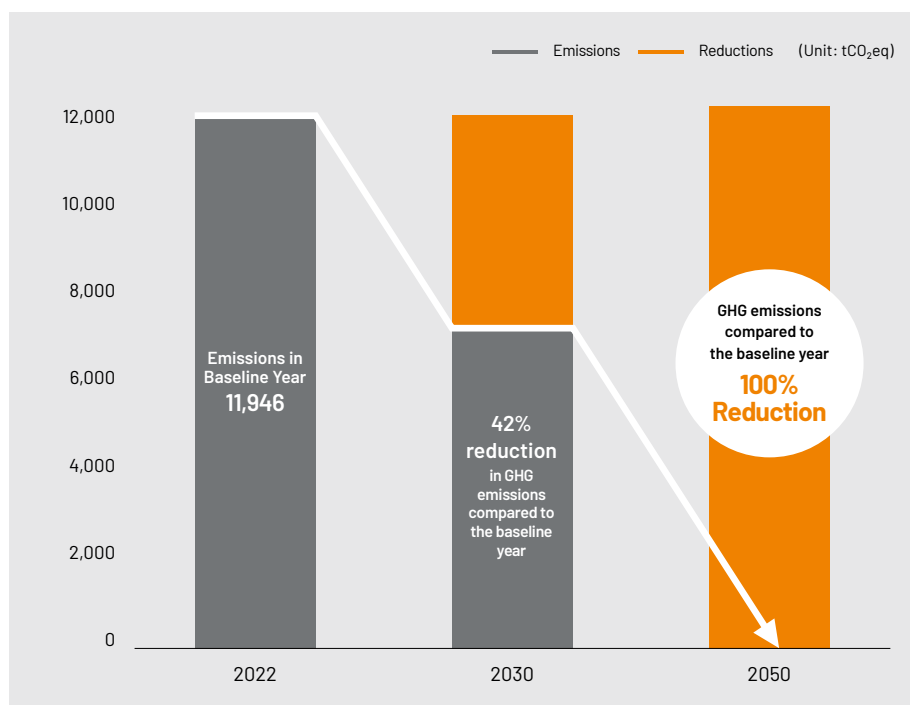
Identify climate risks & opportunities	Analyze using climate scenarios	Assess the impact of each risk or opportunity	Monitor & update
Identify potential risks and opportunities arising from climate change by business area	- Select climate scenarios - Analyze risks and opportunities for each scenario	Predict the financial impact of each risk or opportunity	- Monitor climate risks and influencing factors - Update scenario analysis based on changes

Metrics & Targets

Mid- to Long-Term Reduction Roadmap for Achieving Net-Zero by 2050

We have set quantitative targets to address climate change and systematically manage key metrics to achieve these goals. We regularly measure and manage key environmental indicators—including greenhouse gas emissions (Scopes 1, 2, and 3), energy consumption, and the share of renewable energy. We are strengthening our execution by linking these metrics to reduction targets for each business site. We have established 2022 as the baseline year and developed a mid- to long-term roadmap with the goal of reducing Scope 1, 2, and 3 emissions by 42% by 2030 and achieving net zero by 2050. To this end, we continue our reduction efforts by expanding the use of renewable energy, improving energy efficiency, and managing the supply chain.

ShinWon 2050 Net-Zero Roadmap



GHG Reduction Targets

Category	Description
Long-Term Target	· Achieve Scope 1+2 Net Zero by 2050 · Achieve 90% reduction in Scope 3 emissions by 2050
Near-Term Target	· Achieve 42% reduction in Scope 1, 2, and 3 emissions by 2030 (baseline year: 2022)

Annual Scope 1&2 GHG emissions

(Unit: tCO₂eq)

Category	2022	2023	2024
Total	11,946	11,528	13,844
Scope 1	2,112	2,887	1,658
Scope 2	9,834	8,641	12,186

ShinWon's Climate Change Response Capability Strengthening Targets and Outcome

Implementation Strategy	Unit	2024 Target	2024 Outcome	Target Achievement Rate	2025 Target
GHG Emissions ¹⁾	tCO ₂ eq	10,952	13,844	79.1%	10,404
Electricity Consumption ²⁾	kWh	2,542,200	2,623,959	97%	2,492,761
LNG ²⁾	m ³	33,978	33,602	101%	32,594

1) Calculation scope: ShinWon's all business sites

2) Calculation scope: ShinWon Headquarters and Shinwon GLS

Mid- to Long-Term Energy Use Targets and Implementation Plan

~2030		
· Reduce annual electricity consumption by 5%	· Reduce electricity consumption by 30%	· Expand the use of renewable energy
· Reduce annual LNG consumption by 3%	· Reduce LNG consumption by 20%	· Improve energy efficiency



SPECIAL PAGE

SBTi-based Net-Zero Target Approval

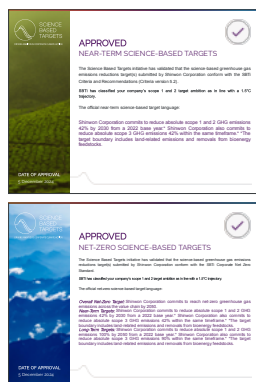


Achieving Net-Zero with SBTi Approval

We are participating in the global response to climate change by setting science-based targets and committing to a sustainable future. In 2024, we obtained official approval from the Science Based Targets Initiative (SBTi) for our greenhouse gas reduction targets for 2030 and 2050. We are now moving forward with the practical implementation of these targets to transition to a carbon-neutral society. As a result, we are strengthening our reduction activities throughout the company, including improving energy efficiency, expanding the use of low-carbon materials, and reducing emissions across the supply chain. We are also practicing carbon-neutral management in accordance with global standards.

What's SBTi?

The Science Based Targets Initiative (SBTi) is a global initiative established in 2015 by the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF). The initiative has over 1,700 participating companies worldwide and formally certifies their efforts to address climate change by setting and verifying science-based greenhouse gas reduction targets.



SBTi's target approval

Key Implementation Strategies

Expand the use of renewable energy, mainly at overseas subsidiaries	- Indonesia, Guatemala, and Nicaragua: Secure more than 40% of self-generated power - Vietnam and Indonesia: Purchase RECs for 100% of electricity
Expand sustainable purchasing to reduce Scope 3 emissions	- Establish green product purchasing standards - Expand the use of eco-friendly auxiliary materials
Expand investment to reduce greenhouse gas emissions	- Install solar energy equipment and build wastewater recycling systems - Strengthen eco-friendly manufacturing solutions, such as developing recycled fabrics

ShinWon's Approved Reduction Target

Category	Reduction Scope	Target Description (Baseline Year: 2022)
Near-Term (2030)	Scope 1-2-3	- Scope 1-2: 42% reduction - Scope 3: 42% reduction
Net-Zero (2050)	Scope 1-2-3	- Scope 1-2: 100% reduction - Scope 3: 90% reduction

ShinWon's Next Step

We are systematically implementing our greenhouse gas reduction targets, which have been approved by the SBTi, by establishing annual implementation scenarios and expanding company-wide reduction activities focused on renewable energy transition and energy efficiency improvement. Additionally, we are focusing on sourcing sustainable raw and auxiliary materials and strengthening our ESG capabilities in the supply chain to reduce Scope 3 emissions. By developing customized strategies and monitoring the performance of each business site, we are solidifying the foundation for achieving net-zero emissions by 2050.



Strategic Task 3.
Expand eco-friendly products

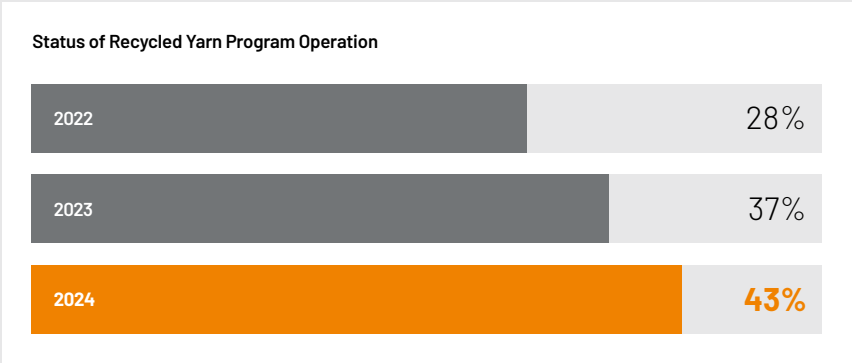
Won Story

As global interest in sustainable consumption grows, the market for eco-friendly products is expanding rapidly. In response to this trend, we have developed our own green product standards that reflect major guidelines, such as the K-ESG Guidelines and the EU Ecodesign Regulation. We plan to strengthen our commitment to eco-friendly values by developing products and managing our supply chain in an environmentally responsible manner. We will also actively participate in the global expansion of sustainable consumption.

2024 Highlight

Expansion of Recycled Yarn Program

We operate our own program for developing eco-friendly products and provide transparent information on both conventional and recycled polyester to support customers' eco-friendly choices. As of 2024, approximately 43% of our total fabric purchases consist of recycled polyester-containing fabrics, representing a 6-percentage-point increase from the previous year (37%).



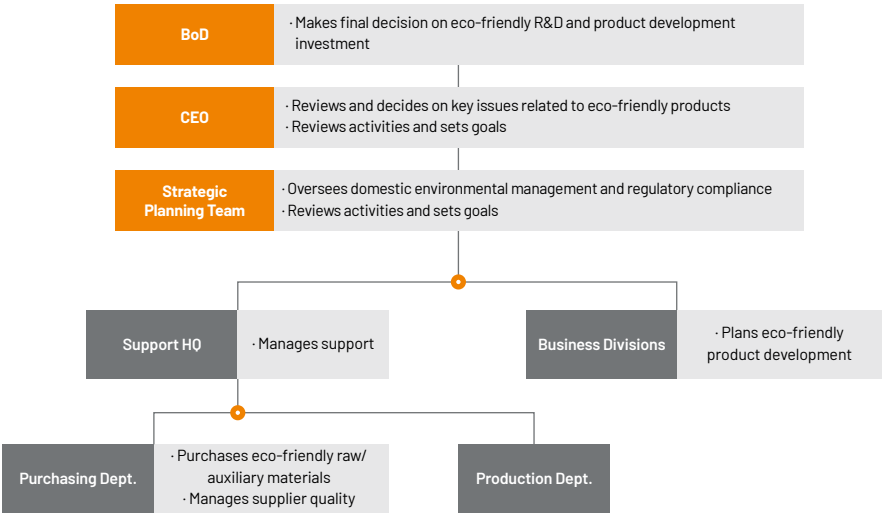
Governance

Eco-Friendly Product Development Management System

Eco-Friendly Product Development Organization

At ShinWon, the Board of Directors establishes strategies and makes investment decisions regarding eco-friendly product development. We operate an integrated collaboration system among the Strategic Planning Team, business divisions, and Support Headquarters, all centered around the CEO. The Strategic Planning Team comprehensively reviews domestic and international environmental regulations and major management issues to establish eco-friendly product development goals. The Support Headquarters enhances execution by providing support and coordination throughout the development process. Specifically, the Purchasing Department procures eco-friendly raw and auxiliary materials and manages supplier quality, while the Production Department supports the development process by overseeing product production and quality. We strategically promote eco-friendly product development based on a systematic decision-making and execution structure, and we will continue to innovate and improve our products to proactively respond to changing market environments and customer demands.

Organization Chart for Eco-Friendly Product Development



Strategy

Expanding Eco-Friendly Product Portfolio

ShinWon's Roadmap for Eco-Friendly Product Development at Each Stage of Business

Category	2024	2025	2030	2050
 Purchasing Stage	Use eco-friendly materials	- Increase the proportion of eco-friendly materials purchased - Purchase recycled materials	Consider expanding the use of eco-friendly materials, focusing on major product lines	Establish directionality for application of eco-friendly materials across the entire product line and gradually expand the application scope
 Production Stage	Expand the proportion of eco-friendly production	Increase the diversity of eco-friendly products	Strengthen collaboration with eco-friendly certified companies	Promote collaboration centered on certified partner companies and establish an eco-friendly production system
 Sales Stage	Introduce eco-friendly packaging materials	- Develop an eco-friendly interior design manual - Consider the introduction of eco-friendly logistics vehicles	- Expand the adoption of reusable packaging materials - Implement measures to simplify online order packaging	Establish an operational system focused on sustainable packaging materials
 Disposal Stage	Introduce eco-friendly packaging materials	Upcycling of clothing waste	Develop plans for reusable product lines and review launches	- Establish a clothing recycling system - Apply and expand product designs that are easy to disassemble and recycle

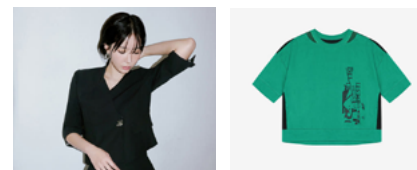
Eco-friendly product standards

- Products made from materials (fabrics, yarns) that received eco-friendly certification
- Products manufactured using eco-friendly processes or products made from materials produced using eco-friendly processes

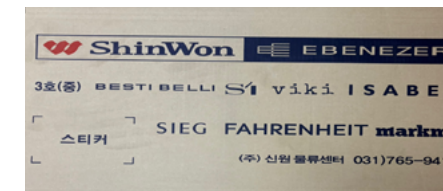
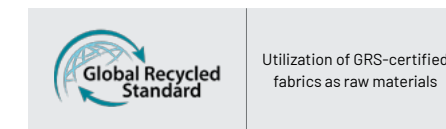
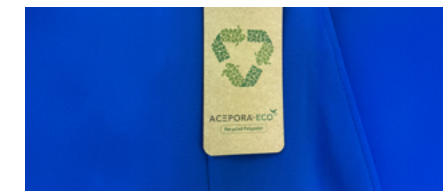
Expanding Sales of Eco-Friendly Products

We have established our own eco-friendly product standards and are strategically promoting the expansion of eco-friendly product sales. Based on these standards, we continuously expand our product lines and areas of application. Moreover, we set key management indicators to increase the proportion of eco-friendly product sales each year and manage our operations systematically. Going forward, we will continue to internalize environmental values at every stage of the product life cycle, including product planning, production, and distribution. We aim to contribute to the spread of a sustainable consumer culture by gradually increasing the share of eco-friendly products.

ShinWon's eco-friendly products



Use of sustainable raw materials



Strategy

Green Purchasing Policy

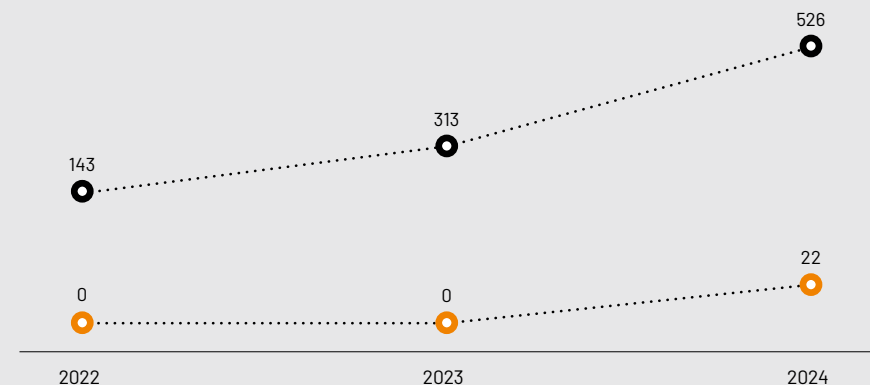
To fulfill our environmental responsibilities as a company, we have established a Green Purchasing Policy and practice eco-friendly purchasing with consideration for legal compliance and social responsibility. To this end, we have developed our own standards, which include environmentally certified products, low-carbon or eco-friendly materials, and eco-friendly packaging. We also manage purchasing trends and targets systematically.

ShinWon Green Purchasing Policy

- 1 In all purchasing activities, we fulfill our legal obligations and social responsibilities for environmental protection.
- 2 In all purchasing activities, we strive to identify eco-friendly products, services, and suppliers that comply with environmental laws and regulations.
- 3 In all purchasing activities, we fulfill our legal obligations and social responsibilities for environmental protection.
- 4 In all purchasing activities, we prioritize suppliers that demonstrate excellence in quality, service, and compliance with environmental laws and regulations through regular evaluations.

Trends in domestic green purchasing performance

Auxiliary Materials
 Raw Material
 (Unit: KRW 1 million)



Green Certifications

We actively seek out eco-friendly raw and auxiliary materials, and are expanding their use across our entire product portfolio. Through our domestic and overseas manufacturing subsidiaries, we transparently disclose eco-friendly information based on third-party certifications.

Green Certification Status by Business Site

Business Site Name	Green Certifications			
	GRS ¹⁾	GOTS ²⁾	RCS ³⁾	OCS ⁴⁾
Shinwon Headquarters	○	○	○	○
Shinwon Ebenezer Vietnam Co., Ltd	○	○	○	○
Shinwon Ebenezer Hanoi Co., Ltd	○	○	○	○
PT Shinwon Indonesia	○	○	○	○
PT Fashion Stitch Joshua	○	○	○	○
Shinwon Guatemala S.A.	○	○	○	○
Daniel Tex, S.A.	○	○	○	○
Fashion Stitch Noah, S.A.	○	○	○	○

1) Certification for recycled textile products containing at least 20% recycled raw materials and meeting social and environmental standards

2) Certification for organic textile products containing at least 70% organic raw materials and meeting social and environmental standards

3) Certification for recycled textile products containing 5–100% recycled raw materials

4) Certification for organic textile products containing 5–100% organic raw materials



SPECIAL PAGE

Sustainable R&D

Design for Sustainability: Embedding Sustainability into Design

Fueled by fundamental market demands for sustainability, it is now a core focus throughout the entire product development and production process. Previously, eco-friendly practices and recycled fabrics were limited to certain items, but now ESG factors are considered from the initial product planning stage. Responding to diverse global demands, our R&D system combines design planning and technology. By leveraging digital capabilities like 3D simulation, AI trend analysis, and virtual showrooms, we create fast and precise design proposals without needing physical samples. This digital approach, combined with our expertise in washing, dyeing, and eco-friendly materials, allows us to manage the entire process efficiently, from planning to production.

Product Development Considering Resource Conservation and Environmental Impact

Product Development Considering Resource Conservation and Environmental Impact We believe our technological expertise in washing is a key competitive advantage, and we use it to develop eco-friendly products. This allows us to apply various sustainable techniques throughout our product development process. We develop and utilize sustainable washing and dyeing techniques that reduce water and energy consumption while minimizing the release of harmful substances. We use various low-impact methods, including botanical dyeing (100% plant-based dyes), the limelight technique (eco-friendly auxiliary agents), mineral dyeing (mineral dyes), Eco Silky, Eco Acid, and Ozone Wash. We're also actively developing new eco-friendly washing technologies that don't require heat treatment, such as heat-free pigment dyeing, reactive dyeing, and enzyme washing. For our materials, we're expanding our library of cottons to meet the demand for eco-friendly options. We're strengthening our core offerings with organic cotton and are also working to include more recycled fabrics in our product line.



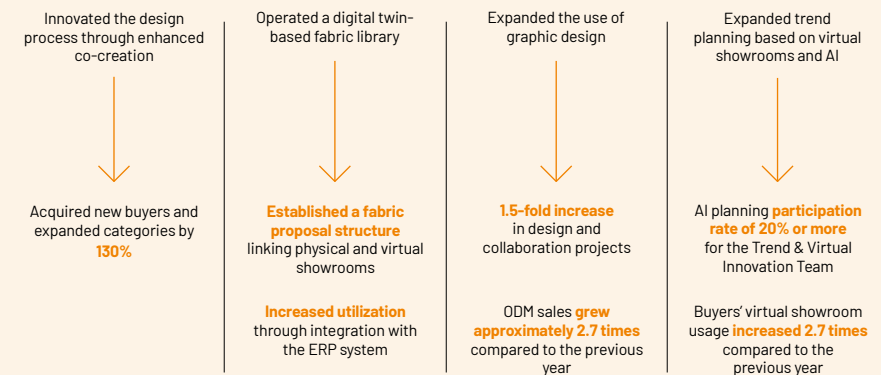
Virtual Showroom



Expanding the Use of Sustainable Materials

From the initial stages of fabric development, we actively integrate recycled yarns. Our R&D Fabric Team prioritizes items made from recycled materials right from the trend research phase. With the rising awareness of environmental issues related to polyester, we've made the use of recycled polyester a core principle and are expanding our use of various other recycled materials, like cotton and nylon. To meet buyers' demands for achieving ESG material usage goals, we're also incorporating biodegradable recycled polyester, such as CiCLO, into some of our product lines. In alignment with our customers' sustainable material policies, we're increasing the percentage of recycled fabrics we use.

Major R&D Accomplishments in 2024





Strategic Task 4. Transition to a resource circularity system

Won Story

We are actively promoting waste reduction and recycling with the aim of transitioning to a resource circulation system. We are engaged in activities to improve resource efficiency, such as digitizing administrative tasks and reducing the use of disposable products, while minimizing waste generation through the practice of the 3Rs (Reduce, Reuse, Recycle). Further, we are achieving environmental protection and sustainable operations through systematic management, such as converting waste from overseas subsidiaries into recyclable resources.

2024 Highlight

Waste Recycling Performance of Shinwon GLS

Category	2022	2023	2024
Recycling (ton)	158.8	158.2	168.8
Recycling (%)	81.52	83.61	88.94

Strategy

Waste Recycling and Reduction

We have introduced and implemented an online work system based on groupware to promote resource efficiency and reduce waste. We are working to protect resources by reducing paper usage and raising employee awareness of environmental issues. Through these efforts, we are reducing unnecessary waste of resources in our daily operations and fostering an environmentally friendly work culture. As part of a waste reduction campaign in 2024, we distributed personal tumblers to all employees, effectively reducing the use of disposable cups. To reduce municipal waste, we introduced specialized machinery that removes moisture and grinds food waste. This reduces the use of volume-based waste bags and improves waste disposal efficiency. We will continue to strengthen the practical implementation of waste reduction, resource conservation, and pollutant reduction while consistently advancing eco-friendly management.

Expanding Resource Circulation Activities

We have established a resource circulation system to manage waste more effectively using various methods. In particular, Shinwon GLS has continuously improved operational efficiency by integrating new product shipping lines based on the 3Rs movement, which was launched in 2023. Additionally, Shinwon GLS is strengthening its internal logistics system to increase the reuse rate of delivery boxes. For packaging materials that are difficult to reuse, the company is expanding collaboration with wastepaper recycling companies to establish an efficient recycling system. Shinwon GLS is also implementing systematic management to reduce waste generated during the logistics process. At the headquarters level, we have developed a resource circulation roadmap to transform all business sites into resource-circulating facilities.

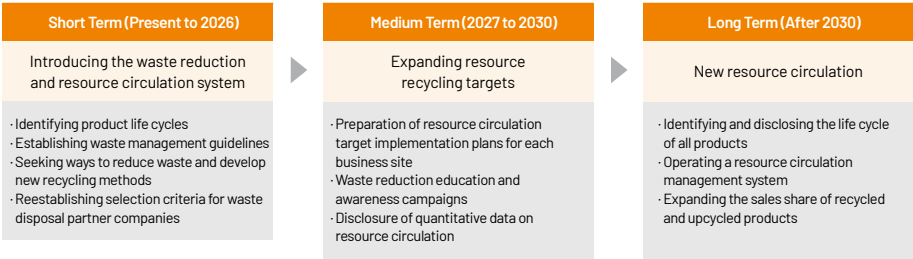
ShinWon's Waste Management Targets and Outcomes

(Scope of calculation: ShinWon Headquarters and Shinwon GLS)

Category	Unit	2024 Target	2024 Outcome	Target Achievement Rate	2025 Target
Discharged Waste	ton	190	200	95%	190
Recycled Waste	ton	166	169	102%	177

Medium- and Long-Term Goals for Waste Management		
Medium- and Long-Term Goals	Waste discharge reduction	Increase in waste recycling rate
Implementation Plan	30% reduction in waste discharge by 2030	Selecting waste disposal companies and tracking their history

Resource Circulation Implementation Roadmap



Strengthening Waste Management at Overseas Subsidiaries

Our overseas subsidiaries ensure proper disposal of waste generated during the apparel production process through third-party contractors and conduct regular inspections and evaluations to ensure transparency and compliance with regulations throughout the contracted disposal process. We plan to continue strengthening our responsible production system by minimizing waste generation during the production stage and strictly complying with relevant environmental regulations.

Strategy

Water Resource Management

Water Resource Management and Reduction Activities

Shinwon GLS monitors domestic water consumption on a monthly basis and analyzes changes and their causes to prevent unnecessary usage. During the semi-annual cleaning of two reservoirs and two elevated water tanks, the company contributes to resource conservation by adjusting the tank water levels to use only the minimum volume of water necessary. At overseas subsidiaries, we collect and purify domestic wastewater generated during operations using a wastewater recycling system. We then reuse the water to enhance both resource efficiency and environmental responsibility. Additionally, a rainwater storage system is in place to collect and store rainwater for use in toilets and cleaning. We regularly inspect and manage usage through meters.

ShinWon Water Management System

Wastewater Recycling System	Rainwater Storage System	Water Resource Risk Management System	Waste Discharge Management System
- Collecting and purifying domestic wastewater generated during facility operations for reuse - Contributing to improving resource efficiency and reducing environmental impact	- Recycling rainwater for use in toilets and cleaning using the rainwater storage system - Continuously monitoring and managing the amount of water available for use through meters	Implement water management and conservation activities that take regional characteristics into account, based on regional water resource assessment results using WRI's Water Risk Tool	- Conducting regular inspections when discharging wastewater and minimizing the discharge of harmful substances through water purification systems - Managing chemicals systematically while complying with relevant laws and regulations based on MSDS and MRSL standards

ShinWon Water Resource Management Roadmap

Short Term(Present to 2026)	Medium Term(2027 to 2030)	Long Term (After 2030)
Identify risks by business site - Calculate water usage at overseas subsidiaries - Introduce water recycling equipment - Introduce rainwater storage equipment - Provide water resource management training	Improve water resource protection and regional influence - Introduce wastewater recycling and recirculation equipment - Conduct periodic groundwater environment surveys and disclose the results - Monitor water stress index - Increase water resource recycling rate	Expand investment in water resource conservation - Conduct community cooperation campaign - Adopt a water saving process

Risk Management

Water Resource Risk Analysis Results

We regularly assess the water stress levels of our major overseas subsidiaries using the WRI Aqueduct Water Risk Atlas and systematically manage water resource risks. The analysis results indicated that three of the seven business subsidiaries were classified as high risk. Accordingly, we plan to establish and continuously implement customized reduction plans to improve water use efficiency and mitigate risks, with a focus on these subsidiaries.

Water Resource Risk Level of Each Overseas Subsidiary

Factory	Water stress level
Shinwon Guatemala S.A.	High
Daniel Tex, S.A.	High
Fashion Stitch Noah, S.A.	Medium-High
Shinwon Ebenezer Vietnam Co., Ltd	High
Shinwon Ebenezer Hanoi Co., Ltd	Medium-High
PT Shinwon Indonesia	Medium-High
PT Fashion Stitch Joshua	Medium-High

Metrics & Targets

ShinWon's Water Consumption Targets and Outcomes

Category	Unit	2024 Target	2024 Outcome	Target Achievement Rate	2025 Target
ShinWon	m ³	9,393	12,013	78%	11,412
Shinwon GLS	m ³	3,232	3,112	104%	2,956



Strategic Task 5.

Establish a culture of respecting human rights

Water Resource Risk Analysis Results

We place respect for human rights at the core of our values to create a workplace where all employees and stakeholders are respected and valued. Recognizing the social impact of our corporate activities, we have established policies to prevent and protect against human rights violations. We are also strengthening our human rights management system based on these policies. We inspect the working environment at our domestic and overseas business sites, as well as the human rights issues of our partner companies. We listen to the voices of those in the field through various communication channels and proactively manage human rights risks. Going forward, we will continue to foster a culture of respect and inclusivity while upholding human rights management to achieve sustainable growth.

2024 Highlight

First Human Rights Management Survey Conducted

We have established a system to proactively identify potential human rights risks faced by various stakeholders and to actively resolve any existing risks. To this end, we conducted a human rights management survey targeting internal employees and identified human rights risks related to our internal stakeholders. Based on the results, we plan to develop and implement strategies to improve human rights management.

Governance

Human Rights Management System

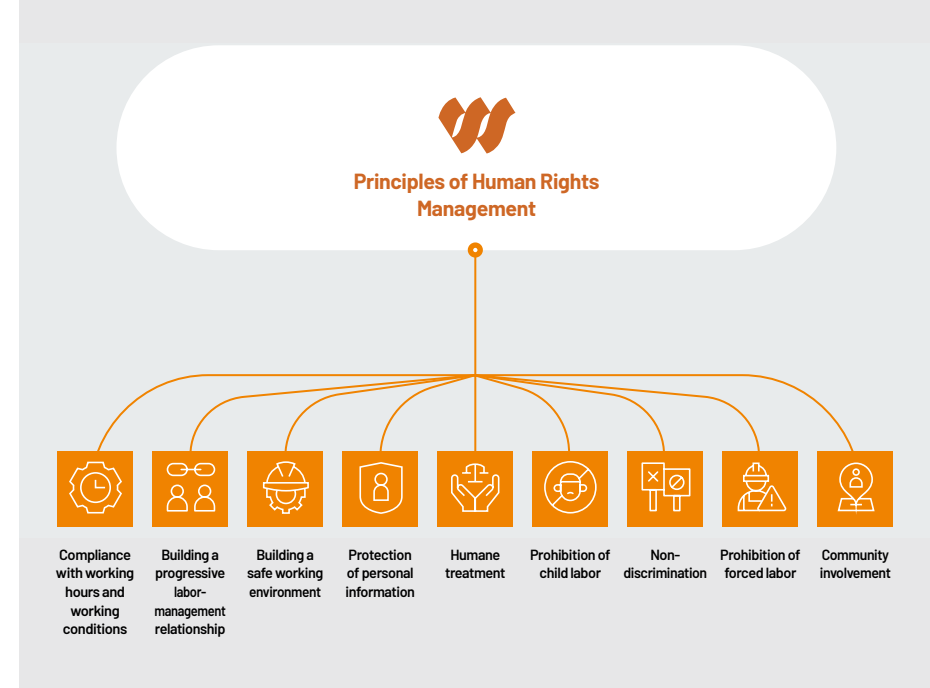
Recognizing respect for the human rights of all employees and stakeholders as a fundamental corporate responsibility, we are building a company-wide human rights management system to put this principle into practice. We have established and disclosed human rights policies, management guidelines, and declarations based on international standards such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Fundamental Conventions, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We have also internalized key issues, such as preventing discrimination and harassment, ensuring occupational safety, and protecting labor rights, in all aspects of our business operations. We will continue to enhance human rights due diligence and risk assessments to strengthen sustainable management that respects human rights throughout the entire value chain.

Human Rights Policy

We comply with international human rights standards and have implemented a comprehensive management system that focuses on preventive measures to ensure no direct or indirect human rights violations occur in our business operations. In 2022, we revised and strengthened our human rights management policy to enhance the overall human rights management system. Based on this policy, we identify human rights risks company-wide and continuously take proactive measures to prevent potential violations. Additionally, internal audits and supply chain assessments related to the possibility of children and forced labor have not identified any business sites or partner companies posing high risks to date. Going forward, our plan is to strengthen our regular human rights risk assessments and response systems to foster a sustainable business environment in which human rights are respected.

- Human Rights Management Declaration
- Human Rights Management Policy
- ShinWon Human Rights Charter

ShinWon's Principles of Human Rights Management



Governance

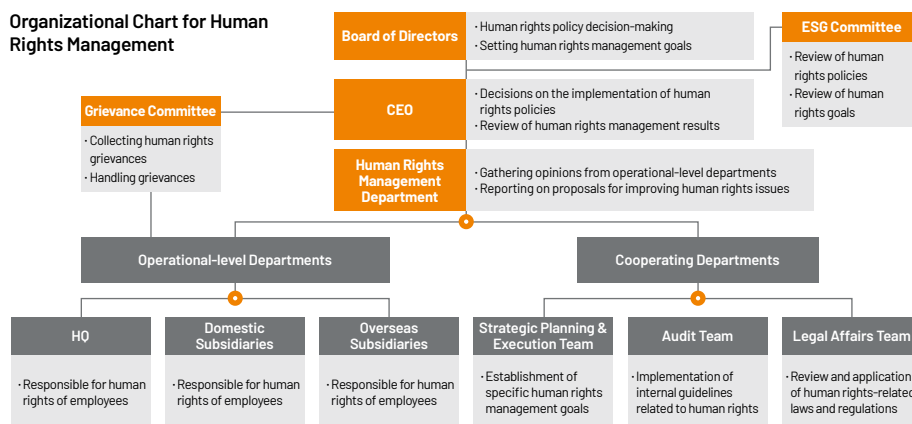
Diversity Respect Management Policy

We comply with labor laws and regulations in each country, including the Labor Standards Act and the key conventions of the ILO, at all our domestic and overseas business sites. Moreover, we strictly prohibit discrimination based on sex, age, race, religion, disability, regional origin, political affiliation, and other characteristics in all aspects of human resources management, including recruitment, placement, evaluation, and compensation. We are deeply committed to the values of diversity, equity, and inclusion, and we continuously review and improve our systems and organizational culture to build a fair and safe working environment. Through these comprehensive efforts, we aim to foster an organizational culture in which all employees are respected and treated equally. We prioritize people as our core value and strive to create an inclusive workplace while pursuing sustainable growth and fulfilling our social responsibilities.

Internal Organization for Human Rights Management

We have established a dedicated sub-organization responsible for the implementation of human rights management to systematically address human rights risks. We designate human rights officers at each business site or subsidiary to gather feedback and establish a response system that rapidly identifies human rights-related issues. Additionally, the organization cooperates with relevant departments to consistently monitor human rights-related laws, regulations, and potential risks. Major identified issues are regularly reported to the Board of Directors, who then consider them when making strategic management decisions. Through this field-focused human rights management system and comprehensive reporting process, we continuously strengthen our capabilities to prevent human rights violations and respond swiftly and appropriately when they occur.

Organizational Chart for Human Rights Management



Strategy

Human Rights Management Implementation Strategy

We continuously improve our human rights management system to respect the rights of all stakeholders, including employees, customers, business partners, and local communities. We have established comprehensive mid- to long-term goals and a detailed roadmap for their systematic implementation, which we are executing in phased stages. In 2023, we announced our human rights management declaration and revised our human rights management policies and regulations to strengthen our institutional foundation. In 2024, we conducted a thorough self-assessment of our human rights impact, and in 2025, we plan to establish strategic mid- to long-term tasks and implementation plans by incorporating the key human rights issues identified through comprehensive analysis of the assessment results.

Human Rights Management Strategy Framework

VISION	Uphold the value of human dignity through trust and discipline		
PHASE	PHASE 1 (2025) Internalization	PHASE 2 (2026) Enhancement	PHASE 3 (2027) Maintenance and Advancement
KEY STRATEGIES	Establishment of a human rights management system - Announcement of the Human Rights Management Declaration by the CEO - Revision of the Human Rights Management Declaration - Revision of human rights management policies for key stakeholders - Survey of human rights management practices among employees - Strengthening of human rights education for employees - Improvement of channels for reporting grievances	Promotion of Human Rights Management throughout the Company - Establishment of Human Rights Management Committee - Conducting employee awareness training based on human rights management surveys - Conducting human rights impact assessments for employees in South Korea - Identifying human rights risks and deriving improvements - Publishing newsletters and communication guidebooks	Overseas Expansion and Certification Acquisition - Publication of Human Rights Management Report - Conducting human rights impact assessments at overseas subsidiaries - Continuous management of identified risks - Acquisition of human rights management system certification
OUTPUT	- Global human rights management declaration - Human rights impact assessment - Human rights education plan for employees	- Establishment of the Human Rights Management Committee - Improvement plans and activities for each human rights risk	- Human Rights Management Report - Continuous monitoring of human rights risks - Human rights impact assessment of overseas subsidiaries

Strategy

Human Rights Training for Employees

We conduct comprehensive human rights training for all employees each year to effectively internalize ethical and human rights management practices. In 2024, the training addressed critical topics such as the prevention of sexual harassment and bullying in the workplace, as well as enhancing awareness of individuals with disabilities in the workplace. To raise employee awareness of the evolving human rights management landscape, we offer practical educational content on preventing human rights violations and fostering a culture of respect through mandatory company-wide online training on human rights.

Status of Human Rights Training at ShinWon

Category	Total Number of Participants	Total Hours Completed	Training Description
Human Rights Training	353 Persons	353 Hours	Human rights education
			Non-discrimination
			Respect for diversity

Human Rights Campaign

Since 2021, we have conducted an internal human rights campaign to raise awareness of human rights among our employees and promote human rights consciousness in everyday life. Through our groupware bulletin board, we regularly post content related to human rights, such as short comics and videos, to raise awareness of unconscious hierarchical discrimination and help foster a culture of respect in the workplace.



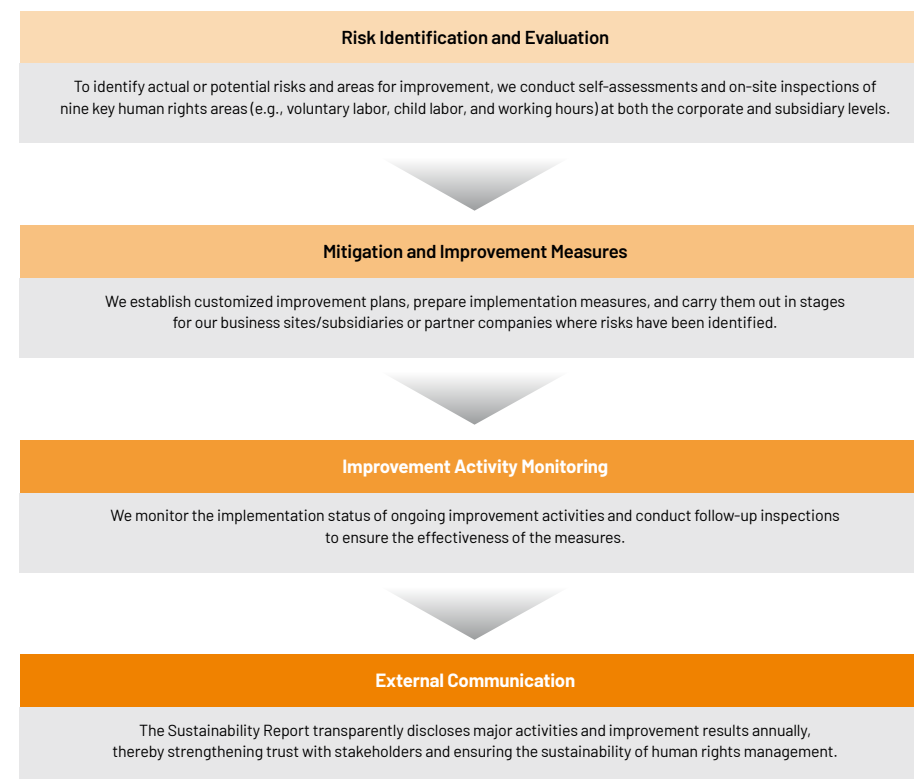
Internal Human Rights Campaign Posters

Risk management

Human Rights Risk Management

We have established and continuously maintain a robust human rights risk management process to prevent human rights violations that may occur in the overall operations of our business sites and to systematically respond to identified risks.

Human Rights Risk Management Process for Our Business Sites



Risk management

Labor and Human Rights Inspections

ShinWon conducts comprehensive annual labor and human rights inspections for its worksites by division to systematically identify and effectively respond to human rights risks. For risks identified through these inspections, targeted mitigation and improvement measures are established and implemented in a phased manner. Through these proactive efforts, the company aims to prevent human rights violations in advance and create a safe working environment. In 2024, inspections were successfully completed for all 14 worksites targeted for inspection; for any worksites not yet inspected, we plan to strengthen the human rights risk management system through continuous monitoring and enhanced follow-up measures. Additionally, the ESG inspections for our partner companies also include comprehensive labor and human rights items, through which we thoroughly inspect key areas such as training, the use of written employment contracts, wage payments, non-discrimination, and the absence of child labor. Thus, we systematically manage human rights risks across all our business activities and are continuously elevating the level of human rights protection.

Labor and Human Rights Inspection Items

Inspection Item	Key Inspection Details
Voluntary Labor	Writing of employment contracts, prohibition of forced labor, prohibition of holding identification documents, human trafficking, etc.
Child Labor	Strict verification of legal age upon hiring, conducting regular on-site inspections, etc.
Legal Working Hours	Compliance with overtime work hours, compliance with the paid weekly day off system, etc.
Wages and Benefits	Payment of minimum wage, specification of wage-related matters in employment contracts, etc.
Humane Treatment	Maternity protection such as maternity leave, operation of monitoring channels for sexual harassment and violence, guarantee of severance pay, etc.
Nondiscrimination	Prohibition of discrimination in hiring, promotion, and education, and discrimination based on gender, religion, race, or employment type; equal pay, etc.
Freedom of Association	Right to collective bargaining, guarantee of freedom of association, guarantee of labor union activities, etc
Provision of Education and Training	Whether opportunities for education are provided, ratio of employee benefits expenses to total personnel costs, proportion of long-term employees in the total workforce, etc.
Other	Guarantee of rest periods during hot seasons, monitoring of human rights issues in the local community, etc.

Labor and Human Rights Inspection Items for Partner Companies

Inspection Item	Key Inspection Details
Education	Whether education on labor and human rights is conducted
Employment Contracts	Writing, distribution, and storage of individual employment contracts
Wages	Payment of wages considering minimum and ordinary wages; preparation, distribution, and storage of individual pay stubs
Discrimination	Whether there is discrimination in promotion or educational opportunities based on employment type, nationality, etc.
Child Labor	Prohibition of employment of persons under 18 years and compliance with legal requirements when hiring
Forced Labor	Existence or absence of regulations prohibiting forced labor
Foreign Workers	Legality of foreign worker employment and their assigned duties

Workplace Labor and Human Rights Inspection Results

Category	Unit	2023	2024
Number of Workplaces Subject to Inspection	sites	11	14
Number of Inspected Workplaces	sites	11	14
Inspection Rate	%	100	100
Number of Workplaces with Identified Risks	sites	3	2
Risk Identification Rate	%	27	14
Application Rate of Mitigation and Improvement Measures (For Workplaces with Identified Risks)	%	100	100

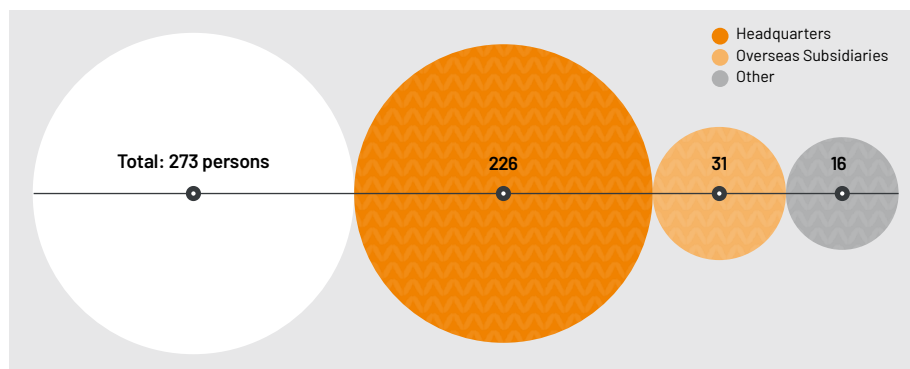
Risk management

Human Rights Management Survey

A comprehensive Human Rights Management Survey was conducted to assess employees' awareness and implementation of human rights practices and gather valuable feedback for improvement, serving as critical foundational data to advance ShinWon's human rights management. The survey targeted employees at all domestic and overseas sites—key stakeholders directly or indirectly affected by human rights issues—among broader groups such as partner companies, shareholders, and investors. It evaluated current practices and aimed to systematically improve internal processes. Based on rigorous international standards including the OECD Guidelines, EU and German Due Diligence Acts, ILO Declaration, Universal Declaration of Human Rights, Korea's Human Rights Act, and K-ESG Guidelines, the survey covered three key sections and 16 issues: system establishment, prevention efforts, and risk response. Conducted online, the survey had 273 participants and a 33% response rate. We are thoroughly analyzing risks, setting strategic priorities, and implementing targeted improvements. ShinWon also plans to establish a detailed mid- to long-term roadmap and gradually expand diagnostics, guidance, and monitoring to other stakeholders. Moving forward, we will strengthen human rights training, enhance grievance mechanisms, and institutionalize the survey as a standardized regular process. Results will be transparently shared to foster a culture of responsible human rights protection throughout the entire company.

Human Rights Management Survey: Number of Respondents

(Unit: Persons)



Human Rights Management Survey Results

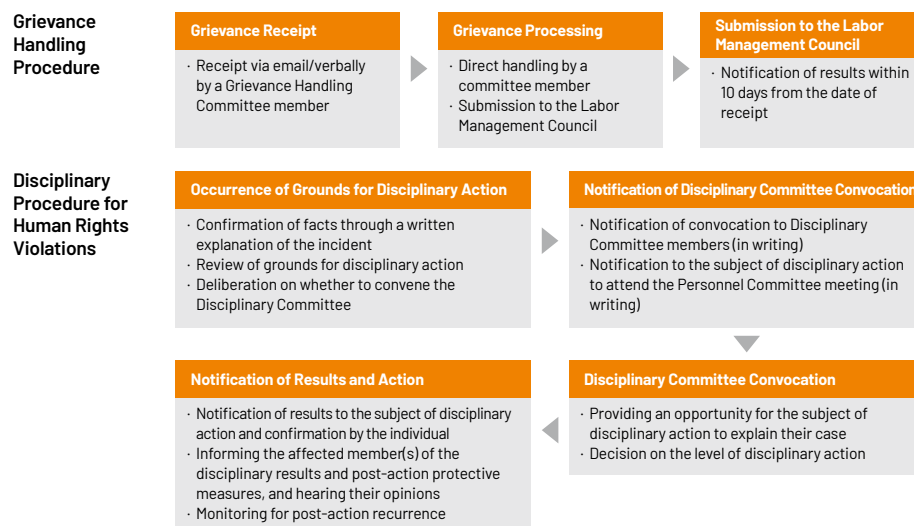
Item	Average Score
Level of Establishment of a System for Addressing Human Rights Violations	Guidance on Human Rights Management Implementation
	Provision of Remedial Mechanisms for Victims of Human Rights Violations
	Identification of Human Rights Risks and Preparation of Improvement Measures
	Human Rights-Related Education to Improve Human Rights Awareness
Level of Effort to Prevent Human Rights Violations	Guarantee of Nondiscrimination
	Creation of a Pleasant Work Environment
	Protection of Human Rights for Employees of Subsidiaries and Partner Companies
	Compliance with Labor Conditions
	Protection of Personal Information
	Prevention of Workplace Harassment
	Prevention of Workplace Sexual Violence
Overall Average Score: 3.07	
1 point: Strongly Disagree 3 points: Neutral 5 points: Strongly Agree	

Responses to Key Human Rights Issues in 2024

Category	Stakeholders	Issue Response
Sustainable Supply Chain Management	Partner Companies	· Starting with the design of a human rights management inspection system for domestic and international partner companies, with plans to expand the scope and further develop the system
		· Plan to produce a human rights protection agreement for partner companies, with signatures required for new contracts and contract renewals in 2025
		· Plan to support ESG diagnostics for partner companies and distribute a compliance guidebook
		· Promoting the provision of human rights and compliance education
Ensuring a Pleasant Work Environment	Executives and Employees	· Work environment improvement activities · Replacement of lighting and office furniture · Implementation of safety and health enhancement measures
Compliance with Labor Conditions	Executives and Employees	· Guarantee of basic labor rights and adherence to set working hours · Guarantee of work hours and rest periods · Individual signing of employment contracts
Protection of Personal Information	Executives and Employees, Customers	· Compliance with ShinWon's personal information protection principles · Conducting regular training for personal information handlers · Establishment of a manual for responding to personal information leakage incidents
Prevention of Workplace Harassment	Executives and Employees	· Strengthening manager training and supervision to prevent unfair instructions · Improving awareness of and strengthening prevention against verbal abuse and sexual harassment · Fostering an organizational culture centered on respect and consideration · Plan to establish and vitalize communication channels · Proceeding with diversification of reporting channels
Guarantee of Nondiscrimination	Executives and Employees	· Setting human rights and diversity goals · Introduction of a development program for female team leaders · Implementation of mentoring programs to strengthen the capabilities of female employees, etc.

Human Rights Grievance Handling System

ShinWon operates a robust Human Rights Grievance Handling System to protect the human rights of its executives and employees and to respond swiftly and fairly in the event of a human rights violation. In preparation for cases involving human rights issues, such as discrimination or sexual harassment, the company operates multiple dedicated internal counseling and reporting channels and thoroughly implements comprehensive protective measures to ensure the confidentiality of the reporter and prevent secondary harm. Grievances are received in real time through designated grievance counselors and managed with strict confidentiality in accordance with established internal regulations. Moreover, throughout the handling process, rigorous protective procedures are applied according to a systematic process to ensure that the reporter does not experience any repercussions. In 2023, no cases of discrimination or human rights-related grievances were received, and in 2024, a total of 5 reports were received, but none were confirmed to be matters related to human rights violations. ShinWon will continue to strengthen the reliability and transparency of its grievance handling system.



Human Rights Grievance Handling in 2024

Category	Cases	Proportion(%)	Remarks
Reports Received	5	-	-
Actions Completed	4	80%	Fact-checking and additional investigation conducted
Reporting Completed	1	20%	Reported to management
Processing Completed	3	100%	Action/Reporting completed

Whistleblower Protection Measures

To protect the rights and safety of whistleblowers, ShinWon operates comprehensive protective measures based on the three fundamental principles of "Confidentiality," "Identity Protection," and "Mitigation of Responsibility." The content of the report is handled strictly non-publicly according to rigorous security procedures, and any act that discloses or implies the whistleblower's identity without their consent is strictly prohibited. Additionally, to prevent any repercussions from the report, protective measures related to the work environment and business activities are prioritized, and supplementary protective measures are simultaneously implemented at the whistleblower's request. If an individual voluntarily reports a violation of ethical management in which they were involved, we operate a fair procedure that considers extenuating circumstances to handle the responsibility at a reasonable level.

Three Major Principles of Whistleblower Protection

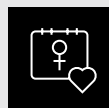
Confidentiality	Identity Protection	Mitigation of disciplinary responsibility
- The identity of the whistleblower and the content of the report are handled confidentially according to security procedures. - Acts that disclose or imply the whistleblower's identity without their consent are strictly prohibited.	- The whistleblower is protected from any adverse consequences in their business activities and work due to the report. - If the whistleblower desires protective measures as a result of the report, their wishes are respected and all possible protective measures are taken.	If an individual reports a violation of ethical management in which they were involved, such as misconduct or corruption, the matter is handled reasonably through sufficient consideration of extenuating circumstances.

Metrics & Targets

To prevent human rights risks and establish a culture of respect for human rights, ShinWon manages its efforts through comprehensive mid- to long-term goals and strategic key performance indicators for pre-emptive risk identification and systematic human rights grievance handling, as well as by raising awareness among executives and employees. Moreover, we are continuing to make proactive improvements to foster a human rights culture that embraces diverse races and backgrounds and guarantees the diversity of our executives and employees.

Management of Goals for Building a Human Rights Culture that Guarantees Diversity

Metric	Unit	2022	2023	2024	2025 Target	2026 Target
Number of Female Executives	Persons	5	5	7	8	9
Proportion of Female Executives among All Executives in the Workforce	%	17.9	18.5	26.9	30.0	35
Number of Female Team Leader-Level Managers	Persons	49	55	64	67	70
Proportion of Female Team Leader-Level Managers among All Managers in the Workforce	%	36.6	38.5	39.8	41.6	42.4



SPECIAL PAGE

International Women's Day Event

Better Together: Women's Day for All

In celebration of International Women's Day (March 8th), ShinWon continues to carry out diverse activities to create a supportive working environment where everyone is respected and can work together. Going beyond a simple commemorative day, meaningful events are held at workplaces in Korea and abroad so that each executive and employee feels a strong sense of belonging and actively share the values of equality and inclusion. This year as well, the headquarters and each subsidiary prepared thoughtful commemorative events with their employees to spread a culture of communication and consideration in daily life.



ShinWon Headquarters

ShinWon held an engaging in-house event to celebrate International Women's Day, aiming to share the values of equality and inclusion and to create a working environment where everyone is respected. This event was significant not merely for commemoration but also for strengthening the bond between executives and employees and for spreading an organizational culture of practicing respect and consideration in daily life. Specifically, a thoughtfully designed commemorative poster created by a designer from the Export Division conveyed the meaning of International Women's Day to employees in a welcoming manner, and participation and interest were heightened by utilizing various communication channels such as internal social media and bulletin boards. During the celebration period, roses—symbolizing International Women's Day—and healthy drinks were distributed to employees, fostering a culture of mutual respect through meaningful acts of kindness. ShinWon plans to continue innovative activities so that each member can feel a genuine sense of belonging in the organization and to create an inclusive and healthy workplace.



Company-Wide Event Commemorating International Women's Day

Overseas Workplaces

For International Women's Day (March 8th), ShinWon is also holding diverse commemorative events at its overseas subsidiaries, in which executives and employees can participate together. Carefully considering the culture and working environment of each subsidiary, enriching time is arranged so that female workers feel respected and experience a strong sense of belonging in their daily lives.

The Vietnam subsidiary, with over 90% of its entire workforce constituting female staff, operates a spectacular commemorative event for International Women's Day every year. Notably, for International Women's Day in 2024, the Shinwon Ebenezer Hanoi Co., Ltd held a vibrant special performance with popular singers and celebrities to elicit a high response from employees; it continues to hold various in-house events on local anniversaries such as Vietnamese Women's Day. Additionally, it strives to improve the working environment by operating comprehensive maternity protection systems for female workers, including maternity leave, reduced working hours, lactation rooms, and spousal maternity leave. The Indonesia subsidiary also regularly holds engaging in-house events to commemorate International Women's Day and operates a customized welfare program that provides childcare supplies to pregnant employees. The Guatemala subsidiary holds an event to commemorate International Women's Day and implements proactive health management programs for female workers, such as cervical cancer screenings and nutritional support (e.g., regarding vitamins for better health). The Nicaragua subsidiary provides special meals to employees for International Women's Day and Mother's Day, and also promotes regular health check-ups and support for pregnant employees. Moving forward, ShinWon will continue to foster a culture of support and respect for female workers throughout its global workplaces, creating a thriving working environment where everyone can grow and work together.



Shinwon Ebenezer Hanoi Co., Ltd Event
Commemorating International Women's Day



Strategic Goal 6 Provide a thriving work environment

Won Story

ShinWon secures outstanding talent based on a fair and transparent recruitment process and actively cultivates this talent through comprehensive systematic education and career development after onboarding. These strategic human resources approach not only enhances the organization's capabilities but also serves as a solid foundation for supporting the growth of its members and establishing a healthy organizational culture where autonomy and respect are in perfect harmony.

2024 Highlight

Gratitude Program for Families of Overseas Employees for Family Month

In celebration of Family Month, we deliver thank-you gifts to the families of our overseas employees, fostering a warm organizational culture that respects our members and their families.

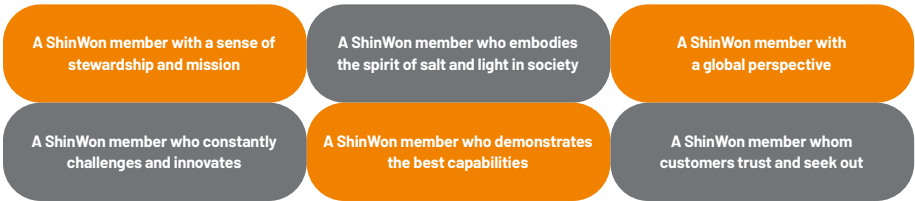


Governance

Talent Acquisition

ShinWon operates a comprehensive multifaceted recruitment system that includes open recruitment, regular hiring, and internal recommendations to secure key talent who will lead sustainable growth together. New and experienced candidates can register their resumes at any time through the dedicated recruitment homepage. We use a sophisticated talent recommendation system and AI competency tests to select candidates with high job suitability, creating synergy between tasks through their seamless adaptation in the organization. Throughout the recruitment process, discrimination based on characteristics such as gender, age, nationality, race, and disability is strictly excluded as we practice a fair hiring culture that fully respects human rights. Moreover, we have developed and operated our own advanced recruitment system to systematically manage the hiring process and enhance transparency and reliability.

ShinWon's Ideal Talent Profile



New Hire Recruitment Process ¹⁾

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Document Screening	Aptitude and Personality Test	Working Interview	Executive Interview	Hiring

¹⁾ A 4-month conditional internship for conversion to a full-time employee is in operation, with a full-time conversion rate of 90% or more.

Experienced Hire Recruitment Process

STEP 1	STEP 2	STEP 3	STEP 4
Document Screening	Working Interview	Executive Interview	Executive Interview

Talent Development System

ShinWon operates onboarding education and mentoring systems to help new hires adapt smoothly to the organization and secure job competency early on, and actively supports customized career development tailored to individual growth stages. Additionally, we continuously conduct competency enhancement training for employees to cultivate global talent and operate regular training programs to improve job-specific expertise. Through these efforts, we are strengthening organizational-level support so that each member can realize their potential and continuously develop their professional skills.

ShinWon's Talent Development Goals

Performance Focus	Leadership	Professional
Achieving management goals	Cultivating next-generation leaders	Developing job experts
Adaptation	Learning Culture	Globalization
Early deployment of new/experienced hires as key contributors	Foundation for knowledge management	Strengthening global capabilities

Strategy

Employee Training Programs

ShinWon provides comprehensive training to enhance job expertise and raise employee awareness of the core values of sustainable management, including ethics, human rights, and environmental protection. Through tailored customized training based on rank and role, the company is systematically improving the overall competitiveness of the organization.

Domestic Employee Training Programs

Target Audience	Training Course	Training Purpose
All Employees	Sexual Harassment, Industrial Safety, and Disability Awareness Improvement Training	· To protect workers' labor rights and interests and prepare for the prevention of various accidents resulting from changes in the work environment.
	Ethical Management	· To spread a culture of sustainable management based on fair trade. · To practice ethical management by establishing a systematic compliance culture.
	Human Rights Training	· To enhance the value of human dignity. · To educate on the importance of discrimination prevention and action.
	Environmental Protection	· To raise awareness of the importance of environmental protection and cultivate the ability to practice it.
	Mobile English	· To strengthen global and practical job competencies by improving foreign language skills.
	Job Training	· To strengthen practical job competencies through training for the purpose of self-development, without limitations on division or job.
Personal Information Handlers	Personal Information Protection Training	· To inspire a sense of ethics in workers.
Promoted Employees	Promoted Employee Training	· To provide strong motivation for promoted employees through customized training that addresses changes in the business environment. · To inspire pride and a sense of belonging in the company and to present a vision. · To foster an understanding of the roles and attitudes appropriate for the promoted position.
Internal Accounting Managers	Internal Accounting Control System	· To establish, maintain, and manage policies and procedures that reflect the purpose of the internal accounting control system.

Career Development and Training Support System for Promoted Employees

ShinWon operates a comprehensive system that provides unlimited financial support for self-development training for employees in all divisions. Additionally, strategically customized, rank-specific training is conducted annually for promoted employees to help them respond to the rapidly changing business environment. The company operates a robust training system that strongly motivates members, instills deep pride and a genuine sense of belonging in the company among them, and helps them thoroughly understand the roles and attitudes required for their respective positions.

2024 Training Program for Promoted Employees

Promoted Employee Course	
Training Target	· All employees promoted in the current year
Training Participants	· Juim (Assistant Manager)(22 persons), Daeri (Manager)(31 persons), Gwajang/Chajang (Section/Department Manager)(34 persons)
Training Date	· Once a year per rank (1 day)
Training Content and Method	· Juim: Proactive problem-solving, self-leadership, healing program · Daeri: Improvement of work skills, conflict management, collaboration and communication · Gwajang/Chajang: High-performance motivation, organizational communication, healing program in-person training



Scene from the Promoted Employee Training

Strategy

ShinWon's Talent Development Programs in 2024

New Hire Onboarding Training	
Training Target	New hires (including both entry-level and experienced staff)
Training Dates	Twice a year (first and second half)
Training Purpose	To enhance organizational commitment by establishing the position and attitude of an organization member, and to support new hires in settling into company life and adapting quickly through a general understanding of the organization.
Training Content and Method	In-person training to understand the tasks and roles of various departments such as Overseas Sales, Strategy, Export/Import, Quality Control, Purchasing (subsidiary materials), and the Sample Room.
Number of Participants	First half of 2024: 27 persons; second half of 2024: 37 persons
Training Satisfaction	First half of 2024: 4.23 points; second half of 2024: 4.41 points (out of 5)

In-House Language Courses (English and a second foreign language)	
Training Target	All executives and employees
Training Dates	Twice a year (first and second half)
Training Purpose	To meet the educational demand for improving English and other second foreign language skills of executives and employees who frequently use English for business tasks such as meetings with overseas buyers, as well as for conference calls and presentations.
Training Content and Method	Choice of one from English/Vietnamese/Indonesian/Spanish via video (PC) or phone.
Number of Participants	First half of 2024: 30 persons; second half of 2024: 30 persons
Training Satisfaction	First half of 2024: 4.5 points; second half of 2024: 4.5 points (out of 5)

Leadership Training for Position Holders	
Training Target	Position holders at the team leader level and above (including executives)
Training Dates	Once a year
Training Purpose	To learn feedback skills that lead to member growth and performance.
Training Content and Method	Hybrid online and offline training on understanding the essence of performance management, the leader's role in driving performance, and skills for providing feedback to team members.
Number of Participants	70 persons
Training Satisfaction	4.5 points (out of 5)

(Special Lecture by a Renowned Speaker) Smart Language Life (Organizational Communication Training)	
Training Target	All executives and employees
Training Dates	Once a year (1.5 hours)
Training Purpose	To understand the concept of "the vessel of speech" (one's capacity for communication), learn methods for respectful dialogue, and understand the importance of congruent communication.
Training Content and Method	Hybrid online and offline training on understanding the importance of and methods for proper communication within the organization.
Number of Participants	350 persons
Training Satisfaction	4.2 points (out of 5)

Strategy

Employee Performance Evaluation

ShinWon evaluates the performance and competencies of its executives and employees based on rigorous objective and fair standards and links these evaluations to comprehensive human resource matters such as promotions, compensation, and talent development. The company operates a sophisticated evaluation system that reflects the unique characteristics of each division and job-specific competencies and strengthens employees' sense of responsibility by having them set and execute their own goals. Additionally, the company is continuously advancing the system by regularly supplementing and managing the divisional evaluation systems to ensure that fair evaluations are conducted for all executives and employees.

Employee Benefits System

ShinWon's Employee Benefits System

ShinWon operates a comprehensive range of employee benefits systems that consider the entire life cycle, enabling executives and employees to lead satisfying lives in a secure environment. The company fosters a supportive work environment wherein work-life balance can be achieved through systems that add vitality to daily life, such as in-house clubs for leisure and rest, regular vacations, and condominium membership benefits, as well as maternity/childcare leave and provision of women's lounges and lactation rooms. A snack vending machine system, piloted in December 2023, was expanded company-wide in February 2024 thanks to overwhelmingly positive employee response, thus providing snack points to all executives and employees. In addition, extensive practical welfare systems such as tuition support, cafeteria environment improvements, health check-ups, accident insurance, housing loans, and congratulatory/condolence grants are being continuously expanded. Furthermore, with the goal of fostering a "Fun to Work" organizational culture, we are proactively reviewing and advancing employee-centered welfare initiatives, including pursuing family-friendly workplace certification and revitalizing in-house communities. Through these dedicated efforts, we aim to enhance member satisfaction and engagement while also promoting the sustainable growth of the organization.



Introduction of the Snack Vending Machine

ShinWon's Domestic Workplace Employee Benefits System

Leisure Life	Living Stability Funds	Awards System
- In-house club activities - Summer vacation - Membership benefits at famous condominiums nationwide (Hanwha, Sono, Phoenix Park, etc.)	- Housing loans - Loans from the Christian Fellowship - Disaster and calamity relief funds	- Awards for long-term employees - Awards for exemplary employees - Provision of sabbatical leave
Health Management	Self-Development	Convenience Facilities
- Support for health check-ups (at specialized general health screening institutions) - Support for general health check-ups for employees' families (at a preferential special price) - Enrollment in accident insurance schemes and subsidies for hospitalization expenses for all employees	- Support for foreign language education - Support for external group/consignment training - Operation of an in-house library	- Operation of an in-house cafeteria - Operation of employee lounges and lactation rooms
Family-Friendly Workplace	Work Life	
- Payment of congratulatory/condolence grants and goods - Support for children's tuition - Provision of holiday gifts - Maternity leave (for employee, for spouse) - Childcare leave - Provision of gift certificates to employees on their birthday - Celebrating "Family Day" every Wednesday	- Provision of lunch and dinner (operation of an in-house cafeteria) - Support for communication, parking, and fueling expenses (differs by job) - Provision of birthday gift certificates - Provision of clothing gift certificates for new employees - Provision of clothing gift certificates to celebrate children's school admission - Provision of discount coupons for the company's own brands - Support for third-party childcare fees	

Operation of Customized Employee Benefits Systems by Country for Overseas Workplaces

ShinWon operates tailored customized employee benefits systems that reflect the unique cultural and institutional characteristics of its overseas workplaces, supporting local employees so that they can work in a healthy and stable environment. The company focuses on significantly exceeding legal standards to enhance welfare levels and job satisfaction, thereby strengthening both the sustainable work environments of its global workplaces and the organization's robust sustainable management capabilities.



Athletics Meet and Women's Day Event at the Shinwon Ebenezzer Hanoi Co., Ltd

Strategy

ShinWon's Overseas Workplace ¹⁾ Employee Benefits System

Category	Vietnam	Indonesia	Guatemala	Nicaragua
Work Environment Improvement and Employee Welfare	· Support for costs of preparing hiring documents · Support for birthday celebrations (cash gift) · Provision of holiday gifts · Selection for and provision of outstanding academic scholarships (once a year) · Support for employee lunch costs · Constant operation of an in-house snack bar · Provision of business laptops · Support for fuel costs · Operation of a work system for work-life balance	· Support for costs of preparing hiring documents	· Support for costs of preparing hiring documents · Support for commuter buses · Conducting traffic safety training · Ensuring regular vacation twice a year (Easter/year-end) · Selection and awards for Employee of the Month (based on attendance, productivity, defect rate) · Provision of essential supply kits in case of natural disasters · Provision of commemorative gifts for employees on their birthday · Support for employee sports activities (including inter-departmental futsal tournaments, women's tournaments)	· Support for costs of preparing hiring documents · Operation of an interest-free loan system · Introduction of a flexible work system (flextime) · Support for interest-free grocery purchases · Operation of an awards system for long-term employees
Health Promotion	· Support for comprehensive check-ups twice a year · Support with grants for recovery from illness · Provision of constant medical services and free first-aid medicine through the operation of an infirmary	· Support for costs of health check-ups before hiring and for those over 60 years · Education on disease prevention methods for all employees	· Cervical cancer screening for female employees (optional) · Flu vaccinations and prescriptions of Vitamin B/iron supplements for female employees · Conducting AIDS prevention training · Free provision of medicine (first-aid)	· Support for free flu and COVID-19 vaccinations · Provision of constant medical services and free first-aid medicine through the operation of an infirmary
Support for Pregnant Employees and Families	· Support with childcare supplies for pregnant employees · Operation of lactation rooms · Provision of cash gifts for childbirth · Provision of support grants for those with serious illnesses (14 types (cancer, stroke, etc.)) · Support with grants, leave, wreaths, etc., for family events (celebrations/condolences) · Provision of cash gifts to celebrate children's admission to elementary/middle/high school	· Support with childcare supplies for pregnant employees · Support for 3 months of maternity leave · Provision of support grants for marriage and family death	· Support with childcare supplies for pregnant employees	· Support with childcare supplies for pregnant employees · Provision of cash gifts for childbirth and condolence money for family death · Provision of breakfast time for pregnant employees · Operation of a reduced working hours system for pregnant and nursing employees · Implementation of a job security system for pregnant and nursing employees
Anniversary Events	· Warm Love Spring event: Gala show, support for families of the underprivileged and seriously ill, giving gifts for Women's Day · Sport competition event: In-house sports events such as athletics meets, talent shows, and team building activities · Women's Day event: Holding a photo zone event for Women's Day	· Provision of special meals for International Women's Day and Mother's Day · Holding an Indonesian Independence Day event · Giving gifts for Eid al-Fitr	· Holding an International Women's Day event (placards, photo zone, provision of snacks for all employees, etc.) · Father's/Mother's Day event (photo zone, provision of lunch for mothers, provision of coffee for fathers) · Christmas and year-end gift raffle, awards for long-term employees (10 years) · Easter celebration (hymns by an external church choir)	· Provision of special meals for International Women's Day and Mother's Day

¹⁾ A total of 10 ShinWon workplaces: Shinwon Ebenezer Vietnam Co., Ltd / Shinwon Ebenezer Hanoi Co., Ltd / PT Shinwon Indonesia / PT Fashion Stitch Joshua / Shinwon Guatemala S.A. / Daniel Tex, S.A. / Fashion Stitch Guatemala, S.A. / Omega Tex, S.A. / Modas Blue, S.A. / Fashion Stitch Noah, S.A.

Strategy

Vacation System and Other Benefits for Expatriates

To help expatriates settle in and maintain a stable local life and focus on their work, ShinWon provides comprehensive allowances and vacations in accordance with internal regulations. Additionally, the company enhances expatriates' job satisfaction and work efficiency through extensive employee benefits systems, such as airline ticket support and support for children's education and tuition fees.

Regulations Related to Expatriates

	Provision of expatriate allowances		Regular vacation for expatriates
	Airline ticket support for vacations		Support for education and children's tuition fees
	Enrollment in and support for medical and long-term overseas stay insurance schemes		Support for housing rent

Corporate Culture Activities

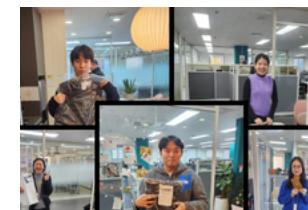
To foster a dynamic organizational culture, ShinWon conducts various events such as providing snacks on special days, running coffee trucks, and providing drinks at the in-house cafe. Additionally, to promote seamless communication between staff members from different ranks, the company plans and operates engaging exchange programs that include those from all generations and ranks, such as "Hanmaeum (One-Mind) Retreat" and "Happy Crew." Moreover, the company actively encourages in-house club activities to strengthen voluntary communication and bonds among employees, thereby spreading a horizontal organizational culture and a highly collaboration-focused work environment.



Photo of a Happy Crew Activity

Export Division Christmas Event

The ShinWon Export Division operates a memorable company-wide event every Christmas season to strengthen communication and bonds among employees and foster a thriving organizational culture. This event is personally planned and led by the CEO and has achieved significant tangible results in enhancing member satisfaction and sense of belonging, going far beyond a simple annual event. The 2024 event was held for two days, on December 23rd and 24th, and involved engaging diverse activities that employees could enjoy and participate in together, such as the delivery of heartfelt thank-you messages and interactive participatory programs. Through these meaningful cultural activities, ShinWon is continuously spreading a healthy workplace culture where mutual respect and consideration are deeply preserved.



2024 Christmas Event

Risk management

Freedom of Association and Collective Bargaining

Labor Management Council

ShinWon regularly holds a Labor Management Council meeting each quarter, composed of 3 employee representatives and 3 employer representatives. Through the council, key issues concerning management status, the work environment, and employee benefits, among others, are openly shared, and mutual common interests are pursued based on deep understanding and collaborative cooperation between labor and management. Accordingly, the company is contributing to the establishment of robust and sustainable labor-management relations.

2024 Labor Management Council Achievements

Number of meetings held	4
Number of agenda items discussed	8

Status of Freedom of Association and Collective Bargaining by Country

Country	Details
Nicaragua	- Regular labor-management meetings held twice a month (attended by union committee members, HR managers, and representatives) - Discussion and decision on management status and key labor management issues in the meetings - Provision of union activity funds and support for activities - Operation of monthly meetings between HR managers and union committee members
Vietnam	- Establishment and operation of labor unions in the subsidiaries - Shinwon Ebenezer Vietnam Co., Ltd: Established in 2003, all employees are members - Shinwon Ebenezer Hanoi Co., Ltd: Established in 2010, all employees are members - Operation of a Labor Management Council centered on field workers - Establishment of the Union Executive Committee - Composed of the Union Chairperson, Union Vice-Chairperson, and Executive Committee officials - Dialogue between the union and workers - Government regulation: Held twice a year (once every 6 months) - Shinwon Ebenezer Hanoi Co., Ltd: Held 6 times a year (once every 2 months) for close communication with workers - Guarantee of autonomy for union activities and active support from the company - Shinwon Ebenezer Hanoi Co., Ltd: Implemented two salary increases in 2024 and completed the worker consultation and consent process (the first on February 5, and the second on July 11)
Indonesia	Operation of a Labor Management Council composed of 9 employee representatives and 9 company representatives

Support for Retirees

ShinWon operates a comprehensive retirement pension system to support the stable career transitions of its employees and their lives after retirement and is preparing a solid institutional foundation for mid-career employees to carve out their future and take on new challenges. Especially for employees with more than 10 years of dedicated long-term service, an amount equivalent to one year's salary is additionally paid for every five years of service when their severance pay is provided, thereby supporting a substantial level of living stability and preparation for old age. For overseas workplaces, the company also fully complies with the laws and systems of each country and has a robust management system in place to ensure that fair and reasonable severance pay is provided to locally hired personnel. The 2nd Vietnam subsidiary is recognized locally as an exemplary model payment company for having faithfully paid insurance premiums for the 16 years since its establishment in 2009.

Status of Operation of Retiree Support Systems by Overseas Subsidiaries

Overseas Subsidiary	Retiree Support System
Shinwon Ebenezer Vietnam Co., Ltd	- For employees who joined before 2009: Severance benefits are calculated and paid as per the company's own standards. - For employees who joined after 2009: Severance benefits are paid through unemployment insurance.
Shinwon Ebenezer Hanoi Co., Ltd	- In 2013, an unemployment insurance system was introduced, wherein the company and the worker each pay 1% of the standard salary as a premium. - Enrollment and payment for all executives and employees (unemployment benefits can be received for 3 months).
Nicaragua and Guatemala Subsidiaries	- Provision of letters of recommendation in the company's name, if necessary, for workers preparing for a career change after retirement. - Active support for social connections and employment linkage after retirement.



Strategic Task 7 Bolster health and safety management across all operations

Won Story

ShinWon is continuously advancing its comprehensive company-wide safety and health system so that all executives and employees can work in a safe and healthy environment. The company strictly complies with the "Serious Accidents Punishment Act" and the "Occupational Safety and Health Act," which came into effect in January 2022, and operates tailored customized safety policies based on the laws of each country and the unique characteristics of each workplace. In particular, we have established dedicated safety and health teams at all overseas workplaces and are doing our utmost to prevent safety accidents by identifying and managing potential risks in advance through systematically regular risk factor inspections and status assessments. ShinWon will continue to place the absolute highest priority on safety and pursue continuous improvements to create a working environment in which all members can work with complete peace of mind.

2024 Highlight

Shinwon GLS completed improvement measures for 14 cases of safety-related hazards and risk factors.

Governance

Safety and Health Management System

ShinWon has established and declared a robust company-wide safety and health policy to make safety its top priority and build a comprehensive universal safety culture, thereby communicating an unwavering strong will to practice this ethos to executives, employees, and stakeholders. This policy applies to all work, including at all workplaces and partner companies. In 2022, a strategic management policy was enacted to support safety-based decision-making and establish a deep-rooted safety culture within the organization. Moreover, the company is promoting effective internalization of the policy through practice-oriented safety and health training and is enhancing the effectiveness of the training with enriched content that reflects case studies of successes and failures. We plan to continue spreading this safety culture not just through declarations but also through systematic education and ongoing continuous improvements.

Safety and Health Management Policy

With the goal of realizing "Zero Serious Accident" workplaces, ShinWon establishes and operates a comprehensive safety and health management policy for all stakeholders, including not only executives and employees but also subsidiaries, suppliers, partner companies, and distribution networks. This policy is evaluated regularly and functions as a fundamental core standard for strengthening the safety systems of each workplace and for disaster prevention. Going far beyond strict compliance with legal requirements, we conduct thorough regular inspections and risk assessments to create a healthy and safe work environment, and are spreading a strong safety culture through the operation of safety and health committees and campaigns at the headquarters and workplace levels. Additionally, we conduct proactive health counseling and regular health check-ups for our employees, and are continuously improving the safety and health systems at our overseas subsidiaries through rigorous external audits and follow-up measures. ShinWon plans to further solidify its company-wide safety and health management system through strategic effective education and training.

- [Declaration of Safety and Health Management](#)
- [Safety and Health Management Policy](#)

ShinWon's Safety and Health Management Policy

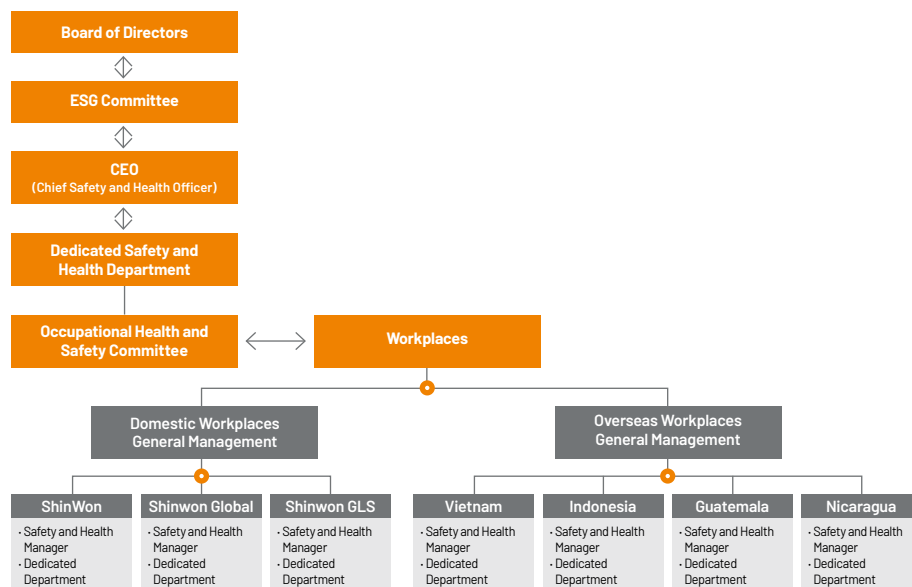
1	The CEO shall make "protecting the lives of workers" and "creating a safe work environment" the top priority goals of the company's business activities.
2	The CEO shall establish a safety and health management system at the workplaces and provide sufficient human and material resources to eliminate and control risk factors at the workplaces.
3	We shall set safety and health goals and establish and implement detailed action plans to achieve them.
4	We shall establish and faithfully implement internal regulations that comply with safety and health-related laws and associated regulations.
5	We shall identify risk factors through worker participation, and the identified risk factors must be improved and shared through training.
6	We shall ensure that all members are aware of the risk factors related to their duties and impart education and training on techniques for eliminating, substituting, and controlling risk factors.
7	We shall ensure that all suppliers and contractors comply with our safety and health policy and safety requirements.
8	All members shall faithfully fulfill their responsibilities and duties regarding safety and health activities.

Governance

Safety and Health Management Promotion Organization

ShinWon has established a comprehensive company-wide safety and health promotion organization to systematically manage safety and health risks at each workplace and create an environment where executives and employees can work with complete peace of mind. At the headquarters and domestic and overseas workplaces, specialized dedicated organizations and Safety and Health Managers are appointed to operate a field-oriented management system precisely tailored to the unique characteristics of each workplace. The CEO, as the chief safety and health officer, directly oversees the establishment and operation of policies, and is fully substantively supported by a dedicated organization directly under the CEO. Each workplace also operates a focused dedicated organization under the supervision of its Safety and Health Manager, which carries out targeted implementation-focused activities such as risk factor inspections and accident prevention. The Board of Directors annually receives detailed reports on and reviews the safety and health policy, organizational operation, budget, and activity performance, thereby continuously strengthening the executive-level implementation capability and adequacy of the management system.

Safety and Health Management Promotion Organization Chart



Occupational Health and Safety Committee

ShinWon establishes and operates an Occupational Health and Safety Committee at all workplaces based on the "Occupational Safety and Health Act," and regularly holds quarterly meetings with a committee composed of an equal number of labor and management representatives. The committee thoroughly deliberates and resolves key agenda matters such as the establishment of industrial accident prevention plans, worker safety and health training, work environment measurement, health management, and the investigation of causes of serious accidents and establishment of recurrence prevention measures, ensuring that the outcomes of discussions lead to prompt improvement actions. The key matters discussed in the committee and the results of the actions taken are openly shared with all executives and employees through internal bulletin boards. We thus strive to enhance the safety awareness of our members and establish a robust participation-based safety culture throughout the organization.

2024 Occupational Health and Safety Committee Activity Details

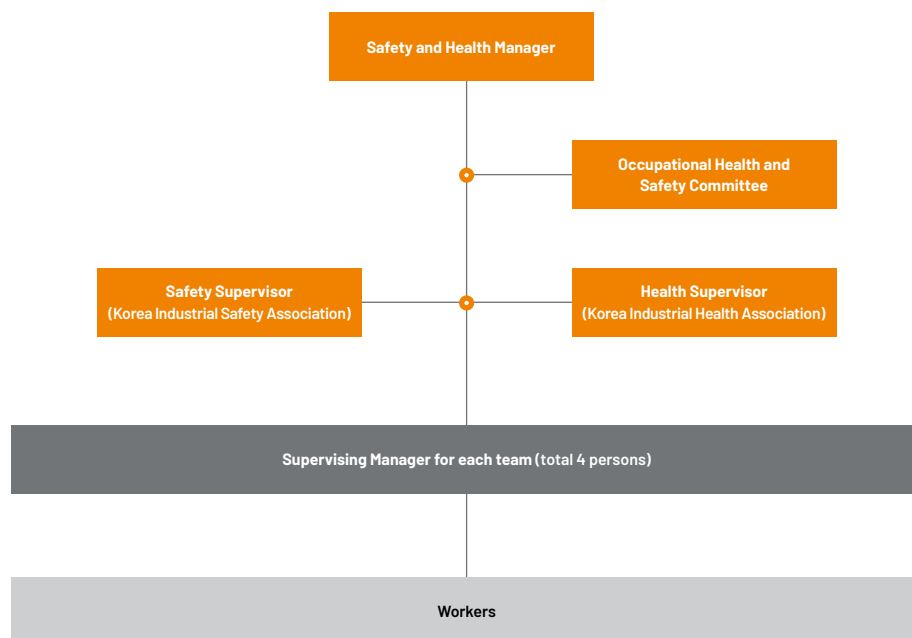
Category	Date	Content	Result
1st Quarter Regular Committee Meeting	Mar 06, 2024	Determining the Occupational Health and Safety Committee members and forming the safety and health organization	Reported to the Board of Directors
		2024 Safety and Health Management Regulations, Safety and Health Plan	
		Regular in-house safety and health training	
2nd Quarter Regular Committee Meeting	Jun 05, 2024	Employee health check-ups	
		Conducting regular risk assessments	
		Summer health management training	
3rd Quarter Regular Committee Meeting	Sep 04, 2024	Change of supervising manager	Reported to the Board of Directors
		Conducting regular risk assessments	
		Autumn health management	
4th Quarter Regular Committee Meeting	Dec 04, 2024	Disaster prevention related to cerebro-cardiovascular diseases	
		Occupational safety and health training for the second half of the year	
		Report on the management system for the Serious Accidents Punishment Act for the second half of the year	
		Results of the 2024 worker health check-ups	

Governance

Shinwon GLS Safety and Health Management Organization

Shinwon GLS designates the head of the logistics center as the Safety and Health Manager and systematically operates a specialized safety and health organization that reflects the specific characteristics of the logistics industry and its work environment. In the safety field, comprehensive regular on-site inspections are conducted twice a month in conjunction with the Korea Industrial Safety Association; in the health field, qualified professional staff from the Korea Industrial Health Association perform thorough health inspections once a month. Accordingly, the company identifies the various risk factors at logistics sites in advance and continuously manages and improves the health and safety of its workers proactively.

Shinwon GLS Safety and Health Management System Chart



Safety and Health Management System

ShinWon has established a comprehensive safety and health management system based on international and domestic standards and continuously evaluates and improves it to raise the overall safety level of the organization. The HR and General Affairs Team, as the company-wide central department for safety and health, is responsible for safety diagnostics, legal monitoring, education and training support, accident investigation, and the establishment of prevention measures for domestic and overseas workplaces, effectively supporting the safety activities of all workplaces. Moreover, the HR and General Affairs Team supports the safety management activities of all workplaces, establishes strategic annual safety and health goals, and links them to workplace evaluations, thereby strengthening responsible safety management. At each workplace, under the leadership of dedicated departments and managers, diverse activities are carried out to enhance the safety awareness of employees and foster an autonomous safety culture. In the event of a disaster, the cause of the accident is thoroughly analyzed to prevent recurrence, and a unified integrated safety management system is operated by applying the same safety and health standards to the workers of partner companies.

Shinwon GLS Safety and Health Management System

Shinwon GLS has established a robust systematic safety management system based on its safety and health policy, applying it not only to the entire logistics center but also to its executives and employees, subsidiaries, and partner and subcontracting companies. Additionally, it is strengthening its response in accordance with the "Serious Accidents Punishment Act" and the "Occupational Safety and Health Act," and is continuously expanding its safety and health activities for disaster prevention. To this end, the company has meticulously subdivided its safety and health management regulations and hazardous work guides to prevent risks throughout its business operations in advance.

Shinwon GLS Safety and Health Rules, Emergency Preparedness and Response Methods, and Forklift Safety Rules

[illegible]

Governance

Overseas Workplace Safety and Health Management System

All of ShinWon's overseas workplaces have established comprehensive systematic safety and health management systems to effectively manage the safety and health of each division. By seamlessly integrally managing data, policies, procedures, and training related to safety and health, we strive to create a secure work environment and significantly improve the quality of life of our overseas executives and employees.

Components of the Overseas Workplace Safety and Health Management System



Strategy

ShinWon's Safety and Health Strategy

Mid- to Long-Term Safety Management Goals

Category	2025	2026	2027
Achieving Zero Occupational Accidents	Establish and proclaim essential workplace safety rules	Review introduction of policies for accident and disaster prevention	Conduct safety campaigns for employees to spread a safety culture
	Inspect one-time/short-term construction sites	Disseminate analyses of accident case studies and establish preemptive safety measures	Operate specialized safety training tailored to the work characteristics of one-time/short-term construction contractors
	Strengthen fire-fighting facilities at high fire-risk locations	Conduct regular safety accident simulation drills	Disseminate case studies from and advance the skills of workplace Safety and Health Managers
Compliance Risk Management	Training to strengthen the expertise of Safety Managers	Establish a process for constant monitoring of safety-related laws and regulations	Cross-check competencies through internal seminars for Safety Managers
	Distribute safety and health training materials to partner companies	Conduct hands-on training for partner companies	Evaluate compliance with related laws (conducted semi-annually)

ShinWon's 4 Essential Safety Rules

Wear Protective Safety Equipment	Comply with Safe Workplace Procedures	Attach Safety Signs	Conduct Safety and Health Training
- Manage and inspect protective safety equipment - Supervise post-use management of protective safety equipment	- Manage safety procedure standards for each work process and piece of equipment - Monitor compliance with safety guidelines through checklists	- Attach safety and health signs on hazardous/dangerous equipment and facilities - Boost workers' awareness of safety and health	- Manage legally required safety training and conduct regular consultations - Conduct safety education and training for each job group

Strategy

Overseas Workplace Safety and Health Management Promotion Strategy

ShinWon has formed specialized dedicated safety and health organizations at all its overseas workplaces and is making continuous improvements by making the organization's safety and health its absolute top priority. We have set safety and health as a critical key area of our management strategy and are continuing with rigorous systematic management and practice so that all executives and employees can work and live in a completely safe environment.

Overseas Workplace Safety and Health Management Promotion Strategy

1	Management Support	To successfully promote safety and health management, there is active support from the management team.
2	Effective Leadership	Leaders responsible for safety and health effectively lead in planning and executing measures to enhance safety and disseminate them throughout the organization to build a safety culture.
3	Clear Allocation of Responsibility and Duty	To successfully promote safety and health management, responsibilities and duties must be clearly allocated. All members understand their roles and responsibilities and actively participate in work related to safety and health.
4	Continuous Improvement and Innovation	ShinWon's safety and health teams focus on enhancing safety through continuous improvement and innovation. They introduce new methods and technologies to prevent accidents and illnesses and promote continuous performance improvements.
5	Strengthening Participation and Communication	We foster a safety culture by strengthening the participation and communication of all members involved in safety and health management efforts. Workers share their opinions on safety and health and work together to create a safe environment.
6	Providing Learning and Education	The organization promoting safety and health management creates a safe work environment by providing necessary education and training to workers. It also provides learning opportunities by analyzing accidents and case studies to prevent recurring problems.

Safety and Health Activities

Domestic Workplace Safety and Health Activities

To systematically manage the safety of its domestic logistics workplaces and the health of its employees, Shinwon GLS conducts comprehensive transparent and regular inspections and health management through consignment contracts with reputable third-party professional organizations. For instance, through consignment contracts with the "Korea Industrial Safety Association" and "Korea Industrial Health Association," safety management is operated on the basis of bi-monthly on-site inspections and report submissions, while health management involves continuously checking the health status of employees through monthly nurse visits, quarterly industrial hygienist inspections, and semi-annual doctor consultations. In the summer and winter, to maintain an optimal temperature in the workplace and reduce work fatigue, an additional 10 minutes is added to the existing break time during the hottest and coldest periods. The break rooms are equipped with air conditioners and heaters to provide a comfortable rest area. Particularly in the summer, the 7th-floor work area, where high temperatures are concentrated, is operated on a rotation basis, and mobile air conditioners are installed inside containers during unloading to prevent heat-related illnesses among workers. Additionally, to establish a strong safety culture in the workplace, we are planning to introduce a Toolbox Meeting¹⁾ system, through which we will foster a robust practical safety culture of sharing and preventing daily risk factors in advance. In this way, Shinwon GLS is practicing effective safety and health management at its domestic workplaces through responses to seasonal environments and targeted site-specific safety and health activities.

1) A short, safety-related pre-work meeting between workers and a manager.

Overseas Workplace Safety and Health Activities

ShinWon carries out extensive safety and health activities at its overseas workplaces to protect the health and safety of its workers and establish and maintain a sustainable safety culture. The headquarters receives detailed monthly reports from all overseas workplaces on the results of thorough regular fire prevention inspections, including the operational status of key fire-fighting equipment and checks of distribution panels and electrical wiring. Risk factors identified from the inspection results are immediately addressed at each workplace, which then reports back to the headquarters with comprehensive related evidentiary materials. Additionally, each overseas subsidiary conducts regular fire safety training and evacuation drills so that all executives and employees can respond quickly and safely in an emergency.

Strategy

Overseas Workplace Safety and Health Activities

Activity	Description
Risk Assessment and Management	Preventing the occurrence of accidents and illnesses by identifying and assessing the risks for all tasks and activities and preparing appropriate control measures.
Safety Education and Training	Improving safety awareness and supporting the acquisition of safe work methods through education on safety regulations and procedures, and training on the use of necessary safety equipment.
Work Environment Improvement	Enhancing the health and safety of workers by improving the work environment, including improvements for proper lighting, ventilation, and noise and vibration management.
Accident Investigation and Analysis	Thoroughly investigating accidents that have occurred to identify their causes and thereby implementing measures to prevent the recurrence of similar accidents.
Health Check and Screening	Periodically checking the health status of workers and providing screenings for disease prevention.
Regulatory Compliance and Inspection	Supporting the organization in maintaining an appropriate level of safety by ensuring compliance with relevant laws and regulations and adherence to safety rules.
Participation and Opinion Gathering	Promoting worker participation and opinion gathering to enhance the organization's awareness of and participation in safety and health management efforts.

Safety and Health Training

To enhance the safety awareness of its employees and prevent risks in advance, ShinWon conducts comprehensive systematic safety and health training for all company employees and related departments. Through tailored customized training for different targets, such as regular safety and health training, legally required training for supervising managers, job training, and special training, the company is establishing a robust company-wide safety and health culture and strengthening its risk prevention and response system. Safety and Health Supervising Managers are designated at each workplace and are required to complete 16 hours of legally required training annually. Professional expertise and execution capabilities are also honed among Safety and Health Managers through specialized separate trainings.

Number of Participants in the Safety and Health Training Over 3 Years

2022	2023	2024
687 persons	673 persons	1,429 persons

Shinwon GLS operates comprehensive systematic training programs to strengthen the safety and health competencies of employees at its domestic logistics workplace and overseas production subsidiaries. It conducts thorough regular safety and health training by focusing on the roles and responsibilities of on-site managers, emergency response procedures, and methods for conducting risk assessments. It regularly implements evacuation drills for fires and training on response measures for various disaster scenarios, thereby enabling employees to be equipped with the capability to respond effectively and safely even during actual crisis situations.

Shinwon GLS Safety and Health Training Details

Month	Training Content	Participants (persons)
January	Heavy Object Handling Training	34
	Stretching Training for Office Workers	6
February	Forklift Safety Training	29
	Safety Training	10
March	Elevator Safety Training	31
	Stretching Training	7
April	First Aid and CPR Training	29
	Safety Training	9
May	Fire Prevention and Fire Response Training	29
	Safety Training	9
June	Safety Training for Mobile Field Workers (Han Moon-chul's Into the Field)(Online)	43
	Training on Prevention of Heat-Related Illnesses due to Summer Heatwaves	29
July	Safety Training	9
	Safety Accident Case Study Training (3-Step Ladder)	30
	Safety Accident Case Study Training (Forklift)	24
August	Fire Prevention Training	29
November	Safety Training for Mobile Field Workers (Han Moon-chul's Into the Field)(Online)	43

Strategy

Employee Health Management

Establishing a Healthy Work Environment

Under the belief that the healthy bodies and minds of our employees are the foundation for continuous corporate growth, ShinWon proactively promotes worker health management. We conduct comprehensive annual health check-ups through reputable specialized comprehensive health screening institutions, and the recovery of workers who are found to be ill is supported through diligent follow-up tracking and management. We regularly measure job stress factors and strive to create a work environment that can effectively alleviate physical fatigue and mental burden.

Employee Health Support System

Program	Description
Health Check-Up	Conduct annual health check-ups for all executives and employees to regularly check their health status.
Health Diagnosis Follow-Up Management	Operate a customized health management program that provides in-person counseling and guidance on lifestyle improvements for individuals with health risks based on health check-up results.
Expatriate Accident Insurance	Enrollment in accident insurance schemes to support medical expenses for various accidents or illnesses during expatriate service.
Musculoskeletal Hazard Factor Survey	Identify risk factors and improve the work environment through ergonomic work analysis related to workers' musculoskeletal disorders.
Emotional Labor Evaluation	Support the psychological health of executives and employees in jobs involving emotional labor (CS) based on the emotional labor level evaluation chart.
Smoking Cessation Clinic	Induce smoking cessation practices through the provision of smoking cessation support services to reduce smoking rates and promote health.
Installation of Rest Facilities	Mandatory installation of rest facilities at all workplaces in accordance with the Occupational Safety and Health Act; maintaining rest areas that meet standards for appropriate temperature, humidity, ventilation, and furnishing (installation completed on the 8th floor of Samchang Plaza and the Main Building).
Installation of Health Management Office	Support for employee health management through the operation of a Health Management Office on the 6th floor of the Main Building, providing first aid for external injuries, provision of medicine, and health counseling (blood pressure, blood sugar, cholesterol measurement, lifestyle improvements, etc.).

Spreading a Safety and Health Culture

To internalize a culture that considers safety a paramount priority, ShinWon conducts comprehensive Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training for all employees, and also carries out rigorous firefighting drills covering fire suppression and emergency rescue. In particular, we have established a strategic plan to train CPR-certified individuals from 2023 to 2025 and are promoting systematic training with the goal of achieving a cumulative completion rate of 10% during this period.

System for Building a Safety and Health Culture

Program	Description
Cardiopulmonary Resuscitation (CPR) Training	· To strengthen emergency response capabilities in the event of cardiac arrest, conduct training on CPR for adults and infants and on the use of Automated External Defibrillators (AED) (3 times a year, certificates issued).
AED and First Aid Kit Management	· To strengthen emergency response capabilities, ensure awareness of AED locations and check their operational status. · Operate an integrated emergency supply management system, including regular checks of the expiration dates and quantities of medicines in first aid kits.
Installation of AEDs at Overseas Subsidiaries	· Completed installation of 2 Automated External Defibrillators (AEDs) each at 8 overseas subsidiaries (in the infirmary/dormitory). · Strengthen emergency response capabilities by providing training on their use and establishing an inspection system.



CPR Training Activity



Information on the Operation of the Health Management Office

Risk Management

Safety and Health Risk Management

Workplace Safety Inspection and Monitoring

ShinWon establishes comprehensive company management policies and management regulations in accordance with the "Occupational Safety and Health Act" and inspects the safety and health status and systematically manages risk factors through detailed operational standards for each safety and health task, including those for partner companies. Additionally, the company guarantees employees the right to refuse work in dangerous situations and conducts thorough accident investigations according to the safety and health management system in the event of an accident. Since 2023, the company has been continuously improving the safety and health level of its workplaces by strengthening the management of external contractors' work and regularly conducting comprehensive integrated risk supervision of internal workplaces.

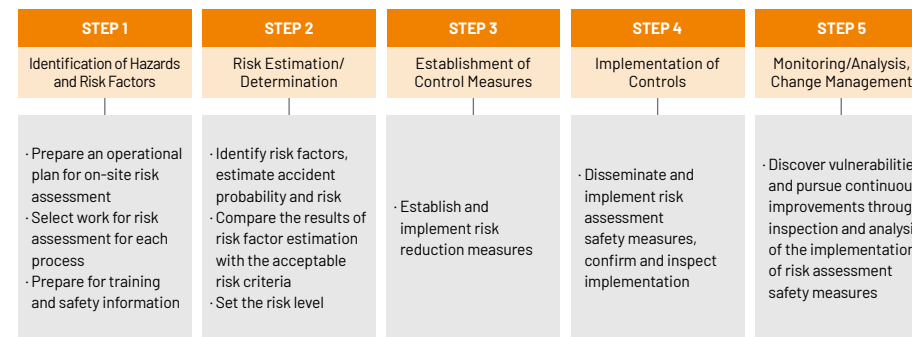
ShinWon's Safety and Health Risk Assessment Classification

Classification	Timing and Details
Regular Risk Assessment	- Conducted regularly for the entire workplace every year (once a year). - Identify all hazard and risk factors within the workplace, estimate and determine the probability (frequency) and severity (intensity) of injury or illness from said factors, and establish reduction measures.
Ad Hoc Risk Assessment	- Conducted upon the introduction and installation of new machinery, tools, and equipment. - Conducted upon changes to existing machinery, tools, and equipment. - Conducted upon the additional occurrence of risk factors due to changes in the work environment. - Conducted upon changes in hazardous agents and chemical substances. - Conducted upon the occurrence of an industrial accident.
Constant Inspection	- Conduct weekly patrol inspections of the workplace using a checklist. - Constantly check for items needing improvement and inspect compliance with safety regulations at daily work sites.

Risk Assessment and Improvement of On-Site Risk Factors

ShinWon conducts a comprehensive regular annual risk assessment for all its workplaces and in-house partner companies and responds preemptively through immediate ad hoc assessments in the event of a change in the work environment or the occurrence of a serious accident. In the assessment process, risk factors are thoroughly systematically identified, and targeted related reduction measures are established and recorded to ensure the safety of the worksite. Additionally, in-house partner companies conduct their own rigorous weekly patrol inspections, thereby developing collaborative horizontal safety and health activities with partner companies.

Risk Assessment Process



Overseas Workplace Safety and Health Risk Assessment

All of ShinWon's overseas subsidiaries undergo a comprehensive annual safety and health risk assessment from a qualified third-party organization. The assessment items cover safety related to firefighting, electrical equipment, building materials, labor, and hygiene, and the assessments are conducted in strict accordance with the laws of the respective country. In an assessment conducted at the Vietnam subsidiary in 2024, risks were identified regarding machine warning signs not being affixed in the local language and the lack of internal covers on electrical cabinets to prevent electric shock. These lapses were promptly addressed, with the improvements subsequently approved by the third-party organization.

Shinwon GLS Risk Assessment Implementation and Monitoring

Shinwon GLS systematically classifies hazardous work through regular risk assessments and establishes and implements tailored customized safety management measures according to the level of risk. The company strengthens company-wide safety awareness by conducting consistent regular safety training at least once a month, as well as dissemination training and related safety training in the event of minor accidents. Additionally, through the continuous identification and assessment of safety and health risks, it manages risk-based work controls and ensures improvements so that all executives and employees can work in a completely safe environment. In 2024, a total of 14 hazard and risk factors were identified, and comprehensive related improvement measures were completed. Thus, the company has been able to achieve significant outcomes, including strengthening its accident prevention system, enhancing worker safety awareness and inducing behavioral changes, systematizing risk management for on-site structures and processes, and establishing a solid foundation for preventing the recurrence of accidents.

Risk Management

2024 Status of Hazard and Risk Factors and Improvement Measures

Hazard and Risk Factor		Current Risk Level	Improvement Measure	Improvement Measure Risk Level After Improvement
1	Risk of falling trolley	4	Installation of nets to prevent falling objects	2
2	Speeding forklift operation	4	Forklift safety rules training, adjustment of speed limit	2
3	Forklift safety rules training, adjustment of speed limit	4	Proper loading and periodic driver training	2
4	Head collision with equipment and trolleys	4	Installing "Watch Your Head" safety signs and conducting periodic training	2
5	Misstepping and collision on the ramp when moving event products from the main building	4	Periodic worker risk training, introduction of electric pallet trucks	2
6	Slipping on floor tiles	4	Wearing anti-slip shoes and installation of anti-slip tape	2
7	Misstepping when getting down from the mobile work platform while picking from 3-tier hanger racks	4	Periodic training on the use of auxiliary tools (gadget hand)	2
8	Risk of falling on the 1st-floor ramp surface and steep slope	6	Periodic training and installation of a gentle slope ramp	3
9	Risk of falling during conveyor maintenance	6	Installing "No Worker Entry/Riding" safety signs	3
10	Risk of falling during ladder work	4	Work in 2-person teams, wearing protective equipment according to work height	2
11	Work with arms raised above shoulders	4	Stretching before and after work	2
12	Falling accident from using a mobile cart when scanning the top of fixed hanger racks	4	Replacement of work ladders, training to prohibit the use of mobile carts	2
13	Risk of forklift collision	6	Installation of pedestrian walkways in the workplace, tidying and organizing the workplace	3
14	Pedestrians being hit by vehicles docking at the receiving area	6	Placement of a person as a guide during docking	2
Average	Average Current Risk	4.6	Average Risk After Improvement	2.2

Safety and Health Grievance Handling System

In accordance with the "Occupational Safety and Health Act," ShinWon operates a communication channel to gather workers' opinions related to safety and health and resolve grievances swiftly and fairly. This system is a legal framework for inducing work environment improvements based on worker participation. In 2024, improvement measures were completed for the 2 opinions that were received.

Grievance Handling Procedure

Grievance Receipt	Investigation and Review	Discussion and Decision on Solutions	Notification of Results and Implementation of Measures	Follow-Up Management
Workers can apply directly to the person in charge of grievance handling or the grievance handling body in writing, verbally, by phone, email, etc.	- The person in charge investigates the content of the grievance and reviews related materials. - Hears expert opinions and inspects the work environment.	After reviewing problem-solving measures, consult with related departments.	Notification of results and implementation of improvement measures.	Inspection of whether the measures have been implemented and review of whether additional improvements are needed.

Shinwon GLS frequently identifies and improves worker inconveniences and safety risk factors through freight volume meetings, part leader meetings, and suggestion periods after safety training. Chiefly, safety-related matters are addressed with priority, and an anonymous suggestion box has been installed on the B1 floor to freely gather opinions that are difficult to submit in person.

Shinwon GLS Safety and Health Grievance Handling System

Program Name	Frequency	Participants
Freight Volume Meeting	Daily	Department heads, team leaders, logistics planning, inventory planning, building management (total 9 persons)
Part Leader Meeting	Twice a month	Department heads, team leaders, part leaders (total 15 persons)
Suggestion Period after Safety Training	Once a month	All employees



Strategic Task 7 Ensure sustainable supply chain management

Won Story

ShinWon has signed a "4 Major Codes of Practice" agreement with its key partner companies, based on which it plans to establish a comprehensive supplier code of conduct to apply ethical and sustainable management standards across the entire supply chain. Additionally, through ongoing regular communication with partner companies, the company exchanges valuable mutual feedback and supports the establishment and implementation of strategic improvement plans. Through this collaborative process, ShinWon aims to strengthen the sustainable management capabilities of its partner companies and spread a widespread positive influence throughout the industry by building a robust win-win model for mutual growth.

2024 Highlight

Establishment of Mid- to Long-Term Goals for Shared Growth in the Supply Chain

Short-term(2024~2025)	Mid-term(~2028)	Long-term(after 2028)
· Supplier ESG document assessment · Support for supplier ESG training · Establishment of supplier ESG guidelines	· Conduct supplier supply chain due diligence · Expand supplier support programs · Create a shared growth fund	· Establish sustainable management in partner companies · Joint R&D on sustainable materials · Establish a shared growth partnership

Governance

Supplier Code of Conduct

ShinWon is strengthening collaborative responsible partnerships with its suppliers to build a robust sustainable supply chain. The company has signed a "4 Major Codes of Practice Agreement" with 10 key partner companies and has established a comprehensive supplier code of conduct for the fulfillment of social responsibility. This code has been stipulated as a mandatory standard that all partner companies must comply with at the time of contracting. It was distributed along with a detailed ESG manual to 10 key partner companies in September 2024 and is scheduled to be expanded to all partner companies by December 2025. Additionally, the same rigorous standard of Code of Conduct is applied to overseas workplaces to reflect ethical and social responsibility throughout the global supply chain, thereby preventing ESG risks in advance and supporting long-term sustainable growth.

Composition of ShinWon's Supplier Code of Conduct

Category	Description
Overview	· Stipulates the basic rules that partner companies supplying ShinWon's products and services must observe.
Purpose	· To ensure the adoption of best operational practices in the domains of ethics, environment, labor/human rights, safety/health, and management systems. · To aim for opportunities for mutual shared growth and for the entire supply chain, including partner companies, to grow into a corporation more respected by society by complying with the code of conduct.
Target	· All partner companies (compliance with the code is recommended).
Responsibilities and Roles	· Partner Company: Comply with the code of conduct. · ShinWon: Recommend risk improvement plans through inspections and due diligence.

Supply Chain ESG Promotion System

Supply Chain ESG Management Policy

ShinWon is promoting comprehensive company-wide ESG supply chain management to respond to global trends and customer demands and realize a responsible purchasing system. Based on the robust supplier code of conduct and ESG management policy, rigorous criteria such as certification status are reflected in the supplier selection standards, and from 2025, the company plans to introduce thorough ESG document assessments and training to strengthen the execution capabilities of its partner companies. Moreover, it plans to complete the distribution of detailed training materials and the establishment of guidelines by 2026 and will progressively conduct comprehensive evidence submission and on-site due diligence for key partner companies. Moving forward, we intend to significantly expand transactions with partner companies that meet ESG standards and build a truly sustainable and eco-friendly supply chain.

Supplier ESG Management Areas

Environment	· Strengthening the eco-friendliness of materials and production processes · Carbon emission reduction and energy efficiency · Sustainable packaging and waste management · Environmental education and awareness dissemination
Social	· Protection of worker rights and safety · Fostering a diverse and inclusive workplace culture · Fair trade practices and supply chain governance
Governance	· Transparency and ethics; anti-corruption



Strategy

Supply Chain ESG Evaluation

Supplier Selection Criteria

To secure global competitiveness and respond to client companies' ESG demands, ShinWon operates an advanced ESG-based supplier selection and management system. Going far beyond simple certification checks, the company prevents risks and realizes responsible shared growth through a comprehensive full life-cycle evaluation that spans from pre-inspection to training, improvement, and performance rewards. Supplier selection is conducted transparently by comprehensively evaluating not only ESG factors but also price competitiveness, on-time delivery rate, and environmental response capabilities. A streamlined flexible registration process has been prepared to enable all departments to recommend highly competitive new suppliers.

Supplier Selection Process

Reflecting Client Requirements
· Reflect ESG requirements presented by the client (holding relevant certifications, using eco-friendly raw materials, ethical labor practices, etc.) in the supplier selection criteria. · If not available in the Mill Matrix or existing supply chain DB, search for and conduct a preliminary review of new suppliers that can meet the requirements.
Preliminary Evaluation and Candidate Selection
· Basic evaluation items: Quality control system, on-time delivery rate, price competitiveness. · ESG criteria: Status of holding relevant certifications, operation of eco-friendly processes, guarantee of human and labor rights. · Through a comprehensive review, select suppliers that possess both ESG competencies and competitiveness as the primary candidate group.
Final Selection and Contract Signing
· Make the final selection of suppliers based on the ESG evaluation and comprehensive assessment results. · When signing the contract, proceed with the process of agreeing to the Supplier Code of Conduct and providing a written pledge. · Mandate the submission of ESG guidelines and evidence for major suppliers (Tier 1).
ESG Training and Capability Enhancement
· Provide regular training materials and advance notice regarding ESG trends and regulatory changes. · Promote joint improvement activities with suppliers, such as transitioning to eco-friendly production and complying with labor ethics. · Conduct a separate orientation for new suppliers to enhance their understanding of ESG standards.
Follow-Up Management and Performance Linkage
· CERTI standard supply chain operation: Regularly inspect the ESG certification status, focusing on the top 10 key suppliers. · Request improvement for unmet items and conduct follow-up evaluations. · Provide incentives and opportunities for priority orders and long-term partnerships to suppliers with excellent ESG performance.

Mandatory Certification Requirements by Supplier Characteristic

Classification	Required Certifications	Additional Recommended Certifications
Fabric (Material) Companies	OCS, RCS	GOTS, GRS, OEKO-TEX, ISO14001
Dyeing/Processing Companies	OEKO-TEX STeP, ZDHC	ISO 14001, Higg Index

Establishment of Supplier ESG Evaluation Plan

ShinWon has prepared a comprehensive document-based evaluation system and is preparing for its systematic phased implementation to systematically manage the ESG risks of its partner companies. The company will conduct thorough pre-diagnoses and, if necessary, detailed on-site due diligence for key suppliers, and plans to provide meaningful incentives or support for improvements based on the evaluation results. It is also considering providing extensive training materials and professional consulting support for autonomous improvement.

Supplier ESG Evaluation Process

Pre-identification	Analyze anticipated ESG risks by material country, material industry, and products supplied by the partner company.
Document diagnosis	Provide information on the supply chain ESG evaluation project, apply for evaluation diagnosis → ESG level self-assessment (checklist) and supporting documentation for partner companies.
On-site due diligence	Respond to ESG on-site due diligence and verify the authenticity of the site and supporting documents.
Improvement measures	For high-risk factors discovered during the document diagnosis or on-site due diligence process, request immediate improvement measures or recommend the establishment of an improvement plan.
Implementation support	Provide financial and non-financial support, such as training, consultation, and guides, necessary for the partner company to implement the improvements.

Support for Supplier ESG Implementation

ShinWon is planning a supplier ESG implementation support program focused on enhancing capabilities and raising awareness to help partner companies improve their ESG competencies. Based on future ESG evaluation results, we plan to progressively promote customized support by level.

Supplier ESG Implementation Support Program

Support for enhancing ESG diagnosis/evaluation response capabilities	Support for on-site improvement consulting to secure ESG risk management and improvement capabilities.
Support for ESG online training	Provide content (ESG concepts, internal/external trends, best practices, etc.) linked to the diagnostic due diligence items of ShinWon's supply chain ESG risks, such as ethics, environment, labor, human rights, and safety and health.
Education to enhance supply chain carbon neutrality capabilities	Inform about the overview of carbon neutrality and internal/external trends, methods for calculating greenhouse gas emissions, and ways to respond to carbon information disclosure, and help partner companies continuously enhance their carbon management level to achieve carbon neutrality.
Distribution of a safety and health management guide	Establish a safety and health management system for partner companies by distributing a "Safety and Health Management Guide".

Strategy

Shared Growth with Partner Companies

Based on a collaborative win-win cooperation partnership, ShinWon is strengthening the foundation for shared growth with its partner companies and is continuously striving to create a thriving sustainable supply chain ecosystem throughout the apparel industry. In addition to diverse forms of support to enhance the quality, technology, and management capabilities of our partner companies, we are building a robust sustainable cooperation model based on mutual trust by establishing a fair-trade order. In particular, in 2024, we operated a total of 13 comprehensive technical support programs to support the strengthening of our partners' technical skills and confirmed the significant effects of reduced defect rates and enhanced productivity. Moving forward, ShinWon will further advance its strategic win-win strategy for sustainable growth with its partner companies and continue to foster innovative support and responsible partnerships to raise the ESG level of the entire supply chain together.

Shared Growth Program for Partner Companies

Payment Twice a Month	To maintain friendly relations with our partner companies and for financial co-prosperity, we pay for raw materials twice a month. The payment process is conducted transparently and clearly. This bi-monthly payment helps alleviate the financial burden on our partner companies and enhances their management stability.
Reflection of Exchange Rate for Foreign Currency Payments	When paying our partner companies for raw materials in foreign currency, we apply the exchange rate at the time of shipment, thereby reducing the financial burden on our partners from exchange rate fluctuations. We thus support the stable operation of our partner companies amid an uncertain foreign exchange environment, thus lowering their exchange rate fluctuation risk.
Partner Company Job Competency Training	To enhance the competitiveness of our partner companies, we support training programs to develop the job competencies of the executives and employees of our primary partner companies.
Technical Support Program	We visit partner companies' production plants to provide on-site quality control and technical guidance, thereby helping to ensure product reliability and strengthen our partners' competitiveness.
Eco-Friendly Materials Training	ShinWon employees and partner company employees participate together in training programs on eco-friendly materials from a researcher at a specialized research institute, thereby laying the groundwork for our partner companies to participate jointly in R&D activities for eco-friendly materials.



Guide to Revisions in Textile Product Safety Standards

2024 Partner Company Technical Support Achievements

Total of **13 sessions** conducted¹⁾

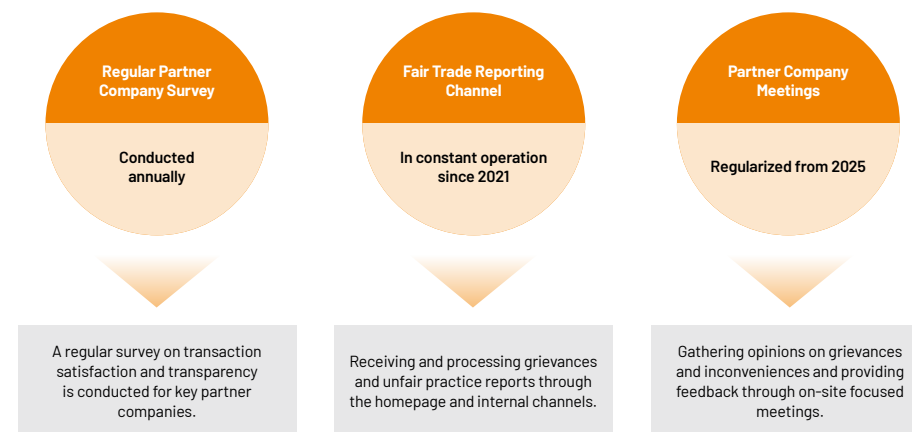
- Technical support details: Process technology guidance,
Finished product inspection guidance

1) Technical guidance provided to 14 partner companies in the fashion division.

Partner Company Communication Channels and Activities

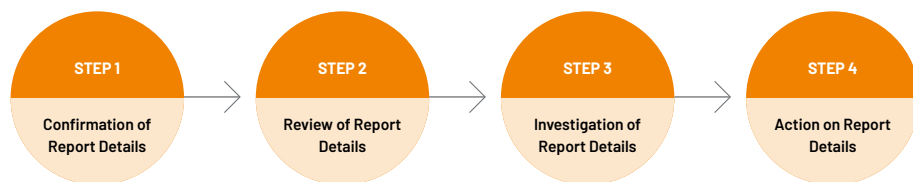
For long-term sustainable win-win cooperation with our partner companies, ShinWon operates a robust communication system based on transparency and mutual trust. Fairness and mutual respect are the fundamental principles in the entire process, from supplier selection to transaction, evaluation, and feedback, and we actively reflect our partners' opinions through multiple communication channels. We also conduct a comprehensive regular annual survey to receive our partners' opinions, and in 2024 we conducted a satisfaction survey for key partner companies based on their major purchasing volume. The survey results showed a remarkably high level of overall satisfaction with the business relationship with ShinWon. Our official homepage operates "Chambit Voice," a dedicated grievance reception channel for partner companies, and we clearly explain this procedure at the time of contracting. If a partner company files a complaint, such as for unfair trade or infringement of rights, we respond with a prompt fact-finding process and follow procedures, provide detailed feedback on the results to the partner, and also take proactive internal measures to prevent the recurrence of similar cases. From 2022 to 2024, no negative reports were received from partner companies. Additionally, from 2025 onward, we plan to hold systematic regular meetings with key partner companies and any willing companies to listen directly to their difficulties and requests for improvements and to discuss actionable win-win solutions. ShinWon will continue to listen to the voices of its partner companies and strengthen enduring sustainable supply chain relationships based on mutual trust.

ShinWon Partner Company Communication System



Risk management

Supplier Grievance Handling Process



Conflict Minerals Management

To systematically manage supply chain risks arising from conflict minerals (tantalum, tin, tungsten, gold; hereinafter 3TG), our company utilizes the Conflict Minerals Reporting Template (CMRT), the official form presented by the Responsible Minerals Initiative (RMI), to comprehensively survey major suppliers on their use of 3TG, country of origin information, and the status of certified smelters. In particular, we rigorously block minerals mined in Conflict-Affected and High-Risk Areas (CAHRAs) from entering our supply chain, and we identify and respond to risks at an early stage through the systematic processes of collecting and reviewing information from our suppliers. Based on the survey results, we continuously enhance the transparency and accountability of our supply chain by taking strategic risk mitigation measures as needed, such as securing alternative supply sources or requesting improvements. We will continue to strengthen our management system for responsible mineral sourcing and consistently implement human rights and ethical standards throughout our supply chain.

Conflict Minerals Reporting Template(CMRT)



Conflict Mineral Policy

SPECIAL PAGE

Responsible Supply Chain Management

Sustainable Together: Creating a Chain of Responsibility Together

ShinWon is building a comprehensive sustainable apparel production ecosystem through strategic cooperation and joint development. Through its innovative self-developed washing technology, advanced water reuse system, rigorous hazardous substance management system, and a collaborative joint venture (JV)-centered partnership model, the company is realizing a production method that is fully responsible to both the environment and society.

The JV Model that Creates Shared Value

ShinWon's JV model is not a simple equity investment; rather, it aims to build a robust sustainable production system by securing strategic priority rights to use production capacity. At major production hubs in Vietnam, Guatemala, and Indonesia, the company is proactively introducing eco-friendly infrastructure through JVs, which is becoming the solid foundation for a transition to a sustainable supply chain. In particular, it is extensively utilizing eco-friendly facilities and advanced water reuse systems, practicing deeply responsible investment in local communities and the environment. ShinWon will continue to enhance both sustainability and competitiveness through innovative partnership-based strategic growth.

Development and On-Site Application of Sustainable Washing Technology

Through its proprietary self-developed Sustainable Washing Techniques, ShinWon is significantly reducing water usage, increasing energy efficiency, and minimizing its environmental burden by utilizing environmentally friendly biodegradable chemicals.

Status of Sustainable Washing Technology Introduction by Country

Country	Key Details
Vietnam	Reuse of approximately 60% of total wastewater.
Guatemala	Introduction of a 2-stage water purification system with the goal of full-scale operation in 2025.

Washing Technology Circulation Flowchart



Hazardous Substance Management System

ShinWon operates a comprehensive thorough management system to proactively block regulated chemical substances such as per- and polyfluoroalkyl substances (PFAS) and formaldehyde. The company secures rigorous test reports for all products to confirm the absence of hazardous substances and strengthens its collaborative joint compliance system by receiving written pledges from partner companies regarding the non-use of chemicals, in accordance with regulations in major markets such as the United States. Additionally, critical official notices regarding chemical-related laws and regulations that are frequently received at each local factory are immediately shared, and their official implementation is managed through the verified signatures of the relevant parties.



Certificate of Compliance

Region-Specific Energy Transition Strategy for JV Washing Plants

Country	Key Details
Vietnam	Completed 100% conversion to biomass boilers.
Guatemala	Currently using Bunker C oil → Gradual improvement planned.
Indonesia	Completed transition from coal to gas; plan for sequential transition to biomass from 2025 to 2027.

Key Indicators for Responsible Supply Chain Management

Item	Achievement
Introduction of Water Purification System	Vietnam (60% currently being recycled), Guatemala (scheduled for operation in 2025)
Introduction of Biomass Boilers	Vietnam (100%), Indonesia (in planning)
PFAS/Formaldehyde Management	Secured test reports for all products
Rate of Securing Supplier Pledges	100% (in response to US regulatory standards)
Introduction of Sustainable Washing Technology	Introduced in all regions of Vietnam, Guatemala, and Indonesia



Strategic Task 9. Facilitate stakeholder communication

Won Story

ShinWon has established a comprehensive transparent and accountable communication system to strengthen enduring trust-based relationships with diverse stakeholders. We ensure seamless and effective communication with customers through our website's Q&A board, consultants, and digital platforms, and operate a robust data protection management system to safeguard personal information and intellectual property. In addition, we enhance security awareness and maintain a highly secure information environment through systematic regular employee training and internal controls. ShinWon is committed to fostering open communication and strengthening customer trust and corporate value through meaningful sustainable collaboration.

2024 Highlight

Customer Satisfaction Management Mid- and Long-term Goals and Roadmap

Introduction(2025)	Implementation(2026)	Advancement (From 2027 onward)
Customer Satisfaction Management - Diversifying customer communication channels - Setting customer complaint targets and feedback - Distributing manuals to prevent recurrence of similar cases - Regular meetings with relevant departments for customer satisfaction	Integrated Customer Satisfaction Networking - Establishing a system for continuous customer feedback - Establishing a new customer satisfaction evaluation team	Personalized Services Through Customer Data Management - Providing personalized responses based on customer data management - Improving product accessibility for digitally marginalized communities - Increasing customer experience opportunities(e.g., providing audio descriptions for the visually impaired to introduce brand value) - Providing hyper-personalized services for customer experience enhancement and innovation (customer-segmentized recommendation and subscription services)

Governance

Customer Satisfaction Management

ShinWon has thoroughly analyzed potential risks related to customer satisfaction and established comprehensive mid-to-long-term strategies and implementation roadmaps for customer satisfaction management. Accordingly, we continuously strive to prevent factors that could threaten customer safety, such as product defects and harmful substances, and provide immediate and accurate after-sales care for customers. Moreover, we aim to contribute to improving the quality of our customers' lives by proactively listening to their opinions and providing authentic services based on a genuine customer-centric mindset. In March 2025, ShinWon announced its Customer Satisfaction Management Declaration through the signature of the CEO, declaring its unwavering commitment to recognizing customers as the core of the company and realizing customer-centered management, internally and externally.

Customer Satisfaction Management Declaration

Customer Satisfaction Management Policy

ShinWon is running a customer-centered business based on our vision of the “most trustworthy company for customers.” To this end, we are prioritizing stable services for our customers and the protection of their personal information.

Consumer Rights Protection Declaration

Customer Satisfaction Management Policy

1	ShinWon provides the best products and services.
2	Customers find better value in their lifestyles.
3	ShinWon will always consider all services from the customer's perspective.
4	ShinWon will listen to customer problem and difficulties and take prompt and accurate action.
5	ShinWon will thoroughly protect customers' personal information in accordance with the relevant laws and regulations.
6	ShinWon will lead better customer satisfaction management through continuous monitoring and improvement.

Basic Principles of Consumer Rights Protection

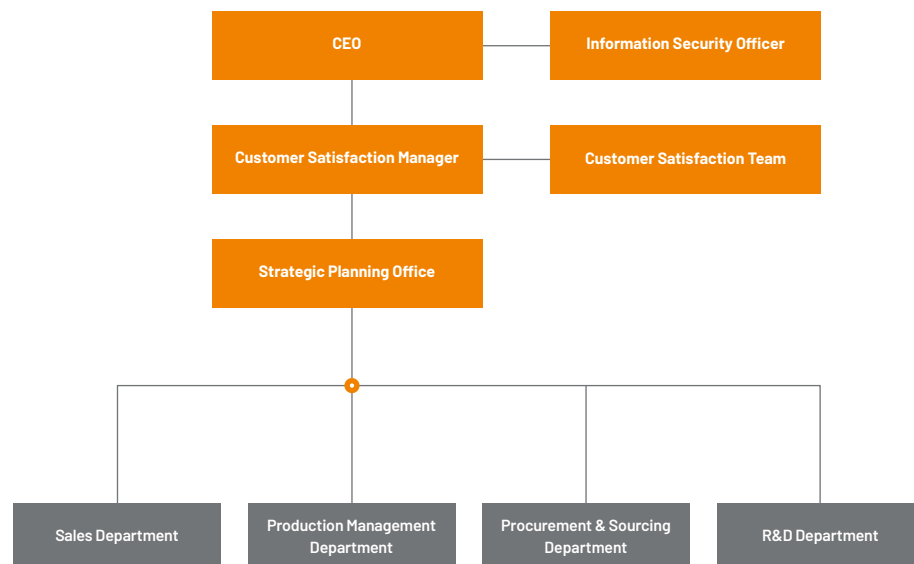
Item	Content
Customer Value First	The company prioritizes the realization of customer-centric value in all management and sales activities.
Reliability	The company does not engage in exaggerated or false advertising.
Customer Accessibility	The company provides various channels to enable customers to convey their opinions easily.
Promptness	The company promptly responds to customer feedback regarding any infringement of customer rights, and such requests are handled swiftly within the organization.
Objectivity	All issues expected to infringe on consumer rights must be handled fairly and objectively through processing procedures.
Proactiveness	When a mediation issue arises for a customer, the company actively responds by identifying the cause through a professional consumer counsellor and resolving the issue from the consumer's perspective.
Reflection of Consumer Opinions	The company must consistently manage its operations to incorporate consumer opinions into its sales activities.
Personal Information Protection	The company recognizes the importance of customer information and does its best to protect it.
Financial Support	The company must secure the budget necessary for consumer rights protection procedures and maintenance and establish human and material facilities and systems for this purpose.

Governance

Customer Satisfaction Management System

customer complaints, strengthen customer-centric governance, and establish a robust system to ensure the prompt reporting of significant consumer complaints to the CEO. Furthermore, to underscore the importance of protecting personal information, a specialized information security department is positioned directly under the CEO. The Customer Satisfaction Team is strategically structured to deliver consumer feedback quickly and accurately to the Customer Satisfaction Manager. Through systematic regular meetings, each working department actively gathers comprehensive data on customer needs and complaints. These insights are used to drive meaningful improvements in customer service. This well-coordinated systematic operation enhances the execution of customer-centric management.

Customer Satisfaction Management Organization Chart



Strategy



Customer Service Training System

ShinWon operates comprehensive specialized training systems for offline sales managers and customer service representatives who handle customer interactions. Training for in-store sales managers aims to convey ShinWon's brand value to customers and foster exceptional talent capable of enhancing the quality of customer service. Systematic regular training strengthens capabilities, focusing on brand knowledge, fundamental customer service principles, personal information protection, and product and inventory management. Additionally, targeted workshops reflecting on-site requirements and case-based knowledge sharing provide valuable practical assistance for store operations. Tailored supplementary training is also provided as needed to continuously improve customer satisfaction. Furthermore, when new Customer Satisfaction Team counselors are hired, detailed job guides and foundational training are provided, and comprehensive manuals for various phone response scenarios are utilized to enhance the effectiveness and consistency of customer consultations.



Quality Management

ShinWon enhances extensive employee training and quality management support for partners to achieve long-term sustainable quality management, and continuously strives for improvement based on a robust company-wide quality management system. In the pre-production stage, rigorous physicochemical tests are conducted on raw and subsidiary materials through certified institutions to ensure product safety and compliance. In the post-production stage, customer product reviews and cases involving quality defects are thoroughly analyzed and reflected in product improvements. Based on extensive years of accumulated experience in fashion brand operations, ShinWon has bolstered product competitiveness to meet customer needs. The company also strives to prevent product defects and continuously improve quality through a stringent material quality control system.

Strategy

Interim and regular evaluation of quality and safety risks for the improvement of customer rights

Raw/Subsidiary Materials	· Physicochemical testing of raw/subsidiary materials · KC Certification conformity inspection of raw materials
Products	· Processing: Inspection of incoming raw/subsidiary materials · Confirmation of the stability of subsidiary material quality and KC conformity (KOTITI, KATRI) · Interim inspection during sewing · Safety inspection of end products · Safety inspection of purchased products
Logistics	· Warehouse incoming inspection · Random inspection of all styles · Inspection of the appearance of incoming products
Stores	· Inspection of the appearance of incoming products

Quality Expertise Enhancement Training

ShinWon provides comprehensive training to enhance quality expertise for employees and partners to deliver the highest quality to customers. We regularly produce and distribute detailed product defect casebooks, repair guidebooks, and customer consultation casebooks to store owners, and support their practical use through hands-on on-site training. Furthermore, comprehensive monthly product defect rates are compiled and regularly shared as valuable feedback with relevant department employees. For issues related to specific defects, we communicate proactively with affected customers to provide precise information and a swift response, thereby significantly enhancing customer satisfaction.

Quality Expertise Enhancement Program

Implementing Organization	Date	Content	Personnel
KOTITI	May 29, 2024	Apparel product defect cases	55
KOTITI	Nov 19, 2024	Apparel laboratory experience and consultation on raw material defects failing lightfastness test	9

Status and Ratio of Professional Agency Test Requests

Year	Raw Material Inspection Ratio	Purchased Product Inspection Ratio
2022	100%	55%
2023	100%	58%
2024	100%	60%

Product and Service Innovation

Enhanced Service for Premium Customers

ShinWon operates an innovative VIP program as part of its service initiatives to improve the quality of the customer experience. Previously, VIP benefits were offered to customers who purchased more than 1.5 million won in products annually per brand. However, starting in 2025, the threshold has been strategically lowered to include customers who spend over 1 million won annually, thereby providing exclusive differentiated services to a significantly broader customer base. VIP customers receive a variety of attractive benefits, including celebratory points, seasonal discount coupons, clothing repair vouchers, and birthday points. This initiative aims to substantially increase customer satisfaction and strengthen enduring long-term customer loyalty.

Responsible Marketing

ShinWon establishes ethical advertising and marketing policies and practices responsible marketing based on these policies to support rational customer purchasing decisions and foster a healthy market environment.

Our Core Marketing Principles

Truthful Information Delivery	· We pursue fact-based marketing without exaggerated or false advertising. · We clearly communicate the advantages of our services and their limitations.
Responsible Attitude	· We strive to fulfill our corporate social responsibility (CSR) beyond mere profit-making, exerting a positive influence in various areas such as the environment, society, and economy.
Consumer Protection	· We strictly adhere to protecting personal information and data security. · We provide fair and reliable information.
High-Quality Marketing	· We emphasize the brand's social role through donation activities and eco-friendly product development. · We aim to enhance brand value from a long-term perspective rather than for short-term profits.

Risk Management

Customer Risk Management

ShinWon strategically responds to risks that may arise during the management of customer satisfaction by comprehensively analyzing customer complaint data to identify key risk factors and consistently implementing targeted improvement measures. Our Customer Satisfaction Team systematically compiles repair, exchange, and refund data within the quality warranty period and operates an advanced integrated management system based on this data to prevent recurrence. Furthermore, to enhance consumer rights and interests, test reports will be systematically published for high-priced products (down, cashmere, etc.) sold online. This initiative will initially be introduced on major online platforms and progressively expanded to significantly increase transparency regarding product quality and strengthen consumer trust. Additionally, our Accounting Team collaborates with the Sales Department to proactively identify and manage financial risks such as returns. The team also prevents potential hazards to consumers through a comprehensive environmental, social, and governance (ESG)-based risk management system that thoroughly considers product and service safety.

Risk Factors

Financial Risk	Non-Financial Risk
Compensation and return risk due to product defects - Financial risk of compensation and return is minimal - Potential for compensation issues due to safety problems - Long-term financial risk due to a decline in brand value or deterioration of image	Product Risk - Increased importance of safety verification and harmful substances - Need to meet regulatory authority standards
	Reputation Risk - Decline in brand reputation - Increased sincerity and importance of customer feedback

Countermeasures Against Customer Risk

Product Quality Stability	- Operating a four-stage quality inspection system - Operating quality standards exceeding the Korea Consumer Agency's recommended standards
Customer Response Service	- Strengthening customer service management - Enhancing satisfaction by providing customized, practical services
Delivery Service	Stable and accurate delivery
After-Service Support	- Gathering diverse customer opinions and promptly handling product/purchase difficulties - Responding to production/planning based on repair/defect reception data
Personal Information Protection	- Strengthening the protection and management of personal information - Improving personal information education/capacity and preventing potential infringements

Consumer Damage Compensation

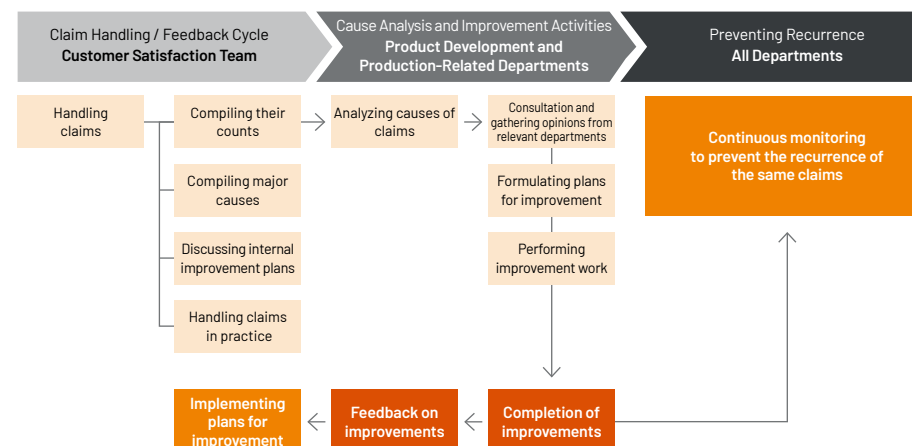
ShinWon regularly discloses after-service statuses through our official website to enhance customer trust and service transparency. Customer responses are based on the principles of fairness and consistency, and clear transparent standards are followed to allow exchanges or refunds within seven days of purchase if the product is undamaged. Compensation procedures follow the systematic order of free repair, exchange, and refund, in full compliance with relevant laws and regulations for customer rights protection. Furthermore, we inform our customers of compensation standards and applicable periods by product and service in advance to fully guarantee their right to know. The relevant departments also share customer claims and thoroughly analyze causes and outcomes through a robust claim recurrence prevention process, which in turn contributes to significantly improving overall product and service quality. These comprehensive systemic management activities are a fundamental core foundation for realizing a customer-centric sustainable business that goes far beyond mere customer satisfaction.



Recurrence Prevention Process

ShinWon shares comprehensive claim statuses received by the Customer Satisfaction Team with relevant departments and thoroughly analyzes them so that they are reflected in strategic improvement activities. Meaningful improvements derived through collaborative discussions among working departments are applied to production processes and related units, leading to effective measures to enhance quality and the overall customer experience. We also conduct rigorous continuous monitoring after improvements to prevent the recurrence of similar cases and enhance exceptional customer-centric service quality.

Claim Handling / Feedback Cycle



Risk Management

Status of Consumer Claims

Year	Total Cases	Exchange		Repair		Unrepairable	
		Case	Share (%)	Case	Share (%)	Case	Share (%)
2022	15,899	1,043	6.6	13,356	84.0	1,500	9.4
2023	14,660	1,089	7.4	12,165	83.0	1,406	9.6
2024	15,899	1,043	6.1	13,356	84.2	1,500	9.6

Expanded Free Repair Policy Seasons

Reflecting customers' voices, the free repair policy has been significantly expanded from the existing two seasons to three seasons. Accordingly, products from the current season and those sold up to one year ago are now eligible for free repairs. This initiative substantially enhances consumer satisfaction and reduces resource waste by extending product lifespans. This improvement is part of comprehensive ESG management and aims to secure consumer trust and foster a thriving sustainable consumption culture, prioritizing long-term benefits over short-term cost increases.

Legal Regulations for Exchanges or Refunds

ShinWon engages in customer consultations regarding consumer damage compensation, including exchanges and refunds, in strict accordance with the Consumer Dispute Resolution Standards of the Fair Trade Commission. These standards are transparently disclosed on our website to help customers clearly understand the dispute resolution procedures and criteria. This approach significantly strengthens the protection of consumer rights and establishes a robust trust-based customer response system.

[Legal Regulations for Exchanges/Refunds](#)

Customer Communication Activities

Operating the Customer Service Center

ShinWon operates diverse consultation channels to enhance customer satisfaction with products and handle customer complaints and grievances. Customers can inquire via phone, website, email, and other methods, and our company is committed to resolving issues through immediate and precise responses. Furthermore, to facilitate seamless communication with customers and enhance transparency in grievance handling, customers are notified via email of each stage of the processing procedure for their complaint, enabling them to easily track its progress.

Promoting Consumer Communication via Social Networking Services

ShinWon is actively strengthening communication with consumers through Instagram and KakaoTalk channels strategically established for each brand. On the KakaoTalk Channel, we provide comprehensive store information, seasonal catalogs, and benefit guides. Customers can conveniently check coupons and points through My Page, significantly enhancing brand experience and customer convenience.

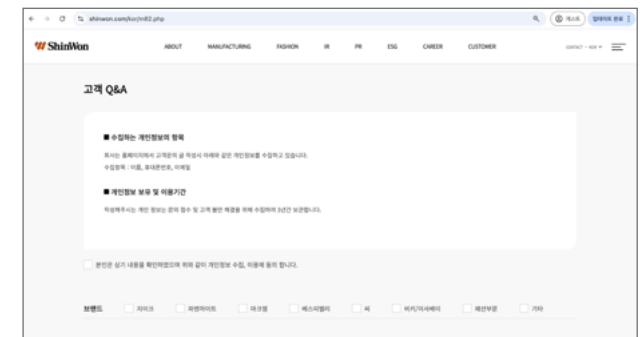


Consumer Activities on Social Networking Services

Customer Q&A

ShinWon operates a comprehensive customer Q&A system on the official website to facilitate seamless communication with customers. Through this system, we receive and process customer inquiries and complaints efficiently and analyze accumulated data to continuously improve services and operational efficiency. We also strengthen systematic regular feedback management and response processes to actively reflect customer voices in products and services, contributing to significantly enhanced customer satisfaction and the building of lasting trust. ShinWon will continue to practice transparent and responsible management based on ongoing continuous communication with customers.

[ShinWon Official Website](#)



Customer Q&A on ShinWon Website

Governance

Information Security Policies and Guidelines

Information Security Management Policy

ShinWon has built and implemented comprehensive systematic information security governance to protect the information of customers and partner companies and to comply with domestic and international laws and regulations. This framework enables us to maintain robust sustainable security systems and strengthen our trust and competitiveness in the field. ShinWon has formulated rigorous information security policies based on relevant domestic laws, and has established and operates advanced internal information security systems.

[Personal Information Security Declaration](#)

Information Protection and Security Plans

To internalize information protection and security, ShinWon has established and implemented diverse security systems and continuously strengthens advanced technical measures to preemptively block access by unauthorized users. We ensure security through rigorous information access controls applied to networks, PCs, and documents. In addition, we conduct systematic and regular security checks of our entire information system, including servers, networks, and databases. In this way, we continuously strive to protect customers' personal information thoroughly and maintain highly stable information security management systems.

Ten Principles of Information Protection

To effectively counter increasingly sophisticated and intelligent security threats, ShinWon has established comprehensive Information Security Regulations and Personal Information Protection Practical Guidelines. Based on these, we are committed to establishing and continuously improving our robust internal information security management system. Furthermore, to clarify our core fundamental principles of information security, we have enacted the "Ten Principles of Information Protection." These principles are prominently posted on the company's intranet for all employees to access, thereby significantly raising awareness of information protection throughout the organization.

[Personal Information Processing Plans](#)

[Information Security Plans](#)

Ten Principles of Information Protection

1	Do not store customer information and confidential business information on personal computers (PCs).
2	Immediately delete any decrypted documents after use.
3	Do not open suspicious emails or links and avoid using illegal file-sharing sites.
4	Adhere to password complexity rules for work-related passwords and change them regularly (every 3 months).
5	Set passwords for Windows login and screen savers.
6	Enable automatic Windows updates and perform security updates and periodic scans.
7	Install antivirus software on your PC, ensure it automatically updates, and conduct regular scans.
8	Always power off your PC when your workday ends.
9	Immediately shred any printed customer information or confidential business information after use.
10	Immediately contact the information security department if you suspect unauthorized information copying, hacking, viruses, or any other information leak.

Advancement of Personal Information Processing Policy Labeling

Personal information protection labeling is a system that uses symbols or images to present details of personal information processing in a way that makes it easily accessible for data subjects to understand. Its purpose is to help users efficiently grasp the privacy policy and facilitate the exercise of their rights. In 2024, ShinWon implemented comprehensive personal information processing policy labeling across all its privacy policies. This was applied by placing clear labeling images that correspond to the content throughout the entire text. We also incorporated strategic labels within the body of the text to ensure that users can more easily identify which sections explain specific details related to personal information processing as they read through the policy.

[Personal Information Processing Policy Labeling](#)

Personal Information Handling Policies

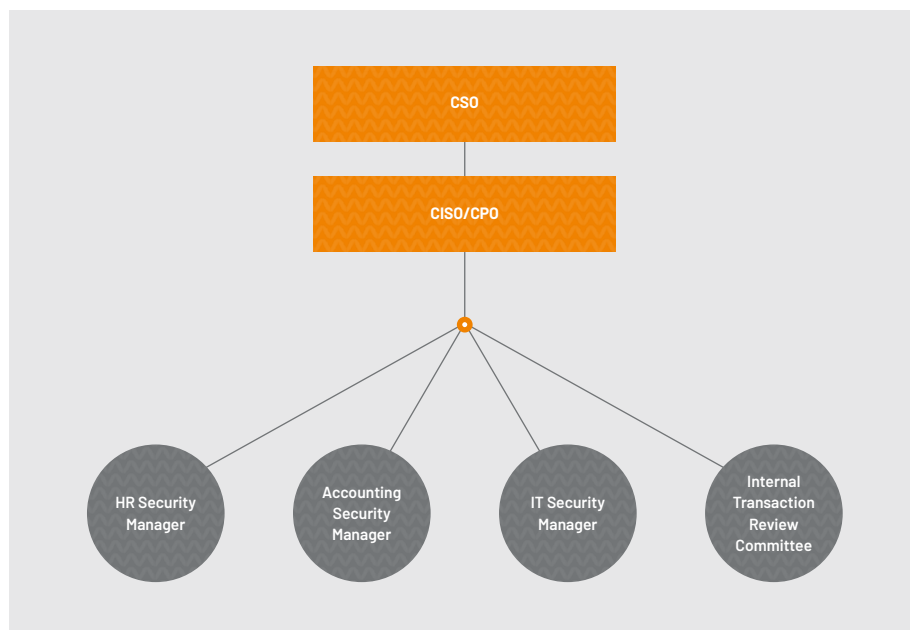
ShinWon recognizes customer personal information as a precious asset. To ensure data subjects can more easily understand personal information protection, we provide a dedicated Personal Information Handling Policy on our website. This material effectively visualizes key content and is designed to be easily understood by digitally marginalized groups such as the elderly and teenagers, contributing to significantly increased customer information accessibility and trust. We are also strengthening our comprehensive internal response system based on the Personal Information Protection Declaration to clarify our corporate responsibility for protecting personal information. If any unusual activity is detected during work, the relevant department immediately reports it to the specialized information security department. Subsequently, this expert department takes immediate action to respond to incidents and prevent damage from spreading. Furthermore, we regularly conduct thorough training and simulation drills to prevent recurrence, continuously enhancing the organization's overall information security capabilities.

Governance

Information Protection Organizations

ShinWon strategically operates information protection organizations to safeguard customer information and confidential business information. The Chief Information Security Officer (CISO) is a highly qualified individual who meets the requirements prescribed by the Act on the Promotion of Information and Communications Network Utilization and Information Protection and oversees the organization's entire information security policy as the top-level information security executive. The Chief Privacy Officer (CPO) possesses extensive expertise in personal information protection and is responsible for all related matters. Additionally, experienced team-leader-level security managers are assigned to each key department. They contribute valuable opinions during revisions of information security and personal information protection policies, carry out critical practical responsibilities during information security audits, and support the effective implementation of internal security policies through systematic regular internal personal information inspections.

ShinWon Information Protection Organization



Strategy

Information Protection Promotion Systems

Information Protection Management Systems

To protect intellectual property and customers' personal information, ShinWon has established a comprehensive information protection process focused on building governance systems, controlling and monitoring, and internalization, which it methodically carries out according to yearly plans. We clearly define responsibilities and duties centered on the Information System Team and implement extensive information protection activities throughout the organization. Furthermore, we perform systematic regular training and internal inspections to elevate security awareness and consistently improve our physical, administrative, and technical security levels.

Information Protection Advancement Roadmap

ShinWon has established a comprehensive three-year mid- to long-term plan to advance the management of information protection and maintain a highly stable security system. In 2025, we plan to enhance our advanced integrated log solution and build a robust cloud-based personal information management system. We will also explore adopting cutting-edge supporting security solutions and obtaining relevant certifications to bolster these efforts. By 2027, our goal is to introduce an innovative AI-based personal information protection system and actively pursue ISO 27001 certification for our comprehensive information security management system.

ShinWon Information Protection Advancement Roadmap

Category	2025	2026	2027
Objectives	Preparing cloud-based personal information protection management systems		Preparing AI-based personal information protection management systems
Details	· Cloud systems · Personal information protection · Impact assessment review · ISMS-P certification adoption · Integrated log solution advancement	· Cloud-based solution reinforcement · Impact assessment expansion · ISMS-P certification expansion	· AI-based personal information protection management system preparation · Review of AI-based solution · ISO 27001 certification review

Strategy

Internalization of Information Security

Information Protection Investment

Aligned with the voluntary disclosure system for information protection introduced by the amendment of the Act on the Promotion of the Information Security Industry, ShinWon openly discloses its information protection status to the public, including detailed information on investments, personnel, certifications, and activities. This disclosure aims to foster a secure internet environment for users and actively stimulate investment in information protection. As of 2024, information security-related expenditures—such as information technology (IT) security personnel costs, external professional services, and physical security services—accounted for a significant 8.7% of the total IT budget. To further enhance our information protection capabilities, we conduct a rigorous annual Information Protection Management System (ISMS) Level Diagnosis.

Information Protection Activities

ShinWon has made continuous efforts to prevent information security incidents and strengthen risk management. By proactively identifying and sharing information on security vulnerabilities—including data on breach incidents, malicious code, and suspicious domains and IP addresses—we conduct ongoing inspections to block external threats. To prevent system failures and breaches, we operate a system that re-analyzes the causes of past incidents and identifies areas for improvement. This approach enables us to build a more stable and resilient information protection environment.

Information Protection Activities

Category	Content	Cycle
Security Policy	Establishes and updates security policies and guidelines	Establishes and updates security policies and guidelines Update review (annually)
Security Inspection	Reviews vulnerabilities overall ranging from system planning to operation	Vulnerability inspection (while building/operating systems)
	Conducts on-site inspections	On-site inspection (biannually)
Physical Security	Regularly check equipment entry and exit and visitors, and manage CCTV video information	Constantly
Security Incident Response	Implement solutions to counter suspicious activities, breach incidents, malicious codes, etc.	Constantly
Information Protection Awareness Enhancement	Conduct internal communications, including via the Information Security Operations Committee and Security Working Group	Committee/Council meetings held (annually/bi-monthly)

Information Protection Training

To counter various security threats such as ransomware and advanced persistent threats, ShinWon has provided comprehensive information protection education to enhance security awareness. We ensure company-wide adherence to information security regulations through rigorous internal security audits, which helps us effectively internalize security regulations. This education program targets a diverse audience including employees, executives, customer service representatives, partners, and information security personnel. Systematic regular annual training is conducted, with targeted ad-hoc sessions provided upon hiring, onboarding, or whenever a violation occurs. Through this, we ensure the continuous enhancement of security awareness.

Three-Year Information Protection Training Status

2022	2023	2024
97 participants	152 participants	93 participants

Personal Information Protection Activities

ShinWon conducts training at least once a year to enhance personal information protection awareness among its employees and executives. In 2024, the training focused on personal information processing procedures and breach incident response plans. We incorporated participants' feedback and updated the content of the training videos and case studies.

Personal Information Protection Activities

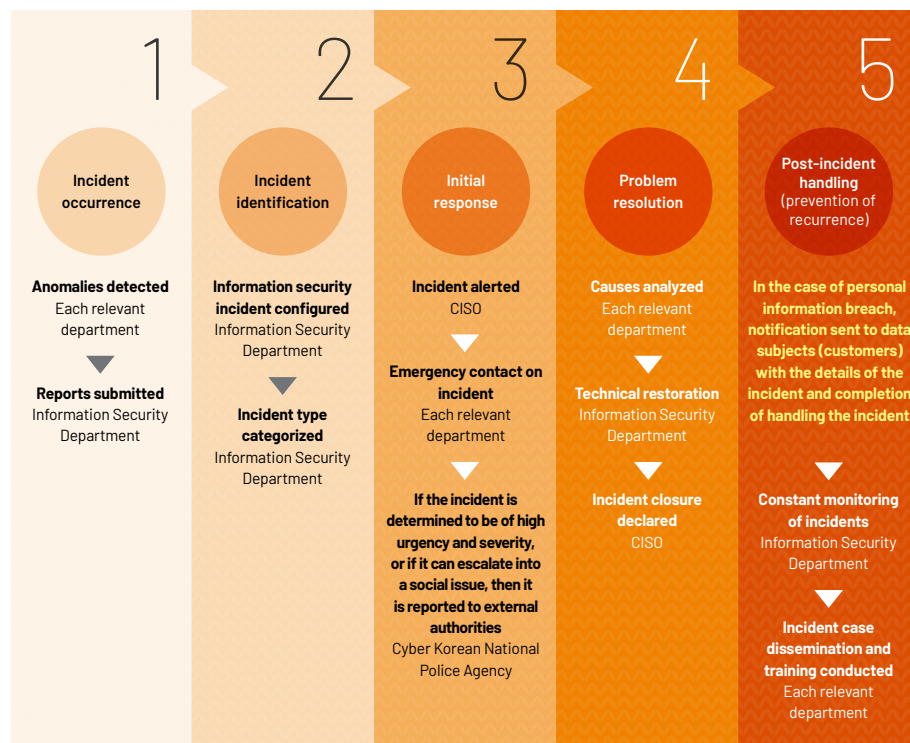
Item	Detail
Personal Information Processing Policy Labeling	Implements a labeling system that uses symbols to present key aspects of how personal information is handled , helping data subjects intuitively grasp the essential details of personal information processing
In-depth Risk Assessment for Business Systems	Conducted personal information risk assessment in 2024
	Scope: Information systems operated and managed by our domestic business sites and IT department
	Methodology: System checks, on-site inspections, and interviews Outcome: Identified 11 vulnerabilities (fully addressed)
Personal Information Protection Review of Third-Party Data Processors	Requires our third-party data processors to check the security level and regularly submit security checklists

Risk management

Information Security Incident Response

ShinWon has established a comprehensive security control system to prevent information security incidents, such as malware infections and hacking attempts, and ensure a swift response if they occur. If an employee's PC is infected with malicious codes or there is an attempted breach by an external hacker, we immediately take effective detection and blocking measures to cut off connections to external hacking servers and significantly minimize damage. By thoroughly analyzing the causes, we develop and implement robust measures that prevent recurrence.

ShinWon Information Protection Procedure



Status inspection for online business departments

With the expansion of online marketing, the security risks associated with personal information processing, such as customer personal information leaks, are also significantly increasing. Accordingly, ShinWon has strived to inspect the personal information processing status of key organizations handling customer information and identify compliance status to formulate strategic improvement plans. In 2024, the company comprehensively inspected the personal information handling status of organizations dealing with customer information, including online marketing, new distribution channel operations, and website and mileage operations. After the inspection, a customized departmental personal information protection guide tailored to the current business situation was produced and distributed to raise awareness among practical staff regarding preventing personal information leaks and misuse. In the future, ShinWon plans to systematically expand the system used for collecting personal information events company-wide, provide enhanced additional training for personal information handlers and business staff, and expand the scope of management for new online business units, continuously strengthening the protection capabilities of personal information processing organizations.



Strategic Task 10.

Establish a company-wide ESG management system

Won Story

ShinWon has designated ESG as a fundamental core pillar of its company-wide management. We are establishing comprehensive ESG strategic initiatives, centered around the ESG Committee under the Board of Directors, to enhance stakeholder value. We operate a robust systematic governance structure to boost execution capabilities across all sectors, strengthening transparent governance and a solid foundation of responsible management. Through the extensive company-wide implementation of ESG initiatives, we are actively realizing meaningful sustainable management.

2024 Highlight

Participation rate of Board of Directors in 2024: 100%

Governance

Composition of the Board of Directors

To achieve sustainable growth and enhance stakeholder value, ShinWon separates the roles of the Board of Directors and management, implementing a robust decision-making system based on the principle of checks and balances. The Board of Directors comprises executive and independent directors with exceptional expertise and diversity. Independent directors are appointed through a general meeting of shareholders after their qualifications are rigorously reviewed according to the "Principles of Diversity and Expertise." The Chairman of the Board is elected from among the seven directors by a resolution of the Board of Directors. To ensure swift decision-making and operational efficiency, CEO Park Jung-joo, who has over 20 years of extensive experience in the fashion industry, concurrently serves as the Chairman of the Board¹⁾. All related matters are disclosed through the Corporate Governance Report. The Board of Directors performs critical strategic decision-making and management oversight functions, holding supervisory authority over key management matters such as the appointment and dismissal of the CEO and internal transactions. In 2025, Independent director Choong Kyu Yoo was successfully re-elected. The term for independent directors is three years, with eligibility for re-election. ShinWon is achieving highly trusted governance by ensuring directors' terms, maintaining an impressive attendance rate of 90% or more, and comprehensively disclosing business procedures.

1) Corporate Governance Report (Detailed Principle 4-1) Refer to Board of Directors Composition Status and CEO Succession Regulations



Board Composition Status

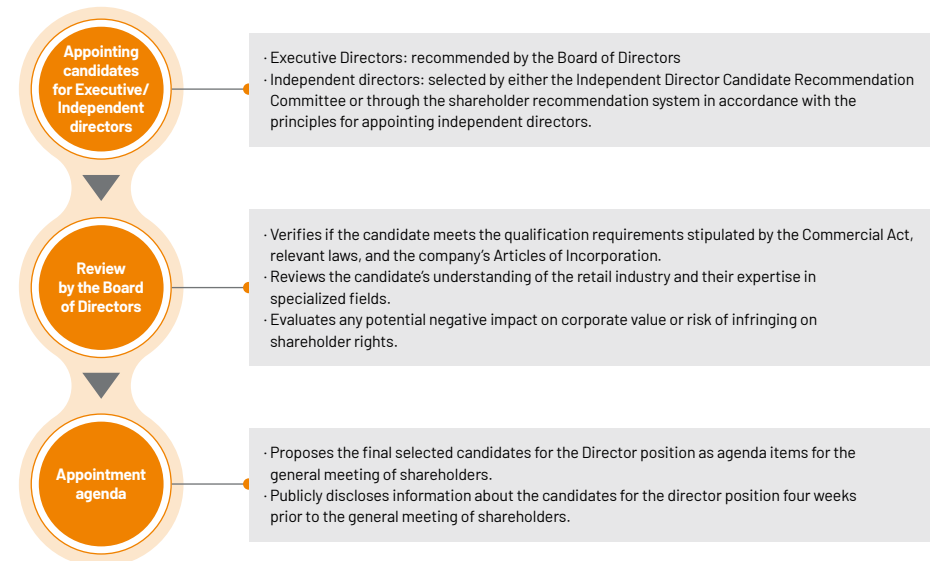


CEO Succession Policy

Appointment of Directors

ShinWon submits each director appointment as a separate agenda item to the Board of Directors in strict accordance with Article 382 of the Korean Commercial Act. During the nomination process, we fully respect the diversity and independence of candidates and strive to ensure that shareholder opinions are comprehensively reflected. Candidates for executive directors are recommended by the Board of Directors, while candidates for independent directors are selected through either the Shareholder Recommendation System or the specialized Independent Directors Recommendation Committee. In particular, to ensure the complete independence of independent directors, ShinWon has established and operates detailed guidelines for the appointment of independent directors, which specify qualifications, verification procedures for appointment requirements, and provisions prohibiting excessive concurrent positions. Furthermore, we disclose comprehensive information related to director appointments at least four weeks before the General Shareholders' Meeting, ensuring complete transparency and accessibility so shareholders can thoroughly review and assess the candidates. Going forward, ShinWon will continue to strengthen the fairness and transparency of the director appointment process and build a robust, responsible board governance structure that ensures active shareholder participation.

Process of director appointment



Independence of the Board of Directors

At ShinWon, we ensure a truly diverse and expert Board of Directors by not imposing restrictions on age, gender, educational background, or region of origin when selecting candidates. Instead, we evaluate capabilities from multiple perspectives. To ensure completely objective recommendations and thorough verification, we operate a specialized Independent Director Candidate Recommendation Committee. Additionally, to secure the Board's exceptional expertise and accountability, we primarily compose the Board of highly qualified experts who possess extensive knowledge and practical experience in relevant fields.

Board Capacity Composition Table

Category	Item	Jung Joo Park	Sung Chul Park	Jung Bin Park	Wan Young Choi	Choong In Lee	Nam Woo Cho	Choong Kyu Yoo
Expertise	Management	○	○	○				
	Leadership		○					○
	Finance/Accounting			○	○			
	Industry	○	○	○	○	○		
	Global	○		○				
	Mergers and Acquisitions			○			○	
	ESG	○			○	○		
	Stakeholder Response				○	○	○	○
Independence							○	○

Strengthening Board Capacity

ShinWon's Board of Directors may receive professional advice from external experts at the company's expense if the Board or a director deems such advice necessary for corporate management and in accordance with the Board's operating regulations. Moreover, independent directors are provided with extensive comprehensive training to enhance their understanding of the company and effectively perform their professional duties, thereby significantly strengthening the Board's expertise and decision-making capabilities.

2024 Status of Independent Director Training

Date	Independent Director Participants	Key Training Contents	Delivering Entity
Aug 30, 2024	Independent Director Nam Woo Cho, Choong Kyu Yoo	Understanding the fashion industry	ShinWon
Sep 09, 2024		Personal information protection, human rights management, ethical management	Third-party organization
Oct 21, 2024		Internal accounting control system training for audit committee	Audit Team
Nov 28, 2024		Executive ESG training	Third-party organization
Dec 09, 2024		Compliance management, climate change response	
Dec 12, 2024		2025/2026 trends stream	Third-party organization

Board Support Organization

ShinWon designates specialized dedicated teams aligned with organizational work areas to systematically support the Board of Directors, its subcommittees, and auditors in effectively executing their duties. Each team is equipped with comprehensive systems to prepare materials related to operational practices and discussion topics in advance, respond promptly to urgent requests, and liaise with external experts when necessary. This approach ensures valuable practical information and administrative support are provided, enabling directors and auditors to make informed decisions efficiently. Furthermore, the internal support system for the effective performance of governance bodies is continuously strengthened.

Composition of the Support Organization

Organization	Personnel	Content
General Affairs Team	3 persons	· General support tasks, liability insurance subscription
Strategic Planning & Execution Team	3 persons	· Reporting major ESG risks and supporting ESG Committee tasks · Convening Board meetings and pre-reporting major agenda items · Establishing mid- to long-term ESG promotion plans and managing individual ESG performance
Legal Affairs Team	2 persons	· Maintaining compliance control standards and operating compliance inspection and reporting system · Evaluating and managing legal risks and conducting legal review of new contracts and important transactions
Audit Team	3 persons	· Independent evaluation of internal accounting, audit support
Accounting Team	3 persons	· Performance reporting, reporting internal transactions, and related party receivables/ payables

Executive Liability Insurance

ShinWon maintains comprehensive executive liability insurance at the company's expense to promote transparent and accountable corporate governance and to support rational and swift decision-making by its executives. This insurance functions as a crucial protective mechanism, safeguarding executives' personal assets from legal liabilities that may arise during the course of their duties. It also enhances management stability and reinforces the solid foundation for sustainable business operations. Coverage extends to all Board members and indemnifies losses incurred if an executive faces lawsuits from shareholders, employees, government agencies, or other parties due to negligence, breach of duty, or misconduct in the performance of their responsibilities.

Governance

Board Activities

Board Operation

ShinWon's Board of Directors is responsible for making decisions on critical key management policies and business execution matters, as well as overseeing management in strict compliance with laws, the articles of association, and mandates from the general meeting of shareholders. Board meetings are convened by the Chairman and are classified into regular and extraordinary meetings. Regular meetings occur quarterly, while extraordinary meetings can be called promptly at the request of the Chairman or a director. To ensure sufficient time for agenda review, all relevant materials for Board and committee meetings are distributed at least seven days in advance through written, in-person, or telephonic means. To avoid conflicts of interest, directors with a special interest in an agenda item are strictly prohibited from voting on that matter. ShinWon also operates a specialized support organization for independent directors, effectively assisting them in fulfilling their professional duties on the Board and its committees. This support includes thorough pre-meeting briefings on agenda items, provision of necessary management information, and immediate responses to inquiries. Additionally, we provide comprehensive training programs to enhance independent directors' expertise, promoting rational and independent decision-making by the Board. Detailed information on the Board's operations and key agenda items for 2024 is disclosed in our annual business report.

Performance of the Board in 2024

Total meetings held	Number of resolved items	Number of reported items
68	90	58

Board Meeting Agenda in 2024 ¹⁾

Date	Agenda Item	Outcome	Attendance
Feb 29, 2024	Approval of 2023 ShinWon Consolidated Financial Statements, etc.	Approved	100%
Apr 03, 2024	2024 Safety and Health Plan	Approved	100%
Apr 24, 2024	Establishment of New York Corporation, USA	Approved	100%
Jul 24, 2024	Loan Investment in Fashion Stitch Guatemala	Approved	100%
Nov 29, 2024	Opening of Starfield Hanam Store	Approved	100%

1) For a comprehensive list of all 2024 Board of Directors agenda items, please refer to page 269 of the business report.

Board Subcommittees

ShinWon operates the Management Committee, Audit Committee, Independent Directors Recommendation Committee, ESG Committee, Compensation Committee, and Internal Transactions Review Committee. Each committee functions according to its distinct purpose and role, with relevant regulations and activity details comprehensively disclosed on ShinWon's official website. These committees significantly reinforce the Board's fundamental responsibility to effectively oversee management. All meetings are conducted in strict accordance with established operating regulations, and their status and resolutions are thoroughly reported to the Board, supporting responsible decision-making and ensuring complete transparency in governance.

Board Internal Committee Activities

Committee	Details	Composition (● : Chairperson)	Meetings	Agenda Items	Regulation
Management Committee	Executive tasks related to management matters delegated by the Board of Directors · Annual business plan report, review of mid-term business plans · Preliminary review of financial statements, preliminary review of key mergers and acquisitions	Choong Kyu Yoo(●), Wan Young Choi, Choong In Lee, Nam Woo Cho	10	18	
ESG Committee	Review and analyze ESG-related strategies and key matters for the company's major decision-making · Review and monitor sustainable management strategies/directions · Review of ESG strategies and mid-to-long-term plans	Jung Joo Park(●), Jung Bin Park, Wan Young Choi, Choong In Lee, Nam Woo Cho, Choong Kyu Yoo	13	29	
Internal Transactions Review Committee	Preliminary review of major large-scale internal transactions · Loan investment agenda, review of loans and other investments · Quarterly regular reporting of internal transactions	Nam Woo Cho(●), Wan Young Choi, Choong In Lee, Choong Kyu Yoo	12	18	
Compensation Committee	Deliberation on executive compensation, severance pay, stock option grants · Deliberation of and resolution on temporary special compensation payments · Deliberation of registered director compensation limits and compensation system	Choong Kyu Yoo(●), Nam Woo Cho	6	11	
Independent Directors Recommendation Committee	Recommendation of independent director candidates and preliminary review of qualification requirements	Nam Woo Cho(●), Choong Kyu Yoo	6	6	
Independent Director Evaluation Committee	Evaluation of independent directors' activities and regular self-evaluation of the Board of Directors	Jung Joo Park(●), Jung Bin Park, Wan Young Choi, Choong In Lee	5	7	

Governance

Independent Directors Recommendation Committee

The Independent Directors Recommendation Committee comprises two independent directors and comprehensively reviews candidates' expertise, diversity, and other capabilities to recommend suitable candidates.

Activities of the Independent Directors Recommendation Committee in 2024

Date	Attendance	Content	Reported to Board
Jan 24, 2024	100%	Recommendation of 2024 New Independent Director Candidates	○
Apr 11, 2024	100%	Appointment of 2024 Committee Chairman	○
May 07, 2024	100%	Discussion on Independent Director Candidate Pool Management Plan	○
Sep 04, 2024	100%	2024 1st Regular Committee Meeting	○
Oct 28, 2024	100%	2024 2nd Regular Committee Meeting	○
Dec 27, 2024	100%	Recommendation of Independent Director Candidates	○

Independent Director Evaluation Committee

ShinWon operates a comprehensive Independent Director Evaluation Committee to regularly evaluate the roles and performance of independent directors on the Board. The contribution of independent directors is used as critical evaluation data for reappointment and dismissal decisions and is thoroughly quantitatively and qualitatively assessed by integrating Board evaluations, external evaluations, and support organization evaluations. Evaluations are conducted twice a year, and the results are fully disclosed on the official website.

Activities of the Independent Director Evaluation Committee in 2024

Date	Attendance	Content	Reported to Board
Jan 24, 2024	100%	Pre-deliberation of Independent Director Re-election Candidate	○
Apr 03, 2024	100%	Appointment of 2024 Committee Chairman	○
	100%	Discussion on 2024 Independent Director Evaluation Guidelines and Schedule	○
Jul 25, 2024	100%	Report on 2024 H2 Independent Director and Auditor Training Schedule	○
	100%	Report on 2024 H1 Independent Director Evaluation Results	○
Oct 28, 2024	100%	2024 H2 Regular Committee Meeting	○
Dec 27, 2024	100%	2024 H2 Independent Director Evaluation	○

Management Committee

The Management Committee is a specialized subcommittee within the Board of Directors established to enhance the professionalism and efficiency of task execution by deliberating on and resolving major issues delegated by the Board. It operates based on the Bylaws and Board of Directors Regulations and holds the authority to manage and supervise the company's business execution process for matters deliberated and resolved by the committee. Key resolution matters include comprehensive reporting and reviewing the annual business plan, reviewing the strategic mid-term business plan, thorough preliminary review of financial statements, and preliminary review of major mergers and acquisitions.

2024 Management Committee Activities

Date	Attendance	Content	Reported to Board
Feb 05, 2024	100%	2023 Year-end Audit Results Report	○
	100%	2023 Internal Accounting Control System Operation Report	○
Mar 13, 2024	100%	Guatemala FSG Corporation Establishment Report	○
	100%	US New York Corporation Establishment Report	○
Apr 11, 2024	100%	Appointment of 2024 Committee Chairman	○
	100%	Report on 2024 Key Investment and Business Plans	○
	100%	Report on Establishment of NY Corporation, USA	○
May 02, 2024	100%	Report on 2024 Q1 Financial Results	○
Jun 19, 2024	100%	Report on 2024 H2 Order Performance and Sales Plan	○
Aug 29, 2024	100%	Report on 2024 Half-yearly Performance	○
	100%	Report on Acquisition of New Corporation	○
Oct 28, 2024	100%	2024 H2 Regular Committee Meeting	○
	100%	Report on Acquisition of New Corporation	○
Nov 12, 2024	100%	Report on 2024 Q3 Performance	○
Dec 02, 2024	100%	Report on 2025 Management Plan	○
	100%	Briefing on 2025 Currency Expectations and Management Environment	○
	100%	Report on Establishment of New Corporation	○
Dec 27, 2024	100%	Report on Status of 2024 Investment and Loan	○

Governance

Internal Transactions Review Committee

ShinWon established the Internal Transactions Review Committee to deliberate on and approve large-scale internal transactions among affiliates in strict accordance with the Fair Trade Act. The committee consists of two independent directors and two executive directors. To promote transparent and fair corporate management, it conducts systematic quarterly reviews of internal transaction performance with affiliates and reports significant matters to the Board of Directors through comprehensive prior reporting and deliberation when major transactions arise.

Activities of the Internal Transaction Deliberation Committee in 2024

Date	Attendance	Content	Reported to Board
Jan 24, 2024	100%	Review and Deliberation of Loan Investments of Fashion Stitch Joshua	○
Feb 05, 2024	100%	Report on 2024 Annual Loan Investment Plans	○
	100%	Review and Deliberation of Capital Increase of Shinwon Central America	○
	100%	Review and Deliberation of Loan Investments of Daniel Tex	○
Mar 13, 2024	100%	Review and Deliberation of Loan Investments of Goinggreen Company	○
Apr 11, 2024	100%	Appointment of 2024 Committee Chairman	○
	100%	Review and Deliberation of Loan Investments in April 2024	○
May 02, 2024	100%	Report on and Deliberation of Capital Increase for Overseas Subsidiaries in May 2024	○
	100%	Review and Deliberation of Loan Investments in May 2024	○
May 30, 2024	100%	Report on and Deliberation of Capital Increase for Overseas Subsidiaries in June 2024	○
	100%	Review and Deliberation of Loan Investments in June 2024	○
Jul 17, 2024	100%	Review and Deliberation of Loan Investments in July 2024	○
Aug 27, 2024	100%	Review and Deliberation of Loan Investments in August 2024	○
Sep 09, 2024	100%	Review and Deliberation of Loan Investments in September 2024	○
Nov 06, 2024	100%	Review and Deliberation of Loan Investments in October 2024	○
	100%	Review and Deliberation of Loan Investments in November 2024	○
Dec 02, 2024	100%	Review and Deliberation of Loan Investments in December 2024	○
Dec 27, 2024	100%	Report on 2024 Subsidiary Capital and Loan Investment Details	○

Compensation Committee

ShinWon has a Compensation Committee to ensure complete objectivity and transparency in the process of determining the compensation for its directors and executives. This committee is responsible for deliberating on all matters related to compensation, including the proposed compensation limits for directors to be submitted at the general shareholders' meeting, and adjustment rates for registered and unregistered executives. To establish a rigorous objective compensation system, the Compensation Committee comprises two Independent directors who regularly review the appropriateness of directors' compensation limits and execution of compensation based on performance. Additionally, ShinWon regularly conducts comprehensive Board of Directors evaluations. Based on the thorough objective results of these evaluations, constructive feedback is provided on any deficiencies and areas for improvement, which contributes to significantly enhancing the effectiveness of the Board's operations.

2024 Compensation Committee Activities

Date	Attendance	Content	Reported to Board
Jan 24, 2024	100%	Preliminary Report on Executive Severance Payment	○
	100%	Preliminary Report on Special Bonus(Incentive) Payment	○
Apr 03, 2024	100%	Appointment of 2024 Committee Chairman	○
Jul 17, 2024	100%	Approval of Executive Director Compensation	○
Sep 04, 2024	100%	Review of Executive Director Compensation System	○
Dec 27, 2024	100%	Review of 2025 Executive Director Compensation	○
	100%	2024 Board of Directors Evaluation	○
	100%	2024 Executive Director Evaluation	○

ESG Committee

ShinWon operates an ESG Committee to strengthen ESG management centered on the Board of Directors, which comprises two independent directors and four executive directors. The ESG Management Committee comprehensively reviews the company's overall ESG activities by area and devises strategic response measures for related risks. It also actively collaborates with working-level organizations to deliberate on and review detailed agenda items to establish an integrated ESG management system to significantly improve sustainability.

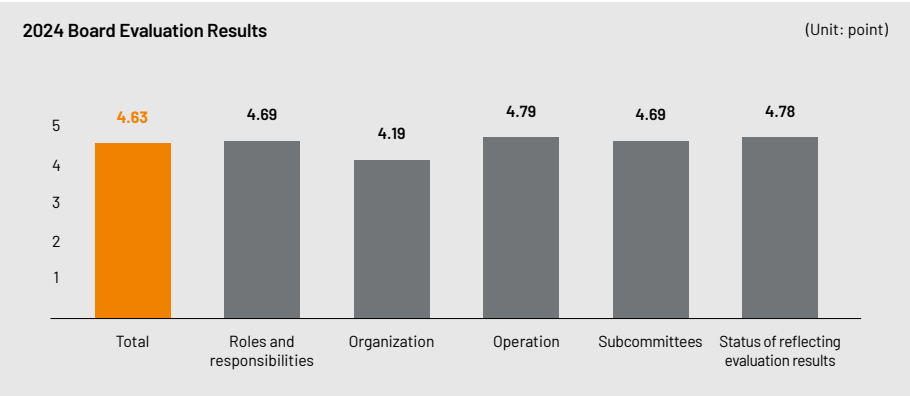
Governance

Board of Directors Performance Evaluation

To ensure operational effectiveness and enhance the performance of the Board of Directors and its committees, ShinWon conducts a thorough annual evaluation. This process is led by the Compensation Committee, which reports the results to the Chairman of the Board. The evaluation assesses the Board's overall activities based on rigorously developed internal criteria, incorporating detailed self-evaluations by Board members, audit assessments, and feedback from related and supporting departments. Data is collected through a comprehensive 43-question survey. In the 2024 self-assessment, the Board received an impressive overall score of 4.63 out of 5. ShinWon transparently discloses these results externally to build stakeholder trust and actively applies identified improvement areas to continuously advance Board governance in practice.

ShinWon Board of Directors Evaluation Process

Cycle	Once at the end of every month
Subject	Board of Directors, auditors, and related and supporting departments
Methodology	· Self-assessment, audit assessments, and assessments by related and supporting departments · Scoring individual assessment items (measured on a five-point Likert scale)
Item	Roles and responsibilities, organization, and operation of the Board of Directors, subcommittees, and the status of reflecting evaluation results



Independent director Evaluation

To strengthen the responsibility and expertise of independent directors and enhance the effectiveness of the Board of Directors, ShinWon conducts comprehensive regular evaluations of individual independent directors twice a year. These evaluations include precise quantitative metrics—such as attendance rate, agenda participation rate, and training completion—as well as a thorough qualitative assessment based on nine criteria: integrity, fairness, business acumen, ethical awareness, shareholder orientation, external relations capability, information management, sense of ownership, and leadership. The results are systematically reported to the Chairman of the Board and used as a critical reference in decisions regarding the reappointment of independent directors. Evaluation outcomes are also fully disclosed on ShinWon's official website, contributing to responsible Board governance and enhanced transparency in our corporate structure.

Independent director Evaluation Process

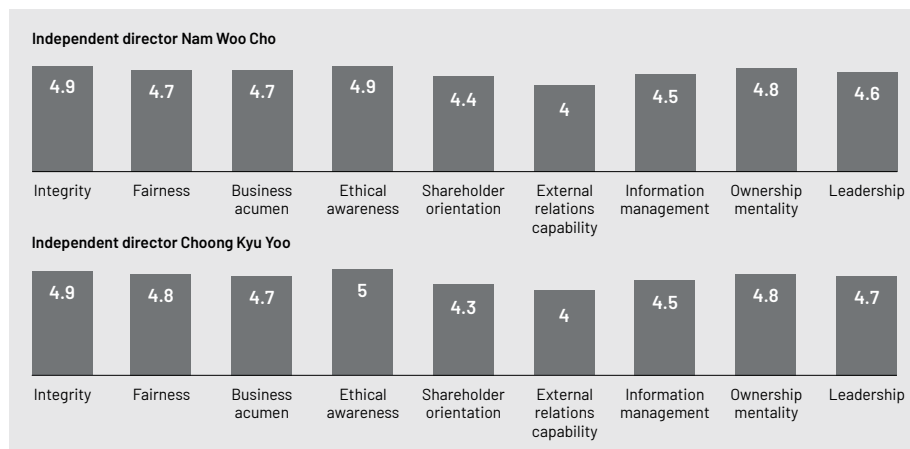
Cycle	Twice a year, at the end of each half-year period
Subject	Executive Director, auditors, and related and supporting departments
Methodology	Scoring individual assessment items (measured on a five-point Likert scale)
Item	Integrity, fairness, business acumen, ethical awareness, shareholder orientation, external relations capability, information management, sense of ownership, leadership

Independent director Evaluation Results

Category	Item	Score
Qualitative evaluation	Integrity	4.91
	Fairness	4.75
	Business acumen	4.70
	Ethical awareness	4.93
	Shareholder orientation	4.34
	External relations capability	3.98
	Information management	4.48
	Ownership mentality	4.80
	Leadership	4.64
Average		4.61

Governance

Individual Independent director Evaluation Results



Board of Directors and Executive Compensation Policy

At ShinWon, director compensation limits are determined by the general shareholders' meeting, as clearly stipulated by the Commercial Act and the company's Articles of Incorporation. Compensation is paid transparently following thorough review and approval by the Compensation Committee. For independent directors, compensation is provided in the form of a base salary, precisely reflecting assigned duties and professional expertise rather than performance evaluations, to ensure the Board's complete independence. Compensation for internal registered directors, including the CEO, is calculated by carefully considering financial and non-financial performances such as the execution of mid-to-long-term strategic initiatives, improvements in management efficiency, and ESG performance. Payments are made after Board approval, based on a detailed salary table that considers factors such as position and tenure. ShinWon openly discloses its compensation system through its business and governance reports.

Status of Director Compensation Payment in 2024

Category	Number	Total Compensation	Average Compensation Per Person
Executive Director	5 persons	2,642 million won	528 million won
Independent director	2 persons	24 million won	12 million won
Audit	2 persons	57 million won	29 million won

Stock Ownership by Special Stakeholders

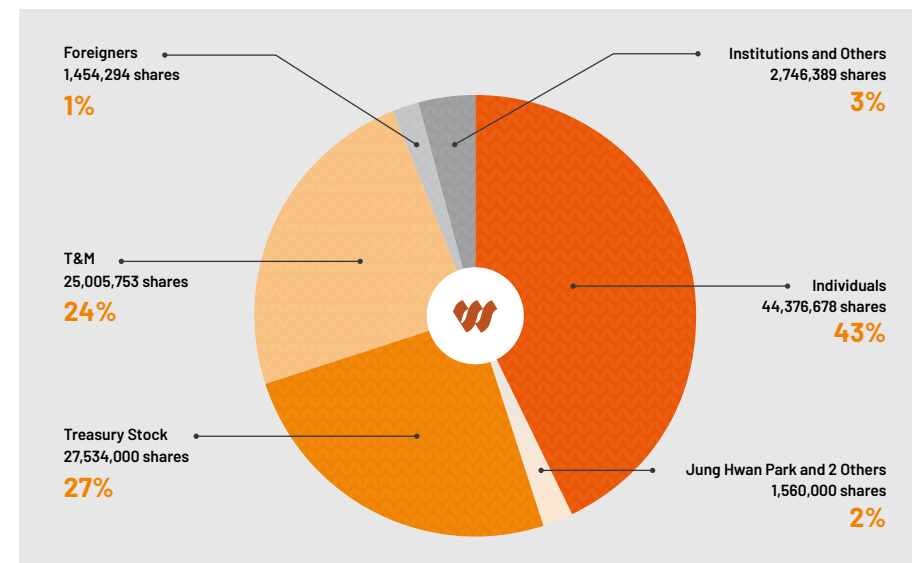
According to the standards stipulated by the Commercial Act and related legislation, ShinWon clearly establishes internal regulations in the Acts of Incorporation to fully guarantee fundamental shareholder rights. We also introduce and operate an advanced digital voting system to protect shareholder rights and expand participation opportunities and continuously strive to enhance shareholder value by establishing a comprehensive mid-to-long-term shareholder return policy.

Status of Stock Issuance

As of December 31, 2024, 102,677,096 shares were issued, of which treasury stock accounts for 27,534,000. The largest shareholder of ShinWon is T&M Communications with 25,005,753 shares, a 24.35% stake.

Status of Shareholders

As of December 31, 2024



Governance

Shareholder Rights Protection Policy

Shareholder Communication

ShinWon ensures complete transparency and shareholder engagement by disclosing information on general meetings of shareholders through the Financial Supervisory Service's Data Analysis, Retrieval, and Transfer System (DART) and the company's official website at least three weeks prior to the meeting date. In addition, meeting notices are sent to all shareholders to guarantee equal access to information and adequate time for exercising their voting rights. For the appointment of directors and auditors, ShinWon provides comprehensive detailed information on each candidate and presents these items as separate resolutions. This approach supports shareholders informed independent judgment and facilitates their meaningful participation in corporate governance.

Briefings for Institutional and Minority Shareholders

ShinWon holds regular briefings for institutional investors and minority shareholders to strengthen proactive responsible communication and provide comprehensive transparent information regarding the company's financial performance, management strategies, and ESG initiatives. These efforts reflect our deep commitment to sustainable management and aim to enhance market credibility through precise and timely information disclosure. In the long term, such communication is expected to significantly improve management transparency and foster lasting trust among shareholders.

Exercise of Shareholder Voting Rights

To fully safeguard shareholders' voting rights and facilitate seamless participation, ShinWon introduced an advanced digital voting system at its 50th Annual General Meeting in 2023, enabling shareholders to cast their votes online. This system is rigorously and transparently managed by the Korea Securities Depository. Additionally, for shareholders unable to attend in person, we provide a convenient proxy voting option via power of attorney.

Treasury Stock Retirement

On March 28, 2025, ShinWon retired a portion of its treasury stock as part of its strategic ongoing efforts to enhance shareholder value. A total of 2,534,000 shares were retired, representing approximately KRW 3.6 billion in value. Following the retirement, the company's total treasury stock holdings account for a significant 26.84% of outstanding shares.

Shareholder Return Policy

Despite an unstable external environment, ShinWon has consistently paid dividends for four consecutive years since 2021, maintaining a stable shareholder return policy. We plan to sustain an annual dividend payout ratio of at least 50%. Additionally, if the company's value is perceived as undervalued, we will proactively enhance shareholder value through flexible treasury stock repurchases.

Treasury Stock Repurchase Status by Year

(Unit: share)

2022	2023	2024
7,500,000	6,000,000	-

Dividend Payouts for the Last Three Years

Category		Unit	2022	2023	2024
Total Cash Dividends		KRW billion	81	53	53
Cash Dividend Per Share	Common Shares	KRW	100	70	70
	Preferred Shares	KRW	105	75	75
Cash Dividend Payout Ratio		%	44.21	77.19	83.4
Dividend Yield	Common Shares	%	6.2	5.1	4.6
	Preferred Shares	%	-	-	-



Strategic Task 11.

Reinforce execution for anti-corruption and integrity

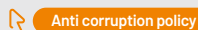
Won Story

ShinWon recognizes that corruption and unethical behavior pose serious threats to corporate trust and sustainable management. To address this, we are rigorously strengthening our ethical and compliance management systems. We have cultivated a robust anti-corruption culture grounded in comprehensive mechanisms, including the establishment of clear ethical standards, company-wide ethical pledges, and the operation of secure internal reporting channels. Our management system also strategically links disciplinary actions for violations with incentives for exemplary practices, significantly enhancing execution effectiveness.

2024 Highlight

The 2025 Compliance Vision Declaration Ceremony

ShinWon held the 2025 Compliance Management Declaration Ceremony to reinforce ESG management by conducting transparent business practices in compliance with applicable laws and ethical standards. Through this ceremony, we shared company-wide compliance implementation plans addressing human rights, ethics, anti-corruption, fair trade, and the protection of consumer and personal information, underscoring our commitment both internally and externally.



Governance

Codes of Ethics and Conduct

In terms of business in a global market, ShinWon strongly prioritizes integrity and trust, and based on these fundamental values, we actively practice ethical business to realize transparent and fair corporate governance. The Declaration of Ethical Business comprehensively presents the company's strategic direction and responsible corporate philosophy and embodies our unwavering commitment to fostering mutual prosperity through free and fair competition, adherence to laws and regulations, and promoting public interest. To put this philosophy into practice, we have established a detailed Ethical Charter and Guidelines for the Ethical Charter. All our executives and employees are fully obliged to use these as a foundation for making ethical judgements and acting responsibly in every aspect of their work. Through these precise standards of conduct, ShinWon strengthens its management system to effectively internalize ethical awareness seamlessly across the organization.



Declaration of Ethical Business

ShinWon Code of Ethics

Basic Ethics of Executives and Employees	Responsibilities and Duties to Customers	Responsibilities to Shareholders
1. Diligence in performing duties and compliance with regulations 2. Resolution of conflicts of interest 3. Protection and proper use of company assets 4. Avoidance of gifts, entertainment, and financial transactions 5. Mutual respect 6. Reporting system	1. Approach to customers 2. Provision of reliable information 3. Customer protection	1. Respect for shareholders 2. Protection of shareholders' interests
Fair Transaction	Responsibilities to Executives and Employees	Responsibilities to Country and Society
1. Duties toward business partners 2. Compliance with relevant laws and regulations and prohibition of misconduct 3. Pursuit of mutual development	1. Respect for executives and employees 2. Fair treatment 3. Talent development	1. Sound corporate activities 2. Contribution to national and social development 3. Environmentally friendly management

ShinWon Code of Ethical Conduct

Basic Principles of Ethical Management	
Integrity and Trust	All executives and employees shall perform their duties with integrity, prioritizing the company's trust above all else.
Compliance with Laws and Regulations	We strictly comply with domestic and international laws and regulations and corporate ethics and conduct fair business practices.
Transparent Business Operations	We maintain transparency across all business and decision-making processes and enhance trust between stakeholders.
Implementation of Social Responsibility	As a corporate citizen, we actively perform environmental protection, respect for human rights, and social contribution activities.
Eradication of Corruption and Misconduct	We strictly prohibit any conduct violating ethical standards, such as bribery, embezzlement, and the pursuit of unjustifiable profits.

Guidelines for Ethical Management	
Ethical Management Training	All executives and employees shall regularly receive ethical management training to embed the appropriate values.
Internal Reporting System	We establish a safety system that enables reporting unethical practices and misconduct and protects reporting subjects.
Consistent Ethical Management Review	We review the status of ethical management practices regularly and prepare plans for improvement.
Stakeholder Cooperation Enhancement	We share ethical values with our partners and customers and foster a culture of mutual growth.

Governance

Code of Ethics

On March 15, 2024, ShinWon announced a comprehensive new Code of Ethics as part of our ESG management vision declaration. Subsequently, on March 25, 2025, we held a significant Compliance Management Declaration Ceremony, officially unveiling our Ethical Management Statement along with detailed codes of conduct. This thoroughly established Code of Ethics clearly defines the responsibilities of all executives and employees in every business activity and sets rigorous standards to reinforce our social and environmental commitments. The code applies to all executives and employees and serves as a practical guide for ethical judgment and conduct in daily decision-making and throughout all work processes. Key areas covered include employee ethics, customer relations, stakeholder engagement, and the fulfillment of social responsibilities. We are proactively fostering an ethical culture across the company by using this code as a fundamental standard for action. Our aim is to generate meaningful social value through responsible management and to continuously strengthen trust with all our stakeholders.

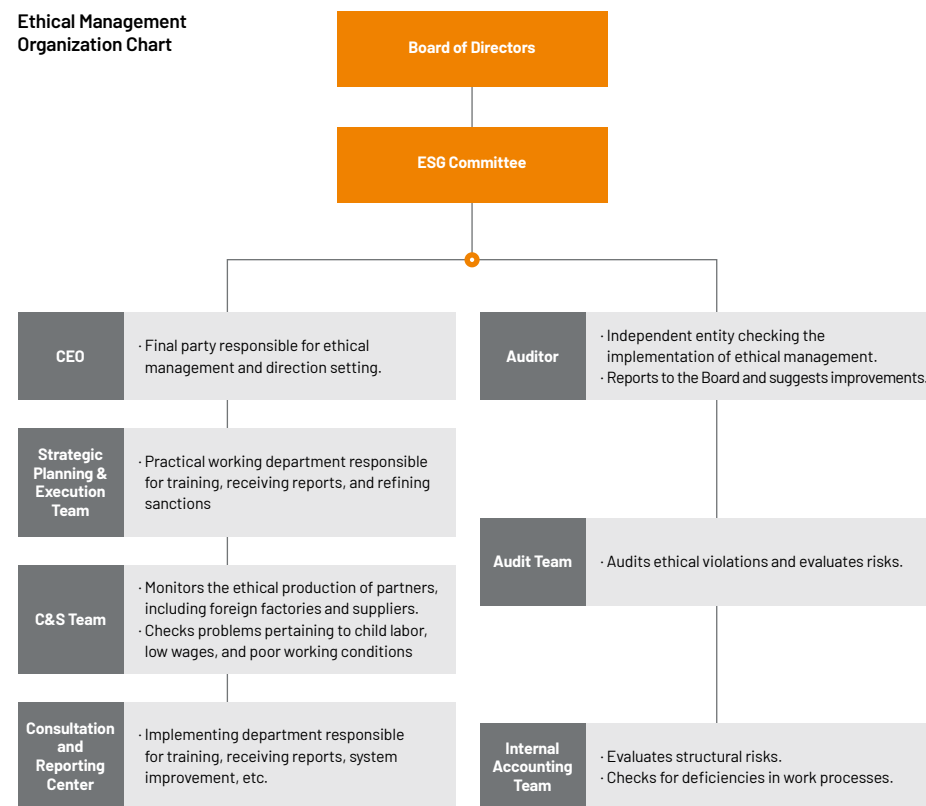


ShinWon Code of Ethics

Ethical Management Organization

ShinWon's ethical management framework is designed to embed ethical standards into all levels of decision-making and business practices, going far beyond the mere establishment of formal regulations. At the highest level, the ESG Committee—chaired by the CEO—oversees comprehensive decision-making, management, and supervision related to ethical management. As the ultimate authority responsible for ethical practices, the CEO provides clear strategic direction across key areas, including the establishment and revision of ethical standards, employee training, system implementation, risk identification, and improvement initiatives. Meanwhile, the auditor functions completely independently to monitor the implementation of ethical management practices. Through the Audit Team and Internal Accounting Team, the auditor conducts thorough regular inspections of ethical compliance and related procedures. The ESG Committee also reviews the status of ethical management on a regular basis and holds quarterly meetings to discuss critical strategic priorities, ongoing tasks, and areas for improvement. Through this robust organizational structure, ShinWon is reinforcing the practical execution of ethical management and advancing a comprehensive system of sustainable and responsible corporate governance.

Ethical Management Organization Chart

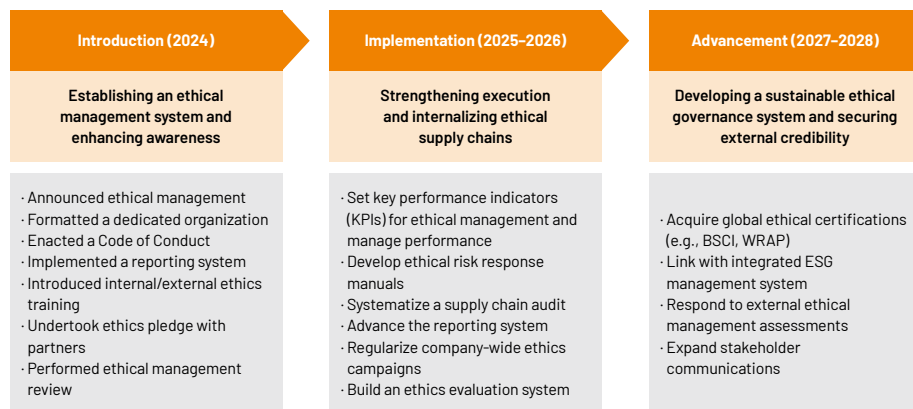


Ethical Audit System

ShinWon's Audit Team operates as a fully independent body responsible for investigating reports of misconduct involving executives and employees across all departments. In addition to handling reported cases, the team conducts comprehensive training programs to strengthen internal controls and promote ethical awareness throughout the organization. It also carries out thorough ethical audits to ensure strict adherence to the company's ethical standards and policies.

Strategy

Ethical Management Roadmap



Ethical Management Activities

Ethical Management Pledge

ShinWon drafts a Code of Ethics Pledge every year to instill a culture of integrity and fairness among all our executives and employees. Conducted annually, this is a procedure to pledge voluntary compliance with the Code of Ethics and Standards of Conduct.

Performance of 2024 Ethical Management Activities



100% Ethics Pledge Completion Rate (732 executives and employees as of 2024)

Status of Ethical Management Activities

Executives and Employees	Partners	Common
· Ethics training (regular, ad-hoc, specific departments, etc.) · Ethics pledge (drafted annually)	· Regular survey (fairness, transparency, etc.)	· Chambit Voice (Ethics reporting channel) · Internal and external ethics campaigns

Ethical Management Training

To internalize an ethical corporate culture, ShinWon provides systematic regular ethical management training for all executives and employees. This comprises comprehensive ethics training concerning ethical principles and practice guidelines and detailed compliance training focused on key laws and regulations such as sexual harassment and assault, embezzlement and breach of trust, the Anti-Graft Act, and fair trade. All executives and employees participate actively regardless of their position. This enhances ethical decision-making capability and legal compliance awareness and contributes to a robust transparent and responsible organizational culture.

Status of Ethical Management Training

Category	Content	Duration	Participants
2022	Sexual harassment prevention, disability awareness improvement, workplace bullying prevention, ethical management, information security	5 hours	690 persons
2023		5 hours	687 persons
2024		5 hours	742 persons

Risk Management

Disciplinary Procedures for Ethical Violations and Performance Compensation Linkage

Internal Ethical Management Diagnosis/Audit

Based on its comprehensive annual audit plan, ShinWon conducts both regular and ad hoc audits as needed. These audits are carried out in strict accordance with internal regulations and standardized procedures. Audit findings are used to determine appropriate follow-up actions, which may include targeted training, company-wide announcements, and measures aligned with the consolidated employment rules. Through this systematic process, we assess employees' ethical awareness and work to diagnose and enhance the overall level of ethical management across the organization.

Disciplinary System for Ethical Violations

ShinWon maintains a rigorous and systematic disciplinary process to address unethical conduct by employees. When a violation occurs, the Audit Team conducts a thorough independent investigation and submits detailed disciplinary recommendations. Final decisions are made following careful objective deliberation by the relevant departments and the Disciplinary Committee. After disciplinary action is taken, we provide specialized targeted training and implement comprehensive preventive measures to avoid recurrence. In addition, major cases are shared with all executives and employees through our Groupware system to significantly reinforce ethical awareness. This approach supports the unwavering application of ethical standards across the organization.

Risk Management

Reporting Channel

ShinWon operates Chambi Voice, a comprehensive anonymous reporting channel accessible to all stakeholders—including executives, employees, partners, and consumers—for reporting misconduct, human rights violations, and corruption. The platform ensures the complete anonymity of the reporter and is designed for maximum ease of use. It also supports the effective handling of sensitive issues such as sexual harassment and workplace bullying, in close coordination with the Grievance Committee.

Matters Reportable on the Channel

Reportable Matters	Accepting money, entertainment, or favors from stakeholders, including partner companies
	Improperly using company assets and information or gaining undue profit from them
	Violations of internal accounting control regulations (e.g., intentionally falsifying, coercing, or concealing accounting information)
	Other unethical acts involving stakeholders

Report Handling Process



Reporting Channels

Phone and fax	Online
Ethical Management Officer, Strategic Planning Team, ShinWon Group	Reports received and handled confidentially
Address: 329, Dongmak-ro, Mapo-gu, Seoul, Republic of Korea (ShinWon Building, Ethical Management Officer)	
TEL: 02-3274-5006	Reporting online
FAX: 02-3274-5139	
E-MAIL: JEBO@SHINWON.COM	

Internal Whistleblower Protection Policy

ShinWon strongly prioritizes the safety and anonymity of whistleblowers by restricting access to Chambi Voice to specifically designated managers only. To further protect identities, reports submitted without personal information—or with arbitrarily entered details—are processed completely anonymously. Even when a real name is provided, the identity of the reporting party is never disclosed. All reports are thoroughly reviewed directly by the responsible manager, and the reporter can easily track the outcome through the system. Each case is carefully monitored until resolution, ensuring fully transparent and accountable follow-up.

Governance

Compliance Management Policy

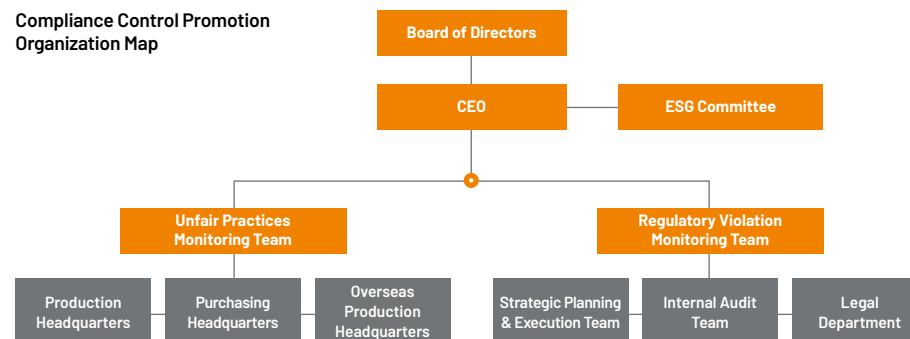
To ensure legal compliance and management integrity, ShinWon has established comprehensive Compliance Control Standards, which all executives and employees are expected to observe when performing duties. These function as a detailed code of conduct to ensure systematic compliance management. We have also designated a qualified Compliance Management Officer and are committed to establishing a robust culture of compliance throughout the organization. All executives and employees are actively building the organization's legal soundness and trustworthiness through consistently fair and transparent work practices. This commitment leads to effectively fulfilling our social and legal responsibilities to key stakeholders, including employees, customers, shareholders, and partners, contributing to the establishment of a lasting sustainable cooperation system based on trust.



Compliance Control Promotion Organization

ShinWon is committed to managing legal risks and boosting our employees' compliance awareness through comprehensive training and advisory services on fair trade. To significantly deepen the understanding of compliance management and diligently meet regulatory and stakeholder requirements, a specialized internal audit team has been established. This team addresses legal issues that occur in the field and manages legal risks through continuous monitoring and examination. They also provide thorough compliance training to all employees and report the results of compliance assessments to the Board of Directors, substantially enhancing the effectiveness of the compliance management system.

Compliance Control Promotion Organization Map



Strategy

Compliance Management Roadmap

ShinWon has developed a comprehensive compliance management roadmap to proactively address increasingly tightening domestic and international regulations and ESG standards, prevent legal risks, and fulfill the compliance requirements of global clients. Through this strategic roadmap, the company is advancing rigorous systematic risk management grounded in legal compliance and strengthening its robust sustainable management system.

ShinWon Compliance Management Roadmap

2023	2024	2025	From 2026 onward
Fundamental Establishment	System Establishment	Implementation and Internalization	Advancement
Management's commitment - Sharing information on the necessity and direction of compliance management - Official declaration or message from the CEO	Establishing internal controls and regulations - Revising company regulations, the code of conduct, and ethics charter - Developing legal compliance procedures and operating manuals	Implementing compliance management - Regularizing compliance checks by departments - Activating the response process when a violation occurs	Performance measurement and feedback - Setting and measuring compliance management KPIs - Evaluating the effects of training and regulatory effectiveness
Establishing compliance management governance	Introducing a risk management system - Identifying major legal risks - Managing risks - Designing processes	Internal audit and reporting system - Operating compliance issue reporting lines (e.g., hotline, whistleblowing system) - Regular internal audits and monitoring - Appointing a Compliance Officer (CLO)	Continuous improvement - Reflecting updated laws and regulations and strengthening risk responses - Benchmarking best practices and supplementing systems
Diagnosing status - Identifying internal risk factors (e.g., likelihood of legal violations) - Analyzing external regulation environments - Operating a compliance management reporting channel	Training and enhancing awareness - Conducting compliance training for executives and employees - Fostering a culture of ethical and compliance management		External certifications and disclosure Obtaining certifications such as ISO 37301 (Compliance Management System)

Compliance Management Activities

Compliance Management Training

ShinWon regularly conducts comprehensive case-based compliance training centered on key laws such as embezzlement, breach of trust, and the Anti-Graft Act to strengthen employees' legal compliance capabilities. New executives receive specialized tailored training on corporate law and our compliance control system. Our detailed fair trade training addresses practical issues including collusion, international cartels, and unfair subcontracting. In 2024, we systematically disseminated updates on the Korea Fair Trade Commission's revised guidelines for eradicating bid rigging and shared the latest fair trade trends across the company through internal posts and communication channels. These proactive efforts contribute to fostering a culture of voluntary compliance and establishing a robust fair trade order.

Compliance Management Training Performance

Category	Content	Target	Attendees
Legal Compliance Training	Embezzlement, breach of trust, obstruction of justice, the Anti-Graft Act	All	718 persons
	General fair trade, prohibition of unfair practices, breach of trust, embezzlement	All	353 persons
Compliance training	Embezzlement, breach of trust	Executives	27 persons
	Anti-graft, fair trade, Fair Transactions in Subcontracting Act, unfair support practices, dispute and litigation cases	Procurement officers	78 persons

Internal Accounting Control System Training

ShinWon operates a comprehensive annual training program for relevant personnel to strengthen our internal accounting control system. This training focuses on significantly enhancing the understanding of the latest accounting standards and related laws, as well as improving the accuracy of accounting processes and reporting capabilities. Thus, we substantially elevate the expertise of our internal accounting staff and boost the transparency and reliability of our financial reporting. This training serves as a vital means to enhance the efficiency of our internal accounting system and effectively mitigate potential risks.

Three-Year Internal Accounting Control System Training Performance

2022		2023		2024	
Attendees	Duration per person	Attendees	Duration per person	Attendees	Duration per person
83 persons	1 hour and 30 minutes	86 persons	1 hour and 30 minutes	87 persons	1 hour and 30 minutes

Risk Management

Compliance Risk Management

ShinWon operates a rigorous PDCA (Plan-Do-Check-Act) management system to proactively address compliance risks. Through comprehensive systematic policy development and communication, education and procedure management, monitoring, and continuous improvement, we significantly strengthen our organization-wide ability to respond effectively to compliance risks.

Compliance Risk Management

PLAN Compliance Policy and Infrastructure Development	· Establishing and Disseminating Compliance Policies · Sharing and encouraging understanding of organizational goals · Updating newly established or revised obligations due to changes in the regulatory environment, etc.
DO Internal and External Training and Promotion	· Training and promotion to strengthen compliance management awareness · Developing internal auditors and risk assessors · Obtaining compliance pledges from the Board of Directors, CEO, and all employees · Disseminating compliance policies to partner companies and securing their pledges · Identifying and managing compliance obligations and risks by department
CHECK Compliance Obligation Identification & Risk Analysis and Assessment	· Evaluating the impact of identified new and amended obligations · Monitoring control measures · Conducting departmental monitoring · Performing internal audits · Reflecting internal audit results in management reviews and implementing improvements
ACT Improvement and Actions based on Compliance Requirements	· Identifying discrepancies and implementing corrective actions

Risk Assessment Criteria and Management System

ShinWon operates a sophisticated risk assessment system to manage compliance and corruption risks systematically. We evaluate the risk and importance of items with potential for incidents or legal violations using rigorous inherent and residual risk criteria. For each risk type, we establish appropriate inspection procedures and control measures. Additionally, we conduct targeted internal training for relevant department personnel to enhance employees' compliance awareness and ensure the optimal operation of the system.

Key Self-Assessment Items

Funds	· Fair Trade Act · Foreign Exchange Transaction Act · Financial Investment Services and Capital Market Act · Act on External Audit of Stock Companies	Environment	· Sewerage Act · Clean Air Conservation Act · Wastes Control Act · Chemical Substances Control Act · Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis · Water Environment Conservation Act · Soil Environment Conservation Act
Information	· Personal Information Protection Act · Information and Communication Network Act	Purchase	· Fair Transactions in Subcontracting Act · Monopoly Regulation and Fair Trade Act
Intellectual Property	· Copyright Act · Design Protection Act · Patent Act · Utility Model Act	Industrial Safety	· Occupational Safety and Health Act · Framework Act on Firefighting Services · Industrial Accident Compensation Insurance Act · Act on the Safety Control of Hazardous Substances · Building Act
Marketing	· Trademark Act · Act on Fair Labeling and Advertising	Customer Service	· Framework Act on Consumers · Consumer Damage Regulations · Product Liability Act
Labor	· Labor Standards Act · Trade Union and Labor Relations Adjustment Act · Act on the Promotion of Employees' Participation and Cooperation · Minimum Wage Act · Equal Employment Opportunity and Work-family Balance Assistance Act · Act on the Protection, etc. of Temporary Agency Workers	Export	· International Conventions · Foreign Trade Act · FTA · Customs Act

Risk Management

Corruption Risk Assessment

ShinWon addresses legal and corruption risks by strategically categorizing them based on urgency and required processing time. Urgent issues are immediately investigated and handled by relevant departments, such as Human Resources and Legal Affairs Team. Matters requiring longer-term review are systematically managed by the Compliance Team or other appropriate departments and escalated to the ESG Committee under the Board of Directors. This system enables comprehensive monitoring and thorough management of legal risks.



Corruption Risk Management Process



Internal Control and Audit

Internal Control Cycle and Compliance Index Check

ShinWon operates a comprehensive continuous compliance monitoring system. When an inspection is deemed necessary, we conduct thorough company-wide internal audits. The results of these internal audits are fully reported to the auditor quarterly. Should any unusual issues arise, we immediately develop targeted corrective measures and concurrently provide specialized incident prevention training to prevent recurrence.

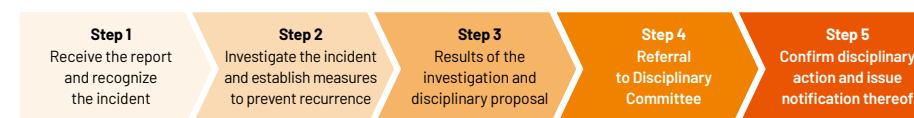
Key Items of the Internal Audit

Key Items	Organization management, handling grievances related to legal violations, and corruption and misconduct
Specific Items	General items (ad-hoc inspection items), key items (items for focused inspection within a specific period), and special items (items configured to reflect the unique characteristics of each organization), totaling 12 specific items

Ad-hoc Audit

ShinWon conducts targeted ad-hoc audits to investigate various reports thoroughly or when the internal audit team recognizes the possibility of risks or incidents. Ad-hoc audits are, in principle, completed within a specified period, and if the investigation reveals high severity or the need for further investigation, they are converted into comprehensive planned audits and expanded to cover all related operations. This ensures a swift response to unexpected risks and continuously strengthens the effectiveness of the internal control system.

Ethical Audit Process



Governance

Fair Trade

Fair Trade Policy

Based on ethical management practices, ShinWon has established and comprehensively implemented fair trade policies to ensure a fair and transparent market order. This policy provides detailed concrete guidelines to help our employees comply with regulations, emphasizing as a fundamental value the culture of fair and just competition based on the principle of free competition. We foster collaborative fair trade practices based on mutual trust and respect with all our business partners. To achieve this, we plan and implement systematic annual fair trade training programs to enhance employees' awareness and practical capabilities. In cases of policy violations, we take immediate strict disciplinary action to strengthen our internal controls. We also collaborate with the Fair Trade Deliberation Committee to build a proactive preventative investigation system. Through thorough on-site investigations, we minimize unfair transactions and misconduct, continually working to embed a strong culture of fair trade throughout the organization.



Governance

Fair Trade Management Declaration

ShinWon implemented the Fair Trade Management Declaration, embracing our unwavering determination toward fair trade order establishment, mutual growth with partners, and eradication of unfair trade and corruption. This declaration, officially signed by the CEO, effectively communicates our fair trade practices to internal employees and external stakeholders. It serves as the foundational starting point for our commitment to ethical and transparent corporate operations.



Strategy

Fair Trade Compliance Activities

ShinWon systematically carries out fair trade compliance activities to promote fairness and transparency in transactions with our partners. In line with the recommendations of the Korea Fair Trade Commission, we have adopted the Four Key Fair Trade Practices and strengthened our institutional foundation through agreements with major partners. Transactions exceeding a certain value are preemptively reviewed by the Subcontracting Deliberation Committee, and we conduct regular inspections of key transactions to ensure compliance. Additionally, we provide training on relevant laws and distribute Fair Trade Notification Emails company-wide to share the latest legal updates and industry issues. These initiatives help prevent legal risks and support the development of sustainable, mutually beneficial partnerships.

Four Guidelines for Subcontracting Practices

Practices for fair partner company selection (registration)	Desirable contract practices for cooperation between large enterprises and SMEs	Practices for the establishment and operation of the Internal Subcontract Review Committee	Practices of desirable document issuance and preservation in subcontracts
- Issues seven documents, including subcontracting contracts - Preserves issued documents for three years	- Agrees on appropriate delivery dates - Adjusts transaction prices reflecting raw material price increases and inflation - Prohibits unfair price reductions	- Ensures transparency in partner registration - Gives notification of screening results for partner selection (registration) - Provides equal opportunities to participate in bids	- Establishes the Internal Subcontract Review Committee - Preliminarily deliberates contract conclusion and pricing for certain scales of contracts - Operates a center to report unfair trade

Fair Trade Activity Programs

Target	Category	Details
Consumers	Differentiated values	- Improves productivity through process innovation - Provides high-quality products at reasonable prices - Provides products that uphold the principles of the prosperous lives of consumers
	Appropriate advertising	- Prohibits false, deceptive, or exaggerated advertising - Provides accurate information regarding product safety
	Customer protection	- Responds to customers' fair requests promptly and properly - Prohibits the collection or leakage of consumers' personal information without consent
Partners	Partner selection	- Provides equal opportunities to participate according to the principles and procedures defined by the company - Selects partners based on transparent and objective criteria stipulated by the internal Selection and Deliberation Committee
	Compliance with trade principles	- Prohibits unfair trade practices such as improper refusal of transactions, demanding unreasonable conditions, or discriminatory treatment by abusing one's transactional position - Adheres to internal processes at each transaction stage and conducts voluntary checklist-based inspections
	Mutual Growth	- Establishes and supports tailored programs (e.g. training, technical support) to enhance business partners' capabilities - Maintains regular exchanges for win-win cooperation with our business partners
Competitors	Prohibition of cartel activities	- Prohibits colluding with other businesses on product pricing - Adheres to the ShinWon's guidelines on contact with competitors
	Prohibition of unfair customer inducement	- Prohibits providing or soliciting improper favors, money, or entertainment to interest parties in transactions - Prohibits luring competitors' customers through the provision of excessive benefits that go against normal business practices
	Fair competition	- Prohibits unjustly collecting, utilizing, or leaking competitors' technologies or information externally - Prohibits disseminating false information for slandering competitors

Risk Management

Partner Fair Trade Compliance

ShinWon strictly prohibits all acts of giving and receiving money, gifts, or entertainment between employees and business partners or stakeholders, and continuously strengthens internal controls to create a fair and transparent trading environment. Before concluding any contract, potential violations of relevant laws such as the Fair Transactions in Subcontracting Act are prevented through prior review and legal consultation. When any violation is detected, we immediately implement appropriate improvement measures to minimize legal risks. As a result of operating such preventive management systems, ShinWon has not received any sanctions from the Korea Fair Trade Commission as of 2024.

Internal Subcontract Review System

To strengthen the transparency and fairness of subcontracts, ShinWon holds a monthly meeting of the Internal Subcontract Review Committee for transactions of a certain scale and selection of new subcontractors. This allows us to secure procedural legitimacy before concluding a contract and build a management system that helps prevent potential risks in the transactional procedure. In 2024, we also revised the regulations and operational procedures for internal transaction deliberation and reorganized the relevant organizational systems.

Internal Subcontract Review Status

Category	Appropriateness of subcontract agreements	Appropriateness of new subcontractor enrolment
Number of cases	113	11

Internal Subcontract Review Committee Organization Chart



Signing of Fair Trade Agreement

ShinWon signs a fair trade agreement with major subcontractors every year to establish a framework for transparent transactions. This agreement plays a role in institutionally reinforcing fair transactional relationships based on trust with subcontractors and establishing the basis for sustainable mutual growth and cooperation.

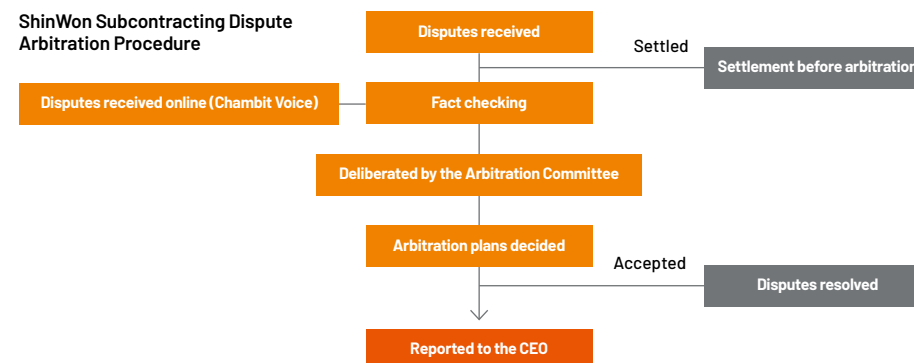
Key Contents of Fair-Trade Agreement

1	Puts subcontracts in writing and secures clarity
2	Negotiates fair unit prices and assures delivery dates
3	Requests documents and retains security when asking for technical materials
4	Complies with payment due dates and prohibits unpaid interest
5	Prohibits the cancellation of a contract without a prior agreement
6	Establishes internal compliance systems (e.g. deliberation policies)
7	Arbitrates disputes and prepares damage relief procedures

Unfair Transaction Reporting Channel

ShinWon has established internal control mechanisms and institutional strategies to promote fair and transparent transactions. We operate a year-round reporting channel, Chambit Voice, to prevent improper demands and unfair practices. Reports received through this channel are promptly and fairly addressed by the Internal Deliberation Committee, which conducts fact-checking and thorough deliberation. This system also serves as a day-to-day communication platform to prevent various forms of misconduct, including the exchange of gifts or entertainment, the leaking of confidential information, and the imposition of unjust conditions. Through these efforts, ShinWon fosters a transactional culture rooted in fairness and mutual growth with our partners.

ShinWon Subcontracting Dispute Arbitration Procedure



Metrics & Targets

Win-win Index

The Win-win Index was established and announced jointly by the Korea Fair Trade Committee and Korea Commissions for Corporate Partnership to ensure fair and mutually beneficial trading practices between large domestic corporations and their partners. ShinWon joined the evaluation of the Win-win Index in 2018 and has continuously reviewed and improved the level of fair trade practices to ensure sustainable cooperation with our partners.

Results of the Three-Year Win-win Index Evaluation

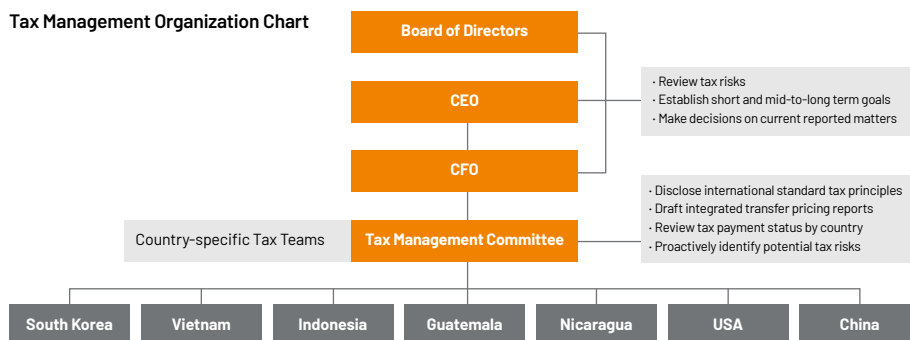
Category	2022	2023	2024
Result	Fair	Good	Good

Governance

Tax Management System

ShinWon complies with the tax laws and regulations of all countries where we operate, achieving the organization's stable growth and sustainable value creation. Adopting diligent tax filing and payment compliance as a basic principle, we systematically identify, evaluate, and manage potential tax risks in all business activities. Furthermore, we proactively counter unethical tax risks such as tax avoidance and income shifting to ensure transparent tax management consistently and strengthen our role as a responsible corporate citizen.

Tax Management Organization Chart



Prepare transfer pricing reports annually, compile country-specific rulings and case precedents, and manage tax authorities and tax payments

Tax Management Policies

As an organization conducting global business, ShinWon regards fairness and transparency of taxation as a significant management responsibility and has enacted systematic tax management policies to realize this value. We strictly adhere to country-specific tax laws and regulations, proactively identify and manage tax risks, and diligently fulfill our legal obligations through responsible tax payment, contributing to a fair and transparent tax environment.

Tax Management Principles

Taxation Information by Country

Taxation Status by Country

(Unit: million won)

Category	Country	2022	2023	2024
Total revenue	South Korea	996,858	836,001	946,938
	Vietnam	75,759	66,795	72,116
	Indonesia	30,357	24,662	30,617
	Guatemala	54,035	59,971	78,933
	Nicaragua	7,583	12,413	14,690
	USA	25,327	5,503	2,021
	China	1,15	863	859
	India	-	-	103
	Total	1,191,073	1,006,208	1,146,276
Corporate tax expenses	South Korea	7,963	2,841	(664)
	Vietnam	(57)	1,039	496
	Indonesia	0	0	138
	Guatemala	0	0	0
	Nicaragua	0	0	0
	USA	0	0	164
	China	0	0	28
	India	-	-	0
	Total	7,913	4,238	163

Risk Management

Tax Risk Management

Compliance with Tax Laws and Regulations

As a global company operating in six countries, including South Korea, ShinWon strictly complies with the tax laws and regulations of each country as a fundamental duty of a responsible corporation. To this end, we have established tax management policies based on compliance principles and faithfully declare and pay taxes with transparency in taxation as a core value. Specifically, we proactively identify and manage tax risks that may arise due to differences in tax laws and interpretations between countries. ShinWon adheres to the tax laws and regulations of all the countries in which we operate and has established transfer pricing policies that reflect the functions and risk levels of each corporate entity and adhere to global standards. ShinWon refrains from adopting any artificial tax structure lacking commercial substance and unethical practices such as income shifting, tax avoidance schemes, and the use of tax havens that exploit differences in tax structures. As a taxpayer, we also diligently fulfill our responsibilities by faithfully filing and paying taxes for all taxable transactions within the legal deadlines based on the principle of good faith.

Active Filing and Payment

ShinWon diligently fulfills our duties of filing and paying taxes for all our transactions within the legal deadlines stipulated by the laws and regulations of each country and promptly and precisely provides relevant factual grounds and supporting documents.

Proactive Response to Tax Risks

To reduce tax-related uncertainties, ShinWon has a process that identifies tax issues proactively and inspects them systematically. Our experts have a deep understanding of the tax laws and regulations of each country and accurately analyze the tax differences between countries. Based on these findings, we effectively prevent potential tax risks.



SPECIAL PAGE

2025 Compliance Management Declaration Ceremony

Compliance Management

As a global company operating in six countries, including South Korea, ShinWon strictly complies with the tax laws and regulations of each country as a fundamental duty of a responsible corporation. To this end, we have established tax management policies based on compliance principles and faithfully declare and pay taxes with transparency in taxation as a core value. Specifically, we proactively identify and manage tax risks that may arise due to differences in tax laws and interpretations between countries. ShinWon adheres to the tax laws and regulations of all the countries in which we operate and have established transfer pricing policies that reflect the functions and risk levels of each corporate entity and adhere to global standards. ShinWon refrains from adopting any artificial tax structure lacking commercial substance and unethical practices such as income shifting, tax avoidance schemes, and the use of tax havens that exploit differences in tax structures. As a taxpayer, we also diligently fulfill our responsibilities by faithfully filing and paying taxes for all taxable transactions within the legal deadlines based on the principle of good faith.

Six Pillars of the Compliance Practice Declaration

Item	Key message
Human rights management	Protecting human rights in all workplaces
Ethical management	Improving employees' ethical awareness and strengthening internal control
Anti-corruption management	Establishing an organizational culture based on zero tolerance for corruption
Fair trade	Fostering mutual growth with partners and establishing transparent transaction practices
Consumer rights protection	Strengthening consumer rights protection in all product and service stages
Personal information	Protecting customer and employee information and managing it responsibly

Integrity Together: The Trustworthy Promise Everyone Keeps

ShinWon has not merely presented a simple ESG vision. To truly shift toward a practice-oriented system, we held the Compliance Management Declaration Ceremony in March 2025. Aligned with the approach of "implementing practices grounded in responsibility and transparency, transcending legal and ethical boundaries," this declaration became a clear starting point to internalize ESG management across the organization.

Practice-Oriented Compliance Management

ShinWon is internalizing compliance management as a system with organization-wide enforcement power and moving beyond mere declarations. To achieve this, we provide regular training programs for all employees and are enhancing our internal reporting system to create an environment where anyone can safely raise ethical concerns. Furthermore, led by our dedicated compliance organization, we have established a risk assessment and monitoring system. This allows us to continuously review and improve the levels of compliance throughout the organization. This practice-based foundation serves as a core driver and solidifies ShinWon's commitment to ethical and responsible management.

"Transparency, ethics, and responsibility are ShinWon's top values. Through compliance management, we will further solidify trust among customers, partners, employees, and the local community and continue our practices to pave the way for everyone's sustainable future."



ShinWon Compliance Management Declaration Ceremony

Defining ShinWon's Path Forward

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Financial Data

Income Statement ¹⁾

Category	Unit	2022	2023	2024
Sales	KRW million	995,440	834,478	939,537
Cost of Goods Sold	KRW million	754,484	609,112	699,569
Gross Profit (Loss)	KRW million	240,956	225,366	239,968
SG&A or Operating Expenses	KRW million	207,587	201,936	214,650
Operating Profit (Loss)	KRW million	33,369	23,430	25,318
Other Income	KRW million	32,024	25,032	26,974
Other Expenses	KRW million	33,796	26,850	30,590
Financial Income	KRW million	1,151	1,581	1,655
Financial Expenses	KRW million	7,275	13,021	17,545
Equity Method Investment Gains	KRW million	0	0	0
Income Before Tax (Loss)	KRW million	25,474	10,173	5,811
Corporate Tax Expense	KRW million	7,913	4,238	163
Net Income (Loss) from Continuing Operations	KRW million	17,561	5,935	5,648
Net Income from Discontinued Operations	KRW million	0	0	0
Net Income or Profit	KRW million	17,561	5,935	5,648

1) Calculation criteria: Based on consolidated sales disclosed in business reports for the current year

Economic Value Distributed ¹⁾

Category	Unit	2022	2023	2024
Shareholder Dividends	KRW million	8,067	5,260	5,260
Employee Salaries and Bonuses	KRW million	58,264	62,357	67,387
Employee Welfare Expenses	KRW million	3,440	3,770	4,061
Employee Retirement Benefits	KRW million	3,649	3,142	4,835
Corporate Tax	KRW million	7,913	4,238	163
Penalties	KRW million	4	5	6
Procurement Expenditures from Partner Companies	KRW million	0	0	0
Community/Social Contribution Funds and Investments	KRW million	507	1,306	1,047
Economic Value Retained	KRW million	25,875	11,289	21,028

1) Calculation criteria: Based on consolidated sales disclosed in business reports for the current year

Environmental Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

Greenhouse Gas Emission ^{1) 2)}

Category		Unit	2022	2023 ⁴⁾	2024	
Greenhouse Gas Emissions ⁴⁾	Total	tCO ₂ eq	11,946	13,472 ⁵⁾	13,844 ⁶⁾	
	Domestic	Total	tCO ₂ eq	1,694	1,553	1,642
		Scope 1	tCO ₂ eq	306	288	290
	Overseas	Scope 2	tCO ₂ eq	1,388	1,265	1,352
		Total	tCO ₂ eq	10,252	11,919	12,202
	Scope 2 ³⁾	Scope 1	tCO ₂ eq	1,806	2,599	1,368
		Scope 2	tCO ₂ eq	8,446	9,320	10,834
	Greenhouse Gas Emission Intensity ⁷⁾		tCO ₂ eq/ KRW billion	12.00	13.81	14.73
Change in Greenhouse Gas Emissions	Total	tCO ₂ eq	-	(418)	2,316	
	Scope 1	tCO ₂ eq	-	775	1,229	
	Scope 2	tCO ₂ eq	-	1,193	3,515	

1) Calculation criteria: Based on the 2006 IPCC Guidelines

2) Calculation criteria: 19 subsidiaries in Korea and abroad based on consolidated financial statements

3) Calculation criteria: Based on region-specific emission data

4) Restatement Due to Change in Calculation Methodology

5) Market-based emissions: 11,528 tCO₂eq (calculated excluding 1,944 tCO₂eq offset through RECs)

6) Market-based emissions: 4,519 tCO₂eq (calculated excluding 9,326 tCO₂eq offset through RECs)

7) Calculation criteria: Based on consolidated sales disclosed in business reports

Energy Consumption

Category		Unit	2022	2023	2024
Energy Consumption ¹⁾²⁾	Total	TJ	64.0897	69.9773	84.7336
	Domestic	TJ	9.5148	9.6047	9.4441
	Overseas	TJ	54.5749	60.3726	75.29
Change in Energy Consumption		TJ	-	6	15
Renewable Energy Consumption		TJ	0 ⁴⁾	1.1	10.2
Energy Consumption Intensity ³⁾		TJ/KRW billion	0.0644	0.0839	0.0902

1) Correction Disclosure Caused by Calculation Error

2) Based on electricity consumption

3) Calculation criteria: Based on consolidated sales disclosed in business reports

4) 0.006912 TJ

Environmental Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

Raw Material Usage

Category		Unit	2022	2023	2024
Usage of Renewable Raw Materials and Packaging	Domestic ¹⁾	YD	0	9,231	4,622
	Overseas ²⁾	Ton	14,467	13,818	20,779
Usage of Non-renewable Raw Materials and Packaging	Domestic ¹⁾	YD	2,135,055	1,998,786	2,054,204
	Overseas ³⁾	Ton	31,973	34,737	30,327
Percentage of Recycled Raw Materials Usage	Domestic	%	0	0.5	0.2
	Overseas	%	31	28	41

1) Calculation criteria: Based on the amount of fabric certified by RCS and GRS

2) Calculation criteria: Include recycled raw materials considering the characteristics of export vendors

3) Calculation criteria: Include non-recycled raw materials considering the characteristics of export vendors

Waste Generation

Category		Unit	2022	2023	2024
Headquarters	Waste Generated	Total	Ton	11.25	11.25
		General Waste	Ton	11.25	11.25
Shinwon GLS ²⁾	Waste Generated	Total ¹⁾	Ton	194.82	189.18
		General Waste	Ton	36	31
		Recycled Amount ³⁾	Ton	158.821	158.18
Overseas	Waste Generated	Total	Ton	4,398	4,632
		General Waste	Ton	4,389	4,626
		Hazardous Waste	Ton	9	6

1) Calculation criteria: Sum of general waste and food waste

2) Correction Disclosure Caused by Calculation Error

3) Calculation criteria: Sum of scrap paper and scrap metals sold

4) Change in calculation scope: Added data from Omega Tex, S.A. and PT Fashion Stitch Joshua (excluding Shinwon Guatemala S.A.)

Water Management ¹⁾

Category		Unit	2022	2023	2024
Water Intake ²⁾	Total	m ³	231,709	226,426	251,714
	Domestic	Headquarters	m ³	9,315	9,887
		Shinwon GLS	m ³	3,397	3,402
		Water Supply	m ³	3,397	3,402
	Overseas ³⁾	m ³	218,997	213,137	236,589
Water Usage ²⁾	Total	m ³	231,709	226,426	251,714
	Domestic	Headquarters	m ³	9,315	9,887
		ShinWonGLS	m ³	3,397	3,402
	Overseas ³⁾	m ³	218,997	213,137	236,589

1) Water intake and usage volumes are calculated on the same basis

2) Restatement Due to Change in Calculation Methodology

3) Calculation scope: 2022-2023: Exclude Shinwon Guatemala S.A.

2024: Inclusion of Shinwon Guatemala S.A. and addition of Omega Tex, S.A. (new Subsidiary in Guatemala) & PT Fashion Stitch Joshua (new Subsidiary in Indonesia)

Green Procurement ¹⁾

Category		Unit	2022	2023	2024
Domestic	Amount of Green Procurement ²⁾	Total	KRW million	143	313
		Raw Materials	KRW million	-	-
		Sub-materials	KRW million	143	313
	Proportion of Green Procurement ³⁾	Total	%	1.6	3.6
		Raw Materials	%	-	-
Overseas	Amount of Green Procurement ⁴⁾	Sub-materials	%	1.6	3.6
		Total	KRW million	267,899	249,345
		Proportion of Green Procurement	%	65	75

1) Calculation criteria: Purchase amount of products covered by ShinWon's definition of green procurement, including products awarded eco-friendly certifications (Environmental Mark), products recognized for their contribution to minimizing energy and resource input as well as reducing GHG emissions and pollutants (Environmental Product Declaration), products made from recycled raw materials or through eco-friendly processes, and products verified for their eco-friendly packaging and labeling.

2) Calculation criteria: Purchase amounts of raw materials certified by GRS and boxes(auxiliary materials)certified by FSC

3) Purchase of subsidiary materials in 2022: KRW 88 million; purchase of subsidiary materials in 2023: KRW 86 million; purchase of raw materials in 2024: KRW 96 million, purchase of subsidiary material sin 2024: KRW 86 million

4) Calculation criteria: Applied the annual average exchange rate based on the transaction reference rate, and calculated purchase amounts for yarn and fabric based on Organic, Recycled, Tencel, USCTP certifications and physical properties, and for subsidiary materials based on Recycled and FSC certifications and physical properties.

Environmental Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

Eco-friendly Sales ¹⁾

Category	Unit	2022	2023	2024
Eco-friendly Sales Revenue	KRW million	0	28,177 ²⁾	85,419 ³⁾
Total Sales Revenue	KRW million	0	834,478	939,536
Sales Share	%	0	3.4	9.1

1) Calculation criteria: Products made from eco-friendly certified materials (fibers, yarns), products manufactured through eco-friendly processes, or products using materials produced via eco-friendly processes.

2) Calculation criteria: Sales revenue of eco-friendly certified products from Shinwon Ebenezer Hanoi Co., Ltd and Daniel Tex, S.A.

3) Calculation criteria: Sales revenue of eco-friendly certified products from all ShinWon production subsidiary.

Eco-friendly Investments

Category	Unit	2022	2023	2024
Amount of Eco-friendly Investments ¹⁾	\$(USD)	2,030,000	340,000	60,000

1) Cost of installing solar panels in overseas subsidiaries

Environmental Regulations ¹⁾

Category		Unit	2022	2023	2024
Number of Environmental Regulation Violations	Domestic	Cases	0	0	0
	Overseas	Cases	0	0	0

1) Calculation criteria: Disclosures are made only for cases where the imposed fine amount is USD 20,000 or more.

Social Data

Calculation includes Shinwon Headquarters and Shinwon GLS within the domestic category

Employee General Status

Category		Unit	2022	2023	2024	
Domestic						
Total no. of employees ¹⁾		Persons	725	742	785	
By contract type ²⁾	Female	Regular	Persons	366	367	394
		Contract	Persons	43	54	55
		Full-time	Persons	409	421	449
		Part-time	Persons	0	0	0
	Male	Regular	Persons	287	293	312
		Contract	Persons	29	28	24
		Full-time	Persons	316	321	336
		Part-time	Persons	0	0	0
Senior management ³⁾ hired locally at major business site ⁴⁾		Persons	6	6	4	
Percentage of senior management ³⁾ hired locally at major business site ⁴⁾		%	100	100	100	
Overseas ^{5) 6)}						
Total no. of employees ¹⁾		Persons	13,126	13,934	16,549	
By age	Under 30	Persons	4,041	4,475	6,567	
	30-50	Persons	8,542	8,857	9,330	
	51 and above	Persons	543	602	652	
By gender	Female	Persons	10,470	11,084	13,284	
	Male	Persons	2,656	2,850	3,265	
Percentage by gender	Female	%	79.77	79.55	80.27	
	Male	%	20.23	20.45	19.73	
No. of employees by contract type ⁷⁾	Regular	Persons	11,952	11,109	11,252	
	Contract	Persons	1,174	2,825	5,297	
	Part-time	Persons	0	0	0	
	Employees with Unsecured Working Hours	Persons	0	0	0	

1) Calculation criteria: Number of employees including independent directors, auditors, and advisors

2) Calculation criteria: Exclude interns, freelancers and other workers in similar types of employment as their numbers vary significantly year to year and they represent a minimal proportion of the total workforce

3) Calculation criteria: Executives (Chairman, Vice-Chairman, President, Vice-President)

4) Calculation criteria: ShinWon's Headquarters in Seoul

5) Restatement Due to Change in Calculation Methodology

6) Calculation criteria: 2022-2023: Seven overseas business sites (Shinwon Guatemala S.A., Fashion Stitch Guatemala, S.A., Shinwon Ebenezer Vietnam Co., Ltd, Shinwon Ebenezer Hanoi Co., Ltd, PT Shinwon Indonesia, Fashion Stitch Noah, S.A., Shinwon Central America, S.A.)

2024: Nine overseas business sites (including Omega Tex, S.A., PT Fashion Stitch Joshua)

7) Calculation criteria: Include permanent and contract employees only as the form of employment varies from country to country

Social Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

New Hire Status

Category		Unit	2022	2023	2024
Domestic					
Total no. of New Hires		Persons	277	210	282
By age	Under 30	Persons	121	104	127
	30-50	Persons	129	100	140
	51 and above	Persons	27	6	15
Percentage by age	Under 30	%	44	50	45
	30-50	%	47	48	50
	51 and above	%	10	3	5
By gender	Female	Persons	173	130	177
	Male	Persons	104	80	105
Percentage by gender	Female	%	62	62	63
	Male	%	38	38	37
Overseas ¹⁾²⁾					
Total no. of New Hires		Persons	4,650	6,008	7,380
By age	Under 30	Persons	3,010	3,233	5,155
	30-50	Persons	1,599	2,677	2,301
	51 and above	Persons	41	98	73
Percentage by age	Under 30	%	65	54	70
	30-50	%	53	83	45
	51 and above	%	3	4	3
By gender	Female	Persons	3,180	3,896	5,621
	Male	Persons	1,470	2,112	1,908
Percentage by gender	Female	%	68	65	76
	Male	%	32	35	26

1) Restatement Due to Change in Calculation Methodology

2) Calculation criteria: 2022-2023: Six overseas business sites (Shinwon Guatemala S.A., Fashion Stitch Guatemala, S.A., Shinwon Ebenezer Vietnam Co., Ltd, Shinwon Ebenezer Hanoi Co., Ltd, PT Shinwon Indonesia, Fashion Stitch Noah, S.A.)
2024: Eight overseas business sites (including Omega Tex, S.A., PT Fashion Stitch Joshua)

Employee Turnover Status

Category		Unit	2022	2023	2024
Domestic					
Total no. of departed employees ¹⁾		Persons	225	193	244
By age	Under 30	Persons	97	75	85
	30-50	Persons	105	104	139
	51 and above	Persons	23	14	20
Percentage by age	Under 30	%	43	39	35
	30-50	%	47	54	57
	51 and above	%	10	7	8
By gender	Female	Persons	144	118	149
	Male	Persons	81	75	95
Percentage by gender	Female	%	64	61	61
	Male	%	38.86	39	39
Voluntary Turnover Rate ²⁾		%	18	17	16
Overseas ³⁾⁴⁾					
Total no. of departed employees ¹⁾		Persons	5,678	6,016	6,753
By age	Under 30	Persons	3,013	3,259	3,812
	30-50	Persons	2,591	2,625	2,794
	51 and above	Persons	74	132	147
Percentage by age	Under 30	%	53	54	56
	30-50	%	46	44	41
	51 and above	%	1	2	2
By gender	Female	Persons	4,022	3,801	4,600
	Male	Persons	1,656	2,215	2,153
Percentage by gender	Female	%	71	63	68
	Male	%	29	37	32
Voluntary Turnover Rate ²⁾		%	44	27	55

1) Calculation criteria: Number of employees who left as of the end of the concerned year

2) Calculation method: (Number of employees who voluntarily departed/total number of employees)*100

3) Restatement Due to Change in Calculation Methodology

4) Calculation criteria: 2022-2023: Six overseas business sites (Shinwon Guatemala S.A., Fashion Stitch Guatemala, S.A., Shinwon Ebenezer Vietnam Co., Ltd, PT Shinwon Indonesia, Fashion Stitch Noah, S.A.)
2024: Eight overseas business sites (including Omega Tex, S.A., PT Fashion Stitch Joshua)

Parental Leave Status

Category		Unit	2022	2023	2024
Domestic ¹⁾					
No. of employees eligible for parental leave	Total	Persons	741	756	786
	Female	Persons	413	425	452
	Male	Persons	328	331	334
No. of employees who used parental leave ²⁾	Total	Persons	19	27	31
	Female	Persons	15	24	26
	Male	Persons	4	3	5
No. of employees returning from parental leave	Total	Persons	7	8	13
	Female	Persons	7	7	11
	Male	Persons	0	1	2
No. of employees who worked for more than a year after parental leave	Total	Persons	8 ³⁾	15 ³⁾	24
	Female	Persons	7	13	21
	Male	Persons	1	2	3
Percentage of returning after parental leave ⁴⁾	Total	%	77.8	66.7	72.2
	Female	%	77.8	63.6	73.3
	Male	%	100	100	100
Percentage of employees who worked for more than a year after parental leave ⁵⁾	Total	%	42.9	25	46.1
	Female	%	42.9	28.6	71.4
	Male	%	0	0	50
Overseas ⁶⁾					
No. of employees eligible for parental leave	Total	Persons	2,484	2,778	2,544
	Female	Persons	1,742	1,917	1,736
	Male	Persons	742	861	808
No. of employees who use parental leave ²⁾	Total	Persons	175	216	221
	Female	Persons	135	168	164
	Male	Persons	40	48	57
No. of employees returning after parental leave	Total	Persons	133	187	191
	Female	Persons	95	139	134
	Male	Persons	38	48	57
No. of employees who worked for more than a year after parental leave	Total	Persons	121	141	123
	Female	Persons	95	104	79
	Male	Persons	26	37	44

1) Calculation scope: All domestic employees

2) Calculation criteria: Number of employees who applied for parental leave which started in the concerned year

3) Restatement disclosed in accordance with the business report

4) Calculation method: (Number of employees who returned in the concerned year/number of employees on parental leave which ended in the concerned year)*100

5) Calculation method: (Number of employees who worked 12 months in the concerned year/number of employees who returned after parental leave in the concerned year)*100

6) Calculation scope: Subsidiaries in Indonesia and Nicaragua (for other operational sites, there is no parental leave system implemented at the national level and only childbirth leave is supported)

Labor-Management Relationship

Category		Unit	2022	2023	2024
Domestic ¹⁾					
Percentage of employees covered by collective bargaining agreements		%	100	100	100
Minimum Notice Period for Management Changes		Days before	30	30	30
Overseas ²⁾					
Shinwon Ebenezer Vietnam Co., Ltd	Percentage of employees covered by collective bargaining agreements	%	100	100	100
	Minimum Notice Period for Management Changes	Days before	7~14	7~14	7~14
Shinwon Ebenezer Hanoi Co., Ltd	Percentage of employees covered by collective bargaining agreements	%	100	100	100
	Minimum Notice Period for Management Changes	Days before	7	7	7
Fashion Stitch Noah, S.A.	Percentage of employees covered by collective bargaining agreements	%	100	100	100
	Minimum Notice Period for Management Changes ³⁾	Days before	-	-	-

1) Calculation criteria: All employees (There's no labor union at ShinWon, and the Labor-Management Committee serves to discuss a variety of agendas.)

2) Calculation criteria: Calculated data based on all employees as subsidiaries covered by this metric are Shinwon Ebenezer Vietnam Co., Ltd, Shinwon Ebenezer Hanoi Co., Ltd, and Fashion Stitch Noah, S.A. only.

3) Under Nicaraguan labor law, there is no minimum individual notice period required for dismissal. Dismissals are carried out either through notification to the Ministry of Labor or consultation with the labor union, depending on the number of employees dismissed in a single day.

Employee Diversity Status ¹⁾

Category	Unit	2022	2023	2024
Domestic				
Percentage of female employees	%	56	57	57.2
Percentage of female mid-level ²⁾ managers	%	36.6	38.5	39.8
Percentage of female executive-level ³⁾ managers	%	17.9	18.5	26.9
Percentage of Employees with Disabilities	%	0	0	0

1) Restatement Due to Change in Calculation Methodology

2) Executives: Directors and above

3) Mid-level management: Deputy General Manager and General Manager

Social Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

Retirement Planning Program ¹⁾

Category	Unit	2022	2023	2024
Calculated Amount of Liabilities for Defined Benefit Pension Plan ²⁾	KRW million	26,351	30,574	31,424
Percentage of Contributions Paid by Employees or Employers to the Defined Benefit Pension Plan ³⁾	%	22	23	25

1) Calculation scope: Include domestic sites only as this metric is not applicable to overseas subsidiaries

2) Calculation criteria: Based on retirement benefit obligations as of the end of the concerned year (total estimated severance pay)

3) Calculation method: (Total retirement pension amount of the concerned year/total estimated severance pay)*100

Remuneration ¹⁾

Category	Unit	2022	2023	2024
Domestic				
Pay ratio of females to males	%	76.7	78.2	80.6
Newcomer employee pay ratio to minimum wage	%	130	129	127.5

1) Restatement Due to Change in Calculation Methodology

Performance Evaluation Results ¹⁾

Category		Unit	2022	2023	2024
Percentage of employees who received regular performance evaluations	Total	%	79.2	78.7	79
	Female	%	80.4	77.4	76.7
	Male	%	77.7	80.4	82
	Job level 1 ²⁾	%	50	52.9	82
	Job level 2 ³⁾	%	88.6	89.4	86.2
	Job level 3 ⁴⁾	%	12.3	4.9	6.5

1) Calculation criteria: HR assessment

2) Calculation criteria: Executives (from Director-level to Chairman), independent directors, auditors, advisors, etc.

3) Calculation criteria: Employees ~ General Manager

4) Calculation criteria: Contract employees (including part-time workers, interns, etc.).

Employee Training Performance

Category		Unit	2022	2023	2024
Total training costs		KRW thousand	374,010	461,938	788,159
Average training cost per employee		KRW thousand	570	700	1,004
Average training hours per employee	Total	Hours	9.19	11.38	13.2
	Female	Hours	9.56	11.36	12.9
	Male	Hours	8.71	11.39	13.7
	Job level 1 ¹⁾	Hours	5.81	7.27	14.4
	Job level 2 ²⁾	Hours	9.51	12.49	14
	Job level 3 ³⁾	Hours	7.95	4.92	5.4

1) Calculation criteria: Executives, independent directors, auditors, advisors, etc.

2) Calculation criteria: Employees - General Manager

3) Calculation criteria: Contract employees, interns, and others

Human Rights Grievances

Category	Unit	2022	2023	2024
No. of Human Rights Grievances Received from Stakeholders	Cases	0	0	0
No. of Human Rights Grievances from Stakeholders Resolved	Cases	0	0	0
Percentage of Resolved Human Rights Grievances from Stakeholders	%	0	0	0
No. of Discrimination Cases	Cases	0	0	0

Occupational Health and Safety Management System Implementation Status

Category	Unit	2022	2023	2024
Domestic ¹⁾				
No. of Employees Covered by the Occupational Health and Safety Management System	Persons	13,126	13,934	16,549
Percentage of Employees Covered by the Occupational Health and Safety Management System	%	100	100	100
Overseas ²⁾				
No. of Employees Covered by the Occupational Health and Safety Management System	Persons	9,500	11,000	16,669
Percentage of Employees Covered by the Occupational Health and Safety Management System	%	100	100	100

1) Calculation criteria: Shinwon GLS

2) Calculation criteria: all overseas subsidiaries

Occupational Accidents Status

Category		Unit	2022	2023	2024
Domestic					
Headquarters	No. of work-related accident fatalities	Persons	0	0	0
	work-related fatality rate per 10,000 workers ¹⁾	% _o	0	0	0
	No. of occupational disease cases	Persons	0	0	0
	No. of deaths from occupational diseases	Persons	0	0	0
	No. of occupational incident cases ²⁾	Persons	1	0	0
	Occupational incident rate ³⁾	%	0.13	0	0
	Frequency rate	No. of injuries per million hours worked	0	0	0
	Lost Time Injury Frequency Rate(LTIFR)	No. of injuries per million hours worked	0	0	0
Shinwon GLS	No. of work-related accident fatalities	Persons	0	0	0
	work-related fatality rate per 10,000 workers ¹⁾	% _o	0	0	0
	No. of occupational disease cases	Persons	0	0	0
	No. of deaths from occupational diseases	Persons	0	0	0
	No. of occupational incident cases ²⁾	Persons	0	1	0
	Occupational incident rate ³⁾	%	0	0	2.56
	Frequency rate	No. of injuries per million hours worked	0	0	13.47
	Lost Time Injury Frequency Rate(LTIFR)	No. of injuries per million hours worked	0	0	0
Overseas					
No. of work-related accident fatalities	Persons	0	0	0	
work-related fatality rate per 10,000 workers ¹⁾	% _o	0	0	0	
No. of deaths from occupational diseases	Persons	0	0	0	
No. of occupational incident cases	Persons	0	0	0	
Occupational incident rate	%	-	-	13	
Lost Time Injury Frequency Rate(LTIFR)	No. of injuries per million hours worked	-	-	0.28	

1) Calculation criteria: (Number of work-related fatalities / Total number of employees)*10,000

2) Calculation criteria: Based on the document confirming whether employees were approved or denied medical treatment due to occupational injuries in the concerned year (redundant with the number of employees suffering work-related illnesses)

3) Calculation criteria: (Number of injured employees/number of employees by year)*100

Occupational Accidents Status of Partners ¹⁾

Category	Unit	2022	2023	2024
No. of work-related accident fatalities	Persons	0	0	0
work-related fatality rate per 10,000 workers ²⁾	%	0	0	0
No. of occupational disease cases	Persons	0	0	0
No. of deaths from occupational diseases	Persons	0	0	0
No. of occupational incident cases	Persons	0	0	0
Occupational incident rate	%	0	0	0
Frequency rate ³⁾	%	0	0	0
Lost Time Injury Frequency Rate(LTIFR) ⁴⁾	%	0	0	0

1) Scope of calculation: 2022-2023: Top 5 suppliers by annual transaction volume with ShinWon Headquarters

2024: Expanded scope to include domestic and overseas subsidiaries

2) Calculation criteria: (Number of work-related fatalities / Total number of employees)*10,000

3) Calculation criteria: Number of incidents per 1 million working hours

4) Calculation criteria: Number of lost workdays per 1 million working hours

Partners Status

Category	Unit	2022	2023	2024
Domestic ¹⁾²⁾				
No. of Tier 1 Partners	Companies	9	9	9
No. of Tier 2 Partners	Companies	7	8	7
No. of Tier 3 Partners	Companies	15	14	16
Overseas ³⁾				
No. of Tier 1 Partners	Companies	165	160	183
No. of Tier 2 Partners	Companies	199	201	254
No. of Tier 3 Partners	Companies	32	38	14

1) Correction Disclosure Due to a Change in Calculation Scope

2) Calculation criteria: Based on transaction amounts for raw and subsidiary materials (Tier 1: KRW 1.5 billion or more, Tier 2: KRW 1.0 billion to less than KRW 1.5 billion, Tier 3: KRW 500 million to less than KRW 1.0 billion)

3) Calculation criteria: Categorized based on purchase amount (Tier 1: Fabric, Tier 2: Auxiliary materials, Tier 3: Yarn)

ESG Risk Management for Partner Companies

Category	Unit	2022	2023	2024
Number of new suppliers that underwent social and environmental impact assessments ¹⁾	Companies	-	-	5
Percentage of new suppliers that underwent social and environmental impact assessments ¹⁾	%	-	-	100
Total number of suppliers that underwent social and environmental impact assessments ¹⁾	Companies	-	-	31
Percentage of suppliers identified as having actual or potential significant negative social impacts with which improvement agreements were made	%	-	-	0
Percentage of suppliers identified as having actual or potential significant negative social impacts that resulted in termination of the business relationship	%	-	-	0

1) Assessment conducted on 10 items: compliance with local laws, prohibition of forced and child labor, prohibition of harassment or abuse, compensation and benefits, working hours, health and safety, environment, non-discrimination, freedom of association and the right to collective bargaining, and management systems.

Partners Grievance Handling Performance

Category	Unit	2022	2023	2024
No. of health and safety-related grievances from partner companies	Cases	0	0	0
No. of health and safety-related grievances from partner companies resolved	Cases	0	0	0
Resolution percentage of health and safety-related grievances from partner companies	%	0	0	0
No. of complaints from partner companies	Cases	0	0	0
No. of complaints from partner companies resolved	Cases	0	0	0
Resolution percentage of complaints from partner companies	%	0	0	0

Social Data

Violation of Local Residents' Rights

Category	Unit	2022	2023	2024
Domestic				
No. of violations of residents' rights	Cases	0	0	0
Overseas				
No. of violations of residents' rights	Cases	0	0	0

Labeling/Marketing Regulation Violation ¹⁾

Category	Unit	2022	2023	2024
Percentage of products/services evaluated for labeling procedure compliance	%	0	0	0
No. of products/services fined or penalized for labeling regulation violations	Cases	0	0	0
No. of products/services warned for labeling regulation violations	Cases	0	0	0
No. of self-regulation violations related to product/ service labeling	Cases	0	0	0
No. of fines or penalties for marketing regulation violations	Cases	0	0	0
No. of warnings for marketing regulation violations	Cases	0	0	0
No. of self-regulation violations related to marketing	Cases	0	0	0

1) Calculation criteria: Disclosures are made only for cases where the imposed fine amount is USD 20,000 or more.

Information Security Investment Performance

Category	Unit	2022	2023	2024
Percentage of information security investment relative to total IT budget	%	5.9	8.1	8.7

Personal Information Protection Regulation Violation ¹⁾

Category	Unit	2022	2023	2024
No. of personal information protection regulation/standard violations	From external stakeholders	Cases	0	0
	From regulatory agencies	Cases	0	1 ²⁾
No. of customer data leaks, thefts, or losses	Cases	0	0	0

1) Calculation criteria: Disclosures are made only for cases where the imposed fine amount is USD 20,000 or more.

2) Case of administrative sanctions against Shinwon GLS for violations of Article 50, Paragraphs 4 and 6 of the Information and Communications Network Act (obligation to indicate telephone advertising).

Governance Data

Calculation includes ShinWon Headquarters and Shinwon GLS within the domestic category

Board of Directors Status

Category	Unit	2022	2023	2024
Total no. of Board members	Total	Persons	7	7
No. of Board members	Independent directors	Persons	2	2
	Female	Persons	0	0
	Male	Persons	7	7
	Under 30	Persons	0	0
	30-50	Persons	2	2
	50 and above	Persons	5	5
No. of members in the Independent Directors Recommendation Committee	Persons	6	6	2
No. of independent directors in the Independent Directors Recommendation Committee	Persons	2	2	2
Attendance rate of independent directors in the Independent Directors Recommendation Committee	%	100	100	100
No. of members in the Compensation Committee	Persons	7	7	2
No. of independent directors in the Compensation Committee	Persons	2	2	2
Attendance rate of independent director in the Compensation Committee	%	100	100	100
No. of members in the ESG Committee	Persons	6	6	6
No. of independent directors in the ESG Committee	Persons	2	2	2
Attendance rate of independent directors in the ESG Committee	%	100	100	100

Remuneration Status

Category	Unit	2022	2023	2024
CEO's annual total compensation compared to the median total compensation of all employees	KRW million	8.7	8.3	15.3
Audit fees paid to external auditors	KRW million	432	521	460
Non-audit fees paid to external auditors	KRW million	87	67	59
Number of Shares by Major Shareholders	Shares	0	0	0
Shareholding Percentage by Major Shareholders	%	0	0	0

Governance Data

Advance notice date of the venue and agenda for the regular shareholders' meeting

Category	Unit	2022	2023	2024
Advance notice date of the venue and agenda for the regular shareholders' meeting	Days prior	14	14	14

Anti-Corruption Policy Sharing Performance

Category		Unit	2022	2023	2024
Number of Board Members Informed of the Anti-Corruption Policy		Persons	7	7	7
Percentage of Board Members Informed of the Anti-Corruption Policy		%	100	100	100
Number of Employees Informed of the Anti-Corruption Policy	Total	Persons	604	716	790
	Job level1 ¹⁾	Persons	25	26	32
	Job level2 ²⁾	Persons	557	653	714
	Job level3 ³⁾	Persons	22	37	44
Percentage of Employees Informed of the Anti-Corruption Policy	Total	%	100	100	100
	Job level1 ¹⁾	%	100	100	100
	Job level2 ²⁾	%	100	100	100
	Job level3 ³⁾	%	100	100	100

1) Calculation criteria: Executives (Director-equivalents - Chairman), independent directors, auditors, advisors, etc.

2) Calculation criteria: Employees - General Manager

3) Calculation criteria: Contract positions (part-timers, interns, etc.)

Reporting Channel Operation Performance

Category	Unit	2022	2023	2024
Number of reports received through the reporting channel	Cases	2	2	3
Number of cases processed out of the reports received through the reporting channel	Cases	2	2	3
Percentage of processed cases out of the reports received through the reporting channel	%	100	100	100

Corruption Risk Assessment Performance¹⁾

Category	Unit	2022	2023	2024
Percentage of sites where corruption risk assessments were conducted	%	100	100	100

1) The assessment was conducted for both domestic and overseas sites. For details related to the corruption risk assessment process, please refer to page 109.

Anti-corruption Training

Category		Unit	2022	2023	2024
Number of board members who received anti-corruption training		Persons	5	5	7
Percentage of board members who received anti-corruption training		%	71	71	100
No. of employees ¹⁾ trained in anti-corruption	Total	Persons	685	682	733
	Job level1 ²⁾	Persons	23	21	23
	Job level2 ³⁾	Persons	629	620	675
	Job level3 ⁴⁾	Persons	33	41	35
	Nation1	Persons	681	666	730
	Nation2	Persons	1	14	0
	Nation3	Persons	3	2	3
Percentage of employees trained in anti-corruption	Total	%	97.9	97.8	100
	Job level1 ²⁾	%	100	100	100
	Job level2 ³⁾	%	97.8	97.6	100
	Job level3 ⁴⁾	%	97.1	100	100
	Nation1	%	97.9	98.1	100
	Nation2	%	100	100	100
	Nation3	%	100	50	100

1) Calculation criteria: Employees who completed ethical management training which started in 2022

2) Calculation criteria: Executives (Director-equivalents - Chairman), independent directors, auditors, advisors, etc

3) Calculation criteria: Employees - General Manager

4) Calculation criteria: Contract positions (part-timers, interns, etc.)

Fair Trade Training

Category	Unit	2022	2023	2024
No. of participants in fair trade training	Persons	0	0	418
Hours of fair trade training	Hours	0	0	418

Corruption Cases Status¹⁾

Category	Unit	2022	2023	2024
No. of corruption case	Cases	0	0	0
No. of cases where employees were fired or disciplined due to corruption	Cases	0	0	0
No. of cases where contracts with partners were terminated or not renewed due to corruption	Cases	0	0	0

1) Calculation Scope: Domestic

Governance Data

Government Financial Support

Category	Unit	2022	2023	2024
Tax reductions and credits	KRW million	0	0	0
Government subsidies	KRW million	0	0	0
Technology fee exemptions	KRW million	0	0	0
Financial support from export credit agencies	KRW million	2,700	2,700	2,350
Other Financial subsidies	KRW million	2,570	2,386	5,204

Legal Violation Status ¹⁾

Category	Unit	2022	2023	2024
No. of legal violations	Total	Cases	0	0
	No. of penalties imposed	Cases	0	0
	No. of non-financial sanctions	Cases	0	0
Penalties for legal violations	KRW million	0	0	0
No. of legal actions for anti-competitive or monopoly regulatory violations	Cases	0	0	0

1) Calculation Criteria: Administrative fines of USD 20,000 or more

GRI Content Index

GRI Content Index

Statement of use	The reporting entity discloses sustainability-related information for the period from January 1, 2024, to December 31, 2024, in accordance with the GRI Standards 2021 (In accordance with – Core option).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	The GRI Sector Standards corresponding to the reporting entity's identity, such as GICS and other industry classification standards, had not been published as of the reporting date and were therefore not applied.

GRI 2: General Disclosures

Category	Index	Content	Pages	Remarks
The organization and its reporting practices	2-1	Organizational details	6, 8	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	-	Revisions noted via comments
	2-5	External assurance		
Activities and workers	2-6	Activities, value chain and other business relationships	11~13	Refer to page 22-23p of the business report
	2-7	Employees	118	
	2-8	Workers who are not employees	-	Please refer to page 289 of the business report. In the case of overseas subsidiaries, all expenses and personnel, including local janitorial staff, are fully directly employed.
GRI 2: Governance	2-9	Governance structure and composition	95	Refer to Principle 4 of the Corporate Governance Report.
	2-10	Nomination and selection of the highest governance body	95	
	2-11	Chair of the highest governance body	95	
	2-12	Role of the highest governance body in overseeing the management of impacts	18	
	2-13	Delegation of responsibility for managing impacts	18	
	2-14	Role of the highest governance body in sustainability reporting	18	
	2-15	Conflicts of interest	96	
	2-16	Communication on critical concerns	18	
	2-17	Collective knowledge of the highest governance body	96	
	2-18	Evaluation of the performance of the highest governance body	100~101	
	2-19	Remuneration policies	101	
	2-20	Process to determine remuneration	101	
GRI 2: Strategy, policies and practices	2-21	Annual total compensation ratio	123	
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	58, 59, 86, 91, 109	
	2-24	Embedding policy commitments	58, 59, 86, 91, 109	
	2-25	Processes to remediate negative impacts	32~35	
	2-26	Mechanisms for seeking advice and raising concerns	63, 80, 89, 106	
	2-27	Compliance with laws and regulations	118, 123, 125	
	2-28	Membership associations	128	
GRI 2: Stakeholder Engagement	2-29	Approach to stakeholder engagement	29	
	2-30	Collective bargaining agreements	120	

Material Topics & Topic Standards

Category	Index	Content	Pages	Remarks
GRI 3: Disclosures on material topics	3-1	Process to determine material topics	30	
	3-2	List of material topics	30	
Climate Change Response				
GRI 3: Disclosures on material topics	3-3	Management of material topics	31	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	46~47	
GRI 302: Energy	302-1	Energy consumption within the organization	116	
	302-3	Energy intensity	116	
	302-4	Reduction of energy consumption	48~49	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	116	
	305-2	Indirect (Scope 2) GHG emissions	116	
	305-4	GHG emissions intensity	116	
	305-5	Reduction of GHG emissions	116	
Sustainable products				
GRI 301: Materials	3-3	Management of material topics	31	
	301-2	Recycled input materials used	117	
Labor environment change risk				
GRI 3: Disclosures on material topics	3-3	Management of material topics	31	
GRI 401: Employment	401-1	New employee hires and employee turnover	119	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	68~70	
	401-3	Parental leave	120	
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	120	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	74~75	
	403-2	Hazard identification, risk assessment, and incident investigation	79~80	
	403-3	Occupational health services	76~80	
	403-4	Worker participation, consultation, and communication on occupational health and safety	76~77	
	403-5	Worker training on occupational health and safety	77	
	403-6	Promotion of worker health	78	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79~80	
	403-8	Workers covered by an occupational health and safety management system	72	
	403-9	Work-related injuries	122	
	403-10	Work-related ill health	122	
Sustainable Supply Chain				
GRI 3: Disclosures on material topics	3-3	Management of material topics	31	
GRI 308: Supplier Environmental Assessment:	308-1	New suppliers that were screened using environmental criteria	122	

Category	Index	Content	Pages	Remarks
Sustainable Supply Chain				
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	122	
	414-2	Negative social impacts in the supply chain and actions taken	122	
Ethical management				
GRI 3: Disclosures on material topics	3-3	Management of material topics	31	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	109, 124	
	205-2	Communication and training about anti-corruption policies and procedures	103~106, 124	
	205-3	Confirmed incidents of corruption and actions taken	124	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	125	
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	122	

Other Topics

Category	Index	Content	Pages	Remarks
Economic Performance				
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	116	
Water				
GRI 303: Water and Effluents	303-3	Water withdrawal	117	
Biodiversity				
GRI 304 : Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	40	
	304-2	Significant impacts of activities, products, and services on biodiversity	40~41	
	304-4	Habitats protected or restored	40	
Waste				
GRI 304 : Waste	306-3	Waste generated	117	
	306-4	Waste diverted from disposal	117	
Training and Education				
GRI 404 : Training and Education	404-1	Average hours of training per year per employee	121	
	404-2	Programs for upgrading employee skills and transition assistance programs	65~67	
	404-3	Percentage of employees receiving regular performance and career development reviews	121	
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	120, 123	
	405-2	Ratio of basic salary and remuneration of women to men	121	
Child Labor				
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	61	No issues related to child labor

SASB Index

The entity discloses sustainability information based on the SASB (Sustainability Accounting Standards Board) framework, specifically using the industry standards for Apparel, Accessories & Footwear within the Consumer Goods sector.

Consumer Goods – Apparel, accessories & footwear

Category	Code	Accounting Index	Page
Management of Chemicals in Products	CC-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	39
	CC-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	39
Environmental Impacts in the Supply Chain	CC-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement(%)	-
	CC-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment(%)	122
Labor Conditions in the Supply Chain	CC-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor(%)	-
	CC-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits(%)	-
	CC-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks within the supply chain	81-82
Raw Material Sourcing	CC-AA-440a.1	Description of environmental and social risks associated with the sourcing of priority raw materials	34
	CC-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	54

TCFD Index

The entity systematically manages financial risks and opportunities arising from climate change by disclosing information based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). Through key strategies such as installing solar power facilities and improving energy efficiency, the company is reducing greenhouse gas emissions and strengthening its climate change response capabilities. The entity aims to transform climate risks into new growth opportunities and to become a sustainable fashion company contributing to the global carbon neutrality goals.

Recommendations	Page
Governance	A. Describe the board's oversight of climate-related risks and opportunities. 44-45
	B. Describe management's role in assessing and managing climate-related risks and opportunities. 45
Strategy	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. 46
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. 46
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 47-49
Risk Management	A. Describe the organization's processes for identifying and assessing climate-related risks. 46
	B. Describe the organization's processes for managing climate-related risks. 49
Metric and Targets	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. 50
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risk 50
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. 50

UN Global Compact

The UN Global Compact (UNGC) is an international initiative proposed in 2000 by former UN Secretary-General Kofi Annan to promote and support corporate sustainability. The Compact comprises 10 principles across four areas: human rights, labor, environment, and anti-corruption. The entity supports the UNGC's 10 principles and is committed to upholding them throughout its management practices.

The 10 Principles of the UN Global Compact

Category	Principles	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights; and	58
	make sure that they are not complicit in human rights abuses.	59
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	71
	the elimination of all forms of forced and compulsory labour;	60
	the effective abolition of child labour; and	60
	the elimination of discrimination in respect of employment and occupation.	65
Environment	Businesses should support a precautionary approach to environmental challenges;	37,44,56
	undertake initiatives to promote greater environmental responsibility; and	38,46
	encourage the development and diffusion of environmentally friendly technologies.	48,48
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	103-104, 106

Awards and Initiative Activities

Awards

Date	Award
1976. 02	Multiple Markets Exploration Award
1980. 12	Prime Minister's Citation
1981. 12	Stone Tower Order of Industrial Service Merit
1983. 02	Multiple Markets Export Award
1984. 11	USD 50 Million Export Tower
1985. 11	Bronze Tower Order of Industrial Service Merit
1987. 11	Golden Tower Order of Industrial Service Merit
1994. 05	Best Company Award
2012. 10	Macy's_Five Star Supplier Awards
2015. 10	Gap Inc._Outstanding Vendor Performance
2015. 11	Target_Partner Award of Excellence
2019. 10	Walmart_Supplier of Year
2023. 11	Prime Minister's Citation on 37th Textile Day
2024. 04	24th Korean Fashion Quality Awards

Initiative Memberships and Activities

Category	Activity
	ShinWon joins hands in progressing towards the UN's Sustainable Development Goals (UN SDGs). Together with our customers, suppliers, employees, shareholders, and other stakeholders, we will continue with sustainable management based on people, prosperity, earth, peace, and partnerships under the overarching pillars of environmental protection, social advancement, and economic growth.
	ShinWon joined the UN Global Compact (UNGC), the world's largest voluntary corporate citizenship initiative, and has since of sustainability. We abide by the 10 principles in the areas of human rights, labour, the environment, and anti-corruption that form the core value of the UNGC, and work together with global companies to promote sustainability.
	ShinWon has participated in the Carbon Disclosure Project (CDP) since 2014 to disclose our carbon emissions data. We are also setting specific carbon emissions reduction targets for the future. To achieve these targets, we will establish and implement our environmental management system and strategies on par with global standards.
	ShinWon joined the Science Based Targets initiative (SBTi)—a global collaboration launched by CDP, UNGC, WRI, and WWF—to pursue science-based reductions in greenhouse gas emissions, and as part of these efforts, obtained SBTi approval for its science-based targets in 2024.
	RISE (Reimagining Industry to Support Equality) is a global initiative aimed at promoting gender equality in the apparel industry. In 2024, the entity joined RISE as a Supplier Member, actively participating in efforts to enhance the rights and welfare of female workers.

GHG Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by SHINWON CORPORATION ("Company") to perform third- party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG Statement on the basis set out within the 'ISO 14064-1:2018', 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'IPCC Guideline: 2006'. The Company has full responsibility of the GHG Statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a person or an entity may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG Statement, and the scope of verification is as follows;

- Organizational boundary: Shinwon Corporation and its Overseas Subsidiaries¹
- Operational boundary: Direct Emissions (Scope 1) and Indirect Emissions (Scope 2)
- Reporting period: 2024.01.01 ~2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based on a Limited Level of assurance. DNV planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows ;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG Statement is not materially correct and is not a fair representation of GHG data and information ;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

2024	Accounting Method	GHG Emissions (ton CO ₂ e)			Renewable energy consumptions(GJ) ³⁾
		Scope 1	Scope 2	Total Emissions	
Shinwon and its subsidiaries	Market based ¹⁾		2,861	4,519	10,822
	Location-based ²⁾	1,658	12,186	13,844	

* In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with $\pm 1 \text{ tCO}_2\text{e}$.

1) The 'Market-based' emissions are GHG emissions reflected as Scope 2 by purchasing of a renewable energy certificate for taking part in RE100 (PT Shinwon Indonesia and PT Fashion Stitch Joshua: TIGRs Registry Certificate 2,460MWh, 1,149MWh), Shinwon Ebenezzer Hanoi Co., Ltd, and Shinwon Ebenezzer Vietnam Co., Ltd : i-REC Certificate 5,744MWh, 4,692MWh)

2) The 'Location-based' emissions are GHG emissions reported as Scope 2 based of local-grid

3) The renewable energy consumption reflects the amount of electricity generated by solar power systems installed at four subsidiaries.



2025.06.25
Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

GHG emissions and energy consumption by each entity

Company	Country	Accounting Method	GHG Emissions(ton CO ₂ e)			Renewable Energy Consumptions(GJ)
			Scope 1	Scope 2	Total Emissions	
Shinwon Corporation	Korea	Location-based	262	910	1,172	-
Shinwon GLS Co., Ltd.	Korea	Location-based	28	440	468	-
Shinwon Global Co., Ltd.	Korea	Location-based	-	3	3	-
Shanghai Shinwon Ebenezzer Co., Ltd	China	Location-based	-	6	6	-
Shinwon Ebenezzer Vietnam Co., Ltd	Vietnam	Market-based		-	378	-
		Location-based	378	2,903	3,282	-
Shinwon Ebenezzer Hanoi Co., Ltd	Vietnam	Market-based		25	61	-
		Location-based	136	3,653	3,789	-
PT Shinwon Ebenezzer	Indonesia	Location-based	-	0.44	0.44	-
PT Shinwon Indonesia	Indonesia	Market-based		252	503	-
		Location-based	252	2,156	2,408	-
Shinwon Guatemala S.A.	Guatemala	Location-based	150	773	923	5,962.1
Nanjing Golden Eagle & Shinwon Trading Co., Ltd	China	Location-based	-	0.95	0.95	-
Shinwon Ebenezzer USA Inc.	USA	Location-based	3	-	3	-
Ebenezzer Nicaragua, S.A.	Nicaragua	Location-based	2	19	21	-
Fashion Stitch Noah, S.A.	Nicaragua	Location-based	170	110	279	848.2
PT Fashion Stitch Joshua	Indonesia	Market-based		143	237	2,136.2
		Location-based	94	1,033	1,127	
Daniel Tex, S.A.	Guatemala	Location-based	72	98	170	1,875.3
Shinwon Central America, S.A.	Guatemala	Location-based	84	33	116	-
Fashion Stitch Guatemala, S.A.	Guatemala	Location-based	0	14	14	-
Shinwon Ebenezzer New York Inc.	USA	Location-based	0	5	5	-
Omega Tex, S.A.	Guatemala	Location-based	27	31	58	-
Total Emissions		Market-based		2,861	4,519	10,822
		Location-based	1,658	12,186	13,844	

¹Shinwon GLS Co., Ltd., Shinwon Global Co., Ltd., Shanghai Shinwon Ebenezzer Co., Ltd, Shinwon Ebenezzer Vietnam Co., Ltd, Shinwon Ebenezzer Hanoi Co., Ltd, PT Shinwon Ebenezzer, PT Shinwon Indonesia, Shinwon Guatemala S.A., Nanjing Golden Eagle & Shinwon Trading Co., Ltd, Shinwon Ebenezzer USA Inc., Ebenezzer Nicaragua, S.A., Fashion Stitch Noah, S.A., PT Fashion Stitch Joshua, Daniel Tex, S.A., Shinwon America, S.A., Fashion Stitch Guatemala, S.A., Shinwon Ebenezzer New York Inc., Omega Tex, S.A.

This Verification Opinion is valid as of the date of the issuance. Please note that this Verification Opinion would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

INDEPENDENT ASSURANCE OPINION STATEMENT

INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of ShinWon Corporation

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the SHINWON SUSTAINABILITY REPORT 2025 (hereinafter referred to as the "Report"). The Assurer is independent of the ShinWon and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the ShinWon report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the ShinWon and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

ShinWon is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ShinWon only.

The Assurer is responsible for providing ShinWon management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of ShinWon. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than ShinWon in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with ShinWon includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

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

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

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of disclosures covered

- Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by ShinWon.

[Universal Standards]

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

[Topic Standards]

201-1-2, 205-1-3, 206-1, 301-2, 302-1, 302-3-4, 303-1, 304-1-2, 4, 305-1-2, 305-4-5, 306-3-4, 308-1, 401-1-3, 402-1, 403-1-10, 404-1-3, 405-1-2, 406-1, 414-1-2

Methodology

- As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;
- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the ShinWon HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

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

INDEPENDENT ASSURANCE OPINION STATEMENT

Competency and Independence

- BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with ShinWon. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

- The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that ShinWon's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.
- On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

- The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

- ShinWon defined employees, customers, partners, local community, shareholders/investors, and government as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. ShinWon conducted a review of the stakeholder engagement process at the Steering Committee in order to reflect on the major issues derived through the stakeholder engagement process in sustainability strategy and goals. ShinWon disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

- ShinWon implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality evaluation, ShinWon conducted the analysis of global sustainability reporting or assessment standards, and conducted the double materiality analysis to derive the impact and financial materiality. ShinWon derived 5 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

- ShinWon operated a management process for material issues in the context of sustainability derived from the materiality assessment. ShinWon established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. ShinWon disclosed the process including policy, indicator, activity and response performance on material issues in the Report and Web homepages.

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

- ShinWon identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. ShinWon established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

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

- It may be helpful to advance the sustainability management system by specifying the identification boundaries of the value chain in consideration of the key business areas and business characteristics of the identity and deriving the sustainability issues and requirements of key stakeholders within the value chain.
- It may be helpful to advance the sustainability management system by establishing a major sustainability performance indicator management system, such as environment and society, and upgrading internal control procedures.
- In addition to the sustainability performance by reporting year, It may be helpful to advance the sustainability management system by disclosing the achievement status and plans of the key sustainability strategies.

GRI-reporting

- ShinWon provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by ShinWon. THE SECTOR STANDARD WAS NOT APPLIED.

Issue Date: 26/06/2025

For and on behalf of BSI (British Standards Institution): BSI representative

Jungwoo Lee,
Lead Assurer, LCSAP

Seonghwan Lim,
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